

Highlights of the quarter include:

- Commencement of Epanko Graphite Deposit Feasibility Study
- ThyssenKrupp Group Subsidiary Signs LOI for Exclusive Off-take for 20,000tpa
- Testwork established extremely high melting point for Epanko graphite at 1,305°C with no limitations on its industrial uses
- Strategic Consolidation of Merelani Graphite Province continuing with an initial exploration programme completed
- CSIRO Study Finds Opportunities in Graphite & Graphene 3D Printing

During the December quarter, Kibaran Resources Limited (ASX: KNL) continued to advance its graphite projects in Tanzania. The Company believes Tanzania hosts the world's largest flake distributions and that it is well placed to develop its graphite projects, with the objective of becoming a major producer of natural flake graphite.

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.

Feasibility Study Commences

Kibaran commenced work on the Epanko Feasibility Study (EFS) this quarter with GR Engineering Services Limited ("GRES") managing the study.

On the basis of the updated Scoping Study (released in August 2014) Kibaran has been able to advance quickly to Feasibility Stage.

The Study will be based on a 15-year mine life, with an initial target production rate of 40,000tpa of high quality, large flake greater than 75 micron.

Study Outcomes will include:

- Conversion of current JORC Mineral Resource estimate to a Ore Reserve category
- Mine design, pit optimisation and production scheduling
- Process plant design and associated infrastructure studies
- Updated capital and operating cost estimates to an accuracy level of +/- 10% to 15% on capital and +/- 10% on operating costs
- Conclusion of additional marketing and concentrate off-take agreements
- Financial analysis and modelling
- Evaluation of mine and plant expansion capabilities to increase tonnage throughput
- Completion of a bankable feasibility document



Key Target Completion Dates:

- | | |
|--------------------------------|--------------------|
| • Mining Licence Application | March Quarter 2015 |
| • Feasibility Study Completion | June Quarter 2015 |
| • Detailed Engineering | June Quarter 2015 |
| • Financing | Mid 2015 |

Construction and production commencement dates will be advised during the course of the Feasibility Study when lead times on major capital items have been refined.

The Feasibility Study Team lead by GRES is supported by leading industry consultants with expertise and experience in the resources sector in Tanzania.

Engineering & Metallurgy

- GR Engineering Services Limited
- Knight Piesold (Perth)
- Independent Metallurgical Operations Pty Ltd

Geology, Mining & Geotechnical

- CSG Global Pty Ltd
- George Orr & Associates
- Intermine Engineering Consultants
- MTL Consulting
- Trinity Promotions Ltd

Environmental & Community

- MTL Consulting
- Trinity Promotions Ltd

Initial feasibility work commenced with an engineering site visit. Engineering and geotechnical drilling has been completed with engineering, metallurgy and comminution testing underway.

Signing of LOI with ThyssenKrupp Group Subsidiary

During the quarter a Letter of Intent (LOI) was executed with German company ThyssenKrupp Metallurgical Products GmbH, a subsidiary of major German integrated materials and technology group ThyssenKrupp. This LOI is for the development of an exclusive, long-term commercial agreement for the sale of Kibaran's natural flake graphite products.

LOI Highlights:

- Development of an exclusive long-term commercial agreement between the parties for the sale of an initial and minimum 20,000tpa of natural flake graphite products in Russia, Korea and the EU 27 (excluding Germany, but including Turkey)
- Term of planned agreement is for 10 years

The agreement will account for approximately 25% of Kibaran's planned 40,000tpa from its Epanko Deposit and provide 10,000tpa support for the future development of Kibaran's Merelani Project. This agreement means 50% of the planned graphite production at Epanko will be supported by off-take and sales agreements, placing Kibaran in an enviable position as the Company fast-tracks the development..

Kibaran and ThyssenKrupp are now working to advance the LOI to a formal binding agreement.

Technical Analysis

During the quarter further technical analysis was undertaken on the Epanko Deposit.

The testwork conducted focussed in analysing three key physical characteristics, with the findings to be used as fundamental inputs into the EFS.

The physical characteristics assessed were:

- Melting point of Epanko Graphite
- Relationship between flake size and grade
- Flake size distribution within the transition and fresh rock zones as determined by flotation testwork

The testwork resulted in positive key findings and provided additional evidence that the Epanko Deposit hosts significant, premium quality, large flake distributions with no limitations on its industrial uses.

The results established Epanko graphite as having:

- an extremely high melting point established at 1,305°C demonstrating that Epanko graphite is suitable for the refractory market;
- confirmed large flake graphite occurs across a wide grade range (5% to 15% TGC), simplifying the optimisation of the Epanko Deposit
- a homogeneous flake size distribution consistent throughout the Epanko Deposit

The results of this testwork will feed into the Feasibility Study.

MERELANI GRAPHITE PROJECT (100% KNL)

The Merelani 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.

Kibaran remains on track to advance the Merelani Graphite Project as a second commercial graphite province, believing Merelani will be a significant source of graphite as world demand for high quality large flake graphite increases. 10,000 tonnes of the ThyssenKrupp LOI are tied to the Merelani Graphite Project.

Negotiations continue to consolidate the graphite assets at Merelani between Kibaran and the STAMICO-TML Joint Venture (TanzaniteOne Mining Limited and Tanzania's State Mining Corporation) although this has slowed due to TanzaniteOne Mining Limited being subject to a change in ownership.

Kibaran undertook an exploration program on its 100% owned Merelani tenements that are adjacent to the STAMICO-TML joint venture graphite deposit in order to further its understanding of the previously identified graphite occurrences and their relationship to the known resource on the joint ventures mining licence. A total of total of 22 reverse circulation (RC) holes and 2 diamond holes (HQ3) were drilled. Graphite mineralisation encountered appears consistent with the mineralisation at the adjacent deposit with large to jumbo flake sizes being observed. Results are expected during the current quarter.

Subsequently Kibaran acquired options over three new tenements that secure the entire graphite sequence to the east of the historical Merelani graphite mine held by the STAMICO-TML Joint Venture in a move to further consolidate the Merelani province.

TANGA GRAPHITE PROJECT (100% KNL)

The Tanga licence covers 84km² 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. There was no notable activity undertaken on the Tanga project during the quarter.

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 864km². 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 is pursuing a number of opportunities to realise the value of these assets.

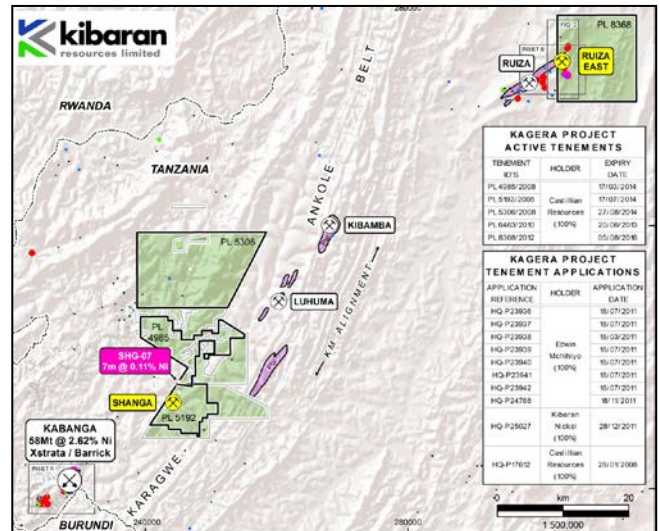


Figure 2: Kagera Nickel Project prospect map

Research & Development

3D Printing

The Company, together with its 50% owned subsidiary, 3D Graphtech Industries Pty Ltd ("Graphtech"), received results from a collaborative CSIRO white paper study during the quarter. The study identified two opportunities that could produce high volume/high quality graphene and a pathway for the development of graphene inks for fused filament fabrication 3D printing. Graphtech is assessing the two potential opportunities:

- The development of a scalable manufacturing technique to produce a high volume of high quality graphene at low cost
- The development of a piece of equipment to produce graphene composite polymer thermoplastic filament for extrusion 3D printers that contain graphene

Both of the above opportunities have the potential to deliver commercial solutions, but are subject to further research and development by Graphtech and the CSIRO.

Graphene Research

During the quarter Kibaran partnered with the University of Western Australia in a collaboration with Ben Gurion University and Flinders University in a multinational, multi-disciplinary research team, which aims to advance the commercialisation of a method that produces commercial quantities of graphene. The team has lodged a funding proposal with the Australian Research Council to investigate options to scale up the process that has been proven in a laboratory scale.



There are many companies doing research into applications for graphene however this will not be taken seriously until a reliable (both quantity and quality) supply of graphene is available.

The team is hoping to fill this gap at the same time as providing a downstream value add for Kibaran's proposed production from its Epanko deposit. Whilst the investigations undertaken will look at developing graphene from the whole distribution of flake graphite from Epanko, the focus will be on the smaller flake in an effort to value add this lower valued fraction of the distribution.

Corporate

During the quarter the optionholders exercised 2,200,000 options. The Company received \$420,000 through the exercise of these options. These funds were use to enable the company to undertake exploration drilling program on the Company's 100% owned Merelani licences.

As at 31 December 2014, the Company had a cash at bank balance of \$1.9 million.

SCHEDULE OF TENEMENTS

Mining Tenements Held, Acquired or Disposed of by Kibaran Resource Limited as at 31 December 2014.

Pursuant to ASX Listing Rule 5.3.3 Kibaran Resources Limited (ASX: KNL) (the "Company") reports as follows in relation to mining tenements held at the end of each quarter and acquired or disposed of during the quarter and their location.

As at 31 December 2014

Ministry ID	Holder	Ownership	Project, Location
PL 4985/2008	Castillian Resources (Tanzania) Ltd	100%	Kagera, Tanzania
PL 5192/2008	Castillian Resources (Tanzania) Ltd	100%	Kagera, Tanzania
PL5306/2011	Castillian Resources (Tanzania) Ltd	100%	Kagera, Tanzania
PL8368/2012	Castillian Resources (Tanzania) Ltd	100%	Kagera, Tanzania
PL 4985/2008	Kibaran Nickel Tanzania Ltd	100%	Kagera, Tanzania
PL 5192/2008	Kibaran Nickel Tanzania Ltd	100%	Kagera, Tanzania
PL 5306/2008	Kibaran Nickel Tanzania Ltd	100%	Kagera, Tanzania
PL 8204/2012	TanzGraphite (TZ) Ltd	100%	Mahenge, Tanzania
PL 7907/2012	TanzGraphite (TZ) Ltd	100%	Merelani-Arusha, Tanzania
PL 7913/2012	TanzGraphite (TZ) Ltd	100%	Merelani-Arusha, Tanzania
PL 7914/2012	TanzGraphite (TZ) Ltd	100%	Merelani-Arusha, Tanzania
PL 7915/2012	TanzGraphite (TZ) Ltd	100%	Merelani-Arusha, Tanzania
PL 7917/2012	TanzGraphite (TZ) Ltd	100%	Merelani-Arusha, Tanzania
PL 7906/2012	TanzGraphite (TZ) Ltd	100%	Merelani-Arusha, Tanzania
PL 7918/2012	TanzGraphite (TZ) Ltd	100%	Merelani-Arusha, Tanzania
PL 10090/2014	TanzGraphite (TZ) Ltd	100%	Merelani-Arusha, Tanzania
PL10091/2014	TanzGraphite (TZ) Ltd	100%	Merelani-Arusha, Tanzania
PL10092/2014	TanzGraphite (TZ) Ltd	100%	Merelani-Arusha, Tanzania
PL10388/2014	TanzGraphite (TZ) Ltd	100%	Mahenge, Tanzania
PL10389/2014	TanzGraphite (TZ) Ltd	100%	Mahenge, Tanzania
PL10390/2014	TanzGraphite (TZ) Ltd	100%	Mahenge, Tanzania
PL10391/2014	TanzGraphite (TZ) Ltd	100%	Mahenge, Tanzania
PL10392/2014	TanzGraphite (TZ) Ltd	100%	Mahenge, Tanzania
PL10394/2014	TanzGraphite (TZ) Ltd	100%	Mahenge, Tanzania
PL10396/2014	TanzGraphite (TZ) Ltd	100%	Mahenge, Tanzania

Number disposed during the quarter

Nil

Number acquired during the quarter

Seven (7)

PL 10388/2014	TanzGraphite (TZ) Ltd, Mahenge
PL 10389/2014	TanzGraphite (TZ) Ltd, Mahenge
PL 10390/2014	TanzGraphite (TZ) Ltd, Mahenge
PL 10391/2014	TanzGraphite (TZ) Ltd, Mahenge
PL 10392/2014	TanzGraphite (TZ) Ltd, Mahenge
PL 10394/2014	TanzGraphite (TZ) Ltd, Mahenge
PL 10396/2014	TanzGraphite (TZ) Ltd, Mahenge

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 a total Indicated and Inferred Mineral Resource Estimate of 22.7Mt, grading 9.8% TGC, for 2.2Mt of contained graphite, defined in accordance with the JORC Code. 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.



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 2012 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.

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr David Williams, who is a Member of The Australasian Institute of Mining and Metallurgy included in a list promulgated by the ASX from time to time. David Williams is employed by CSA Global 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 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. David Williams 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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