

Kibaran raises \$10.9m to accelerate Epanko graphite project

Proceeds will also enable Kibaran to press ahead with studies on expansion and production of battery-grade graphite

Kibaran Resources Limited (ASX: KNL) is pleased to advise that it will begin key development preparations and initiate expansion studies for its Epanko graphite project in Tanzania after raising \$10.9 million through a share placement.

The placement, which was to institutional and sophisticated investors, was completed at 23c a share, representing a 14.8 per cent discount to Kibaran's last trading price. It was significantly over-subscribed and will result in several major institutional investors becoming shareholders in the Company.

The proceeds will be used to fund pre-development activities at Epanko. They will also enable Kibaran to undertake studies on increasing Epanko's planned production from 40,000 tonnes a year of graphite concentrate to 60,000tpa and to conduct a feasibility study on downstream processing options, including the production of battery-grade graphite for sale to the lithium battery industry and other value add products.

Kibaran announced earlier this month that it had signed a binding exclusivity agreement with Japanese commodities trading giant Sojitz Corporation for the supply of graphite concentrate produced at Epanko.

Under the agreement, Kibaran will be the sole supplier of Tanzanian graphite to Sojitz for distribution into markets including Japan, Korea and Taiwan. Sojitz is in turn a major supplier of raw material and products to the rapidly growing lithium battery industry. The initial term of the agreement is five years.

The agreement provides the framework for sales of a minimum of 14,000 tonnes per year of natural flake graphite products subject to terms and conditions. Kibaran already has binding agreements for 30,000 tonnes, including 20,000 tonnes with German industrial giant ThyssenKrupp.

Kibaran Managing Director Andrew Spinks said the capital raising would enable the Company to accelerate pre-development activity at Epanko.

"This will enable us to move quickly into the detailed construction phase of the project when the project funding is completed," Mr Spinks said.

"The raising will also allow us to press ahead rapidly with studies on expanding the plant to capitalise on growing demand from the lithium battery market and the feasibility study on producing battery-grade graphite."

"This means we will be in a position to increase production and add further value to our product much sooner than would otherwise be the case."

Euroz Securities Limited acted as syndicate arranger and sole book-runner to the placement. Argonaut Securities and Taylor Collison acted as joint lead managers.

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