

NMG Files Preliminary Economic Assessment for the Uatnan Mining Project

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- Preliminary economic assessment of the Uatnan Mining Project demonstrates attractive economics with an indicative NPV of C\$ 2,173 million for a targeted production of approximately 500,000 tonnes of graphite concentrate per annum over a 24-year life of mine, making it one of the world's largest graphite projects in development.

MONTREAL, March 1, 2023 /CNW/ - [Mason Graphite Inc.](#) (TSXV : LLG) (OTCQX : MGPHF) reports: Following the publishing of results on January 10, 2023, [Nouveau Monde Graphite Inc.](#) ("NMG" or the "Company") (NYSE: NMG, TSX.V: NOU) has filed the preliminary economic assessment ("PEA") for the Uatnan mining project (the "Uatnan Mining Project") located in Québec, Canada, with the securities commissions and regulatory authorities in Canada and the U.S. The PEA, conducted by engineering firms BBA Inc. ("BBA") and GoldMinds Geoservices Inc. ("GMG") according to National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101"), was carried out in collaboration with Mason Graphite Inc. ("Mason Graphite") (TSX.V: LLG, OTCQX: MGPHF) as the Uatnan Mining Project leverages the Lac Guéret deposit wholly-owned by Mason Graphite and subject to an investment agreement and option and joint venture agreement with NMG.

The PEA shows strong economics for NMG's updated operational parameters and production volumes targeting the production of approximately 500,000 tonnes of graphite concentrate per annum over a 24-year life of mine ("LOM"). The proposed Uatnan Mining Project is currently one of the largest projected natural graphite productions being developed in the world. Consistent with NMG's vertical integration strategy, the Uatnan Mining Project's contemplated production would serve as feedstock for battery materials advanced manufacturing, providing refining expansion opportunity, increasing potential margins, and enhancing the Company's growth profile.

In today's dynamic market, the Uatnan Mining Project aligns with NMG's commercial engagement amidst electric vehicle ("EV") adoption reaching unprecedented levels with 10.3 million vehicles sold in 2022 (Rho Motion, February 2023). With 7,940 GWh of global lithium-ion battery production capacity projected by 2030, demand for advanced materials is set to increase up to fivefold, with graphite outpacing the other battery metals (Benchmark, January 2023) at 10,363,000 tonnes per annum for that market segment alone.

Arne H Frandsen, Chair of NMG, declared:

"The market is actively searching for alternative sources of graphite, in significant volumes, to reduce its dependence on Chinese-controlled supply chains. NMG's integrated operating model, from ore to battery materials, caters to western world's EV and battery manufacturers with a turnkey, scalable, and ESG-driven production. The Uatnan Mining Project fits perfectly into the Company's development plan, providing a large resource to complement our Phase-2 Matawinie Mine and Bécancour Battery Material Plant. Now more than ever, NMG is demonstrating its leadership in striving to establish North America's largest natural graphite production to serve the energy transition."

PEA Results: The Potential of the Uatnan Mining Project

NMG and its consultants revisited the fundamentals for the property development with a view to aligning the Uatnan Mining Project with today's market opportunity. Design of the Uatnan Mining Project has been tailored to the needs of the battery and EV market, orienting production volumes for beneficiation in order to produce active anode material.

The Uatnan Mining Project optimizes the Mineral Resources (see Table 2) and aims to expand the original mining project tenfold by targeting the production of approximately 500,000 tonnes of graphite concentrate per annum. It would be operated as a conventional open pit with a concentrator near the deposit. In line with

NMG's responsible mining approach, plans include considerations for high standards in term of tailings management, progressive site closure with backfilling of the pit and a transition to fleet electrification. Québec's affordable clean hydropower underpins the Uatnan Mining Project's economic structure and supports NMG's undeterred carbon-neutrality commitment.

Table 1: Operational Parameters of the Uatnan Mining Project

OPERATIONAL PARAMETERS	
LOM	24 years
Nominal annual processing rate	3.4 M tonnes
Stripping ratio (LOM)	1.3:1
Average grade (LOM)	17.5% Cg
Average graphite recovery	85 %
Average annual graphite concentrate production (LOM)	500,000 tonnes
Finished product purity	94% Cg

Cautionary Note: Graphite is expressed in graphitic carbon ("Cg"). The PEA is preliminary in nature and includes Inferred Mineral Resources, considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves, and there is no certainty that the PEA will be realized. Mineral resources that are not mineral reserves have not demonstrated economic viability. Additional trenching and/or drilling will be required to convert inferred mineral resources to indicated or measured mineral resources. There is no certainty that the resources development, production, and economic forecasts on which this PEA is based will be realized.

Table 2: Current Pit-Constrained Mineral Resource Estimate

IN-PIT CONSTRAINED MINERAL RESOURCES	Tonnes (Mt)	Grade (% Cg)	Cg (Mt)
Measured 5.75% < Cg < 25%	15.65	15.2	2.38
Measured Cg > 25%	3.35	30.6	1.02
Total Measured	19.02	17.9	3.40
Indicated 5.75% < Cg < 25%	40.29	14.6	5.89
Indicated Cg > 25%	6.33	31.6	2.00
Total Indicated	46.62	16.9	7.89
Indicated + Measured 5.75% < Cg < 25%	55.94	14.8	8.27
Indicated + Measured Cg > 25%	9.70	31.2	3.03
Total Measured + Indicated	65.64	17.2	11.30
Inferred 5.75% < Cg < 25%	15.35	14.9	2.28
Inferred Cg > 25%	2.47	31.8	0.79
Total Inferred	17.82	17.2	3.07

Notes?:

1. The Mineral Resources provided in this table were estimated by M. Rachidi P.Geol., and C. Duplessis, Eng., (QPs) of GoldMinds Geoservices Inc., using current Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Standards on Mineral Resources and Reserves, Definitions and Guidelines.
2. Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, market or other relevant issues. The quantity and grade of reported Inferred Mineral Resources are uncertain in nature and there has not been sufficient work to define these Inferred Mineral Resources as indicated or Measured Mineral Resources. There is no certainty that any part of a Mineral Resource will ever be converted into Mineral Reserves.
3. The Mineral Resources presented here were estimated with a block size of 3mE x 3mN x 3mZ. The blocks were interpolated from equal-length composites (3m) calculated from the mineralized intervals.
4. The Mineral Resource estimate was completed using the inverse distance to the square methodology utilizing three runs. For run 1, the number of composites was limited to ten with a maximum of two composites from the same drillhole. For runs two and three the number of composites was limited to ten with a maximum of one composite from the same drillhole.
5. The Measured Mineral Resources classified using a minimum of four drillholes. Indicated resources classified using a minimum of two drillholes. The Inferred Mineral Resources were classified by a minimum of one drillholes.
6. Tonnage estimates are based on a fixed density of 2.9t/m³.
7. A pit shell to constrain the Mineral Resources was developed using the parameters presented in Table 4. The effective date of the current Mineral Resources is January 10, 2023.
8. Mineral Resources are stated at a cut-off grade of 5.75% C(g).

Estimates currently being at the market's peak as influenced by inflationary trends, NMG and its consulting firms have refined design, engineering, and construction parameters to enable cost optimization and competitive pricing.

Table 3: Economic Highlights of the Uatnan Mining Project

ECONOMIC HIGHLIGHTS	Uatnan Mining Project
Pre-tax NPV (8% discount rate)	C\$ 3,613 M
After-tax NPV (8 % discount rate)	C\$ 2,173 M
Pre-tax IRR	32.6 %
After-tax IRR	25.9 %
Pre-tax payback	2.8 years
After-tax payback	3.2 years
Initial CAPEX	C\$ 1,417 M
Sustaining CAPEX	C\$ 147 M
LOM OPEX	C\$ 3,236 M
Annual OPEX	C\$ 135 M
OPEX per tonne of graphite concentrate	C\$ 268/tonne
Concentrate selling price	US\$ 1,100/tonne
Annual revenues from Uatnan production	US\$ 550,000,000

All costs are in Canadian dollars with the exception of the graphite sale price which is provided in US dollars.

The PEA shows that the Uatnan Mining Project is technically feasible as well as economically viable. With

natural flake graphite expected to enter a structural deficit in 2023 due to the continued growth of the lithium-ion battery sector (Benchmark Mineral Intelligence, December 2022), market perspectives and NMG's active commercial discussions indicate favorable conditions for commercializing the Uatnan Mining Project production.

On the basis of these positive results, NMG intends to launch an updated feasibility study in compliance with the option and joint venture agreement signed with Mason Graphite.

NMG is committed to extending its approach of open and proactive engagement with Indigenous Peoples and local stakeholders to the Uatnan Mining Project. The Company plans to maintain a transparent dialogue with the Innu First Nation of Pessamit as it advances the project development to ensure the respect of their rights, their culture, way of life and spirituality, the inclusion of their perspective and traditional knowledge, as well as the protection of the environment. NMG also pledges to expand its relationships with stakeholders from all horizons to foster mechanisms for collaboration and shape a project generating shared value.

The PEA entitled "NI 43-101 Technical Report - PEA Report for the Uatnan Mining Project", with an effective date of January 10, 2023, was filed on SEDAR at www.sedar.com, on EDGAR at www.sec.gov and on NMG's website. PEA results as outlined in this press release were issued on January 10, 2023.

Scientific and technical information presented in this press release was reviewed and approved by André Allaire, P.Eng. (BBA), Jeffrey Cassoff, P.Eng. (BBA), Vera Gella, P.Eng. (BBA), Claude Duplessis (GoldMinds Geoservices), and Merouane Rachidi, P.Geo. (GoldMinds Geoservices) Qualified Persons as defined under NI 43-101.

About Nouveau Monde Graphite

Nouveau Monde Graphite is striving to become a key contributor to the sustainable energy revolution. The Company is working towards developing a fully integrated source of carbon-neutral battery anode material in Québec, Canada for the growing lithium-ion and fuel cell markets. With low-cost operations and enviable ESG standards, NMG aspires to become a strategic supplier to the world's leading battery and automobile manufacturers, providing high-performing and reliable advanced materials while promoting sustainability and supply chain traceability. www.NMG.com

About Mason Graphite

Mason Graphite is a Canadian corporation focused on seeking investment opportunities. Its strategy is to develop vertical and horizontal integration in the mining industry, with a special focus on industrial and specialty minerals, notably battery-related materials and their by-products. Its strategy also includes the development of value-added products, notably for green technologies like transport electrification. The Company currently owns 100% of the rights to the Lac Guéret deposit, one of the richest graphite deposits in the world, which is under an Option and Joint Venture Agreement with [Nouveau Monde Graphite Inc.](http://www.NouveauMondeGraphite.com) (TSX-V: NOU) (NYSE: NMG). Mason Graphite is also the largest shareholder of Black Swan Graphene Inc., a Canadian publicly traded company (TSX-V: SWAN) (OTCQB: BSWG) focusing on the large-scale production and commercialization of patented high-performance and low-cost graphene products aimed at several industrial sectors, including concrete, polymers, Li-ion batteries and others.

Cautionary Statement Regarding Forward-Looking Information

Certain statements made in this news release are forward-looking statements within the meaning of applicable securities laws, including, but not limited to, statements with respect to the timing of the Special Meeting, and other statements that are not material facts. Often, but not always, forward-looking statements can be identified by the use of forward-looking terminology such as "may", "will", "expect", "believe", "estimate", "plan", "could", "should", "would", "outlook", "forecast", "anticipate", "foresee", "continue" or the negative of these terms or variations of them or similar terminology.

Although the Company believes that the forward-looking statements in this news release are based on information and assumptions that are current, reasonable and complete, these statements are by their

nature subject to a number of factors that could cause actual results to differ materially from management's expectations and plans as set forth in such forward-looking statements, including, without limitation, the following factors, many of which are beyond the Company's control and the effects of which can be difficult to predict: (i) the risks related to the approval of the Proposed Transactions by the TSX Venture Exchange and other risks related to the satisfaction of the conditions to closing the Proposed Transactions, (ii) general risks related to the completion of the Proposed Transactions, (iii) the risks related to the formation of a joint venture, such as the Joint Venture with Nouveau Monde, (iv) volatile stock price; (v) the general global markets and economic conditions; (vi) the possibility of write-downs and impairments; (vii) the risk associated with exploration, development and operations of mineral deposits; (viii) the risk associated with establishing title to mineral properties and assets; (ix) the risks associated with entering into joint ventures; * fluctuations in commodity prices; (xi) the risks associated with uninsurable risks arising during the course of exploration, development and production; (xii) competition faced by the Joint Venture in securing experienced personnel and financing; (xiii) access to adequate infrastructure to support mining, processing, development and exploration activities; (xiv) the risks associated with changes in the mining regulatory regime governing the Joint Venture; (xv) the risks associated with the various environmental regulations the Joint Venture is subject to; (xvi) the risks associated with the various environmental regulations the Joint Venture is subject to; (xvii) the risks associated with the various environmental regulations the Joint Venture is subject to; (xviii) the risks associated with the various environmental regulations the Joint Venture is subject to; (xix) the risks associated with the various environmental regulations the Joint Venture is subject to; (xx) the risks associated with the various environmental regulations the Joint Venture is subject to; (xxi) the risks associated with the various environmental regulations the Joint Venture is subject to; (xxii) the risks associated with the various environmental regulations the Joint Venture is subject to; (xxiii) the risks associated with the various environmental regulations the Joint Venture is subject to.

<https://www.rohstoff-welt.de/news/437095--NMG-Files-Preliminary-Economic-Assessment-for-the-Uatnan-Mining-Project.html>

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