ASX ANNOUNCEMENT **11 July 2013**

Scoping Study

Kibaran Resources Limited (ASX: KNL or "Kibaran") is pleased to announce it has conducted a Scoping Study ("Study") on the 100%-owned Epanko deposit in Tanzania. Kibaran has identified large flake 'expandable' graphite mineralisation at Epanko and delineated an initial Inferred Mineral Resource estimate in accordance with the JORC Code of 14.9Mt at 10.5% total graphitic carbon (TGC), for 1.56Mt of contained graphite.

The Study provides confidence for Kibaran to continue its exploration program. Kibarans' research indicates a current market supply shortfall. The independent metallurgical teswork carried out showed the Epanko deposit to contain very large flake graphite with the results demonstrating:

- 21.6 % in the super large flake size grading greater than 96.2% Carbon; and
- 73.8 % larger than 106 µm grading 94.5% Carbon

This large sizing fraction combined with the graphite being suited to the expanded graphite market contributed to the decision to conduct the Scoping study. Perth-based group Intermine Engineering Consultants ("Intermine") conducted the Study**.** The following provides the framework of the study.

SCOPING STUDY

In compiling the Scoping Study, Intermine utilised and developed:

- Metallurgical process flow sheet;
- Assessment of infrastructure requirements including access, power, water, communications, offices, workshops, shift rosters, transportation, product consignment and accommodation;
- Capital expenditure estimates; and
- Operating Plan.

The cost estimates used in the Scoping Study were determined by the Company and its independent consultants.

Capital cost estimate

The engineering estimate in the scoping study is based around a 200,000 tpa Processing Plant. Table 1 provides the capital cost estimates for the proposed infrastructure components of a 200,000tpa processing plant, in the event that further exploration and studies establish the Epanko deposit as feasible and commercially viable.

Table 1: Capital cost estimate for a 200,000 tpa Processing plant

Capital Estimate	Expenditure
Mining	$2,000,000
Process plant	$24,000,000
Infrastructure	$4,000,000
EPCM	$5,000,000
Contingency	$4,000,000
Total	**$39,000,000**

Mineral Resource

The Inferred Mineral Resource estimate for Epanko is shown in Table 2.

Table 2 – Mineral Resource Estimate

Mineral Resource Classification	Tonnage (Mt)	Grade (%TGC)	Contained Graphite (t)
Inferred	**14.9**	**10.5**	**1,560,000**

Notes for table 2:

- Tonnage figures contained within Table 2 have been rounded to nearest 1000. % TGC grades are rounded to 1 decimal figure.
- The Mineral Resource is quoted from blocks where the TGC (%) grade is greater than 8%. (Cut-off grade is 8%)
- Abbreviations used: Mt = 1,000,000 tonnes t = tonne

Importantly, the Mineral Resource estimate represents only a very small footprint (20%) of the known Mahenge project area. As mineralisation remains open in all directions, there is significant potential for further Resource growth if future exploration is successful. (Refer Figure 1).

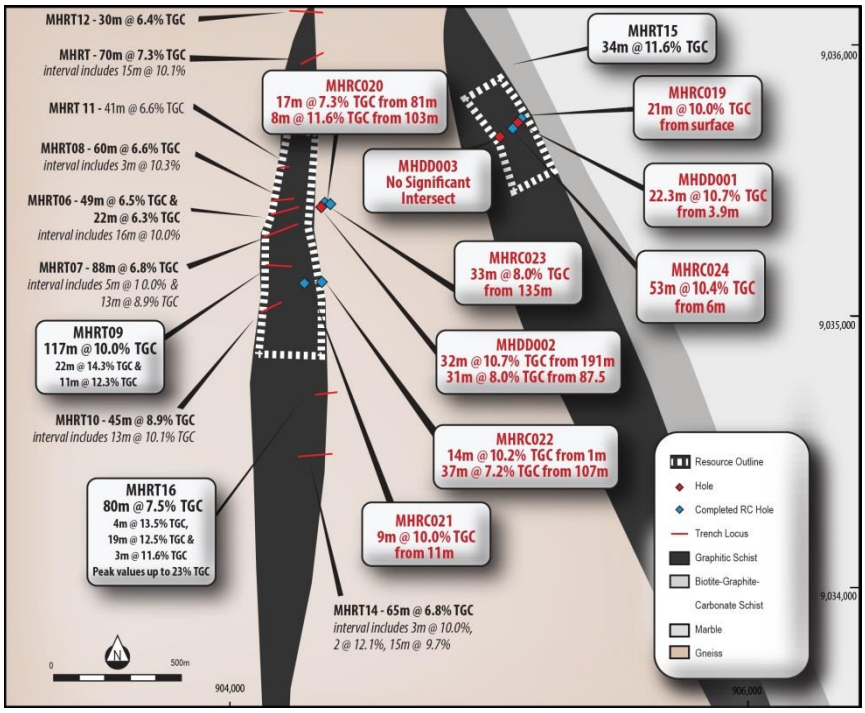

Figure 1 – Epanko Deposit showing the area of the Mineral Resource estimate footprint (extract from announcement 22 May 2013).

Metallurgy and Process Design

A process flow sheet shown in Figure 2 was devised by the EGT based on metallurgical testwork carried out. This resulted in a very conventional flotation plant and the capital cost for the plant is based on a two-stage liberation process to separate the graphite. The flowsheet comprises rougher flotation, two liberation stages, cleaner flotation, dewatering, drying and screening prior to bagging for export.

The metallurgical results showed that the flotation concentrate averaged 93% Fixed Carbon and more importantly, that the test work yielded large flake graphite. Results indicate:

- 21.6 % in the super large flake size grading greater than 96.2% Carbon; and
- 73.8 % larger than 106 µm grading 94.5% Carbon

The sizing distribution is detailed results are presented in Table 3 below.

Table 3: Flotation results per size fraction

Size	Portion of size fraction	Fixed Carbon
	(%)	(%)
> 500 µm	8.4	97.6
> 300 µm	13.2	95.4
> 180 µm	28.6	93.8
> 106 µm	23.6	93.6
> 75 µm	10.4	91.0
< 75 µm	15.8	87.5
Average	100	93.0

Micron (µm) and Millimetre (mm). 1mm = 1000µm and fixed carbon content determined by loss of ignition method (LOI)

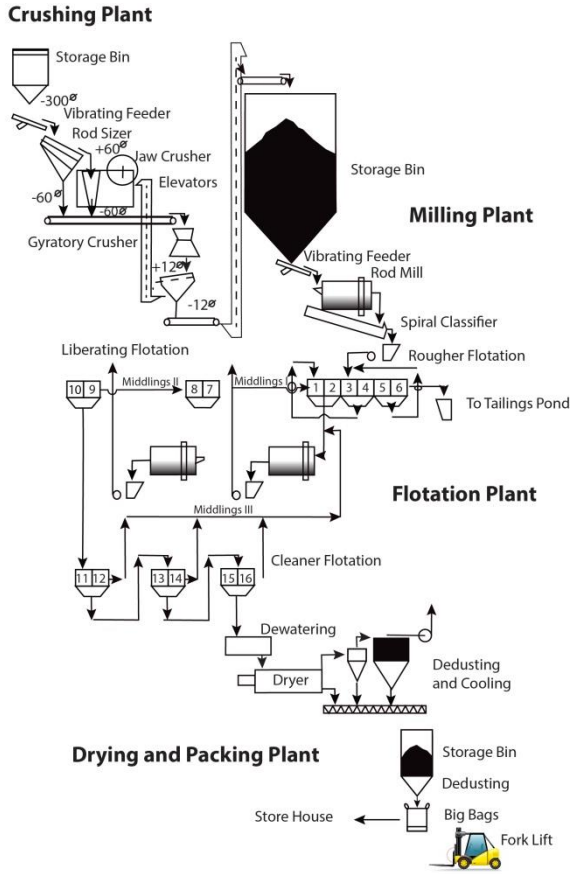

Figure 2: Proposed Flowsheet

Concentrate Value and Marketability

The portion of very large size flake is considered a significant advantage, as at present there is a shortage of this product in the graphite market. The pricing has been based on information provided by the EGT.

Expanded graphite requires premium natural flake graphite and is used to produce graphite foils, an inert sealing material that is used in high temperature or high pressure applications such as high temperature gaskets, bipolar plates in fuel cells and computer heat sinks. Expanded graphite is also considered highly sought after in the battery market which is considered one of the key drivers for future demand.

Potential partnership/ off-take discussions are continuing.

Processing and Mine Site Infrastructure

Preliminary designs for the processing plant, based on the metallurgical test work carried out by EGT are shown in figure 2

Transport

For the purpose of the Study the only transport option considered was directed trucking of graphite concentrate to the port of Dar es Salaam. The company recognises that the project is located 120km south of the Ifakara rail siding and future studies may see this as the preferred route.

PROPOSED FURTHER WORK

The results of the Study provide the company sufficient confidence to continue exploration to ascertain whether the Epanko deposit Inferred Mineral Resource estimate can be upgraded to an Indicated Mineral Resource estimate. If that occurs the Company will be in a position to advance the project to a Pre-feasibility study. The pre-feasibility study would focus on mine planning, metallurgical testwork, pilot plant testwork, processing optimisation and both operating and capital costs.

Note: Kibaran cautions investors in relation to using the information in this announcement as a basis for investment decisions in KNL shares. The maiden Inferred Mineral Resource estimated in May this year (Announcement 22 May 2013) at the Epanko deposit is not adequate to determine or imply economic viability or to be used as the basis of potential financial forecasts from the Study. Consequently, Kibaran makes no representation as to whether or not the Epanko deposit specifically and the Mahenge project generally is financially or technically viable as that cannot yet be assessed.

Statements implying economic viability require a reasonable basis; otherwise they can be seen as being misleading to shareholders. As Kibaran's Inferred Mineral Resource is not an Ore Reserve under the JORC Code, Kibaran makes no suggestion or inference of financial or economic feasibility nor whether there may be future production at the Epanko deposit in particular and the Mahenge project. This is because Inferred Mineral Resource estimates by nature carry a low level of geological confidence and there is no certainty that further exploration work will result in the determination of an Indicated Mineral Resource or that KNL's projects are economically feasible or that production will ever occur. Further exploration and evaluation work and appropriate studies are required to assess those factors.

In order to determine whether KNL's Epanko deposit is economically viable, the Company needs to establish whether the deposit can be upgraded to Indicated or Measured Mineral Resources and if so conduct further feasibility analysis to establish whether an Ore Reserve can be defined at the Epanko deposit, subject to confirming all the technical and financial aspects of mining, processing, metallurgy, infrastructure, economics, marketing, legal, environmental, social and government. Assumptions used in the Scoping Study may or may not be realised.

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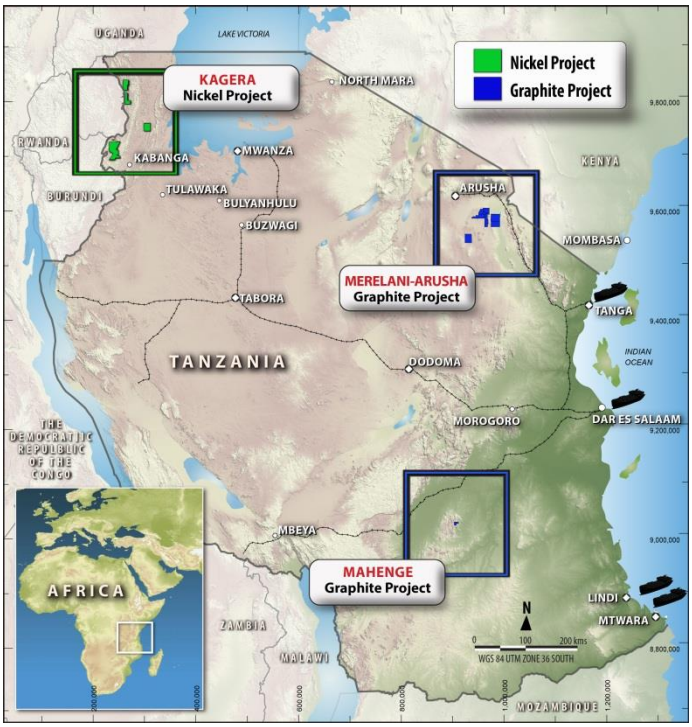
ABOUT KIBARAN RESOURCES LIMITED

Kibaran Resources Limited (ASX: KNL or "Kibaran") is an exploration company with highly prospective graphite and nickel projects located in Tanzania.

The Company's primary focus is on its 100%-owned Epanko deposit, located within the Mahenge Graphite Project. Epanko currently has an Inferred Mineral Resource Estimate of 14.9Mt, grading 10.5% TGC, for 1.56Mt of contained graphite, defined in accordance with the JORC Code. This initial estimate only covers 20% of the project area. Metallurgy has found Epanko graphite to be large flake and expandable in nature.

Kibaran also has rights to the Merelani-Arusha Graphite Project, located in the north-east of Tanzania. Merelani-Arusha is also considered to be highly prospective for commercial graphite.



Graphite is regarded as a critical material for future global industrial growth, destined for industrial and technology applications including nuclear reactors, lithium-ion battery manufacturing and a source of graphene.

In addition, the Kagera Nickel Project remains underexplored and is located along strike of the Kabanga nickel deposit, owned be Xstrata, which is considered to be the largest undeveloped, high grade nickel sulphide deposit in the world.

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The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Andrew Spinks, who is a Member of The Australasian Institute of Mining and Metallurgy included in a list promulgates by the ASX from time to time. Andrew Spinks is a director of Kibaran Resources Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Andrew Spinks consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.