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ASX ANNOUNCEMENT

## **EcoGraf** development attracts WA Premier's support

### **Kibaran's Kwinana proposed battery graphite processing plant granted 'Lead Agency Support' by Government**

**Kibaran Resources Limited** ("Kibaran" or the "Company") (ASX: KNL) is pleased to announce its EcoGraf Battery Graphite Project has won support from Western Australia Premier Mark McGowan, who has requested the Department of Jobs, Tourism, Science and Innovation ("JTSI") to provide lead agency support to Kibaran as it develops the project.

Mr McGowan said the Kwinana-based project aligned with the government's Future Battery Industry Strategy.

"The potential to produce battery grade graphite from the EcoGraf Battery Graphite Project presents a significant step in diversifying Western Australia's downstream processing activities and contribution to the global battery value chain," he said.

JTSI is the lead agency for State-significant projects and major resource and infrastructure projects where the proposed investment is significant or of strategic importance to Western Australia.

Kibaran plans to build the graphite processing plant on Perth's Kwinana industrial strip is based upon feasibility and engineering studies completed by Western Australian Engineering group GR Engineering. The project has a forecast up-front capital cost of US\$22.8m for an initial 5,000tpa, followed by a further US\$49.2m to expand production to 20,000tpa of battery graphite. Pre-tax net present value is US\$141m, generating an internal rate of return of 36.6 per cent and annual EBITDA of US\$35m.

The Company expects to make a Final Investment Decision ("FID") on the project early next calendar year and first production is scheduled for early 2021.

LandCorp, the Western Australian Government's land development agency, is in the process of allocating Kibaran 6.7ha site in Kwinana to lease. This will enable the Company to expand the plant and undertake further downstream development such as a coating plant, which would add further value to the battery spherical graphite.

Kibaran Managing Director Andrew Spinks said the Western Australia Government's support would help the Company secure the remaining pre-development approvals and conclude negotiations with Australian and international stakeholders.

It is intended that the Kwinana facility will import natural flake graphite from existing producers and turn it into battery (spherical) graphite using the Company's patented, environmentally friendly EcoGraf process. Battery graphite is the graphite product used in the manufacturing of anodes for lithium-ion batteries. It is a 99.95% pure graphite product which is shaped and purified to meet the stringent physical and chemical specifications required by battery anode manufacturers enabling it to withstand the intense operating conditions of a battery in an electric vehicle. The final product is intended to be exported to lithium-ion battery customers in Asia, Europe and the United States.

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The project's forecast economic contribution to Western Australia is significant on both an economic and strategic front and is expected to employ more than 250 construction workers and more than 125 direct employees during production as well as its ability to generate sales revenue for over 20 years.

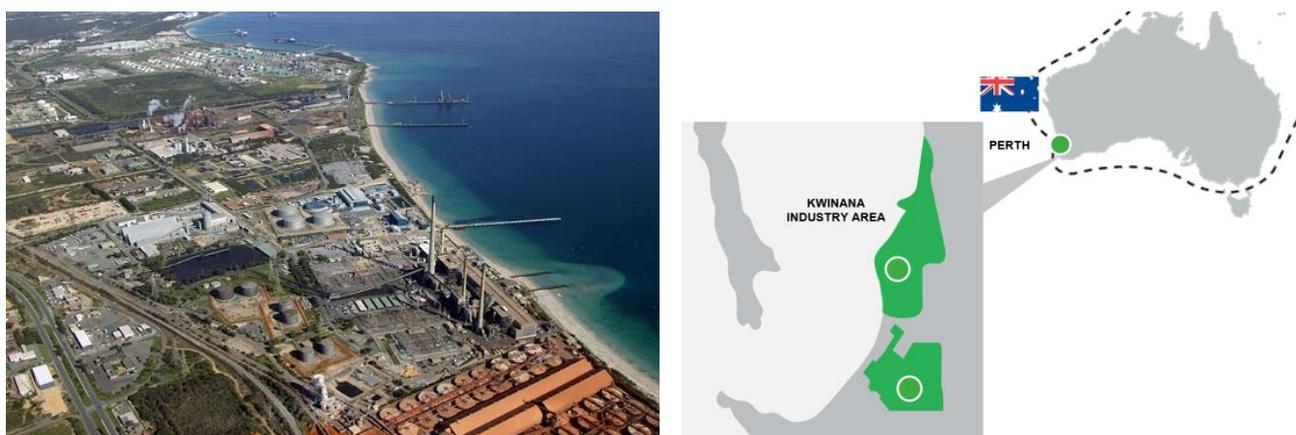
The Western Australian Government has recognised the development of the **EcoGrafif** facility would also provide broader benefits to Western Australia's industrialisation plans, including:

- Potential production of battery anode material, which is the precursor for battery anode production and consistent with the Future Battery Industry Strategy; and
- Supporting Western Australia as a location for specialised lithium-ion battery manufacturing.

Currently all the world's supply of battery graphite is produced in China using highly toxic purification process that utilises hydrofluoric acid. There is strong demand from automobile and lithium-ion battery manufacturers in Japan, South Korea and Europe looking to diversify battery mineral supply chains from an alternative supply of battery graphite that is environmentally friendly, in order to reduce their dependency on Chinese supply and to reduce environmental impacts.

Kibaran has spent over 3 years and millions of dollars in perfecting a new eco-friendly and cost competitive purification process. In R&D, in process design, feasibility studies, piloting, product testing and endorsement by anode manufacturers and more recently in engineering and plant design. The project will be staged beginning with 5,000 tpa of battery graphite and expanding to 20,000 tpa.

Based on the current timetable, commercial production of an initial 5,000 tpa will commence 11 months after the FID and expand to 20,000 tpa to meet the forecast growth in demand.



**Figure 1:** Kwinana Industrial Area – Aerial view and Location

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