

Epanko Graphite Project Update

Key highlights:

- **Epanko Project NPV significantly increased by 55% to US\$396m (\$A515) based on recently received indicative debt funding terms.**
- **Bankable Feasibility Study remains on schedule and within budget.**
- **Flotation testwork confirms Epanko flake size distribution consistent for very high grade (+20% TGC) graphite.**

Kibaran Resources Limited (ASX:KNL) is pleased to provide an update on progress at its flagship Epanko Graphite Project.

Financial Modelling

The company has received further independent confirmation on the financial viability of its Epanko Graphite Project. Following the recent announcement that the Company had received an Expression of Interest from a major European bank (refer announcement 22 January and 27th March 2015) on the debt funding of the Epanko Project, Kibaran received correspondence from The CloudMiner Ltd ("CloudMiner"). CloudMiner has advised that it has prepared a working paper on Kibaran and updated its preliminary analysis of the Epanko Graphite Deposit. The results of the paper provide a net production cost calculated pre-tax NPV of US\$396m (A\$515m) based on the proposed initial 40,000tpa production at Epanko. Kibaran believes meeting current demand by commencing at a production rate of 40,000tpa is prudent and independent feedback from graphite traders and financial institutions support this strategy. The economic viability of the Project at this level of production is clear and even more attractive on a scaled up growth strategy should the Company need to respond quickly to future increases in demand.

Bankable Feasibility Study ("BFS")

The BFS being managed by GR Engineering Services (GRES) is progressing well and is on schedule and within budget. The following are the key advances and progress.

- The location of the plant site, ROM pad, tailings storage facility (TSF) and site access have been finalised;
- Geotechnical laboratory testwork and foundation assessment is complete and TSF and mine waste facilities engineering has commenced;
- The metallurgical testwork program is well advanced with comminution testwork and sample characterisation complete;
- Flotation testwork is well advanced with bulk flotation testing now underway;
- Flow sheet development for the process plant is nearing completion;
- Process design criteria development is continuing and process plant design has commenced;
- Mine and Process Plant infrastructure engineering has commenced;
- HV Power supply options study underway.

The BFS is due to be completed by the end of June 2015.

Flake Size Distribution Confirmed for High Grade

A flotation test with a head grade of 20.3 % TGC returned 63% of flake greater than 180 micron, which is consistent with the large flake size results achieved in previous testwork, and, in fact, better than, previously reported distributions for lower head grade Epanko graphite samples.

The commercial implications are significant as the BFS optimisation will be able to evaluate and schedule the higher grade in the mineral resource model.

This result provides further support that grade and flake size distribution are unrelated, and the high metamorphic gradient (heat and pressure) is a key factor to its graphite crystallinity and large flake size distribution.

The test work results are based on testwork carried out on the 7 diamond holes drilled to date and the above sample was sourced from MHDD007 (refer announcement dated 30 September 2015). The head grade achieved from the diamond core is much higher grade than indicated by the RC drilling (~12% TGC).

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About Kibaran Resources Limited and 3D Graphtech Industries:

Kibaran Resources Limited (ASX: KNL or "Kibaran") is graphite focused resource company with world class graphite quality projects located in Tanzania. Kibaran is also a 50% shareholder in 3D Graphtech Industries.

The Company's primary focus is to develop its 100%-owned Epanko Graphite Project, located within the Mahenge Graphite Province. Epanko currently, currently undergoing a Bankable Feasibility Study has a total Indicated and Inferred Mineral Resource Estimate of 22.7Mt, grading 9.8% TGC, for 2.2Mt of contained graphite, defined in accordance with the JORC Code. This initial estimate only covers 20% of the project area. Metallurgy has found Epanko graphite to be large flake, expandable, ultra-high purity and premium quality from a global perspective.

Kibaran believes its Merelani-Arusha Graphite Project, located in the north-east of Tanzania. Merelani-Arusha also hoists commercially viable and saleable graphite given recent metallurgical results. Merelani provides significant support and depth of the company's ability to broaden its product supply base and in particular produce additional Super Jumbo + 35mesh (+500 micron) graphite which may have additional uses in the manufacture of batteries.

Graphite is regarded as a critical material for future global industrial growth, destined for industrial and technology applications including nuclear reactors, lithium-ion battery manufacturing and a source of graphene.

TanzGraphiteTM is a registered trademark of Kibaran and will be the global brand name used for marketing both the company's natural large flake graphite originating from Tanzania and all its downstream products. TanzGraphiteTM trade mark represents premium quality graphite that has an unrivalled melting point and purity, making it suitable for every known industrial application. Epanko's carbon purity is the highest reported among its peer group and will provide significant advantages to the requirements of the emerging battery market.

3D Graphtec Industries is a 50/50 partnership with 333D Pty Ltd (formerly 3D Group) which is transacting as Oz Brewing (ASX:OZB) and is focused on development of graphite inks for 3D printing.

In addition, Kibaran has the Kagera Nickel Project which remains underexplored and is located along strike of the Kabanga nickel deposit, owned by the Glencore – Barrick Gold Joint Venture, which is considered to be the largest undeveloped, high grade nickel sulphide deposits in the world. Kibaran is currently seeking a partner to progress exploration of its highly prospective nickel properties.



The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Andrew Spinks, who is a Member of The Australasian Institute of Mining and Metallurgy included in a list promulgated by the ASX from time to time. Andrew Spinks is a director of Kibaran Resources Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Andrew Spinks consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr David Williams, who is a Member of The Australasian Institute of Mining and Metallurgy included in a list promulgated by the ASX from time to time. David Williams is employed by CSA Global Pty Ltd and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". David Williams consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.