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Quick Picks & Lists

Graphite Miners News For The Month Of May 2020

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by: Matt Bohlsen

Summary

- China Graphite flake-195 spot prices were slightly higher in May.
- Graphite market news - Graphite supply needs to increase nearly 500 percent by 2050.
- Graphite company news - Bass Metals identified mineralization of at least 4.5km in strike. Magnis Energy NY Battery Plant funding is close to closing. Nouveau Monde receives $5.2m funding.
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Welcome to the May edition of the graphite miners news. May saw graphite prices rise slightly and not a lot of news.

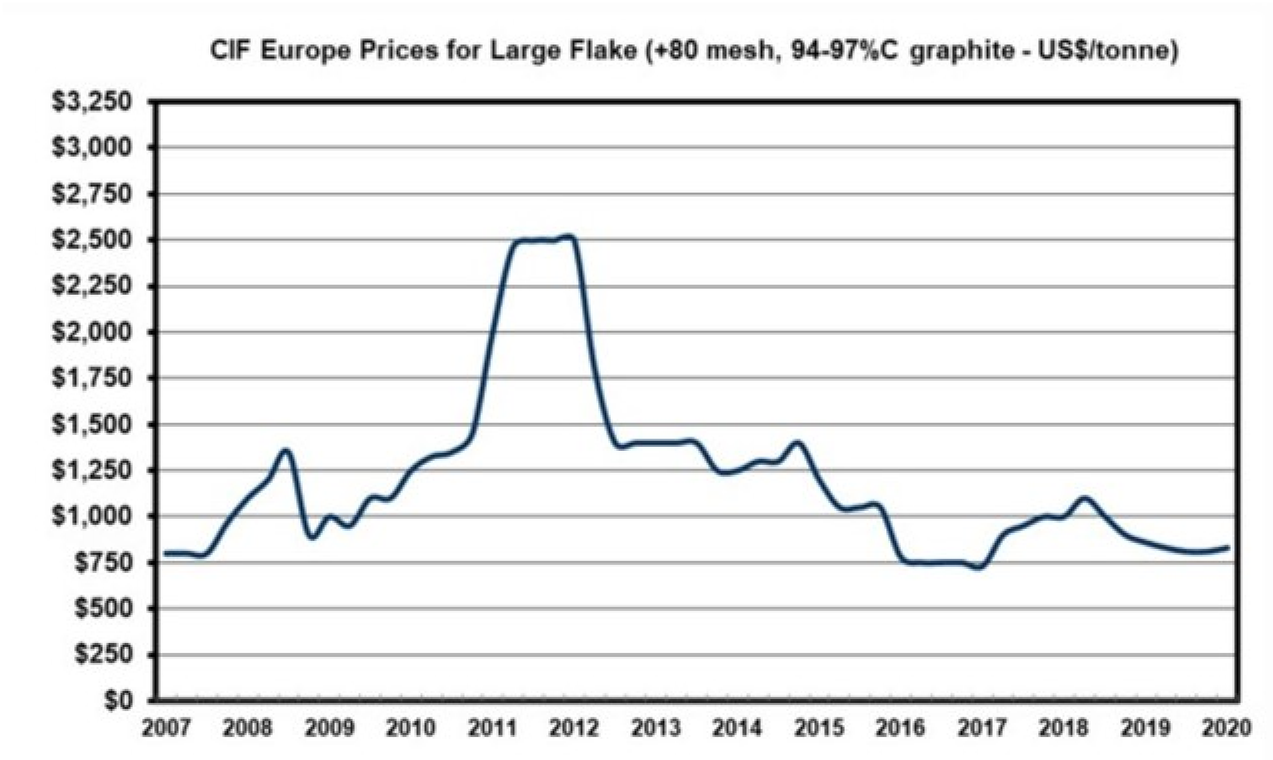
A reminder of a 2016 Elon Musk quote:

> Our cells should be called Nickel-Graphite, because primarily the cathode is nickel and the anode side is graphite with silicon oxide.

Graphite price news

During May China graphite flake-195 EXW spot prices were up 0.71%, and are up 10.26% over the past year. Note that 94-97% is considered best suited for use in batteries; it is then upgraded to 99.9% purity to make "spherical" graphite used in Li-ion batteries.

Graphite price chart - Large flake graphite price is ~USD 830/t

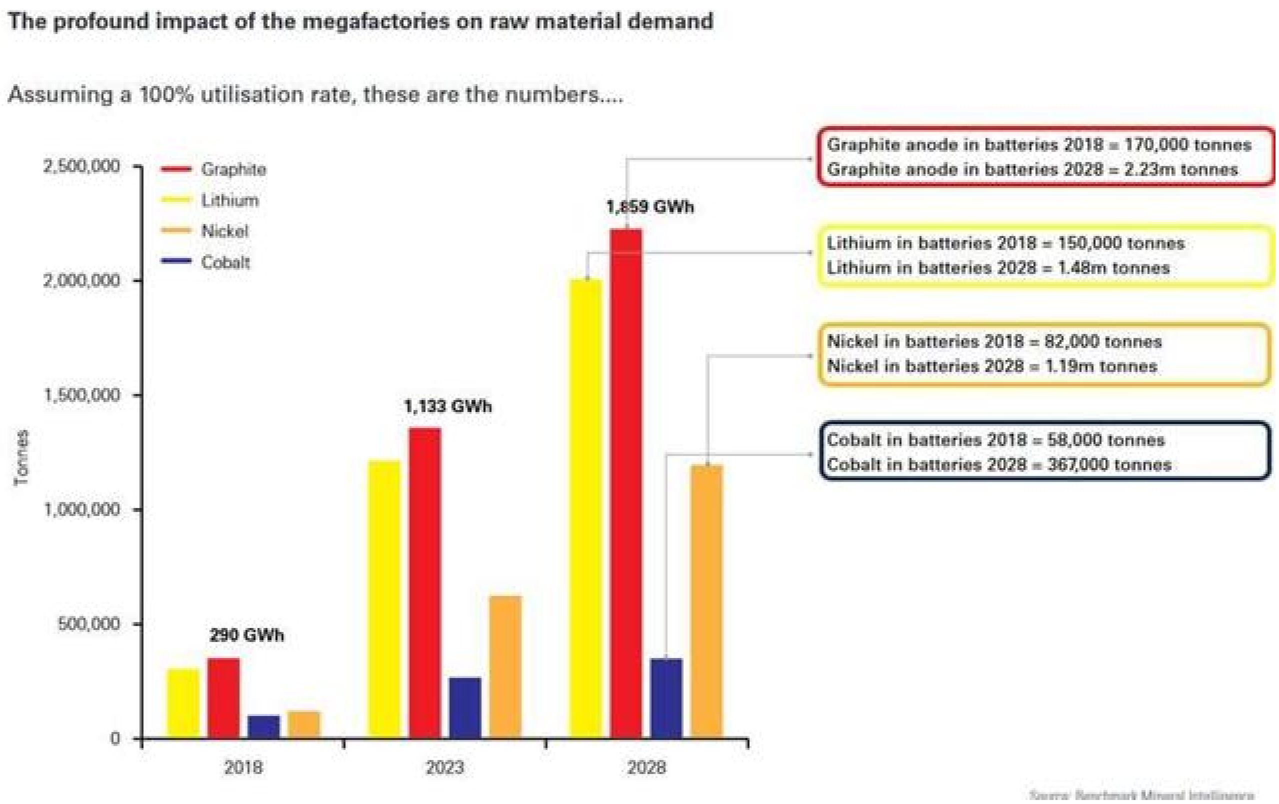


Source: Northern Graphite

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.

The impact of the proposed megafactories on raw material demand (graphite in red)



Source: Benchmark Mineral Intelligence

Graphite market news

On April 27, The Korea Times reported:

> LG Chem bets big on carbon nanotubes. LG Chem will invest 65 billion won ($53 million) by the first quarter of 2021 to expand production of carbon nanotubes, which are known to be among the strongest, lightest and most conductive fibers, at its plant in Korea. With the investment, the company said it will expand the annual production capacity to 1,700 tons from the current 500 tons. "By using carbon nanotubes as anode-conductive additives, we will be able to reduce the use of conductive materials by about 30 percent and increase the capacity of lithium-ion batteries," the company said.

On May 13, Graphite Investing News reported:

> Graphite supply needs to increase nearly 500 percent by 2050. The energy revolution and the push for lower carbon emissions are unstoppable trends that will continue to unfold in the coming decades. Demand for energy storage is expected to be so high that production of key battery metals such as graphite will need to ramp up to unprecedented levels. According to a new World Bank report, just to meet the increasing demand from this segment, graphite output will need to jump by nearly 500 percent by 2050.

On May 14, Fastmarkets reported:

> Fine flake prices fall while market for larger sizes tightens. Prices in the +194 market and parts of the +894 market have risen, with consumers that need to secure material being prepared to accept higher offers.

Graphite miner news

Graphite producers

I have not covered the following graphite producers as they are not typically 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.

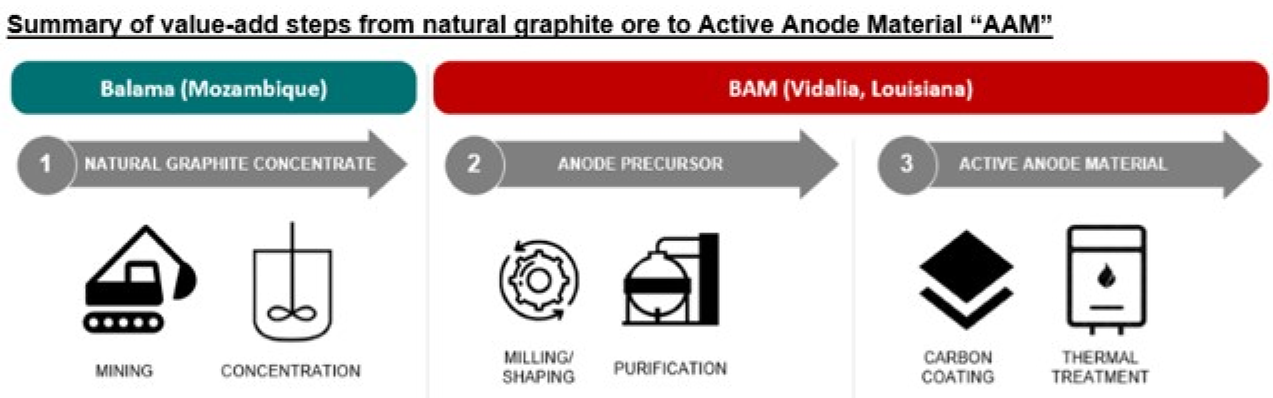
Note: Imerys Graphite and Carbon (OTC:IMYSF) and AMG Advanced Metallurgical Group NV [NA:AMG] [GR:ADG] (OTCPK:AMVMF) are also "diversified producers", producing graphite. SGL Carbon (OTCPK:SGLFF) [ETR:SGL] is a synthetic graphite producer.

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

Syrah Resources Limited owns the Balama graphite mine in Mozambique.

On May 4, Syrah Resources Limited announced:

Battery Anode Material Project [USA] - Restart of Operations. Syrah Resources Limited is pleased to announce restart of operations at the Battery Anode Material ("BAM") plant in Vidalia (Louisiana, USA)......Currently 100% of all anode precursor material into the lithium ion battery supply chain is manufactured in China. Ex-China AAM producers in Korea and Japan are therefore wholly reliant on China for supply of natural graphite anode precursor material. This in-turn means ex-China battery cell manufacturers in Japan, Korea, the USA and Europe are therefore reliant on China for their anode supply chains. Syrah aims to provide an alternate and complementary supply of anode material to existing China supply to meet growing demand.....Production of qualification samples of AAM is planned during H2 2020.



Source: May 4, 2020 BAM Project

You can view the latest investor presentation here, and the Chairman's May 2020 AGM address here.

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

On May 18 Bass Metals announced: "exploration update".

Highlights:

- "Bass recently completed an initial surface exploration program which identified mineralization of at least 4.5km in strike between the Mahela and Loharano large flake graphite deposits (the "Mineralized Trend")(ASX announcement 29th April 2020) and identified several high priority targets......
- 14 of the 15 holes drilled to date have recorded regolith hosted, large flake graphite mineralization present.

- The Project is a near-mine mineralization zone located a short 2km haul to well-established large flake graphite mining and processing infrastructure (Graphmada).
- The Company plans for the results of this drilling, and follow up diamond drilling, to support materially expanding Graphmada's Mineral Resource."

Ceylon Graphite [TSXV:CYL] [GR:CCY] (OTC:CYLYF)

Ceylon Graphite has 'Vein graphite' production out of one mine in Sri Lanka with 121 square kilometers of tenements.

No news for the month.

Mineral Commodities Ltd. ("MRC") [ASX:MRC]

Skaland Graphite is 90% owned by MRC. Skaland is the highest grade flake graphite operation in the world and largest producing mine in Europe; with immediate European graphite production of up to 10,000 tonnes per annum with regulatory approval to increase to 16,000. MRC owns 90%.

On April 30, Mineral Commodities Ltd. announced: "Quarterly activities report-March 2020." Highlights include:

- "Tormin - Key environmental approval received at Tormin for expanded mining rights and downstream processing.
- Tormin - Prospecting Rights for Northern Beaches and Inland Strand granted and registered.
- Tormin - Resource drilling underway with up to 62% THM intersected at Inland Strandline along with new Eastern Strandline discovery.
- Skaland Graphite - Maiden JORC resource of Indicated and Inferred 1.78 million tonnes at 22% TGC announced.
- Munglinup DFS completed, demonstrating robust outcomes that enable MRC to move to 90% ownership: Post-tax - Net Present Value ("NPV7") US$111M [AU$160M]. Post-tax project - IRR 30%. Capex - US$61M (AU$88M). Opex - US$491/tonne [FOB] (AU$720/tonne).
- Munglinup/Skaland downstream purification testwork progressing well with results due for release in Q2 2020.
- NPBT 2019 full year results - Revenue of US$61.8M up 12%, EBITDA US$16.5M up 12%, NPBT US$11.9M up 14% and NPAT US$7.8M down 11%."

On May 19, Mineral Commodities Ltd. announced:

> Tormin Northern Beach delivers high grade maiden resource...High-grade resource of 2.5 Million tonnes at 23.5% Total Heavy Minerals ("THM").

Graphite developers

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.

On May 15, Magnis Energy Technologies Ltd. announced: "NY Battery Plant - major milestones completed." Highlights include:

- "Detailed engineering and facility pre-work completed on the New York Battery Plant.
- Reports commissioned at the request of three prospective investors have been finalised for their due diligence process.
- Potential financiers have provided Non-Binding term sheets and a LOI, but COVID-19 pandemic is delaying funding closure.
- Sale of a portion of the nickel foam purchased as part of the plant acquisition, nets iM3NY over AUD$500,000."

On May 21, Magnis Energy Technologies Ltd. announced: "Evaluation of Nachu Graphite by major prospective customers." Highlights include:

- "Samples of Nachu high purity graphite provided to South Korean and Japanese LIB battery anode suppliers.
- Ongoing metallurgical work to optimise production of uncoated spherical graphite at >99.95% TGC purity using low cost mechanical process.
- Two-step process with Flake graphite concentrate produced initially at 99.8%TGC purity with subsequent spheronisation achieving >99.95% TGC purity."

Eagle Graphite [TSXV:EGA] (OTC:APMFF)

The Black Crystal Project is located in the Slocan Valley area of British Columbia, Canada, 35km West of the city of Nelson, and 70km North of the border to the USA. The quarry and plant areas are the project's two main centers of activity.

No news for the month.

Battery Minerals [ASX:BAT] [GR:0FS]

Battery Minerals 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.

No news for the month.

You can view the latest investor presentation here.

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.

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 significant news for the month.

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

No news for the month.

Investors can view the latest company presentation here. You can watch the company's Senior Vice President Brent Nykoliation 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 100% owned graphite deposits are in Sweden, proprietary process test facility is in Germany.

On April 30, Talga Resources announced: "Quarterly activities review for the period ending 31 March 2020." Highlights include:

Commercial & Product Development

- "MOU agreement signed with Mitsui for joint project development.
- Successful 60 tonne pilot graphite concentrate program supports anode market development.
- Talga in Bentley Motors electric drive project (subsequent to the period).
- 33,000 tonne ship trials push graphene-coating demand."

Mineral Project Development & Exploration

- "Environmental approval received for Vittangi Stage 1 Mining Operation, Sweden."

Corporate & Investor Relations

- "COVID-19 operational update and cost reduction measures.
- Cash balance of A$6.6 million as at 31 March 2020."

You can view the latest investor presentation here.

SRG Mining Inc. [TSXV:SRG] [GR:18Y] [Formerly SRG Graphite Inc.]

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 km2 of continuous graphitic gneiss, one of the largest graphitic surface areas in the world. SRG owns 100% of the Lola Graphite Project.

On May 8, SRG Mining Inc. announced: "SRG Mining Inc. announces grant of Stock Options."

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.

No significant news for the month.

Investors can view the latest company presentation 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 29, Nouveau Monde Graphite announced: "Nouveau Monde receives over $5.2m in financial support." Highlights include:

- "$3,000,000 non-refundable financial assistance from Transition énergétique Québec's Technoclimat program.
- $1,994,405 in funding closed with Investissement Québec through two loan offers.
- 5% increase to Sustainable Development Technology Canada's $4,250,000 initial grant representing an additional $212,500."

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 30, Renascor Resources announced: "Quarterly report 31 March 2020." Highlights include:

- "Renascor's development of its 100%-owned Siviour Graphite Project continues, with focus on battery-grade, Purified Spherical Graphite for use in lithium-ion batteries. Work undertaken during the recently completed quarter included. Discussions with potential offtake partners in Northeast Asia and Europe, which have revealed strong interest in Renascor's plans to develop a Purified Spherical Graphite Advanced Manufacturing operation within Australia. An advanced study on a vertically integrated Purified Spherical Graphite operation. Additional production trials to produce qualifying Purified Spherical Graphite samples from Siviour graphite concentrates. Continued

mineral processing tests aimed at optimising production parameters for producing graphite concentrates and Purified Spherical Graphite.
- Letter of Support received for the provision of finance from Export Finance Australia, the official Export Credit Agency of the Australian Government.
- Renascor has taken steps to manage the impact of COVID-19, with work programs being designed to ensure that they can continue with minor disruptions due to travel restrictions and shipping delays.
- Cash position of approximately $2.1m as of 31 March 2020, which does not include a further $137,000 in placement proceeds due from Renascor Directors following Shareholder approval at 11 March 2020 Shareholder meeting."

You can view the latest investor presentation here.

EcoGraf Limited [ASX:EGR]

On April 30, EcoGraf Limited announced: "March 2020 quarterly report. Australian Government Agency provides in-principle debt funding support for Kwinana battery recycling provides new global market opportunity." Highlights include:

- "Kwinana battery graphite manufacturing facility advances towards development. In-Principle debt funding support received from Export Finance Australia. Commercial and technical due diligence for debt and equity funding processes underway with prospective financiers. Sales and offtake arrangements under discussion with major battery and industrial groups in Asia and Europe. Feedstock supply agreement signed with leading German group TECHNOGRAFIT GmbH. Successful completion of feedstock optimisation program.
- Epanko debt financing. US$60 million debt financing proposal submitted to the Government of Tanzania for the construction of the new Epanko Graphite Mine.
- Successful EV battery recycling trial achieving. 99% carbon. Recycling results provide new opportunity for EcoGraf™ purification technology as market demand shifts to zero waste batteries and closed-loop manufacturing.
- Investment continues in Europe to transition towards renewable energy for electric vehicles, supporting the shift to new responsibly produced raw material supplies.
- Board and management implement cost reduction measures to preserve shareholder value in reaction to COVID-19 virus.

- Company progressing several alternatives to provide additional funding for Kwinana and Epanko pre-development programs."

On May 12, EcoGraf Limited announced:

> High purity fines qualified with European customers. An additional Commercial advantage for Kwinana Facility. EcoGraf Limited is pleased to announce that it has received confirmation that the Company's high purity graphite which is produced from low value graphite by-product fines utilising the EcoGraf. Process has been qualified by two leading European industrial customers as meeting their strict physical and chemical specifications. In the production of battery [spherical] graphite for the lithium-ion battery market up to 50% of the initial graphite feedstock reports as fines. The ability to further process this low value by-product and sell as a high value product adds significant further value to the processing economics for production of battery [spherical] graphite using the EcoGraf proprietary non-hydrofluoric purification process.

On May 21, EcoGraf Limited announced: "EcoGraf successfully completes share placement. Funds to be applied towards development of New Australian battery graphite business." Highlights include:

- "Share Placement oversubscribed, raising $1.6 million at 6.5 cents per share.
- Strong support from existing shareholders and encouraging participation by new institutional investors.
- Funds to be applied towards: Development of a state-of-the-art EcoGraf™ battery graphite facility in Kwinana, Western Australia, including: Finalising offtake arrangements with priority customers in Europe and Asia. Preparation of marketing and technical reports to support Government funding processes. Securing lender approvals for the proposed US$35 million debt financing. Pre-development technical programs and submission of Government development approvals. Completion of engineering, procurement, construction and operations planning arrangements. Securing Government approvals for the Epanko US$60 million debt financing proposal developed with KfW IPEX-Bank.
- Opportunity for eligible existing shareholders to participate via a Share Purchase Plan at 6.5 cents per share to raise up to an additional $500,000."

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"), as well as developing graphene and graphene applications.

No significant news for the month.

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 resource of 65m tonnes at 7.1% TGC at their Maligunde project in Malawi.

No significant news for the month.

You can view the latest investor presentation here.

New Energy Metals Corp. (OTCPK:NEMCF) [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 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 30, Westwater Resources Inc. announced:

> Westwater Resources prevails in key decision in the international arbitration against Turkey. Westwater Resources, Inc., an energy materials development company, announced that the tribunal appointed by the International Centre for Settlement of Investment Disputes [ICSID] has issued a procedural order that denies a request made by the Republic of Turkey to bifurcate the arbitration proceeding. As a result, a hearing on the merits is now scheduled for September 2021.

On May 14, Westwater Resources Inc. announced: "Westwater Resources reports first quarter 2020 results & Energy Materials business update." Highlights include:

Battery Graphite Business Update:

- "Our battery graphite business continues on track toward operation of a pilot plant, which we anticipate will make battery graphite in bulk quantities in the fourth quarter of 2020......

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], DNI Metals [CSE:DNI] (OTCPK:DMNKF), Eagle Graphite [TSXV:EGA] [GR:NJGP] (OTC:APMFF), Elcora Advanced Materials Corp. [TSXV:ERA](OTCPK:ECORF), First Graphene [ASX:FGR] (OTC:FGPHF), 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), Lomiko Metals Inc. [TSXV:LMR] (OTCQB:LMRMF), NovoCarbon Corp. (formerly Great Lakes Graphite [TSXV:GLK] [GR:8GL] (OTC:GLKIF)), Walkabout Resources Ltd. [ASX:WKT].

Conclusion

May saw graphite prices rise slightly.

Highlights for the month were:

- Fine flake prices fall while market for larger sizes tightens.
- LG Chem bets big on carbon nanotubes.

- Graphite supply needs to increase nearly 500 percent by 2050.
- Bass Metals identified mineralization of at least 4.5km in strike between the Mahela and Loharano large flake graphite deposits, 2kms from their Graphmada mine.
- Magnis Energy NY Battery Plant funding is close to closing.
- Nouveau Monde receives over $5.2m in financial support.
- EcoGraf Kwinana battery graphite manufacturing facility advances towards development.

As usual all comments are welcome.

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Disclosure: I am/we are long SYRAH RESOURCES [ASX:SYR], 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.

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