

## Graphite Miners News For The Month Of April 2019

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by: Matt Bohlsen

### Summary

- China Graphite flake spot prices were very slightly down in April.
- Graphite market news - Sila Nano's battery tech gains Daimler as a partner to develop silicon-based anode by the mid 2020's.
- Graphite company news - Syrah Resources Balama Q1 graphite production reached 48kt natural flake graphite.
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Welcome to the April edition of the graphite miners news. April saw slightly lower China flake graphite prices and a busy month for the graphite miners.

### Graphite price news

During April China graphite flake-194 EXW spot prices were down 1.88%, and are down 9.22% over the past year.

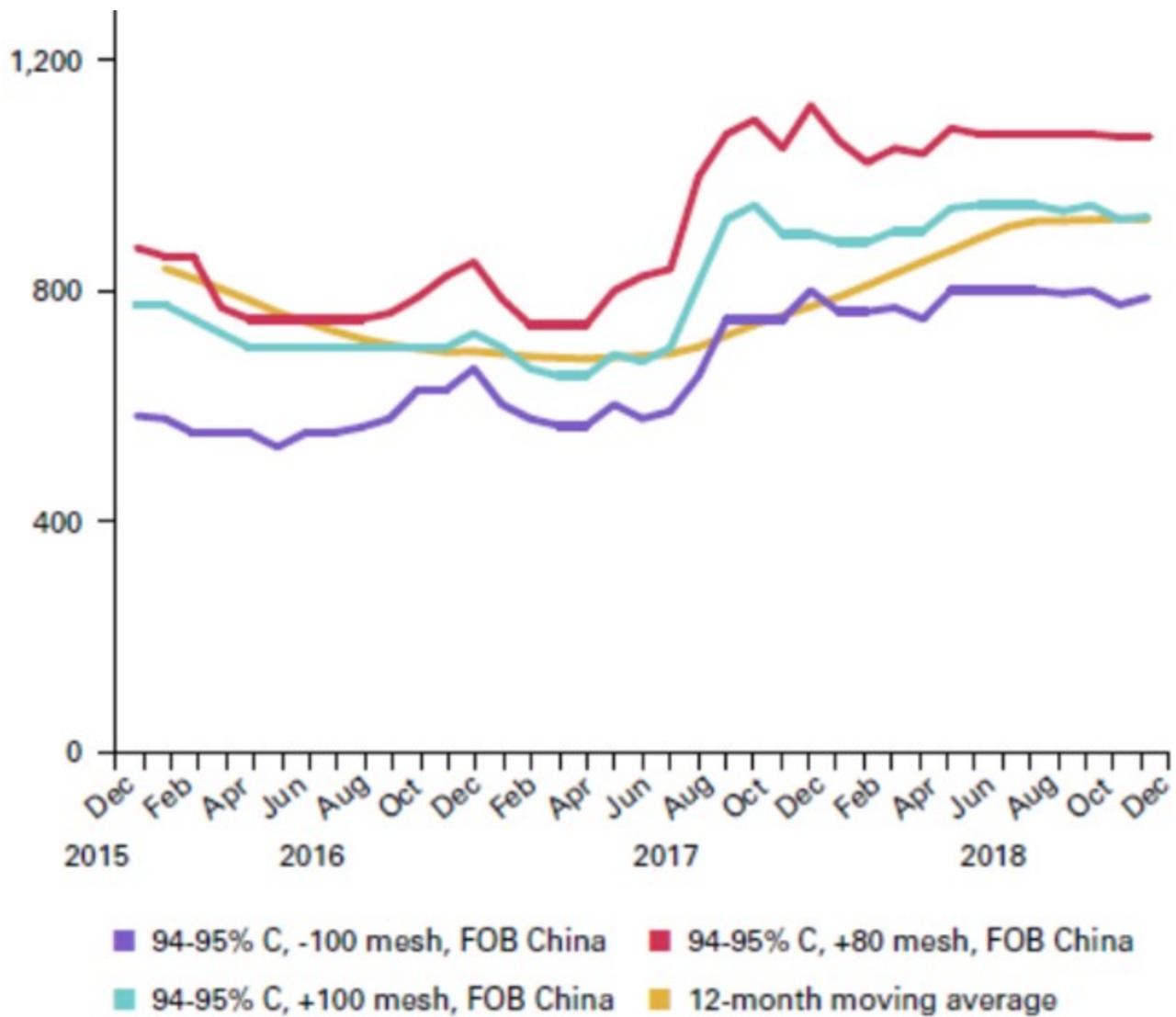
### 2018 Graphite prices guide only

Current graphite prices - US\$/tonne  
(94-97%<sub>o</sub>C)

XL flake	\$1,800/t	(+50 mesh)
Large flake	\$1,200/t	(+80 mesh)
Medium flake	\$1,000/t	(+100 to -80 mesh)
Small flake	\$850/t	(-100 mesh)

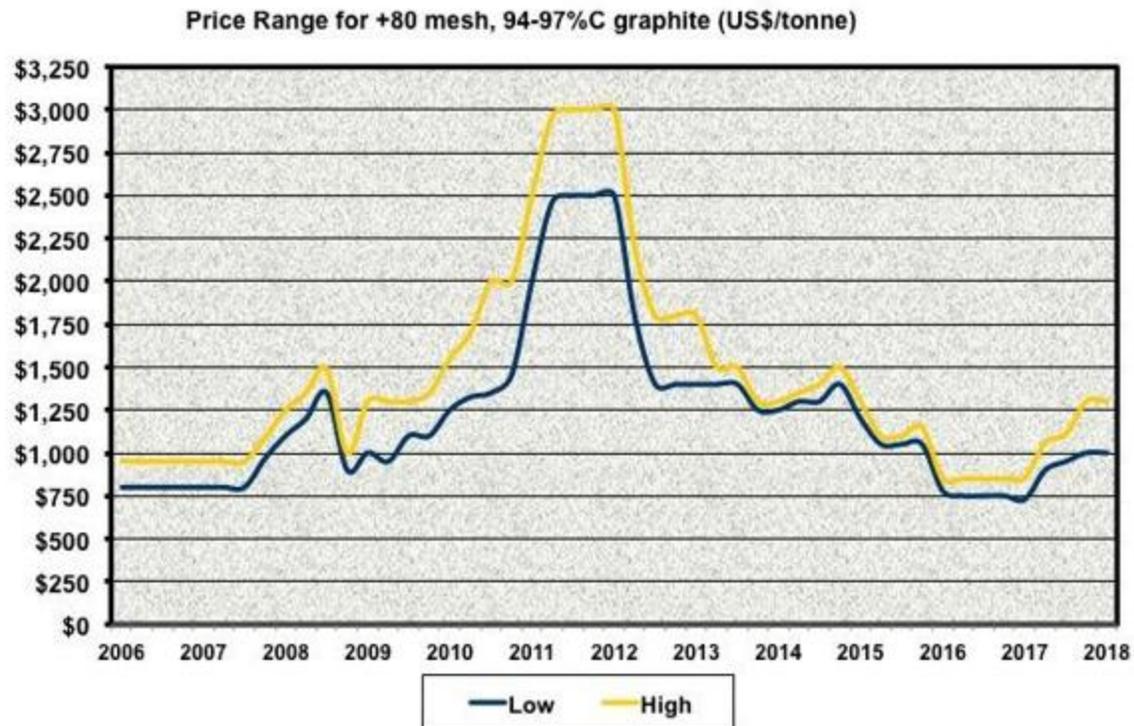
Source: Northern Graphite (2018 price guide)

### Graphite prices 2015-2018



Source: Triton Minerals and Benchmark Intelligence

### Graphite prices 2006 to 2018



Source: Northern Graphite website (not recently updated, graphite prices are down ~9% in the past year).

In my January 30, 2018 Trend Investing Interview with Benchmark Minerals Simon Moores said about graphite:

Spherical graphite anode plants, predominately based in China, were traditionally 5-10,000 tpa but now we are tacking four megafactories are looking to produce 60,000 to 100,000 tpa from 2020 onwards.

## Graphite market news

On April 17, TechCrunch reported:

Sila Nano's battery tech is now worth over \$1 billion with Daimler partnership and \$170 million investment.....Sila Nanotechnologies has developed a silicon-based anode to replace graphite in lithium-ion batteries. The company claims that its materials can improve the energy density of batteries by 20 percent.....Still, consumers shouldn't expect to see vehicles with Sila Nano's technology until at least the mid 2020s, as automakers look to prove that the company's battery technology meets their quality assurance standards.

On April 25 Bloomberg Quint reported:

There's more to worry for graphite electrode makers. China is expected to add 40 percent capacity by 2019-20, according to a Citi note authored by analysts Alexander Hacking and Bella Peng. The supply will outpace estimated demand and lead to Chinese exports in the second half of the year, eventually putting pressure on the prices of steelmaking raw material, the report said.

Note: The graphite electrode maker is different to the graphite miner.

## **Graphite miner news**

### ***Graphite producers***

I have not covered the following graphite producers as they are not accessible to most Western investors. They include - Aoyu Graphite Group, BTR New Energy Materials, Qingdao Black Dragon, National de Grafite, Shanshan Technology, and LuiMao Graphite.

Note: Imerys Graphite and Carbon (OTC:IMYSF) and AMG Advanced Metallurgical Group NV [NA:AMG] [GR:ADG] (OTCPK:AMVMF) are also "diversified producers", producing graphite. SGL Carbon (ETR:SGL) is a synthetic graphite producer.

### **Syrah Resources Limited [ASX:SYR][GR:3S7]( OTCPK:SYAAF)(OTC:SRHYY)**

Syrah Resources Limited owns the Balama graphite mine in Mozambique.

On March 29, Syrah Resources announced: "Graphite mineral resources and ore reserves update. Highlights include:

- "Increase of 19% in estimated Mineral Resources at Balama compared to previous ASX disclosures.
- Balama hosts a significant graphite Ore Reserve of 113.3 Mt at 16.36% total graphitic carbon ("TGC") for 18.5Mt graphite at 7.2% cut-off grade as at 31 December 2018 (versus prior disclosure of 114.5Mt at 16.5% and 9% cut-off grade, as set out in the Company's 2017 Annual Report).
- Reserve largely maintained with reduction due to operational depletion offset by lowering the Reserve cut-off grade from 9% to 7.2% TGC.
- Reclassification of Reserve from Proved to Probable due to changes in assumptions based on production and recovery, performance to September 2018 and weighted average price."

On April 4, Syrah Resources announced: "Balama graphite operation Q1 2019 preliminary update." Highlights include:

#### Production

- "Balama produced 48kt natural flake graphite.
- Higher recovery, plant availability and utilisation in second half of March resulted in a record month of production of ~19kt.
- Overall Q1 2019 recovery was broadly consistent with the prior quarter at ~ 70%.
- Detailed production improvement plan continuing."

#### Sales and Pricing

- "Sold 48kt during the quarter.
- Weighted average graphite price achieved of US\$469 per tonne [CIF] reflecting product mix, final vessel scheduling weighted towards sales of fines graphite and progress towards close out of lower priced contract volumes from 2018."

#### Cash and Liquidity

- "Cash as at 31 March 2019 was US\$62 million.
- Variance to guidance due to timing difference of working capital movements with ~ US\$5 million payments previously forecasted for Q1 rolling into early Q2."

You can view the latest investor presentation [here](#).

**Bass Metals [ASX:BSM] [GR:R2F] (OTC:BSSMF)**

On April 4, Bass Metals announced: "Bass Metals progresses brownfields exploration at Graphmada Large Flake Graphite Mine." Highlights include:

- Bass has progressed its brownfield exploration strategy as part of its long-stated strategy to materially grow the resource inventory at the Graphmada Large Flake Graphite Mine.
- The Company has completed 44 auger drill holes at the Mahela Prospect, for a total 411m drilled at an average depth of 9m. The drilling yielded high grade intersections of large flake graphite up to 6.8% Fixed Carbon [FC] over 11.3m, including 8.4% FC over 8m.
- Based on these results a significant easily minable, saprolitic-hosted, large flake graphite mineralisation zone has now been identified over at least a 650m strike length and is open ended to the north and south of the prospect.

***Graphite developers*****Battery Minerals [ASX:BAT] [GR:0FS]**

Battery Minerals Limited is a diversified mining development and minerals exploration company dedicated to exploring for and developing mineral deposits in Mozambique. The Company's core commodity targets are graphite, zinc/lead and copper. BAT is maintaining a focus on its two graphite development assets Montepuez and Balama which are located in Mozambique.

On April 4, Battery Minerals announced:

Battery Minerals raises \$5m to progress Montepuez graphite project. Heavily over-subscribed placement ensures the Company remains on track to capitalise on the lithium battery boom."

You can view the latest investor presentation [here](#).

**Magnis Energy Technologies Ltd [ASX:MNS] (OTC:URNXF) (formerly Magnis Resources)**

Magnis is an Australian based company that has rapidly moved into battery technology and is planning to become one of the world's largest manufacturers of lithium-ion battery cells. Magnis has a world class graphite deposit in Tanzania known as the Nachu Graphite Project with high distribution towards natural flake graphite in the Super Jumbo, Jumbo and Large flake categories.

On April 11, Magnis Energy Technologies Ltd announced:

Townsville Project feasibility study update....Significant progress made on feasibility study with positive initial findings.

### **Mason Graphite [TSXV:LLG] [GR:M01] ( OTCQX:MGPHF)**

Mason Graphite is a Canadian graphite mining and processing company focused on the development of the Lac Guéret project located in northeastern Quebec, where the graphite grade is believed by management to be among the highest in the world.

No news for the month.

You can view the latest investor presentation here.

### **NextSource Materials Inc. [TSX:NEXT] [GR:1JW] (OTCQB:NSRCF)**

NextSource Materials Inc. is a mine development company based in Toronto, Canada, that's developing its 100%-owned, Feasibility-Stage Molo Graphite Project in Madagascar. The Company also has the Green Giant Vanadium Project on the same property.

On April 11, NextSource Materials Inc. announced:

NextSource Materials receives global environmental permit for Molo Graphite Project in Madagascar.

Investors can view the latest company presentation here. You can watch the company's Senior Vice President Brent Nykolation video interview here.

### **Northern Graphite [TSXV:NGC][GR:ONG] (OTCQX:NGPHF)**

Northern's principal asset is the Bissett Creek graphite project located 100km east of North Bay, Ontario, Canada and close to major roads and infrastructure. The Company has completed an NI 43-101 Bankable final Feasibility Study and received its major environmental permit.

No news for the month.

You can view the latest investor presentation here.

### **Talga Resources [ASX:TLG] [GR:TGX] (OTCPK:TLGRF)**

Talga Resources Ltd is a technology minerals company enabling stronger, lighter and more functional materials for the multi-billion dollar global coatings, battery, construction and carbon composites markets using graphene and graphite. Talga has significant advantages owing to its 100% owned graphite deposits in Sweden, proprietary process test facility in Germany and in-house graphene product technology.

On April 1, Talga Resources announced: "Talga expands north Sweden operation with new manager and office in Kiruna."

On April 4, Talga Resources announced: "Drilling intersects exceedingly wide zones of graphite at Niska." Highlights include:

- "Drill program underway at Niska intercepts graphite units up to 60-75m true width from near surface, the widest to date from the Vittangi project and 3 x average width of current Nunasvaara resource.
- Drilling program expanded to focus on initial resource definition."

On April 10, Talga Resources announced: "Significant process and product results positively impact Vittangi PFS options."

On April 15, Talga Resources announced: "Updated-Significant process and product results positively impact Vittangi PFS options."

You can view the latest investor presentation here.

### **SRG Graphite [TSXV:SRG] [GR:18Y]**

SRG is focused on developing the Lola graphite deposit, which is located in the Republic of Guinea, West Africa. The Lola Graphite occurrence has a prospective surface outline of 3.22 km<sup>2</sup> of continuous graphitic gneiss, one of the largest graphitic surface areas in the world. SRG owns 100% of the Lola Graphite Project.

On April 2, SRG Graphite announced:

SRG receives environmental conformity certificate for Lola Graphite Project.

On April 9, SRG Graphite announced:

SRG reports successful processing of 200t at SGS Lakefield Pilot Plant. SRG Graphite Inc. is pleased to report the results of its 200-tonne (“t”) piloting project at SGS Canada. From the 200t processed, 12.8t of graphite flakes were produced at an average grade of 96.8% total carbon (“Ct”). With this graphite in hand, the Company will be better positioned to secure offtake agreements as it continues its sales efforts with its various clients in North America, Europe, and Asia.

You can view the latest investor presentation [here](#).

### **Leading Edge Materials [TSXV:LEM] (OTCQB:LEMIF)**

Leading Edge Materials Corp. is a Canadian company focused on becoming a sustainable supplier of a range of critical materials. Leading Edge Materials’ flagship asset is the Woxna Graphite production facility in central Sweden. The company also owns the Bergby lithium project, the Norra Karr REE project, and the Kontio cobalt project all located in Scandinavia .

On March 28, Leading Edge Materials announced:

Leading Edge Materials reports quarterly results to January 31st 2019. During the three months ended January 31, 2019 (the “Q1/2019”) the Company reported a net loss of \$849,079 compared to a net loss of \$1,111,857 for the prior three months ended October 31, 2018 (the “Q4/2018”), for a decrease in loss of \$262,778.

Investors can view the latest company presentation [here](#).

**Triton Minerals [ASX:TON][GR:1TG]**

Triton Minerals Ltd. engages in the acquisition, exploration and development of areas that are highly prospective for gold, graphite and other minerals. The company was founded on March 28, 2006 and is headquartered in West Perth, Australia. Triton has three large graphite projects in Mozambique, not far from Syrah Resources Balama project.

No news for the month.

You can view the latest investor presentation here and an excellent video here.

**Nouveau Monde Graphite [TSXV:NOU] (OTCQX:NMGRF)**

Nouveau Monde Graphite own the Matawinie graphite project, located in the municipality of Saint-Michel-des-Saints, approximately 150 km north of Montreal, Canada.

On April 3 Nouveau Monde Graphite announced: "Nouveau Monde Graphite announces a private placement of \$10.3 million by the Pallinghurst Group, a leading global mining investor."

On April 11, Nouveau Monde Graphite announced:

Nouveau Monde Graphite files environmental and social impact assessment for its Matawinie Project.

On April 23, Nouveau Monde Graphite announced:

The conseil des Atikamekw de Manawan, the Conseil de la nation Atikamekw and Nouveau Monde Graphite announce the signing of a pre-development agreement for the Matawinie Project.

You can view the latest investor presentation here.

**Volt Resources [ASX:VRC] [GR:R8L]**

Volt Resources Ltd is a graphite exploration company. The Company is focused on the exploration and development of its existing wholly owned Bunyu Graphite Project in Tanzania and the identification of further assets globally which have the potential to add value to shareholders.

No news for the month.

You can view the latest investor presentation here.

### **Renascor Resources [ASX:RNU]**

Renascor Resources Ltd. is an Australian exploration company, which focuses on the discovery and development of economically viable deposits containing uranium, gold, copper, and associated minerals. Its projects include graphite, copper, precious metals, and uranium.

On April 2, Renascor Resources Ltd. announced: "Siviour Mineral lease terms accepted."

On April 8, Renascor Resources Ltd. announced: "Mineral lease granted for Siviour."

On April 10, Renascor Resources Ltd. announced: "In principle project finance support from official Netherlands Government export credit agency."

- Up to approximately 60% of initial Siviour Graphite Project capital expenditure is expected to qualify for Dutch ECA cover.
- ECA cover typically supports favourable debt financing terms, including competitive margin and increased loan duration."

You can view the latest investor presentation here.

### **Kibaran Resources [ASX:KNL] (OTC:KBBRF)**

Kibaran Resources Limited is an ASX-listed exploration company focused on unlocking the graphite potential of the mineral-rich landscapes of Tanzania, East Africa. The primary focus is on the 100%-owned Epanko Deposit – a key graphite target within the Epanko Graphite Project area, which has been identified to host large flake graphite with 'expanded' properties. The Epanko Deposit has a JORC Indicated Mineral Resource Estimate of 12.8Mt at 10% TGC, for 1.28Mt of contained graphite.

On April 1, Kibaran Resources Limited announced: "KfW IPEX-Bank mandated for Epanko debt funding positive Tanzanian investment outlook enables restart of senior debt financing following 18 months of government discussions."

On April 17, Kibaran Resources Limited announced:

EcoGraf study delivers downstream development. Kibaran Resources Limited is pleased to announce the successful completion of engineering studies based on the optimised graphite purification flowsheet. The Company plans to fast-track the commercialisation of its proprietary battery (spherical) graphite purification technology. Robust financial metrics for 20,000tpa production plant: Initial investment of US\$64m. Pre-tax NPV10 of US\$194m (\$268m) and IRR of 49.8%. Annual EBITDA of US\$42m (\$58m). NPV and annual EBITDA increased by 34% and 38% respectively compared to 2017 estimate. Development de-risked through extensive customer product qualification program and staged development to 20,000tpa.

You can view the latest investor presentation here.

### **ZEN Graphene Solutions Ltd. [TSXV:ZEN] (OTCPK:ZENYF) (formerly Zenyatta Ventures)**

ZEN Graphene Solutions Ltd. is a mineral development company based in Thunder Bay, Ontario. ZEN Graphene is currently developing the Albany Graphite Deposit (“Albany”) – a rare, igneous related, hydrothermal graphite deposit with the potential to produce a natural, high-purity graphite, as well as developing graphene and graphene applications.

On April 2, ZEN Graphene Solutions Ltd. announced:

ZEN Solutions corporate update. ZEN Graphene Solutions Ltd. is pleased to announce that Dr. Francis Dubé will take over the role of Chief Executive Officer.

On April 4, ZEN Graphene Solutions Ltd. announced:

ZEN Graphene Solutions signs MOU with The University of Manchester on Graphene Development and commercialization collaboration opportunities.

On April 11, ZEN Graphene Solutions Ltd. announced:

ZEN Graphene Solutions reports a 324% increase in anode discharge capacity in preliminary battery testing results.....Initial results showed that the addition of 5% ZEN reduced Graphene Oxide (rGO) into Carbon Black derived from recycled tires from Kal Tire resulted in a 324% increase in the anode discharge capacity in comparison to the current industry standard anode material, SUPER P Carbon powder, which is used in numerous battery applications as a conductive additive. Dr. Francis Dubé, “This environmentally friendly process utilizes recycled used tires and produces Carbon Black which is potentially suitable for use as an Anode material in rechargeable batteries. This could potentially decrease the cost of anode material, which is currently the highest cost component of these batteries.

### **Sovereign Metals [ASX:SVM] [GR:SVM]**

Sovereign Metals Ltd. is an exploration company, which engages in the explorations of graphite, copper and gold resources. It operates through the Queensland, Australia and Malawi geographical segments. Sovereign Metals has world's biggest graphite saprolith source of 65m tonnes at 7.1% TGC at their Maligunde project in Malawi.

No news for the month.

You can view the latest investor presentation [here](#).

### **Lomiko Metals Inc. [TSXV:LMR] (OTCQB:LMRMF)**

Lomiko Metals is focused on the exploration and development of minerals for the new green economy such as lithium and graphite and also has a 100% interest in Lomiko Technologies Inc., an investor in technology and manufacturer of electronic products.

On April 23 Lomiko Metals announced:

Lomiko Metals and Quebec Precious Metals report intercept of 87.90 m of 7.14% including 21.00 m of 15.48% flake graphite from La Loutre. The current drill hole intercept is approximately 350 m south-east from high grade drill hole intercepts in 2017 of 7.74% Cg over 135.60 m including 16.81% Cg over 44.10 m from LL-16- 01 and 110.80 m of 14.56% Cg in hole LL-16-03. Both holes are located at the Refractory Zone. The mineralized area appears to be approximately 200 m wide, and including this intercept presented in this release, has a strike length of about 900m in the northwest to southeast direction and is open in both directions.

### **New Energy Metals Corp. [ASX:NXE] (formerly Mustang Resources)**

New Energy Minerals are pioneering Vanadium and Graphite mining, exploration, and technology. With the unique Caula Project in Mozambique nearing production they are set to supply the high quality resources critical to the rapidly expanding new energy market.

No news for the month.

You can view the latest investor presentation here.

### **Westwater Resources (WWR) (formerly Alabama Graphite)**

Westwater Resources Inc., is an explorer and developer of mineral resources that are materials essential to clean energy production. Formerly known as Uranium Resources Inc., Westwater is developing an advanced battery graphite business in Alabama, holds dominant mineral rights positions in the Western United States and the Republic of Turkey for both lithium and uranium deposits, as well as licensed production facilities for uranium in Texas.

On April 11, Westwater Resources Inc. announced:

Westwater announces excellent results from independent tests on Spherical Purified Graphite [SPG] from the Coosa Graphite Project. Christopher M. Jones, President and CEO of Westwater Resources, stated “We are pleased with the performance of our spherical graphite materials from the Coosa Graphite Project located in Alabama. In short, we have produced products for independent testing, these products have performed as designed, and this milestone achievement demonstrates some of the potential of our flagship Coosa Graphite Project. Long-term cycling data is useful for battery manufacturers and provides insights into the parameters that can help us continually improve the performance of our graphite products including our coated spherical purified graphite, thus developing a broader customer base.”

On April 15, Westwater Resources Inc. announced:

Westwater’s Coosa Project graphite performs well over extended period testing. U.S. made coated spherical purified graphite performs better than Chinese control sample over 200+ Cycles.

You can view the latest investor presentation here.

## **Other graphite juniors**

Berkwood Resources [TSXV:BKR] [GR:BR2N] (OTC:CZSVF), BlackEarth Minerals [ASX:BEM], Black Rock Mining [ASX:BKT], Ceylon Graphite [TSXV:CYL] [GR:CCY] (OTC:CYLYF), DNI Metals [CSE:DNI] (OTCPK:DMNKF), Eagle Graphite [TSXV:EGA] [GR:NJGP] (OTC:APMFF), Elcora Advanced Materials Corp. [TSXV:ERA] (OTCPK:ECORF), Focus Graphite [TSXV:FMS][GR:FKC] (OTCQB:FCSMF), Graphite One Resources Inc. [TSXV:GPH] [GR:2JC] (OTCQB:GPHOF), Gratomic Inc. (TSXV:GRAT), Graphite Energy Corp. [CSE:GRE] [GR:GOA] (OTCPK:GRXXF), NovoCarbon Corp. (formerly Great Lakes Graphite) [TSXV:GLK] [GR:8GL] (OTC:GLKIF), Walkabout Resources Ltd [ASX:WKT].

## Conclusion

April was a quiet month for graphite industry news, but quite a busy month for the graphite miners. The juniors continue to make good progress and expand into other markets such as spherical graphite, and graphene.

Highlights for the month were:

- Sila Nano's battery tech is now worth over \$1 billion with Daimler partnership and \$170 million investment.
- Syrah Resources - Balama Q1 graphite production reached 48kt natural flake graphite, March resulted in a record month of production of ~19kt.
- Bass Metals progresses brownfields exploration at Graphmada Large Flake Graphite Mine.
- NextSource Materials receives global environmental permit for Molo Graphite Project in Madagascar.
- SRG receives environmental conformity certificate for Lola Graphite Project. SRG reports successful processing of 200t at SGS Lakefield Pilot Plant.
- Renascor Resources - Mineral lease granted for Siviour. In principle project finance support from official Netherlands Government export credit agency.
- Kibaran Resources - Robust financial metrics for 20,000tpa production plant.
- ZEN Graphene Solutions reports a 324% increase in anode discharge capacity in preliminary battery testing results.
- Westwater announces excellent results from independent tests on Spherical Purified Graphite [SPG] from the Coosa Graphite Project.

As usual all comments are welcome.

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**Disclosure:** I am/we are long Syrah Resources (ASX:SYR), Kibaran Resources (ASX:KNL), Triton Minerals (ASX:TON), AMG Advanced Metallurgical Group NV [AMS:AMG]. I wrote this article myself, and it expresses my own opinions. I am not receiving compensation for it (other than from Seeking Alpha). I have no business relationship with any company whose stock is mentioned in this article.

**Additional disclosure:** The information in this article is general in nature and should not be relied upon as personal financial advice.

Editor's Note: This article covers one or more microcap stocks. Please be aware of the risks associated with these stocks.

## Related Stocks

Ticker	Company Name	Market Cap	PE Ratio	Div Yield	1M Perf
<a href="#">AMVMF</a>	AMG Advanced Metallurgical Group N.V.	\$945.02M	9.82	1.30%	0.36%
<a href="#">APMFF</a>	Eagle Graphite Incorporated	\$2.25M	-3.58	-	0.00%
<a href="#">BSSMF</a>	Bass Metals Limited	\$21.72M	-6.97	-	0.00%
<a href="#">CYLYF</a>	Ceylon Graphite Corp.	\$5.7M	-5.99	-	3.18%
<a href="#">CZSVF</a>	Berkwood Resources Ltd.	\$2.34M	-0.80	-	-26.32%
<a href="#">DMNKF</a>	DNI Metals Inc.	\$5.61M	-1.55	-	-
<a href="#">ECORF</a>	Elcora Advanced Materials Corp.	\$5.46M	-4.16	-	-9.23%
<a href="#">FCSMF</a>	Focus Graphite Inc.	\$8.33M	-6.58	-	13.19%

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### Pappel

Why no information to Umicore? They reported low volumn in China

29 Apr 2019, 02:37 AM