

Beowulf Mining PLC

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The intricacies of graphite, and why Beowulf's shares have jumped

Shares in Beowulf Mining plc (LON:BEM) jumped by more than 20% in morning trade on 25th January after the company released a highly technical update on metallurgical testwork at its Pitkajärvi and Aitolampi graphite prospects in Finland.

The update was full of complicated scientific terminology such as "mesh", "micron", "size fraction", "flake size analysis" and so on.

But what does it all mean? And does it really merit an addition of several million pounds to Beowulf's market capitalisation, which now stands at just over £47 mln?

Here's a statement from the late, lamented John Park about graphite mining that he made some years ago in regard to the graphite company that he chaired, Kibaran Resources (ASX:KNL).

"It's an earthmoving exercise if you've got a 10% orebody", he said. "Graphite isn't rocket science and shifting rock is not a major capital cost. The real capital cost is in the milling and processing, but even there the technique is simple: you mill, float, dry and bag it."

But John, old mining hand that he was, was dissembling slightly there. It's true that as a former director of SAMAX he was one of the few company directors around with experience of actually mining graphite, given the paucity of new operations in recent decades.

But he knew as well as anyone else that flake size is key to saleability and that big flakes of graphite is what buyers really want, no matter what the grade of the concentrate. That's because graphite is used as an electrical conductor and the larger the flake size the easier it is for the electricity to travel as it has fewer flake edges to jump across

Kibaran's official literature offers its own helpful guide to graphite: "For commercial purposes, flake graphite is divided into coarse flake (150-850 microns in diameter) and fine flake (45-150µm in diameter). Fine flake may be further subdivided into powder (<75µm), fine flake (75-100 µm) and medium flake (100-150µm)."

The bigger the better. And commentary from graphite peer Focus Graphite Inc (OTCMKTS:FCSMF) puts it in even starker commercial terms. Small flake graphite grading between 95% and 98% purity sells for around 25% less than jumbo flake size, with battery grade flake of 99.9% purity selling for upwards five times the price for small flake graphite.

So, to come back to Beowulf and the impenetrability of its technical language - when it says:

"A secondary cleaning circuit produced grades of at least 95.7% Ct in all size fractions between 65 mesh and 200 mesh

Price: 6.25p

Market Cap: £36.79M

1 Year Share Price Graph



Share Information

Code: BEM

Listing: AIM

52 week High Low
8.45p 4.08p

Sector: Mining

Website:

Company Synopsis:

Beowulf Mining is an exploration and development company principally focused on the Kallak magnetite iron ore project in northern Sweden and its Swedish exploration portfolio (copper and gold). Beowulf's ambition is to build a sustainable Scandinavian mining company, focused on creating shareholder value by accelerating projects through development into production.

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(210-75 micron), with the highest grade of 97.4% Ct obtained from the -80/+100 mesh (180-150 micron) size fraction for Pitkäjärvi"

- what it means is: the flake size was variable and the purity was of a saleable grade.

It's up to the market to judge whether that's worth a 20% boost to the share price of Beowulf, but something's clearly meeting with favour as the shares are at a three year high.

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