

# Kibaran Resources Ltd

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## Kibaran Resources lands \$4.1M in placement for Epanko Graphite

Kibaran Resources (ASX:KNL) has raised \$4.1 million through an oversubscribed share placement to fund completion of the Bankable Feasibility Study (BFS) for its Epanko Graphite Project in Tanzania.

The company is seeking to raise up to a further \$1 million through a share purchase plan on the same terms as the placement, or \$0.17 per share.

Proceeds will fund continued development of the wholly-owned Epanko Graphite Project through to Decision to Mine. The BFS is expected by the end of June.

The Placement of 24.4 million shares was made to existing and new sophisticated and institutional shareholders. It was lead managed by Argonaut Securities.

"This very pleasing result of the Placement will enable Kibaran to rapidly progress its flagship Epanko Graphite Project," executive director Andrew Spinks said.

"The exceptional demand for participation in the Placement highlights that investor interest remains strong for quality graphite companies and is recognition of Kibaran's advanced technical progress, binding off-take agreement and the exceptional investment value the company represents."

"Whilst we are pleased with new institutional and sophisticated investor support, the SPP gives all existing shareholders the opportunity to take up further shares at the same price as the Placement and we look forward to their ongoing support."

### Share Purchase Plan

Kibaran is offering shareholders the opportunity to acquire up to \$15,000 worth of shares to raise up to \$1 million.

The SPP is not underwritten though the company reserves the right to seek to place any SPP shares not subscribed.

### Epanko Graphite Project

Earlier this month, Kibaran delivered a technical update from the ongoing variability testwork being carried out as part of the BFS.

This showed that significant proportions of large flake graphite are retained and these factors will be incorporated into the BFS.

### 1 Year Share Price Graph



september 2014 october 2014 december 2014

### Share Information

**Code:** KNL

**Listing:** ASX

**Sector:** Mining

**Website:** [www.kibaranresources.com.au](http://www.kibaranresources.com.au)

### Company Synopsis:

*Kibaran Resources Ltd (ASX:KNL) is listed on the Australian Securities Exchange.*

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Kibaran said that the variability flotation testwork was focussed on evaluating whether any differences in metallurgical performance occur across the different mineralised bodies within the Epanko graphite deposit.

Testwork carried out to date has confirmed that Epanko flake size distribution is consistent across:

- Grade boundaries ranging from 5% to 20.3% total graphite carbon (TGC);
- Weathered, Transition and Fresh Rock Zones; and
- Variable geological and mineralogical units.

Samples were selected from seven diamond holes.

Epanko currently has a JORC Indicated and Inferred Resource of 22.7 million tonnes at 9.8% TGC, for 2.223 million tonnes of contained graphite.

With this estimate only covering 20% of the project area, the resource could be just the tip of the iceberg.

### **Funding interest for Epanko**

Just last month Kibaran received an Expression of Interest (EOI) from a Development Finance Institution (DFI) to co-finance development of the Epanko Graphite Project in Tanzania.

The EOI increases confidence that production at Epanko will commence in 2016.

The DFI's interest is for the provision of a senior loan of up to EUR 20 million (A\$28m) with a tenure of at least 6.5 years, including a one-year grace period on principal repayment.

The DFI is a member of a large banking group rated as one of the 'Worlds 50 Safest Banks' and is one of the largest European development finance institutions with a strong track record in the mining sector both in Africa and globally.

The DFI has also indicated that it is interested in acting as arranger on a best effort basis for the balance of the project debt, underpinning the financing of the Epanko Project's development.

### **Analysis**

The oversubscribed placement and cash position highlights the development strides taken by Kibaran Resources at Epanko and enables the completion of the bankable feasibility study, underway; ordering of long lead items and provide working capital through to a decision to mine.

Share Price Catalysts include:

- Environmental certificate.

- BFS end of June 2015.

- Any update on the recent Expression of Interest (EOI) from a Development Finance Institution (DFI) to co-finance development of the Epanko Graphite Project in Tanzania.

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