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ASX ANNOUNCEMENT

Benchmark Programme to Finalise Preferred Feedstocks

Kibaran Resources Limited (“Kibaran” or the “Company”) (ASX: KNL) is pleased to announce further details on a benchmarking feedstock programme it is completing as part of pre-development activities for its proposed battery anode material manufacturing facility in Kwinana, Western Australia. The facility aims to produce battery graphite for the lithium-ion battery market.

The Company is assessing product sources selected from the successful 2018 programme. The testwork is being completed in Germany, utilising equipment including the Company's spheronsing pilot plant.

The investigation will evaluate production variables which includes purchase prices (flake and carbon grade), purification cost, location and logistics cost, etc. The results will be analysed and fed into a cost benefit analysis to determine the optimal feedstocks required for the proposed Kwinana production.

The testwork programme is expected to be complete in January 2020 and determine the preferred feedstocks to allow finalised binding purchase agreements. Securing final feedstock purchase agreements is part of the requirement for the debt financing the Company is pursuing.

Each selected feedstock will be further evaluated to provide technical results on:

- Material characterisation determining carbon content, ash, volatiles, tap density and particle size distribution;
- Process time, energy consumption, yield and particle size distribution from mechanical shaping. This process also determines properties like specific surface area, density and particle size distribution;
- Consumption of chemicals and energy for the purification process; the purification testwork will provide data on the carbon content, elements of the ash and pH value as well; and
- Electrochemical testwork for performance in lithium-ion-batteries like C-rate tests, 1st cycle efficiency, cycle capacity etc.

Importantly, the Company will also assess the environmental footprint of each source, given this is a critical requirement for end customers. Maintaining a responsibly produced supply is a key differentiator in the Company's plan to produce a credible eco-friendly alternate source of battery graphite for the lithium ion battery market.

The Company remains on schedule to make a Final Investment Decision for Kwinana in 1H CY2020.

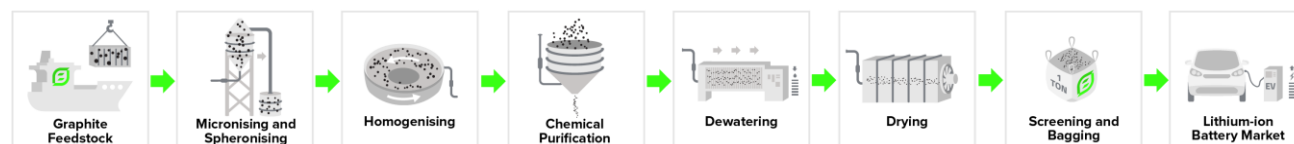


Figure 1: EcoGraf simplified flowsheet for production of Battery (spherical) graphite for the Lithium-ion Battery market

For further information, please contact:

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About EcoGraf – Kwinana Development

Kibaran plans to build the graphite processing plant on Perth's Kwinana industrial strip is based upon feasibility and engineering studies completed by Western Australian Engineering group GR Engineering Services. The proposed development has a forecast up-front capital cost of US\$22.8m for an initial 5,000tpa, followed by a further US\$49.2m to expand production to 20,000tpa of battery graphite. Pre-tax net present value is US\$141m, generating an internal rate of return of 36.6 per cent and annual EBITDA of US\$35m.

It is intended that the Kwinana facility will import natural flake graphite from existing producers and turn it into battery (spherical) graphite using the Company's patented, environmentally friendly EcoGraf process.

Battery graphite is the graphite product used in the manufacture of anodes for lithium-ion batteries. It is a 99.95% pure graphite product which is shaped and purified to meet the stringent physical and chemical specifications required by battery anode manufacturers enabling it to withstand the intense operating conditions of a battery in an electric vehicle. The final product is intended to be exported to lithium-ion battery customers in Asia, Europe and the United States.

The project's forecast economic contribution to Western Australia is significant on both an economic and strategic front and is expected to employ more than 250 construction workers and more than 125 direct employees during production.

The Western Australian Government has recognised the development of the **EcoGraf** facility would also provide broader benefits to support Western Australia's industrialisation plans, including:

- Potential production of battery anode material, which is the precursor for battery anode production and consistent with the Future Battery Industry Strategy; and
- Supporting Western Australia as a location for specialised lithium-ion battery manufacturing.

Currently all the world's supply of battery graphite is produced in China using a highly toxic purification process that requires hydrofluoric acid. There is strong demand from automobile and lithium-ion battery manufacturers in Japan, South Korea and Europe who are looking to diversify battery mineral supply chains towards an alternative supply of battery graphite that is environmentally friendly, in order to reduce their dependency on Chinese supply and to reduce environmental impacts.

Kibaran has spent over 3 years and millions of dollars in perfecting a new eco-friendly and cost competitive purification process. The expenditure covered R&D, process design, feasibility studies, piloting, product testing, product endorsement by anode manufacturers and more recently in engineering and plant design. The project will be staged, beginning with 5,000tpa of battery graphite and expanding to 20,000tpa.

Based on the current timetable, commercial production of an initial 5,000tpa will commence 11 months after the FID and expand to 20,000tpa to meet the forecast growth in demand.

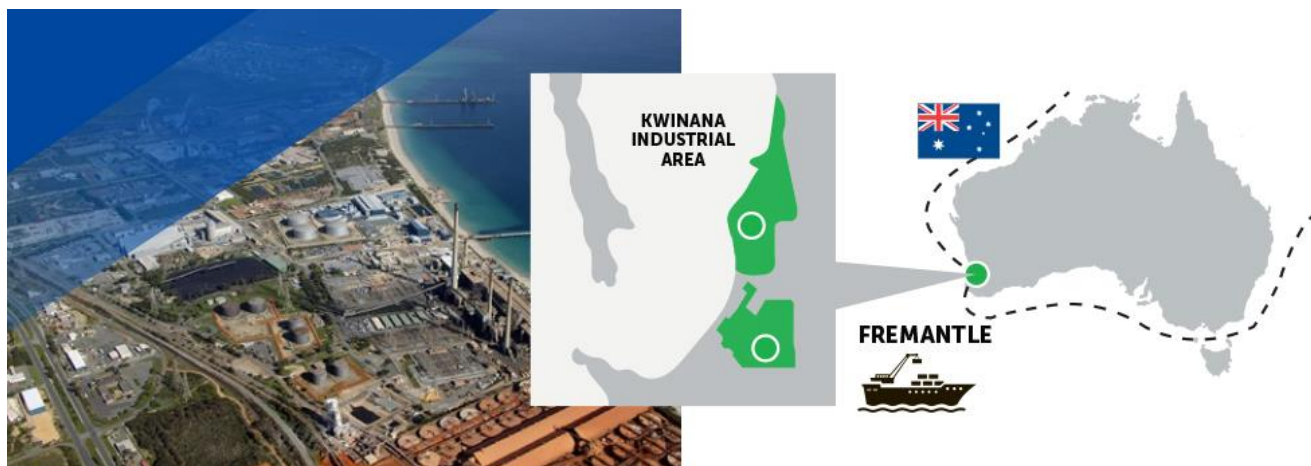


Figure 2: Kwinana Industrial Area