Australia's Kibaran lifts graphite production target 50% to 150,000tpa in update of Tanzanian growth strategy

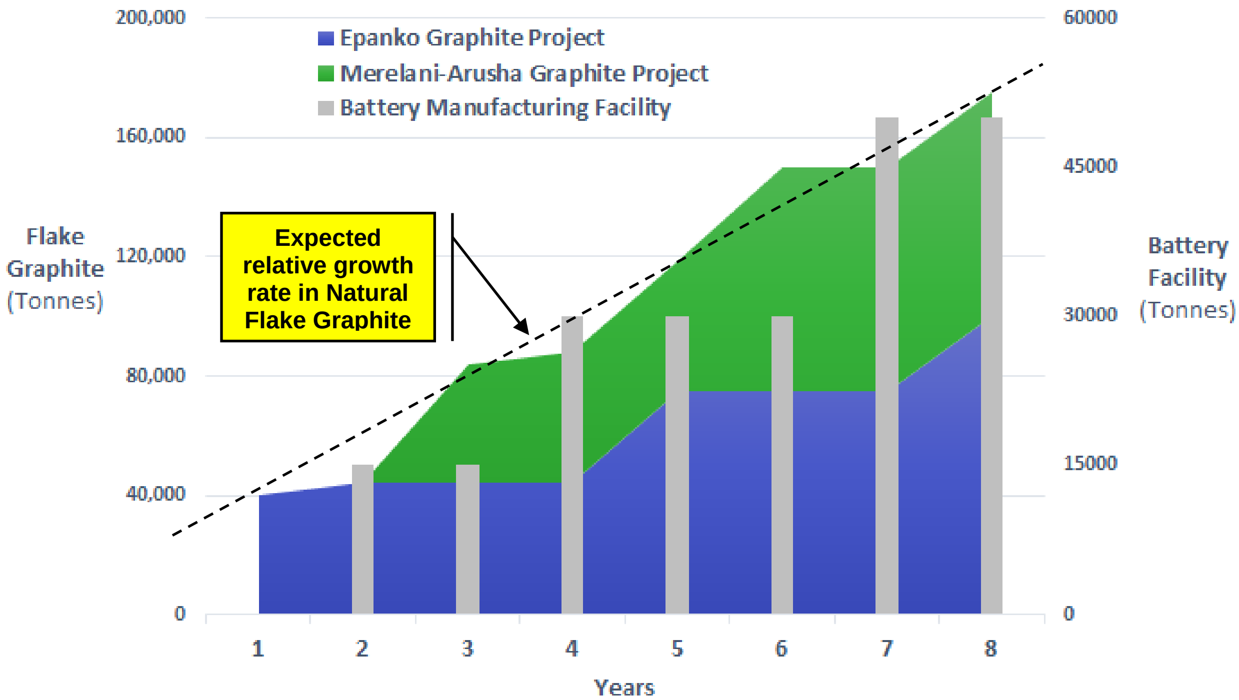
- **Growth strategy update confirms potential to lift total staged production targets from two high grade Tanzanian projects to rate of 150,000tpa by 6th year of operations**
- **Represents a 50% increase over initial 100,000tpa target outlined in January this year**
- **Update aligns planned two stage production schedule with new global demand forecasts for natural flake graphite and battery grade spherical graphite**
- **Production growth expected to be internally funded after initial start-up**
- **Underpins Kibaran's strategy to establish Tanzania as an East African graphite hub to service emerging European demand**

Perth-based graphite developer, **Kibaran Resources Limited (ASX:KNL),** is pleased to announce that the completion of the Company's updated production growth strategy for its flagship projects in Tanzania in East Africa has resulted in a significant increase in potential graphite concentrate tonnages per annum.

The new work has confirmed that Kibaran's Epanko and Merelani-Arusha graphite projects have the potential to produce a combined 150,000tpa of concentrate by the 6th year of mining and processing operations – a 50% increase over initial estimates this year of a headline rate of 100,00tpa.

Kibaran elected to update its growth strategy modelling following the release of the respected "*Roskill Natural & Synthetic Graphite: Market Outlook to 2020*" report which includes details of anticipated future increases in global demand for premium quality large flake graphite.

The Company has set its initial production targets in two stages over the first 6-7 years, and is planning for production increases at both Epanko and Merelani-Arusha.



Kibaran Managing Director, Mr Andrew Spinks, said the project enhancement was welcome and followed substantial corporate progress by the Company in recent weeks in attracting German Government backing.

“While we appreciate the technical perspectives of the longer-term production targets, we will for now seek to meet current demand by planning to commence at a prudent rate of 40,000tpa and then build output quickly in response to future increases in demand,” Mr Spinks said.

The figure and following table charts the anticipated ramp up in output from Epanko and Merelani-Arusha under the updated production growth strategy compared to initial estimates prepared in January this year, with capital expected to be self-funded after initial production.

Table 1: Staged Production Growth

	Concentrate (tpa)	Timeframe
Initial Start-up	40,000	
Stage 1	84,000	2-4 years
Stage 2	150,000	5-6 years

Kibaran has recently signed a total of 30,000 tonnes per annum offtake agreements for 10 years with Germany’s ThyssenKrupp (20,000tpa) and a further 10,000tpa binding offtake agreement with a sophisticated European graphite market trader. It is the only listed graphite entity globally with a binding offtake agreement with a partner outside of China – and is focused on developing Tanzania as a graphite hub to counter the Chinese domination of the global graphite market.

The Company’s production aspirations and mine construction timetables were also boosted earlier this month when it secured German Government-backed and guaranteed bank lending support for its Epanko project to provide lenders of project finance, insurance against commercial and political risk.

Mr Spinks reinforced today that this support was the first major milestone in the Company’s debt funding process for Epanko.

Kibaran has a third graphite project in Tanzania – Tanga – which it plans to include in its push to strategically position the Company globally to obtain the largest market share and strategic partners outside of China for the refectory, spherical battery market and high end graphite markets.

The growth strategy of the company in based on the expansion plans of the Epanko Graphite Deposit as announced in January 2015 and the development of the Merelani Arusha Project as announced August 2015. The Company has utilised Measured and Indicated JORC Mineral Resource to underpin the production targets. These Mineral Resources have been prepared by competent persons in accordance with the competent person’s statements below.

Table 2: Staged Production Growth

Classification	Tonnage (Mt)	Grade (%TGC)	Contained Graphite
Measured: Epanko	6.6	9.7	635800
Indicated: Epanko	7.9	10	785,300
Merelani	7.4	6.7	500,000
Total Measured and Indicated	21.9	8.8	1,921,100
Inferred: Epanko	8.8	8.7	773,500
Merelani	10.3	6.3	650,000
Total Inferred	19.1	7.5	1,423,500
Total	**41**	**8.2**	**3,344,600**

Note: Epanko reported from blocks in Mineral Resource model where TGC>8%; Merelani reported TGC>5%

In determining the production target the Company has assumed that the process flowsheet developed for Epanko (ASX announcement January 2015) is used at Merelani Arusha as the metallurgical results from graphite at both sites is very similar. Whist the Company has established the Deposits host sufficient Measured and Indicated Mineral Resources, it needs to confirm all the technical and financial aspects of mining, processing infrastructure economics, marketing legal, environmental, social, and government In order to determine the economic viability of the growth strategy. Investors are advised that the production target does not establish the economic viability or definite value of the Merelani Arusha component of the growth strategy.

Further information, please contact:

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The information in this report that relates to Exploration Results is based on information compiled by Mr Andrew Spinks, a Competent Person, who is a Member of The Australasian Institute of Mining and Metallurgy. Andrew Spinks is employed by Kibaran Resources Limited. Mr Spinks 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 Mineral Resources is based on information compiled by Mr David Williams, a Competent Person, who is a Member of The Australasian Institute of Mining and Metallurgy. David Williams is employed by CSA Global Pty Ltd, an independent consulting Company. Mr Williams 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.

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