Top Graphite Processing Engineer to Commission NextSource Materials Inc.'s Madagascar Graphite Mine

written by Raj Shah | February 5, 2018

February 5, 2018 (Source) – NextSource Materials Inc. (TSX:NEXT) (OTCQB:NSRCF) ("NextSource" or "the Company"), is pleased to announce that Mr. Oliver Peters M.Sc., MBA, P.Eng., one of the graphite industry's top metallurgists and process engineers, will commission the Company's Molo graphite mine in Madagascar and act as the Company's principal process engineering consultant for Phase 1 of the Molo mine. Mr. Peters will relocate to Madagascar for the commissioning period of the Molo mine.

Mr. Peters is principal metallurgist and president of Metpro Management Inc. and also currently serves as the senior metallurgical and process consultant at SGS Minerals (Lakefield) Canada ("SGS"), where he oversees all graphite process development work for SGS. To date, Mr. Peters has directed over twelve pilot plant operations at SGS for graphite projects globally. Mr. Peters was formerly a process engineer at DRA Global (DRA) and has over 20 years of process engineering experience in Africa and Canada.

Mr. Peters was the head process engineer for NextSource's 2015 pilot plant operation at SGS, which is the largest known pilot plant operation completed by any junior graphite company globally to date. Over 200 tonnes of Molo ore was processed at SGS, creating 13 tonnes of high quality, SuperFlake® graphite concentrate that was used to develop the process flowsheet for

the Molo mine and enabled NextSource to provide representative “run-of-mill” bulk samples for evaluation by graphite offtakers.

Mr. Peters was instrumental in NextSource achieving a very high quality graphite concentrate. As detailed in the June 2017 Feasibility Study, NextSource’s SuperFlake® graphite concentrate can achieve 98% carbon (C) purity with standard mineral processing (flotation), has excellent thermal expansion, can be easily upgraded to 99.97% purity (battery grade) and contains no deleterious substances. The Company’s SuperFlake® graphite concentrate also has excellent flake size distribution that is well above the global average, with 46.4 percent being classified as +80 (large), +65 (extra large) and +48 (jumbo) mesh in flake size. Specifically 23.6 percent of SuperFlake® graphite concentrate is +48 mesh and greater in size.

As previously reported, independent testing of the pilot plant material by various potential offtakers and graphite end-users has confirmed that the Molo SuperFlake® graphite concentrate meets or exceeds quality requirements for all major end markets for natural flake graphite – anode material for lithium-ion batteries, refractories and specialty graphite foils. The Molo has also been verified for graphene ink applications.

FACTORY ACCEPTANCE TESTING AND COMMISSIONING

As NextSource’s principal process engineer, Mr. Peters will first oversee and approve the Factory Acceptance Testing (“FAT”) stage of Phase 1 of the Molo mine. Phase 1 will have a production rate of 17,000 tonnes per annum of SuperFlake® graphite concentrate and a mine life exceeding 30 years.

Employing NextSource’s unique, all-modular build approach, Phase 1 will be entirely constructed offshore to European standards with a build-assembly time of just six months. The processing plant then will be “turned on” and operationally tested for a

one month period (the FAT process). After a successful FAT, the Molo processing plant will then be dismantled into 35 modules and shipped to site (one month shipping time) where the modules will be re-assembled within a one-month period, for a total time of only 9 months from start of construction to production.

The FAT stage is a major project milestone in the mine construction stage where Mr. Peters will ensure that the mechanical operation of the concentrator equipment meets the quality and performance specifications created by the process engineering team. The FAT approval process is a critical step in any mill construction process but in NextSource's case, it also provides a significant operational risk advantage versus the competition. Since the modules will be constructed, connected and fully-tested offshore prior to shipping, the entire construction process of the Molo processing plant will already be de-risked before it even reaches site. Phase 1 production is targeted for late 2018, subject to project financing.

OVER 80 YEARS OF MINE DEVELOPMENT AND OPERATIONAL EXPERIENCE

With the addition of Mr. Peters, NextSource's mine operational readiness team now consists of three former engineers from DRA and with over 80 years of cumulative mine development and operational experience. The other team members are Mr. Johann de Bruin, the former Managing Director of DRA, who joined NextSource as a mine engineer consultant in March 2017; and Robin Borley, NextSource's senior vice president of mine operations who prior to joining NextSource was the director of mining for DRA.

DRA is the largest and most successful African-based mining engineering and construction (EPC/EPCM) company, with 20 offices in 5 continents and over 3000 employees globally.

ABOUT SGS MINERALS CANADA

SGS is recognized as a world leader in the development of concentrator flowsheet design and pilot plant testing programs. SGS' Metallurgical Services division was founded over half a century ago. Its metallurgists, hydro-metallurgists and chemical engineers are experienced in all the major physical and chemical separation processes utilized in the recovery of metals and minerals contained in resource properties around the world.

QUALIFIED PERSONS

Mr. Craig Scherba, P.Geo., President and CEO, is the qualified person who reviewed and approved the technical information provided in this press release.

For further details, the entire updated 2017 Feasibility Study titled, "Molo Feasibility Study National Instrument 43-101 Technical Report" is available to view on NextSource's website at www.nextsourcematerials.com.

ABOUT NEXTSOURCE MATERIALS INC.

NextSource Materials Inc. is a mine development company based in Toronto, Canada, that is developing its 100%-owned Molo Graphite Project in southern Madagascar. The Molo Graphite Project is a feasibility-stage project and ranks as one of the largest-known and highest quality flake graphite deposits in the world and the only project with SuperFlake® graphite.

Safe Harbour: This press release contains statements that may constitute "forward-looking statements" within the meaning of applicable Canadian securities legislation. Readers are cautioned not to place undue reliance on such forward-looking statements. Forward-looking statements are related to the information contained in this press release and the Company's corporate presentation, which refers to the testing of the pilot plant material by third parties, the results of the updated

Feasibility Study, the results of the previous 2015 Molo Feasibility Study, funding of the development of the Molo Project, implementation and commencement of the build-out of Phase 1 and Phase 2 of the Molo Project, commencement of production at the Molo Project, commencement of procurement for mine infrastructure, the procurement of equipment to construct a mine, value engineering, any and all product test results and product analysis, the permit application. These are based on current expectations, estimates and assumptions that involve a number of risks, which could cause actual results to vary and in some instances to differ materially from those anticipated by the Company and described in the forward-looking statements contained in this press release. No assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur or, if any of them do so, what benefits the Company will derive there from. The forward-looking statements contained in this news release are made as at the date of this news release and the Company does not undertake any obligation to update publicly or to revise any of the forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.