

Graphite Miners News For The Month Of August 2019

Summary

China Graphite flake spot prices were lower again in August.

Graphite market news - Chinese flake graphite imports hit new high in June. Some oversupply in flake graphite in July. China's steel industry slows in July.

Graphite company news - SRG announces strategic alliance MOU with US-Based industrial firm that acquires 8,300,000 shares of SRG.

This idea was discussed in more depth with members of my private investing community, Trend Investing. [Get started today »](#)

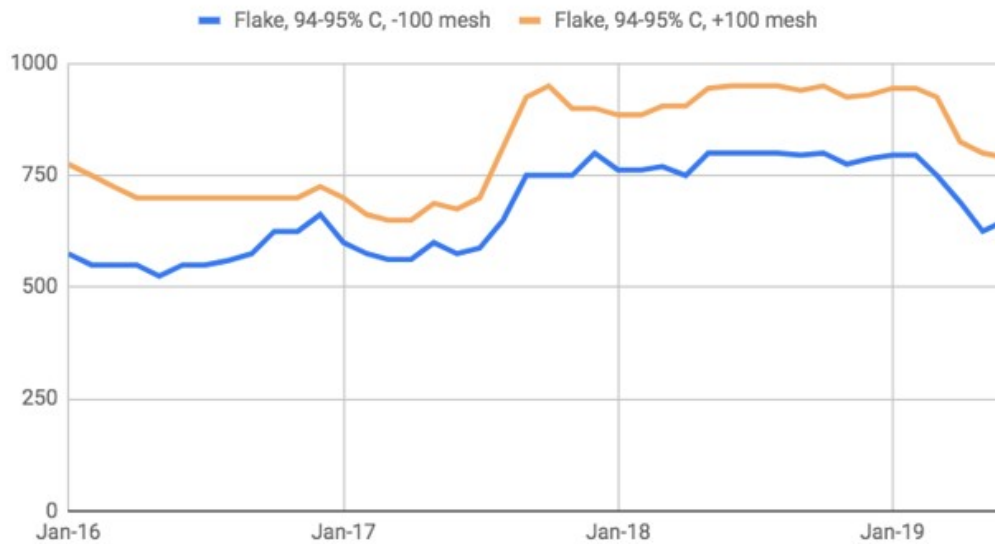
Welcome to the August edition of the graphite miners news. August saw graphite prices lower again due to some oversupply concerns (not helped by a slowdown in China July steel sales, and China July EV sales). The graphite producers are no doubt feeling the pinch of lower prices, while the graphite juniors continue to diversify (spherical graphite, graphene, expandable graphite, and Li-ion battery facilities etc) and make forward progress.

Graphite price news

During August China graphite flake-194 EXW spot prices were down [3%](#) and are down [20.88%](#) over the past year.

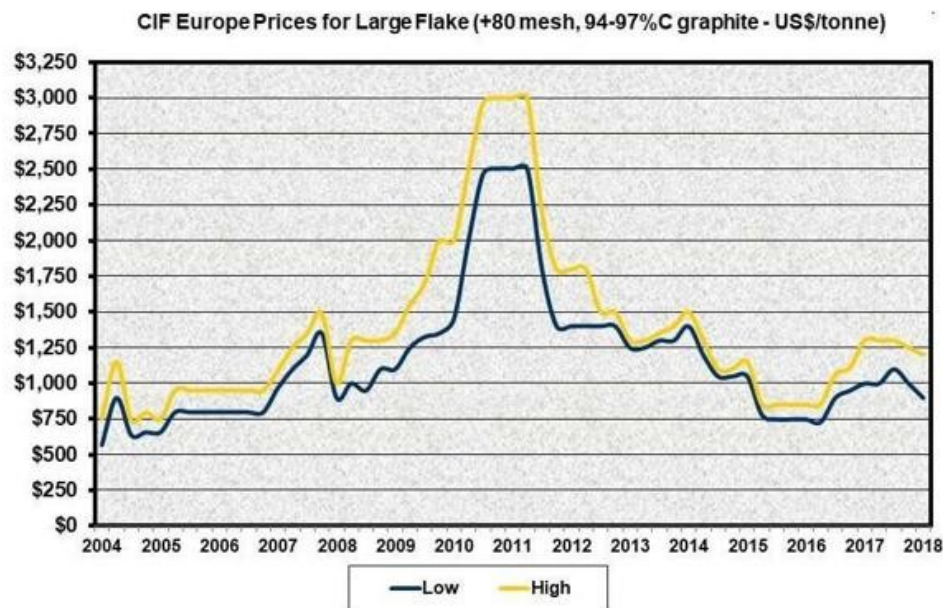
Graphite prices 2016 to ~May 2019

Graphite Prices



[Source](#): Investing News courtesy of Benchmark Intelligence

Graphite prices 2004 to end 2018



[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.

Graphite market news

On August 8 Fastmarkets [reported](#): "Chinese flake graphite imports hit new high. China imported record volumes of flake graphite into China in June, in line with the development of the lithium-ion anode industry."

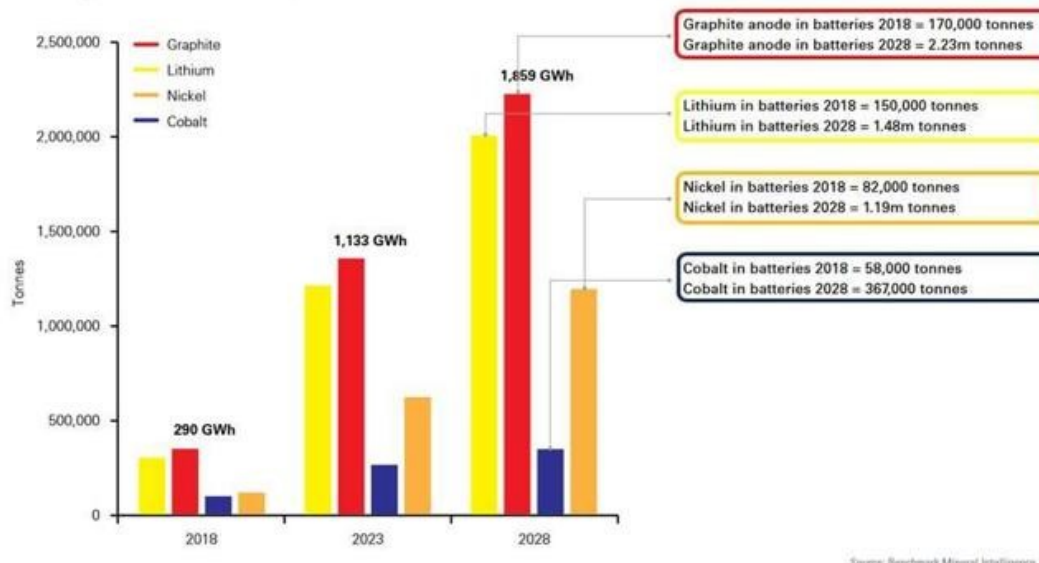
On August 15 Fastmarkets [reported](#): "China's steel output shows signs of slowdown in July. Chinese steel output has fallen since June on lower demand and production restrictions in the north."

On August 22 Fastmarkets [reported](#): "China, Europe flake prices fall on oversupply, weak demand."

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

The profound impact of the megafactories on raw material demand

Assuming a 100% utilisation rate, these are the numbers...



[Source](#): Benchmark Mineral Intelligence

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:AMVME](#)) also are "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.

No significant news for the month.

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

Balama - The world's largest integrated natural graphite mine and processing plant



[Source](#)

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

On July 31 Bass Metals [announced](#): "Quarterly activities report June 2019." Highlights include:

- "Record 33,184 tonnes processed and 1,005 wet tonnes produced at premium benchmark quality of >94% Fixed Carbon [FC], an 80% increase on the previous quarter's wet tonne production.
- Record 1,096 tonnes dried, an 85% increase on the previous quarter's dry tonne production.
- Record 783 tonnes sold, a 94% increase in sales by revenue over the previous quarter.
- Record revenue received of \$A638k for the June quarter, maintaining an approximate doubling of revenue quarter on quarter since Bass re-commissioned Graphmada.
- Significant drilling undertaken as Bass seeks to materially expand its resources at Graphmada.
- Execution of a Sales and Agency Agreement for supply of graphite concentrates into the rapidly growing and key Indian market.
- Prudent \$2.7m cash and receivables retained as at 30 June 2019."

On August 19 Bass Metals [announced](#):

Comprehensive diamond drilling completed at Graphmada Graphite Mine....Extensions of mineralization were discovered outside of the Mahefedok North Pit area, which may lead to an upgrade in Mineral Resource and possible expansion of the existing pit.

Graphite developers

Battery Minerals [ASX:BAT] [GR:oFS]

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](#).

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 July 31 Magnis Energy Technologies Ltd [announced](#): "Quarterly activities report to 30 June 2019." Highlights include:

- "Townsville Battery Plant - Project Feasibility Study Update....The study and relevant costings will now be centred on three 6 GWh modules, effectively making the facility a 18 GWh plant.
- Nachu Graphite Project Update.
- Technology partner supplied batteries to US based Martac."

A schematic diagram of the proposed Townsville Li-ion battery cell manufacturing facility



[Source](#)

Mason Graphite [TSXV:LLG] [GR:Mo1] ([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.

On August 6 Mason Graphite [announced](#):

Mason graphite announces exercise of warrants in NanoXplore Inc. And filing of early warning report. Mason Graphite Inc. announces it filed an early warning report today in connection with the exercise by Mason Graphite of 1,111,111 warrants to purchase common shares in the capital of NanoXplore Inc., a publicly listed company on the TSX Venture Exchange trading under the ticker symbol GRA, at an exercise price of \$0.70 per share. The warrants had been acquired by Mason Graphite pursuant to a private placement completed by NanoXplore in the third quarter of 2017.

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.

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 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 July 31 Talga Resources [announced](#): "Quarterly activities review for the period ending 30 June 2019." Highlights include:

Highlights of the Vittangi Graphite Project PFS include:

- "Pre-tax project NPV8% of US\$1,056 million and pre-tax IRR of 55%.
- 22-year life of mine revenue of US\$4,148 million and net profit before tax US\$3,133 million.
- Staged development with initial Stage 1 capital expenditure of US\$27 million and Stage 2 estimated capital expenditure of US\$147 million.
- Steady state 19,000 tpa fully coated anode product Talnode®-C via integrated concentrator and anode refinery.
- Independently assessed Talnode-C price of US\$11,250/t (Benchmark Mineral Intelligence) at estimated US\$1,852/t production cash cost – delivering high margins.
- Stage 1 commencement planned for mid-2020.
- PFS based solely on Vittangi's maiden Nunasvaara South deposit Ore Reserve, leaving large upside for future growth."
- Cash balance of A\$7.7 million as at 30 June 2019."

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 August 8 SRG Mining Inc. [announced](#):

SRG announces strategic alliance MOU with US-Based industrial firm who acquires 8,300,000 shares of SRG from Sama Resources Inc..SRG enters into US\$5,000,000 credit facility with Sama Resources.

On August 19 SRG Mining Inc. [announced](#): "SRG Mining Inc. announces the filing of its Feasibility Study for the Lola Graphite Project in the republic of Guinea, West Africa." Highlights include:

- "Average annual production of 54,600 tonnes of graphite flakes over a 29-year mine life.
- Proven and probable reserves of 42.0Mt @ 4.17% Cg.
- Capital costs of \$123 million ("M") including a power plant of \$5.8M, concentrate transport equipment of \$3.6M, and contingency of \$12M.
- Added flexibility of the plant to process soft saprolite and fresh rock, provides optionality and the ability to expand the production profile.
- Average operational costs of \$470/tonne ("t") and \$38/t of transport. For the first 16 years of production, the average operational costs are \$447/t.
- Pre-tax NPV (8%) of \$277M and internal rate of return ("IRR") of 28%.
- Post-tax NPV (8%) of \$159M and IRR of 21%.
- Average grade of graphite flakes over 95%.
- A low strip ratio of 0.69."

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 July 30 Leading Edge Materials [announced](#): "Leading Edge Materials produces expandable graphite in line with current market products from Woxna, Sweden." Highlights include:

- "Expandable graphite has been produced and tested, with its performance in-line with commercially available materials currently in the market.
- Expandable natural graphite is a critical industrial material with a significant and growing market for fire resistant building products, textiles and graphite foils.
- The manufacturing methods tested did not require the use of toxic chemicals.
- Pricing of expandable graphite is based on flake size, expansion ratio and purity, and lies in the range of US\$2000 - US\$4000 per tonne.
- Provides the potential for creation of additional value-added products from the Woxna graphite mine in Sweden."

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.

On July 31 Triton Minerals [announced](#): "Quarterly activities report for period ending 30 June 2019." Highlights include:

- "Ancuabe Mining Concession Granted by Mozambique Government for production of up to 60,000 tonnes per annum of high purity large flake graphite concentrate.
- State Owned Enterprise Jinan Hi-Tech agrees to A\$19.5 million investment in Triton and to support the EPC debt funding package."

On August 9 Triton Minerals [announced](#): "Financial report half year ended 30 June 2019."

You can view the latest investor presentation [here](#) and an excellent video [here](#).

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

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

On August 20 Nouveau Monde Graphite [announced](#):

Nouveau Monde receives \$4.25M grant from SDTC. Nouveau Monde Graphite Inc. announced today that it has secured a \$4.25M technology commercialization grant from federally-funded Sustainable Development Technology Canada [SDTC] program. The grant will be used to build a value-added graphite purification processing facility to be located in the province of Quebec. The plant will be the first phase of a commercial facility that will produce spherical graphite products for the North American market.....Once in commercial production, Nouveau Monde will be the only producer of spherical graphite in North America, as most of the world's spherical graphite is currently produced in China.

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 July 26 Renascor Resources [announced](#): "Quarterly report 30 June 2019." Highlights include:

- "Mineral Lease for Siviour Graphite Project granted by South Australian Minister for Energy and Mining.
- Letter of Interest for Export Credit Agency [ECA] cover received from Atradius Dutch State Business (Atradius), the Government of the Netherlands official ECA, a government credit guarantee scheme. Up to approximately 60% of initial Siviour Graphite Project capital expenditure is expected to qualify for Dutch export credit cover.
- Siviour stage-one processing capacity expanded by approximately four times, with the completion of the Siviour Optimised Development Plan.
- The Siviour Definitive Feasibility Study [DFS], which is based on the Optimised Development Plan, advances to commencement of the front end engineering design, with results now expected in September 2019.
- JORC Mineral Resource Estimate for the Siviour Graphite Project upgraded to: Measured Resource Estimate of 15.8Mt at 8.8% TGC for approximately 1.4Mt of contained graphite. Total Mineral Resource Estimate (Measured, Indicated and Inferred) of 87.4Mt at 7.5% TGC for approximately 6.6Mt of contained graphite (with 64% classified as Measured or Indicated).

- Cash position of approximately \$2.9 million as of 30 June 2019."

On August 12 Renascor Resources [announced](#):

Positive results from advanced process design tests support production of high value spherical graphite.....Purification tests using more eco-friendly caustic roasting have successfully produced battery-grade spherical graphite ("Spherical Graphite") from Siviour. Caustic roasting offers environmental advantages over the traditional hydro-fluoric acid purification process.

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.

On July 31 Kibaran Resources [announced](#): "June 2019 quarterly report. Epanko debt financing advancing with KfW IPEX-Bank preparing for German Government submission. EcoGraf Study delivers robust economics for Kwinana development to produce battery graphite." Highlights include:

- EcoGraf study includes Kwinana location to form part of a multi-hub battery graphite production base Capital cost of US\$22.8 million for an initial 5,000tpa, followed by a further US\$49.2 million to expand production to 20,000tpa of battery-grade graphite. Pre-tax net present value 10 of US\$141m, generates an internal rate of return of 36.6 per cent and annual EBITDA of US\$35m. Proposed Kwinana plant to manufacture battery graphite worth US\$72m a year for export to lithium-ion battery manufacturers.

On August 16 Kibaran Resources [announced](#):

EcoGraf development update. Pre-development work underway for Kwinana facility in Western Australia.....

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.

On August 8 ZEN Graphene Solutions Ltd. [announced](#):

ZEN Graphene Solutions provides grant program and environmental baseline study update. ZEN Graphene Solutions Ltd. is pleased to provide an update on recent activities including the \$1,000,000 reimbursement grant for graphene-infused concrete applications research and progress on the environmental baseline study fieldwork. ZEN recently received a \$290,192.72 reimbursement payment for the eligible expenses during the quarter ended June 30th 2019.

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.

On July 29 Sovereign Metals [announced](#): "June 2019 quarterly activities report."

Highlights include:

Key Project Development Activities Advance

- The Company continued to advance key elements of the DFS for its low-cost Malingunde saprolite-hosted graphite project including: Completion of the 50t pilot plant program which produced over four tonnes of graphite concentrate which will be distributed as samples to potential offtake customers for their assessment. Final pilot plant results are pending and will be announced when received. Significant advancements with potential offtake partners occurred during the period, particularly in the industrial space and primarily for coarser flake material.....Completion of the draft ESIA and presentation of the report to stakeholders including community groups, Malawi Government, Malawi press organisations and non-governmental organisations. Progressing the Mining Licence application.

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 July 31 Lomiko Metals Inc. [announced](#): "Lomiko Metals transfers 100% of subsidiary Lomiko Technologies Inc. shares to Promethieus Technologies Ltd [Canada] for \$ 1,236,625 CDN."

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 graphite related 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 August 7 Westwater Resources [announced](#): "Westwater Resources reports second quarter 2019 operating results."

On August 8 Westwater Resources [announced](#):

Westwater Resources announces milestone achievement in battery graphite product development. Christopher M. Jones, President and Chief Executive Officer, said, "Our team has successfully produced high-performing graphite for battery manufacturers and now can celebrate meeting this major milestone. This manufacturer has requested that we provide a one metric tonne sample at Westwater's earliest opportunity. This request, coupled with our product development with other companies promises a bright future for Westwater as energy storage becomes the critical enabling technology for renewable energy and electric transportation development and implementation."

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

August saw graphite prices fall again.

Highlights for the month were:

- Chinese flake graphite imports hit new high in June.
- China's steel output shows signs of slowdown in July.
- China, Europe flake prices fall on oversupply, weak demand.
- Magnis Energy Technologies progresses Project Feasibility Study for a Townsville Battery Plant.
- SRG announces strategic alliance MOU with US-Based industrial firm who acquires 8,300,000 shares of SRG from Sama Resources Inc. SRG Mining enters into US\$5,000,000 credit facility with Sama Resources.
- Leading Edge Materials produces expandable graphite in line with current market products from Woxna, Sweden.
- Renascor Resources - Positive results from advanced process design tests support production of high value spherical graphite. Mineral Lease granted.
- Kibaran Resources - Pre-development work underway for Kwinana facility in Western Australia.
- Sovereign Metals continues to advance key elements of the DFS for its low-cost Malingunde sapolite-hosted graphite project.

- Westwater Resources has successfully produced high-performing graphite for battery manufacturers.

As usual all comments are welcome.

Trend Investing

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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.