ASX ANNOUNCEMENT: HIGH GRADE GRAPHITE RESULTS UP TO 29.9% TGC

18 June 2012

The Directors of Kibaran Nickel Limited (ASX:KNL) ("Company") are pleased to provide the following Total Graphitic Carbon ("TGC") analytical results from a sampling programme undertaken by Tanzgraphite Pty Ltd ("TGP") as reported in ASX announcement dated 31 May 2012.

KEY HIGHLIGHTS;

- A total of 26 rock chip samples from the Mahenge Graphite Project submitted to SGS, Johannesburg, for total graphite carbon analysis has returned results ranging up to 29.9 % TGC and averaging 14.9 % TGC (refer table 1).
- Result is high grade and compare favourably to other East African graphite occurrences (refer Figure 1).
- Regional geological review highlights East Africa graphite occurrence's occurs within metasediments.
- Metallurgical (50kg) samples from the Ndololo prospect and Merelani-Arusha graphite project arrived at SGS metallurgical facility at Johannesburg for mineralogy, size analysis and floatation test work.
- Further assays pending from the Merelani-Arusha graphite project.
- Government approvals underway for drilling at Mahenge and Arusha Project.
- Drilling to commence mid-July.

MAHENGE GRAPHITE PROJECT

The Mahenge graphite project consists of 2 tenements covering an area of 325.5 km2, located 245 km SW of Morogoro. The Mahenge project hosts the Ndololo, Epanko and Kasita graphite prospects.

Table 1: Analytical results for Mahenge Project

		Min	Max	**Average**
Prospect	No. Samples	(% TGC)	(% TGC)	**(% TGC)**
Ndololo	22	0.05	29.9	**14.9**
Epanko	1	-	-	**20.8**
Kasita	3	6.2	16.5	**13.0**
Total	26	0.05	29.9	**14.9**

Notes for Table 1:

- *Samples were taken from outcropping graphite locations as shown in Figure 2 and 3.*
- *TGC% is the percentage of total graphite carbon.*
- *Samples were analysed by LECO for total graphite carbon by independent commercial laboratory SGS, Johannesburg. Samples were ignited at 600 degrees, then leached with HCL and the residue was analysed by LECO.*

The results are considered high grade and project compare favourably to other East African graphite occurrences (refer Figure 1). Flake size analysis will be determined by the Metallurgical test work pending.

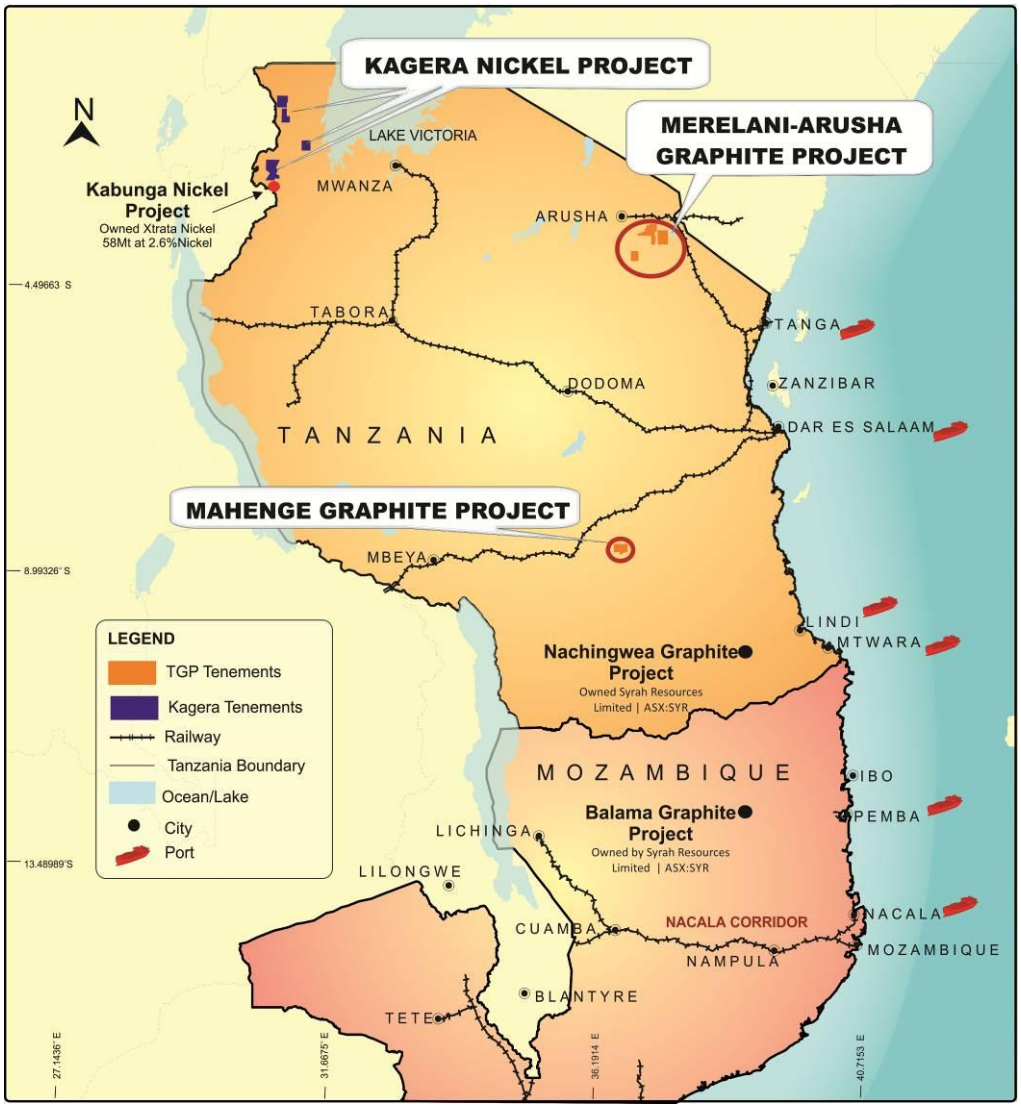


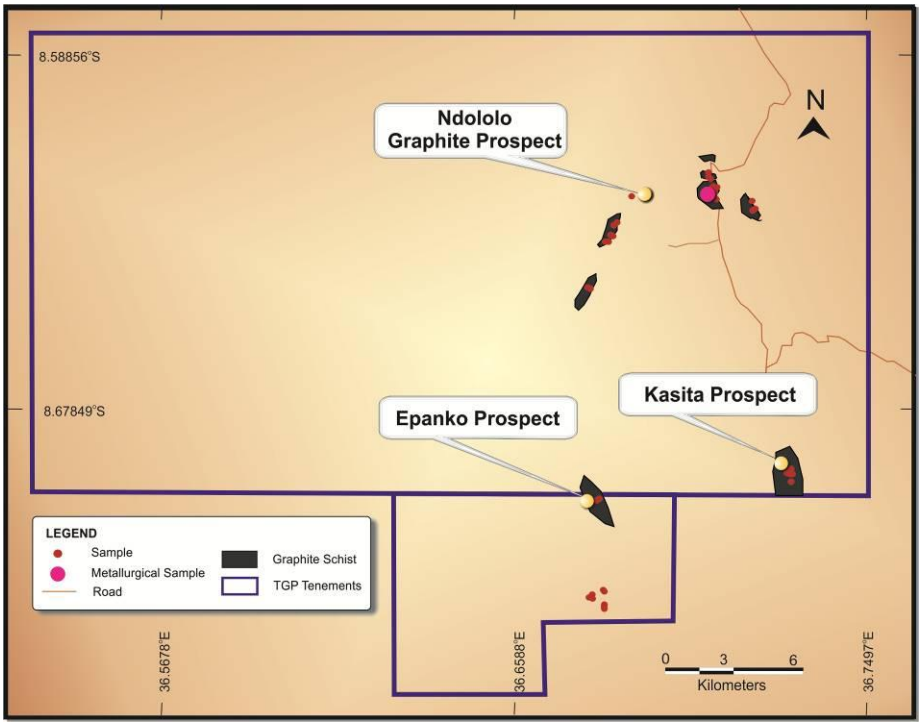
Figure 1 – East Africa location map

A total of 26 samples have been received and have ranged up to 29.9 % TGC and averaged 14.9 % TGC. The results confirm the historical findings and support the company's belief that the Mahenge project is considered to host high grade large flake graphite.

Photo 1 and 2 - Outcropping graphite schist at Ndololo prospect.

Photo 3 and 4 - Road cutting at Epanko and graphite schist at Kasita.

The samples have been taken from outcropping graphite at Ndololo, Epanko and Kasita prospects. The locations of these samples are shown in figure 2.



The assay results provides evidence that supports the company belief that East Africa and Tanzania, in particular provides a new province for the development of graphite, given its geological setting which has led to thick sequences of graphite occurrence, with large flake being recorded.

EAST AFRICA - GEOLOGICAL SETTING

Based on a geological review, the largest and best quality flake graphite deposits predominantly occur within metasediments (Figure 3 and reference to Proterozoic Metamorphic Belt), particularly containing dolomitic units, in high grade metamorphic terranes. The Mozambique belt which extends from north eastern Tanzania down through Mozambique contains these metasediments.

Graphite occurrences in Tanzania are known in the north (e.g Merelani Tanzanite Mine), the south east (e.g. Nachingwea) and central (e.g. Mahenge) region of Tanzania, and in north-east Mozambique (e.g. Balama).

Figure 3 provides a regional geological framework of East Africa comprises the Achaean blocks of the Tanzanian and Zimbabwean cratons, surrounded by Proterozoic age metamorphic belts.

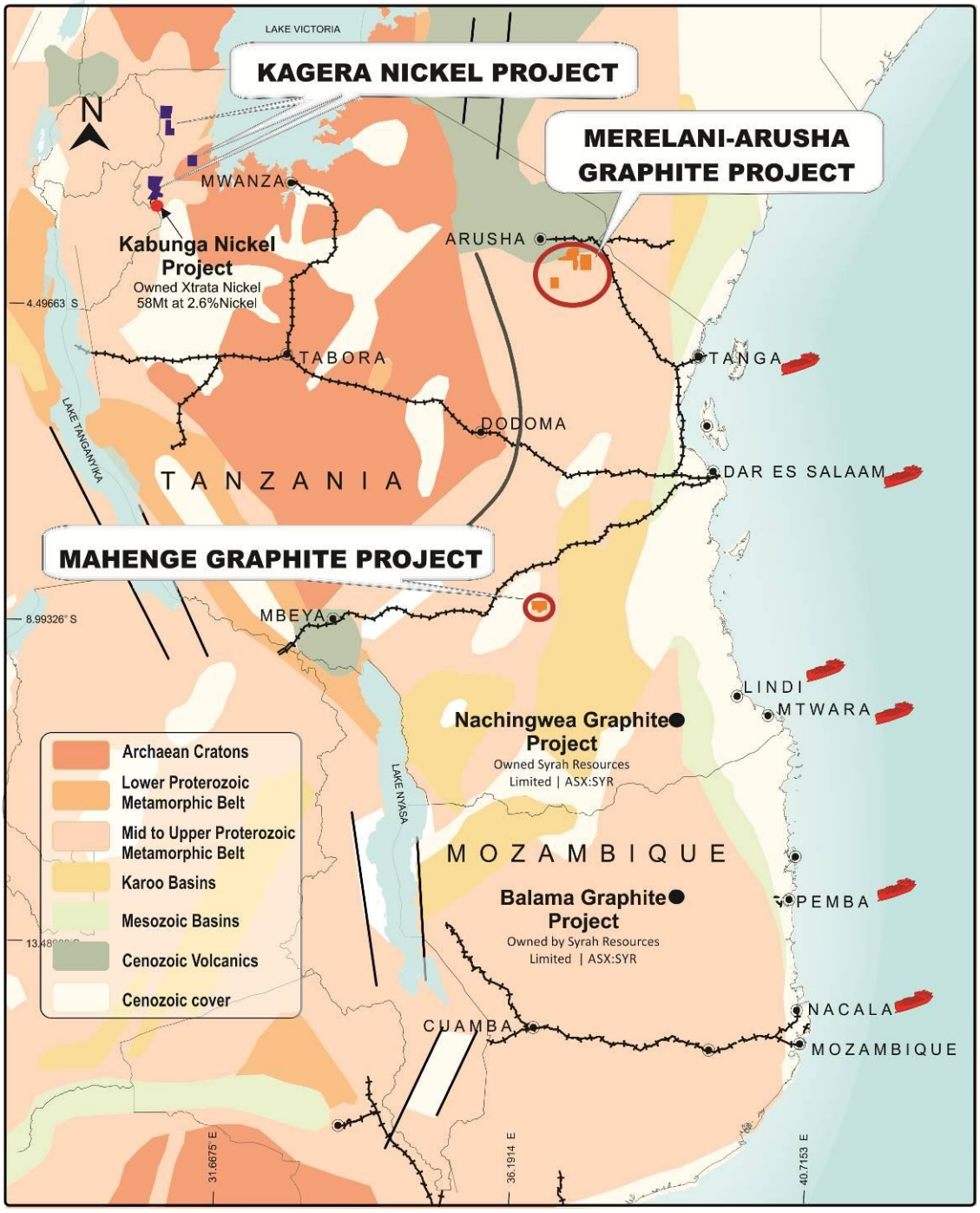


Figure 3 – East Africa Geological Interpretation showing known Graphite occurrence
(Geological map of the world reference: Bouysse Ph. 2000. Geological Map of the World, Old World sheet, CGMW/CCGM & BRGM)

EXPLORATION AND DRILLING UPDATE

The company is processing application for government approval for drilling at both the Mahenge and Merelani-Arusha graphite projects. A drilling contractor is being finalised and the company is engaging an independent geological firm to provide geological support and guidance for its proposed drilling programme. It is expected that drilling will be ready to commence mid-July.

Bothe the assay results for the Meralani-Arusha graphite project and the metallurgical sample that will provide graphite size analysis for the Mahenge graphite project are pending.

Photo 3 and 4 - Graphitic gneiss and view north of the Arusha project

ABOUT KIBARAN NICKEL LIMITED

Kibaran Nickel is an ASX listed exploration company that trades under the symbol KNL. The Company focused on exploring the highly prospective Kagera Nickel project which is adjacent to the Kabanga Nickel Projects which are among the largest undeveloped, high grade nickel sulphide deposits in the world and is seeking the acquisition of Tanzgraphite Pty Ltd which has the rights to the Mahenge and Arusha projects in Tanzania considered prospective for graphite mineralisation.

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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 promulgates 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.