

# Standard Graphite plans more drilling after Encouraging Results at Mousseau East

✘ Standard Graphite ('Standard', TSXV: SGH, OTCQX: DARDF), one of the emerging new players in the graphite sphere, has launched a total of 13 graphite projects in Quebec and Ontario. The deposits are located in areas where high-value flake graphite has been identified. Antoine Fournier, one of the pioneers in the discovery of the prolific Lac Knife graphite deposit and Standard's chief geologist has been leading the exploration of the Black Donald property. On January 10, Standard published the results from the summer 2012 diamond drilling program – the second phase of the program after validation drilling – at its Mousseau East Deposit, which aimed “to trace historical mineralization towards the southwest along a well-defined conductor”.

The results showed that the mineralization extends beyond the historical resource area and that there is continuity throughout the conductor and well into the western edge of the property thanks to the use of widely spaced drill holes. Standard said it was pleased by the findings indicating a range of graphitic carbon from 7.5% to 11.6% from six drill holes. Standard also published results of composite assays from the core, noting that these are very promising and that drilling would be continued along the “wider and richer to define potential additional resources”. Standard is planning just such a new phase of diamond drilling at Mousseau East in order to assess the larger than thought potential for the project.

Standard acquired Mousseau East Property in Quebec last April and the property is located some 50 km from Timcal Canada Lac-des-Îles active Graphite Mine. Standard's strategy in

acquiring the Mousseau East property was to upgrade the historical non-compliant resource, as validated by the drill results, such as to reach production sooner. Graphicor explored the area extensively in the 1980's and 1990's leaving a valuable historical record. Standard's strategy is based on a diversification of prospecting areas in order to avoid over-reliance on a single project for the identification of the 'one' important find. It should be noted that graphite mines are typically not very large, and a mine producing quantities approaching 40,000 tons a year can be qualified as large.

Just under a year ago, the Cambridge House Conference in Vancouver highlighted the potential of a raw material that had been taken for granted until a few years ago: graphite. Graphite, typically used in the production of steel was found to have many and more sophisticated opportunities in such high-value applications such as lithium ion batteries, fuel cells, or even in the broader realm of alternative energy such as wind turbines or solar panels. The rising price of a ton of graphite over the past few years served as proof of this phenomenon. In spite of the turmoil from the financial crisis that started in 2007/2008, the spot price for flake graphite has increased from USD\$ 500 to around USD\$ 2,500 at its peak. Current prices are down from the peaks but still considerably higher than the average for the decade, indicating strong demand and tight offer. China still controls much of graphite production, which makes new deposits outside China very important and which has stimulated a number of graphite mining projects in areas outside of China.