

Nouveau Monde CEO on the significant demand for graphite from the battery material market

March 29, 2018 – “Battery material is becoming a significant market for graphite. It used to be 9% of the market a few years ago. Now it is 25% of the market and it is getting higher and higher.” – states Eric DeSaulniers, President, CEO and Director of Nouveau Monde Graphite Inc. (TSXV: NOU | OTCQB: NMGRF), in an interview with InvestorIntel’s Andy Gaudry.

Andy Gaudry: How is PDAC 2018 treating you this year?

Eric Desaulniers: Pretty busy. I guess that is why we are coming, but busy. I am sure I will not have time to meet everyone I want to meet, but I am doing my best.

Andy Gaudry: What is new and exciting with Nouveau Monde?

Eric Desaulniers: A lot of good is going on actually at the moment. You saw we just announced drill results. In the next few weeks we will have an update of our resource estimate for the South Zone. Then we will start our feasibility study, bankable feasibility study of the commercial project. At the same time we are building a Phase 1 capacity that will be up and running in June. We just finished stripping the whole mining area for the next 2 years. Then we will start to blast in the spring and we will start mine that in our plant in June. Phase 1 will be able to produce 2,000 tons of flake concentrate in the next 2 years to start qualifying our product. A lot of stuff is going on, on all different fronts.

Andy Gaudry: That is fantastic news. How is the graphite

market in Canada these days?

Eric Desaulniers: It is a very interesting year for the graphite market. On the demand side the demand is picking up significantly with the steelmakers in China resuming operations significantly. At the same time, battery material is becoming a significant market for graphite. It used to be 9% of the market a few years ago. Now it is 25% of the market and it is getting higher and higher. There is one big guy in the room. It is Syrah Resource. Everyone is looking at Syrah who started production in January. They have a lot of different problems, like I think one of their circuits caught fire and it is now shut down for a few months. All the market is looking at this new capacity that is coming online. Will it be enough to fill the growth in the demand? It is a very interesting year. On top of it there are 23 big factories, battery factories, being built on the planet. By 2021-2022 they will require an extra 450,000 tons more of graphite. With this demand there will be a supply squeeze at some point in the next 5 years. We want to be there right on time with our project to fill part of this supply...to access the complete interview, [click here](#)

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Nouveau Monde's CEO on positive prefeasibility results for Matawinie

graphite property

Eric Desaulniers, President, CEO, and Director of Nouveau Monde Graphite Inc. (TSXV: NOU | OTCQB: NMGRF) (“Nouveau Monde”) in an interview with InvestorIntel Senior Editor Peter Clausi discuss the Prefeasibility Study (PFS) results for their Matawinie graphite property. Eric states the PFS economic results are even better than the results from Nouveau Monde’s Preliminary Economic Assessment (PEA) from June 2016. Two of the economic improved highlights in the PFS is a new Net Present Value (NPV) of \$498.7 million pre-tax and an Internal Rate of Return (IRR) of 32.4% pre-tax. Eric then goes to on to discuss Nouveau Monde’s plans to build a demonstration facility, 5km north of the Matawinie graphite property...to access the complete interview, [click here](#)

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Eric Desaulniers on Graphite demand and prices in 2017

Eric Desaulniers, President, CEO, and Director of Nouveau Monde Graphite Inc. (TSXV: NOU | OTCQB: NMGRF), in an interview with InvestorIntel’s CEO Tracy Weslosky discuss what investors should look for in a graphite company and the overall market in 2017. For instance, he reviews the history of spherical graphite process versus flake graphite and clarifies the three flake sizes: fine, medium and jumbo – out of which only fine and medium flakes get processed into spherical graphite for lithium-ion battery production. What’s more, graphite (in all flake sizes) comprises 75% of the lithium-ion battery market, whereas lithium-ion batteries are only 25% of the graphite market. Now, in terms of supplying graphite, after floatation, they have 98% purity across all flake sizes and Nouveau Monde has the technology to refine that into 99.99% pure jumbo flake.

Tracy Weslosky: I'm going to put you on the spot here and I'm going to ask you what you think is going to happen with graphite prices this year? We've very bullish on graphite. We believe that it's inevitable that the prices have to lift this year. What do you think? Obviously know: this is a forecast here. Would you like to comment on that?

Eric Desaulniers: Yeah. It's a very interesting year. Why, because we saw the price going down since 2012 slowly with the refractories that are very weak. The steelmaking industry is not very good in the last few years, but starting in September the spherical graphite started to go up, but the flake graphite wasn't going up until December. It went up significantly in December, but now there's something special that is happening. The Chinese removed their export tax. Why did they do that? Their mine was dying because labor costs were going high, pollution is high so the government is bringing in some new tax for these mines, pollution tax. Everyone is waiting to see what will be that pollution tax on the Chinese. This year is very interesting because suddenly you have all the Chinese trying to go out of China again because, not of the export tax, but they need to reinvest in their operation to make it cleaner because it will be taxed soon on this. What the graphite price will do it's difficult to say. At the same time the demand for lithium-ion batteries is draining a lot of the supply. There's not so much new mines coming up into production so I see 2017 as being very important to keep going the uptrend. That's where people will realize there's not so much graphite into production. It's very important for the lithium-ion battery. A little bit like lithium last year. Lithium is very sensitive to the lithium-ion battery market because, I think it's 75% of the market is graphite. For the lithium-ion battery is now 25% of the whole graphite market so it's less sensitive to this market...to access the full interview, [click here](#)

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Nouveau Monde Graphite CEO on adding another half a dozen linebackers to the Board

Eric Desaulniers, President, CEO and Director of Nouveau Monde Graphite Inc. (TSXV: NOU) in an update interview with InvestorIntel's CEO Tracy Weslosky discuss the recent name change and the addition of half a dozen industry leaders to

the Board that will “reflect very well where we want to go”.

Discussing Nouveau Monde Graphite’s ‘synergy’ with Nemaska Lithium Inc., Eric identifies target markets including but not limited to the lithium-ion battery market. With a competitive location for strong infrastructure and ease of access to high grade graphite Nouveau Monde Graphite has a 100% ownership of the Matawinie graphite deposit, on which a 43-101 Preliminary Economical Assessment has been completed...to access the complete interview, [click here](#)

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Nouveau Monde – A Corner of the Graphite Triangle

We guess it’s just the way of the world that the markets don’t seem to be able to “walk and chew gum at the same time”. As Lithium has grown in furore, its fellow traveler graphite has been somewhat eclipsed and investors have definitely forgotten that there is a relationship between the two as graphite is a big(ger) component in Lithium Ion batteries. With up to 150kg of graphite required for the LiB in an electric vehicle, new sources of graphite are in demand, specifically in North America where there is currently limited supply. Admittedly the price of graphite is lower than Lithium’s but that does not change the fact that graphite is a key part of the mix.

Like all things related to the mining space, trends come and go, and graphite lit up part of the darkest period of the mining slump for a brief while. There was the usual large inflow of players and then the gradual fade back to reality.

The impetus for the initial rush was the lack of Western production of graphite, which was virtually nil. Two to three years on (depending on when you date the resurgence in graphite interest) the number of mines to have made it to production is almost negligible and the West is as much if not more dependent upon Chinese supply as before.

The fleeting nature of the graphite boomlet meant that many companies managed to raise a bit of money and a few companies managed to raise a lot, but the roll call of those still around and still with cash on the balance sheet is much reduced. Fortunately for those that survived the down times we are now seeing a revival in mining financing that is spilling out of first mover sub-sectors (like Lithium and Gold) into other metals/minerals now.

It is therefore worth looking at one of the survivors in the graphite space and highlight what it is doing, so a review of Nouveau Monde (TSXV:NOU)(OTC:NMGRF)(FRANKFURT:NM9) seems timely.

Our first encounter with this company was in October 2013 when we met with the CEO, Eric Desautels on their London roadshow. The thing that struck us most was the quality of the share register, because when it comes down to it a quality shareholder base will more likely be around for the long-term than a mass of flippers or hedge funds. Currently the institutional base of Nouveau Monde consists of four of the major Quebec-based institutions with around 30% of the shares. As those in the mining space know the *Quebecois* look after their own and if the management is serious and the project is in the best interests of the province then the wagons are circled and support given through the down-times. This has proved to be the case with this company as the base is heavyweight indeed, with the names being:

- Desjardins – Largest association of credit unions in North America

- SIDEX – Major Québec Government fund to invest in Québec mineral exploration companies
- Fonds de Solidarite – FTQ – Québec's largest central labor body
- SODEMEX – Québec-based mining investment fund

We would note again that these are NOT the type of institutions that invest in concept stories with no interest in moving to eventual production. The thing that clearly excites the local institutions is that Nouveau's Matawinie project has the potential to take up the slack when North America's only existing producing site, the Lac-des-Îles mine of Imerys, shuts down around 2020. This promises to keep Quebec in contention as the go-to place for this mineral in North America., Moreover we suspect they also want to be in the picture for industrial spin-off benefits such as battery plants which would make sense in view of the province's endowment with Lithium and the likelihood of two major mines (one being Nemaska's) being functional before the decades end.

The rundown of Imerys's Lac-des-Îles mine is no secret as the company has disclosed that it is nearly depleted, with enough ore through 2020, with output varying between 20,000 to 25,000 tons per year, representing 95% to 100% of North American supply. At the risk of seeming like a body-snatcher, Nouveau Monde is plotting on moving into the space to be left with the soon-defunct Imerys operation and is designing its operation to produce 50,000 tons per year to enable the capacity to deliver large quantities, so effectively doubling North American supply.



This map above is what we like to call the Graphite Triangle. Unlike the Bermuda Triangle where things mysteriously disappear, the Graphite Triangle is where real projects in the graphite space appear. Matawinie's proximity to Imerys' processing plant on the outskirts of Montreal is patently


obvious and with it the transport links to take the product to other North American locations or to Europe. This then begs the question as to whether Nouveau Monde might end up as a target for Imerys to plug their production pipeline's "leak" post-2020?

Conclusion

With the stragglers in the Graphite space likely to be repurposed for other metals/minerals in the resurgent mining space the serious players will have a less crowded stage on which to perform... and it shall be all about performance. Nouveau in on the cusp of the DFS process which shall then lead into the funding and mine-build. It is fortunate that the sentiment amongst investors has turned to the better thus potentially making the funding task easier than it would have been over the last two years. With a capex of \$122mn it is neither the cheapest mine to build nor is it the largest capex we have seen in the graphite space. With an NPV of over \$400mn, it shows the type of strong multiple of NPV over capex that we like to see, and that makes it worthwhile for a project to "get out of bed in the morning".

The old real estate adage "Position, Position, Position" comes to mind when sorting the most likely winners from the also-rans. Nouveau definitely has itself well positioned in the Graphite Triangle of Quebec and that has brought it the support of major institutions with a vested interest in seeing the mining of graphite continue and expand in the province. Beyond that it ticks most of the boxes that Imerys would need to tick in hunting for a replacement for its current capacity in North America.

Nouveau Monde graphite targets North American lithium-ion battery market

July 12, 2016 – Nouveau Monde Mining Enterprises Inc.  (TSXV: NOU | Frankfurt: NM9 | OTC Pink: NMGRF) owns the Matawinie graphite property, located in the Saint-Michel-des-Saints area, approximately 130 km north of Montreal, Québec. The project is also in close proximity to the Lac-Des-Îles mine, the only graphite producer in North America. The company is targeting the North American lithium-ion battery market which has given priority to obtaining local, green and safe supply of natural graphite.

In this interview with InvestorIntel Publisher Tracy Weslosky, Nouveau Monde President and CEO Eric Desaulniers:

- Discusses the recent private placement raising \$2.31 million and the robust economic assessment of the Matawinie project.
- Outlines the quality requirements for graphite in the market at present.
- Details the infrastructure advantages and the presence of skilled local labour in the proposed mining area.
- Indicates where the graphene potential is.

As InvestorIntel has reported previously, Nouveau Monde is one of several companies that have joined forces to acquire a micronizing and spheronizing mill to produce spherical graphite, which they describe as a critical step in the production of anode material used in lithium-ion batteries. The partners' ultimate goal is to achieve full qualification of their materials by lithium-ion battery manufacturers. They see themselves as taking part in the first real effort by junior graphite companies to address the needs of the battery

makers. Just as importantly, the technology will represent a major improvement over methods at present employed in China.

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