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ASX ANNOUNCEMENT

Kibaran Receives Government Support for Epanko Debt Financing Arrangements

Positive Outcomes from Key Meetings in Tanzania to Assist KfW IPEX-Bank to Prepare the Next German UFK Funding Milestone

Kibaran Resources Limited (“Kibaran” or “the Company”) (ASX:KNL) is pleased to report that it has obtained in-principle approval from the Tanzanian Government for its proposed Epanko debt financing arrangements, enabling KfW IPEX-Bank to progress the Untied Loan Guarantee (“UFK”) submission for the German Government Interministerial Committee. Processes for arranging the project financing and related UFK cover application to the German Government have commenced and may take several months.



Securing approval for the Untied Loan Guarantee is a critical milestone in the Epanko financing process.

As recently reported (refer ASX Announcement *KfW IPEX-Bank Mandated for Epanko Debt Funding* on 1 April 2019) positive developments within Tanzania have resulted in the appointment of KfW IPEX-Bank to arrange senior debt funding for the Epanko Graphite Project in Tanzania (“Epanko” or the “Project”).

Last week the Company and KfW IPEX-Bank jointly presented the Epanko debt financing Term Sheet and structuring solutions for recent legislative changes to key Government stakeholders. In-principle approval was received from Ministry for Minerals and the Bank of Tanzania to proceed to finalise debt financing arrangements as presented so that construction of the Project can commence as soon as possible.

The presentations included proposed arrangements relating to the Government’s 16% non-dilutable free-carried interest, local content requirements, use of Tanzanian and international banks and bank accounts, logistics and warehousing protocols and compliance reporting.

All parties to the discussions have made a significant effort over the last 18 months to structure Epanko Project debt financing



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arrangements which incorporate the requirements of Tanzania's new mineral legislation, while also determining how to preserve appropriate credit protections for KfW IPEX-Bank and other senior lenders.



Kibaran wishes to thank the Tanzanian Government, in particular the Ministry for Minerals, Mining Commission, Ministry of Constitutional and Legal Affairs and Bank of Tanzania, KfW IPEX-Bank and other senior lenders for their commitment to secure a successful outcome to enable the Epanko Graphite Project to proceed for the benefit of all stakeholders.

The Project is forecast to make a significant, long term contribution to Tanzania.

KfW IPEX-Bank and Kibaran will proceed with the preparation of the request for approval from the German Government to provide the Untied Loan Guarantee for the proposed debt financing, finalise EPC construction arrangements and prepare to implement the project execution plan.

The Epanko Graphite Project will be a catalyst for transformational economic and social development for the Mahenge regional community. Extensive planning has been undertaken to ensure that the Project operates to the highest Corporate Social Responsibility principles, satisfying the International Finance Corporation's Performance Standards and the World Bank Group environmental, health and safety guidelines. It is forecast to operate for decades, providing inter-generational benefits and in its first twenty years is projected to directly contribute over one billion dollars to the Tanzanian economy through procurement, employment, royalties, taxes and dividends.



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