

ASX Announcement: Kibaran Completes \$350k Placement

18 May 2012

Highlights

- **Completion of placement raising of \$350k**
- **Vendors have confirmed Ndololo tenement has been granted by Tanzanian regulatory authorities**
- **ASX has advised that ASX Listing Rules 11.1.2 and 11.1.3 do not apply to the acquisition of Tanzgraphite by the Company**

Capital Raising

The Directors of Kibaran Nickel Limited (ASX:KNL) (Company) are pleased to announce that Taylor Collison have confirmed that they have completed the placement of approximately 5.0m fully paid ordinary shares, raising an additional \$350k for the Company to assist with funding ongoing exploration requirements for both its Nickel and Graphite projects.

The settlement of this placement is due to occur by mid-next week.

The Company is also finalising documentation in relation to the proposed 1 for 3 non-renounceable rights issue at \$0.07 raising a further \$900k.

Granting of Ndololo Tenement

The Company has been advised by the vendors of Tanzgraphite Pty Ltd (**Tanzgraphite**) that tenement HQ-P 24975 (**Mahenge Ndololo Graphite Project**) has been granted by the Tanzanian regulatory authorities to the optionor of that tenement.

The Mahenge Ndololo Graphite Project is the most prospective of the tenements. Previous exploration and technical work undertaken on this tenement during the 1940's reported graphite mineralisation, grading 15.5% carbon and an estimated recovery of 97.5%.

Work carried out by Tanzgraphite's geologists in conjunction with the technical data provides sufficient information to estimate a potential Exploration Target of between 3.5 million tonnes and 7 million tonnes¹ of graphitic schist grading between 10% and 15.5% Carbon for the Mahenge Ndololo Graphite Project based on a technical review of the 1945 report, and follow-up technical analysis and field work identifying a strike length of 5km and projected to a depth of 40m from surface.

ASX Confirmation in Relation to ASX Listing Rule Chapter 11

The ASX have confirmed that ASX Listing Rules 11.1.2 and 11.1.3 do not apply to the acquisition of Tanzgraphite. This confirmation allows the Company to quickly proceed to completing the transaction, subject to completion of the legal and technical due diligence, and approval of the shareholders in relation to the issue of shares and performance shares required under the transaction.

¹ The potential quantity and grade of the exploration target is conceptual in nature and there has been insufficient exploration to define a Mineral Resource. It is uncertain if further exploration will result in the determination of a Mineral Resource calculated in accordance with the JORC code.

ABOUT KIBARAN NICKEL LIMITED

Kibaran Nickel is an ASX listed exploration company that trades under the symbol KNL. The Company focused on exploring the highly prospective Kagera Nickel project which is adjacent to the Kabanga Nickel Projects which are among the largest undeveloped, high grade nickel sulphide deposits in the world and is completing the acquisition of Tanzgraphite Pty Ltd which has the rights to the Mahenge and Arusha projects in Tanzania that are considered prospective for graphite mineralisation.

For further information please contact:

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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 promulgated by the ASX from time to time. Andrew Spinks is a consultant of Tanzgraphite Pty Ltd 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.