

Media Release

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**Squeeze On China An Opportunity For Australian
Players To Snare Higher Graphite Global Share**

An Australian company which has won Japanese backing to develop high grade graphite deposits out of east Africa to market into Europe says the sector should take heart from supply and regulatory pressures on the commodity's historic powerhouse, China.

Addressing the inaugural **Paydirt 2016 Australian Graphite Conference** in Perth today, Perth-based Kibaran Resources' Managing Director, Mr Andrew Spinks, said that while China had been the world's largest producer and consumer of graphite, market sentiment was turning elsewhere.

"The current total global graphite market of around one million tonnes p.a. is dominated by China and of this, about two thirds is for natural graphite," Mr Spinks said.

"Yet the natural flake demand outside of China is around 300,000 tonnes p.a. and growing and most of this has to still be sourced from China.

"However, graphite traders and end users are increasingly seeking diversity away from Chinese supply as well as servicing the growing public and government expectation of greater eco-friendly accountability in graphite supply for green energy and renewables.

"The United States, Japan, Korea, Taiwan and Europe are leading this move away from China graphite reliance.

"While China currently produces 73% of the world's natural flake graphite supply, there is an opportunity for new players to develop new mines that are cost competitive and have technical advantages to existing supply chains.

"Contrarily, China is also having to import larger volumes of large flake graphite so that enhances the non China graphite window of opportunity."

Perth-based Kibaran earlier this year signed a landmark non-binding Memorandum of Understanding with Japanese commodities trader, Sojitz Corporation, one of Japan's largest trading companies and one of that country's largest flake graphite trader.

Under the MOU, Sojitz will source graphite in Tanzania exclusively from Kibaran's high grade and wholly-owned Epanko project, undertake exclusive sales and marketing in Japan, Korea, Taiwan, China and the United States and use Sojitz's

customer channels to break into the lucrative supply-chain for the fast growing lithium ion battery market.

The Sojitz signing was Kibaran's second expansion into international graphite markets, following its binding 10-year 30,000 tonnes per year offtake deals last year with European customers including the German global industrial conglomerate, ThyssenKrupp Metallurgical Products GmbH.

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