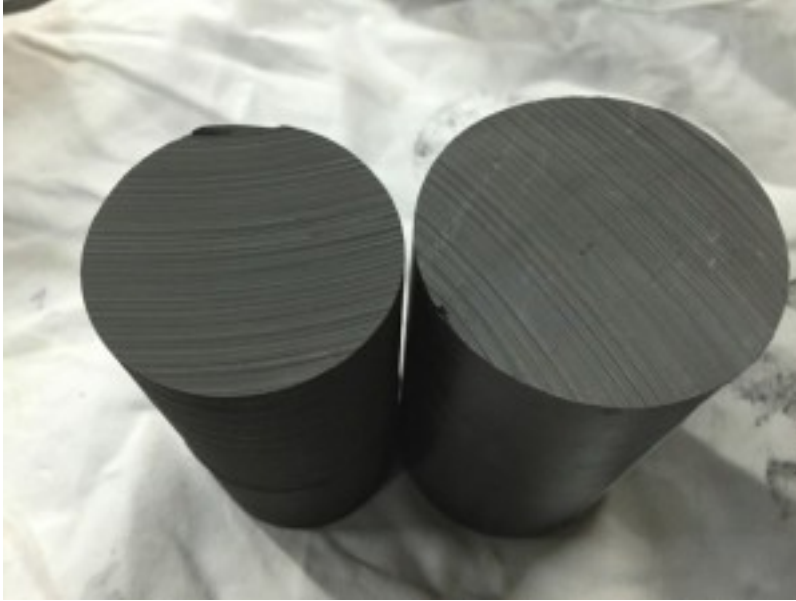


Talga sets cracking pace in graphene race

Posted on **June 16, 2015** by **Robin Bromby**



Not such a bad deal to acquire, for just \$433,500 and a 1% smelter royalty (with just \$43,000 to take the option in the first place), and end up with, one, an established graphite deposit and, two, something with a type of graphite that lends itself to comparatively simple processing into graphene.

Yes, of course we are talking about **Talga Resources (ASX:TLG)** and its graphite play in Sweden. Now, of course, we know that the company has a project which it says allows for large-scale commercial graphene applications to go ahead, with global customers and users no longer impeded by the absence of bulk supply and prohibitive pricing. Talga says it is focusing on high margin, large scale production of graphene with a graphite by-product. The graphite-to-graphene process requires no crushing, grinding or purification; it is achieved by low impact physio-chemical techniques. That detail has been reported previously on InvestorIntel. But where did Talga come from, and what has it done so far?

Talga's story is worth telling, not just for the stage at which it now finds itself, but as one that sets it aside from the bulk of junior exploration companies. Most of these, as we all know so well, have a lifespan that encompasses one of two trends: they either struggle away for years (and years and years) finding, at best, a small and only just economic deposit, and are thereafter destined to remain a low-cap stock for an eternity; or they do find something that is of significance but they are not able to raise the necessary finance and/or they get taken over or sell the project.



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With Talga, though, the gods have been on its side and it has managed to sidestep the common pitfalls confronting most small exploration companies. It has found a project of significance and has managed to make fast progress with it.

And it found the project relatively early on in its lifespan. The company was listed on the Australian Securities Exchange in July 2010 as Talga Gold and was making good progress, its drilling hitting intersections with grades up to an impressive 30 grams/tonne. At one stage Talga Gold's share price reached a higher point than it is today (which is 40c).

Then, on February 2012 came the big news. Talga had taken an option over the Swedish properties of Teck Resources (under terms outlined above). Iron ore was one of the targets, but there was important part of the announcement: the ground included a graphite deposit for which there was already a JORC resource (3.6 million tonnes at a grade of 23%) – no small thing. Moreover, that resource figure was from an area just 700 metres long (drilled between 1970 and 1982) but there was a graphite horizon extending for 15km. That was the Nunasvaara deposit; there was also Raitajarvi along with other deposits.

Not only were the grades good, but the project was advanced.

By October 2012 the company followed up with drill results of its own, and had no hesitation as calling them “spectacular”. Hole after hole returned high grades such as 40.2 metres at 28.2%, 59.8 metres at 26.4% and 85.1 metres at 22.1%. The company intersected graphite over a strike length of 1,200 metres, but there was still 92% of the deposit to be drill tested.

Meanwhile, managing director Mark Thompson (who, incidentally, had been a geologist with one of the greats of Australian mining, Western Mining Corp – now part of BHP Billiton after a \$7.3 billion takeover) saw the market gap Talga Resources (as it would become after a name change) could fill.

In September 2012 he walked through deserted old mining towns in Hunan province, an area that, along with Heilongjiang province, had once provided

80% of the world's graphite. He saw empty warehouses after the forced closure of 350 small mines in the Lutang graphite field.

In an interview then, Thompson said he was seeing a structural change in the graphite industry. It was no longer going to be a case of China selling the world cheap graphite. China, he continued, wanted to develop its own battery industry and have a much higher component of Chinese batteries for its future electronic leads.

Customers would need to get their graphite elsewhere – and he was determined that Talga would be one of the suppliers, especially to the markets in Sweden, the United Kingdom, Germany, France and Belgium. Now the company is to build a graphene demonstration plant in Germany, and has a deal to use the Swedish port of Luleå through which to ship its product across the Baltic Sea to the European markets.

All this in just over three years.

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About Robin Bromby

Robin Bromby is a journalist, author and sometime publisher who has had titles issued by mainstream publishers, including Doubleday, Simon & Schuster and Lothian Books. Robin began as a cadet journalist in 1962 with The Dominion, the morning paper in Wellington, New Zealand. He also worked for the NZ Broadcasting Corporation, TV1, the South China Morning Post, The Herald (Melbourne), the Sunday Times (Wellington), The National Times (Sydney) and, since 1988, he has been first a staff reporter and now columnist for The Australian and has been a Senior Editor for InvestorIntel since the onset.

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