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## NOUVEAU MONDE SIGNS A LOI WITH SHINZOOM TO MARKET LITHIUM-ION BATTERY ANODE MATERIAL IN NORTH AMERICA

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battery anode material market.

To attain this goal the parties seek to form a new corporation (distribution joint venture) which will be owned 51 per cent by Shinzoom and 49 per cent by Nouveau Monde. Distribution JV will exclusively market Shinzoom's anode materials to lithium battery manufacturers in North America.

Subject to Shinzoom's investment policy and criteria, if the distribution JV brings successful marketing and distribution results satisfactory to both Shinzoom and Nouveau Monde in the first 18 months of distribution JV, the parties will evaluate the feasibility of manufacturing Shinzoom's anode material products (natural graphite, artificial graphite and composite graphite) in the province of Quebec. Subject to conditions stated hereto, the processing of anode material products in the province of Quebec would be developed through a new corporation (processing JV) which would be owned 51 per cent by Nouveau Monde and 49 per cent by Shinzoom.

The non-binding LOI is conditional to various conditions which are amongst them, a mutual satisfactory due diligence and the execution of the definitive agreements such as distribution agreement and shareholder agreement no later than Oct. 1, 2017. Completion of the transaction is subject to a number of conditions. There can be no assurance that the transaction will be completed as proposed or at all.

Eric Desaulniers, president and chief executive officer of Nouveau Monde, stated: "Shinzoom is a well-respected and established anode material producer in Asia. The collaboration

between Shinzoom and Nouveau Monde, if realised by the execution of the definitive agreements, would provide North American battery makers with much needed high-quality and competitively priced anode materials. This strategy would allow Nouveau Monde to become more vertically integrated and initiate a dialogue with customers."

Mr. Desaulniers continued: "Our graphite project is not covered in the non-binding LOI, but anodes require graphite and in the event of potential manufacturing of Shinzoom's anode material products in Quebec it would obviously be beneficial for Nouveau Monde's graphite products. The signing of this non-binding LOI paves a way for Nouveau Monde to actively engage customers today as well as develop its Matawinie graphite project, with a goal of maximizing downstream graphite market exposure."

"The North American market has tremendous growth potential for Shinzoom and we are ready to penetrate this market with our leading-edge anode material products," commented Tao Pi, general manager of Shinzoom. "We have already started building relationship with customers in North America. We believe that Nouveau Monde has good connections with major North American battery manufacturers and we sincerely hope that our collaboration with Nouveau Monde will immediately increase our sales in North America."

About Nouveau Monde Graphite Inc.

With a management team that has over 40 years of recent experience in the production, processing and marketing of natural graphite, Nouveau Monde Graphite (NMG) is a dynamic company positioned as a future leader in the emerging North American graphite and anode material for lithium-ion battery markets. NMG is evaluating its Matawinie graphite project

discovered in 2015 with the objective of becoming the largest graphite mine in North America. The company published a preliminary economic assessment, completed according to National Instrument 43-101 guidelines, in June of 2016 (see press release dated June 22, 2016). The project is located in the Saint-Michel-des-Saints area, about 120 kilometres north of Montreal, Que., Canada.

This press release was prepared by Eric Desaulniers, MSc, PGeo, president and chief executive officer of Nouveau Monde, qualified person under National Instrument 43-101 guidelines.

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