

5 Stocks on the Radar Amid China's Graphite Export Ban

written by Tracy Weslosky | October 20, 2023

Recent developments from China's Ministry of Commerce concerning [export permits](#) on critical graphite products have sent ripples through the financial markets. Graphite, indispensable for electric vehicle (EV) batteries, is now under tighter control by China, a country that dominates its global production.

Troy Grant of [Elcora Advanced Materials Corp.](#) (TSXV: ERA) highlights,

"Graphite content in an electric vehicle exceeds the demand for any other critical mineral fivefold. We've observed China make similar business maneuvers with rare earths, germanium, gallium, and now graphite. This trajectory was anticipated. While I concur with CMI's [Jack Lifton](#) on lithium or cobalt possibly being next, we shouldn't overlook vanadium."

According to [Critical Minerals Institute](#) (CMI) Director Matt Bohlson out of Australia early AM,

"The EV boom is creating a surge in demand for graphite... Each fully electric car battery has between 60-100kgs of graphite. China's proposed 'export permits' will likely lead to a shortage of spherical and synthetic graphite outside of China, underscoring the world's vulnerability to China's supply disruption of critical minerals."

Investors are now unquestionably watching stocks that might benefit the global market in light of the challenges presented by yet another China Critical Mineral export ban. Here are

five stocks that we were researching this morning (listed by market cap):

1: [Syrah Resources Limited](#) (ASX: SYR) – Market Cap: AUD\$307.53M* – Syrah is an Australian Securities Exchange listed industrial minerals and technology company with its flagship Balama Graphite Operation in Mozambique and a downstream Active Anode Material Facility in the United States. Syrah's vision is to be the world's leading supplier of superior quality graphite and anode material products, working closely with customers and the supply chain to add value in battery and industrial markets.

2: [Talga Group Ltd.](#) (ASX: TLG) – Market Cap: AUD\$353.53M* – Talga Group Ltd. is building a European battery materials supply chain to offer products critical to the green transition. Talga's innovative technology and vertical integration of 100% owned Swedish graphite resources provides security of supply and creates additional value for stakeholders.

3: [Zentek Ltd.](#) (NASDAQ: ZTEK | TSXV: ZEN) – Market Cap: USD\$128.24M*

Zentek is an ISO 13485:2016 certified intellectual property technology company focused on the research, development and commercialization of novel products seeking to give the Company's commercial partners a competitive advantage by making their products better, safer, and greener.

Zentek's patented technology platform ZenGUARD™, is shown to have 99-per-cent anti-microbial activity and to significantly increase the bacterial and viral filtration efficiency of both surgical masks and HVAC (heating, ventilation, and air conditioning) systems. Zentek's ZenGUARD™ production facility is located in Guelph, Ontario.

Zentek has a global exclusive license to the Aptamer-based

platform technology developed by McMaster University which is being jointly developed Zentek and McMaster for both the diagnostic and therapeutic markets.

Zentek is also the 100% owner of Albany Graphite Corp. (AGC). AGC's recently filed 43-101 Mineral Resource Estimate shows circa 1,000,000 tonnes of graphite in Ontario. Importantly, that graphite is volcanic of origin, and globally unique. It is expected that graphite from AGC will perform better in EV batteries than other materials because of the volcanic origin.

4: [Nouveau Monde Graphite Inc.](#) (NYSE: NMG | TSXV: NOU) – Market Cap: USD\$159.6M*

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 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.

5: [Northern Graphite Corporation](#) (TSXV: NGC | OTCQB: NGPHF) – Market Cap: CAD\$28.6M*

Northern is a Canadian, TSX Venture Exchange listed company that is focused on becoming a world leader in producing natural graphite and upgrading it into high value products critical to the green economy including anode material for Lithium-Ion batteries/EVs, fuel cells and graphene, as well as advanced industrial technologies.

Northern is the only graphite producing company in North America and will become the third largest producer outside of China when

its Namibian operations come back online. The Company has the large scale Bissett Creek development project in Ontario that will be a source of continued production growth in the future. All projects have “battery quality” graphite and are located close to infrastructure in politically stable jurisdictions.

(*) Market cap figures were sourced from the ASX, TSX, and Yahoo Finance Boards as of market opening on Friday, October 20, 2023. The listed market caps are in millions.

Amid these market shifts, it is pivotal for investors to stay updated and understand the dynamics affecting graphite and related stocks in the critical minerals sector. As China tightens its control over graphite exports, these companies and the wider EV sector will be in sharp focus, making it a space to watch closely in the coming months.