

# Large Flake Graphite Demand to Double by 2020

Graphite One Develops Massive Near Surface Deposit in Alaska



By [Commodity Dispatch](#)

*It's on.* Tesla Motors (TSLA-NASDAQ) is going to build a \$5-billion lithium-ion battery Gigafactory in Nevada – doubling the current global demand for Large Flake Graphite.

Tesla has already announced its intention to source graphite domestically. Current U.S. production is zero. That's a big opportunity for a future graphite miner and right now Graphite One (GPH-TSX.V) (GPHOF-OTCQX) is looking like the lead horse in this race. Almost every major industrialized country has declared Graphite a strategic metal. Big industrial players are looking to lock in long term supply.

GPH is developing the Graphite Creek Project, USA's only advanced staged large-scale, large flake graphite deposit, comprising 129 claims totaling 6,799 hectares on the Seward Peninsula of Alaska, 65 kilometers north of the deep sea port at Nome.

"We've already spent in excess of \$6,000,000 drilling up our deposit and have already amassed the largest graphite deposit in North America, and one of the largest in the world" stated GPH CEO and President Anthony Huston in an exclusive interview with Commodity Dispatch, "Currently we've proved up about 285 million tons averaging 4.5% Graphite. Large flake graphite ranging just shy of 13% sits right at surface. Importantly, our graphite deposit is situated in one of the most business friendly jurisdictions in the world which sets us apart from other projects in 2nd and 3rd world countries and jurisdictions."

Mineralization at the Graphite Creek Property is characterized by the prized coarse crystalline graphite (greater than 80mesh).

"The current in-fill drill program will allow us to move a portion of the inferred resource into the indicated or measured category," stated Huston, "By mid 2015 we expect to have completed a Preliminary Economic Assessment (PEA) which will be a paradigm shift for Graphite One because we can formally prove the economics and long term value of the project".

What does that mean in value and dollar terms for GPH and its shareholders?

Syrah Resources (SYR-ASX), has a comparable asset in Mozambique, Syrah and its market value has grown to \$800 Million dollars.

“We have established the largest resource in North America exploring only 26% of our strike length,” states Huston, “That provides reassurance to the end user that we are scalable, and we can provide high grade product for many decades. We believe we can deliver value that will match or exceed our peers with our world class asset.”

Graphite Creek contains 12.76 million tonnes of high grade graphite at surface, worth about \$11 billion at today’s prices.

Alaska is a mining friendly jurisdiction. Local residents receive dividend checks from resource extraction activity, so there is endemic motivation to move projects forward.

High-grade graphite mineralization extends from surface to depths of over 200 meters. The 2013 drilling program confirmed continuity of near surface, high grade graphite within an accessible geological setting. The drill program also doubled the strike length to 4.8 kilometers. The deposit is open along strike to the east and west, and down dip. Each of the 28 drilled holes has been mineralized from top to bottom.

Current projections indicate that the Tesla Giga-factory will be in full production by 2020. Huston expects to be able to meet 100% of the increasing graphite demand for the next 50-100 years.

“Buyers will require a steady protected supply with no fluctuation in the quality of the product,” stated Huston, “And that is what Graphite Creek is set up to deliver. Because of the size of our project, and its scalability, we can sit down with potential buyers and say, ‘This is what we have today and this is what we’re going to have in 10, 20, 30 years from now.’”

Huston is confident that the PEA will confirm the geology and the financial schematics to a big end user – whether it be Tesla, Panasonic, Samsung, GM or Ford. All lithium-ion battery producers own proprietary technology that requires a supply of large flake graphite.

“There are strict parameters that define what large flake graphite is,” explains Huston, “So when a long term buyer is looking for flake graphite, the foremost concern is the

reliability of the supply. In China, graphite producers tend to aggregate product from a lot of smaller mines, so if there is a problem with quality control it's often difficult to pinpoint the source of the supply."

By 2020, the Gigafactory will have the capacity to produce 50 times the amount of batteries shipped in Tesla cars in 2013 – and 20 times the total amount of electric vehicles sold last year.

GPH is currently trading at .165 with a market cap of \$24 million.