



1 June 2012

ASX RELEASE

Kibaran Nickel Limited – Notice to Option Holder

Dear Option Holder,

The option register for Kibaran Nickel Limited (**Company**) indicates that you are the holder of options to acquire ordinary shares in the capital of the Company (**Options**).

The terms of issue of the Options require that you, as an Optionholder, be given notice in which to exercise your Options in order to participate in any proposed issue of new securities by the Company.

Accordingly, notice is hereby given to you that the Company intends to undertake a non-renounceable pro-rata rights issue of new shares (**Rights Issue**), available for subscription by existing holders of ordinary shares in the Company on the basis of 1 new share (each a **New Share**) for every 3 existing shares held in the Company. The New Shares will have an issue price of \$0.07 per New Share.

As an Optionholder, you are permitted to participate in the issue of New Shares under the Rights Issue **only** in the event that you exercise your existing Options prior to the record date selected by the Company for determining entitlements to participate in the Rights Issue, being 12 June 2012 (**Record Date**).

The Rights Issue is being made without a prospectus in accordance with the provisions of section 708AA of the Corporations Act. The Offer Document will contain the required information about the Rights Issue and the effect of the Rights Issue on the Company. The Company will send the Offer Document to all eligible shareholders on 18 June, 2012.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'A. Bursill', written over a white background.

Andrew Bursill
Company Secretary