

7 June 2018

ASX Announcement

Encouraging Developments in Tanzania

Kibaran Resources Limited (Kibaran or the Company) (ASX: KNL) is pleased to provide an update on recent news and events in Tanzania.

Highlights

- **New Mining Commission launched by Minister of Minerals, Hon. Angellah Kairuki**
- **7,000 mineral licences approved to stimulate the mineral sector**
- **Epanko Project development meetings held with Ministry of Minerals and Bank of Tanzania**
- **German Chambers of Commerce and Industry opens office in Dar es Salaam**
- **Japanese and German multinationals commit to new investment in Tanzania**



Minister for Minerals, Hon. Angellah Kairuki launching the new Mining Commission with its Chairman, Professor Idris Kikula.

New Mining Commission

Following the appointment of new Mining Commission Chairman Professor Idris Kikula by Tanzania's President HE Dr John Pombe Magufuli, the Minister of Minerals, Hon. Angellah Kairuki has formally launched the Mining Commission, which will be responsible for administering the mineral sector within Tanzania. The launch coincided with confirmation that the Mining Commission has commenced a process of issuing some 7,000 mineral licences that had been pending after the Tanzanian Government placed a ban on new licences in July last year.

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Kibaran welcomes this positive step, which is expected to enable a restart of exploration and development programs that were impacted by the changes introduced last year and Professor Idris Kikula has announced that the mineral licences have been dispatched to their respective zonal mining offices.

Formation and launch of the new Mining Commission paves the way for Kibaran to present its development strategy for the Epanko Graphite Project and confirm aspects of the new mineral legislation, particularly those that impact the financing of new mining operations in Tanzania. As part of this process the Company has recently met with the Minister for Minerals and also with the Bank of Tanzania, with further discussions planned with the Ministries of Minerals, Finance and also Industry, Trade and Investment.

Kibaran is uniquely positioned with a US\$89 million new development ready project, having completed an Equator Principles compliant bankable feasibility study that satisfies the stringent International Finance Corporation Performance Standards and World Bank Group Environmental, Health and Safety Guidelines. The Epanko Graphite Project will provide significant benefits for Tanzania, directly employing some 250 persons and contributing over US\$500 million to the economy in just the first 20 years of operation.

New Private Sector Investment in Tanzania

In late May the world's largest chemical company, BASF Group opened a new office in Dar es Salaam to support planned growth within Tanzania. BASF Group generated sales in 2017 of €65 billion and its Vice President for Africa, Michael Gotsche explained during the opening that "our presence in Tanzania will allow us to respond to challenges arising from the competitive conditions in the market, while also extending our reach to more customers." Part of the company's growth strategy in Africa is to invest in a local presence and local production, recently also establishing offices in Zambia, Ivory Coast and Kenya.



German Ambassador to Tanzania, Detlef Waechter cuts the ribbon to officially open the BASF Tanzania office in Dar es Salaam with the BASF Tanzania Managing Director, Mats Idvall (L) and BASF Vice President-Africa Michael Gotsche (R).

BASF Tanzania's Managing Director, Mats Idvall stated that "Tanzania represents a commercial and industrial hub for businesses thanks to its vibrant and stable economy and the establishment of this new office confirms BASF's commitment to growing the business in this important and strategic market."

Several days after the BASF Tanzania launch, Japanese industrial corporation Mitsubishi Corporation also announced that it is ready to invest in Tanzania. Mitsubishi General Manager Africa Daisuke Aoki said that Tanzania offers many opportunities that no serious investor can ignore. While meeting with Tanzanian Investment Centre Executive Director Mr Geoffrey Mwambe in Dar es Salaam, Mr Aoki stated that the company was exploring opportunities in the motor vehicle, transportation, agricultural, educational and tourism sectors.

News of these recent commitments to Tanzania by major German and Japanese industrial organisations is a positive development and reinforces the Company's strategy of securing long-term sales and funding partners in these key European and Asian graphite markets.

German Chambers of Commerce and Industry



Dr Jennifer Schwarz, AHK and the Hon. Charles Mwijage, Minister for Industry, Trade and Investment open the new German trade centre.

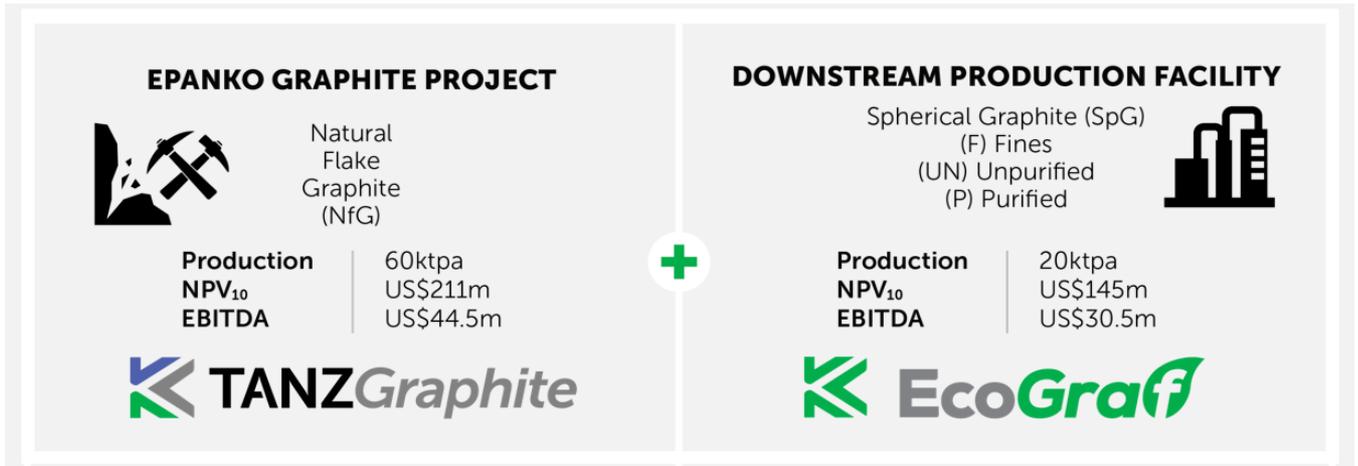
On the 18 May the German Chambers of Commerce and Industry established a presence in Dar es Salaam to promote and facilitate increased business relations between Germany and Tanzania, opening its new office under the name of AHK Services Eastern Africa Ltd.

The office is headed by Dr Jennifer Schwarz and will be a focal point for German companies looking for business opportunities in Tanzania. At the opening ceremony for the new office, Mr Charles Mwijage, Minister for Industry, Trade and Investment expressed his enthusiasm at the potential cooperation between German and Tanzanian companies to bridge the trade gap between the two countries and Mr Geoffrey Mwambe, Executive Director of the Tanzania Investment Centre, emphasised the impact such cooperation could have on the local agricultural and industrial sectors, two sectors that remain untapped by many European investors, while also noting the demand in Tanzania for German technologies.

Tanzania is currently progressing plans to complete a significant industrialisation of its economy as part of the Tanzanian Development Vision 2025 and these announcements confirm that with appropriate policy settings, the country will continue attract critical foreign investment to promote employment, skills development and technology transfer for its economy.

Kibaran has invested over US\$25 million within Tanzania in the last 5 years, completing a bankable feasibility study on the Epanko Graphite Project and attracting key support from customers and financiers in Australia, Germany and Japan. The Company remains confident it will be able to finalise development plans with the Tanzanian Government shortly and will continue to keep shareholders informed of its progress.

With its highly profitable and scalable natural flake graphite and purified spherical graphite businesses now poised for commercial development, Kibaran is well placed to capitalise on growing demand for graphite products in Asia, Europe and North America.



Refer ASX Announcements 21 June 2017 and 5 December 2017.

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