

## DRILLING AND ASSAY UPDATE

**Kibaran Resources Limited** (ASX: KNL) provides the following update based on assays received for its first 8 reverse circulation (RC) drill holes at its Mahenge Graphite Project in Tanzania from its independent commercial laboratory SGS, located in Johannesburg.

A total of 19 RC holes have been drilled to date with a further 5 holes planned within the Mahenge Graphite Project. This is a doubling of the initial Mahenge drilling campaign. The expansion of this program, combined with several drill rig breakdowns has compounded a delay in reporting results.

The results received to date confirm the occurrence of graphite mineralisation over the drilled intervals at the Mahenge project. The assay results received to date are only from the Kasita Prospect (MHRC001 to 005) and the Ndololo Western Zone (MHRC010 to 012), which cover a small area of the total project area only. (refer figure 1). A summary of the intersections are detailed in Table 1.

**Table 1: RC Intersection Summary**

Hole_ID	N	E	Dip	Azi	Depth (m)	Graphite Mineralisation			
						From (m)	To (m)	Interval (m)	Grade (%TGC)
MHRC_001	9036649	910755	-90	360	70	48	56	<b>7</b>	<b>3.6</b>
MHRC_002	9036654	910747	-60	270	140	<i>No Significant Result</i>			
MHRC_003	9036743	910809	-90	360	50	0	10	<b>10</b>	<b>3.0</b>
MHRC_004	9037015	911001	-60	270	51	<i>No Significant Result</i>			
MHRC_005	9036400	910659	-60	360	50	0	11	<b>11</b>	<b>4.3</b>
and						18	27	<b>9</b>	<b>4.3</b>
MHRC_010	9044380	906200	-60	325	105	<i>No Significant Result</i>			
MHRC_011	9044730	908577	-60	325	179	23	48	<b>25</b>	<b>4.7</b>
<i>Includes</i>						23	26	<b>3</b>	<b>11.9</b>
MHRC_012	9044650	906410	-60	325	200	<i>No Significant Result</i>			

**Notes for Table 1**

All total graphite carbon ("TGC") analysis undertaken by LECO at independent commercial laboratory SGS in Johannesburg, South Africa. RC Samples collected over 1 metre intervals using a industry standard 3 tier riffle splitter. 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. Intersections reported are greater than 1% TGC

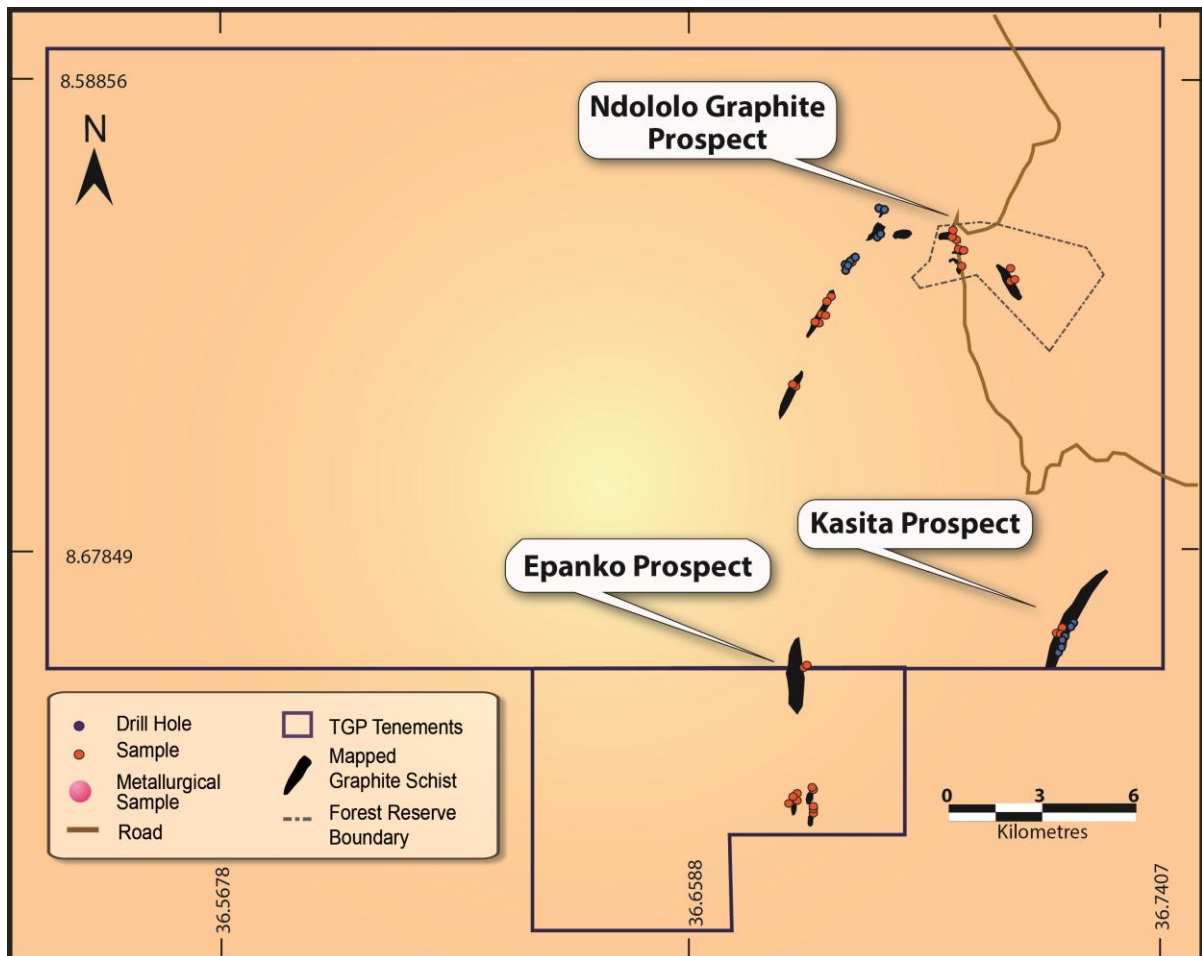
Whilst the company was expecting to encounter large intervals of higher grade graphite mineralisation, significant downhole widths of low grade graphite mineralisation grading between 0.1 to 1.0 % were received. The company has concerns over the potential loss of graphite through the process of RC drilling, as flake graphite loss has been witnessed during drilling. A work programme has been implemented and is underway to determine the potential flake graphite loss.

When the company was planning its initial drill programme, the most prospective areas were considered to be Ndololo Eastern and Central zones. However the sequence of the initial drill program was designed around access and proximity to existing infrastructure. Drill hole assays remain pending for a further 11 holes, which includes holes drilled at Epanko and Ndololo Central zone (refer figure 1, 2 and table 2).

RC drilling is still scheduled to be completed at the Merelani-Arusha graphite project after the holes are completed at Mahenge graphite project.

**Table 2:** RC Drill Hole Summary

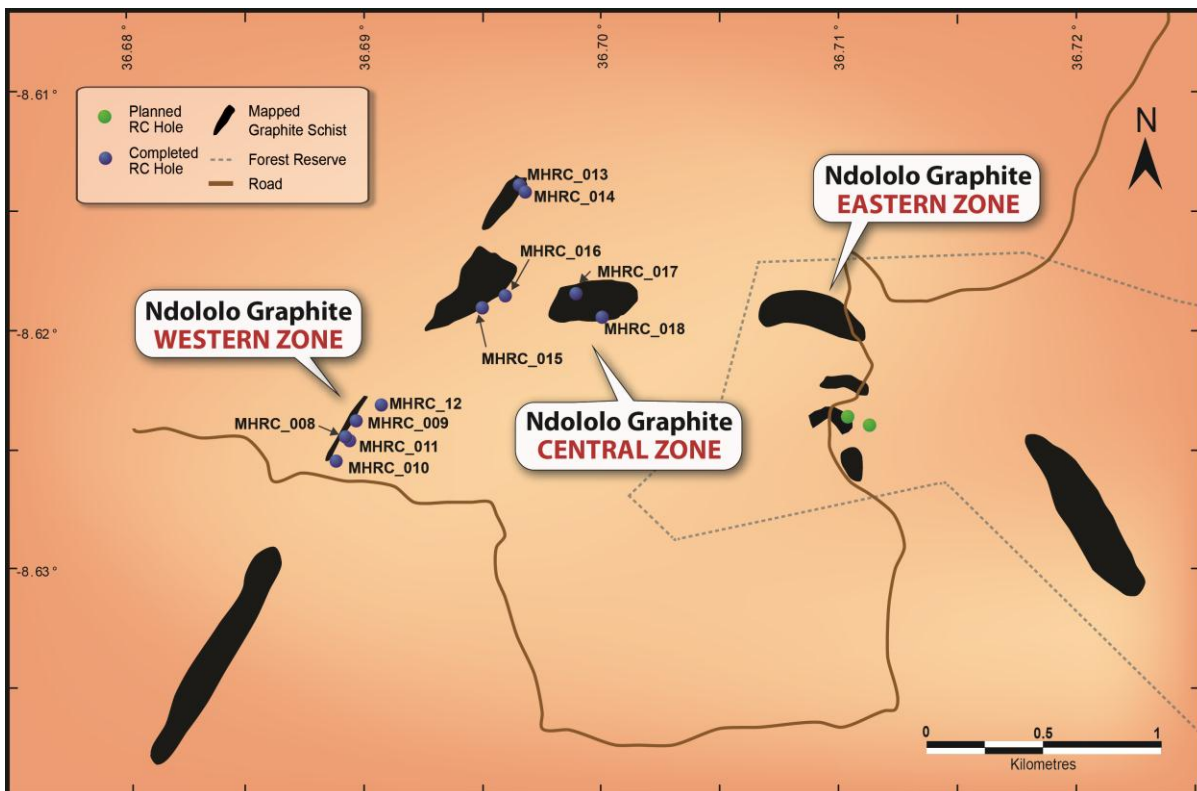
Prospect	RC Drill Hole Status		Assay Status	
	Drilled	Planned	Received	Pending
Kasita	7	-	MHRC001 to MHRC005	MHRC006 to MHRC007
Ndololo Western Zone	5	-	MHRC010 to MHRC012	MHRC008 to MHRC009
Ndololo Central Zone	6			MHRC013 to MHRC018
Ndololo Eastern Zone		2		
Epanko	1	3		MHRC019
<b>Total</b>	<b>19</b>	<b>5</b>	<b>8</b>	<b>11</b>



**Figure 1:** Mahenge Graphite Project

The Ndololo eastern zone contains the historical prospect and the exploration target as per announcement dated 9 May 2012. The metallurgical sample submitted represents the Ndololo eastern zone and testwork is ongoing.

Implementation of both an extensive trenching programme to supplement existing geochemical results coupled with a diamond drilling programme and the continued use of RC to locate zones of higher grade is being considered. The diamond holes will provide samples for more metallurgical testwork.



**Figure 2: Ndololo Graphite Prospect**

The combined drilling results will be submitted to CSA Global which will be the basis for our maiden Mineral Resource estimate.

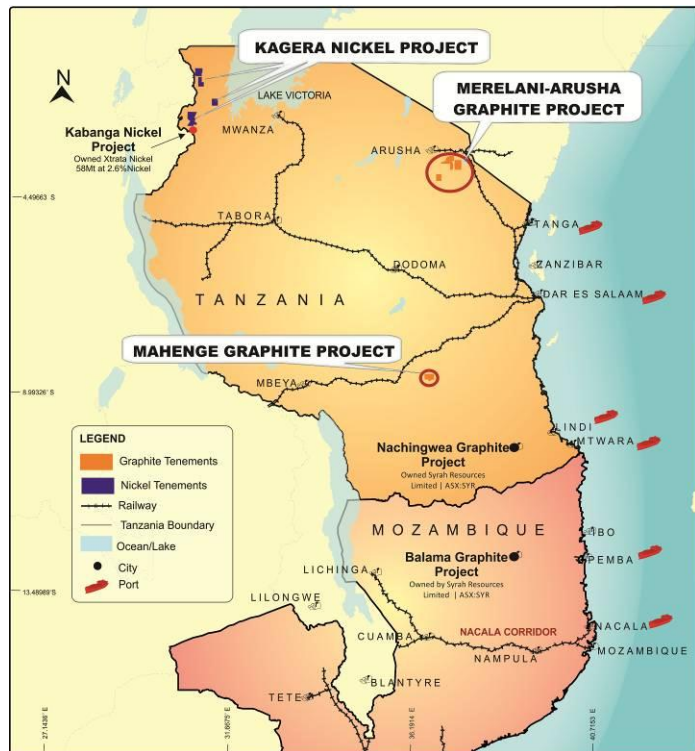
The company has developed a significant exploration base and management team to explore for graphite and remains solely focussed on Tanzania where it believes the highest grade and largest flake size occurrences exist.

## 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.