



1 June 2012

ASX Release

Notice under section 708AA(2) of the Corporations Act 2001

1. Overview

Kibaran Nickel Limited ACN 117 330 757 (**Company**) intends to make a non-renounceable pro-rata rights offer of one (1) new ordinary share for every three (3) ordinary shares currently held at a price of \$0.07 per share to raise a maximum of approximately \$900,000 (**Offer**).

The Offer is fully underwritten by Taylor Collison Limited.

Mr Simon O'Loughlin (via a related company), Mr Robert Greenslade (via a related company) and Mr David Argyle, all of whom are directors of the Company, have agreed to participate in sub-underwriting of the shortfall (if any) from the rights issue up to a maximum of 1,190,476 shares or \$83,333.32 each (i.e. for a total shortfall pool of \$250,000) in accordance with their respective obligations to the Company under signed (or to be signed) sub-underwriting agreements. Mr David Gower, being a director of the Company, is not participating in sub-underwriting of the shortfall (if any) from the rights issue.

2. Notice

The Company gives this notice under section 708AA (2)(f) of the *Corporations Act 2001*.

3. Issue without disclosure

The non-renounceable rights offer will be made without disclosure to investors under Part 6D.2 of the *Corporations Act 2001* and in reliance on section 708AA of the *Corporations Act 2001*.

4. Compliance with *Corporations Act 2001*

The Company, as at the date of this notice, has complied with:

- a) the provisions of Chapter 2M of the *Corporations Act 2001* as they apply to the Company; and
- b) section 674 of the *Corporations Act 2001*.

5. Excluded information

There is no excluded information for the purposes of section 708AA(7)(d) of the *Corporations Act 2001*.

6. Potential effect of Offer on control and consequences of that effect

The Offer is a pro-rata offer, so that if all shareholders take up their entitlements, the respective voting power of all shareholders will remain the same. In that event, there will be no actual or potential effect or consequences arising from the Offer on the control of the Company.

However, if a shareholder does not take up its entitlement in full, and the Offer proceeds, there will be a dilutionary effect on that shareholder's proportional shareholding.

The proposed issue of new shares may affect the control of the Company depending on the level of take up of the issue.

Table 1 indicates the change in percentage voting power by the Company's substantial shareholders assuming no shareholders take up their entitlement in the rights issue.

Table 1

SIGNIFICANT HOLDER	PRE RIGHTS ISSUE		COMMITMENTS	POST RIGHTS ISSUE		Movement in voting power
	No of Shares	Voting Power		No of Shares	No of Shares	
CASTILLIAN RESOURCES GROUP	5,000,000	13.06%	0	5,000,000	9.80%	-3.27%
GP SECURITIES PTY LTD	1,875,000	4.90%	0	1,875,000	3.67%	-1.22%
TAYLOR COLLISON SUB UNDERWRITING	0	0.00%	9,188,173	9,188,173	18.00%	18.00%
DIRECTORS SUB UNDERWRITING	2,900,000	7.58%	3,571,428	6,471,428	12.68%	5.10%
ALL OTHER SHAREHOLDERS	28,503,803	74.46%	0	28,503,803	55.85%	-18.62%
Total	38,278,803	100.00%	12,759,601	51,038,404	100.00%	

Table 2 indicates the change in percentage voting power by the three sub-underwriting directors assuming no shareholders take up their entitlement in the rights issue.

Table 2

COMMITTED SHAREHOLDERS/DIRECTORS	PRE RIGHTS ISSUE		COMMITMENTS	POST RIGHTS ISSUE		Movement in voting power
	No of Shares	Voting Power		No of Shares	No of Shares	
DAVID ARGYLE	0	0.00%	1,190,476	1,190,476	2.84%	2.84%
DAVID GOWER	125,000	0.33%	0	125,000	0.30%	-0.03%
ROBERT GREENSLADE	2,175,000	5.68%	1,190,476	3,365,476	8.04%	2.36%
SIMON O'LOUGHLIN	600,000	1.57%	1,190,476	1,790,476	4.28%	2.71%
ALL OTHERS SHAREHOLDERS	35,378,803	92.42%	0	35,378,803	84.54%	-7.89%
Total	38,278,803	100.00%	3,571,428	41,850,230	100.00%	



For further information, please contact:

Andrew Bursill – Company Secretary on (02) 9299 9690.

By Order of the Board

A handwritten signature in black ink, appearing to read 'A. Bursill', is positioned above the printed name.

Andrew Bursill
Company Secretary