Eagle Graphite Usage Study Confirms Exceptional Yield Of Premium Outputs

21.11.2018 | GlobeNewswire

TORONTO, Nov. 21, 2018 - Eagle Graphite Inc. (TSX VENTURE:EGA)(FRANKFURT:NJGP)(OTC:APMFF) ("Eagle Graphite", “Eagle”, "We", or the "Company") is pleased to provide an update to shareholders and stakeholders as to its progress and plans with respect to the ongoing graphite usage study.

Highlights

- Starting with a representative sample of run-of-plant 95 wt%C graphite, processing was carried out to upgrade the graphite for premium applications.
- Usage of a simplified processing stream generated high yields of graphite suitable for lithium-ion batteries. The process also co-generated other high-purity graphite outputs with excellent qualities for other high specification graphitic products.
- Combined, the resultant high value outputs make up 86% of the mass of the inputs, which compares favourably to an estimated 35% typical for the industry.
- The wide range of potentially suitable premium applications includes lithium-ion batteries, conductivity enhancements, pigmentation additives, and non-rechargeable batteries.

A leading independent specialist laboratory is under engagement to optimize process and qualify graphite produced at our Black Crystal plant for high value markets. The research will continue through 2018. The Company has received confirmation of potential applicability of our graphite for a wide range of high value markets.

During this part of the study, a series of processing steps isolated several different outputs. Each output has distinct characteristics determining its suitability for a specific set of high value applications. Common to all outputs, apart from removed impurities, is a very high purity level at or above 99.98 %wtC. Careful measurements of input and output masses at each processing stage allowed for accurate estimates of proportions available to each family of applications.

The high level overview of potential allocations by product category is indicated below.

Description	Mass per 100 kg input[1]	Example Applications
Lithium-ion anode graphite[2]	37.5 kg	Electric vehicles
Expanded/delaminated graphite	27.1 kg	Cathodes for alkaline and nickel-iron batter
Other premium applications combined	21.5 kg	Conductivity enhancers, specialty pigments
Impurities removed during purification	5.0 kg	Beyond scope of study[3]
Graphite not recovered for high value applications[4]	8.8 kg	Standard pencils and lubricants
Total[5]	100.0 kg	

For lithium-ion battery anodes, current industry practice is to mill and spheronize graphite concentrate prior to purification with hydrofluoric acid (HF). Typical yield of anode graphite from this process is 35%, with the remaining graphite relegated to low value markets such as pencils and carbon raisers.

The process applied to Black Crystal confers significant advantages. The processing stream that can be applied to graphite from Black Crystal for lithium-ion anode graphite yields quantities within battery specifications that are substantially higher than industry standard (53% vs. 35%). Further, the non-HF process preserves most of the remaining graphite as high purity material suitable for other premium applications.

Eagle Graphite CEO Jamie Deith states "Our graphite usage study is showing that with a simplified,

environmentally friendly process, we can achieve high yields of high value products and potentially meet client requirements across a broad range of premium applications. Our next steps to the study involve further testing for battery applications, and we hope that we continue to exceed quantitative targets for high purity graphite for advanced material suitability."

Torey Marshall, Eagle’s EVP of Business Development, adds “The proposed approach to creating products from Black Crystal graphite could result in an extremely high value combination of outputs per raw ton of graphite produced from our plant. We can pursue a range of premium products without sacrificing the usually high proportion of output to low value by-products typical of graphite producers."

[1]Source material is run-of-plant flake graphite concentrate 95 wt%C, approximating historical production at Black Crystal.

[2]"Lithium-ion anode graphite" refers to flake graphite that is spheronized, purified, and sized to match or exceed typical specifications of lithium-ion battery manufacturers. Not all of the starting graphite concentrate was allocated to the lithium-ion anode graphite processing stream. The starting concentrate included approximately 30% coarse flakes which can be allocated to potentially more lucrative applications. The 70% of input concentrate used to target lithium-ion anode yielded of 53.5% of input as lithium-ion anode graphite, corresponding to 37.5 kg per 100 kg of total input concentrate.

[3]Impurities indentified include a number of potentially recoverable elements, including silicon, calcium, and trace quantities of silver and yttrium. Recovery of these is beyond the scope of the current study.

[4]Graphite not recovered for high value applications consists primarily of left over graphite after milling, expansion, or purification that is not captured for a particular high value application. This material remains suitable for non-premium applications such as pencils or general lubricants.

[5]Total differs from the sum of individual entries due to rounding.

About Eagle Graphite

Eagle Graphite Inc. is an Ontario company that owns one of only two natural flake graphite production facilities in Canada or the USA, located 35 kilometres west of the city of Nelson in British Columbia, Canada, and 70 kilometres north of the state of Washington, USA, known as the Black Crystal graphite quarry. The Company's shares are listed on the TSXV under the symbol "EGA", on the Frankfurt Stock Exchange under the symbol "NJGP", and on the US OTC market under the symbol “APMFF”.

Cautionary Statements

Disclosure Regarding Forward-Looking Statements: This release contains certain "forward-looking information" within the meaning of applicable securities legislation. Such information is based on assumptions, estimates, opinions and analysis made by management in light of its experience, current conditions and its expectations of future developments as well as other factors which it believes to be reasonable and relevant. Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause our actual results to differ materially from those expressed or implied in the forward-looking information and accordingly, readers should not place undue reliance on such information. Although the Company believes, in light of the experience of its officers and directors, current conditions and expected future developments and other factors that have been considered appropriate, that the expectations reflected in this forward-looking information are reasonable, undue reliance should not be placed on them because the Company can give no assurance that they will prove to be correct. In evaluating forward-looking information, readers should carefully consider the various factors which could cause actual results or events to differ materially from those expressed or implied in the forward looking information. The statements in this release are made as of the date of this release. The Company undertakes no obligation to comment on analyses, expectations or statements made by third parties in respect of the Company or its securities, its financial or operating results, as applicable.

Torey Marshall, BSc (Hons), MSc (Geology), MAusIMM(CP), a "Qualified Person" as defined by NI 43-101,

has reviewed and approved the scientific and technical information in this release.

Neither the TSXV nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this release.

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