

22 January 2018

ASX Announcement

## Board Approves Epanko Pilot Plant Program

**Kibaran Resources Limited** (“Kibaran” or the “Company”) (ASX: KNL), is pleased to announce that its Board has approved the commencement of the Epanko Graphite Project (“Epanko”) spherical graphite pilot plant program. The decision follows the positive downstream processing feasibility study results reported to the ASX on 5 December 2017, which demonstrated that the additional production of spherical graphite products will substantially increase the value of the Company’s Epanko development.

### HIGHLIGHTS

- **Epanko Graphite Project pilot plant program to commence immediately in collaboration with German carbon products specialists ProGraphite GmbH.**
- **Pilot plant and facilities to be owned by Kibaran.**
- **Program to focus on the phased commercialisation of the Company’s new eco-friendly non-hydrofluoric acid purification technology (*patent pending*).**
- **Pilot plant to be located in Germany and subsequently expanded to enable initial commercial sales of spherical graphite products.**

The Company plans a phased spherical graphite production strategy to capitalise on the quality of its natural graphite products from the Epanko Graphite Project development in Tanzania.

#### Phase 1

An initial testwork program, funded through available working capital, is being conducted to:

- optimise the spherical graphite production process for Epanko feedstock;
- confirm the suitability of other graphite feedstocks for use in the Kibaran spherical graphite process; and
- complete customer pre-qualification processes for product sales.

Application of the Company’s new purification process to a range of feedstocks will significantly increase its commercial value and ensure that the initial pilot plant investment is fully utilised prior to commencement of graphite production at Epanko.

Following the testwork program, the German pilot plant will be expanded into a small commercial facility, capable of supplying up to 600tpa of unpurified spherical graphite products to customers. There are a number of investment incentives offered to support such programs and Kibaran is currently discussing potential funding support with two German Government trade organisations.

The Company’s decision to progress with the pilot plant coincides with Germany’s Mineral Resources Agency and the German Industrial Association both recently reporting that the potential future shortage of battery minerals poses a major threat to the development of Germany’s electric automobile industry.

## Phase 2

Information obtained from the pilot plant program will be used to design and engineer a full commercial scale operation to supply purified spherical graphite products to customers in Europe and Asia. Based on the downstream processing feasibility study reported to the ASX on 5 December 2017, this plant will initially produce 5,000tpa of spherical graphite and progressively expand to 20,000tpa to meet the forecast demand growth for graphite products. Discussions have recently commenced with several groups about participation in the Company's downstream processing operations, investment and the location of the proposed commercial scale plant(s).

Kibaran plans to establish the new downstream processing operations in parallel with the development of the Epanko Graphite Project in Tanzania, where meetings are continuing with the Government to finalise regulatory and project financing arrangements.

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