

GRAPHITE UPDATE

HIGHLIGHTS

- A total of 35 rock chip samples from the Merelani-Arusha Graphite Project has returned results ranging up to 25.5% total graphitic carbon (“TGC”) and averaging 8.1% TGC
- A further 15 rock chip samples received from the Mahenge project averaged 15.4% TGC
- RC drilling currently underway at Mahenge Project, with drilling at Merelani-Arusha to immediately follow

Kibaran Resources Limited (ASX:KNL) is pleased to announce exciting results from field sampling at its Merelani-Arusha graphite project in Tanzania. Recent rock chip sampling has returned encouraging high-grade results and established significant graphite mineralisation.

A targeted reverse circulation (“RC”) drilling programme is expected to commence immediately after drilling at the Mahenge graphite project. The planned drilling campaign at Merelani-Arusha will test an area over 1,500m in strike length.

Kibaran Resources Chairman, Simon O’Loughlin said, “These early stage results at our Merelani-Arusha graphite project are very promising. We intend to follow this up with a targeted RC drilling programme, to start shortly, with the aim of delineating a JORC Mineral Resource at our prospective graphite projects.”

RESULTS FROM ROCK CHIP SAMPLING

A total of 35 samples were collected from graphitic schist rock units targeted by Kibaran Resources at the Merelani-Arusha project. Material was sampled from a geological unit striking approximately 1,500m indicating a potentially extensive potential future new area for graphite mineralisation.

The results summarised below, show the occurrence of high grade graphite mineralisation, and compare favourably to other world-class graphite occurrences located in East Africa.

Table 1 - Graphite Analysis for Rock Chip Samples, Merelani-Arusha Project

Min	Max	Average
(% TGC)	(% TGC)	(% TGC)
2.1	25.5	8.1

Note: Samples were taken from outcropping graphite locations, pictured overleaf. Samples were analysed by LECO for total graphite carbon by independent commercial laboratory SGS, Johannesburg. Samples were ignited at 600 degrees, then leached with HCL and the residue was analysed by LECO.

Individual flakes were observed to be large within a strongly sheared felsic unit. This interim size analysis provides an indication as to processing recoveries and product pricing, with large graphite flakes commanding a price premium.



Pictured: Outcropping gneiss with large flake graphite (dark grey minerals) at Merelani-Arusha project.

As previously reported (refer 24 July 2012 ASX announcement) metallurgical sample AMP_MT_001, taken from Merelani-Arusha graphite project, returned a head grade of 17.1% TGC. Sizing analysis shows the highest total graphite carbon grade is in the 0.5mm (+500 micron) fraction, and the largest distribution in the -4mm to +2mm range, indicating the presence of coarse graphite flakes at the Merelani-Arusha project.

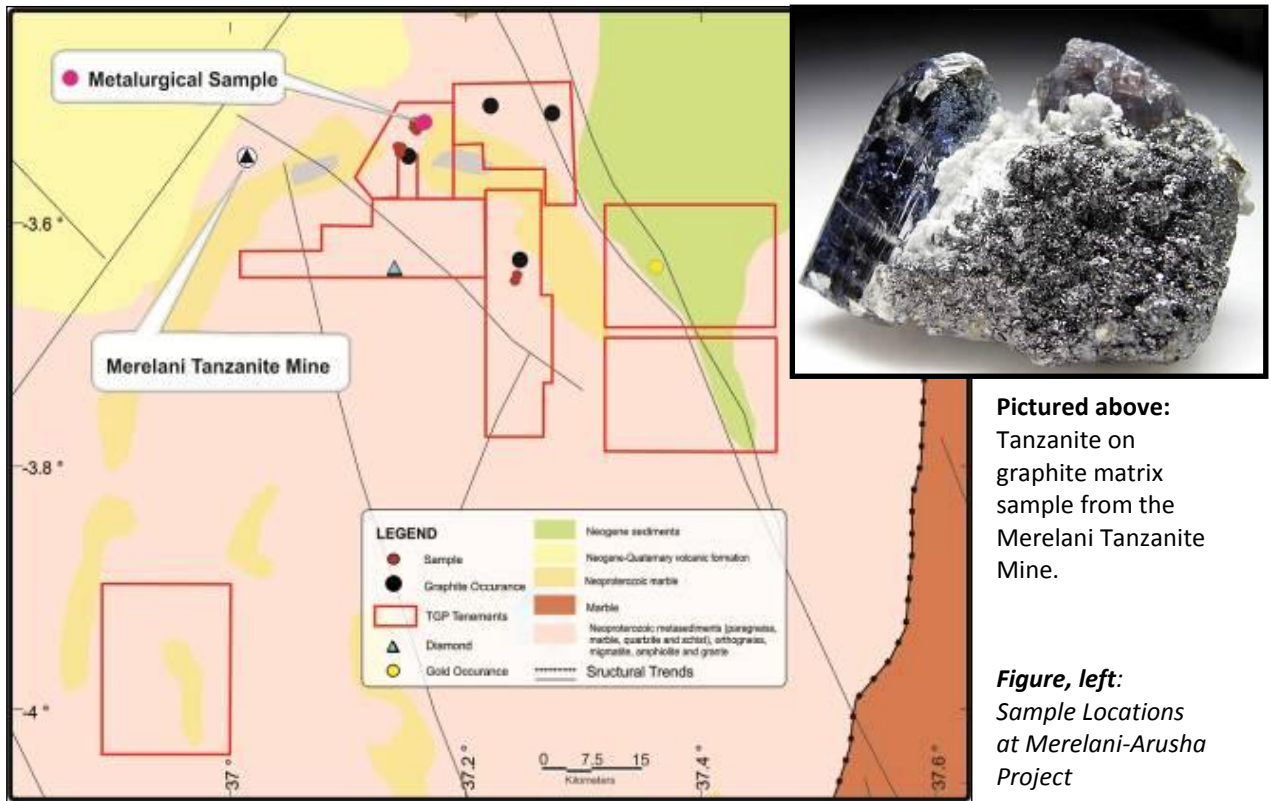
Screen Size	AMP_MT_001	
	Grade (% TGC)	Distribution (% TGC)
+4mm	7.4	0.3
-4mm to +2mm	14.5	31.8
-2mm to + 1mm	16.2	19.8
-1mm to +500µm	23.5	21.5
-500µm to +250µm	21.0	15.0
-250µm to +125µm	13.9	6.8
-125µm	7.6	4.8

Note: Micron (µm) and Millimetre (mm). 1mm = 1000µm

The flotation testwork has commenced and final metallurgical recoveries are expected early next week for Merelani-Arusha project as well as the Ndololo prospect at the Mahenge project.



Pictured: View looking along strike of the Merelani-Arusha graphite project.



DRILLING UPDATE

RC drilling is currently underway at the Mahenge graphite project having been slightly delayed by eight days due to a mechanical breakdown. Contractors Layne Drilling have rectified the issue and planned drilling is now back on track.

The targeted drilling programme has commenced at the Kasita prospect at the Mahenge project and will shortly move to the Ndololo graphite prospect (refer ASX announcement 19 July 2012). An update will be provided following the completion of RC drilling at the Mahenge project.



Pictured, left: Example of graphite mineralisation which have been logged as high-grade and large flake graphite from drill hole MHRC_005 interval 18-27m at the Kasita prospect.

Drill hole samples will be despatched to the SGS laboratory and results will be released in due course.

A UNIQUE GEOLOGICAL SETTING

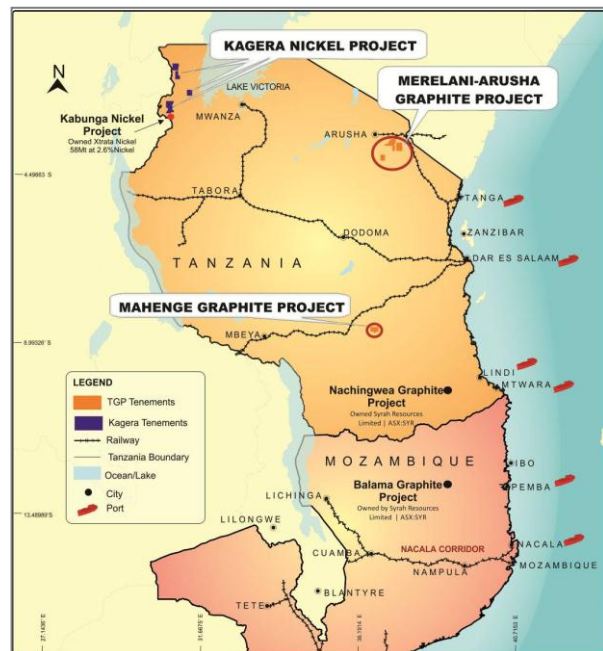
The Merelani-Arusha province is best known for the occurrence of Tanzanite, a rare gemstone currently being produced and completely unique to this location. The highly unusual hydrothermally altered geological environment that produces Tanzanite is thought to also give rise to the graphite mineralisation in the local gneissic host rocks at Merelani-Arusha, and may provide an explanation for the occurrence of such large flaked graphite.

ABOUT KIBARAN RESOURCES LIMITED

Kibaran Resources Limited (ASX:KNL) is an ASX-listed exploration company with highly prospective graphite and nickel projects located in Tanzania.

The Company recently acquired the rights to the Mahenge and Merelani-Arusha Projects which are 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 source of graphene.



In addition, the Kagera Nickel Project remains underexplored and is among the largest undeveloped, high grade nickel sulphide deposits in the world.

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The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Andrew Spinks, who is a Member of The Australasian Institute of Mining and Metallurgy included in a list promulgated by the ASX from time to time. Andrew Spinks is a consultant of Tanzgraphite Pty Ltd and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Andrew Spinks consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.