

**Highlights of the quarter include:**

- Commencement of RC Drilling, Environmental and Social Impact Assessment at Epanko
- MoU signed with Richland Resources Limited (“Richland”) with a view to consolidate Merelani graphite assets.
- Process engineers complete assessment of graphite processing plant at Merelani
- Secure a licence in Tanga Graphite Province, Tanzania
- Secondary listing and trading commenced on Frankfurt Stock Exchange

During the March quarter, Kibaran Resources Limited (ASX: KNL) achieved significant advance of its graphite projects in Tanzania. The company believes Tanzania host’s the world’s largest flake distributions and is well placed to develop its graphite projects with the objective of becoming a major producer of natural flake graphite.

Kibaran remains the only company globally with a binding offtake agreement and significantly undervalued on a peer or technical comparison basis.

**MAHENGE GRAPHITE PROJECT (100% KNL)**

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

**RC Drilling commenced**

During the quarter, the Company announced the commencement of RC drilling. The aim of the drilling programme is to upgrade a portion of the existing JORC Inferred Mineral Resource of 14.9Mt at 10.5% TGC (total graphitic carbon) for 1,560,000t of contained graphite to a JORC Indicated/Measured Resource category (refer figure 1 and note 1).

Drilling is focused on two areas:

- along strike of the eastern zone drill holes (where shallow, thick, robust zones of high graphite mineralisation have previously been identified); and
- within the western zone between existing drilling and where the Company reported its best trench result measuring 117m at 10.0% TGC (refer to ASX announcement dated 13 May 2013).



Since commencing the drilling programme, progress has been hampered by rain, with 4 holes being drilled during the quarter. It is expected the programme will be completed on schedule and during the June Quarter.

**Commencement of Environmental and Social Impact Assessment**

The company signed an agreement with an experienced Tanzanian environmental consultancy to register the Epanko Graphite Project with the National Environmental Management Council (NEMC), which is operated within Tanzania’s Ministry of Environment and the Vice President’s Office.

The environmental and social baseline studies, that will lead to the permitting process of the development of the Epanko Deposit is expected to take 16 to 18 months

**MERELANI-ARUSHA GRAPHITE PROJECT (100% KNL)**

The Merelani-Arusha Graphite Project consists of seven tenements and covers 973.4 km<sup>2</sup> in an area 55km south-east of Arusha, Tanzania. Like Mahenge, the project area is located in geological settings favourable for graphite mineralisation.

During the quarter, Kibaran signed a non-binding Memorandum of Understanding (“MoU”) to investigate consolidation of the Company’s Merelani-Arusha Graphite Project with the Richland group’s graphite assets in the region.

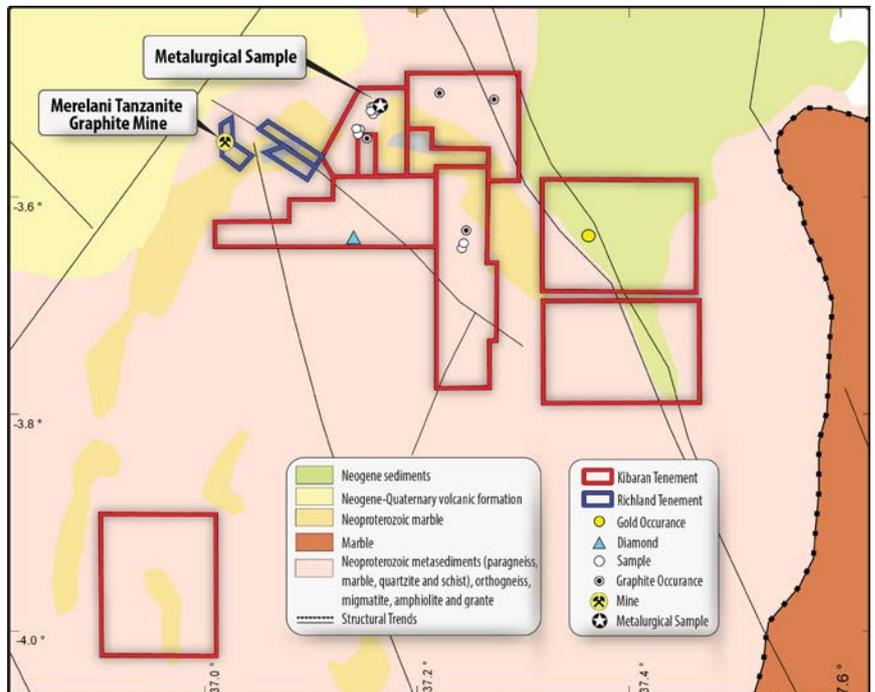
Under the terms of the MoU with Richland, the two group’s have agreed to work towards legally binding agreements to consolidate their respective graphite assets in the Merelani region for a Joint Venture (“JV”). The strategic objective of the negotiations is to combine graphite mineral rights and assets to recommence graphite production at Merelani. TanzaniteOne Mining already has in place a processing plant and additional infrastructure, including tailing storage facility, power, water, administration facilities, site camp and services.

The MoU provides an opportunity to significantly advances Kibaran’s second graphite project in Tanzania.

Richland is listed on the AIM stock exchange in London, and specialises in the mining and production of the Tanzanite gemstone from its Merelani mine.

Preliminary due diligence commenced, when a investigative team including engineers from MDM Engineering, who designed and built the 15,000 tpa Merelani graphite plant in 1995 visited to make a site assessment.

Kibaran is continuing its due diligence and discussions with Richland to advance the MoU.



## TANGA GRAPHITE PROJECT (100% KNL)

During the quarter the company was granted a Prospecting Licence for graphite in the Tanga Region of Tanzania by the Tanzanian Ministry of Energy and Minerals. The Tanga licence covers 84km<sup>2</sup> 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.

**Table 1 – Kibaran’s Tanzanian Graphite Project Pipeline**

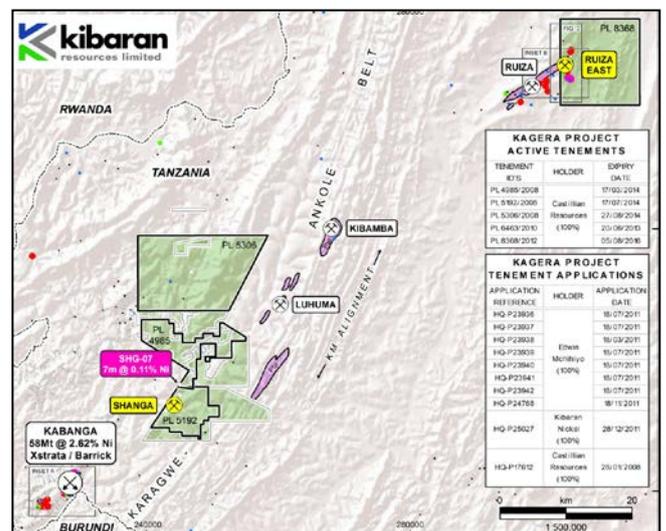
Graphite Project	Deposit	Status	Agreement
Mahenge	Epanko	Scoping Study	Binding Offtake (refer announcement dated 23/12/13)
Merelani–Arusha	Merelani	Historical Graphite Mine	MoU with Richland (refer announcement dated 5/2/14)
Tanga	-	Early stage exploration	-

## KAGERA NICKEL PROJECT (100% KNL)

The Kagera Nickel Project is a secondary focus for Kibaran. Kagera is located along the western border of Tanzania, covering an area of 864km<sup>2</sup>. 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.

The Company views the Kagera Project as a future growth asset and is committed to unlocking the project’s nickel-sulphide (NiS) potential and financial value.

During the quarter, Kibaran continued to maintain its Nickel project in good standing and pursue opportunities to realise the value of these assets.



**Figure 2: Kagera Nickel Project prospect map**

## CORPORATE

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### Frankfurt Stock Exchange – Secondary Listing

During the quarter the Company obtained a secondary listing on the Frankfurt Stock Exchange. The secondary listing provides the Company with exposure to European investors and investors who have a high-level understanding of the importance of graphite to industry in the European Union (“EU”).

The listing also complements the recent partnership and execution of a binding offtake agreement with a sophisticated European graphite trader. Kibaran is currently the only listed graphite company globally with a binding offtake agreement for graphite sales.

### Capital Raise

During the quarter the Company completed a placement of 9.0 million fully paid ordinary share at \$0.125 to sophisticated investor raising \$1.25 million. The placees each received one free attaching option for every two shares subscribed. The options are exercisable at \$0.20 and expire eighteen months from the date of issue. The placement was managed by Taylor Collison

As at 31 March 2013, the Company had a cash at bank balance of \$1.3 million.

## ABOUT KIBARAN RESOURCES LIMITED

### About Kibaran Resources Limited:

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

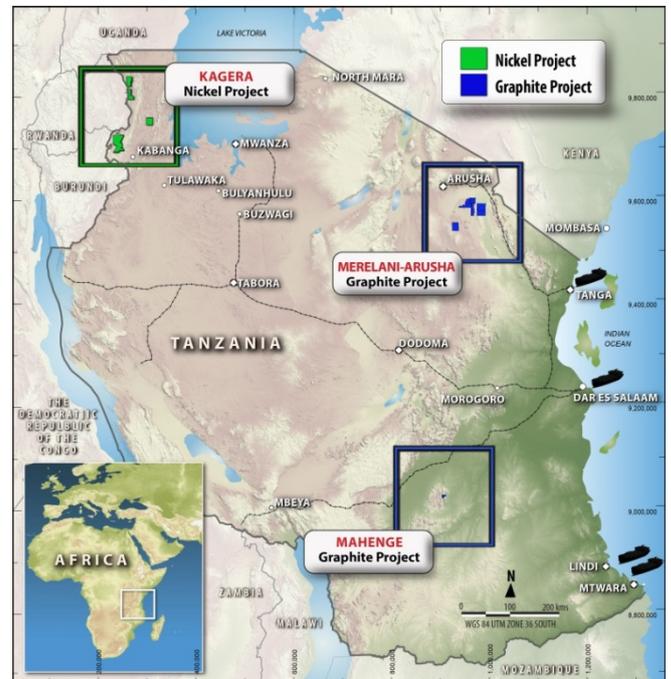
The Company’s primary focus is on its 100%-owned Epanko deposit, located within the Mahenge Graphite Project. Epanko currently has an Inferred Mineral Resource Estimate of 14.9Mt, grading 10.5% TGC, for 1.56Mt of contained graphite, defined in accordance with the JORC Code<sup>1</sup>. This initial estimate only covers 20% of the project area. Metallurgy has found Epanko graphite to be large flake and expandable in nature.

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 source of graphene.

In addition, the Kagera Nickel Project remains underexplored and is located along strike of the Kabanga nickel deposit, owned by Xstrata, which is considered to be the largest undeveloped, high grade nickel sulphide deposit in the world.

Note 1 “This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.”



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.

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