

KEY ACTIVITIES:

- **Epanko Graphite Project BFS remains on schedule, on budget and due for completion by end of June 2015**
- **Expression of Interest ('EOI') received from a Development Finance Institution to co-finance the development of the Epanko Graphite Project**
- **Epanko Graphite Project increased production strategy successfully completed**
- **High level study commenced to evaluate the production of battery grade graphite**
- **Excellent Metallurgical Results and Trenching results at Merelani-Arusha Graphite Project**
- **TanzGraphite Trademark registered as the global brand name**
- **A\$4.1 million capital raising via oversubscribed placement successfully completed with A\$1m SPP underway**
- **Appointment of experienced Graphite Specialist**

During the March quarter, Kibaran Resources Limited (ASX: KNL) ('Kibaran' or the 'Company') continued to advance its graphite projects in Tanzania. The Company believes Tanzania hosts the world's largest flake distributions and that it is well placed to develop its graphite projects, with the objective of becoming a major producer of natural flake graphite.

EPANKO GRAPHITE PROJECT (100% KNL)

The Epanko Graphite Project is located 245km south-west of Morogoro in south-east Tanzania. Work during the quarter was focused on the flagship Epanko Deposit.

PRODUCTION GROWTH STRATEGY

During the Quarter the Company initiated a review of its mining and processing schedule with the view to developing a growth strategy for the project, which would cater for future increases in demand for premium quality large flake graphite.

A study was undertaken by Interline Engineering Consultants and confirmed that the Eastern and Western zones of the project can easily support an annual production rate of 100,000tpa¹ of concentrate.

From a technical perspective whilst production can commence at a rate of 100,000tpa, Kibaran believes that by commencing at 40,000tpa the Company can meet current demand. This coupled with a sound 100,000tpa growth strategy puts the Company in a prime position to respond quickly to future increases in demand.



¹ ASX Release 22 January 2015

BANKABLE FEASIBILITY STUDY

The Bankable Feasibility Study ('BFS') remains on schedule and on budget, with key activities of the BFS achieved during the quarter including:

- Location of the plant site, ROM pad, tailings storage facility (TSF) and site access finalised
- Geotechnical laboratory testwork and foundation assessment is complete with TSF and mine waste facilities engineering commenced
- Metallurgical testwork program well advanced with comminution testwork and sample characterisation complete
- Flotation testwork is well advanced with bulk flotation testing underway
- Flow sheet development for the process plant is nearing completion
- Process design criteria development is continuing and process plant design commenced
- Mine and Process Plant infrastructure engineering commenced
- HV Power supply options study commenced

The BFS is on schedule to be completed by the end of June 2015.

EXPRESSION OF DEBT FUNDING

During the quarter Kibaran received an Expression of Interest ('EOI') to co-finance the development of the Epanko Graphite Project from a Development Finance Institution ('DFI'). The DFI is a member of a large banking Group rated as one of the Worlds 50 Safest Banks and is one of the largest European development finance institutions with a strong track record in the mining sector both in Africa and globally.

The DFI's interest is for the provision of a senior loan of up to EUR 20 million (AU\$28m) with a tenure of at least 6.5 years, including a one-year grace period on principle repayment. Other details of the EOI are based on standard commercial debt financing terms and a debt to equity ratio of 65:35 has been indicated.

BATTERY GRADE GRAPHITE STUDY COMMENCED

A high level study has been commenced to evaluate the production of battery grade graphite from the Epanko Graphite Project for the emerging electric vehicle ('EV') and other battery markets. The study will include an evaluation of the feasibility of establishing a manufacturing facility in Dar es Salaam, to produce battery grade spherical graphite that can be shipped directly to the battery producers.

Given the emergence of the electric car market and its future growth establishing a manufacturing facility would be a unique opportunity for Kibaran to provide a long-term value driver and compelling business case. Sales figures for the EV battery manufacturers in 2014 showed a rapidly growing market for EV batteries, with an increase of 54% on previous year's sales.

The Company's initial focus will be to produce battery grade spherical graphite for the battery manufacturers which involves mechanical machining of natural flake graphite and then purification. The value upgrade is in the order of 3-4 more times than prices for graphite concentrate with prices greater than \$4000/t expected.

TANZGRAPHITE TRADEMARK™

The Company registered TanzGraphite (Kibaran's Tanzanian entity) as a trademark during the quarter. TanzGraphite™ will be used as the global brand name for marketing the Company's natural large flake graphite and its downstream products. The trademark will identify products that use the Company's graphite sourced from its Epanko, Merelani-Arusha and Tanga projects.

Demand for graphite has been forecasted to grow 8.6% each year until 2020², driven by the development of mega battery factories that require spherical graphite as a key input. Expanded graphite is used in energy efficient building products, technology sectors and the development of the new dynamic material graphene.

² Dundee Capital Markets

MERELANI-ARUSHA GRAPHITE PROJECT (100% KNL)

The Merelani-Arusha Graphite Project consists of ten tenements and covers 1,145 km² in an area 55km south-east of Arusha, Tanzania. Like Mahenge, the project area is located in geological settings favourable for graphite mineralisation.

Kibaran continues to evaluate the Merelani-Arusha Graphite Project as a second commercial graphite province, believing Merelani will be a significant source of graphite as world demand for high quality large flake graphite increases.

Metallurgical results received during the quarter from an initial exploration program confirmed that Merelani East contains a high distribution of large flake graphite with very high carbon concentrates recovered from simple flotation. The results received provided evidence of a significantly larger graphite mineralisation area, with comparable grade and flake size to that of historically mined Merelani Block C adjacent to Merelani East.

The initial exploration program consisted of 22 Reverse Circulation (RC) drillholes, two Diamond (HQ3) drillholes and eight trenches that targeted three prospects. Flotation results for AMT001 (refer to Table 1 below) included a 97.1% recovery with a concentrate grading of 96.2% fixed carbon delivering an extremely high proportion of large and jumbo flake (>180 micron) material with extremely high fixed carbon grades.

Table 1: Flotation results for AMT001

FLAKE SIZE			Portion of size fraction retained (%)	Carbon Content TGC (%)
Name	Microns	Mesh		
Jumbo	> 300	>48	32.7	98.1
Larger	>180	>180	26.9	97.2
Medium	> 106	>150	19.7	96.5
Small	> 75	>200	7.1	95.3
Fine	< 75	<200	13.6	89.1

Notes for Table 1: Micron (µm) and Millimetre (mm) 1mm = 1000µm and fixed carbon content determined by loss on ignition method (LOI). All total graphite carbon ("TGC") analysis undertaken by LECO at independent commercial laboratory SGS in Johannesburg, South Africa. Samples collected over 1 metre intervals. Minimum intersection width 2 metres with internal waste of no more than 2 metres. Trench lengths are reported, as true width is unknown. Bearings are referenced to local grid. No top cut has been applied and intersection grade rounded to 1 decimal figure. Coordinates referenced to local grid WGS84 UTM36S.

Results received are significant given the current market shortage of large flake, high grade product and that higher value graphite is determined by both flake size and carbon content. The analysis indicates Merelani East graphite is suitable for all markets (i.e. Micronised, Expanded and Spherical) and the very high graphite concentrate grade provides access to even higher value niche markets, graphene production and use in 3D printing. It is important to note that no acids were used to achieve the high carbon concentrates.

Trenching results support the drilling results from the first 12 RC holes with the results doubling the strike length of graphite mineralisation to more than four kilometres. Standout results include:

- 37m at 7.0% TGC from trench AMT003
- 40m at 8.4% TGC from trench AMT004
- 48m at 7.3% TGC from trench AMT006

The results received support Kibaran's future expansion strategy of producing a premium quality graphite product from a separate source to the Epanko Graphite Project and meet the longer-term requirements of the broader graphite market which is seeking supplier diversity.

TANGA GRAPHITE PROJECT (100% KNL)

The Tanga licence covers 84km² and provides Kibaran with a third graphite province to underpin the Company’s strategy of becoming a significant and long-term supplier of premium quality graphite from Tanzania. There was no notable activity undertaken on the Tanga project during the quarter.

KAGERA NICKEL PROJECT (100% KNL)

The Kagera Nickel Project is of limited current focus for Kibaran. Kagera is located along the western border of Tanzania. The key tenements are located approximately 10km north-east of the world-class Kabanga Nickel deposit, operated by Xstrata Nickel. Kabanga is known as one of the largest undeveloped high-grade nickel sulphide deposits in the world, and is currently in the feasibility study stage.

During the quarter, Kibaran continued to maintain its Nickel project in good standing. The Ruiza East nickel project is a stand-out nickel exploration target that, like Kabanga nickel deposit, can be clearly identified from historical stream sediment data.

The Company is committed to unlocking the Kagera Project’s nickel-sulphide potential and value. Kibaran has access to significant regional airborne EM and eromagnetic data conducted by BHP Billiton which has an estimated replacement cost of over \$12m.

The Company is currently seeking a cornerstone investor to advance its divestment strategy for the Kagera Project.

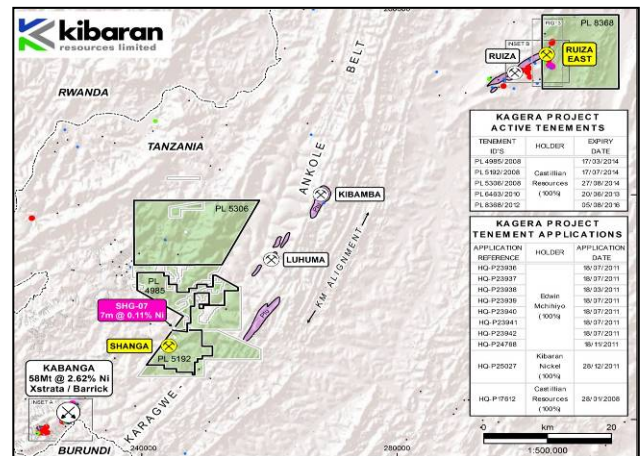


Figure 2: Kagera Nickel Project Prospect map

CORPORATE

CAPTIAL RAISING

Subsequent to the end of the Quarter the Company completed a placement to sophisticated and institutional investors. Under the placement the Company issued 24.4m shares at an issue price of \$0.17 raising \$4.1m. The funds will enable the completion of the Epanko Graphite Project BFS, provide working capital through to a decision to mine and the ordering of long lead items.

The Company is also undertaking a Share Purchase Plan, to enable all eligible shareholders to increase their shareholding in Kibaran at the same issue price of \$0.17 that was offered to the sophisticated and institutional investor in the placement.

KEY APPOINTMENT OF GRAPHITE SPECIALIST

Subsequent to the end of the Quarter the Company appointed Mr Christoph Frey to further the development of the Company’s graphite projects, effective 1 May 2015. Mr Frey is a qualified process engineer and will be based in Germany. He has worked exclusively in the natural graphite industry for the past 22 years.

SCHEDULE OF TENEMENTS

Mining Tenements Held, Acquired or Disposed of by Kibaran Resource Limited as at 31 March 2015.

Pursuant to ASX Listing Rule 5.3.3 Kibaran Resources Limited (ASX: KNL) (the 'Company') reports as follows in relation to mining tenements held at the end of each quarter and acquired or disposed of during the quarter and their location.

As at 31 March 2015

Ministry ID	Holder	Ownership	Project, Location
PL 4985/2008	Castillian Resources (Tanzania) Ltd/ Kibaran Nickel Tanzania Ltd	100%	Kagera, Tanzania
PL 5192/2008	Castillian Resources (Tanzania) Ltd/ Kibaran Nickel Tanzania Ltd	100%	Kagera, Tanzania
PL5306/2011	Castillian Resources (Tanzania) Ltd/ Kibaran Nickel Tanzania Ltd	100%	Kagera, Tanzania
PL 8368/2012	Castillian Resources (Tanzania) Ltd	100%	Kagera, Tanzania
PL 9537/2014	TanzGraphite (TZ) Ltd	100%	Tanga, Tanzania
PL 8204/2012	TanzGraphite (TZ) Ltd	100%	Mahenge, Tanzania
PL 7907/2012	TanzGraphite (TZ) Ltd	100%	Merelani-Arusha, Tanzania
PL 7913/2012	TanzGraphite (TZ) Ltd	100%	Merelani-Arusha, Tanzania
PL 7914/2012	TanzGraphite (TZ) Ltd	100%	Merelani-Arusha, Tanzania
PL 7915/2012	TanzGraphite (TZ) Ltd	100%	Merelani-Arusha, Tanzania
PL 7917/2012	TanzGraphite (TZ) Ltd	100%	Merelani-Arusha, Tanzania
PL 7906/2012	TanzGraphite (TZ) Ltd	100%	Merelani-Arusha, Tanzania
PL 7918/2012	TanzGraphite (TZ) Ltd	100%	Merelani-Arusha, Tanzania
PL 10090/2014	TanzGraphite (TZ) Ltd	100%	Merelani-Arusha, Tanzania
PL 10091/2014	TanzGraphite (TZ) Ltd	100%	Merelani-Arusha, Tanzania
PL 10092/2014	TanzGraphite (TZ) Ltd	100%	Merelani-Arusha, Tanzania
PL 10388/2014	TanzGraphite (TZ) Ltd	100%	Mahenge, Tanzania
PL 10389/2014	TanzGraphite (TZ) Ltd	100%	Mahenge, Tanzania
PL 10390/2014	TanzGraphite (TZ) Ltd	100%	Mahenge, Tanzania
PL 10391/2014	TanzGraphite (TZ) Ltd	100%	Mahenge, Tanzania
PL 10392/2014	TanzGraphite (TZ) Ltd	100%	Mahenge, Tanzania
PL 10394/2014	TanzGraphite (TZ) Ltd	100%	Mahenge, Tanzania
PL 10396/2014	TanzGraphite (TZ) Ltd	100%	Mahenge, Tanzania
PL 10090/2014	TanzGraphite (TZ) Ltd	100%	Mahenge, Tanzania
PL 10091/2014	TanzGraphite (TZ) Ltd	100%	Mahenge, Tanzania
PL 10092/2014	TanzGraphite (TZ) Ltd	100%	Mahenge, Tanzania

Number disposed during the quarter

- Nil

Number acquired during the quarter

- Nil

ABOUT KIBARAN RESOURCES LIMITED

Kibaran Resources Limited (ASX: KNL) ('Kibaran' or the 'Company') is a graphite focused resource company with world class graphite projects located in Tanzania. Kibaran is also a 50% shareholder in 3D Graphtech Industries.

The Company's primary focus is to develop its 100%-owned Epanko Graphite Project, located within the Mahenge Graphite Province. Epanko is currently undergoing a Bankable Feasibility Study and has a total Indicated and Inferred Mineral Resource Estimate of 22.7Mt, grading 9.8% TGC, for 2.2Mt of contained graphite, defined in accordance with the JORC Code. This initial estimate only covers 20% of the project area. Metallurgical testwork has found Epanko graphite to be large flake, expandable, ultra-high purity and premium quality from a global perspective.

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

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

The Company is positioning itself to participate in the emerging 3D printing market using graphite inks via 3D Graphtech Industries PL, jointly owned with 333D Pty Ltd (formerly 3D Group) which is transacting as OZ Brewing (ASX:OZB).

In addition, Kibaran has the Kagera Nickel Project which remains underexplored and is located along strike of the Kabanga nickel deposit, owned by the Glencore – Barrick Gold Joint Venture, which is considered to be the largest undeveloped, high grade nickel sulphide deposit in the world. Kibaran is currently seeking a partner to progress exploration of its highly prospective nickel properties.

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Andrew Spinks, who is a Member of The Australasian Institute of Mining and Metallurgy included in a list promulgated by the ASX from time to time. Andrew Spinks is a director of Kibaran Resources Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Andrew Spinks consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr David Williams, who is a Member of The Australasian Institute of Mining and Metallurgy included in a list promulgated by the ASX from time to time. David Williams is employed by CSA Global Pty Ltd and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". David Williams consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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