

Graphite exploration in Tanzania is Kibaran's priority. Work during the quarter was focused on advancing the 100% owned Epanko prospect – one of the Company's key graphite targets within the Mahenge Project.

Highlights include:

- Diamond drilling assays confirmed presence of high-grade mineralisation at Epanko;
- Diamond results returned significantly higher grades than previous Reverse Circulation (RC) drilling results;
- Exploration Target⁽¹⁾ identified – 60Mt to 110Mt of graphitic schist, grading 8.0% - 11.0% TGC;
- Costean and trench sampling encountered zones of graphite mineralisation up to 80m wide (*assays pending*);
- Mineral Resource estimation underway;
- Metallurgical test work underway.

Other projects:

Ndololo graphite prospect:

- Decision made not to exercise the option over PL7082/2012 – prospecting licence hosting Ndololo prospect.

Kagera Nickel Project:

- Independent Prospectivity Study underway – focused on the compilation, re-processing and re-interpretation of historical exploration data from the project area and its surrounds. Key findings to date include:
 - 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.

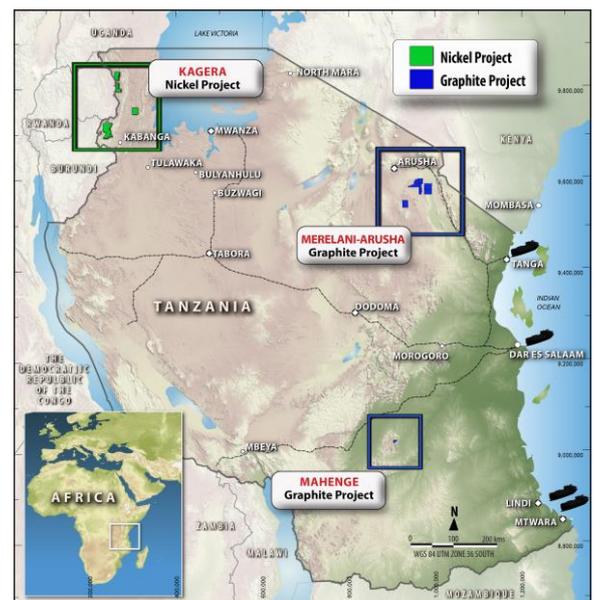


Figure 1: Map showing location of Tanzanian projects

MAHENGE GRAPHITE PROJECT

The Mahenge Graphite Project is located 245km south-west of Morogoro in east Tanzania. The project comprises two tenements – the Epanko prospect and the Ndololo prospect. Work during the quarter has been focused on the Epanko prospect.

EPANKO PROSPECT (100% KNL)

Drilling:

Kibaran has continued to make solid headway on the geological work program outlined for the Epanko Prospect. Assays from the following diamond drilling intersections have confirmed the presence of high-grade graphite mineralisation in the target area – both in the Eastern and Western Zones.

- Hole MHDD001, located in the Eastern Zone, returned **22.3m at 10.7% TGC** (total graphitic carbon);
- Hole MHDD002, located in the Western Zone, returned **32.0m at 10.7% TGC & 31m at 8.0% TGC** within 187m intercept at 6.5% TGC

These diamond intersections returned notably higher grades than the previously reported RC results, boosting confidence in the prospectivity of the targets. The drilling results also support the Exploration Target announced 11 March 2013.

Eastern Zone

| | |
|-----------------|-----------------------------------|
| Diamond MHDD001 | 22.3m at 10.7% TGC from 3.9m |
| RC hole MHRC019 | 21m @ 10.0% TGC from surface; and |
| RC hole MHRC024 | 53m @ 10.4% TGC from 6m |

Western Zone

| | |
|-----------------|---|
| Diamond MHDD002 | 32.0m at 10.7% TGC & 31m at 8.0% TGC, within 187m intercept at 6.5% TGC |
| RC hole MHRC020 | 17m @ 7.3% TGC from 81m; 8m @ 11.6% TGC from 103m; |
| RC hole MHRC021 | 9m @ 10.0% TGC from 11m; |
| RC hole MHRC022 | 14m @ 10.2% TGC from 1m; 37m @ 7.2% TGC from 107m; and |
| RC hole MHRC023 | 33m @ 8.0%TGC from 135m |

(See figure 2 below for location and relationships of drill holes)

(Full assay results are outlined in Appendix table 1)

A third diamond hole (MHDD003) intersected 68m of graphite mineralisation; however mineralisation widths intersected were less than 5% TGC.

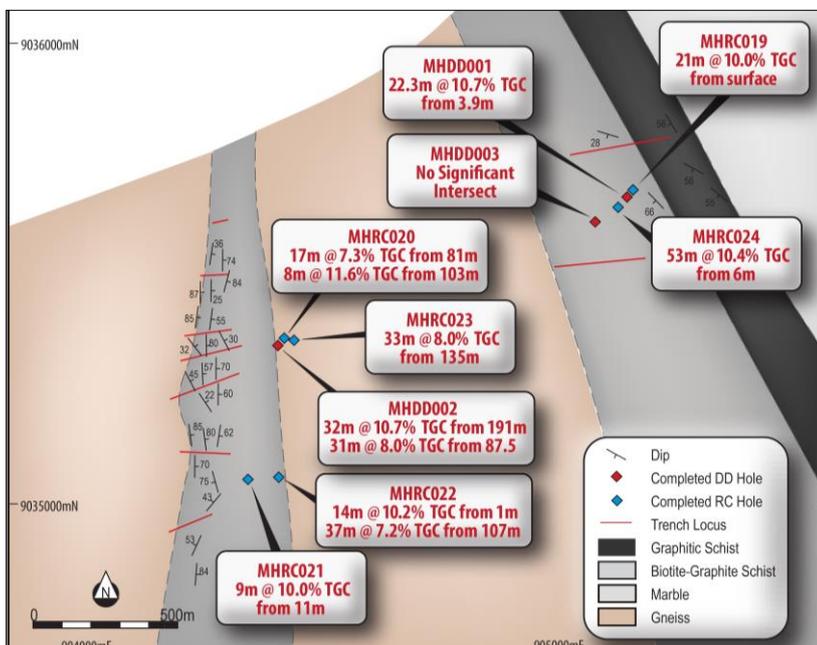


Figure 2: Location of drill holes at Epanko

Trenching:

Graphite mineralisation has been mapped and traced at surface through 14 trenches, the majority of which are located in the Western Zone. Sampling encountered zones of graphite mineralisation up to 80m wide. Assays remain pending.

Exploration Target:

During the quarter, independent geological group CSA Global Pty Ltd estimated a sizeable Exploration Target⁽¹⁾ at Epanko. The target is estimated to host between 60Mt and 110Mt of graphitic schist, grading between 8.0% and 11.0% TGC, above a cut-off of 5% TGC.

The estimate is based on exploration and geological work which Kibaran has completed at Epanko to date. This includes RC drilling, diamond drilling, trenching, mapping and sampling.

Note⁽¹⁾: The potential quantity and quality mentioned here is conceptual in nature. There has been insufficient information to date to estimate a Mineral Resource, and it is therefore uncertain if further exploration will result in the estimation of a Mineral Resource.

Kibaran has now engaged CSA Global to carry out a Mineral Resource estimate based on work carried out to date. Feasibility standard metallurgical test work has also commenced at the Mintek Laboratory in South Africa.

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

NDOLOLO PROSPECT (OPTION TO 100%)

During the quarter, 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. Like Mahenge, 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 quarter, an update on the Nickel Prospectivity Study was provided in the ASX announcement on 17 April 2013. The purpose of the study has been to review the prospectivity of the Kagera Nickel Project. The study has been focusing on the compilation, re-processing and re-interpretation of historical exploration data from the project area and its surrounds.

Highlights from the study:

- Confirmation that the project is located within the Karagwe-Ankole Belt (KAB) and distal along strike from the Kabanga deposit – the largest undeveloped high-grade nickel sulphide occurrence in the world;
- The KAB displays similar geological and geophysical characteristics to other nickeliferous Proterozoic orogenic belts around the world;
- The project area remains underexplored relative to other prospective nickel regions;
- Identification of a standout nickel sulphide Exploration Target at Ruiza East. The prospect has demonstrated many similarities to Kabanga in terms of its geological setting, magnetic signature, conductivity response and surface geochemical footprint;
- Further targets are likely to be identified once the study is complete. Planning for an exploration drill program will follow completion of the study;
- Identification that the Shanga Prospect has the potential to host Kabanga-type geological settings.

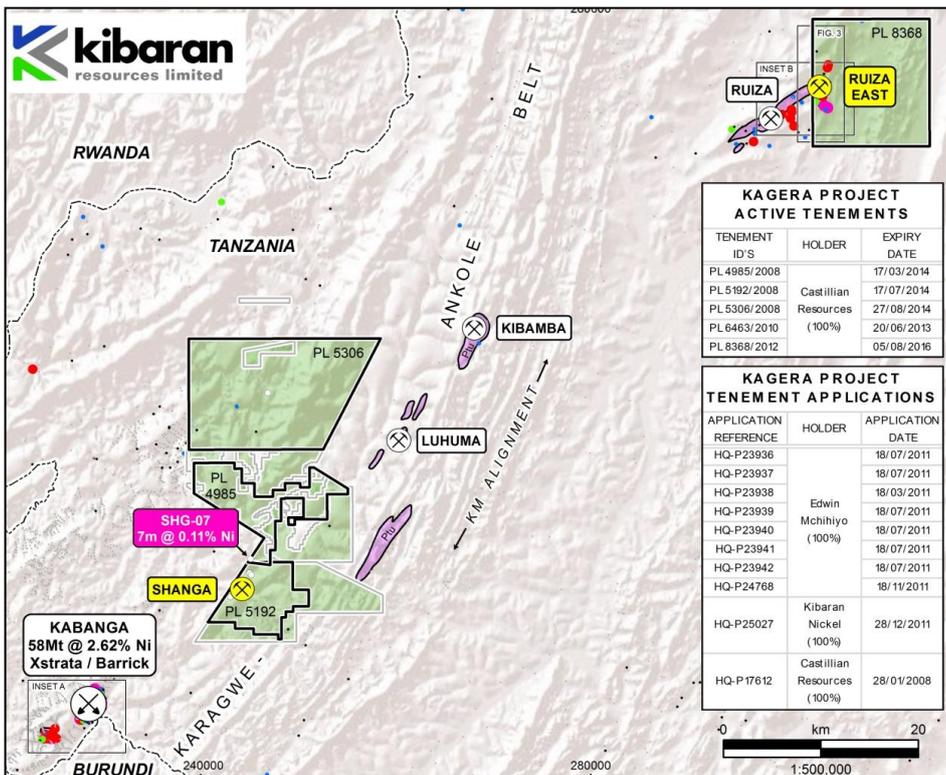


Figure 3 – Kagera Nickel Project prospect map

Ruiza East Nickel Project

The newly identified Ruiza East prospect is 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.

Core Geophysics is currently re-processing and re-interpreting the ground EM data.

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.

CORPORATE

The Company is monitoring its cash reserves and has systematically reduced its monthly corporate expenditure. As at 31 March 2013, the Company had a cash at bank balance of \$1.972 million.

A general meeting of shareholders was held on 12 February 2013, with shareholders resolving to issue incentive options to Mr John Park and Mr Grant Pierce. These options form part of the remuneration packages, thereby allowing the Company to preserve its cash reserves.

As mentioned above, further savings have resulted from the decision not to exercise or extend the option on the Ndololo tenement. This action has removed a significant contingent liability from the accounts and reduced the minimum tenement expenditures of Kibaran.

During the quarter, Mr David Gower stepped down from the Board, Mr Robert Hodby was appointed to the role of Company Secretary, and the Company relocated its headquarters from Sydney to Perth.

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 has the rights to the Mahenge and Merelani-Arusha Projects in Tanzania. Both projects 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 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.

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 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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APPENDIX

Table 1: Mahenge Project - Epanko Diamond Intersection Summary

| Hole_ID | N | E | Dip | Azi | Depth (m) | Graphite Mineralisation | | | |
|-----------------|---------|--------|-----|-----|-----------|-------------------------|--------|--------------|--------------|
| | | | | | | From (m) | To (m) | Interval (m) | Grade (%TGC) |
| MHDD001 | 9035680 | 905150 | -60 | 60 | 121 | 0 | 39.9 | 39.9 | 7.8 |
| <i>Includes</i> | | | | | | 3.9 | 26.2 | 22.3 | 10.7 |
| | | | | | | 106.6 | 116.6 | 10.0 | 6.8 |
| MHDD002 | 9035350 | 904410 | -60 | 270 | 223 | 43 | 230 | 187 | 6.5 |
| <i>Includes</i> | | | | | | 87.5 | 118.5 | 31 | 8.0 |
| | | | | | | 191 | 223 | 32 | 10.7 |
| MHDD003 | 9035620 | 905080 | -60 | 60 | 153 | 0 | 34 | 34 | 1.2 |
| | | | | | | 60 | 94 | 34 | 1.8 |

Notes to accompany table 1

All total graphite carbon ("TGC") analysis undertaken by LECO at independent commercial laboratory Mintek in Johannesburg, South Africa. Diamond core samples 1 metre intervals. Minimum intersection width 2 metres with internal waste of no more than 2 metres. Downhole lengths are reported, as true width is unknown. Azimuths are referenced to local grid. No top cut has been applied and intersection grade rounded to 1 decimal figure. Drill hole coordinates referenced to local grid WGS84 UTM36S.