

PRELIMINARY METALLURGICAL RESULTS CONFIRM LARGE FLAKE GRAPHITE

HIGHLIGHTS

- Flotation recovery of 94.8% total carbon for minus 1.7 mm at Ndololo Graphite Prospect
- Metallurgical results, combined with recently reported drilling intersections confirm the potential of the Ndololo graphite prospect
- Sighter test results indicate the recovery of high grade and large flake through a simple milling and flotation circuit.
- Indication that exceptionally large flakes can be recovered with 26.7% total carbon recovered at minus 4.0mm
- Further metallurgical work is ongoing with exploration RC drilling continuing

Kibaran Resources Limited (ASX:KNL) is pleased to announce flotation results from its recently completed preliminary metallurgical testwork.

The metallurgical testwork was based on two 50 kilogram bulk samples, one taken from the Ndololo prospect located within the Mahenge project and the other taken from the Merelani-Arusha graphite project. The test results indicate the recovery of large flake product through a simple milling and flotation circuit. Based on the earlier sizing analysis (refer table 3), the initial flotation test work was aimed at the recovery of large flake through flotation tests at minus 4mm and minus 1.7mm.

Kibaran Resources Chairman, Simon O’Loughlin said, “These results constitute a significant milestone for Kibaran. Our next step will be to progress the metallurgical testwork further and to continue to advance the project.”

FLOTATION TESTWORK

Sighter test results indicate the recovery of large flake through a simple milling and flotation circuit (refer table 1).

Table 1 – Flotation recoveries at minus 1.7mm crush

Flotation Recoveries	Size	Ndololo Prospect MHT_MT_001 (Total Carbon)	Merelani-Arusha Project AMP_MT_001 (Total Carbon)
Primary concentrate	Minus 1.7mm	72.8%	55.4%
Secondary concentrate	Regrind	22.0%	17.0%
Total Recovery		94.8%	72.4%

Samples were initially crushed at minus 4.0mm and flotation recoveries were 26.7% and 11.9% respectively for MHT_MT_001 and AMP_MT_001. The recovery of this coarse large flake (-4mm) indicates that exceptionally large flakes can be recovered.

The recent results compare favourably with the historic analysis reported in the 1945 technical report which was reported in the 9 May 2012 ASX announcement which reported head grade analysis of 15.7% carbon and 95.7% recovery of flake graphite.

Optimising the mass pull is expected to increase recoveries at the Merelani-Arusha graphite project.

The metallurgical results have been carried out over the past two months at the SGS metallurgical facility at Booysens, Johannesburg. As previously reported the samples were staged crushed to a coarse grind minus 4mm. Optical mineralogy was used to determine liberation size and size-by-size analysis for graphitic carbon distribution.

Further testwork will be required to optimise the size fraction and concentrate grade with a view to targeting the highest value end markets for graphite.

The following is a summary of the previous work the Company has undertaken.

HEAD GRADE ANALYSIS

Initial head grade analysis of project samples previously reported have returned the following results which demonstrated the high grade nature of the graphite occurrences.

Table 2 – Head Grade Analysis

Project	Sample	Total Graphitic Carbon (%)
Merelani-Arusha Project	AMP_MT_001	17.1
Ndololo Prospect, Mahenge Project	MHP_MT_001	14.6

SIZING ANALYSIS

Sizing analysis shows the highest total graphite carbon grade is in the 0.5mm (+500 micron) fraction, indicating the presence of coarse graphite flakes for both the Ndololo prospect and Merelani-Arusha project.

The +500 micron fraction at Ndololo carries 68.6% of the total graphitic carbon and it's weighted average grade is 17.7%. Including the +250 micron fraction that grade increases to 19.1% and the fraction carries 87.2% of the total carbon.

Table 3 – Size by Size Analysis

Screen Size	MHP_MT_001		AMP_MT_001	
	Grade (% TGC)	Distribution (% TGC)	Grade (% TGC)	Distribution (% TGC)
+4mm	6.9	0.3	7.4	0.3
-4mm to +2mm	12.0	23.0	14.5	31.8
-2mm to + 1mm	16.0	20.8	16.2	19.8
-1mm to +500µm	24.7	24.5	23.5	21.5
-500µm to +250µm	24.1	18.6	21.0	15.0
-250µm to +125µm	13.7	7.0	13.9	6.8
-125µm	10.3	5.8	7.6	4.8

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

OPTICAL MINERALOGY

The Company has received the optical mineralogy report for the Ndololo prospect and Merelani-Arusha metallurgical samples. The photomicrographs demonstrate the true extent and massive size of the larger graphite flakes, which are greater than 2,000 microns (+2mm) in length.

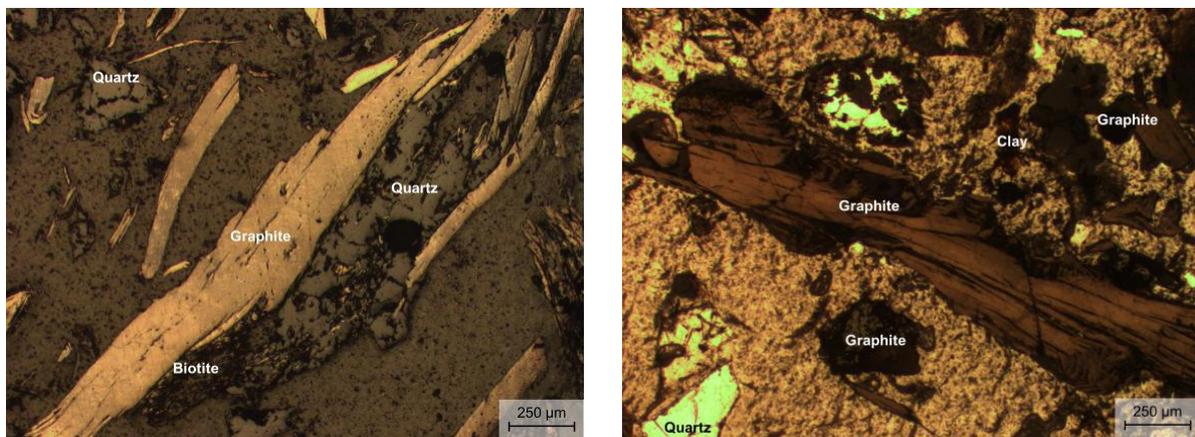


Figure 1 : Photomicrographs showing the true extent and size of the graphite flakes (note the 250 micron scale). Plane Polarized Reflected Light. Ndololo sample (left) and Merelani-Arusha (right)

ECONOMIC CONSIDERATION

Drill hole assay results for MHRC001 to MHRC011 are expected in three weeks.

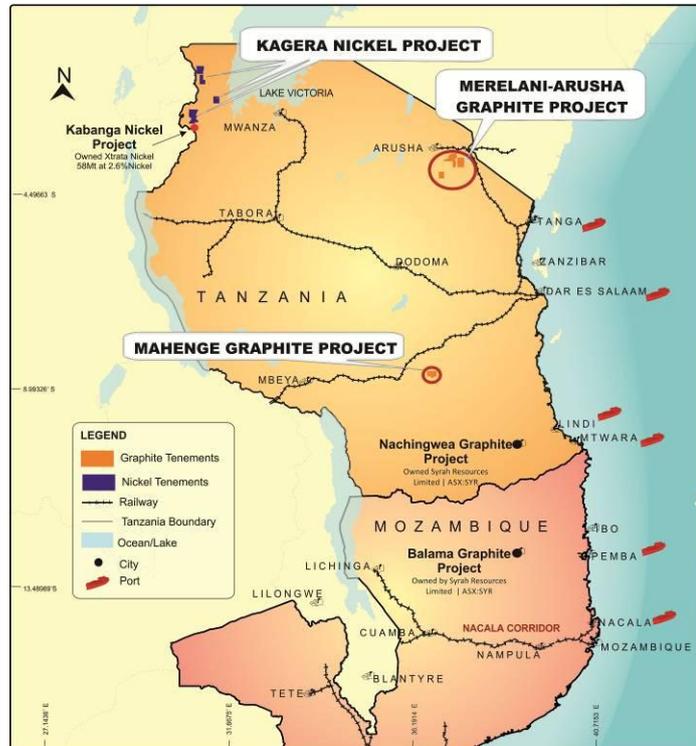
Given the positive flotation results, the Company will shortly consider the appointment of an independent group to consider the economic analysis for the Ndololo graphite Prospect. The Company's exploration programme is on schedule as detailed in the company's presentation dated 5 July.

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 and is considered 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.