



Companies turning attention to graphite

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EXPLORATION companies are jumping on the graphite bandwagon.

Companies including Strategic Graphite, Lincoln Minerals, Monax Mining and Archer Exploration are focusing their attention on graphite resources on Eyre Peninsula, which Lincoln Minerals' managing director John Parker has described as "the Pilbara of graphite".

Christopher Darby, a mining and graphite consultant who has worked on the Uley Graphite Mine, said the global interest in graphite mines and production from Eyre Peninsula was set to grow over coming years.

In 2007 China, the major world producer of graphite, began placing tariff and export restrictions on all graphite products.

Mr Darby said recently the restrictions on Chinese graphite producers were increased yet again with new environmental compliance requirements.

This change is expected to push graphite prices up and increase demand for graphite from Eyre Peninsula.

Strategic Resources

The Uley Graphite Mine is now owned and managed by Strategic Graphite, formerly Tarcoola Gold, the demerged entity from Strategic Energy Resources after Canadian company Mega Graphite exited the project.

Mega signed a definitive share agree-

ment with Strategic Graphite in 2011, but the agreement came to an end in November after Mega was unable to raise

financial backing due to weakness in the global market.

Strategic Graphite has also since ended an agreement for Mega to manage operations at the site.

Strategic Graphite director Mark Muzzin (pictured left) said the compa-

ny was confident in funding the rapid delivery of the project, and Uley would still be the first Eyre Peninsula graphite project to come online.

The company is in the process of re-engineering the front end of the plant with a view to begin production in mid-2013 using stockpiled material.

Mining is then scheduled to start later in the year.

Mr Muzzin said Uley was a key project for the graphite market.

"We are working hard to get this world class project back into production," he said.





Lincoln Minerals

Lincoln Minerals is the largest tenement holder on Eyre Peninsula, with 4677 square kilometres.

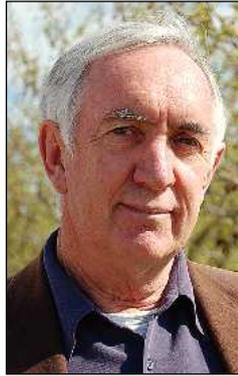
In its coordination agreement with Centrex Metals, Centrex has iron ore rights, while Lincoln Minerals has rights for all other minerals including graphite.

Its significant graphite tenements include the Koppio Graphite Mine and Kookaburra Gully prospect near Port Lincoln; Gum Flat 2km north of Mega's world class Uley Graphite Mine; Campoona and Sugarloaf hill adjacent Archer Exploration's tenements north of Cleve; and numerous outcrops, old mines, prospects and drill hole intercepts in the Koppio, Gum Flat and Campoona regions.

Maiden resource definition drilling has just started at Kookaburra Gully, which subject to conditions should be completed in two to three weeks with results due about a month later.

An electromagnetic survey and a scoping study have been done to prove up the resource.

An independent study on the Kookaburra Gully prospect estimated a \$38m development cost for mining opera-



John Parker

tions, infrastructure and process plant.

Lincoln's Koppio-Kookaburra Gully graphite deposits have an inferred resource of 880,000 tonnes of graphite and 57,000 tonnes at Koppio.

Monax Mining

Monax Mining is looking for graphite at its Waddikee Project between Cleve and Kimba.

So far exploration has found high-grade coarse flake graphite at the Wilclo South prospect, showing it has the grade and flake size to be a significant graphite prospect.

More testing is planned to define the graphite size range and grade prior to further drilling.

Monax managing director Gary Ferris said the company was awaiting the latest testing results, expected in early 2013.

Monax's forward exploration program will be based on these results.

Recently completed drilling programs at the Lacroma and Balumbah prospects showed both also warrant further exploration.

Monax is planning more exploration at the Argent prospect, where the company has already confirmed high-grade, coarse flake graphite at the surface.

Archer Exploration

Archer Exploration has announced its graphite maiden resource at Campoona, 15km north of Cleve, of 2.572 megatonnes and scoping studies are underway, including environmental baseline environmental studies.

Campoona is estimated to contain almost 400,000 tonnes of graphite.



PANORAMA: A panoramic shot of the Uley Graphite Mine site