

# EV demand and Trump create the perfect stage for a Miss Cobalt

eCobalt Solutions Inc. (TSX: ECS | OTCQB: ECSIF) (“eCobalt”) is a Canadian mineral exploration and mine development company primarily owning the Idaho Cobalt Project, a high-grade and primary cobalt deposit located in the United States; a fact from which eCobalt’s ethical credentials are automatically derived. The metal’s recent history has been chaotic, but it appears to be resolving into a clear demand for exactly what eCobalt is on-track to provide; it’s no surprise, then, that the trailing twelve months has seen their share price risen from C\$0.53 in January 2016 to C\$ 0.7 in January 2017.

Cobalt is usually produced as a by-product of nickel and copper mining, but with declining prices of these metals closing operations worldwide, the focus has shifted strongly to the problem of primary supply. The highly-anticipated eCobalt Idaho Cobalt Project has this issue already covered and is by far the most advanced project in the region. The Idaho Cobalt Project should go online within a year since it has completed all preliminary steps, with full capacity expected within two. Over a 12.5 year mine life the Idaho Cobalt Project is expected to produce almost 19,000 tonnes of cobalt sulphate.

Throughout 2016, concerns were raised over the involvement of child labour in the cobalt supply chain, particularly in the Democratic Republic of Congo (DRC). Amnesty International has been focused on the issue for some time and this year joined with African Resources Watch (Afrewatch) to publish a full report on the practices of artisanal miners in the southern regions of the conflict-ridden state. The research exposes significant weaknesses in the regulation of artisanal mining,

from limited guidance on health and safety to insufficient labour rights.

The DRC is one of the poorest countries in the world and has suffered from decades of war and resulting political instability. Artisanal mining became a source of livelihood for many people when the largest state owned mining company collapsed in the 1990s, growing further during the Second Congo War when President Laurent Kabila encouraged people to dig for themselves since there was no hope of reviving industrial mining. These artisanal miners, referred to as creuseurs in the DRC, mine by hand using the most basic tools to dig out rocks from tunnels deep underground; children as young as seven scavenge for rocks containing cobalt in mountains of industrial mining debris before washing and sorting the ore for sale.

Now, with people around the world increasingly relying on rechargeable batteries to power a myriad of essential portable devices, the demand for cobalt is climbing; along with it, the need for honesty and due diligence becomes paramount. Regardless of a gadget's desirability, any firm will struggle to sell its products in today's market if it became known that children were enslaved for its creation.

Consumers today seek to rectify injustices. Insinuations of child labour or unethical production sends buyers scrambling for genuinely ethical supply sources- great news for anyone already developing responsible cobalt supply sources.

The China Chamber of Commerce of Metals Minerals & Chemicals Importers & Exporters (CCCME) has instigated the Responsible Cobalt Initiative (RCI), supported by Chinese and other Asian companies, including a major Chinese cobalt producer, mobile giant Huawei, Sony, Apple, HP and Samsung amongst others. The CCCME will produce an action plan in the next 12 months focusing on promoting co-operation with the government of DRC, civil society at large and affected local communities on the

ground.

Elon Musk ambitiously claims they will produce 500,000 electric vehicles a year by 2018, and has repeatedly stated that the cobalt will be sourced exclusively in North America. The price of cobalt is expected to continue rising over the next year. The mounting ethical pressures of the modern world has created the perfect stage for eCobalt to accept the position of Miss Cobalt, USA, graciously and on a platform of strong ethics.

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## North American cobalt race is on

✘ eCobalt Solutions Inc. (TSX: ECS | OTCQB: ECSIF), based in Vancouver, boasts sole ownership of the only advanced stage, near term, environmentally permitted, primary cobalt deposit in the United States. As discussed in a previous post, on September 21, 2016, the company is dedicated to environmentally sound mining processes and their Idaho Cobalt Project (ICP) aims to offer consumers a transparent supply of ethically sourced and environmentally friendly battery grade cobalt chemicals, produced safely and responsibly in the United States.

Battery materials accounted for 49% of cobalt demand in 2015 and battery sector growth is expected to grow 11.7%, and electric vehicles have the potential to more than double cobalt demand. Tesla, Ford, Mitsubishi, Porsche, Aston Martin, BMW, GM, Volvo, BYD, Renault Nissan, Mercedes Benz, and Volkswagen have all announced significant financial investments in producing Electric Vehicles (EV) and/or Energy

Storage Systems (ESS) in the next several years.

On the 5th of October, the The U.S. Defense Logistics Agency (DLA) said it has a mandate to buy lithium cobalt oxide (LCO) and 2,160 kg of lithium nickel cobalt aluminium oxide (NCA) in the fiscal year starting 1 October 2016. The amounts were detailed by the DLA in its Annual Materials Plan for financial year 2016-2017, which runs from October to September. This is double the volume that the DLA was mandated to buy in the 2015-2016 fiscal year.

ICP is America's only near term, primary cobalt deposit with all necessary approvals required for construction and a fully approved Plan of Operations. eCobalt recently released feasibility level metallurgical work and has demonstrated it can successfully produce high purity, battery grade cobalt sulfate from ICP ore. The project is slated to produce the equivalent of 1,500 tons of high purity cobalt sulfate annually over a projected mine life of 12.5 years. Whilst at present, there is no offtake contract with the DLA, we believe it makes sense that should the US continues to stockpile the metal, then ICP's ore would more than likely be a strong candidate to receive that government supply contract.

After receiving positive results from the preliminary economic assessment and additional metallurgical test work conducted in 2015, On June 21, 2016, eCobalt announced the signing of an agreement with Micon International Limited (Micon) for technical services to conduct a Bankable Feasibility Study (BFS) on the ICP, which is expected to be completed before the end of 1Q-2017. In addition, positive results from additional metallurgical test work to produce cobalt sulfate heptahydrate were announced in March 2016. These results are expected to be included in the BFS.

Staying true to their commitments, the ICP site incorporates several features that reduce its overall environmental footprint and waste production. In addition to a joint

conservation program with the Idaho Conservation League, eCobalt claims that the modest 135-acre disturbance makes the site 100% reclaimable, and will minimise impact further by utilising an underground project design. The underground mine will have a target production rate of 800 tons per day with a weighted average annual production of 2,771,000lbs cobalt, 4,533,000lbs copper and 3,600oz gold over a 12.5-year life.

The total capital cost over the life of the mine is estimated at \$201.41 million, including \$146.76 million for initial capital, and \$54.65 million in sustaining capital and mine development capital during production. The overall cash production cost is estimated at \$468.73 million of processed cobalt contained in cobalt sulfate heptahydrate and \$175.58 million of processed cobalt sulfate heptahydrate net of by-product credits. The preliminary economic assessment has post-tax NPV at \$113 million (IRR 24.07%), with a life of mine gross revenue of just under a billion dollars.

As of August 2016, eCobalt reports working capital of CAD\$3.63 million, the Company has no long-term debt, and announced a 25-month shelf offering of \$100,000,000.

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**Tesla and competitors to place pressure on global graphite demand for Li-ion manufacturing facilities in**

# 2015

✘ This last month and a half has been rather lacklustre for the graphite sector as a whole but the demand and prospects for this material should improve noticeably in 2015. When considering the market for graphite it is important to note the main reason for its demand. Graphite contains carbon, which is the element that gives a diamond its strength. It is the strongest material in the world, yet it is also soft and malleable at the natural flake graphite state. Carbon also makes graphite extremely heat resistant, electrically and thermally conductive, chemically inert and lighter than aluminum. These characteristics are what make graphite so important – and this is before graphene even remotely enters the discussion. Moreover, carbon and graphite materials play an important role in traditional production processes while serving as one of the very bases of future technologies. Graphite electrodes are essential components in the world's largest single recycling process, which is the melting of scrap metal to make steel while coarse-grain graphite cathodes are used in the aluminum production process and furnace linings.

Higher grade flake graphite is needed to produce anodes, one of the key components of lithium-ion batteries, used anywhere from a Toyota Prius to a Boeing 787 airliner. Fuel cells also contain carbon in the form of gas diffusion layers. High purity graphite also finds its way into solar cells and semiconductor layers for LED manufacturing. And then there is that whole other graphite side related to the rise in demand for a new generation of lightweight materials: composite materials based on carbon fibers. Carbon fibers have a diameter of only one-tenth the thickness of a human hair, but are extremely strong; they are woven in a textile fashion and mixed with a polymer matrix, hardened form carbon fiber composite materials that are strong as steel but much lighter.

They are increasingly being used in cars while they have started to replace aluminum in aerospace – the Boeing 787 and Airbus 350X, two of the most advanced jetliners in the world, make extensive use of carbon fiber enhanced plastics. Graphite is also corrosion-resistant, which makes this material an ideal replacement and cost saving alternative to the use of steel reinforcement in the construction industry (and of course graphite is both a component of steel alloys and a refractory agent in its manufacturing process).

The graphite market will be ever more competitive market and one of this year's protagonists was Tesla Motors, an emerging and popular California based electric vehicle manufacturer. In February 2014, Tesla announced that it would build a factory to produce lithium-ion (Li-ion) batteries, with a projected USD\$ 5 billion investment; the so-called 'Gigafactory' could increase graphite demand by more than 30% in 2020. Tesla wants to secure a North American natural graphite source, which provided one of the more exciting aspects of following the graphite market in 2014, as speculation started to build as to which potential producer tesla would use. Tesla's influence in the graphite market should be rather intense in 2015 because CEO, Elon Musk, delivered a series of announcements indicating that the Gigafactory project would be ready ahead of schedule.

In 2015, Tesla will be driven to sign agreements with the mining and metallurgical companies involved in the production of graphite. Moreover, Tesla's competitors such as LG Chem or Foxconn Technologies and Hitachi will be launching their own Li-ion manufacturing facilities, which are likely to be based in China, where there is concern that the availability of its home sourced graphite could start to decline because of growing environmental and regulatory changes to the mining industry being imposed by Beijing. In early 2014, graphite production in China was brought to a halt for environmental reasons. Although the production cuts have not yet translated

to an increase in graphite's market value, this is a matter of time because the concern now is graphite supply might be unable to address world demand in the near future. There should also be rising demand in more basic graphite markets such as refractories because one of the effects of lower oil prices would be increased consumer demand and rising Chinese and European manufacturing, prompting more steel production. Graphene, directly related to flake graphite, will continue development and serve as a reminder of graphite's potential. It is unclear what effects the lower oil prices will have on the world economy. Many, and myself included, see the development as favorable for stimulating consumer demand and manufacturing in the rich countries.

History has provided some clues to this effect. In 1986, oil prices were halved almost overnight after OPEC chose not to control supply, triggering a global economic surge that accelerated global growth to a peak of 4.6 per cent in 1988, a rate that would not be achieved again until 2000. Though a boost to global industry is desirable, there are no guarantees that cheap oil will perform an economic miracle but there is some optimism in the iron ore sector, which is good for graphite. The economy of Australia, the largest exporter of iron ore in the world, suffered a severe blow from the crisis in the market for iron ore and the same national currency, the Australian dollar was dragged down. However, there are well-founded hopes that during 2015 the consumption of ferro-alloys and special steels will be reflected in better performing market given that the automotive industry has seen an increase in demand that is expected to continue throughout 2015, aided by the fall in oil prices.

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# California's plan to have one million EV's on the roads by 2023 will be successful

☒ By 1 January 2023, there will be at least a million electric private vehicles in California if a plan adopted by Governor Jerry Brown succeeds. Last week, Gov. Brown signed a law encouraging consumers to buy environmentally friendly cars just days ahead of the start of the UN Summit on Climate Change in New York. Brown considers environmental protection to be one of the most important aspects of his administration. The new legislation will be backed by an initial USD\$ 200 million budget to reduce pollution by rewarding buyers of electric and very low emission cars in the form of discounts. This money will also be used to fund businesses and agencies that develop new technologies for zero, or near zero, emission vehicles. The goal is to have one million zero emission cars circulating in California rates. One of the most important aspects of the plan is to ensure that such 'clean' vehicles become more accessible to lower income drivers and the new Law does provide for a financial plan to achieve this, including the offer of subsidies for car sharing programs in low-income neighborhoods and installing car charging stations in these communities.

Gov. Brown's goals are attainable judging by the latest statistics published by the Association Plug-In Electric Vehicle Collaborative Association, which indicate that there are over 100,000 (102,440 registered between December 2010 and August 2014 to be exact) registered electric vehicles (that is 100% electric or plug-in hybrid) in California. California alone accounts for 40% of the 250,000 electric vehicles running in the United States. Manufacturers have already proven that they can meet the California standards by offering a wide range of affordable cars, which are fun to drive and,

of course, produce zero carbon emissions. California is the 'home State' for the production of the famous Tesla Model S. The State also finances many electric vehicle (EV) related R & D programs. The main issue of concern for potential EV buyers, regardless of price, remains their limited range and recharge times that remain significantly longer than it takes to fill up the gas tank of an internal combustion engine vehicle. Nevertheless, while longer lasting and more powerful batteries will be made possible thanks to new technology and higher quality specialty materials such as graphite and lithium, EV's are already able to address the daily needs of a vast majority of motorists on their daily commutes.

Drivers are worried, though, by the inability to take a long 'family holiday'. It is difficult to imagine Clark W. Griswold of 'Vacation' fame choosing an electric version of the 'Family Truckster' to haul his family from Chicago to Wally World!

Indeed, if the State of California did not adopt incentives to encourage sales of EV's, it would be difficult to achieve the targeted registration numbers and emission reductions. The internal combustion engine, ever more efficient and powerful, along with relatively cheap oil still makes the former a very tough competitor for the EV to crack. While in theory a vehicle with an actual (rather than theoretical) 160 km (100 miles) range is sufficient to meet the daily needs of most motorists, in practice, the situation is more complex. On the highway, an EV's energy requirements vary greatly depending on usage. So far, this feature has never really been a strong marketing element for EV's. The California research funds will have to be used to improve battery technology to increase range in much greater detail. Yet, California's new EV incentives have a precedent in Norway that may make the new Law even too successful for its own good.

The Government of Norway has encouraged the purchase of EV through a series of tax breaks and favors (such as free downtown parking in major cities) granted to EV owners. The

incentives have been so appetizing that a far higher number of people than expected have bought EV's., outnumbering all other kinds. With an electric vehicle for every 160 people, Norway is the country in the world that has the most electric cars compared to the number of inhabitants. In order to reduce greenhouse gas emissions from road traffic (representing almost 10% of the total), the government of Norway has increased the benefits for drivers of electric cars, who have the right to move freely in bus lanes, park and charge their cars for free in cities, avoid road tolls and be exempt from sales taxes. The introduction of these measures have accounted for left 13% of registrations since the beginning of 2014 being EV's cars against only 0.6% in other European countries.

This huge success is not without consequence. Norwegian roads have been plagued by traffic jams in the bus lanes, to the detriment of that other environmentalist staple: public transport. Moreover, according to the Ministry of Finance, the tax exemption for the purchase has caused a great loss to the government (to the tune of the equivalent of USD\$ 750 million Euros). In view of achieving close to the target by 2015 (set at 50 000 electric vehicles in 2017), certain privileges may be reduced. California would benefit from observing Norway and learning from its mistakes but its 1 million EV goal is very achievable.

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**Potential Tesla battery  
supplier Graphite One begins**

# drilling at Graphite Creek

✘ Graphite One Resources Inc. ('Graphite One', TSXV: GPH | OTCQX: GPHOF) has just announced that it will start drilling at its Graphite Creek Project, which the Company claims to be the only advanced stage large-scale, large flake graphite deposit in the United States. The Graphite Creek Property includes 129 claims covering a 6,799 hectares area in Alaska's Seward Peninsula, just 65 kilometers north the Nome deep sea port. Graphite Creek presents a highly desirable mineralization, marked by coarse crystalline (big flakes) graphite (greater than 0.18 mm). On January 20, 2014, Graphite One issued technical report noting that the Company was sitting on an 43-101 inferred resource of some 284.7 million tons of 4.5% carbon graphite (Cg), including 37.68 million tons at 9.2% and 8.63 million tons at 12.8% graphite content. Graphite One intends to embark in a comprehensive Summer/Fall 2014 Drill in order to determine the extent of continuous mineralization in order to prepare the forthcoming Preliminary Economic Assessment (PEA). The work will also feature the collection of mini-bulk samples from both surface and existing drill core to continue to develop and implement bench scale metallurgical testing. Graphite One has already shown that it is capable of delivering a high purity of 99.99% (Cg) graphite from a rough concentrate through leaching.

Graphite One has the ability to produce and deliver the kind of graphite that is used to make anodes in lithium-ion batteries. Given that Graphite One's graphite has demonstrated that it contains the kind of graphite able to challenge the synthetic variety of graphite. According to the Company, the Graphite Creek Property "hosts the largest known, high-grade, large flake Graphite Deposit in the United States." This is the kind of graphite needed by Tesla Motors, which intends to build and run a new and huge factory solely devoted to making lithium ion batteries. The project, known as 'Gigafactory',

could by itself raise the demand for natural graphite rise by up to 37% by 2020. Tesla intends to open the Gigafactory in 2017 such that it will deliver the equivalent of some 35 Gigawatt-hours (GWh) per year, which represents more than twice the value of the current market. Tesla believes that could become the market leader for Li-ion batteries in the United States.

Tesla's new factory is expected to be built in the Southwestern US and it could consume up to 28,000 tons of spherical graphite per year at full capacity, requiring the equivalent of 93,000 tons of flake graphite to process using today's methods more than twice as much as is used worldwide today. Despite some research, there is little to suggest that there is any end in sight to the dominance of graphite in the manufacturing of anodes. Graphite is simply the material of choice for manufacturers of lithium ion batteries. Of course, there is the chance that Tesla may choose to use synthetic graphite; however, this is not a strong chance given the latter material's far more insidious environmental concerns and Tesla's image as a socially and environmentally responsible company. Quite simply, the expansion of the battery market for electric vehicles will be such that it will generate a great opportunity for graphite producers.

As of 2012, the battery sector accounted for around 8% of the global demand for natural graphite. Thus, thanks to Tesla in particular (but not exclusively – because others will step in to meet demand for electric vehicles should Tesla abandon the Gigafactory project) the production of flake graphite in the coming years will have to increase considerably. Graphite mining in North America, and elsewhere, will have to increase to meet the rapidly changing demands of the market and to compensate for China's potential cuts to production and ongoing mining sector rationalization and cleanup. Therefore, companies like Graphite One may well have a chance to play an important role in global graphite supply rather than

exclusively North America. Given, the probable increase in the graphite market, several new graphite mines will have to come online to address demand. In addition, Graphite One benefits from having its project in Alaska, which has helped mining companies considering technology minerals to be essential components of the State's economic future.

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## **Flake Graphite, bubble or not, the risk is greater for those betting against**

✘ Australian graphite stocks have experienced a veritable boost in the past few weeks as many more companies have joined the graphite industry in expectation of much higher demand for Lithium-ion batteries (which, despite their name, use more graphite than lithium). Including China, the graphite sector now includes eight countries and there are promising resources being developed in Canada, the USA, Madagascar, Sri Lanka and Sweden among others. Naturally, there are concerns – and justified ones – that nobody knows where the volume of graphite demand will be heading in the future. Indeed, the graphite market is not all that big now and caution is well, almost always useful. The bets are that those companies that can produce high levels of purity will have a huge competitive advantage and the market will surely weed out the number of graphite companies as the realities of establishing a solid customer base and delivering consistent high quality at low cost take over. The current purity standard for high purity flake graphite is 99.9%, which would allow a company to be in an excellent starting position to open up numerous markets and achieve premium prices. The market is currently based on

material ranging from only 94% to 97% purity and several emerging graphite companies have claimed to exceed in their tests.

The critics, who correctly observe that nobody, can tell what shape the future of the graphite market will adopt are absolutely correct and they are right to advise caution and perhaps they are even right to warn of potential 'bubbles'. Nevertheless, the same might be said for any other commodity, mineral or otherwise, and any other stock. Nobody can predict the future. We can analyze trends and build scenarios but we cannot foresee what author Nicholas Nassim Taleb has called 'black swan' events. Nobody, other than the perpetrators of the heinous crime, knew what would happen on the morning of September 11, 2001. Apart from the human tragedy, the financial markets were affected and several bubbles burst. Therefore, based on the market information at our disposal now, investors cannot ignore the prospects for lithium-ion batteries that need high purity flake graphite.

The demand for these batteries is increasing, mainly due to the exploding use of consumer electronics (such as smartphones) as well as hybrid and electric automobiles. Forecasts predict that alone, this market will grow by 2020 to \$ 34.3 billion. And the test results of a handful of graphite companies show that they will be able to produce concentrate suitable material for use in lithium ion batteries. Not all will succeed, but then, it will be the market and careful research into the individual companies that will determine which have the better chances. Of course, many emerging graphite producers are young and present considerable risks on the road to the intended objective to become significant producers of graphite, but the completion of metallurgical testing serves as a useful indicator of potential and the extent to which the companies have mastered this crucial hurdle. Those that produce resource estimates further reduce risk and so on.

For a lot of metals, but also for energy, economic growth plays a role in the medium term; in the long run technological progress will be more important in helping to de-risk graphite investments. The higher commodity price, the more incentives arise to both produce – and replace – this raw material in production. The world is now engaged in the search to replace ever more expensive (even if abundant) oil. Graphite is one of the crucial materials to achieve this, because modern batteries and light weight materials require it. Technical progress both creates and destroys demand for commodities. Meanwhile, such industrial giants as BMW and Samsung have announced the expansion of their battery supply contracts. Bloomberg Samsung spoke of a “billion deal.” For the next few years Samsung will provide more lithium-ion cells for the BMW i3, the i8 and the plug-in hybrid vehicles of the Bavarian luxury carmaker. The expansion of the partnership of the two companies aims to secure technology leadership. BMW since 2009 battery concerns already from the South Korean manufacturer. Tesla is still determined to build its battery GigaFactory. BMW and Tesla: just two of the giant automotive groups that have just started to build electric vehicles. Speculative bubble or not, who would pass up the chance to invest in a solid graphite company today, considering Toyota, Hyundai, Nissan, Fiat, GM, Ford and a host of others will also be needing graphite rich batteries? *Oh, and notice there was no mention of graphene...*

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**Flinders Resources Woxna  
graphite mine to reach**



# production stage this month

✘ Flinders Resources Limited (“Flinders”, TSXV: FDR) has issued an update about the progress made at the Woxna graphite mine in Sweden. The refurbishment work is now in its final stages and Flinders expects the start of operations and production to begin before the end of July. According to a July 14 press release, last June Flinders achieved a number of milestones, which go from having all necessary equipment on site and installed to having the wet commissioning of the processing plant underway while such aspects as the tailings dam civil works, process controls and the site lab facility are just days away from reaching completion. Effectively, Flinders is about to become one of the first, of the new generation of flake graphite companies, to reach the crucial production stage and offer a real and practical alternative to the mineral graphite imported from China. Flinders, being located in Sweden, can easily supply the high demand German market. Flinders’s investors, meanwhile, will gain from the Company’s lower than average operational costs and capital expenditures, given that it already has reached productive capacity.

The Chinese mining industry, especially its rare earths sector, has faced increased internal scrutiny over labor and environmental standards, which have now affected graphite as well. This means that if its 20% export duties, added VAT and export licenses do not end up tightening supply again when demand grows in other industrial countries, its new mining regulations will, resulting in tighter supply and higher prices. This is good news for the various junior graphite miners that are relying on just such a pattern. Unlike other commodities, graphite requires much less capital expenditure (CAPEX) and natural or flake graphite is typically found close to the surface.

The timing is also ideal. While Flinders is just about ready

to start deliveries, the technology that is fueling demand for natural graphite has become far more 'mature' thanks to the higher than expected success of certain electric car models, especially, those offered by Tesla Motors. Sweden's own neighbor, Norway (an oil producing country) has proven to be the highest demand market for Tesla cars. While flake graphite will continue to be used in refractories, brake pads and lubricants, new technology from graphene to lithium-ion batteries and clean technology applications will require a multiple of the current supply. In May, Flinders announced that it has been rebuilding its sales distribution network throughout Europe, already securing a sales contract with a former European customer;

The Woxna graphite ore mine opened in the late 1990's originally. However, it was 'mothballed' a few years later because of low prices for graphite. Moreover, it is expensive to produce high purity graphite. The mine's former owners (Woxna Graphite AB, which was a subsidiary of Tricorona Mineral AB) was granted environmental permits for mining in the area in the early 2000s, which are valid until 2017. Woxna Graphite AB had originally, also filed an official request to build a plant for thermal and chemical purification in order to produce high purity graphite with a carbon content of 99.5 percent. Nevertheless, such a system is costly, and Tricorona decided to sell Woxna Graphite to Flinders Resources.

It is a great moment for Flinders, which has full ownership, as the Company has finally reached production readiness. Ideally, Flinders expects to extract 100,000 tons of graphite ore (at 10% carbon content) per year at the mine, which is expected to yield some 10,000 tons of enriched graphite. The mine has an expected lifetime of about 25 years but there are other potential deposits in the surrounding area. Flinders has one more advantage over other newly emerging graphite mines: in Europe, there are virtually no competitor producing flake graphite. In addition, Flinders purchased a mine that, while

shut, and was in very good condition. It had only been down for about 10 years, which meant that no major changes were required. Most of it could be used as it is; the existing processing plant was the biggest challenge, requiring a complete overhaul.