Annual Report

for the Year Ended

30 June 2013

ABN 15 117 330 757

CORPORATE DIRECTORY

Directors
Simon O'Loughlin – Chairman and Non-executive Director
Andrew Spinks – Executive Director
Robert Greenslade - Non-executive Director
John Park - Non-executive Director
Grant Pierce – Non-executive Director

Company Secretary
Robert Hodby

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Auditor
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Telephone: +61 2 9251 4100
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Bankers
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Level 39, 100 Miller Street
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Stock Exchange Listing
Australian Securities Exchange
ASX Code: KNL
Fully paid ordinary shares

CONTENTS

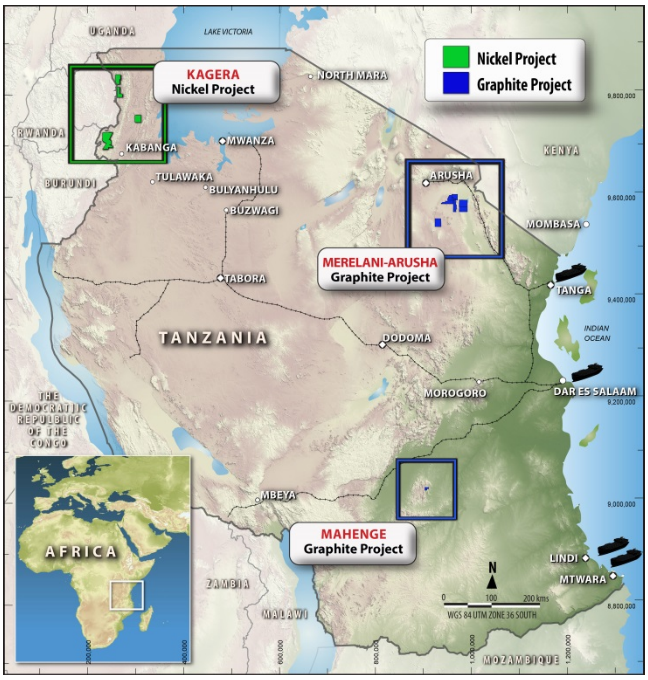
During the year, the Company made significant advance on its Epanko deposit within the Mahenge Graphite Project in south-east Tanzania. The work completed has confirmed that the Epanko graphite is large flake with 'expanded' properties – graphite with these key attributes commands a premium price in the graphite market.

Highlights of the Year:

- Delineation of a maiden Inferred JORC Mineral Resource for the Epanko deposit: 14.9Mt at 10.5% TGC, for 1.56Mt of contained graphite. This estimate is the highest grade Mineral Resource Estimate (graphite) delineated in Tanzania to date
- Completion of independent mineral processing test work by a large European graphite trader, with excellent metallurgical results
- Commencement of discussions with the European graphite trader regarding a potential partnership or off-take agreement
- Commissioning of two other metallurgical test work programs, which remain Pending:
- Bench-scale metallurgical test work to optimise feasibility study parameters (Mintek Laboratory)
- Further 'expanded graphite' test work by a leading manufacturer of carbon-based products
- Commissioning of a Scoping Study for the Epanko deposit
- Completion of trenching and costean sampling, with high-grade flake graphite encountered. Best result: 117m at 10.0% TGC

While graphite exploration in Tanzania remains the Company's foremost priority, work also continued on the secondary focus Kagera Nickel Project located in western Tanzania. The Company views the Kagera Project as a future growth asset and is committed to unlocking the project's true nickel-sulphide (NiS) potential and financial value. Work on the independent Nickel Prospectivity Study during the year highlighted:

- Location of project confirmed to be distal along strike of the Kabanga Nickel Sulphide (NiS) Deposit - the largest, undeveloped high-grade NiS deposit in the world. Owned by Xstrata and in feasibility stage;
- Shanga Nickel Prospect identified as having the potential to host Kabanga-type geological settings;
- New stand-out nickel sulphide EM (electromagnetic) target identified at the Ruiza East Nickel Prospect;
- Location of the highest nickel grade stream sediment sample, collected outside the Kabanga area, identified to be downstream of the Ruiza East Nickel Prospect.
- Agreement secured with BHP Billiton authorising access to their regional airborne EM and aeromagnetic data. Replacement value of combined geological and geophysical data estimated to be over $12 million.



MAHENGE GRAPHITE PROJECT (100% KNL)

The Mahenge Graphite Project is located 245km south-west of Morogoro in south-east Tanzania. Work during the year focused on the Epanko deposit, with significant progress being made.

Maiden Inferred JORC Mineral Resource Estimate:

A maiden Inferred JORC-compliant Mineral Resource was estimated for the Epanko deposit of 14.9Mt at 10.5% TGC (Total Graphitic Carbon), for 1,560,000t of contained graphite (see Table 1; as reported on 22 May 2013). This figure outperformed internal expectations and only represents a small footprint (20%) of the known project area.

The Estimate was carried out by independent and internationally recognised mineral industry consultancy group, CSA Global Pty Ltd, and was based on data sets compiled through drilling, trenching and other geological activity. Further, the Mineral Resource Estimate was classified in accordance with the JORC Code (2004; Refer Table 1).

Table 1: Mineral Resource Estimate

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

Notes for table 1:

- Tonnage figures contained within Table 1 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%.
- Abbreviations used: Mt = 1,000,000 tonnes

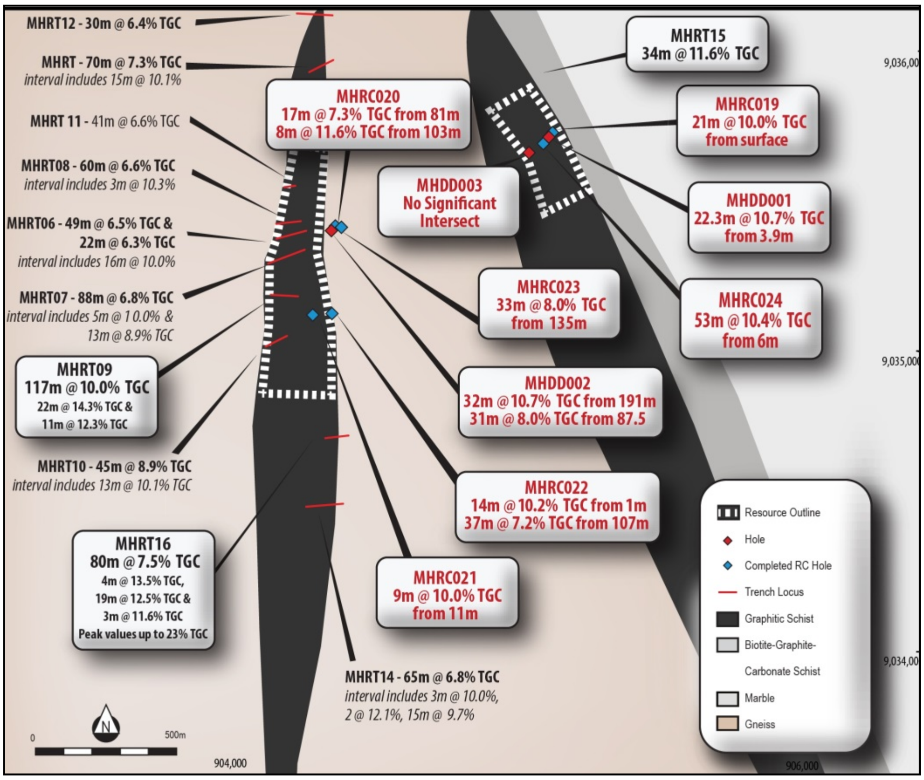


***Figure:** Epanko deposit showing the area of the Mineral Resource estimate footprint.*

Importantly, as the current Resource Estimate reflects only a small portion of the project area and mineralisation remains open in all directions, there is significant potential for achieving further Resource growth. This notion is supported by the trenching activity carried out to date.

Also of note, the Company believes that the Mineral Resource Estimate is the highest grade graphite Resource yet to be delineated in Tanzania and that the grades appears to be either comparable, or better than other past graphite producing operations in the East African region.

Comparison with Neighbouring Past Graphite Producers:

The results obtained to date for the Epanko Prospect are comparable or better than other past graphite producing operations in the East African region. Notable comparisons include:

Tanzania:	8.3% TGC from the Merelani Tanzania Mine
Mozambique:	9.5% TGC from the Ancuabe Mine and 6.0% TGC from the Satemua

Independent metallurgical test work programs:

Kibaran commissioned the undertaking of three independent metallurgical test work programs on samples of Epanko graphite mineralisation. The three programs were:

- Bench-scale feasibility test work by Mintek Laboratory in South Africa;
- Graphite 'expandability' test work by one of the world's leading manufacturers of carbon-based products; and
- Mineral processing and design by another European graphite trader (EGT)

The results by the EGT were received during the year – the results of programs one and two remain pending and are expected in the coming months. Key findings to t date.

Highly favourable mineral processing test work results (program three):

- Flotation achieved greater than 96% recovery of graphitic carbon, with concentrate grading 93% fixed carbon
- Flotation yielded large flake graphite (detailed results in Table 2):
- 73.8% measured greater than 106 microns (µm)
- 21.6% measured in the +300 micron (µm) fraction
- The recovered flake graphite is clean, with no visible natural mineral impurities
- The graphite concentrate is amenable to standard metallurgical recovery processes
- The recovered product is considered marketable

The result regarding large flake size is significant as the market value of graphite increases with flake size, and there is also a shortage of this product in the current graphite market.

As well as mineral processing and design, the samples were also tested for 'expandability' potential, as the EGT is currently investigating new sources of graphite that are suitable for use in expanded graphite products. Test work found Kibaran's sample to have expanded capability, making it suitable for further processing into expanded graphite. Expanded graphite is highly valued and highly sought after. It is used to produce graphite foils – an inert sealing material that is used in high temperature or high pressure settings, such as high temperature gaskets, bipolar plates in fuel cells and computer heat sinks. It is also considered valuable in the battery market.

These positive metallurgical test work results have led to discussions with the EGT regarding potential partnership or off-take opportunities.

Table 2: 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)

Mineral processing test work process:

The mineral processing test work was carried out on a sample of Epanko mineralisation sourced from Trench MHRT09, which returned 117m at 10.0% TGC (Refer to Figure 1 for location). The sample was crushed to less than 1mm and then flotation tested. The average carbon content was reported to be 13.6% carbon and large flakes of up to 3mm were observed before crushing.

A two-stage liberation process was developed by the EGT to separate the graphite. The process includes rougher flotation, two liberation stages, cleaner flotation, dewatering, drying and screening prior to bagging for export.

<u>Scoping Study:</u>

Towards the end of the year, Kibaran commissioned Perth-based group, Intermine Engineering Consultants, to commence a Scoping Study on the Epanko deposit. The purpose of the Study is to assess the viability of a commercial mining operation, based on the initial Inferred JORC-compliant Mineral Resource of 14.9Mt at 10.5% TGC, for 1.56Mt of contained graphite. The Study is still underway, with completion and results expected towards the end of July.

The Study is assessing various throughput tonnages, utilising the inputs obtained from metallurgical test work and what the Company believes are realistic and achievable market pricing estimates for large flake graphite fractions. It is important to note that the purpose of the Study is not to establish the economic viability of the Epanko mining operation with a defined degree of certainty. It is however a key step to moving the project towards pre-feasibility.

<u>Off-take and partnership discussions:</u>

As a result of the work completed during the year, Kibaran is now in discussions with the European graphite trader (EGT) who carried out the mineral processing test work with regards to potential partnership or off-take opportunities. The EGT is in need of new sources of graphite suitable for use in expanded graphite products and their test work has revealed that the Epanko graphite would be a suitable source subject to Kibaran establishing the commercial viability of a graphite operation.

Ndololo prospect

The Company elected not to extend or execute the option agreement for PL7082/2012. This prospecting licence hosts the Ndololo and Kasita Prospects, within the Mahenge Project area.

The lower than expected graphite results received from exploration work, which included RC drilling, diamond drilling, costeans and geological work, did not support further work or expenditure on the project or the previously defined Exploration Target. The area also occurs in a Forrest Reserve that contributed to delays.
The PL7082/2012 was accessed via an option agreement from ASAB Resource Ltd (Tanzania), as announced 9 May 2012. The company was required to make a payment of US$1.5m to acquire the project.

MERELANI-ARUSHA GRAPHITE PROJECT

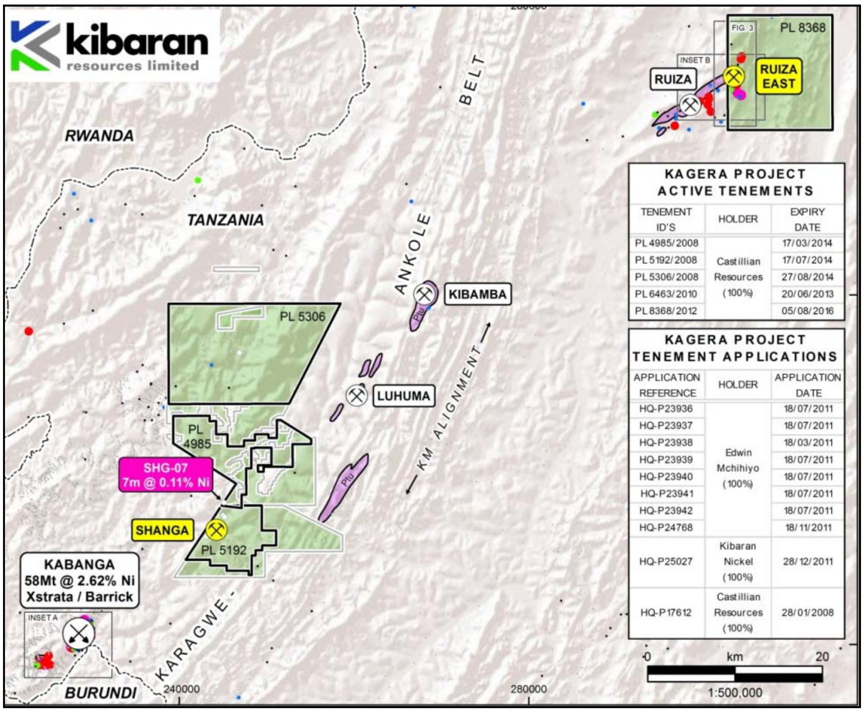
The Merelani-Arusha Graphite Project consists of seven tenements and covers 973.4 km2 in an area 55km south-east of Arusha, Tanzania.

The company carried out early stage exploration which has highlighted the project area is located in geological settings favourable for graphite mineralisation.

KAGERA NICKEL PROJECT

The Kagera Nickel Project is Kibaran's secondary focus project. It is located along the western border of Tanzania, covering an area of 864km2. The key tenements are located approximately 10km north-east of the Kabanga Nickel deposit, operated by Xstrata Nickel and Barrick Gold. Kabanga is one of world's largest undeveloped high-grade nickel sulphide deposits and is currently undergoing feasibility studies.

During the year the company commenced the Nickel Prospectivity Study. The purpose of the study has been to review the prospectivity of the Kagera Nickel Project. The study was focused on the compilation, re-processing and re-interpretation of historical exploration data from the project area and its surrounds.



KAGERA PROJECT ACTIVE TENEMENTS		
TENEMENT ID'S	HOLDER	EXPIRY DATE
PL 4985/2008	Castillian Resources (100%)	17/03/2014
PL 5192/2008		17/07/2014
PL 5306/2008		27/08/2014
PL 6463/2010		20/06/2013
PL 8368/2012		05/08/2016

KAGERA PROJECT TENEMENT APPLICATIONS		
APPLICATION REFERENCE	HOLDER	APPLICATION DATE
HQ-P23936	Edwin Mchihiyo (100%)	18/07/2011
HQ-P23937		18/07/2011
HQ-P23938		18/03/2011
HQ-P23939		18/07/2011
HQ-P23940		18/07/2011
HQ-P23941		18/07/2011
HQ-P23942		18/07/2011
HQ-P24768		18/11/2011
HQ-P25027	Kibaran Nickel (100%)	28/12/2011
HQ-P17612	Castillian Resources (100%)	28/01/2008

Figure – Kagera Nickel Project prospect map

Ruiza East Nickel Project

The company identified the Ruiza East prospect as a stand-out nickel Exploration Target, that like Kabanga, can be clearly identified from historical stream sediment data. It is located within the prospecting licence recently granted to Kibaran, immediately east-north-east and along strike from BHP's previously identified Ruiza Prospect, and about 100km north-east of Kabanga.

Analysis of the exploration data reveals that the Ruiza East Prospect is the location within the KAB that most resembles Kabanga in terms of geological setting, magnetic signature, conductivity response and surface geochemical footprint. Further, the highest nickel grade stream sediment sample collected outside the Kabanga area is located downstream of the Ruiza East conductivity anomaly.

Shanga Nickel Project

The Shanga Prospect is located at the southern end of the project area, within the granted Kibaran Prospecting Licence. It is approximately 20km north-east of Kabanga. A seven hole drilling program carried out at the prospect in 2011 focused primarily on testing a 7km-long, north-east striking anomaly – an anomaly identified in 2008 by a VTEM survey flown over the southern part of project area.

Re-interpretation of the drill intersection SHG-07 (7m @ 0.11% Ni, 327ppm Cu, 97ppm Co, 3743ppm Cr and 24% MgO from 94m) supports a Kabanga-type geological setting at the prospect.

BHP geotem data

As outlined in the ASX announcement dated 17 April, 2013, BHP flew a 'GEOTEM' airborne EM and aeromagnetic survey over about two-thirds of the Proterozoic-age Karagwe-Ankole Orogenic Belt in 1992. This covered most of the Kagera project area. Kibaran has recently entered an agreement with BHP Billiton authorising access to, and use of the raw data from the 1992 survey.

Kibaran now has the rights to geological and geophysical data (covering the Kagera project area) that has a combined replacement value estimated to be over $12 million.

The Directors present their report on the consolidated entity consisting of Kibaran Resources Limited and the entities it controlled during the financial year ended 30 June 2013.

DIRECTORS

The names and details of the Directors of Kibaran Resources Limited ("Company") in office during the financial year and until the date of this report are set out below. Directors have been in office for the entire period unless otherwise stated.

Simon O'Loughlin	-	Non-Executive Chairman
Andrew Spinks	-	Executive Director (appointed 13 July 2012)
Robert Greenslade	-	Non-Executive Director
John Park	-	Non-Executive Director (appointed 12 September 2012)
Grant Pierce	-	Non-Executive Director (appointed 16 January 2013)
David Gower		Non-Executive Director (resigned 5 February 2013)

BOARD OF DIRECTORS

Mr Simon O'Loughlin

Non-Executive Chairman

BA (Acc), Law Society Certificate in Law

Simon O'Loughlin is the founding member of O'Loughlins Lawyers, an Adelaide based medium sized specialist commercial law firm. He has obtained extensive experience in the corporate and commercial law fields while practising in Sydney and Adelaide. More recently, he has been focusing on the resources sector. Simon also holds accounting qualifications. He is currently chairman of Kibaran Resources Limited, AO Energy Ltd and Lawson Gold Ltd and a non-executive director of Petratherm Limited, Chesser Resources Limited, WCP Resources Limited and Goldminex Limited. He has comprehensive experience with companies in the small industrial and resources sectors. Simon is a former Chairman of the Taxation Institute of Australia (SA Division) and Save the Children Fund (SA Division).

During the past three years Mr O'Loughlin has held the following ASX listed company directorships; Avenue Resources Limited, World Titanium Resources Limited, Living Cell Technologies Ltd, Oncosil Medical Ltd, Wolf Petroleum Limited and Bioxyne Ltd.

Mr Andrew Spinks

Executive Director

B.App.Sc (Geol), Grad. Dip (Mining), W.A Quarry Managers Certificate

Andrew Spinks is a geologist with over 20 years professional experience in nickel, coal, iron-ore and diamonds in Australia and Africa. Andrew has performed in diverse roles from grassroots exploration through to senior management in exploration, project development and mining. He is a co-founder of Tanzgraphite Pty Ltd and was responsible for the strategy, target generation and acquisitions of that company.

Andrew is currently Non-Executive Director of Kingsrose Ming Ltd and has served as Chairman, Managing Director and President of Central Iron Ore Limited.

Mr Robert Greenslade

Non-Executive Director

BA (Ec)

Robert Greenslade is a Managing Director, Mining and Metals, Corporate Advisory for Standard Chartered Bank since 2011. Prior to this, he was a founding director of Adelaide based boutique corporate advisor, Gryphon Partners Advisory specializing in resource transactions which was acquired by Standard Chartered Bank in 2011.

Prior to 2002, Robert Greenslade was Group Executive Corporate for Normandy Mining Ltd heading up the company's corporate division. Following the takeover of Normandy Mining Ltd by Newmont Mining Corporation Inc, he was appointed Vice President of Newmont Capital Ltd responsible for the Group's Australian and Asian Pacific corporate and business development activities.

Mr John Park

Non-Executive Director

B.Sc Hons, Fellow of Australasian Institute of Mining, CP(man), Member of AIME

John is a metallurgist with a long record of success in technical, financial and management aspects of the minerals industry. He has held executive and board positions for a number of UK, Canadian and Australian listed and unlisted companies including Selection Trust, BP Minerals, Cluff Resources and Longview Capital Partners. He was a founder and executive director of the highly successful TSX listed SAMAX Gold, since acquired by Anglogold-Ashanti, which, along with several major gold discoveries now in operation in the Lake Victoria Goldfields, developed and operated the Merelani graphite mine in Tanzania in the late 1990s. AIM listed African Eagle Resources where John was a founder director and chairman until the end of 2009 discovered the Myabi gold project and is currently developing the Dutwa nickel project, both in Tanzania.

Mr Grant Pierce

Non-Executive Director

B.Eng (Mining), Dip.Eng, Order of Australia Medal

Mr Pierce is a mining engineer with over 25 years of experience in both open-pit and underground mining operations. He brings to the Company, extensive management experience and knowledge of the Tanzanian mining industry, having, over the course of his career, worked in several senior management roles with mining / exploration companies operating in Africa.

Mr Pierce held the position of Country Manager for Montero Mining and Exploration Ltd.'s Tanzanian operations. Focus on the Environmental and Social Impact Assessment as a prerequisite for a Mining Licence application. Mr Pierce has previously worked for Perseus Mining Ltd: Resolute Mining Ltd, Barrick Gold, Africo Resources Ltd and Albidon Ltd in senior management positions.

COMPANY SECRETARY

Mr Robert Hodby

Mr Hodby holds a Bachelor of Commerce from Murdoch University and is a member of CPA Australia and Chartered Secretaries Australia. Mr Hodby provides corporate, management and accounting advice to a number of companies involved in the resource and energy industries. Mr Hodby is the Company Secretary of Torrens Energy Limited and OncoSil Medical Limited.

DIRECTORS INTERESTS

As at the date of this report, the interests (directly or indirectly held) of the Directors in the shares and options of the Company were:

Director	Ordinary Shares	Performance Shares	Options over Ordinary Shares
Simon O'Loughlin	1,078,575	-	500,000
Robert Greenslade	2,900,001	-	1,500,000
Andrew Spinks	5,314,386	11,151,000	-
John Park	310,000	-	500,000
Grant Pierce	240,000	-	300,000

REMUNERATION REPORT (AUDITED)

This report details the nature and amount of remuneration paid to each director of the Company and Key Management for the financial year 30 June 2013. The information provided in this remuneration report has been audited as required by Section 308(3C) of the Corporations Act 2001.

Key Management Personnel

(i) Directors

Simon O'Loughlin (Non-Executive Chairman) (appointed 13 September 2010)
Robert Greenslade (Non-Executive Director) (appointed 22 December 2005)
Andrew Spinks (Executive Director) (appointed 20 July 2012)
John Park (Non-Executive Director) (appointed 12 September 2012)
Grant Pierce (Non-Executive Director) (appointed 16 January 2013)
David Gower (Non-Executive Director) (resigned 5 February 2013)

(ii) Executives

Robert Hodby (Company Secretary) (appointed 31 January 2013)

Remuneration Policy

The objective of the consolidated entity's and company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and conforms with the market best practice for delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

Alignment to shareholders' interests:

- has economic profit as a core component of plan design
- focuses on sustained growth in shareholder wealth, consisting of growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers.
- attracts and retains high calibre executives

Alignment to program participants' interests:

- rewards capability and experience
- reflects competitive reward for contribution to growth in shareholder wealth
- provides a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive directors and executive remunerations are separate.

Non-executive directors remuneration

Fees and payment to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to determination of his own remuneration.

ASX listing rules requires that the aggregate non-executive directors remuneration shall be determined periodically by a general meeting.

Executive remuneration

The consolidated entity and company aims to reward executives with a level and mix of remuneration based on their position and responsibility, which is both fixed and variable.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits
- short-term performance incentives

- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

The long-term incentives ('LTI') includes share-based payments and options. Options are awarded to executives over a period of three to five years based on long-term incentive measures. These include increase in shareholders value relative to the entire market.

Consolidated entity performance and link to remuneration

The Board has a policy of granting incentive options to executives with exercise prices at and/or above market share price (at the time of agreement). As such, incentive options granted to executives will generally only be of benefit if the executives perform to the level whereby the value of the consolidated entity increases sufficiently to warrant the exercising of the incentive options granted. Other than service based vesting conditions, there are no additional performance criteria on the incentive options granted to executives.

Voting and comments made at the company's 22 November 2012 Annual General Meeting ('AGM')

The company received in excess of 75% of 'for' votes in relation to its remuneration report for the year ended 30 June 2012 . The company did not receive any specific feedback at the AGM regarding its remuneration practices.

Employment Contracts

The consolidated entity did not have any services agreements with respect to the Key Management Personnel. Remuneration and other terms of employment for the following Key Management Personnel are are set out below:

Simon O'Loughlin, Non-Executive Chairman

- Term of agreement – commencing 13 September 2010 and subject to re-election as required by the Company's constitution.
- Termination as per constitution or breach of code of conduct.
- Annual director fees of $45,000.

Andrew Spinks, Executive Director

- Term of agreement – commencing 20 July 2012 and subject to re-election as required by the Company's constitution.
- Termination as per constitution or breach of code of conduct.
- Annual director fees of $40,000.

Robert Greenslade, Non-Executive Director

- Term of agreement – commencing 22 December 2005 and subject to re-election as required by the Company's constitution.
- Termination as per constitution or breach of code of conduct.
- Annual director fees of $40,000.

John Park, Non-Executive Director

- Term of agreement – commencing 12 September 2012 and subject to re-election as required by the Company's constitution.
- Termination as per constitution or breach of code of conduct.
- Annual director fees of $40,000.

Grant Pierce, Non-Executive Director

- Term of agreement – commencing 16 January 2013 and subject to re-election as required by the Company's constitution.
- Termination as per constitution or breach of code of conduct.
- Annual director fees of $40,000.

Rob Hodby, Company Secretary

- Term of agreement – commencing 23 November 2009
- Month to month contract
- Fees charged on a monthly basis

Company Performance, Shareholder Wealth and Director and Executive Remuneration

The Remuneration policy is tailored to enhance goal congruence between shareholders, directors and executives. Options are issued to all directors to encourage the alignment of personal and shareholder interests. Remuneration levels are not dependent upon performance criteria as the nature of the Company's operations are exploration and are not generating profits.

Remuneration Committee

The Remuneration Committee function is performed by the whole Board of Directors and is discussed in board meetings. All directors jointly take responsibility determining and reviewing compensation arrangements for the directors and the executive team. The Remuneration Committee assesses the appropriateness of the nature and amount of remuneration of directors and executives on a periodic basis by reference to relevant employment market conditions with an overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team.

Key Management Personnel Remuneration Policy

Board policy for determining remuneration of key personnel is as follows:

Compensation is based on length of service, experience and speciality of the individual concerned, and overall performance of the Company. Contracts for service between the Company and key personnel are on a continuing basis, the terms of which are not expected to change in the immediate future. There is no scheme to provide retirement benefits, other than statutory superannuation.

Employment conditions of key personnel are formalised in contracts of employment. The Company may terminate an employment contract without cause by providing three months written notice or making payment in lieu of notice, based on annual salary. Termination payments are generally not payable on resignation or dismissal for serious misconduct. In the case of serious misconduct the Company can terminate employment at any time. Share options not exercised before or on the date of termination will lapse.

Fixed and variable compensations for key management personnel are shown below.

Key Management Personnel Compensation

	Short-term	Post-employment	Share-based payment		
2013	**Salary/Fees $**	**Superannuation $**	**Options $**	**Total $**	**% of compensation consisting of options**
Non Executive					
Simon O'Loughlin[1]	45,000	-	-	45,000	-
Robert Greenslade[2,3]	39,667	-	-	39,667	-
John Park	30,515	1,651	24,800	56,966	43,5
Grant Pierce	18,280	-	14,880	33,160	44.8
David Gower[4]	20,000	-	-	20,000	-
Executive					
Andrew Spinks[5]	214,453	3,101	-	217,554	-
Robert Hodby[6]	24,000	-	-	24,000	-
TOTAL	**391,915**	**4,752**	**39,680**	**436,347**	**8.5**

(1) Includes consultancy fees and expense allowances of $22,500 paid or payable to Yoix Pty Ltd, of which Mr O'Loughlin is a director and beneficiary.

(2) Includes consultancy fees and expense allowances of $19,666.64 paid or payable to GP Securities Pty Ltd, of which Mr Geenslade is a director and beneficiary.

(3) Includes consultancy fees and expense allowances of $20,000 paid or payable to Gryphon Pty Ltd, of which Mr Greenslade is a director and beneficiary.

(4) Mr Gower resigned as a Director on 5 February 2013.

(5) Includes consultancy fees and expense allowances of $180,000 paid or payable to Strategic Resource Management Pty Ltd, of which Mr Spinks is a director and beneficiary.

(6) Includes consultancy fees and expense allowances of $24,000 paid or payable to Strategic Resource Management Pty Ltd, of which Mr Hodby is a director and beneficiary.

(7) Short term non-monetary benefits: during the year the Company paid insurance premiums in respect of a contract insuring the directors, company secretary and all executive officers of the Company and of any related body corporates against liability incurred as a director, secretary or executive officer.

	Short-term	Post-employment	Share-based payment		
2012	**Salary/Fees $**	**Superannuation $**	**Options $**	**Total $**	**% of compensation consisting of options**
Non Executive					
Simon O'Loughlin	35,000	-	-	35,000	-
Robert Greenslade	36,000	-	-	36,000	-
David Argyle	30,000	-	-	30,000	-
Executive					
David Gower	88,575	-	-	88,575	-
TOTAL	**189,575**	**-**	**-**	**189,575**	**-**

(1) Short term non-monetary benefits: during the year the Company paid insurance premiums in respect of a contract insuring the directors, company secretary and all executive officers of the Company and of any related body corporates against liability incurred as a director, secretary or executive officer.

Options Granted as Remuneration

The following grants of share-based payment compensation to directors and senior management relate to the current financial year:

Key Management Personnel	Option Series	Grant Date	No. Granted	Vesting Date	No. Vested	Grant date fair value ($)	Exercise Price ($)	Expiry Date
Non Executive								
John Park	Issued 28 February 2013	28/02/2013	500,000	28/02/2013	500,000	$0.0496	$0.27	11/02/2017
Grant Pierce	Issued 28 February 2013	28/02/2013	300,000	28/02/2013	300,000	$0.0496	$0.27	11/02/2017

These options represent the only share-based payments in existence as at 30 June 2013.

There were no Options granted as Remuneration in 2012.

Options granted are not subject to performance criteria in accordance with the Company's Remuneration policy. All options were granted for nil consideration.

No directors and senior management exercised options during the year that were granted to them as part of their compensation. (2012: NIL).

[END OF REMUNERATION REPORT]

Meetings of Directors

During the financial year, three meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors Meetings		Audit Meetings	
	Number Eligible to attend	**Number Attended**	**Number Eligible to attend**	**Number Attended**
Directors				
Simon O'Loughlin	3	3	-	-
Andrew Spinks	3	3	-	-
Robert Greenslade	3	1	1	1
John Park	2	2	1	1
Grant Pierce	1	1	-	-
David Gower	2	1	-	-

Indemnifying Directors and Officers

The Company has entered into an agreement to indemnify all Directors and officers against any liability arising from a claim brought by a third party against the Company. The Company has paid premiums to insure each director and officer against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the Company, other than conduct involving a wilful breach of duty in relation to the Company.

The tables below set out summary information about the entity's earnings and movements in shareholder wealth for the five years to 30 June 2013:

	30 June 2013 $	30 June 2012 $	30 June 2011 $	30 June 2010 $
Net loss after tax	(780,224)	(3,825,424)	(1,410,445)	(90,220)

	30 June 2013	30 June 2012	30 June 2011	30 June 2010
Share price at start of year	0.07	0.20	0.17	0.25
Basic earnings per share (cents)	(1.22)	(11.27)	(5.01)	(0.54)

OPERATING AND FINANCIAL REVIEW

Principal Activities

The principal activities of the Company during the financial year consisted of the exploration and evaluation of its tenements in mineral resources in Tanzania.

The consolidated entity has acquired the graphite projects through acquisition of Tanzgraphite Pty Ltd in July 2013.

Review of Operations

The review of operations is presented before the directors report.

Results from Operations

The net loss after providing for income tax for the year ended 30 June 2013 amounted to $780,224 (2012: $3,825,424).

Employees

The Company has no employees as at the date of this report.

Corporate Structure

Kibaran Resources Limited is a public company incorporated and domiciled in Australia, limited by shares. At the date of this report the Company had 67,076,404 ordinary shares (includes ordinary acceptances issued pursuant to the Entitlement Issue) and 13,000,000 options on issue.

DIVIDENDS

The Directors of the Company do not recommend the payment of a dividend in respect of the current financial year ended 30 June 2013 (2012: Nil).

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

All significant changes in the state of affairs of the consolidated entity during the year are discussed in detail above under the Operating and Financial Review section.

AFTER BALANCE DATE EVENTS

There have not been any events that have arisen in the interval between the end of the financial year and the date of this report or any other item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Company, the results of those operations or the state of affairs of the Company, in future financial year.

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

Likely future developments in the operations of the Company are referred to in the Annual Report. Other than as referred to in this report, further developments in the operations of the Company and expected results of those operations would, in the opinion of the Directors, be speculative and prejudicial to the interests of the Company and its shareholders.

ENVIRONMENTAL ISSUES

The Company's operations are subject to environmental regulation under the laws of the Commonwealth and States. The Board believe that the Company has adequate systems in place for environmental management and is not aware of any breach of environmental requirements as they apply to the Company.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

NON-AUDIT SERVICES

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 18 to the financial statements

The Board, in accordance with advice from the Audit Committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the services disclosed in note 18 below did not compromise the independence of the external auditor for the following reasons:

- all non-audit services are reviewed and approved by the Audit Committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and

- the nature of the audit services do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

AUDITORS INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 30 June 2013 has been received and can be found on page 18 of the Annual Report.

CORPORATE GOVERNANCE

The Directors recognises the Australian Securities Exchange Corporate Governance Council's Principles Recommendations and considers that the Company substantially complies with those guidelines. The Corporate Governance Statement and disclosures of the Company are contained in the Annual Report.

Signed in accordance with a resolution of the Board of Directors made pursuant to s298(2) of Corporations Act 2001.

On behalf of the Directors

Andrew Spinks
Executive Director
Dated 30 September 2013

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Sydney NSW 2000
Australia

DECLARATION OF INDEPENDENCE BY GRANT SAXON TO THE DIRECTORS OF KIBARAN RESOURCES LIMITED

As lead auditor of Kibaran Resources Limited for the year ended 30 June 2013, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Kibaran Resources Limited and the entities it controlled during the period.

Grant Saxon
Partner

BDO East Coast Partnership

Sydney, 30 September 2013

KIBARAN RESOURCES LTD
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2013

		Consolidated	
		2013	**2012**
	Notes	**$**	**$**
Revenue	3	68,423	42,867
Impairment of Capitalised Exploration Assets		-	(3,183,770)
Employee Benefits Expense		(282,347)	(196,917)
Other expenses from ordinary activities	4	(566,300)	(487,604)
LOSS BEFORE INCOME TAX EXPENSE		(780,224)	(3,825,424)
Income tax expense	5	-	-
LOSS FROM CONTINUING OPERATIONS FOR THE YEAR		**(780,224)**	(3,825,424)
Other comprehensive income, net of tax		**-**	**-**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**(780,224)**	(3,825,424)
Basic earnings per share (cents per share)	17	(1.22)	(11.27)
Diluted earnings per share (cents per share)	17	(1.22)	(11.27)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

KIBARAN RESOURCES LTD
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2013

		Consolidated	
		2013	**2012**
	Notes	**$**	**$**
CURRENT ASSETS			
Cash and cash equivalents	6	1,327,063	551,549
Trade and other receivables	7	38,043	28,996
Other current assets	8	-	6,000
TOTAL CURRENT ASSETS		1,365,106	586,545
NON-CURRENT ASSETS			
Exploration and evaluation expenditure	9	5,855,381	1,329,143
Other non-current assets	10	-	25,000
TOTAL NON-CURRENT ASSETS		5,855,381	1,354,143
TOTAL ASSETS		7,220,487	1,940,688
CURRENT LIABILITIES			
Trade and other payables	11	476,724	127,844
TOTAL CURRENT LIABILITIES		476,724	127,844
TOTAL LIABILITIES		476,724	127,844
NET ASSETS		**6,743,763**	**1,812,844**
EQUITY			
Issued capital	12	11,936,177	6,264,714
Reserves	13	1,223,588	1,183,908
Accumulated losses	14	(6,416,002)	(5,635,778)
TOTAL EQUITY		**6,743,763**	**1,812,884**

The above statement of financial position should be read in conjunction with the accompanying notes.

KIBARAN RESOURCES LTD
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2013

	Issued Capital $	Accumu-lated Losses $	Option Reserve $	Foreign Currency Translation Reserve $	Non-Controlling Interest $	Total $
BALANCE AT 1 JULY 2011	**5,908,229**	**(1,804,032)**	**1,192,280**	**(8,372)**	**1,178**	**5,289,283**
Loss for the year	-	(3,825,424)	-	-	-	(3,825,424)
Other comprehensive income	-	-	-	-	-	-
Total Comprehensive Income for the year	-	(3,825,424)	-	-	-	(3,825,424)
Transactions with owners in their capacity as owners						
Shares Issued during the year	349,502	-	-	-	-	349,502
Exercise of Options	30,000	-	-	-	-	30,000
Share Issue expense	(23,017)	-	-	-	-	(23,017)
Non controlling interest	-	(6,322)	-	-	(1,178)	(7,500)
BALANCE AT 30 JUNE 2012	**6,264,714**	**(5,635,778)**	**1,192,280**	**(8,372)**	**-**	**1,812,844**
Loss for the year	-	(780,224)	-	-	-	(780,224)
Other comprehensive income	-	-	-	-	-	-
Total Comprehensive Income for the year	-	(780,224)	-	-	-	(780,224)
Transactions with owners in their capacity as owners						
Shares Issued during the year	5,953,962	-	-	-	-	5,953,962
Share based payments	-	-	39,680	-	-	39,680
Share Issue expense	(282,499)	-	-	-	-	(276,619)
BALANCE AT 30 JUNE 2013	**11,936,177**	**(6,416,002)**	**1,231,960**	**(8,372)**	**-**	**6,743,763**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

	Notes	Consolidated 2013 $	Consolidated 2012 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(729,709)	(668,972)
Interest received		59,116	46,897
NET CASH FLOWS (USED IN) OPERATING ACTIVITIES	15	**(670,594)**	**(622.075)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for exploration and evaluation		(2,225,316)	(1,913,761)
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(2,225,316)	(1,913,761)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net proceeds from issue of shares and options		3,942,162	379,502
Share buyback in Amadori		-	(7,500)
Capital raising costs for issue of shares		(270,739)	(23,017)
NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES		**3,671,423**	**348,985**
NET INCREASE/(DECREASE) IN CASH HELD		**775,513**	**(2,186,851)**
Cash at beginning of financial year		**551,549**	**2,738,400**
CASH AT END OF FINANCIAL YEAR	6	**1,327,062**	**551,549**

The above statement of cash flows should be read in conjunction with the accompanying notes.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

The financial statements were authorised for issue by the directors on 30 September 2013.

The following is a summary of the material accounting policies adopted by the consolidated entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of Preparation

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The financial report complies with Australian Accounting Standards and International Financial Report Standards ('IFRS').

New and amended standards adopted by the consolidated entity

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted

Any significant impact on the accounting policies of the consolidated entity from the adoption of these Accounting Standards and Interpretations are disclosed below. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 2011-9 Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income

The consolidated entoty has applied AASB 2011-9 amendments from 1 July 2012. The amendments requires grouping together of items within other comprehensive income on the basis of whether they will eventually be 'recycled' to the profit or loss (reclassification adjustments). The change provides clarity about the nature of items presented as other comprehensive income and the related tax presentation. The amendments also introduced the term 'Statement of profit or loss and other comprehensive income' clarifying that there are two discrete sections, the profit or loss section (or separate statement of profit or loss) and other comprehensive income section.

Accounting Policies

a) Going Concern

The financial report has been prepared on the basis of a going concern, notwithstanding the fact that material uncertainties exist, going forward, which may affect the consolidated entity's ability to continue as a going concern. The consolidated entity incurred a loss for the year after tax of $780,224 (2012:$ 3,825,424) and a net cash outflow from operating activities of $676,474 (2012:$ 622,075). The consolidated entity acquires mineral tenements and then applies its expertise to conduct mineral exploration in search of base and precious metals deposits a graphite. In addition to the many uncertainties inherent in the mineral exploration and development industry, the consolidated entity does not yet have a significant revenue stream and must rely on raising money in the capital markets. Management has successfully raised money in the past, but there is no guarantee that adequate funds will be available when needed in the future.

These conditions give rise to material uncertainty which may cast significant doubt over the consolidated entity’s ability to continue as a going concern.

The financial report has been prepared on the basis of a going concern, as the directors believe that adequate funding will be raised to enable the consolidated entity to pay its debts as and when they become due for a period of twelve months from the date of approving this Report. In the event that the consolidated entity is delayed in raising funding and or committing to development of its core tenements, the consolidated entity may need to either reduce its rate of expenditure or raise additional working capital to ensure that it can continue to meet its ligations as and when they fall due.

Expenditure commitments include obligations arising from annual minimum work obligations for exploration permits. Minimum work obligations, may be subject to negotiation and approval and could be varied, they may also be satisfied by farm-out, sale, relinquishment or surrender.

In the event that the consolidated entity is not able to raise sufficient working capital within the timeframe required, it may not be able to realise its assets and crystallise its liabilities in the normal course of business at the amounts stated in this financial report.

The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount of abilities that might result should the company be unable to continue as a going concern and meet its debts as and when they fall due.

b) Income Tax

The charge for current income tax expense is based on the profit/(loss) for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantively enacted by the reporting date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited to the profit and loss component of the statement of profit or loss and other comprehensive income except where it relates to items that may be credited directly to other comprehensive income or equity, in which case the deferred tax is adjusted directly against other comprehensive income or equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

c) Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 23.

d) Basis of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Kibaran Resources Limited (‘Company’ or ‘parent entity’) as at 30 June 2013 and the results of all subsidiaries for the year then ended. Kibaran Resources and its subsidiaries are referred to in this financial report as the consolidated entity.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra- consolidated entity transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity and cease to be consolidated from the date on which control is transferred out of the consolidated entity. Control exists where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing when the company controls another entity.

Unrealised gains or transactions between the consolidated entity and its associates are eliminated to the extent of the consolidated entity's interests in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not held by the consolidated entity and are presented separately in the statement of profit or lass and comprehensive income and within equity in the consolidated statement of financial position. Losses are attributed to the non-controlling interests even if that results in a deficit balance.

The consolidated entity treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the consolidated entity. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity attributable to owners of Kibaran Resources Limited.

When the consolidated entity loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the consolidated entity had directly disposed of the relevant assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 139 'Financial Instruments: Recognition and Measurement' or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

e) Exploration and development expenditure

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

Accumulated costs in relation to an abandoned area are written off in full against profit or loss in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on a discounted basis.

Payments for exploration and development expenditure are net of government grants and funding partner contribution.

f) Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

g) Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

h) Impairment of Assets

At each reporting date, the entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset’s fair value less costs to sell and value in use, is compared to the asset’s carrying value. Any excess of the asset’s carrying value over its recoverable amount is expensed to the profit or loss component of the consolidated statement of profit or loss and other comprehensive income.
Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

i) Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of the entity is the currency of the primary economic environment in which that entity operates. The financial statements are presented in Australian dollars which is the entity’s functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the profit or loss component of the statement of profit or loss and other comprehensive income, except where deferred in equity as a qualifying cash flow or net investment hedge.

j) Employee benefits

Provision is made for the consolidated entity's liability for employee benefits arising from services rendered by employees to reporting date. Short term employee benefits have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Long term employee benefits have been measured at the present value of the estimated future cash outflows to be made for those benefits

Share-based payments

Equity-settled share-based compensation benefits are provided to employees and directors.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

If equity-settled awards are modified , as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised , over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period , any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award , the cancelled and new award is treated as if they were a modification.

***k)* Issued capital**

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

l) Trade and other receivables

Trade and other receivables, which generally have 30 day terms, are recognised initially at fair value and subsequently carried at amortised cost using the effective interest method, less an allowance for any estimated shortfall in receipt. An estimate of any shortfall in receipt is made when there is objective evidence a loss has been incurred. Bad Debts are written off when identified.

m) Trade and other payables

Liabilities for creditors and other amounts are carried at amortised cost, which is the present value of the consideration to be paid in the future for goods and services received, whether or not billed to the consolidated entity. The carrying period is dictated by market conditions but is generally less than 30 days.

n) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 3 months or less.

o) Revenue

Revenue is recognised when it is probable that the economic benefit will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset’s net carrying amount.

Other revenue is recognised when it is received or when the right to receive payment is established.

All revenue is stated net of the amount of goods and services tax (GST).

p) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

q) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit/(loss) attributable to the owners of Kibaran Resources Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

r) Share based payments

Equity-settled share based payments with employees and others providing similar services are measured at fair value of the equity instrument at the grant date. Fair value is measured by use of the Black-Scholes model.

s) Critical accounting estimates and judgements

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the entity.

Key Estimates — Impairment

The entity assesses impairment at each reporting date by evaluating conditions specific to the entity that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Recoverability of exploration and evaluation costs

The Company assesses the recoverability of the carrying value of capitalised exploration and evaluation costs at each reporting date (or at closer intervals should the need arise). In completing this assessment, regard is had to the Company's intentions with regard to proposed future exploration and development plans for individual exploration areas, to the success or otherwise of activities undertaken in individual areas in recent times, to the likely success of future planned exploration activities, and to any potential plans for divestment of individual areas. Any required adjustments to the carrying value of capitalised exploration are completed based on the results of this assessment.

Share-based payment transactions

The Company measures the cost of shares and options issued to employees and third parties by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of unlisted options is determined by an external valuer using the Black-Scholes formula taking into account the terms and conditions upon which the instruments were granted.

t) New accounting standards and interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2013. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

AASB 9 Financial Instruments, 2009-11 Amendments to Australian Accounting Standards arising from AASB 9, 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 and 2012-6 Amendments to Australian Accounting Standards arising from AASB 9

This standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2015 and completes phase I of the IASB's project to replace IAS 39 (being the international equivalent to AASB 139 'Financial Instruments: Recognition and Measurement'). This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortised cost or fair value. The accounting for financial liabilities continues to be classified and measured in accordance with AASB 139, with one exception, being that the portion of a change of fair value relating to the entity's own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch. The consolidated entity will adopt this standard from 1 July 2015 but the impact of its adoption is yet to be assessed by the consolidated entity.

AASB 10 Consolidated Financial Statements

This standard is applicable to annual reporting periods beginning on or after 1 January 2013. The standard has a new definition of 'control'. Control exists when the reporting entity is exposed, or has the rights, to variable returns (e.g. dividends, remuneration, returns that are not available to other interest holders including losses) from its involvement with another entity and has the ability to affect those returns through its 'power' over that other entity. A reporting entity has power when it has rights (e.g. voting rights, potential voting rights, rights to appoint key management, decision making rights, kick out rights) that give it the current ability to direct the activities that significantly affect the investee's returns (e.g. operating policies, capital decisions, appointment of key management). The consolidated entity will not only have to consider its holdings and rights but also the holdings and rights of other shareholders in order to determine whether it has the necessary power for consolidation purposes. The adoption of this standard from 1 July 2013 may have an impact where the consolidated entity has a holding of less than 50% in an entity, has de facto control, and is not currently consolidating that entity.

AASB 12 Disclosure of Interests in Other Entities

This standard is applicable to annual reporting periods beginning on or after 1 January 2013. It contains the entire disclosure requirement associated with other entities, being subsidiaries, associates and joint ventures. The disclosure requirements have been significantly enhanced when compared to the disclosures previously located in AASB 127 'Consolidated and Separate Financial Statements', AASB 128 'Investments in Associates', AASB 131 'Interests in Joint Ventures' and Interpretation 112 'Consolidation - Special Purpose Entities'. The adoption of this standard from 1 July 2013 will significantly increase the amount of disclosures required to be given by the consolidated entity such as significant judgements and assumptions made in determining whether it has a controlling or non-controlling interest in another entity and the type of non-controlling interest and the nature and risks involved.

AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13

This standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2013. The standard provides a single robust measurement framework, with clear measurement objectives, for measuring fair value using the 'exit price' and it provides guidance on measuring fair value when a market becomes less active. The 'highest and best use' approach would be used to measure assets whereas liabilities would be based on transfer value. As the standard does not introduce any new requirements for the use of fair value, its impact on adoption by the consolidated entity from 1 July 2013 should be minimal, although there will be increased disclosures where fair value is used.

AASB 127 Separate Financial Statements (Revised)

AASB 128 Investments in Associates and Joint Ventures (Reissued)

These standards are applicable to annual reporting periods beginning on or after 1 January 2013. They have been modified to remove specific guidance that is now contained in AASB 10, AASB 11 and AASB 12. The adoption of these revised standards from 1 July 2013 will not have a material impact on the consolidated entity.

AASB 119 Employee Benefits (September 2011) and AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)

This revised standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2013. The amendments make changes to the accounting for defined benefit plans and the definition of short-term employee benefits, from 'due to' to 'expected to' be settled within 12 months. The later will require annual leave that is not expected to be wholly settled within 12 months to be discounted allowing for expected salary levels in the future period when the leave is expected to be taken. The adoption of the revised standard from 1 July 2013 is expected to reduce the reported annual leave liability of the consolidated entity.

AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirement

These amendments are applicable to annual reporting periods beginning on or after 1 July 2013, with early adoption not permitted. They amend AASB 124 'Related Party Disclosures' by removing the disclosure requirements for individual key management personnel ('KMP'). The adoption of these amendments from 1 July 2014 will remove the duplication of information relating to individual KMP in the notes to the financial statements and the directors report. As the aggregate disclosures are still required by AASB 124 and during the transitional period the requirements may be included in the Corporations Act or other legislation, it is expected that the amendments will not have a material impact on the consolidated entity.

AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards

The amendments are applicable to annual reporting periods beginning on or after 1 January 2013. The amendments make numerous consequential changes to a range of Australian Accounting Standards and Interpretations, following the issuance of AASB 10, AASB 11, AASB 12 and revised AASB 127 and AASB 128. The adoption of these amendments from 1 July 2013 will not have a material impact on the consolidated entity.

AASB 2012-2 Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities

The amendments are applicable to annual reporting periods beginning on or after 1 January 2013. The disclosure requirements of AASB 7 'Financial Instruments: Disclosures' (and consequential amendments to AASB 132 'Financial Instruments: Presentation') have been enhanced to provide users of financial statements with information about netting arrangements, including rights of set-off related to an entity's financial instruments and the effects of such rights on its statement of financial position. The adoption of the amendments from 1 July 2013 will increase the disclosures by the consolidated entity.

AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities

The amendments are applicable to annual reporting periods beginning on or after 1 January 2014. The amendments add application guidance to address inconsistencies in the application of the offsetting criteria in AASB 132 'Financial Instruments: Presentation', by clarifying the meaning of "currently has a legally enforceable right of set-off"; and clarifies that some gross settlement systems may be considered to be equivalent to net settlement. The adoption of the amendments from 1 July 2014 will not have a material impact on the consolidated entity.

AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle

The amendments are applicable to annual reporting periods beginning on or after 1 January 2013. The amendments affect five Australian Accounting Standards as follows: Confirmation that repeat application of AASB 1 (IFRS 1) 'First-time Adoption of Australian Accounting Standards' is permitted; Clarification of borrowing cost exemption in AASB 1; Clarification of the comparative information requirements when an entity provides an optional third column or is required to present a third statement of financial position in accordance with AASB 101 'Presentation of Financial Statements'; Clarification that servicing of equipment is covered by AASB 116 'Property, Plant and Equipment', if such equipment is used for more than one period; clarification that the tax effect of distributions to holders of equity instruments and equity transaction costs in AASB 132 'Financial Instruments: Presentation' should be accounted for in accordance with AASB 112 ‘Income Taxes’; and clarification of the financial reporting requirements in AASB 134 'Interim Financial Reporting' and the disclosure requirements of segment assets and liabilities. The adoption of the amendments from 1 July 2013 will not have a material impact on the consolidated entity.

AASB 2012-9 Amendment to AASB 1048 arising from the Withdrawal of Australian Interpretation 1039

This amendment is applicable to annual reporting periods beginning on or after 1 January 2013. The amendment removes reference in AASB 1048 following the withdrawal of Interpretation 1039. The adoption of this amendment will not have a material impact on the consolidated entity.

AASB 2012-10 Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments

These amendments are applicable to annual reporting periods beginning on or after 1 January 2013. They amend AASB 10 and related standards for the transition guidance relevant to the initial application of those standards. The amendments clarify the circumstances in which adjustments to an entity's previous accounting for its involvement with other entities are required and the timing of such adjustments. The adoption of these amendments will not have a material impact on the consolidated entity.

2. SEGMENT INFORMATION

Identification of reportable segments

The consolidated entity has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

Types of service by segment

As of the date of this report and during the year the consolidated entity operates in the industry of exploration of graphite and nickel in Tanzania. The operating segments are identified based on the size of the exploration tenements.

The consolidated entity is managed primarily on its tenements. An operating segment is engaged in providing products or services within a particular economic environment and is subject to risks and returns that are different from those of segments operating in other economic environment.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics and are also similar with respect to the type of product and service. The consolidated entity has determined that the reportable operating segments are based on geographical locations as they are the source of the consolidated entity 's major assets.

Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in Note 1 to the accounts and the annual financial statements of the consolidated entity.

Basis of accounting for purposes of reporting by operating segments

Segment assets

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

Segment liabilities

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Tax liabilities are generally considered to relate to the consolidated entity as a whole and are not allocated. Segment liabilities include trade and other payables.

Segment Results

The internal reports that are reviewed and used by the board of directors comprise only direct exploration expenditure. This information is used by the board of directors in assessing performance and in determining the allocation of resources and as such no segment result or segment revenues are separately disclosed.

	Australia	Tanzania	Unallocated	Consolidated
2012	**$**	**$**	**$**	**$**
Assets				
Segment Assets	-	1,329,143	-	1,329,143
Unallocated assets:				
Cash and cash equivalents				551,549
Trade and other receivables				59,996
Total Assets				1,940,688
Liabilities				
Segment liabilities	116,379	11,465	-	127,844
Total Liabilities				127,844

	Australia	Tanzania	Unallocated	Consolidated
2013	**$**	**$**	**$**	**$**
Assets				
Segment Assets	-	5,855,381	-	5,855,381
Unallocated assets:				
Cash and cash equivalents				1,327,063
Trade and other receivables				38,043
Total Assets				7,220,487
Liabilities				
Segment liabilities	158,876	317,848	-	476,724
Total Liabilities				476,724

	Note	Consolidated 2013 $	Consolidated 2012 $
3. REVENUE			
Interest received from financial institutions		68,423	42,867
Total Revenue		**68,423**	**42,876**

	Note	Consolidated 2013 $	2012 $
4. EXPENSES			
Finance & legal expenses		148,488	223,827
Occupancy expense		21,000	-
Communication expense		14,636	6,052
Travel & accommodation		101,473	-
Foreign currency losses		48,896	-
Other expenses		231,807	257,725
Total expenses from ordinary activities		**566,300**	**487,604**

5. INCOME TAX EXPENSE

a) Income Tax Expense

The *prima facie* tax on operating loss from ordinary activities before income tax is reconciled to the income tax as follows:

	2013 $	2012 $
Loss from ordinary activities	(780,224)	(3,825,424)
Prima facie tax on loss from ordinary activities at tax rate of 30% (2011:30%)	(234,067)	(1,147,627)
Tax effect of amounts not deductable	19,619	1,002,240
Benefit of tax losses not brought to account as an asset	214,448	145,387
Income tax expense attributable to entity	**-**	**-**

6. CASH AND CASH EQUIVALENTS

	2013 $	2012 $
Cash at bank and on hand	327,063	551,549
Short-term bank deposits	1,000,000	-
	1,327,063	**551,549**

	Consolidated 2013 $	Consolidated 2012 $

7. TRADE AND OTHER RECEIVABLES

	2013 $	2012 $
Goods and services taxation receivable (i)	28,736	28,996
Other receivables	9,307	-
	38,043	**28,996**

(i) Goods and services taxation is non-interest bearing and generally on 14 day terms at the end of each quarter.

(ii) None of the receivables are past due and no impairment is required.

8. OTHER CURRENT ASSETS

	2013 $	2012 $
Prepayments	-	6,000

9. EXPLORATION AND EVALUATION EXPENDITURE

	2013 $	2012 $
Exploration and evaluation expenditure carried forward:		
Carrying amount as at 1 July	1,329,143	3,022,299
Exploration expenditure capitalised	4,526,238	1,490,614
Exploration expenditure written off	-	(3,183,770)
	5,855,381	**1,329,143**

Recoverability of the carrying amount of exploration assets is dependent on the successful development and commercial exploitation of areas of interest and the sale of minerals or the sale of the respective areas of interest.

10. OTHER NON-CURRENT ASSETS

	2013 $	2012 $
Other	-	25,000

11. TRADE AND OTHER PAYABLES

		2013 $	2012 $
Trade payables	(i)	400,727	64,509
Accruals		55,619	-
Payroll payables		20,378	-
Other		-	63,335
Total trade and other payables		**476,724**	**127,844**

(i) Terms and conditions: Trade creditors are non-interest bearing and are normally settled on 45 day terms.

	Consolidated 2013 $	Consolidated 2012 $

12. ISSUED CAPITAL

A reconciliation of the movement in capital and reserves for the Company can be found in the Statement of Changes in Equity

	2013 $	2012 $
67,076,404 (2012: 38,428,803) fully paid ordinary shares	11,942,057	6,264,714

(a) Ordinary Shares

	Date	$	Issue Price	No. of Shares
At 30 June 2011		**5,908,229**		**33,285,916**
Share issue	30/05/12	349,502	$0.07	4,992,887
Exercise of options	13/06/12	30,000	$0.20	150,000
Transaction costs	-	(23,017)	-	-
At 30 June 2012		**6,264,714**		**38,428,803**
Placement	10/07/12	684,161	$0.07	9,773,726
Placement	11/07/12	209,011	$0.07	2,985,875
Share issue	27/09/12	122,500	$0.35	350,000
Share issue	27/09/12	2,938,250	$0.35	8,395,000
Acquisition of TanzGraphite	20/07/12	2,000,040	$0.28	7,143,000
Transaction costs	-	(276,619)		-
At 30 June 2013		**11,942,057**		**67,076,404**

1 Net of underwriting and legal fees.

Fully paid ordinary shares carry one vote per share and carry a right to dividends.

(b) Options:

At the date of this report, the unissued ordinary shares of the Company under option are as follows:

2013

Grant Date	Date of Expiry	Exercise Price	Balance at start of the year	Granted	Exercised	Expired/ Exercised	Number Options
22/10/2010	21/10/2014	0.20	3,500,000	-	-	-	3,500,000
24/03/2011	24/03/2015	0.25	2,500,000	-	-	-	2,500,000
31/03/2011	31/03/2015	0.25	700,000	-	-	-	700,000
31/03/2011	30/09/2015	0.35	700,000	-	-	-	700,000
31/03/2011	31/03/2015	0.30	600,000	-	-	-	600,000
31/03/2011	31/03/2016	0.40	700,000	-	-	-	700,000
24/07/2012	30/06/2015	0.10	-	3,500,000	-	-	3,500,000
12/02/2013	11/02/2017	0.27	-	800,000	-	-	800,000
	TOTAL		**8,700,000**	**4,300,000**	**-**	**-**	**13,000,000**

Weighted average exercise price $0.21

2012

Grant Date	Date of Expiry	Exercise Price	Balance at start of the year	Granted	Exercised	Expired/ Exercised	Number Options
21/09/2010	09/02/2012	0.20	150,000	-	-	(150,000)	-
21/09/2010	14/12/2012	0.20	150,000	-	(150,000)	-	-
21/09/2010	09/02/2012	0.20	300,000	-	-	(300,000)	-
21/09/2010	09/02/2012	0.40	500,000	-	-	(500,000)	
22/10/2010	21/10/2014	0.20	3,500,000	-	-	-	3,500,000
24/03/2011	24/03/2015	0.25	2,500,000	-	-	-	2,500,000
31/03/2011	31/03/2015	0.25	700,000	-	-	-	700,000
31/03/2011	30/09/2015	0.35	700,000	-	-	-	700,000
31/03/2011	31/03/2015	0.30	600,000	-	-	-	600,000
31/03/2011	31/03/2016	0.40	700,000	-	-	-	700,000
	TOTAL		**9,800,000**	**-**	**(150,000)**	**950,000**	**8,700,000**

Weighted average exercise price $0.25

The weighted average remaining contractual life of options outstanding at the end of the financial year was 1.89 years (2012: 2.65 years).

13. RESERVES

	Consolidated 2013 $	Consolidated 2012 $
Foreign currency reserve	(8,372)	(8,372)
Share option Reserve	1,231,960	1,192,280
	1,223,588	**1,183,908**
Movement in share option reserve		
Balance at beginning of the year	1,192,280	1,192,280
Share-based payments	39,680	-
Balance at the end of the year	**1,231,960**	**1,192,280**

Foreign currency reserve

The reserve issued to recognise exchange differences arising from translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Share option reserve

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

14. ACCUMULATED LOSSES

	2013 $	2012 $
Accumulated losses at the beginning of the year	(5,635,778)	(1,804,032)
Loss for the year	(780,224)	(3,825,424)
Non-controlling interest	-	(6,322)
Accumulated losses at the end of the year	**(6,416,002)**	**(5,635,778)**

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15. CASH FLOW INFORMATION

Reconciliation of Cash Flow from Operations with Profit after Income Tax

	Consolidated 2013 $	Consolidated 2012 $
Loss for year	(780,224)	(3,825,424)
Adjustments for:		
Impairment of non-current assets	-	3,183,770
Share based payments	39,680	-
Interest income	(9,307)	5,556
Increase / (decrease) in trade and other receivables	82,257	(9,402)
Increase / (decrease) in trade and other payables	(3,000)	23,425
Cash flow from Operations	**(670,594)**	**(622,075)**

16. EXPENDITURE COMMITMENTS

(a) Mineral Tenement Leases

In order to maintain current rights of tenure to exploration tenements, the Company is required to outlay rentals and to meet minimum expenditure requirements of $758,105 (2012: $260,385) over the next 12 months, as per the work programmes submitted over the Company's exploration licences.

Financial commitments for subsequent periods are contingent upon future exploration results and cannot be estimated.

17. EARNINGS PER SHARE

The following reflects the income and share data used in the calculations of basic and diluted loss per share:

a) Reconciliation of earnings to profit or loss

	2013 $	2012 $
Loss for the year used in calculating basic and diluted loss per share	(780,224)	(3,825,424)

b) Weighted average number of ordinary shares outstanding during the year

	2013	2012
Weighted average number of ordinary shares used in calculating basic loss and diluted loss per share	63,802,474	33,949,501

Effect of dilutive securities:

Share options are not considered dilutive as the conversion of options to ordinary shares will result in a decrease in the earnings per share.

18. AUDITOR'S REMUNERATION

Audit services		
Audit or review of the financial statements	25,000	24,500
Other services		
Preparation of the tax return	4,500	5,000
	29,500	29,500

19. DIRECTORS AND KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Names and positions of key management personnel in office at anytime during the financial year are:

Name	Position
Simon O'Loughlin	Non-Executive Chairman
Andrew Spinks	Executive Director
Robert Greenslade	Non-Executive Director
John Park	Non-Executive Director
Grant Pierce	Non-Executive Director
Robert Hodby	Company Secretary

(a) Key management personnel compensation

The aggregate compensation made to key management personnel of the consolidated entity is set out below:

	2013	**2012**
	$	**$**
Short term employee benefits	391,915	189.575
Post employment benefits	4,752	-
Share based payments	39,680	-
	436,347	**189.575**

The compensation of each member of the key management personnel of the Company is set out on page 13.

(b) Options and Rights Holdings

Number of Options Held by Key Management Personnel

	Balance at 1 July 2012	*Granted as Compensation*	*Options Exercised*	*Net Change Other*	*Balance at 30 June 2013*	*Vested at 30 June 2013*	*Vested and exercisable*	*Options vested during year*
Non Executive								
Simon O'Loughlin	500,000	-	-	-	500,000	500,000	500,000	-
Robert Greenslade	1,500,000	-	-	-	1,500,000	1,500,000	1,500,000	-
John Park	-	500,000	-	-	500,000	500,000	500,000	-
Grant Pierce	-	300,000	-	-	300,000	300,000	300,000	-
David Gower[1]	1,500,000	-	-	(1,500,000)	-	-	-	-
Key Executives								
Andrew Spinks	-	-	-	-	-	-	-	-
Total	3,500,000	800,000	-	(1,500,000)	2,800,000	2,800,000	2,800,000	-

All options held by Key Management Personnel at 30 June 2013 have vested and are exercisable.

(1) *David Gower resigned 5 February 2013.*

	Balance at 1 July 2011	*Granted as Compensation*	*Options Exercised*	*Net Change Other*	*Balance at 30 June 2012*	*Vested at 30 June 2012*	*Vested and exercisable*	*Options vested during year*
Non Executive								
Simon O'Loughlin	500,000	-	-	-	500,000	500,000	500,000	-
Robert Greenslade	1,650,000	-	-	(150,000)	1,500,000	1,500,000	1,500,000	-
David Gower	1,500,000	-	-	-	1,500,000	1,500,000	1,500,000	-
Total	3,650,000	-	-	-	3,500,000	3,500,000	3,500,000	-

All options held by Key Management Personnel at 30 June 2012 have vested and are exercisable.

(c) Shareholdings

Number of Shares held by Key Management Personnel during the year ended 30 June 2013

	Balance at 1 July 2012	*Purchases/ Sales*	*Exercised Options*	*Net Change*	*Balance at 30 June 2013*
Non Executive					
Simon O'Loughlin	600,000	478,575	-	478,575	1,078,575
Robert Greenslade	2,175,000	725,001	-	725,001	2,900,001
John Park	-	310,000	-	310,000	310,000
Grant Pierce	-	240,000	-	240,000	240,000
David Gower[1]	125,000	(125,000)	-	(125,000)	-
Key Executives					
Andrew Spinks	-	5,314,386	-	5,314,386	5,314,386
Total	2,900,000	6,942,962	-	6,942,962	9,842,962

1 *David Gower resigned 5 February 2013*

Number of Shares held by Key Management Personnel during the year ended 30 June 2012

	Balance at 1 July 2011	***Purchases/ Sales***	***Exercised Options***	***Net Change***	***Balance at 30 June 2012***
Non Executive					
Simon O'Loughlin	600,000	-	-	-	600,000
Robert Greenslade	2,175,000	-	-	-	2,175,000
David Gower[1]	125,000	-	-	-	125,000
Total	2,900,000	-	-	-	2,900,000

(1) David Gower resigned 5 February 2013.

All equity transactions with specified directors and specified executives other than share options granted as compensation have been entered into under terms and conditions no more favourable than those the entity would have adopted if dealing at arm's length.

20. RELATED PARTY DISCLOSURES

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Transactions with related parties :

(a) Parent entity

Kibaran Resources Limited is the parent entity.

(b) Subsidiaries

Interests in subsidiaries are set out in note 21.

(c) Key Management Personnel

Disclosures relating to key management personnel are set out in note 19 and the remuneration report in the directors' report.

(d) Transactions with related parties

Strategic Resource Management Pty Ltd, a company of which Mr Spinks and Mr Hodby are directors, provided the consolidated entity with geological staff, vehicles and a fully serviced office including administration and information technology support totalling $219,950 and reimbursement of payments for drilling and explorations costs in Tanzania and minor expenses at a cost of $570,301. As at 30 June 2013 there $95,767 payable to Strategic Resource management Pty Ltd.

O'Loughlins Lawyers, a law practice in which Mr Simon O'Loughlin is a partner, provided the Company with legal advice totalling $12,114. There were no outstanding amounts owing to O'Loughlins Lawyers as at 30 June 2013.

Franks & Associates, an accounting firm in which Mr Bursill is a partner, provided accounting, taxation and secretarial services totalling 101,337. There were no outstanding amounts owing to Franks & Associates as at 30 June 2013.

These transactions have been entered into under normal commercial terms and at market rates.

21. SUBSIDIARIES

	Country of Incorporation	Percentage Owned (%)	
		2013	2012
Subsidiaries of Kibaran Resources Ltd:			
Tanzanian Exploration Company Pty Ltd	Australia	100	100
Castillian Resources (Tanzania) Limited	Tanzania	99	99
Kibaran Nickel Tanzania Limited	Tanzania	100	100
TanzGraphite Pty Ltd	Australia	100	-
TanzGraphite (TZ) Limited	Tanzania	100	-

22. BUSINESS COMBINATIONS

Acquisition of TanzGraphite Pty Ltd

On 20 July 2012, Kibaran Resources Limited acquired 100% of the voting shares of TanzGraphite Pty Ltd and its interests in the Tanzanian graphite exploration and evaluation projects.

The total cost of the combination was $2,340,040 and comprised an issue of equity instruments and cash and contingent consideration. The Company issued 7,143,000 ordinary shares with a fair value of $0.28 each, based on the quoted price of the shares of Kibaran Resources Limited at the date of exchange.

Consideration transferred

Acquisition date fair value of the consideration transferred:

	2013 $
Cash consideration	250,000
Shares issued at fair value	2,000,040
Cost of acquisition	90,000
Total consideration	2,340,040

Under the terms of the acquisition agreement, the consolidated entity must issue the former owners 15,930,000 performance shares on the occurrence of a JORC inferred resource, as defined in the purchase agreement and announced to the ASX on 13 June 2012. The value of this consideration cannot be determined at this stage.

Acquisition related costs of $90,000 directly attributable to raising equity have been included as a deduction from equity.

Assets acquired and liabilities assumed at the date of acquisition

The consolidated entity has provisionally recognised the fair values of the identifiable assets and liabilities of TanzGraphite Pty Ltd based upon the best information available as of the reporting date. Provisional business combination accounting is as follows:

	2013 $
Cash consideration	10
Deferred exploration and evaluation expenses	368,277
Trade and other payables	(24,767)
Total	343,521

Goodwill arising on acquisition

The goodwill arising on the acquisition of TanzGraphite Pty Ltd will continue to be recognised by the consolidated entity as it relates to the TanzGraphite Pty Ltd graphite projects and is included as part of the capitalised exploration and evaluation asset.

Net cash outflow arising on acquisition

The cash outflow on acquisition is as follows:

	2013 $
Cash paid	250,000
Cost of acquisition	90,000
Less: net cash acquired with the subsidiary	(10)
Net cash outflow	339,990

Impact of acquisition on the results of the consolidated entity

If the combination had taken place at the beginning of the year, the profit of the consolidated entity would have been unaffected as TanzGraphite Pty Ltd had capitalised all expenditure for the period 1 July 2012 to 20 July 2012 and not received any revenue from continuing operations during the same period.

23. PARENT ENTITY INFORMATION

Set out below is the supplementary information about the parent entity.

Statement of comprehensive income

	2013 $	2012 $
Loss after income tax	(2,943,193)	(4,166,849)
Total comprehensive income	(2,943,193)	(4,166,849)

	2013	2012
	$	$
Statement of financial position		
Total current assets	1,365,095	611,545
Total assets	4,695,135	1,611,545
Total Current Liabilities	437,604	127,844
Total liabilities	437,604	127,844
Equity		
Issued capital	11,942,057	6,264,714
Share option reserve	1,231,960	1,192,280
Accumulated losses	(8,916,486)	(5,973,293)
Total equity	4,257,531	1,483,701

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2013 and 30 June 2012.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2013 and 30 June 2012.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2013 and 30 June 2011

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity
- Investments in associates are accounted for at cost, less any impairment, in the parent entity

24. FINANCIAL INSTRUMENTS

The consolidated entity's activities expose it to a variety of financial risks, market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. Given the nature and size of the business and uncertainty as to the timing and amount of cash inflows and outflows, the consolidated entity does not enter into derivative transactions to mitigate the financial risks. In addition, the consolidated entity’s policy is that no trading in financial instruments shall be undertaken for the purposes of making speculative gains. As the consolidated entity's operations change, the directors will review this policy periodically going forward.

The Company's financial instruments consist mainly of cash, short-term deposits with banks, local money market instruments and accounts payable. The main purpose of these financial instruments is to finance the Company's operations. The Company has various other financial instruments such as trade receivables and trade payables, which arise directly from its operations. It is, and has been throughout the period under review, the Company's policy that no trading in financial instruments shall be undertaken.

Details of the significant accounting policies and methods adopted, include the criteria for recognition, the basis of measurement and the basis on which income and expense are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 1 to the financial statements.

The main risks arising from the Company's financial instruments are foreign currency risk, interest rate risk, liquidity risk and credit risk. The board reviews and agrees policies for managing each of these risks and they are summarised below.

Fair values

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value. The carrying amounts of trade receivables and trade payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial instruments.

Foreign currency risk

The consolidated entity undertakes certain transactions denominated in foreign currency and are exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The consolidated entity operates internationally and is exposed to foreign exchange risk arising from currency exposures to the US$, ZAR and CAD$ due to its operations in Tanzania. Exploration activity in overseas operations is transacted in US$ ZAR and CAD$. The consolidated entity manages foreign exchange risk through negotiating preferential foreign exchange rates with its bank including time to settlement to limit exposure to foreign currency exposures.

The carrying amount of the consolidated entity's foreign currency denominated financial assets and financial liabilities at the reporting date was as follows:

	Assets		Liabilities	
	2013 $	2012 $	2013 $	2012 $
US Dollars	-	-	254,794	1,746
South African Rand	-	-	2,666	-
Canadian Dollars	-	-	-	7,996
	-	-	257,460	9,742

	AUD strengthened			AUD weakened		
	% change	Effect on profit before tax	Effect on equity	% change	Effect on profit before tax	Effect on equity
2013						
AUD to foreign currencies	5%	48,896	48,896	5%	(48,896)	(48,896)
2012						
AUD to foreign currencies	5%	464	464	5%	(464)	(464)

The percentage change is the expected overall volatility of the significant currencies, which is based on management's assessment of reasonable possible fluctuations taking into consideration movements over the last 6 months each year and the spot rate at each reporting date.

Interest rate risk

The Company's exposure to market risk for changes in interest rates relates primarily to the Company's cash, local money market instruments and short-term deposits. Cash includes funds held in term deposits and cheque accounts during the year, which earned variable interest at rates ranging between 0% to 4.3% (2012: 0% to 4.3%), depending on the bank account type and account balances. The Company has no loans or borrowings.

At the reporting date the interest rate profile for the Company and the Company interest-bearing financial instruments was:

	30 June 2013		30 June 2012	
	Carrying amount	Fair Value	Carrying amount	Fair Value
Cash and cash equivalents	1,327,062	1,327,062	551,549	551,549
Trade and other receivables	38,043	38,043	28,996	28,996
Other financial assets	-	-	6,000	6,000
Trade and other payables	(476,724)	(476,724)	(127,844)	(127,844)

	Carrying Amount ($)	
Variable rate financial assets	2013	2012
	1,327,062	551,549

A change of 1% in the variable interest rates at the reporting date would have increased/decreased profit and loss and equity by the amounts shown below. The analysis that all other variables remain constant.

	2013	2012
	$	$
1% increase	13,271	5,515
1% decrease	(13,271)	(5,515)

The percentage change is based on the expected volatility of interest rates using market data and analysts forecasts.

Liquidity risk

Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

	Carrying Amount	Contractual Cash Flows	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 Years
2013	$	$	$	$	$	$
Trade and other payables	476,724	476,724	476,724	-	-	-
2012						
Trade and other payables	127,844	127,844	127,844	-	-	-

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has a strict code of credit, including obtaining agency credit information, confirming references and obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The consolidated entity does not hold any collateral.

The consolidated entity does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Capital risk management

The consolidated entity's objectives when managing capital are to safeguard the ability to continue as a going concern, so that the consolidated entity can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The consolidated entity's overall strategy remains unchanged from 2012.

Operating cash flows are used to maintain and expand operations, as well as to make routine expenditures such as tax, dividends and general administrative outgoings.

Gearing levels are reviewed by the Board on a regular basis in line with its target gearing ratio, the cost of capital and the risks associated with each class of capital.

In order to maintain or adjust the capital structure, the consolidated entity may issue new shares or sell assets to reduce debts.

25. CONTINGENT LIABILITIES

The Board is not aware of any other circumstances or information which leads them to believe there are any material contingent liabilities outstanding as at 30 June 2013.

26. EVENTS AFTER REPORTING DATE

There has not been any transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, likely to affect significantly the operations of the Company, in the interval between the end of the financial year and the date of this report.

The directors of the company declare that:

1) The financial statements, comprising the statement of profit or loss and other comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity, accompanying notes, are in accordance with the Corporations Act 2001 and:
   a) comply with Accounting Standards and the Corporations Regulations 2001; and
   b) give a true and fair view of the financial position as at 30 June 2013 and of the performance for the year ended on that date of the consolidated entity.
2) The company has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.
3) In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable
4) The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:

Andrew Spinks
Executive Director
Perth, 30 September 2013

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Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Kibaran Resources Limited

Report on the Financial Report

We have audited the accompanying financial report of Kibaran Resources Limited, which comprises the statement of financial position as at 30 June 2013, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Kibaran Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

(a) the financial report of Kibaran Resources Limited is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Emphasis of matter

Without modifying our opinion, we draw attention to Note 1a in the financial report, which indicates that the ability of the consolidated entity to continue as a going concern is dependent upon the future successful raising of necessary funding through equity, successful exploration and subsequent exploitation of the consolidated entity's tenements. These conditions, along with other matters as set out in Note 1a, indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 10 to 15 of the directors' report for the year ended 30 June 2013. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Kibaran Resources Limited for the year ended 30 June 2013 complies with section 300A of the *Corporations Act 2001*.

BDO East Coast Partnership

Grant Saxon
Partner

Sydney, 30 September 2013

The Board of Directors of Kibaran Resources Limited (Kibaran or Company) is responsible for the overall corporate governance of the Company and is committed to applying the ASX Corporate Governance Council Principles of Good Corporate Governance and Best Practice Recommendations (ASX Principles). The Board guides and monitors the business and affairs of Kibaran Resources on behalf of the shareholders by whom they are elected and to whom they are responsible.

Whilst the Company will endeavour to comply with all of the guidelines under the ASX Corporate Governance Principles, the Board considers that the Company is not currently of a size, nor are its affairs of such complexity, to justify the additional expense of compliance with all recommendations. The Board will consider on an ongoing basis its corporate governance procedures and whether they are sufficient given the Company's nature of operations and size.

The statements below outline the main corporate governance practices in place throughout the financial year, which complies with the ASX Corporate Governance Council Principles, unless otherwise stated.

THE BOARD OF DIRECTORS

The Board comprises four Non-Executive Directors and one Executive Directors. The membership of the Board, its activities and composition is subject to periodic review. The board considers the mix of skills and the diversity of board members when assessing the composition of the board. The board assesses existing and potential directors' skills to ensure they have appropriate industry expertise in the Consolidated Entity's operating segments. The criteria for determining the identification and appointment of a suitable candidate for the Board shall include the quality of the individual, experience and achievement, credibility within the Company's scope or activities, intellectual ability to contribute to the Board's duties and ability to undertake Board duties and responsibilities. The skills, experience and expertise relevant to the position of each Director who is in office at the date of the annual report and their term of office are detailed on pages 12-13 of the Directors Report.

The primary role of the Board is to oversee the business activities and management for the benefit of the shareholders. The Board is responsible for, and has the authority to determine all matters relating to, the strategic direction, policies, practices, establishing goals for management and the operation of the Company.

The monitoring and ultimate control of the business of the Company is vested in the Board. The goals of the corporate governance process are to drive shareholder value, ensure a prudential and ethical base to the Company's conduct and activities and ensure compliance with legal and regulatory obligations.

Role of the Board

The management and control of the business is vested in the Board. The Board's primary responsibility is to oversee the Company's business activities and management for the benefit of shareholders.
The Board strives to create shareholder value and ensure that shareholders' funds are safeguarded.

The key responsibilities of the Board include:

- setting objectives, goals and strategic direction with management with a view to maximising shareholder value;
- overseeing the financial position and monitoring the business and affairs of the Company;
- establishing corporate governance, ethical, environmental and health and safety standards;
- ensuring significant business risks are identified and appropriately managed; and
- ensuring the composition of the Board is appropriate, selecting directors for appointment to the Board and reviewing the performance of the Board and the contributions of individual directors.

Directors' Independence

A majority of Board members should be independent in judgement and ensure all reasonable steps are taken to ensure due care is taken by the Board in making sound decisions.

The Board has adopted specific principles in relation to directors' independence. These state that to be deemed independent, a director must not:

- hold more than 10% of the shares of the Company nor through any entity or individual directly or indirectly associated with the Director;
- not be a material supplier or customer of the company or any other company of the Consolidated Entity, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- must have a material contractual relationship with the Company or the Consolidated Entity; and be free from any interest and business or other relationship which could, or could reasonably be perceived to, interfere with the director's ability to act in the best interests of the Company.

At the date of this report the Board considers that Mr Martin Rogers and Dr Roger Aston meet the above criteria and would therefore exercise independent judgement and therefore would be considered to be independent.

Committees of the Board

The Board has established an Audit Committee which operates under a charter approved by the Board. The Audit Committee charter and procedures are disclosed on the Company website.

Mr John Park and Mr Robert Greenslade perform the role of the Audit Committee at the date of this report.

Mr Park and Mr Greenslade are independent Non-Executive Directors who are not a chairman of the Board. The Company Secretary and external auditors are invited to assist Mr Park and Mr Greenslade at their discretion. Performance of the external auditor is reviewed annually. The external auditor is requested to attend the annual general meeting and be available to answer questions about the conduct of the audit and the preparation and content of the audit report.

The Board has not formally constituted a nomination committee or remuneration committee. The whole Board conducts the functions of a nomination committee and remuneration committee

The maximum remuneration of non-executive Directors is subject to shareholder resolution in accordance with the Company Constitution, the Corporations Act and ASX Listing Rules. The apportionment of non-executive Directors remuneration within that maximum will be made by the Board having regard to the inputs and value of contributions by the non-executive Director. The current limit, which may only be varied by shareholders in General Meeting, is $300,000 per annum.

Independent Professional Advice

Each Director has the right to access all relevant Company information, and may seek independent professional advice at the Company's expense, in connection with their duties and responsibilities. The Director must obtain the prior written approval of a non-executive director (as designated by the Board), not be unreasonably withheld, before consulting with an advisor suitably qualified in the relevant field. A copy of the advice received by the Director is made available to all other members of the Board.

Commitment

The Board held four scheduled meetings during the reporting year. The number of meetings attended by each Director is disclosed on page 13 in the Directors' Report.

Performance Assessment

During the reporting year an evaluation of the Board was carried out on an informal basis. As the activities of the Company develop, it will implement more formal evaluation procedures, including quantitative measures of performance.

Risk Assessment and Management

The Board is responsible for ensuring there are adequate policies in relation to risk oversight, management, compliance and internal control systems, but recognises that no cost effective internal control system will preclude all errors and irregularities. The Company policies are designed to ensure strategic, operational, legal, reputational and financial risks are identified, assessed, effectively and efficiently managed and monitored to enable achievement of the Consolidated Entity's business objectives.

The Company's senior management are delegated with the tasks of management of operational risk and implementation of risk management strategies.

The Company's risk management systems and control framework include the Board's ongoing monitoring of management and operation performance, a comprehensive system of budgeting, forecasting and reporting to the Board, regular presentations to the Board by management of the management of risk, approval procedures for significant capital expenditure above threshold levels, comprehensive written policies on specific activities and corporate governance, regular communication between Directors on compliance and risk and consultation and review between the Board and external accountants.

The Board recognises that material risks facing the Consolidated Entity are the more significant areas of uncertainty or exposure to the Consolidated Entity that could adversely affect the achievement of the Consolidated Entity's objectives and successful implementation of its business strategies.

Within the identified risk profile of the Company, comprehensive practices are in place, that are directed towards achieving the following objectives:

- Effectiveness and efficiency in the use of the Company's resources;
- Compliance with applicable laws and regulations; and
- Preparation of reliable published financial information

The material risks, both financial and non-financial, facing the Consolidated Entity are:

- protection of assets;
- maintenance of proper financial an accounting records;
- reliability of financial information;
- compliance with key performance indicators;
- financial markets;
- currency movements;
- pricing;
- competitive position;
- operational efficiency;
- investments in new projects;
- retaining key personnel; and
- technical risk.

The Board considers these identified material risks as part of its annual risk management review, or on an as required basis as a result of regular interaction with management.

The responsibility for undertaking and assessing risk management and internal control effectiveness is delegated to management. Management is required by the Board to report back on the efficiency and effectiveness of risk management, inter alia, by benchmarking the Company's performance against industry standards. Management is required to report to the Board and confirm the effectiveness of the Company's management of its material business risks. This occurs formally during regular monthly management meetings, and directly to the Board on an ad hoc basis when required.

The Board requires assurance from the Managing Director and the Chief Financial Officer that the declaration in relation to section 295A of the Corporations Act is founded in a sound system of risk management and internal control and that the system is operating effectively in all material aspects in relation to financial report risks.

Code of Conduct

The Company is committed to promoting a high standard of conduct. The board have formally adopted a code of conduct that expects all Directors and employees to act with the utmost integrity and objectivity striving at all times to enhance the reputation and performance of the Company, in the following areas:
professional conduct;

- dealings with suppliers, advisers and regulators;
- dealings with the community; and
- dealings with other employees.

The Board has adopted a policy in relation to the purchase and sale of company securities by all Directors and employees. Under the policy, Directors are prohibited from short term trading in the Company's securities whilst in possession of price sensitive information. The Board must be notified of any proposed transaction and must give clearance for the transaction to proceed.

Securities Trading Policy

The Board has formally adopted a Trading Policy Charter which restricts directors and employees from acting on material information until it has been released to the market and adequate time has been given for this to be reflected in the security's prices.

Continuous Disclosure and Shareholder Communication

The Board is committed to continuous disclosure of any information concerning the Company that a reasonable person would expect to have a material effect on the price of the Company's securities including the arrangements the Company has in place to promote communication with shareholders and encourage effective participation at general meetings.

The Company Secretary has been nominated as the person responsible for communications with the Australian Securities Exchange (ASX). This role includes responsibility for ensuring compliance with the continuous disclosure requirements in the ASX Listing Rules and overseeing and co-ordinating information disclosure to the ASX, analysts, brokers, shareholders, the media and the public.

All information disclosed to the ASX is posted on the Company's website as soon as it is disclosed to the ASX. When analysts are briefed on aspects of the Company's operations, the material used in the presentation is released to the ASX. Procedures have also been established for reviewing whether any price sensitive information has been inadvertently disclosed and, if so, this information is also immediately released to the market.

The Board aims to ensure that shareholders are kept informed of all major developments affecting the Company. Information is communicated to shareholders through annual and quarterly reports, investor briefings, the Director's address delivered at the Annual General Meeting and notices of all meetings of shareholders and explanatory notes of proposed resolutions.

Shareholders are encouraged at annual general meetings to ask questions of Directors and senior management and also the Company's external auditors, who are required to be in attendance.

Diversity

Due to the Company's size and nature of operations, there are no women in senior executive positions. The board remains conscious of the requirement to establish reasonable and measurable objectives for achieving gender diversity and identifying key measurable diversity performance objectives for the Board, CEO and senior management.

The Consolidated Entity's only employees and contractors during the year were the Board and Company Secretary. None of these positions were filled by women in 2013 or the prior year 2012.

BOARD OF DIRECTORS AND CORPORATE GOVERNANCE (CONTINUED)

The ASX Principles

The Board has reviewed its practices in light of the ASX Corporate Governance Principles and Recommendations with 2010 Amendments 2nd Edition, with a view to making amendments where applicable after considering the Company's size and available resources.

As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of any additional formal corporate governance committees will be given further consideration.

The following table sets out the Company's compliance with the ASX Corporate Governance Guidelines:

Item	ASX Best Practice Recommendation		Comment
1.	**Lay solid foundations for management and oversight**		
1.1	Establish the functions reserved to the board and those delegated to senior executives and disclose those function	✓	The Corporate Governance Policy includes a formal charter, which discloses the specific responsibilities of the Board and provides that the Board shall delegate responsibility for the day-to-day operations and administration of the Company to the Executive Director. The charter also includes those tasks delegated to the Executive Director by the Board.
1.2	Disclose the process for evaluating the performance of senior executives	✓	A copy of the policy "Performance Evaluation of the Board, Individual Directors and Key Executives" is available on the Company's website. This policy details the process for performance evaluation of the Board, Committees formed, Non-Executive Directors, CEO or equivalent and senior executives.
1.3	Provide the information indicated in Guide to reporting on Principle 1.	✓	
2.	**Structure the board to add value**		
2.1	A majority of the board should be independent directors.	✓	Refer to page 58 for the specific principles for independence adopted by the Company. During the reporting period and at the date of this report, half of the directors were considered independent. The Board considers that its composition is an appropriate blend of skills and expertise relevant to the Company's business. In view of the size and resources available to the Company, additional independent directors are not considered to add any significant substance to the objective decision making of the Board.
2.2	The chairperson should be an independent director.	✓	The Chairperson is an independent director.
2.3	The roles of chairperson and chief executive officer should not be exercised by the same individual.	✓	The Chairperson and Executive Directors role are held by different individuals.
2.4	The board should establish a nomination committee.	×	Due to the size of the Company, a nomination committee has not been formed.
2.5	Process for evaluating the performance of the board, its committees and individual directors.	✓	The Company's Performance Evaluation Practices Policy sets out the evaluation process for the Board, individual Directors, board committees and senior executives of the Company.

2.6	Provide the information indicated in Guide to reporting on Principle 2	✓	
3.	**Promote ethical and responsible decision-making**		
3.1	Establish a code of conduct as to: (a) the practices necessary to maintain confidence in the company's integrity; (b) the practices necessary to take into account legal obligations and the reasonable expectations of their stakeholders; and (c) the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	✓	The Corporate Governance Policy includes a Corporate Code of Conduct, which provides a framework for decisions and actions in relation to ethical conduct in employment. Refer to page 61.
3.2	Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity for the board to assess annually both the objectives and progress in achieving them	×	Refer to page 62. Due to the Company's size and nature of operations, there are no women in senior executive positions. The board remains conscious of the requirement to establish reasonable and measurable objectives for achieving gender diversity and identifying key measurable diversity performance objectives for the Board, CEO and senior management.
3.2	Disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them	×	Refer to page 62. The Company looks for relevant industry experience when identifying candidates for key positions and employs the best and most suitable people regardless of gender, colour, religion or otherwise.
3.4	Disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.	×	There are currently no women in senior executive positions of on the board.
3.5	Provide the information indicated in Guide to reporting on Principle 3.	✓	
4.	**Safeguard integrity in financial reporting**		
4.1	The board should establish an audit committee.	✓	The Company has established an audit committee.
4.2	Structure the audit committee so that it consists of: (a) only non-executive directors; (b) a majority of independent directors; (c) an independent chairperson, who is not chairperson of the board; and (d) at least three members.	×	The audit committee is composed of 2 independent non-executive directors. The chairman of the audit committee is not the chairman of the company.
4.3	The audit committee should have a formal charter.	✓	The audit committee operates under a formal charter
4.4	Provide the information indicated in Guide to reporting on Principle 4.	✓	
5.	**Make timely and balanced disclosure**		
5.1	Establish written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior management level for that compliance.	✓	Refer to page 61-62. The Company has a Continuous Disclosure Policy in place designed to ensure the factual presentation of the Company's position at all times.
5.2	Provide the information indicated in Guide to reporting on Principle 5	✓	

6.	**Respect the rights of shareholders**		
6.1	Design and disclose a communications strategy to promote effective communication with shareholders and encourage effective participation at general meetings.	✓	Refer to page 61-62. A copy of the policy "Communication with Shareholders" is available on the Company's website, which aims to ensure that the shareholders of the Company are informed of all major developments affecting the Company's state of affairs, and are encouraged to participate at the Company's general meetings.
6.2	Provide the information indicated in Guide to reporting on Principle 6.	✓	
7.	**Recognise and manage risk**		
7.1	Establish policies on risk oversight and management of material business risk.	✓	The Company's Corporate Governance Policy includes a Risk Management and Internal Compliance and Control Policy. Refer to pages 59-60.
7.2	The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and to report to the board on whether those risks are being managed effectively.	✓	Refer to pages 59-60.
7.3	The Chief Executive Officer (or equivalent) and the Chief Financial Officer (or equivalent) should state to the Board in writing that declaration in accordance with section 295A of the Corporations Act is founded on the Company's risk management, internal compliance and control system is operating efficiently and effectively in all material respects.	✓	Refer to page 54.
7.4	Provide the information indicated in Guide to reporting on Principle 7.	✓	
8.	**Remunerate fairly and responsibly**		
8.1	The board should establish a remuneration committee.	×	The Board considers that the Company is not currently of a size or complexity to justify the formation of a remuneration committee. The Board as a whole is responsible for the remuneration arrangements for Directors, Executive Director and executives of the Company.
8.2	The remuneration committee should be structured so that it: • consists of a majority of independent directors; • is chaired by an independent director; and • has at least three members.	×	Please refer above to 8.1.
8.3	Clearly distinguish the structure of non-executive directors' remuneration from that of executives.	✓	Kibaran's Board has put in place a number of measures to implement this principle. Discussion on Kibaran's remuneration policies of Non-Executive Directors, the Executive Directors and Senior Executives of the consolidated entity and the relationship between such policy and the Company's performance is provided in the Directors' report on page 8.
8.4	Provide the information indicated in Guide to reporting on Principle 8.	✓	

a) Distribution of Ordinary Shareholders (as at 23 September 2013)

	Number of Ordinary Shareholders	Number of Shares
1 - 1,000	18	11,265
1,001 - 5,000	94	304,878
5,001 - 10,000	71	586,363
10,001 - 100,000	335	13,353,840
100,001 - and over	135	52,820,058
TOTAL	653	67,076,404

b) Top Twenty Ordinary Shareholders (as at 23 September 2013)

Name	Number of Ordinary Shares held	%
STRATEGIC RESOURCE MANAGEMENT PTY LTD	3,571,500	5.32%
UBS NOMINEES PTY LTD	3,357,867	5.01%
GP SECURITIES PTY LTD	2,500,000	3.73%
LUJETA PTY LTD	1,800,334	2.68%
NUTSVILLE PTY LTD	1,516,667	2.26%
MR ANDREW PETER SPINKS	1,408,586	2.10%
MR MARTIN ADRIAN PAVLIK	1,384,807	2.06%
NATIONAL NOMINEES LIMITED	1,116,675	1.66%
MS XIAN XIA ZENG	1,000,000	1.49%
MR YUNG WING HO & MRS KATHERINE KAM LING HO	947,145	1.41%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	914,300	1.36%
MR CHRISTOPHER LLEWELLYN FORGE & MRS HELEN MARGARET FORGE	826,000	1.23%
CALAMA HOLDINGS PTY LTD	810,000	1.21%
MR NICOLA CONIDI & MRS GIANNINA CONIDI	714,300	1.06%
IDINOC PTY LTD	714,300	1.06%
DAVID HODBY NOMINEES PTY LTD	714,300	1.06%
J MONCKTON SUPERANNUATION FUND PTY LTD	700,813	1.04%
CITICORP NOMINEES PTY LIMITED	612,668	0.91%
FRANWAY PTY LTD	600,000	0.89%
MR CHRISTOPHER TRUTWEIN	578,000	0.86%
Total Top 20 Shareholders	25,788,262	38.45%
Other Shareholders	41,288,142	61.55%
Total ordinary shares on issue	67,076,404	100.00%

c) Non marketable parcels (as at 23 September 2013)

The number of shareholders holding less than a marketable parcel of shares is 137, totalling 474,002 ordinary shares.

d) Voting rights

All ordinary shares (whether fully paid or not) carry one vote per share without restriction.

e) Franking Credits

The Company has nil franking credits.

f) Restricted Securities (as at 23 September 2013)

The Company has no restricted securities.

g) Substantial Shareholders (as at 23 September 2013)

Name	Number of Ordinary Shares held	%
Andrew Spinks	5,134,386	9.63%

h) On-Market Buy Back

There is no current on market buy back.

i) ASX Admission Statement

During the year, the Company has applied its cash in a way consistent with its business objectives.

j) Other Securities on issue (as at 23 September 2012)

	Options (1)	Options (2)	Options (3)	Options (4)	Options (5)	Options (6)	Options (7)	Options (8)	Performance Shares (9)	Performance Shares (10)
1 – 1,000	-	-	-	-	-	-	-	-	-	-
1,001 – 5,000	-	-	-	-	-	-	-	-	-	-
5,001 – 10,000	-	-	-	-	-	-	-	-	-	-
10,001 – 100,000	-	-	-	-	-	-	-	-	-	-
100,001 and over	3	2	2	2	2	1	1	2	1	5
	3	2	2	2	2	1	1	2	1	5

	Options (1)	Options (2)	Options (3)	Options (4)	Options (5)	Options (6)	Options (7)	Options (8)	Performance Shares (9)	Performance Shares (10)
Number on issue	3,500,000	2,500,000	700,000	700,000	600,000	3,500,000	700,000	800,000	22,500,000	15,930,000
Number of holders	3	2	2	2	2	1	1	2	1	5
Gryphon Partners Pty Ltd	1,500,000	-	-	-	-	-	-	-	-	-
Taycol Nominees Ltd	1,500,000	-	-	-	-	3,500,000	-	-	-	-
Yoix Pty Ltd	500,000	-	-	-	-	-	-	-	-	-
London Investments Limited	-	1,000,000	-	-	-	-	-	-	-	-
David Gower	-	1,000,000	-	-	-	-	-	-	-	-
Jimbzal Pty Ltd	-	-	-	-	600,000	-	-	-	-	-
Grant Pierce	-	-	-	-	-	-	-	300,000	-	-
John Park	-	-	-	-	-	-	-	500,000	-	-
Castillian Resources Limited	-	-	-	-	-	-	-	-	22,500,000	-
Strategic Resource Management	-	-	-	-	-	-	-	-	-	9,558,000
Nicola Conidi & Giannina Conidi	-	-	-	-	-	-	-	-	-	1,593,000
Ionic Pty Ltd	-	-	-	-	-	-	-	-	-	1,593,000
David Hodby Nominees Pty Ltd	-	-	-	-	-	-	-	-	-	1,593,000
Andrew Spinks	-	-	-	-	-	-	-	-	-	1,593,000

*details of holders of employee share options are exempt from disclosure under Chapter 4 of the Listing Rules

Number	Expiry	Exercise Price	Number of Options
1	21/10/2014	$0.20	3,500,000
2	24/03/2015	$0.25	2,500,000
3	31/03/2015	$0.25	700,000
4	30/09/2015	$0.35	700,000
5	31/03/2015	$0.30	600,000
6	30/06/2015	$0.10	3,500,000
7	31/03/2016	$0.40	700,000
8	11/02/2017	$0.27	800,000

9 The performance shares will convert into 22,500,000 ordinary shares upon achievement of milestones as noted in the Castillian Resources share sale agreement entered on 21 October 2010.

10 The performance shares will convert into 15,930,000 ordinary shares upon the achievement of an Inferred Resource calculated in accordance with the JORC code being defined on the Mahenge-Epanko or Arusha-Merelani tenements of at least 3.5 million tons of flake graphite grading at least 10% on or before 3 April 2015.

Schedule of Interests in Mining Tenement:

The tenements below are located in Tanzania and are 100% owned by Kibaran Resources Limited group and controlled by the following subsidiaries:

Tenements controlled by Castillian Resources (Tanzania) Ltd:

Ministry ID	Area (sq. km)	Expiry date
PL 4985/2008	61.76	17/03/2014
PL 5192/2008	50.51	17/07/2014
5306/2011	97.01	27/08/2014
PL 6463/2010	153.87	21/06/2013
8368/2012	157.62	12/11/2016

Tenements re-applied by Kibaran Nickel Tanzania Limited, a subsidiary of Kibaran Resources Limited. They are in progress at the Ministry.

Ministry ID	Area (square km)	Expiry Date
PL 4985/2008	21.67	18/07/2011
PL 4985/2008	1.20	18/07/2011
PL 4985/2008	35.90	18/07/2011
PL 4985/2008	19.75	18/07/2011
PL 4985/2008	0.40	18/07/2011
PL 4985/2008	4.90	18/07/2011
PL 4985/2008	5.48	18/07/2011
PL 5192/2008	50.50	18/11/2011
PL 5306/2008	97.16	28/12/2011

Tenements controlled by TanzGraphite (TZ) Ltd:

Ministry ID	Area (square km)	Expiry Date
PL 8204/2012	32.12	11/04/2016
PL 7907/2012	53.78	24/05/2016
PL 7913/2012	153.66	24/05/2016
PL 7914/2012	173.41	24/05/2016
PL 7915/2012	92.28	24/05/2016
PL 7917/2012	186.81	14/05/2016
PL 7906/2012	130.49	14/05/2016
PL 7918/2012	172.89	14/05/2016