

## Debt Funding Interest Received for Epanko

### Key highlights:

- Expression of Interest ('EOI') received from a Development Finance Institution ('DFI') to co-finance the development of the Epanko Graphite Project
- EUR 20 million (A\$28m) with a tenure of at least 6.5 years
- Proposed debt equity ratio of 65:35
- DFI indicated acting as arranger on best effort basis for balance of the project debt

Kibaran Resources Limited (ASX:KNL) ('Kibaran' or the 'Company') is pleased to provide an update on its development plans for its Epanko Graphite Project in Tanzania.

Kibaran has received an Expression of Interest ('EOI') to co-finance the development of the Epanko Graphite Project from a Development Finance Institution ('DFI'). The DFI is a member of a large banking group rated as one of the 'Worlds 50 Safest Banks' and is one of the largest European development finance institutions with a strong track record in the mining sector both in Africa and globally.

DFI's interest is for the provision of a senior loan of up to EUR 20 million (A\$28m) with a tenure of at least 6.5 years, including a one-year grace period on principal repayment. DFI has also indicated that it is interested in acting as arranger on a best effort basis for the balance of the Project debt, underpinning the financing of the Epanko Project's development. While other details of the EOI are confidential they are based on standard commercial debt financing terms and a debt to equity ratio of 65:35 has been indicated.

The EOI is contingent on a positive result of an evaluation of the commercial, legal, ecological, social and other aspects of the Project, including the feasibility study currently being undertaken by GR Engineering and receipt of the Environmental Certificate, which is currently being processed by the Tanzanian Government following the completion of the Environmental and Social Impact Assessment.

Although the EOI is non binding, it clearly demonstrates the confidence DFI has in the Epanko Project, which is already supported by a binding offtake agreement and an LOI is currently being progressed to a binding status. The offtake agreement and LOI underpin 50% of the planned 40,000 tonnes per annum graphite production at Epanko. The EOI increases Kibaran's confidence that production at the Epanko Project will commence in 2016.

Kibaran Executive Director, Andrew Spinks commented "This is a very exciting phase that Kibaran is now entering. The debt financing EOI from DFI is a major step forward for the Company, which has now firmly entered the development stage of the Epanko Graphite Project.

"The EOI provides further confidence to graphite market participants that Epanko will commence production in the near-term, and advance Kibaran's ongoing discussions with a number of potential offtake customers."

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