



**Breakaway
Research**

September 2015

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Company Information

ASX Code	KNL
Share Price (16 Sept 2015)	A\$0.20
Ord Shares	167.6m
Options – out of the money	6.95m
Options – in the money	5.05m
Market Cap (diluted for in-money options)	A\$34.54m
Cash (June 30, 2015)	A\$4.33m
Cash on option	A\$0.94m
conversion Total Debt	A\$0.00m
Enterprise Value	A\$29.26m

Directors & Management

Non-Exec Chairman	Vacant
Managing Director	Andrew Spinks
Executive Director - Projects	Grant Pierce OAM
Non-Exec Director	John Conidi
CFO/Company Secretary	Robert Hodby

Company Details

Address	338 Hay Street Subiaco WA 6008
Phone	+618 6380 1003
Web	www.kibaranresources.com

Top Five Shareholders

Strategic Resource Management Pty Ltd	7.89%
JP Morgan Nominees	4.91%
Talisman Capital Pte. Ltd.	2.91%
TY Webb Pty. Ltd.	2.15%
Colburn Fiduciary Nominees	1.95%
Top 20	34.92%

1 Year Price Chart



Source: IRESS

Kibaran Resources (KNL)

Poised for Development

Recommendation: Maintain Speculative BUY

Company Update

Key Points

- **Bankable Feasibility Study (“BFS”) for the Epanko Graphite Project in Tanzania delivers robust results for a long term 40,000tpa operation**
- **75% of planned initial production secured under offtake agreements with European parties, including a 20,000tpa agreement with ThyssenKrupp**
- **Metallurgical testwork indicates a premium product, suitable for most applications**
- **All government permitting in place**
- **Excellent upside at the Merelani-Arusha Graphite Project in northern Tanzania**
- **Staged expansion strategy to produce 150,000tpa from Epanko and Merelani-Arusha, to supply a postulated downstream manufacturing facility in Dar es Salaam**

The recently completed BFS for the Epanko Graphite Project has returned positive results, with a pre-tax NPV of US\$197m, with an expected capital outlay of US\$77m.

A key to the project is the quality of the graphite concentrate – test work indicates the production of a low contaminant, dominantly large flake concentrate suitable for most applications, including production of the value added expanded and spherical forms. The quality is superior to that of most other ASX-listed graphite hopefuls, and this has been backed up by the signing of key offtake agreements with European parties for 75% of the planned initial 40,000tpa production.

The Merelani-Arusha Graphite Project in Northern Tanzania is also a potential company-maker in its own right, with metallurgical testwork returning excellent results that are comparable to Epanko and a JORC-complaint resource with considerable upside.

Company Overview

Kibaran is an ASX-listed graphite explorer and developer, concentrating efforts in Tanzania. The key project is the Epanko Graphite Project, located in southern Tanzania. With the completion of the BFS, and offtake agreements in place, the Company is now looking towards financing and development.

The second project, Merelani-Arusha, is located adjacent to the previously operated Merelani Graphite Mine. This is viewed as a potential second mine, with the Company now to commence a Pre-Feasibility Study (“PFS”).

Kibaran is also actively investigating the opportunity for value add operations in Dar es Salaam, including the production of spherical and expanded graphite to supply the expected increased demand for these products, and to provide an alternative source to the current largely Chinese production.



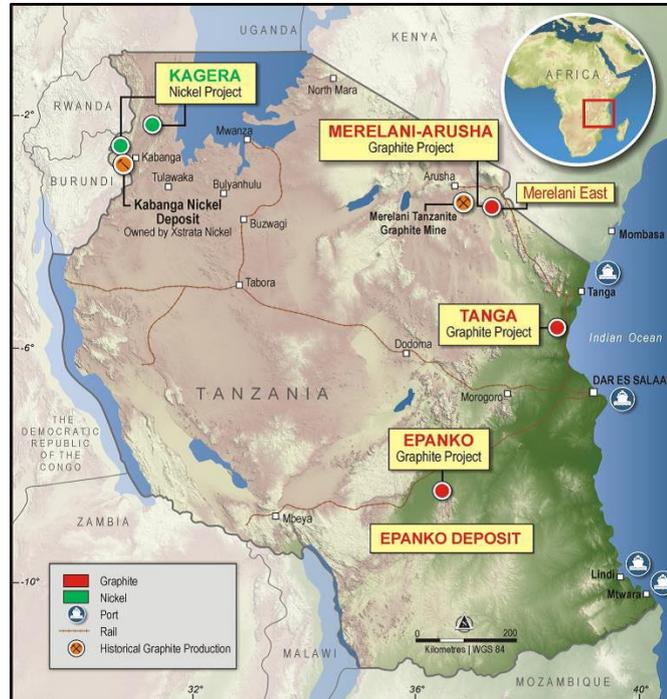
Company Update

Graphite Projects Background

Graphite projects in Tanzania

Kibaran's Projects include three graphite and one nickel project, all 100% held and located in Tanzania, a politically stable and relatively mining friendly country.

Project Location Map



Source: Kibaran

Kibaran looking to finance and develop Epanko

Activities are currently focussed on the advanced Epanko Graphite Project. Following granting of a Mining Licence, completion of a positive BFS and having offtake agreements for 75% of production, the Company is now looking to finance and develop.

Infrastructure improvements are underway in the Ifakara/Mahenge region

The Epanko Graphite Project is located approximately 470km SW by road from Dar-es-Salaam in southern Tanzania, and approximately 120km south of the railway at Ifakara. Access is by 340km of tar and then 130km of formed dirt road. Infrastructure improvements are ongoing and evidenced by the current construction of a bridge over the Kilombero River near Ifakara, replacing the current ferry.

The Project comprises one Mining Licence (ML548/2015) of 9.49km², and seven Prospecting Licences totalling 433.4km², held by the fully owned subsidiary TanzGraphite (TZ) Ltd.

The Merelani-Arusha Graphite Project provides a potential second operation

Kibaran's second key project is the Merelani-Arusha Graphite Project located in northern Tanzania, approximately 55km SE of the regional centre of Arusha. The project, which comprises eight tenements for 590.5km², is located immediately to the east of the STAMICO-TML Joint Venture's Merelani Tanzanite Mine, operated under a 50:50 profit share arrangement between the two parties.

This project forms a second potential source of graphite for Kibaran, with an Indicated and Inferred Resource of 17.7Mt @ 6.5% TGC being estimated for the Merelani East Deposit, which has also returned excellent metallurgical results. Kibaran has commenced the Environmental and Social Impact Assessment ("ESIA") process, and is commencing the PFS for the Merelani-Arusha Graphite Project.



Tanga is an early stage exploration play, comprising one tenement of 84km², and, dependent upon exploration success, could be a third supplier of graphite.

Kibaran is also looking at the possibility of setting up downstream value add facilities in Tanzania. These include a battery grade graphite manufacturing facility, for which a Scoping Study was completed in August.

Recent Events and Milestones

Major progress has been made on key projects since September 2014

Kibaran has made major progress on its projects subsequent to our September 2014 initiation report.

Key events (in reverse chronological order as announced to the market) include:

These include the signing of an offtake agreement with ThyssenKrupp and completion of a BFS

- Revised expansion strategy to 150,000tpa (September 14, 2015)
- Received “in-principal eligibility for cover” for loan guarantees from the German Government (September 1, 2015)
- Signing of a 20,000tpa offtake agreement with ThyssenKrupp (August 25, 2015)
- Completion of a positive graphite upgrading facility Scoping Study (August 4, 2015)
- Completion of a positive BFS for Epanko (July 23, 2015)
- Granting of the Epanko Mining Licence (July 15, 2015)
- Epanko BFS metallurgical results (June 15, 2015)
- Epanko mineral resource upgrade (June 11, 2015)
- Initial Merelani East resource (May 6, 2015)
- Merelani East metallurgical results (February 23, 2015).

Merelani milestones include drilling, metallurgical testwork and a resource estimation

Epanko Graphite Project (KNL 100%)

German Government Loan Guarantee

In principal eligibility for German government loan guarantee

Pursuant to the ThyssenKrupp offtake agreement, the German Government has given in principal eligibility of cover for loan guarantees in combination with financing from the state owned kfW IPEX-bank.

This is an important milestone in sourcing debt funding for Epanko, and provides the potential lenders with insurance against commercial and political risk.

The confirmation is based on ThyssenKrupp and the European trader who has the other offtake agreement supplying German industry with graphite.

ThyssenKrupp Offtake Agreement

The ThyssenKrupp offtake, for 20,000tpa, underpins planned production

A key milestone has been the signing of a 20,000tpa offtake agreement with ThyssenKrupp Metallurgical Products GmbH, a part of the Materials Services Division of the broader ThyssenKrupp group.

The agreement is for the sale of a minimum of 20,000tpa of refractory grade graphite to Europe, Turkey, the Ukraine and Korea, with an initial term of 10 years, and a 5 year option. The agreement covers 50% of the initial planned 40,000tpa production from Epanko, and in conjunction with existing agreements, 75% of planned production is now covered by offtake agreements. Having these agreements in place is key in the provision of project financing for Epanko.



Bankable Feasibility Study

The BFS was completed in time and within budget

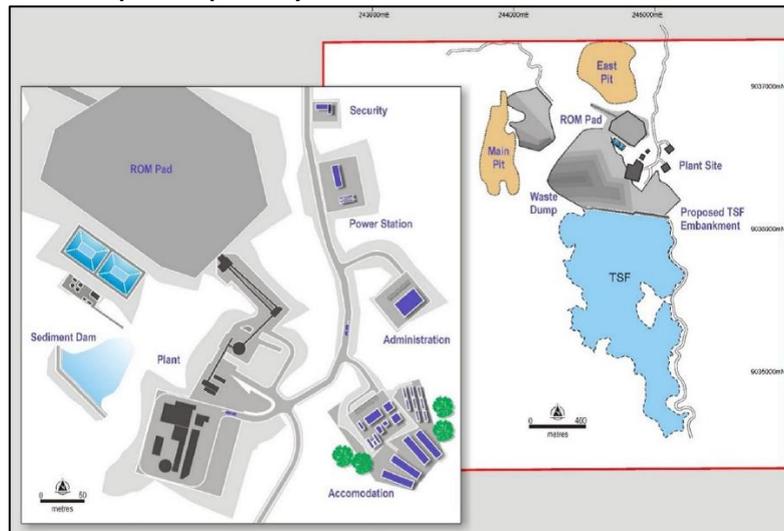
There is an expansion strategy in place

The Company released its BFS to the market on July 29, 2015, which was completed on time and within budget. The financial outcomes indicate a robust project for the proposed 40,000tpa open cut operation.

The BFS envisages an initial 25 year mine life, with reserves estimated to support this. However, there is the potential to expand production to 100,000tpa down the track, with significant inferred resources that have not been upgraded and hence used in the BFS. The Company has developed a strategy for future upgrades, which should be able to be funded from cash flow. In addition the design layout allows for any future expansions.

The study was managed and overseen by GR Engineering Services, with relevant sections being completed by well-regarded groups with previous African experience.

Mine and process plant layout



Source: Kibaran

The BFS has returned robust financials for the planned 25 year, 40,000tpa operation

Epanko Feasibility Study Inputs and Results

Item	Units	Parameters (LOM)
Key Financial Results		
Payback Period	(Yrs)	2.7
EBITDA/Annum (Avg)	(US\$m)	30.3
Pre-tax IRR	(%)	41.2
Pre-tax NPV (10% DR)	(US\$m)	197.4
Start-up Capital	(US\$m)	77.5
Operational Parameters (LOM)		
Plant Throughput	(tpa)	434,000
Plant Recovery	(%)	93.3
Feed Grade	(%)	8.6
Concentrate Carbon Grade	(%)	96.3
Production Concentrate	(tpa)	36,400
Base Basket Price Assumption	(US\$/t)	1,446
Cost per Tonne of Concentrate	(US\$/t)	570
Mine Life	(Yrs)	25
Strip Ratio	(W:O)	1:1

Source: Kibaran

Operating costs per tonne of concentrate produced, as estimated in the BFS, are given below. We have also estimated the costs per ROM tonne based on the average annual treatment of 434,000t of ore and average concentrate production of 36,400t.



Operating cost estimates – excludes royalties and taxes

Item	Cost – (FOB, \$US/tonne con)	Cost (US\$/ROM t) (Breakaway estimate)
Mining	117	9.81
Processing	277	23.23
Transport (FOB)	102	8.54
G & A	74	6.20
Total	570	47.78

Source: Kibaran. Breakaway analysis

A financial sensitivity analysis indicates a robust project, with 10% adverse movements in key parameters being comfortably accommodated. The Project is most sensitive (as expected) to graphite pricing – our analysis indicates that the Project will also comfortably absorb a 20% drop in price.

Ore Resources and Reserves

As part of the BFS, Kibaran upgraded its ore resource estimate for Epanko, with part of the Measured and Indicated Resources converted to Reserves.

The Reserve has been reported at a lower 5% TGC cut-off grade than the 8% as used for resources – this is a as a result of a lower economic cut-off grade as determined by the BFS.

Epanko Reserves and Resources

Reserves are sufficient to supply the planned operation

Inferred resources provide significant upside

JORC Classification	Tonnage (Mt)	TGC Grade (%)	Contained Graphite (t)
Epanko Ore Reserves (5% TGC Cut-off)			
Proven	8.0	8.3	659,000
Probable	2.9	9.6	279,000
Total	10.9	8.6	938,000
Epanko Mineral Resources (8% TGC Cut-off)			
Measured	6.6	9.7	635,000
Indicated	7.9	10.0	785,000
Inferred	8.8	8.7	773,500
Total	23.3	9.4	2,194,600

Source: Kibaran

Metallurgy

Metallurgical testwork undertaken as part of the BFS returned excellent results, with significant improvements over results reported previously.

Epanko BFS flotation results

Name	Microns	Mesh	Portion Retained %	Carbon (%)	Estimated pricing (US\$/t)	Basket Price (US\$/t)
Jumbo	>300	>48	20.0	97.1	\$2,800	\$560
Large	>180	>80	35.4	96.7	\$1,400	\$496
Medium	>106	>150	30.3	96.2	\$950	\$288
Small	>75	>200	7.4	95.3	\$840	\$62
Fine	<75	<200	6.9	92.6	\$580	\$40
			100%	96.3		\$1,446

Source: Kibaran

Key outcomes include:

Metallurgical testwork indicates that the graphite at Epanko is high quality, suitable for a broad range of applications

- High proportion of flake reporting to the highest value jumbo, large and medium size fractions, resulting in an estimated basket price of US\$1,446/t
- High carbon content of 96.3% from flotation - this can be upgraded to ultra-high grade 99.98% through chemical and/or heat treatment methods
- Superior expansion rates when compared to current Chinese expanded graphite products
- A high ash melting point – an important consideration in refractory applications.

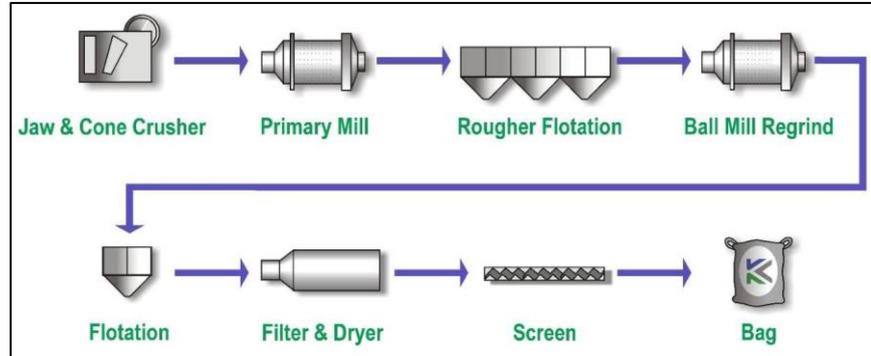


These outcomes indicate the Epanko graphite is high quality, and will be suitable for a broad range of applications, ranging from basic uses such as refractories through to more advanced uses, including use as anodes in Lithium-ion batteries.

The testwork also indicated a simple and hence low-cost processing circuit for Epanko, as shown in the figure below.

A simple, relatively low cost plant is envisaged

Epanko schematic process design



Source: Kibaran

Infrastructure

Transport

There are no foreseen infrastructure problems

The region is seeing progressive infrastructure upgrades including, on the transport side, construction of the bridge over the Kilombero River which is nearing completion. Although there is a rail siding at Ifakara, rail transport has not been assessed in the study – only direct trucking to Dar as Salaam has been considered. The option of rail transport may be considered in the future.

Power

It is planned to build a power line to connect the operation to the grid by year 3

The BFS envisages using diesel generated power for the first two years, with the Company to construct a 35kV power line from an upgraded substation at Ifakara to site, which will provide power from year three. Kibaran plans to fund this from cash flow, and it will result in an estimated fall in power costs from US\$0.288/kwh (diesel) to US\$0.09/kwh (grid).

Water

The Study has determined a positive water balance for the Project, with the main sources being mine water, bore field groundwater, tailings return water and run-off from the tailings storage facility.

Mining Licence

All permitting is complete, with the Mining Licence granted in July

A key (and final) permitting milestone was the granting of the Mining Licence for Epanko, as announced on July 15, 2015, following the grant of the Environmental Impact Assessment Certificate in May 2015. The licence covers an area of 9.49km² and was granted for the maximum term of 10 years, as allowed under Tanzanian Law, with renewals allowable for subsequent 10 year periods.

The licence covers all mineralised zones, including those where the Company expects to define resources that will support the growth strategy to a 100,000tpa operation.



Upgraded Graphite Product Manufacturing Strategy

There is the potential to capture downstream value through the development of an upgraded product manufacturing facility in Dar es Salaam

The Company is considering a strategy of capturing downstream value through the development of a manufacturing facility in Dar es Salaam, which would utilise the high quality graphite initially from Epanko to produce upgraded products, including battery grade spherical graphite, expanded graphite and purified graphite.

A scoping study for a facility to produce expanded and spherical graphite has returned positive results

Given the forecast rapidly expanding market for specialty products, and the concentration of supply from China, end users are looking at diversification of supply, and a facility in Tanzania would therefore appear to be a natural fit into the supply chain. A key to the location in Tanzania is the low cost of energy – such facilities are energy intensive and need to be cost competitive to gain entry into the market.

As announced to the market on August 4, 2015, a Scoping Study has been completed for a battery manufacturing plant, which has returned positive financial outcomes for Stage 1 of the proposed three stage growth strategy. Kibaran is now talking to strategic industry partners to fund a Feasibility Study for the proposed Dar es Salaam operations, and ultimately help fund the capex.

The Study envisages growing from an initial production of 15,000tpa of value added products in Stage 1, through to 50,000tpa in Stage 3, as shown in the following table. Concentrate would initially be sourced from Epanko, and then from expansions from Epanko and initial production and expansions from Merelani-Arusha.

A three stage growth strategy is envisaged

Manufacturing facility staged growth

Stage	Spherical Graphite	Expandable Graphite	Purification	Total
1	6,000tpa	5,000tpa	4,000tpa	15,000tpa
2	15,000tpa	10,000tpa	5,000tpa	30,000tpa
3	24,000tpa	18,000tpa	8,000tpa	50,000tpa

Source: Kibaran

The positive Scoping Study was completed on Stage 1

Battery facility Stage 1 preliminary financial analysis

Item	Units	Parameters (LOM)
Key Financial Results		
Pre-tax IRR	(%)	51
Pre-tax NPV (10% DR)	(US\$m)	115
Start-up Capital	(US\$m)	35
Operational Parameters Stage 1)		
Plant Production	(tpa)	15,000
Base Price Assumption (average)	(US\$/t)	\$2,550
Cost of Production (average)	(US\$/t)	\$1,350
Plant Life	(Yrs)	25
Payback	(Yrs)	1.9

Source: Kibaran

The Merelani-Arusha Graphite Project has been advanced

Merelani – Arusha Graphite Project (KNL 100%)

Key advances at Merelani have been the announcement of the initial and then upgraded Mineral Resource at Merelani East, and the positive results of metallurgical testwork. In addition the Company has relinquished four tenements that were considered not to have significant potential for graphite mineralisation.

The Merelani project neighbours the historically mined Block C Deposit of the Merelani Tanzanite/Graphite Mine, which operated from 1995 to 1997. Following closure due to low prices, the operation was modified to produce the rare gemstone tanzanite, which continues to this day.

The Company had an MoU with the Tanzanite One Mining Limited (“TML”)/Tanzanian



State Mining Corporation (“STAMICO”) Joint Venture, the operators of Block C, to consolidate the assets of Kibaran and the Joint Venture. Given advances on the Company’s 100% held Merelani East property, it was decided not to renew the MoU.

Merelani, for which Kibaran will now proceed to a PFS has excellent access to infrastructure, being 15km from grid power and 380km from the port at Tanga. The PFS will be based on an operation similar to that planned at Epanko, and the Epanko BFS will be used as a basis for high level inputs into the Merelani-Arusha study.

The Company has commenced the ESIA process by registering the Project with National Environment Management Council (“NEMC”), the first step in obtaining an Environmental Certificate and a key prerequisite for grant of a Mining Licence.

Exploration Drilling and Trenching

The maiden exploration drilling programme comprised 22 reverse circulation (“RC”) holes, two diamond drillholes and eight trenches, and targeted three prospects.

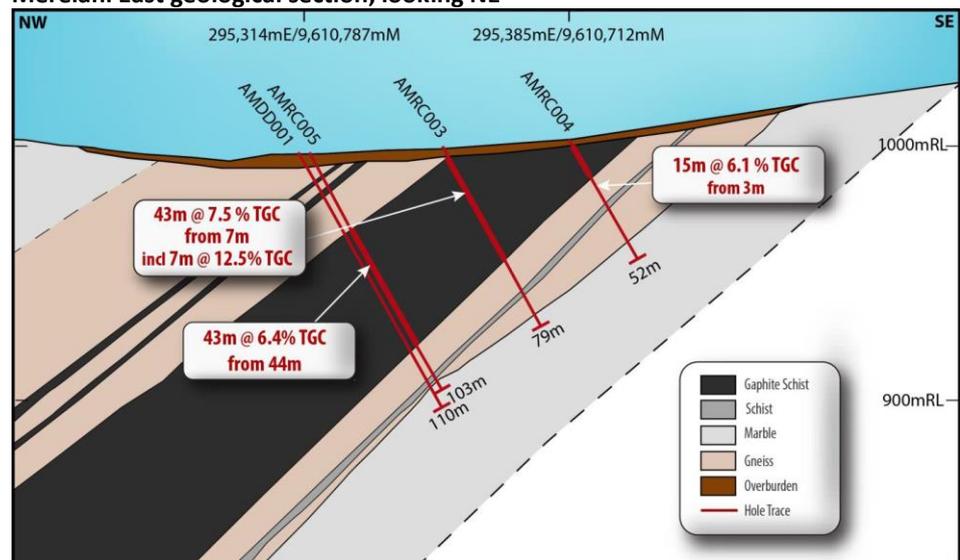
The maiden drilling and trenching programme has returned excellent results

The best results were returned from Merelani East, and included intersections of up to 43m @ 7.5% TGC from 7m in hole AMRC003. The drilling indicates a ~40m thick unit in two zones with a combined strike length of 4,100m, dipping at around 45° to the NW, as shown in the section below.

The results of trenching supported those from the drilling, returning up to 40m @ 8.4% TGC in trench AMT004.

Merelani East geological section, looking NE

Mineralisation at Merelani East is around 40m thick, dipping moderately to the NW



Source: Kibaran

Upgraded Resource Estimate

Upgraded resource estimate for Merelani East

The initial Inferred Resource estimate for Merelani East was announced to the market on May 6, 2015, with an upgrade announced on September 8, 2015. The Resource, which is open along strike and at depth, covers only 15% of Kibaran’s 100% held tenements and is located near the Block C Deposit. The estimate used the results of the Kibaran drilling and trenching programme.



Merelani East JORC-compliant Resources

Merelani East Mineral Resources (5% TGC Cut-off)			
JORC Classification	Tonnage (Mt)	TGC Grade (%)	Contained Graphite (t)
Indicated	7.4	6.7	500,000
Inferred	10.3	6.3	650,000
Total	17.7	6.5	1,140,000

Source: Kibaran

Metallurgical testwork for Merelani East has returned excellent results

Metallurgical Testwork

Preliminary flotation testwork on a single metallurgical sample returned very positive results, with a high proportion (59.6%) of large and jumbo flake (including 18.2% of the premium super jumbo product), and a high flotation concentrate grade of 96.2% TGC. Flotation recovery was also high, at 97.1%. This was followed up by additional testwork, with this, as shown in the table below, returning similar results. This more recent work also included purity and ash melting point testwork, with indicated a high ash melting point of 1,451°C, and the ability to upgrade the graphite to 99.98% C.

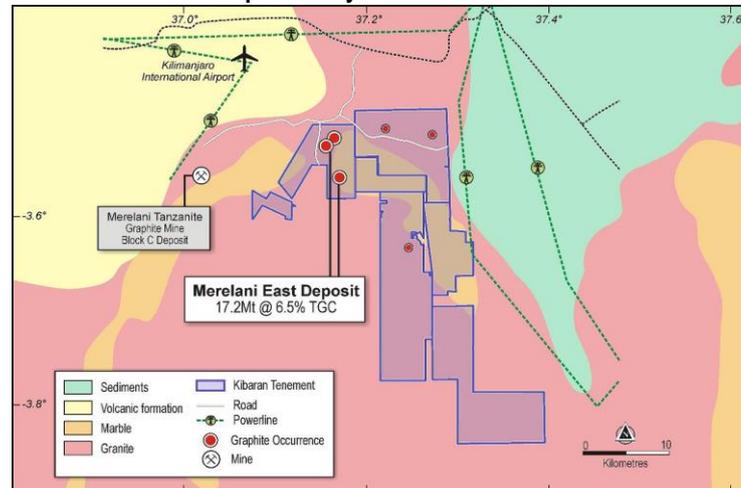
Like Epanko, the results of the testwork indicate the potential for the East Merelani graphite to be suitable for a wide range of applications, including the higher value specialty uses. The Company has reported that the quality is similar to that produced from the historic Merelani Graphite Mine.

Merelani East flotation results

Name	Microns	Mesh	Portion Retained %	Carbon (%)
Jumbo	>300	>48	29.7	96.2
Large	>180	>80	29.0	95.7
Medium	>106	>150	21.1	94.8
Small	>75	>200	7.3	92.8
Fine	<75	<200	12.9	81.9
			100%	93.7

Source: Kibaran

Merelani-Arusha Graphite Project location



Source: Kibaran

A revised expansion growth strategy to 150,000tpa concentrate is in place

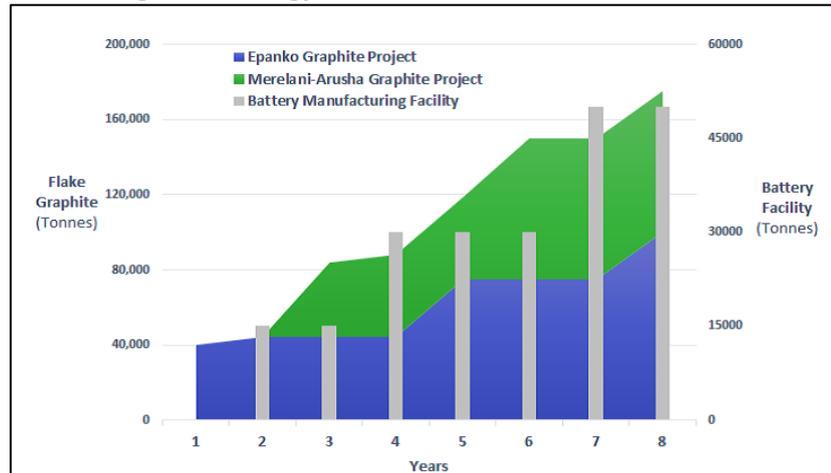
Production Expansion Strategy

Following upgraded industry forecasts in the latest market outlook by Roskill, Kibaran has revised its production growth strategy to 150,000tpa of concentrate as shown in the figure below. Following an initial 40,000tpa start-up at Epanko, the updates will be in two stages – firstly to 84,000tpa in years 2-4, and then to 150,000tpa in years 5-6. The increases will include production from both Epanko and Merelani-Arusha, with the capital costs expected to be funded from cash flow.



The additional concentrate is expected to be largely used in the proposed Dar es Salaam manufacturing facility.

Production growth strategy



Source: Kibaran Resources

Corporate

~\$5.6 million has been raised in an SPP and placement, both oversubscribed

The Company has raised ~\$5.6 million in capital raisings subsequent to our initiation note. This included \$1.5 million from an oversubscribed Share Purchase Plan (“SPP”) in May 2015, which was originally planned to raise \$1 million. This was in association with an oversubscribed placement, which raised \$4.1 million at \$0.17/share, the same price as the SPP.

Board changes have included the appointment of Mr. John Conidi as a Non-Executive Director in May 2015. Mr. Conidi is a Certified Practising Accountant and Managing Director of ASX-listed Capitol Health Ltd. (ASX: CAJ).

Unfortunately the year saw the passing of the Chairman, Mr John Park. The Company is presently searching for a suitable person to fill the role.

Breakaway’s View

Kibaran has made major progress on Epanko since our September 2014 note (and also in the 3 ½ years since acquiring the Project), with the Project now ready for financing and development.

The Company has also taken a measured approach to their activities. While Epanko potentially has the resource base to support a large scale operation, Kibaran has chosen to start with a relatively modest operation which may well be more in tune with current market dynamics compared to some others out there and, should market conditions allow, it will be well placed to expand, with expansion plans also incorporating Merelani-Arusha, which has returned excellent results.

We are also encouraged by the Company’s decision to explore value adding opportunities, given the forecast growth in demand for specialty applications, including spherical graphite for batteries, especially for EV’s. At present the bulk of spherical graphite is sourced from China, and customers will be looking for alternative supply.

In our view the offtake agreements for Epanko, particularly the recent one with ThyssenKrupp, confirm the quality of the project and the graphite that it will produce.

Given the tight capital market conditions financing is now a key issue for Kibaran and this is reflected in the recent share price – discounting of value is a common factor for



companies requiring financing at the current phase of the resources market cycle. The in principal eligibility for cover for a loan guarantee from the German state however is a significant step towards financing. Epanko is largely de-risked technically and with regards to permitting.

The Company, on fundamentals and project quality, fares well when compared with our universe of ASX-listed graphite explorers and developers. Of these, Kibaran, Syrah and Magnis, all operating in Africa, have the most advanced projects, which we have compared below. Note that figures have been taken from Company releases relating to the completed studies and where quoted originally in USD we have converted to AUD at a rate of 0.72.

We have used company EV vs project NPV as a comparative measure between the different projects. What this shows is the similarity in relative value between Kibaran and Magnis (although Kibaran is significantly more advanced), and the jump to Syrah. A number of factors affect this EV/NPV ratio and it should be treated as a guide only.

These factors include, for Kibaran, the pre-tax NPV for Epanko (an after tax NPV would increase the ratio) and the relatively high capex to NPV given the smaller project scale. This ignores the upside potential for either expansions at Epanko, development at Merelani and development of the proposed manufacturing facility.

It does however illustrate the upside value potential after obtaining financing, given Syrah's ratio of 26%. However the quantum of the upside (particularly with respect to share price) will depend on the debt/equity mix.

ASX listed African graphite developer comparison – all values in AUD

Company	Kibaran (ASX: KNL)	Syrah (ASX: SYR)	Magnis (ASX: MNS)
Enterprise Value	\$29	\$406	\$140
Project	Epanko, Tanzania	Balama, Mozambique	Nachu, Tanzania
Studies completed	BFS	FS	PFS
Mining Approval	Yes	Yes	No
Resource/Reserve	10.9Mt @ 8.6% TGC Reserve	81.4Mt @ 16.2% Reserve	156Mt @ 5.2% TGC Resource
Planned initial production	40,000tpa	313,000tpa	180,000tpa
ROM treatment rate	434,000tpa	2,000,000tpa	~4,000,000tpa
Mine life	25 years	42 years	16 years
Strip ratio	1:1	0.04:1	2:1
Project Stage	Financing	Development – equity financed	PFS completed, debt finance term sheet
Potential by-products	Nil	Vanadium	Nil
Offtake agreements	30,000tpa – European	80,000tpa – Chinese	180,000tpa - Chinese
Estimated basket price	\$2,036	\$1,111	\$2,930
Estimated opex/tonne con	\$791	\$397	\$622
Operating margin/ tonne con	\$1,245	\$714	\$2,308
Project NPV	\$274m pre-tax	\$1,562 after tax	\$1,444 after tax
Initial Capex	\$107m	\$200m	\$238m
EV/NPV	10.4%	26.1%	9.7%

Source: Company releases, Breakaway analysis, production parameters based on completed studies

We continue to rate Kibaran as a SPECULATIVE BUY

As such we continue to rate Kibaran as a SPECULATIVE BUY. The key short to medium term price mover will now be in securing financing for Epanko.

Additional long term upside will include expansions at Epanko, development and expansion of Merelani-Arusha and also realising the value added manufacturing potential.



Analyst Verification

We, Grant Craighead and Mark Gordon, as the Research Analysts, hereby certify that the views expressed in this research accurately reflect our personal views about the subject securities or issuers and no part of analyst compensation is directly or indirectly related to the inclusion of specific recommendations or views in this research.

Disclosure

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