

Exploration update for the Kagera Nickel Project

Kibaran Resources Limited (ASX: KNL) is pleased to provide an update of the nickel sulphide (NiS) study being undertaken on its Kagera Nickel Project in north-west Tanzania.

While graphite exploration in Tanzania remains the Company's primary priority, the Kagera Nickel Project provides a significant nickel sulphide prospect that the company has developed over the past seven months.

Key findings to date include:

- **Confirmation that the Kagera Nickel Project is located distally along strike of the world-class Kabanga nickel sulphide deposit – the largest undeveloped high-grade nickel sulphide deposit in the world. Kabanga is owned by Xstrata and is currently undergoing feasibility studies.**
- **Identification of a new stand-out nickel sulphide EM target at the Ruiza East Nickel Prospect via the re-processing of airborne and ground electromagnetic (EM) data.**
- **Identification that the highest nickel grade stream sediment sample collected outside of the Kabanga area is located downstream of the identified Ruiza East Nickel target.**
- **Potential for the Shanga Nickel Prospect to host Kabanga-type geological settings – determined by re-interpretation of previously reported significant diamond drill intersections.**

Re-processing of EM data will continue, but will now also include historic airborne EM and aeromagnetic data from BHP Billiton. Access to the latter comes after Kibaran secured an agreement with BHP Billiton to access their regional airborne EM and aeromagnetic surveys. **The replacement value of the combined geological and geophysical data is estimated to be in excess of \$12 million.**

UPDATE OF GRAPHITE ASSETS

Over the course of the next month, the Company expects to announce assay results from recent diamond drilling activity at Epanko, as well as the results of ongoing metallurgical test work and other activities the company has been pursuing.

NICKEL PROSPECTIVITY STUDY

In September 2012, Kibaran engaged independent geological consultancy, Burke Geoscience, and geophysical consultants, Core Geophysics, to review the prospectivity of the company's Kagera Nickel Project. To date, the study has focused on the compilation, re-processing and re-interpretation of historical exploration data from the project area and its surrounds. Geophysical modelling has been carried out on geophysical data of Kibaran and data secured under agreement with BHP Billiton.

The review confirms:

- Kagera Nickel Project is located within the Karagwe-Ankole Belt and along strike of Kabanga deposit owned by Xstrata which is the largest undeveloped high-grade nickel sulphide occurrence in the world.
- The Karagwe-Ankole Belt displays similar geological characteristics to other Proterozoic Orogenic belts around the world, including the circum-superior Belt in Canada that hosts the Raglan, Thompson and Voisey's Bay Ni-Cu camps, as well as the Albany-Fraser Belt of Western Australia that hosts Sirius Resources' recent Nova-Bollinger discovery.
- Kagera Nickel Project area remains underexplored by many standards.

Significantly, the review has identified a standout nickel sulphide exploration target at Ruiza East that bears many similarities to Kabanga in terms of its geological setting, magnetic signature, conductivity response and surface geochemical footprint (refer figure 1). It is expected that further targets will be identified as the prospectivity study continues. Drill planning will follow.

In addition, the re-interpretation of drilling results from Kibaran diamond drill hole SHG-07 indicates the possibility of another Kabanga-type geological setting at Kibaran's Shanga Prospect.

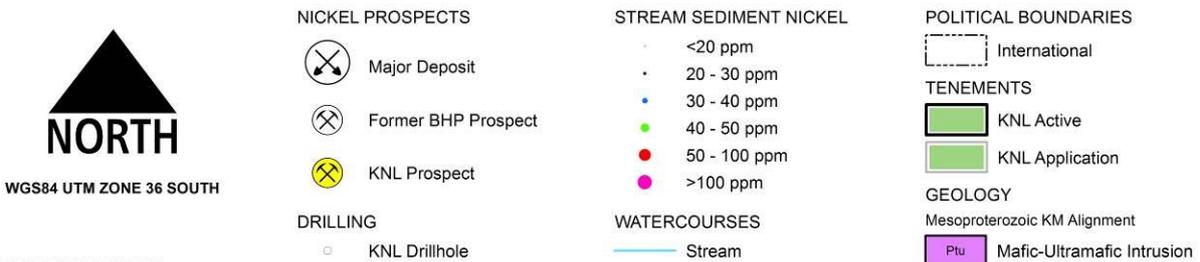
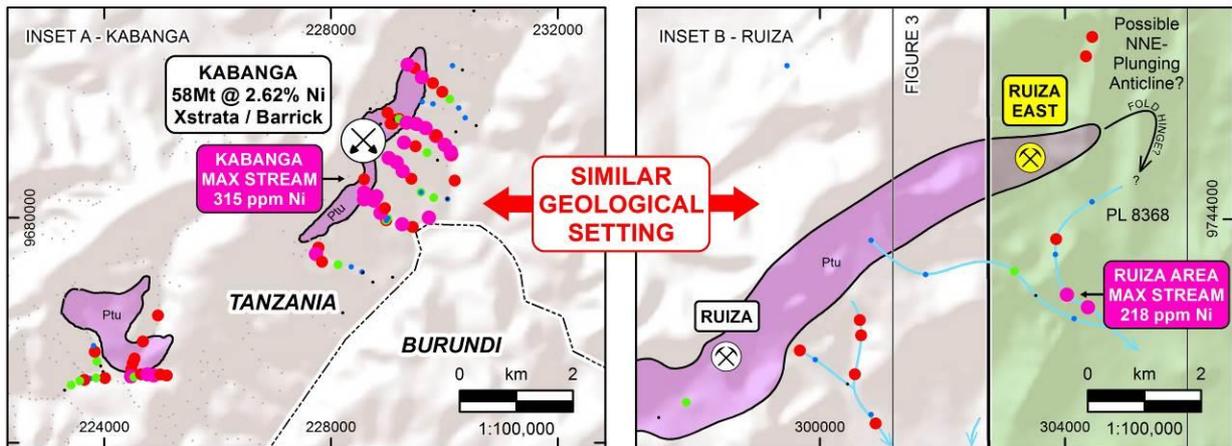
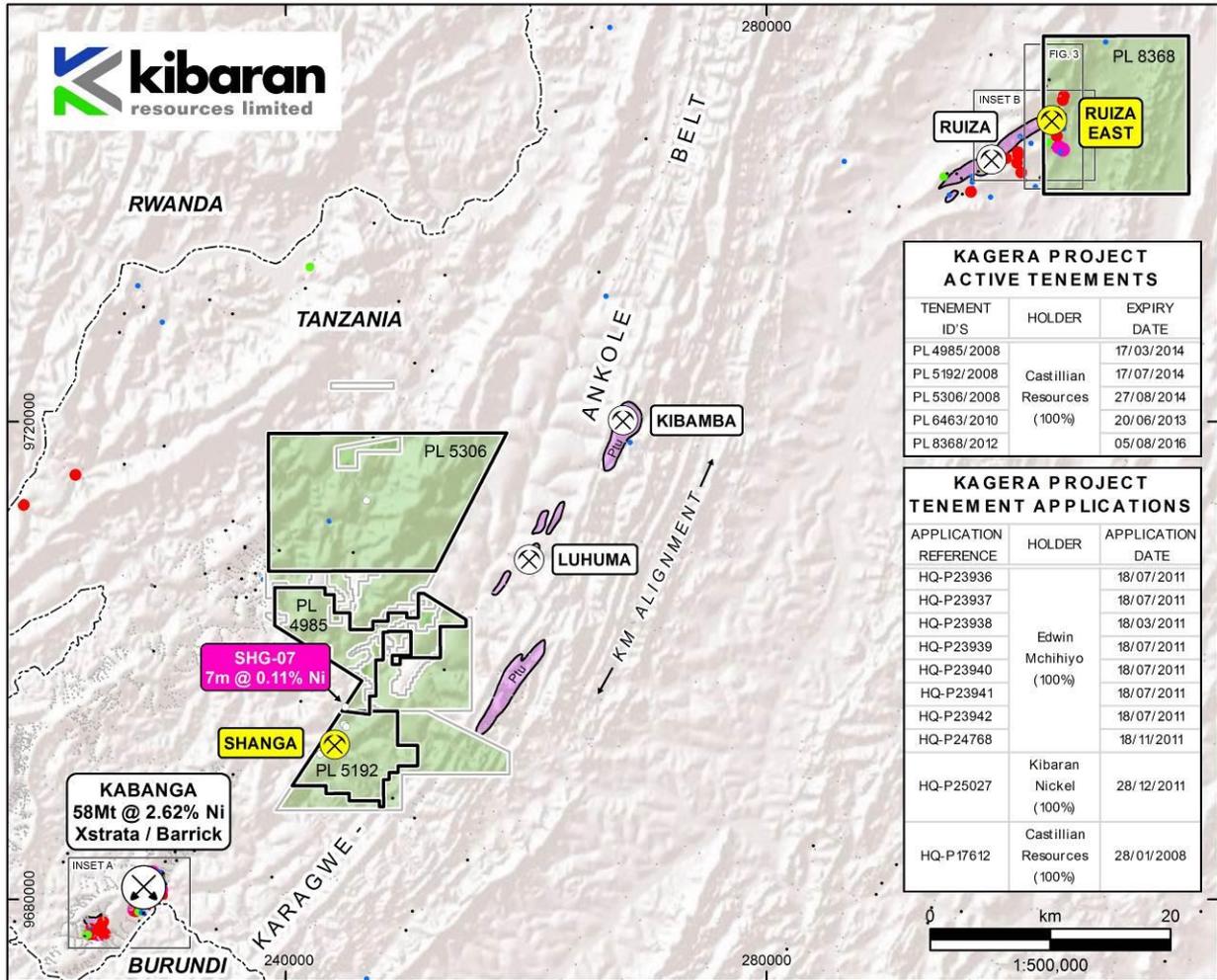


Figure 1 – Kagera Nickel Project prospect map featuring stream sediment sampling and interpreted mafic-ultramafic intrusive geology overlaying shaded topographic relief. UNDP and BHP stream sediment data sourced from the Geological Survey of Tanzania. Kabanga geology after Anglo American 1998. Ruiza geology adapted from Marcet & Kabete 1995.

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 in the prospecting licence recently granted to Kibaran, immediately east-north-east along strike of BHP's historical 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 Karagwe-Ankole Belt that most resembles Kabanga in terms of its geological setting, magnetic signature, conductivity response and surface geochemical footprint. Similar to Kabanga, Ruiza East is characterised by:

- A high-tenor Ni-Cu-Co-Cr stream sediment and rock chip anomaly proximal to a magnetic low
- VTEM conductivity anomaly; and
- Mapped mafic-ultramafic intrusive rocks.

Significantly, the highest nickel grade stream sediment sample, collected outside of the Kabanga area, is located downstream of the Ruiza East conductivity anomaly. A nearby outcrop of mafic-ultramafic intrusive rock within Kibaran's tenement holding at Ruiza East, returned 218ppm Ni, 63ppm Cu, 31ppm Co and 1525ppm Cr. This is somewhat comparable with the highest grade sample from the Xstrata-owned Kabanga deposit, which returned 315ppm Ni, 97ppm Cu, 102ppm Co and 993ppm Cr (refer Figure 2 and 3).

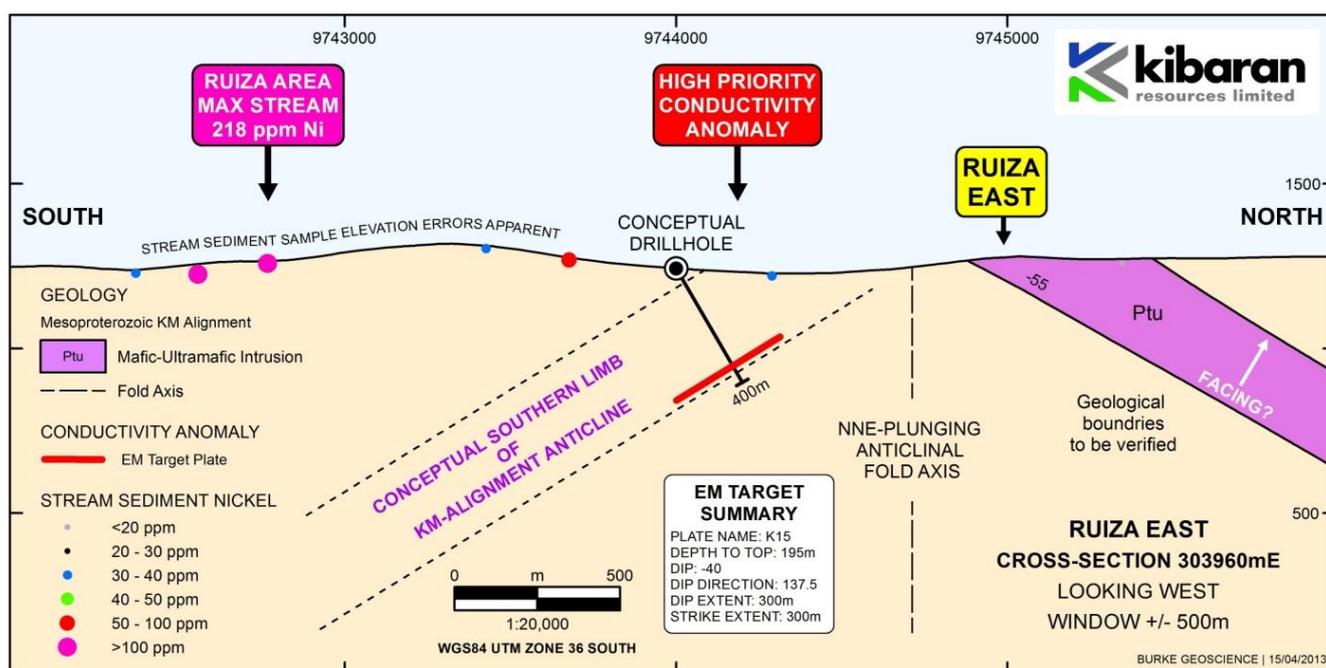


Figure 2 – Ruiza East cross-section 303960mE featuring VTEM target plate, planned drilling, stream sediment sampling, interpreted and conceptual geology. Field of view is +/- 500m looking west (refer Figure 3 for location)

Shanga Nickel Project

The Shanga Prospect is located at the southern end of the project area, within the granted Kibaran prospecting licence. It is about 20km north-east of Kabanga. A seven hole drilling program carried out at the prospect in 2011 (SHG-01 to SHG-07) focused primarily on testing a 7km-long, north-east striking anomaly – the anomaly was identified from a VTEM survey flown over the southern part of project area in 2008.

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

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

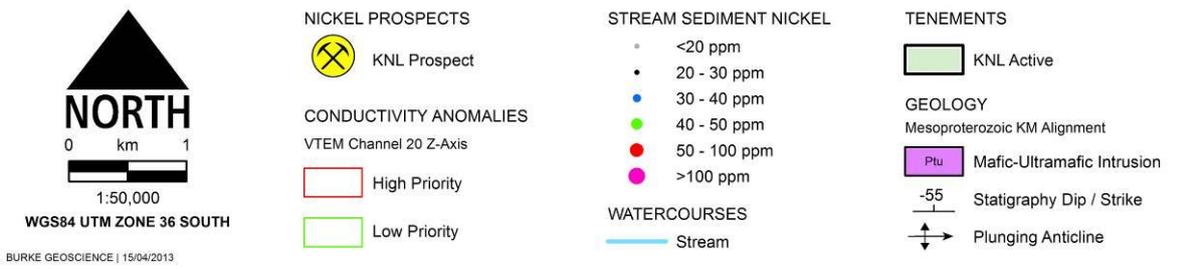
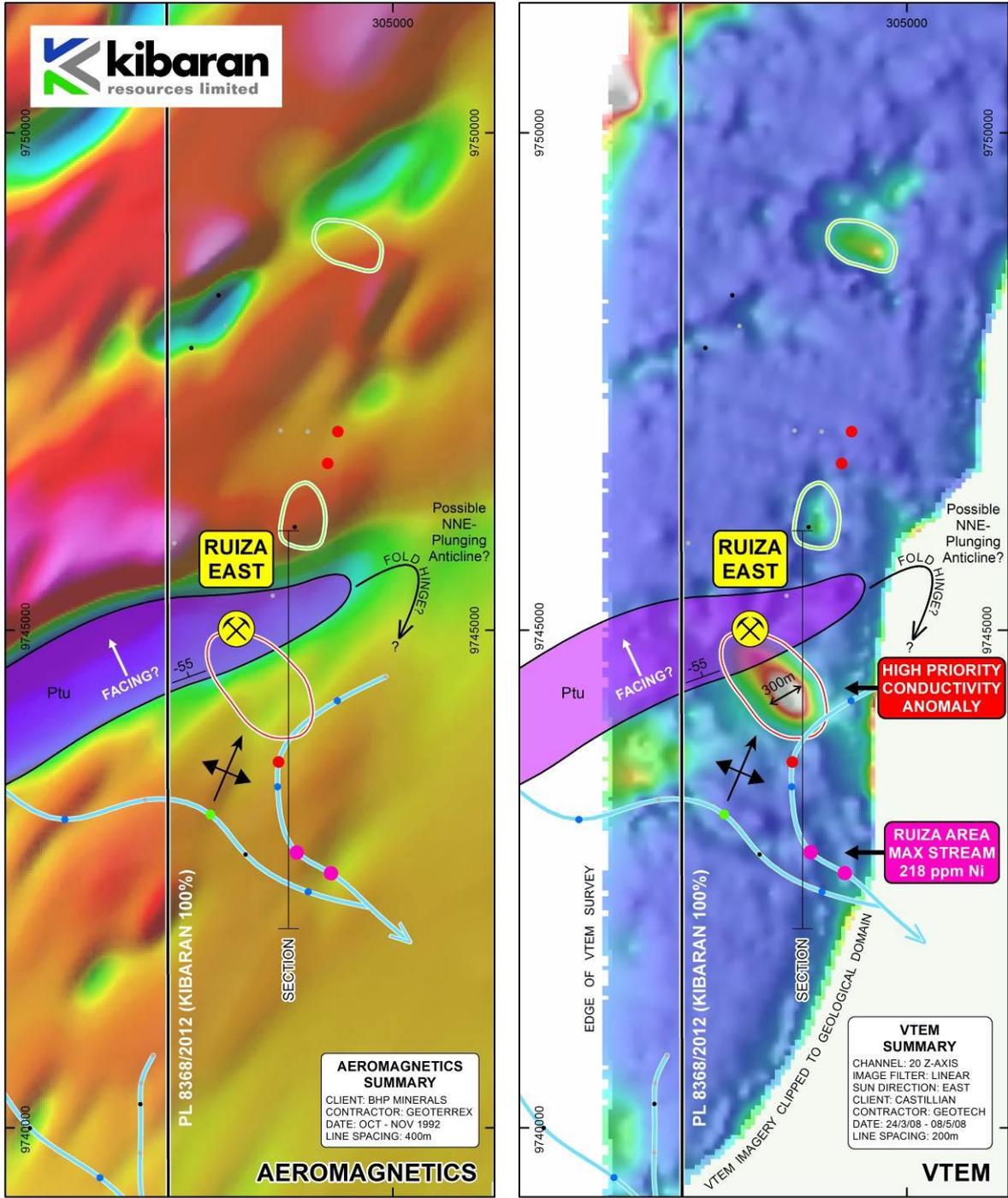


Figure 3 – Ruiza East prospect map featuring stream sediment sampling and interpreted mafic-ultramafic intrusive geology overlaying aeromagnetic (left) and channel 20 (mid-time) Z-axis VTEM imagery (right). UNDP and BHP stream sediment data sourced from the Geological Survey of Tanzania. Ruiza geology adapted from Marcet & Kabete 1995.

BHP GEOTEM DATA

In 1992, BHP flew a 'GEOTEM' airborne EM and aeromagnetic survey over about two-thirds of the KAB, including most of the Kagera project area. Kibaran has recently secured an agreement with BHP granting Kibaran authority to access and use the raw data from this survey.

The files were subsequently sourced from Fugro Airborne in Ottawa and are currently being reprocessed and re-interpreted by Core Geophysics.

The replacement value of the combined geological and geophysical data Kibaran has for its Kagera Nickel Project is estimated in excess of \$12 million dollars.

EXPLORATION STRATEGY

The identification of anomalous Ni and NiS pathfinder geochemistry in proximity to Kabanga-type geological settings at Ruiza East and Shanga demonstrates the significant Ni prospectivity of the Kagera Nickel Project. Accordingly, Kibaran is finalising the following tasks to complete the study:

- Compilation and analysis of historical exploration data from the Kagera region;
- Re-processing and re-interpretation of airborne and ground EM and magnetic data covering the project area;
- Drill hole planning; and
- Further target identification and consolidation opportunities.

It is the Company's view that the results received to date indicate that the Kagera Nickel Project has significant nickel sulphide potential. As Kagera ranks second in priority to the suite of graphite assets, the Company will complete the current study and pursue value-add opportunities.

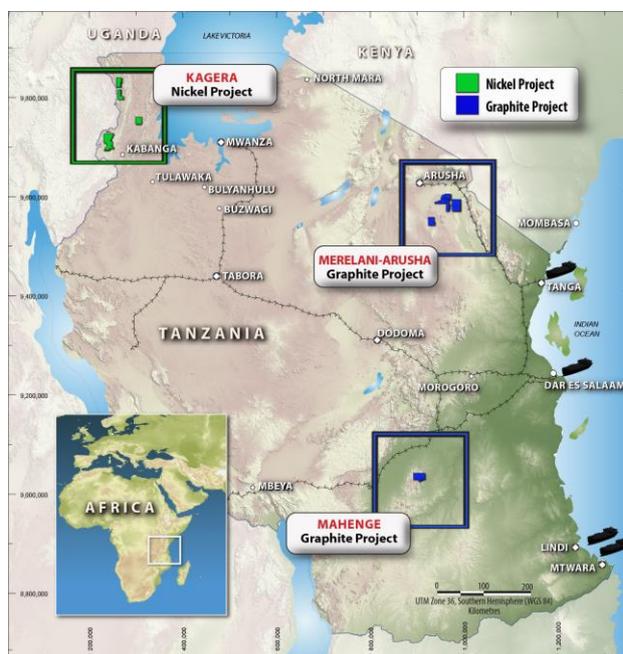
ABOUT KIBARAN RESOURCES LIMITED

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 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.



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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.