

## Industrial Technology

### *Weekly Highlights In The Battery Value Chain*

Unless otherwise denoted, all figures shown in US\$

#### Highlights:

With the broader resource sector performing poorly last week and a general technology sector sell-off ongoing, the stocks of battery-related companies posted poor performance last week. Lithium developers fell 4%, led lower by Galaxy Resources (GXY-ASX) and ♦Nemaska Lithium (NMX-TSX), which announced an equity raise at a discount to the previous close. Although the major lithium suppliers remain up strongly over the past quarter, they too performed disappointingly last week.

- SQM highlighted the closing of the Ganfeng Lithium investment in ♦Lithium Americas (LAC-TSX), pointing to the ongoing work at the Cauchari JV, on which SQM is expected to spend \$100 MM in 2017.
- ♦Mason Graphite Inc. (LLG-TSXV) announced the signing of an Impact Benefits Agreement with the Pessamit supporting the Lac Guéret graphite in Quebec. This is an important milestone to complete by the time the full permit is granted later in 2017.
- Despite the mixed stock market performance lithium and cobalt commodity prices remain strong as the demand and supply outlook remains tight.

#### Recent Cormark Battery-Related Research:

Date	Company	Headline	Target	Rec.
8-June-17	♦Lithium Americas	Announces Closing of Ganfeng Investment	C\$2.00	TP
29-May-17	♦LSC Lithium Corp.	Site Tour: DXP Is Operational	C\$2.15 B(S)	
25-May-17	♦Neo Lithium Corp.	Maiden Resource Confirms Expectations	C\$2.05 B(S)	
28-Apr-17	Orocobre Ltd.	Quarterly Report Shows Improvement	C\$4.10	MP
25-Apr-17		The Battery Value Chain Part 2: Cobalt & Graphite		
30-Mar-17	♦Lithium Americas	Feasibility Highlights Released	C\$2.00	TP
13-Mar-17	♦Nemaska Lithium	Site Visits Highlight Substantial Progress	C\$2.25	B
2-Mar-17	Orocobre Ltd.	Cutting Outlook As Pond Management Stumbles	C\$4.00	MP
1-Mar-17	♦Lithium Americas	Cauchari Update Confirms Capex	C\$1.70	TP
17-Feb-17	Orocobre Ltd.	Olaroz Plant Tour Highlights	C\$5.30	B
17-Feb-17	♦Lithium Americas	Cauchari Project Site Visit	C\$1.70	TP

*Weekly Highlights in the Battery Value Chain* is published each week to provide a snapshot of stock activity, commodity markets, industry news and government policy related to the adoption of lithium ion batteries as well as the supply and manufacture of related materials and components.

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## News For Companies Under Coverage

### Lithium Americas (LAC-TSX, Top Pick Rating, C\$2.00 Target)

**SQM Provides Update On Cauchari Project – June 13:** In a brief press release last week, SQM highlighted that LAC had closed its financing with Ganfeng Lithium, allowing LAC to meet its funding obligations for the JV with SQM on Cauchari. SQM went on to indicate that detailed engineering is being executed and that campsite construction, additional hydrological tests, drilling campaigns and equipment quoting work are all ongoing. We view the comment that LAC's funding milestone is "a positive sign of future development of lithium industry and of the project Exar in particular" as commitment from SQM for the project.

In discussing the press release with LAC, Management highlighted that the project work continues to move forward with funding being provided by both partners in the JV. We note that SQM has approval from its Board to spend \$100 MM on the Cauchari project in 2017, which is in keeping with a timeline to bring Cauchari into production in 2019. We expect that SQM will provide a substantial update on the project, particularly regarding the 2018 budget, by the time of the analyst day in early September 2017. Recall that last year, the Board of SQM approved the 2017 spend on Cauchari at the time of the August earnings release, which then formed a key element of the discussions on the analyst day that took place shortly after. With a 2019 target for production at Cauchari, SQM would be expected to articulate a substantial work plan and budget for 2018 in order for the 2019 to be perceived as achievable.

### Mason Graphite Inc. (LLG-TSXV, Buy Rating, C\$2.00)

**Signs Impact Benefit Agreement – June 16:** LLG and the Innu Council of Pessamit signed the Mushalakan Agreement, an Impact Benefit Agreement outlining how the company and the First Nations group plan to cooperate to ensure that the Lac Guéret graphite mining project is a success. A specific training and employment strategy is to be developed jointly to enable employment and financial benefits to flow to the local communities. The agreement allows the Innus of Pessamit to participate in the project through contracting opportunities as well as share in financial and socio-economic benefits. This is a further important milestone following quickly after the acceptance of the EIS earlier in June. We expect that by the end of the summer LLG is likely to have its permit to progress to construction.

## Industry News

### Advantage Lithium Corp. (AAL-TSXV, Not Rated)

**Adds Properties In Catamarca, Argentina – June 19:** AAL announced the staking of a new property in Catamarca province, Argentina, adding to its land holdings in the Antofalla Salar located in the provinces of Catamarca and Salta, Argentina. The new property, known as Antofallita XX, totals 3,000 ha and is strategically located adjacent to properties held by Albemarle. AAL's total land holdings in the Antofalla Salar are now 13,000 hectares with 10,000 hectares located in Salta Province and 3,000 hectares in Catamarca Province. Environmental permitting procedures have been initiated with the objective of obtaining approval for a proposed drill program.

### Critical Elements Corp. (CRE-TSXV, Not Rated)

**Receives Further Funding From Helm AG To Continue Work On Feasibility – June 14:** CRE announced it had drawn down a further \$3 MM on the credit facility entered into with HELM AG last year. The funding is supporting the ongoing work on the final feasibility study for the Rose lithium-tantalum project. CRE reiterated that the support from HELM is subject to a take-or-pay, off-take agreement that is to be executed by the parties. HELM AG has the sole and exclusive right to purchase all of the produced products including spodumene concentrate as well as all lithium chemicals and tantalum concentrate. The

agreement is anticipated to be complete within 60 days of the completion of the feasibility study. Note that HELM has an option to acquire a 25% interest in the project.

#### **Pilbara Minerals Ltd. (PLS-ASX, Not Rated)**

**Debt And Equity Being Finalized For Pilgangoora – June 15:** Earlier last week, Pilbara announced an offering of a \$100 MM worth of senior secured bonds with a coupon rate of 12% and a maturation in June 2022. In addition, later in the week, Pilbara announced the launch of an equity raise aimed to complete funding for Pilgangoora lithium-tantalum project in Western Australia, one of the largest new spodumene resources in development. The equity raise comprises a share a placement of up to 220 MM fully paid ordinary shares at issue price of A\$0.35 expected to raise up to A\$50 MM.

#### **Tesla Inc. (TSLA-Nasdaq, Not Rated)**

**Considering Manufacturing Capacity In India– June 19:** Tesla has indicated that a plan to enter the Indian market as a retailer is being considered and that as a result it is in discussions with the Indian government regarding restrictions on imports of its high-end electric cars until a factory is constructed. A factory in the country would aim to meet the local demand for electric cars. Tesla aims to be well positioned to benefit from the Indian government's aggressive target for electric vehicles by 2030. Currently, India imposes a large customs duty of 119% on imported automobiles.

#### **Government News**

**Republican Plan Would Not Allow US States To Ban Self-Driving Cars – June 15:** A proposed regulation is anticipated from Republican lawmakers in the US House that would bar California and other states from setting their own rules governing design and testing of self-driving cars. In addition, federal regulators would be blocked from demanding pre-market approval for autonomous vehicle technology. Although not yet a law, industry watchers view the bill as a potential victory for General Motors Co, Alphabet Inc., Tesla Inc. and other automakers and technology companies seeking to persuade Congress to pre-empt rules under consideration in California, and other states to limit deployment of self-driving vehicles. There are a number of important insurance and safety regulations that are being considered at both the federal and various state levels that could have an impact on the pace of deployment.

#### **Commodity Prices:**

- Lithium carbonate prices in Asia held steady last week, as reported by Asian Metals. We have also added a figure that provides a rolling average of prices reported by the export office of Argentina for lithium carbonate being shipped from Sales de Jujuy. While at a discount to the prices in Asia and those reported by producers in Chile, the trend line tells a consistent story about the tightness in the supply/demand in the lithium market.
- Cobalt prices continue to remain strong. In the commentary we receive concerning the market, we typically see considerable focus on the battery demand, which remains strong. We note that this week there are bullish statements regarding the demand from medical and superalloy applications. High grade pricing is approaching \$30 per pound. Expectations for a rally to above \$30 per pound are increasing. The impact of the battery market is highlighted by the premium for cobalt units in sulphate, the key input for cathodes, has risen from \$5 to the \$7-8 per pound range.

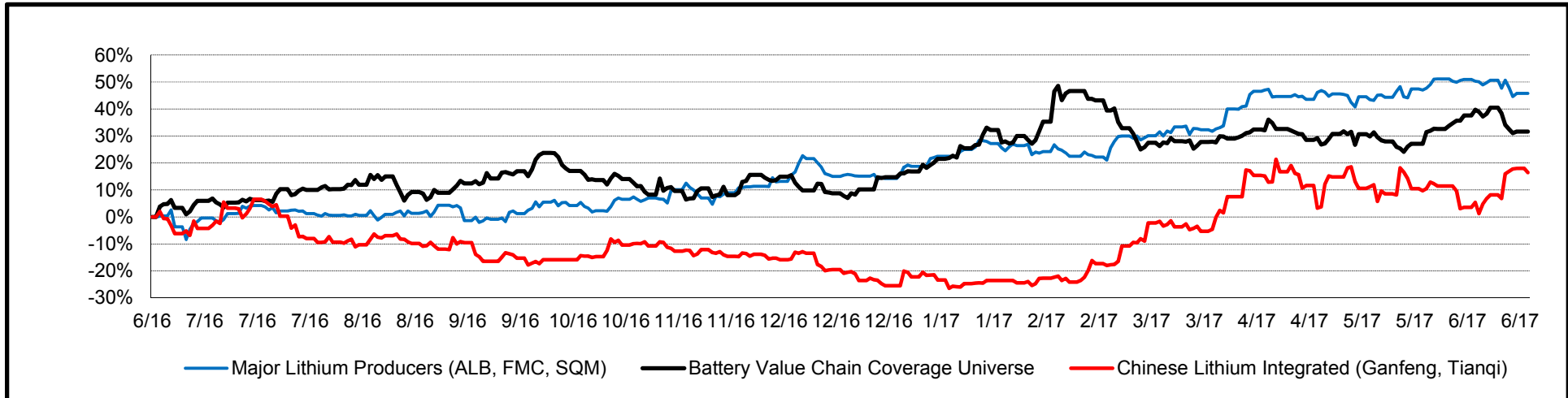
Figure 1: Stocks Under Coverage

Company	Rec.	Capitalization							Valuation									
		Share Price (\$)	Target Price (\$)	12-Mth Return	Mkt Cap (\$ MM)	EV (\$ MM)	52-Week		Mining Assets (\$ MM)			Financ'l Assets (\$ MM)			Valuation			
							High (\$)	Low (\$)	Phase 1	Phase 2	Other(s)	Cash	Opt. & Warran	Debt	NAV (\$MM)	Shrs (MM)	NAVPS (\$)	P/NAV
<b>Lithium</b>																		
♦ Lithium Americas Corp	Top Pick	C\$0.94	C\$2.00	113%	C\$425	C\$319	C\$1.26	C\$0.52	405.2	285.8	96.2	81.0	10.5	0.9	C\$1,173	452	C\$2.59	36%
♦ LSC Lithium Corp	Buy(S)	C\$1.29	C\$2.15	67%	C\$198	C\$163	C\$1.77	C\$1.17	312.1	108.8	147.9	26.4	25.7	-	C\$828	312	C\$2.66	49%
♦ Neo Lithium Corp	Buy(S)	C\$1.19	C\$2.05	72%	C\$105	C\$76	C\$2.09	C\$0.19	419.9	213.9		29.4	21.2	0.3	C\$913	246	C\$2.57	46%
♦ Nemaska Lithium Inc	REST	C\$1.05	REST	REST	C\$346	C\$267	C\$1.60	C\$0.89	C\$683			C\$78.3	C\$20.4	C\$0.0	C\$782	331	C\$2.36	44%
Orocobre Ltd	Mkt Prfm	C\$3.73	C\$4.10	10%	C\$787	C\$733	C\$4.94	C\$2.67	353.4	219.2	190.7	37.3		(1.8)	C\$1,065	209	C\$5.09	73%
<b>Cobalt</b>																		
♦ Fortune Minerals Ltd	Buy(S)	C\$0.19	0.35	84%	C\$43	C\$51	C\$0.34	C\$0.09	C\$274			C\$6.1	C\$2.1	C\$0.0	C\$283	639	C\$0.44	43%
<b>Graphite</b>																		
♦ Mason Graphite Inc	Buy	C\$1.67	C\$2.00	20%	C\$144	C\$166	C\$1.88	C\$0.67	C\$273			C\$22.1	C\$4.2	C\$(2)	C\$297	158	C\$1.88	89%

Note: EV does not include cash from options and warrants

Source: Company reports, Thomson Eikon, Cormark Securities

Figure 2: Aggregate Stock Performance



Source: Company reports, Thomson Eikon, Cormark Securities

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Figure 3: Top Performers

1-Week		3-Month		1-Year	
<b>Lithium</b>					
<b>Top Performers</b>					
Bacanora Minerals Ltd	4%	FMC Corp	28%	FMC Corp	58%
Millennial Lithium Corp	2%	Orocobre Ltd	21%	Advantage Lithium Corp	45%
FMC Corp	1%	♦ Lithium Americas Corp	9%	Sociedad Quimica y Minera de Chile SA	44%
<b>Bottom Performers</b>					
♦ Nemaska Lithium Inc	-9%	Advantage Lithium Corp	-25%	♦ Nemaska Lithium Inc	-25%
Galaxy Resources Ltd	-18%	Galaxy Resources Ltd	-37%	Galaxy Resources Ltd	-30%
<b>Graphite</b>					
<b>Top Performers</b>					
Leading Edge Materials Corp	16%	♦ Mason Graphite Inc	36%	♦ Mason Graphite Inc	141%
♦ Mason Graphite Inc	2%	NextSource Materials Inc	7%	Leading Edge Materials Corp	55%
Syrah Resources Ltd	1%	Leading Edge Materials Corp	-3%	Nouveau Monde Graphite Inc	12%
<b>Bottom Performers</b>					
Magnis Resources Ltd	-4%	Northern Graphite Corp	-6%	Northern Graphite Corp	-34%
Northern Graphite Corp	-9%	Alabama Graphite Corp	-20%	Magnis Resources Ltd	-42%
NextSource Materials Inc	-12%	Focus Graphite Inc	-24%	Syrah Resources Ltd	-60%
<b>Cobalt</b>					
<b>Top Performers</b>					
Clean TeQ Holdings Ltd	38%	Sunvest Minerals Corp	15%	Castle Silver Resources Inc	380%
King's Bay Gold Corp	5%	US Cobalt Inc	13%	CobalTech Mining Inc	300%
Ecobalt Solutions Inc	5%	Cruz Cobalt Corp	10%	Ecobalt Solutions Inc	143%
<b>Bottom Performers</b>					
♦ Fortune Minerals Ltd	-11%	King's Bay Gold Corp	-41%	LiCo Energy Metals Inc	32%
CobalTech Mining Inc	-23%	CobalTech Mining Inc	-59%	Cobalt Blue Holdings Ltd	0%
<b>Group Averages</b>					
<b>1-Week</b>		<b>3-Month</b>		<b>1-Year</b>	
Coverage (Li, Co, Cg)	-5%	Coverage (Li, Co, Cg)	4%	Coverage (Li, Co, Cg)	28%
Lithium	-4%	Lithium	-2%	Lithium	12%
Cobalt	-1%	Cobalt	-14%	Cobalt	142%
Graphite	-1%	Graphite	-3%	Graphite	3%

Source: Company reports, Thomson Eikon, Cormark Securities

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Figure 4: Lithium Comparables

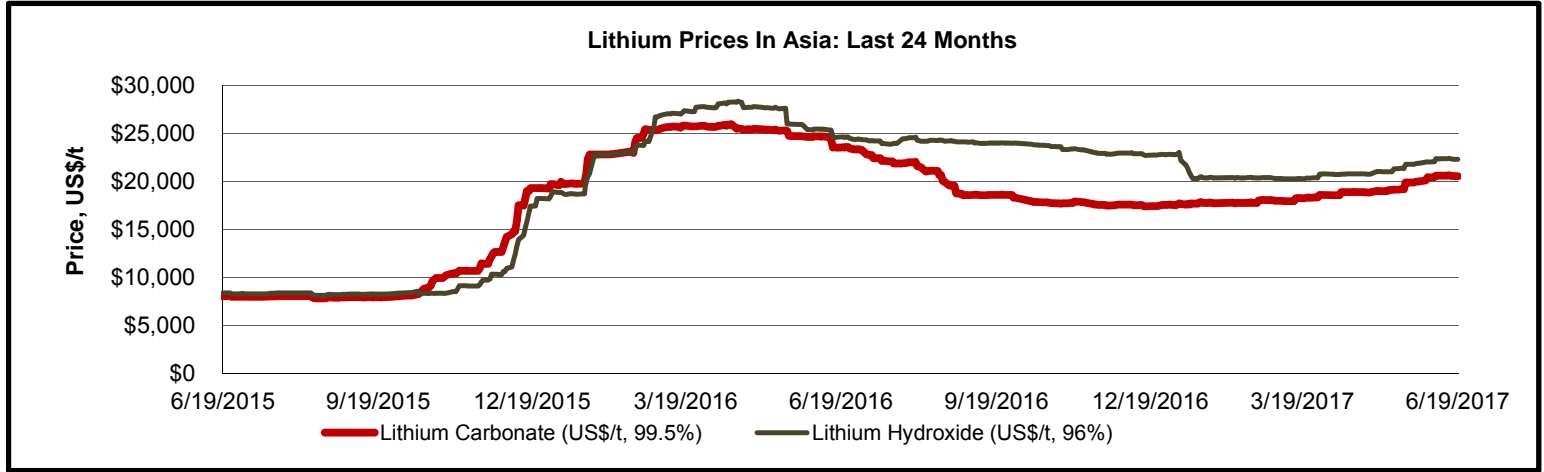
Company	Ticker	Share Price (\$)	Market Cap (US\$MM)	EV (US\$MM)	Type	Stage	Lithium Project(s)	Location	Trading Metrics	
									EV / EBITDA	
<b>Producers</b>									<b>2017</b>	<b>2018</b>
Albemarle Corp	NYSE:ALB	\$108.33	\$11,998	\$12,247	Both	Producer	Atacama / Talison (49%)	Chile / Australia / US	14.9x	13.4x
FMC Corp	NYSE:FMC	\$75.61	\$10,132	\$12,006	Brine	Producer	Hombre Muerto	Argentina	15.5x	13.5x
Soc. Qui. y Min. de Chile	NYSE:SQM	\$33.94	\$8,933	\$9,780	Brine	Producer	Atacama / Cauchari (50%)	Chile / Argentina	11.6x	10.5x
<b>Average</b>									<b>14.0x</b>	<b>12.5x</b>
									<b>Attributable LCE (000t)</b>	<b>EV /t LCE</b>
<b>Hard Rock Developers / Explorers</b>										
Galaxy Resources Ltd	ASX:GXY	A\$1.67	\$498	\$520	Both	Construction	Mt Cattlin / Sal de Vida	Australia / Argentina	9,669	\$54
◆ Nemaska Lithium Inc	TSX:NMX	<b>C\$1.05</b>	<b>\$262</b>	<b>\$332</b>	<b>Hard Rock</b>	<b>FS</b>	<b>Whabouchi</b>	<b>Canada</b>	<b>3,367</b>	<b>\$99</b>
Pilbara Minerals Ltd	ASX:PLS	A\$0.37	\$355	\$285	Hard Rock	FS	Pilgangoora	Australia	3,887	\$73
Altura Mining Ltd	ASX:AJM	A\$0.14	\$127	\$110	Hard Rock	FS	Pilgangoora	Australia	989	\$111
Bacanora Minerals Ltd	TSXV:BCN	C\$1.43	\$143	\$121	Clay	PFS	Sonara (70%)	Mexico	7,207	\$17
Kidman Resources Ltd	ASX:KDR	A\$0.56	\$134	\$136	Hard Rock	Exploration	Earl Grey	Australia	4,547	\$30
Critical Elements Corp	TSXV:CRE	C\$1.15	\$129	\$125	Hard Rock	PEA	Rose	Canada	447	\$280
Neometals Ltd	ASX:NMT	A\$0.26	\$111	\$57	Hard Rock	Construction	Mt Marion (13.8%)	Australia	281	\$202
<b>Average</b>										<b>\$108</b>
									<b>Attributable LCE (000t)</b>	<b>EV /t LCE</b>
<b>Brine Developers / Explorers</b>										
Orocobre Ltd	ASX:ORE	<b>A\$3.63</b>	<b>\$580</b>	<b>\$579</b>	<b>Brine</b>	<b>Producer</b>	<b>Olaroz (66.5%)</b>	<b>Argentina</b>	<b>4,879</b>	<b>\$119</b>
◆ Lithium Americas Corp	TSX:LAC	<b>C\$0.94</b>	\$322	<b>\$315</b>	<b>Brine</b>	<b>FS</b>	<b>Cauchari (50%) / LNC</b>	<b>Argentina / US</b>	<b>5,377</b>	<b>\$59</b>
◆ LSC Lithium Corp	TSXV:LSC	<b>C\$1.29</b>	\$150	<b>\$150</b>	<b>Brine</b>	<b>FS/PFS</b>	<b>Multiple Assets</b>	<b>Argentina</b>	-	-
Lithium X Energy Corp	TSXV:LIX	C\$1.90	\$114	\$106	Brine	Resource	Sal de Los Angeles (80%)	Argentina	2,044	\$52
Wealth Minerals Ltd	TSXV:WML	C\$1.64	\$103	\$101	Brine	Exploration	Atacama	Chile	524	\$193
◆ Neo Lithium Corp	TSXV:NLC	<b>C\$1.19</b>	\$80	<b>\$79</b>	<b>Brine</b>	<b>Exploration</b>	<b>Tres Quebradas</b>	<b>Argentina</b>	-	-
Pure Energy Minerals Ltd	TSXV:PE	C\$0.58	\$40	\$39	Brine	Resource	Clayton Valley	US	815	\$47
Lithium Power International Ltd	ASX:LPI	C\$0.26	\$32	\$26	Brine	Exploration	Multiple Assets	Argentina	-	-
Millennial Lithium Corp	TSXV:WML	C\$1.35	\$45	\$44	Brine	Exploration	Atacama	Chile	524	\$85
Advantage Lithium Corp	TSXV:AAL	C\$0.50	\$51	\$50	Brine				-	-
Bearing Lithium Corp	TSXV:BRZ	C\$1.00	\$19	\$18	Brine				-	-
<b>Average</b>										<b>\$66</b>

Source: Company reports, Thomson Eikon, Cormark Securities

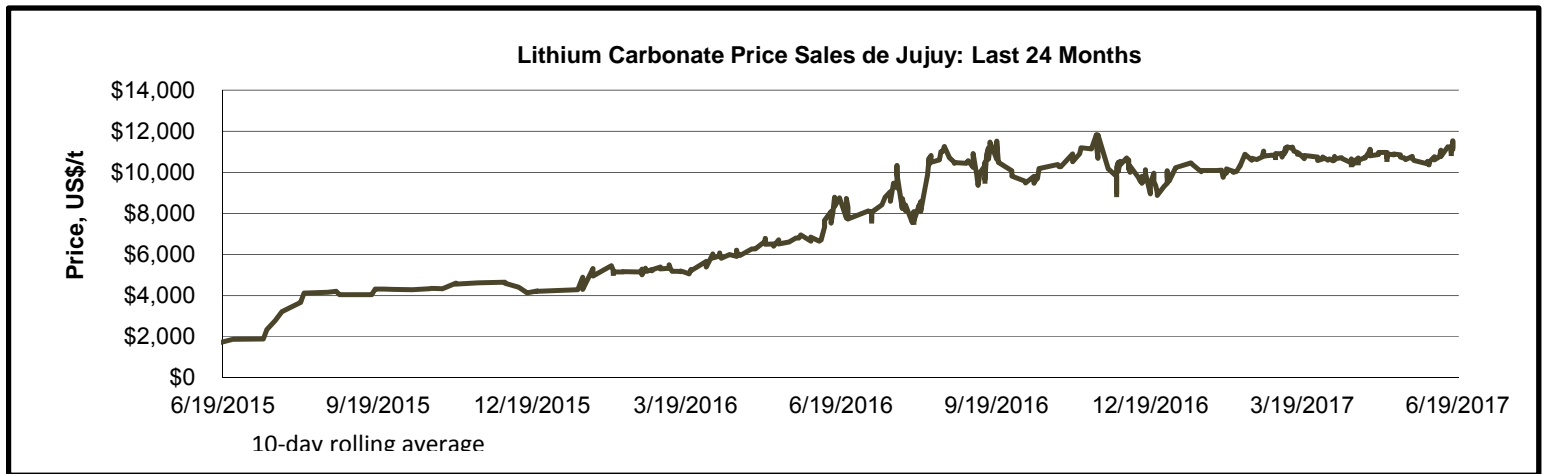
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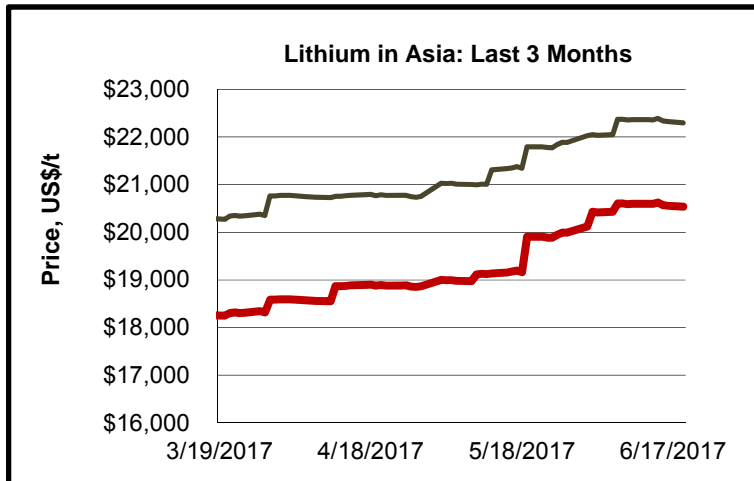
Figure 5: Lithium Prices



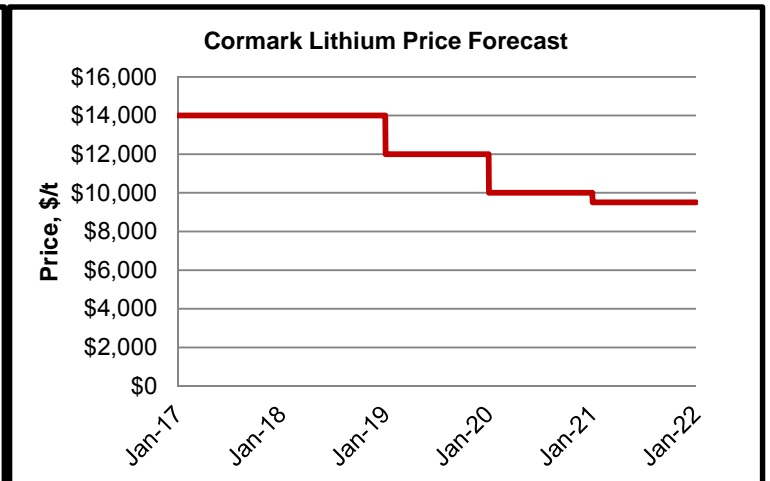
Source: Asian Metals



Source: Administration Federal de Ingresos Publicos, Argentina



Source: Asian Metals



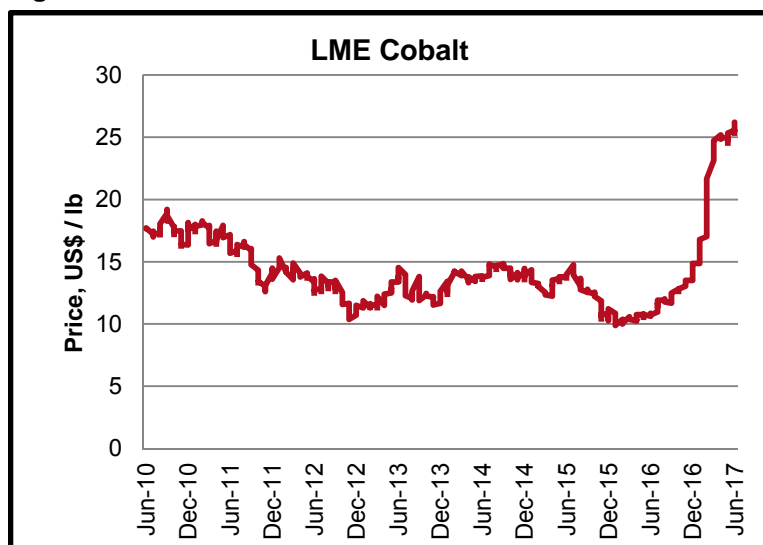
Source: Cormark Securities Inc.

**Figure 6: Cobalt Comparables**

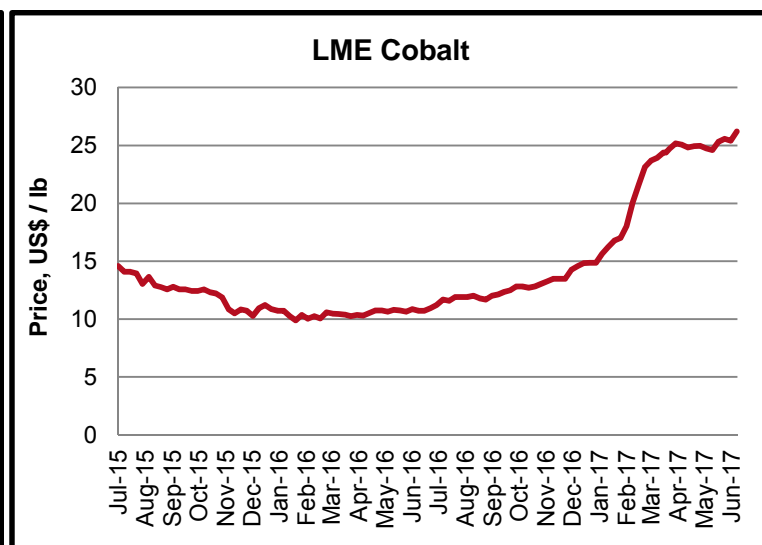
Company	Ticker	Share Price (\$)	Mkt Cap (\$ MM)	EV (\$ MM)	Project(s)	Location	Minerals	Grade, %	Stage	Attr. Co '000 t	EV / t Co C\$/t
Clean TeQ	CLQ.AX	A\$0.83	A\$374.6	A\$363.1	Syerston	Australia	Ni, Co, Sc	0.10%	Pre-feas	106.0	3.4
Cobalt Blue	COB.AX	A\$0.18	A\$17.1	A\$17.2	Thackaringa	Australia	Cobalt-pyrite	0.08%	Drilling	27.5	0.6
CobalTech	CSk.V	C\$0.12	C\$3.6	C\$1.9	Duncan Kerr	Ontario	Ag, Co, Ni, Bi, As		Explor.		
Castle Silver	CSR.V	C\$0.24	C\$7.2	C\$6.6	Beaver And Violet	Ontario	Ag, Co, Cu, Ni		Explor.		
Cruz Cobalt	CUZ.V	C\$0.23	C\$10.3	C\$9.1	Bucke, Coleman, Johnson, War Eagle, Idaho Star	Ontario, Idaho	Co, Ag, Ni, Cu		Explor.		
Ecobalt Sol.	ECS.TO	C\$1.24	C\$133.8	C\$114.6	Idaho Cobalt	Idaho	Cu, Co, Au	0.55%	PEA	17.5	6.5
First Cobalt	FCC.V	C\$0.56	C\$12.7	C\$12.7	Keeley-Frontier	Ontario	Co, Ag		Explor.		
♦ Fortune Mnrl.	FT.TO	C\$0.20	C\$70.5	C\$69.3	NICO	NWT, SK	Co, Au, Bi	.09-0.27%	DFS	37.3	1.9
King's Bay	KBG.V	C\$0.10	C\$4.1	C\$3.9	Lynx Lake, Quebec Cobalt	NFLD & Que.	Co, Cu, Ni, Ag		Explor.		
LiCo Energy	LIC.V	C\$0.13	C\$11.5	C\$10.3	Teledyne Cobalt	Ontario	Co, Ni, Ag	0.45%	Drilling		
Scientific Mtls.	STM.V	C\$0.68	C\$20.2	C\$20.3	Iron Creek	Idaho	Cu, Co	0.48-0.61%	Explor.		
Sunvest Mnrl.	SSS.V	C\$0.12	C\$4.4	C\$4.1	Foster Cobalt	Ontario	Co, Ni		-		

Source: Company reports, Thomson Eikon, Cormark Securities

**Figure 7: Cobalt Prices**



Source: Cormark Securities Inc., Bloomberg



Source: Cormark Securities Inc., Bloomberg

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**Figure 8: Graphite Comparables**  
**Resource Metrics**

Company	Share Price (\$)	Mkt Cap (\$ MM)	EV (\$ MM)	Project(s)	Location	Grade			Attr. Cg '000 t	*EV / t Cg C\$/t	Notes
						Meas.	Ind.	Inf.			
Syrah Resources Ltd	A\$2.58	A\$703.8	A\$422	Balama	Mozambique	11.0%	11.0%	11.0%	128,500	14.81	3% Cg cutoff
Magnis Resources Ltd	A\$0.54	A\$322.7	A\$320	Nachu	Tanzania	4.7%	5.7%	5.8%	9,344	34.29	3% Cg cutoff
♦ Mason Graphite Inc	C\$1.69	C\$209.4	C\$198	Lac Gueret	Quebec	17.0%	16.0%	0.0%	9,477	20.86	27.8%P&P
Leading Edge Materials Corp	C\$0.79	C\$71.1	C\$67	Woxna	Sweden	10.7%	9.3%	8.5%	9,600	8.74	
NextSource Materials Inc	C\$0.08	C\$42.2	C\$38	Molo	Madagascar	6.3%	6.3%	5.8%	8,654	5.97	2% Cg cutoff
Alabama Graphite Corp	C\$0.14	C\$24.1	C\$24	Coosa, Bama	Alabama		2.4%	2.6%	3,547	15.61	1% Cg cutoff
Nouveau Monde Graphite Inc	C\$0.29	C\$34.2	C\$32	Matawinie	Quebec		4.0%	4.1%	3,345	16.42	2.5% Cg cutoff
Northern Graphite Corp	C\$0.31	C\$21.7	C\$21	Bissett Creek	Ontario		1.8%	1.6%	1,334	44.65	1% Cg cutoff
Focus Graphite Inc	C\$0.08	C\$17.3	C\$17	Lac Knife	Quebec	21.5%	14.4%	16.2%	2,143	9.50	3% Cg cutoff

\* Excludes Inferred Resources

Source: Company reports, Thomson Eikon, Cormark Securities

**Figure 9: Feasibility Study Metrics**

Company	Share Price (\$)	Mkt Cap (\$ MM)	EV (\$ MM)	Project(s)	Product Distribution			Capacity (tpa)	Capex (US\$ MM)	Price/t (US\$)	Opex / t (US\$)	IRR	Stage
					Large	Med.	Small						
Syrah Resources Ltd	A\$2.58	A\$703.8	A\$422	Balama	32.0%	22.5%	45.5%	313,000	193	1,000	286	71%	DFS
Magnis Resources Ltd	A\$0.54	A\$322.7	A\$320	Nachu	41.0%		59.0%	240,000	269	2,350	559	98%	DFS
♦ Mason Graphite Inc	C\$1.69	C\$209.4	C\$198	Lac Gueret	27.0%	15.0%	58.0%	51,900	161	1,465	282	34%	DFS
Leading Edge Materials Corp	C\$0.79	C\$71.1	C\$67	Woxna				10,000		-			Care/Maint
NextSource Materials Inc	C\$0.08	C\$42.2	C\$38	Molo	46.0%	32.5%	21.0%	17,000	15	1,014	433	25%	DFS
Alabama Graphite Corp	C\$0.14	C\$24.1	C\$24	Coosa, Bama	75% CSPG, 25% PMG			15,000	128	7,250	1,555	46%	PEA
Nouveau Monde Graphite Inc	C\$0.29	C\$34.2	C\$32	Matawinie	46.0%	11.0%	43.0%	50,000	109	1,492	495	25%	PEA
Northern Graphite Corp	C\$0.31	C\$21.7	C\$21	Bissett Creek	76.5%	4.8%	18.6%	20,800	83	1,500	600	20%	DFS
Focus Graphite Inc	C\$0.08	C\$17.3	C\$17	Lac Knife	33.5%	29.8%	16.6%	44,300	125	1,713	331	24%	DFS

\* Excludes Inferred Resources

Source: Company reports, Thomson Eikon, Cormark Securities

I, MacMurray D. Whale, hereby certify that the views expressed in this research report accurately reflect my personal views about the subject company(ies) and its (their) securities. I also certify that I have not been, and will not be receiving direct or indirect compensation in exchange for expressing the specific recommendation(s) in this report.

♦ During the past twenty-four months, Cormark Securities Inc., either on its own or as a syndicate member, participated in the underwriting of securities for these companies

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<b>Buy</b>	expected to outperform its peer group
<b>Market Perform</b>	expected to perform with its peer group
<b>Reduce</b>	expected to underperform its peer group

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