



MEDIA RELEASE
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AUSTRALIA'S KIBARAN SAYS GLOBAL OPPORTUNITY FOR BATTERY GRADE GRAPHITE IS UNEQUIVOCAL

An Australian company set to contribute more than US\$1.0 billion to the Tanzanian economy over the next 20 years through local graphite mine projects, says the global market opportunity for battery grade graphite is unequivocal.

Speaking on the second day of the three day **Paydirt 2018 Africa Down Under** mining conference in Perth, Kibaran Resources Chairman, Mr Robert Pett, said the market opportunity for the commodity was “now” despite a lot of “noise” around the battery component supply chain and forecast supply and demand estimates.

“A raft of high end, credible industry and government agencies have initiated substantial modelling around graphite and the opportunity it presents is quite clear,” Mr Pett said.

“Standout and verifiable conclusions range from the expected presence of one billion electric vehicles on the world’s roads by 2025 under a lithium-ion battery market momentum worth US\$290 billion by 2025,” he said.

“Some 47% of the lithium-ion battery market will require a component contribution from spherical graphite and this will generate a 700% increase in natural flake spherical graphite demand in just the next seven years.

“This will stretch global consumption of natural flake spherical graphite from 127,000 tonnes currently per annum to 800,000tpa.”

Cobalt, nickel, lithium and manganese would fulfil the suite of ingredients needed for lithium-ion battery production.

Mr Pett also pointed to the accelerating demand from the energy industry for domestic and industrial application lithium-ion battery storage options.

“The expected energy expenditure is mind boggling – a forecast US\$8 trillion investment in new wind and solar production globally through to 2050, and a US\$500 billion investment through that period in new battery storage capacity,” Mr Pett said.

“We believe projects like Kibaran’s advanced high grade natural flake graphite undertaking at Epanko in Tanzania are of the calibre offering the required scalability, long-term supply profile and the duality of either concentrate supply or special value-adding spherical graphite.”

Epanko has a NPV of US\$211 million based on 60,000 tpa of graphite concentrate with offtake agreements already in place with European and Japanese customers as well as debt financing support from German and Australian lenders for its estimated US\$89 million pre-production capex cost.

The project offers a further NPV of US\$145 million for adding a downstream spherical processing arm of up to 20,000 tpa via the establishment of purification facilities in key customer markets.

Spherical graphite pilot plant testing is already underway in Germany to produce test material for battery anode manufacturers with the plant easily able to be expanded to commercial output.

Mr Pett said the Kibaran contribution to the Tanzanian economy from a maturation of its Epanko aspirations would be substantial.

“It would help position Tanzania as a major player in this massive new global industry, offer both natural flake graphite production and a new value-adding manufacturing industry and expand trade partnerships into growth economies such as Germany, South Korea, Japan and North America.”

It is estimated Kibaran’s graphite mining and processing presence in Tanzania will generate 300 direct jobs and up to 4,500 indirect employment opportunities.

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