

# Graphite Miners News For The Month Of September 2019

## Summary

China graphite flake spot prices were higher in September.

Graphite market news - Syrah Resources acts on graphite oversupply by significantly reducing graphite production volumes in Q4 2019 to approximately 5kt per month.

Graphite company news - Mason Graphite sells NanoXplore shares for net proceeds of \$28.2m.

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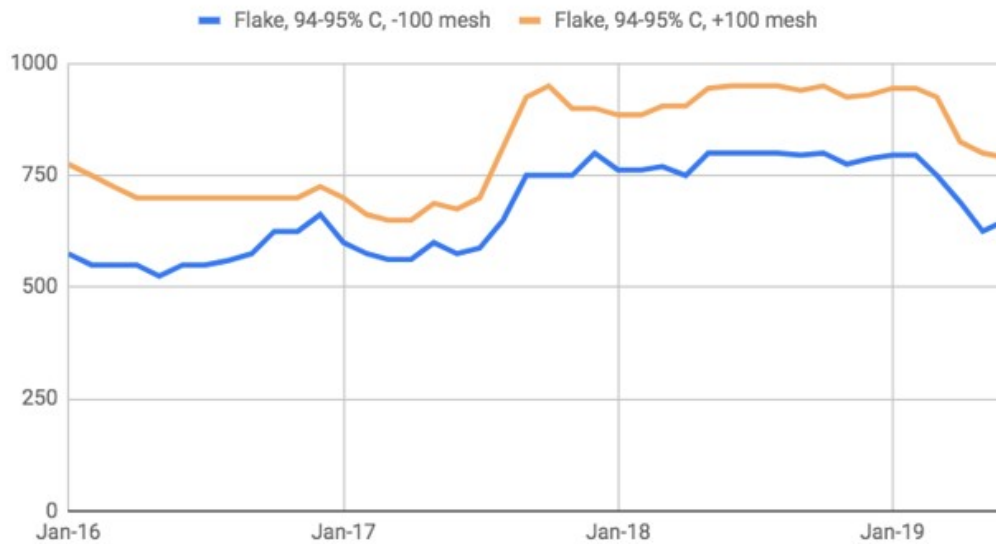
Welcome to the September edition of the graphite miners news. September saw graphite prices slightly higher, helped by Syrah Resources' announcement to significantly cut graphite supply.

## Graphite price news

During September, China graphite flake-194 EXW spot prices were up [0.84%](#) and are down [11.79%](#) over the past year.

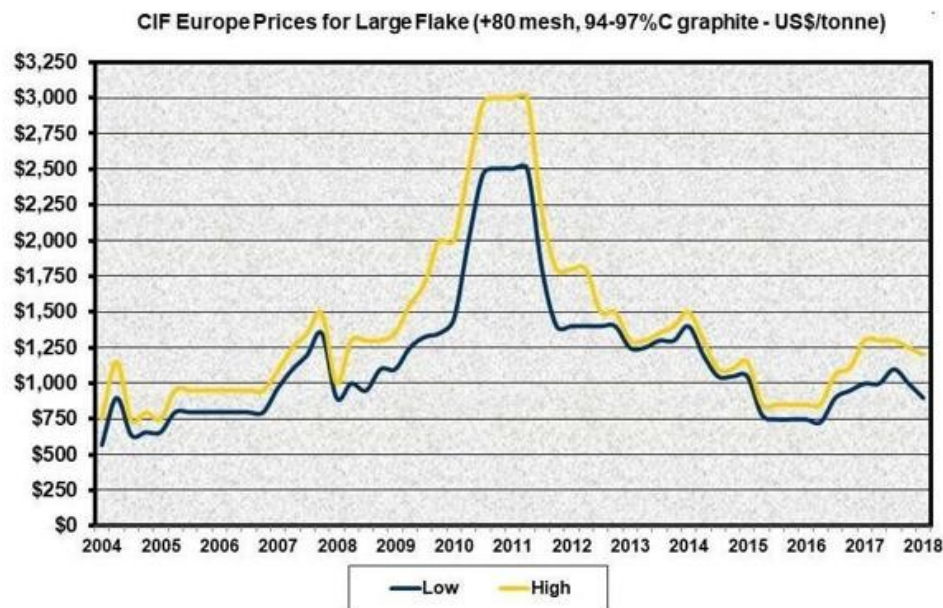
## Graphite prices 2016 to ~May 2019

## Graphite Prices



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

## Graphite prices 2004 to end 2018



[Source](#): Northern Graphite

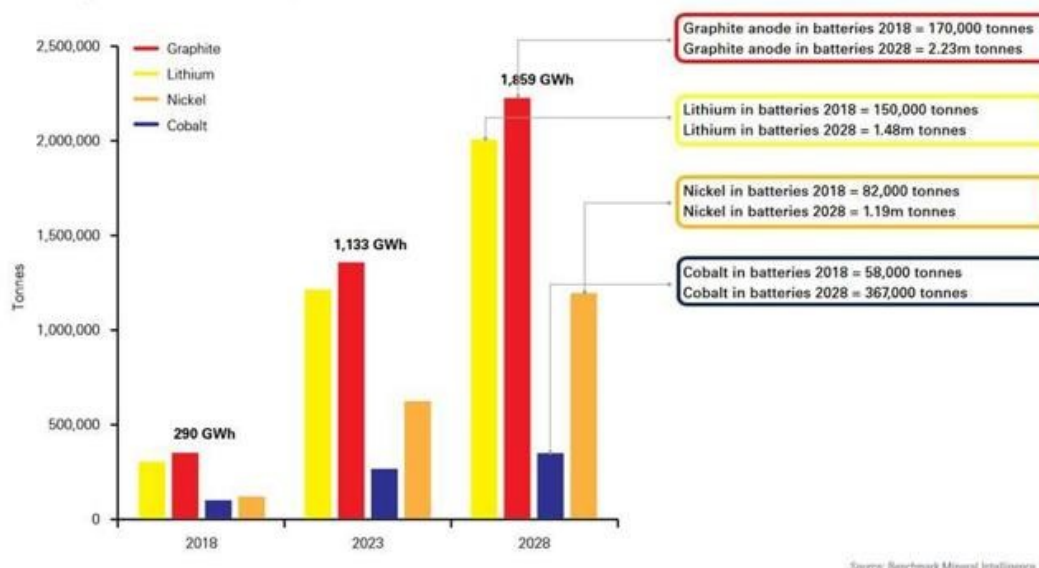
In my January 30, 2018, [Trend Investing Interview](#) with Benchmark Minerals, Simon Moores said about graphite:

*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.*

## 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 market news

On September 10, Syrah Resources [announced](#):

*Sudden and material decrease in spot natural flake graphite prices in China driven primarily by depreciation of Chinese Yuan and Chinese inventory level concerns have impacted price negotiations and con-*

*tract renewals, with potential for further weakening of prices into Q4 2019... In response to current market conditions, Syrah will:*

- Significantly reduce graphite production volumes in Q4 2019 to approximately 5kt per month;*
- Perform an immediate review of further structural cost reduction at the Balama Graphite Operation (“Balama”) and across the Company; and*
- Conduct a strategic and operational review for 2020, with further details provided in Syrah’s Q3 2019 Quarterly Activities Update to be released on 22 October 2019.*

On September 10, Reuters [reported](#):

*Electric car boom to turbocharge battery metal producers: Moody's. Demand for metals used in battery electric vehicles could rise sixfold if electric cars reach 8% of road traffic by the mid-2020s, delivering huge dividends for producing countries like Democratic Republic of Congo, Moody’s said on Tuesday. The credit ratings agency said a worldwide shift to electric vehicles would likely drive up demand for cobalt, of which DRC is the world’s number one producer, as well as lithium, nickel and copper.*

## 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 & Carbon ([OTC:IMYSF](#)) and AMG Advanced Metallurgical Group NV [NA:AMG] [GR:ADG] ([OTCPK:AMVME](#)) are also "diversified producers", producing graphite. SGL Carbon [ETR:SGL] ([OTCPK:SGLFF](#)) 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 September 10, Syrah Resources [announced](#): "Natural graphite market update and operational response." Syrah's large supply cut is discussed already in market news above.

On September 13, Syrah Resources [announced](#): "Interim report for the half year ended 30 June 2019," Highlights include:

- Revenue of US\$46.9 million from sales of 101kt natural flake graphite.
- Net loss after tax of US\$81.4 million includes non-cash post tax impairment of property, plant and equipment and mining assets of US\$65.9 million, and inventory writedown of US\$4.8 million.
- Total assets of US\$420.5 million, net assets US\$380.4 million.
- Cash of US\$64.7 million as at 30 June 2019.
- Cash and available liquidity in conjunction with a cost reduction program provides Syrah the opportunity to adjust near term production.

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

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

On September 4, Bass Metals [announced](#): "Bass accelerates production at Graphmada." Highlights include:

- "745 wet tonnes (wt) produced to the end of August, with 301wt produced in July (inclusive of 5 day schedule maintenance shutdown) and 444wt produced in August.....
- Increase in large flake production to 42% for the September quarter to date, exceeding the 32% large flake production achieved for the June quarter."

On September 11, Bass Metals [announced](#): "Continued exploration success at Graphmada with significant graphite drill intersections encountered." Highlights include:

- "The Company recently completed 34 diamond drill holes for a total 1,092m drilled, to an average depth of 33m without incident at the Mahefedok Large Flake Graphite Deposit. The principal aim of the program was to provide further data to support a reclassification of the existing Mineral Resource of 3.5mt @ 4.2% Total Graphitic Carbon [TGC] and potentially expand the resource.
- Key results include:13.8m @ 7.5% TGC-8.2m @ 7.2% TGC-9.8m @ 7.0% TGC-14.4m @ 6.7% TGC-25.9m @ 5.0% TGC-15.9m @ 4.9%TGC-20.9m @ 4.8% TGC-20.3m @ 4.7% TGC.
- The deposit remains open in all directions and to depth.....
- The Company is proceeding with a revised Mineral Resource estimate for the Mahefedok Deposit, expected to be announced in October."

### ***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.

On August 29, Battery Minerals [announced](#):

*African funding specialist appointed to access traditional and development capital for Montepuez graphite project. Plus, Battery Mine-*

*als implements cost reduction strategy to maximise use of its \$5.7m cash while project finance is secured.*

On September 10, Battery Minerals [announced](#): "Condensed interim financial statements 30 June 2019."

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.

No news for the month.

### **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 September 10, Mason Graphite [announced](#):

*Mason Graphite sells NanoXplore shares for net proceeds of \$28.2m. Mason Graphite Inc. announces the sale, on September 9<sup>th</sup>, 2019, of its investment in NanoXplore Inc.....The proceeds from this sale represent one of the key elements of the Lac Guéret project's construction financing structure currently being negotiated. This transac-*

*tion is non-dilutive for the shareholders of the Company, which is one of the objectives of the ongoing financing.*

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.

No news for the month.

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 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.

No news for the month.

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 news for the month.

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 September 16, Nouveau Monde Graphite [announced](#):

*Nouveau Monde Graphite announces additions to its Board of Directors and Management Team. Nouveau Monde Graphite Inc. is proud to announce the arrival of new members to its Board of Directors and to its Matawinie Project team. In anticipation of the full commercial operation of the project, these additions significantly strengthen the skill set required to complete this 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.

On September 11, Volt Resources [announced](#): "Prospectus lodged for approval of Mauritian note issue." Highlights include:

- "Volt pursuing SEM Note Issue and listing as part of its funding strategy to raise US\$40 million for the Stage 1 development of Bunyu Graphite Project.
- SEM Note Issue to be undertaken in parallel with Tanzanian Note Issue which continues to progress with final approvals currently being sought.
- Approvals for SEM Note Issue expected to take approximately 4 weeks- providing an expedited pathway to securing development funding.
- Riverfort/Yorkville debt facility now fully repaid."

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, cop-

per, and associated minerals. Its projects include graphite, copper, precious metals, and uranium.

No news for the month.

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 September 5, Kibaran Resources [announced](#):

*EcoGraf development attracts WA Premier's support. Kibaran's Kwinana proposed battery graphite processing plant granted 'Lead Agency Support' by Government. Mr McGowan said the Kwinana-based project aligned with the government's Future Battery Industry Strategy. "The potential to produce battery grade graphite from the EcoGraf Battery Graphite Project presents a significant step in diversifying Western Australia's downstream processing activities and contribution to the global battery value chain," he said.*

On September 12, Kibaran Resources [announced](#): "Epanko debt financing update. Resolution of remaining regulatory aspects expected shortly." Highlights include:

- "Meetings held with KfW IPEX-Bank in Germany to review commercial due diligence activities for the Untied Loan Guarantee process.
- Further meetings with the Tanzanian Government confirm positive support for Epanko and expected near-term resolution of remaining regulatory matters.
- Targeting total project debt finance of up to US\$60 million.

- Epanko forecast to contribute over US\$1 billion to the Tanzanian economy in the first 20 years of operation, with the potential to operate for 40+ years."

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 September 16, ZEN Graphene Solutions Ltd. [announced](#):

*ZEN Graphene Solutions signs agreement with Chemisar Laboratories Inc. for consulting and new graphene development facility.....This office will become the company's new graphene research and development centre which will include a small-scale graphene processing and production facility. Additional space is available in the building which will allow ZEN to grow as needed. Dr. Francis Dubé commented: "This facility represents the next phase of development and scale up of our company. We now have the ability to actively collaborate with our research partners as we move toward commercial scale production. This will also allow ZEN to offer the highest value products for sale such as GQDs and GO as granted by the Ministry of Energy, Northern Development and Mines bulk sample permit."*

## **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 the world's biggest graphite saprolite resource of 65m tonnes at 7.1% TGC at their Maligunde project in Malawi.

On September 20, Sovereign Metals [announced](#): "Graphite marketing ramps up on completion of pilot plant." Highlights include:

- "Production of over four tonnes of graphite concentrate for distribution to potential offtake partners and for vendor testing to maximise the robustness of process plant design input.
- Strong response from potential offtake customers with 10+ parties having already requested and been provided samples for assessment.

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 August 26, Lomiko Metals Inc. [announced](#):

*Lomiko metals engages NextCap investor relations to provide investor relations services and increase visibility in U.S. markets.*

On September 16, Lomiko Metals Inc. [announced](#):

*Update on acquisition of 100% interest in La Loutre and Lac des îles flake graphite properties and brokered private placement. The Com-*

*pany has completed its initial option and has earned its 80% interest in the Properties.*

### **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 September 3, Westwater Resources [announced](#): "Westwater closes sale of royalty and Promissory Note for \$2.75 Million." (For their uranium properties)

On September 19, Westwater Resources [announced](#):

*Westwater Resources announces agreement to purchase natural flake graphite for Coosa Project. Graphite purchase agreement allows planned startup of processing plant years earlier than possible with internally mined material. Christopher M. Jones, President and Chief Executive Officer, said, "Westwater now has the ability to source gra-*

*phite for its Coosa Project without waiting for the Coosa Graphite Mine to be permitted. This purchase agreement allows us to purchase high-quality feedstock at market rates and advance cash flow from our planned advanced battery materials manufacturing plant to 2022. Since acquiring Alabama Graphite in 2018, Westwater has been working continually to bring the Coosa Project to production as quickly as possible. This is yet another important milestone achieved in advancing this project forward.”*

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:APMFE](#)), 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**

September saw graphite prices rise. As we have seen recently in the cobalt and lithium markets, major suppliers have responded to oversupply by reducing supply. In this case, it was Syrah Resources.

Highlights for the month were:

- Syrah Resources acts on graphite oversupply by significantly reducing graphite production volumes in Q4 2019 to approximately 5kt per month.
- Bass Metals accelerates production at Graphmada.
- Mason Graphite sells NanoXplore shares for net proceeds of \$ 28.2m.
- Volt Resources pursuing SEM Note Issue and listing as part of its funding strategy to raise US\$40 million for the Stage 1 development of Bunyu Graphite Project.
- Kibaran Resources' Kwinana proposed battery graphite processing plant granted 'Lead Agency Support' by Government.
- ZEN Graphene Solutions signs agreement with Chemisar Laboratories Inc. for consulting and new graphene development facility.
- Sovereign Metals - Production of over four tonnes of graphite concentrate for distribution to potential offtake partners.
- Westwater Resources announces agreement to purchase natural flake graphite for Coosa Project.

As usual, all comments are welcome.

**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.