

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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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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