ASX ANNOUNCEMENT **5 June 2013**

Independent metallurgical results for Epanko Prospect

Mineral processing testwork completed by large European trader

HIGHLIGHTS:

- Flotation achieved greater than 96% recovery of graphitic carbon, with the concentrate grading 93% fixed carbon
- Flotation testwork yielded large flake graphite, with 73.8% of the recovered graphite reported to be greater than 106 micron (µm) and 21.6% reported to be in the +300 micron fraction (this portion also assayed 96.3 % carbon)
- Flake size is significant as there is a current shortage of large flake product in the graphite market
- The flake graphite is clean, with no visible natural mineral impurities
- Recovered product considered suitable for the 'expanded' graphite market
- The graphite concentrate is amenable to standard metallurgical recovery processes, is marketable and could help meet the current supply shortfall the European trader is experiencing

As reported in the ASX Announcement on 7 May 2013, Kibaran Resources Limited (ASX: KNL) supplied a sample of surface mineralisation from the Epanko prospect to a European graphite trader ("EGT") for mineral processing testwork.

The EGT is currently investigating new sources of graphite that are suitable for use in expanded graphite products. The testwork found that Kibaran's sample was suitable for further processing of 'expanded' graphite and the relevant applications.

Expanded graphite is used to produce graphite foils, an inert sealing material that is used in high temperature and high pressure applications such as high temperature gaskets and computer heat sinks. Expanded graphite is also considered highly sought after in the battery market.

The sample provided to the EGT was sourced from Epanko Trench MHRT09, which returned 117m at 10.0% total graphitic carbon ("TGC") (Refer to Figure 2 for location: 9035106N, 904307E). The sample was crushed to less than 1mm and then flotation tested. The average carbon content was reported to be 13.6% Carbon. Large flakes of up to 3mm were observed before crushing.

Table 1: Sizing analysis

			Size fraction					
		Average	> 500 µm	> 300 µm	> 180 µm	> 106 µm	> 75 µm	< 75 µm
Portion of Size	(%)	100	33.4	8.8	19.0	15.0	6.8	17.0
Carbon content	(%)	13.6	20.9	24.9	18.8	12.4	10	10.7

Micron (µm) and Millimetre (mm). 1mm = 1000µm and carbon content determined by loss of ignition method (LOI)

Based on examination of the sizing analysis, EGT proceeded with a two-stage liberation process to separate the graphite. The flowsheet shown in Figure 1 below was developed by EGT and comprises rougher flotation, two liberation stages, cleaner flotation, dewatering, drying and screening prior to bagging for export.

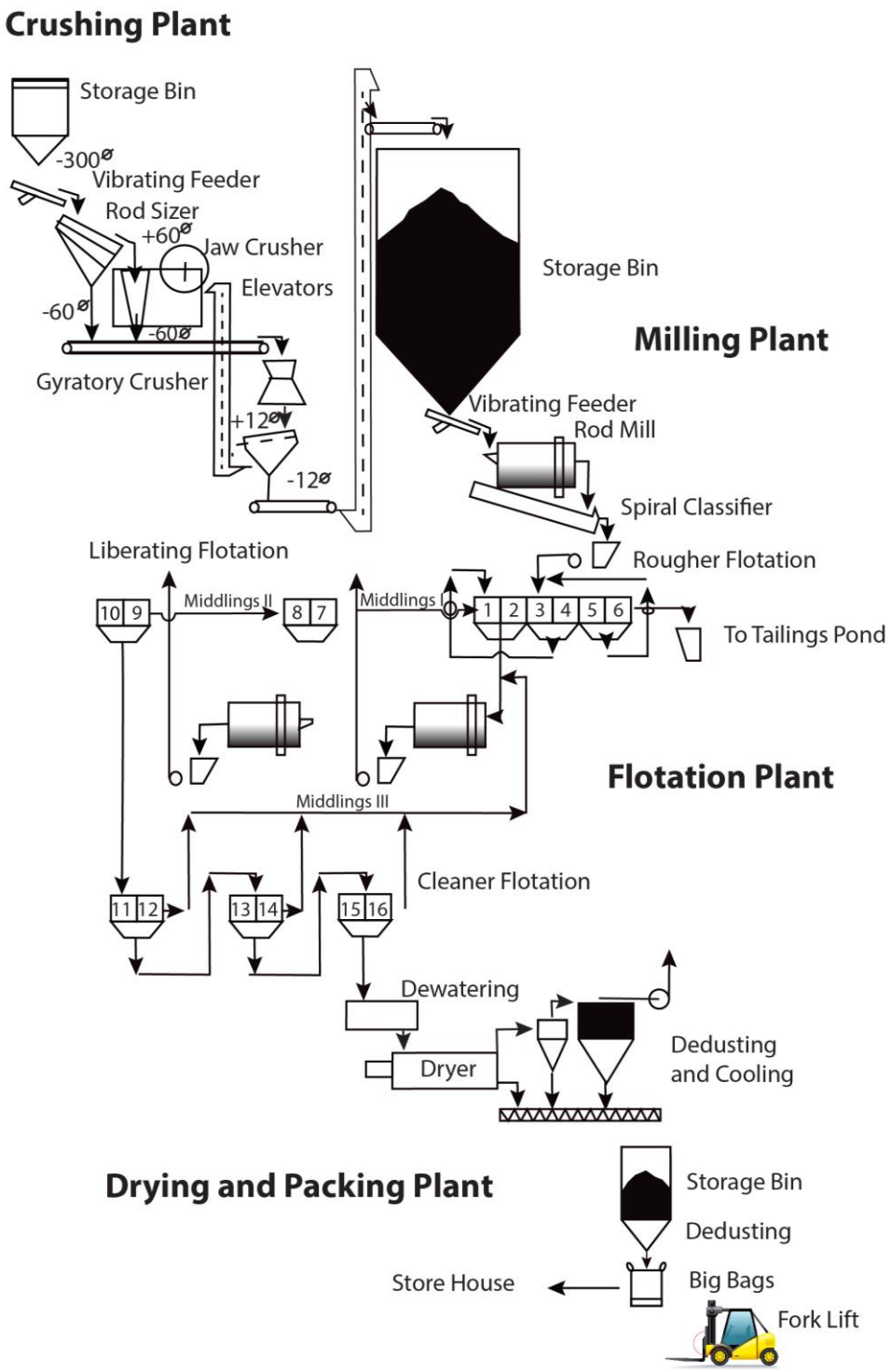


Figure 1: Suggested Flowsheet from EGT

The results of this testwork show that the flotation concentrate averaged 93% Fixed Carbon and more importantly, that the testwork yielded large flake graphite. Results indicate that 73.8% of the recovered product was greater than 106 µm in size.

Detailed results are presented in Table 2 below.

Table 2: Flotation results per size fraction

Size	Portion of size fraction	Fixed Carbon
	(%)	(%)
> 500 µm	8.4	97.6
> 300 µm	13.2	95.4
> 180 µm	28.6	93.8
> 106 µm	23.6	93.6
> 75 µm	10.4	91.0
< 75 µm	15.8	87.5
Average	100	93.0

Micron (µm) and Millimetre (mm). 1mm = 1000µm and fixed carbon content determined by loss of ignition method (LOI)

Based on the results of the testwork, EGT have reported that:

- The portion of very large size flake is considered a significant advantage, as at present there is a shortage of this product in the graphite market
- The flake graphite is clean and with no visible natural mineral impurities
- The flake graphite is suitable for 'expanded' graphite
- High recoveries are expected
- The product is considered saleable and has already attracted interest from end users

These results are very pleasing and mean that EGT will continue to work with the KNL with a view to potentially entering into a partnership or off-take arrangement in the future.

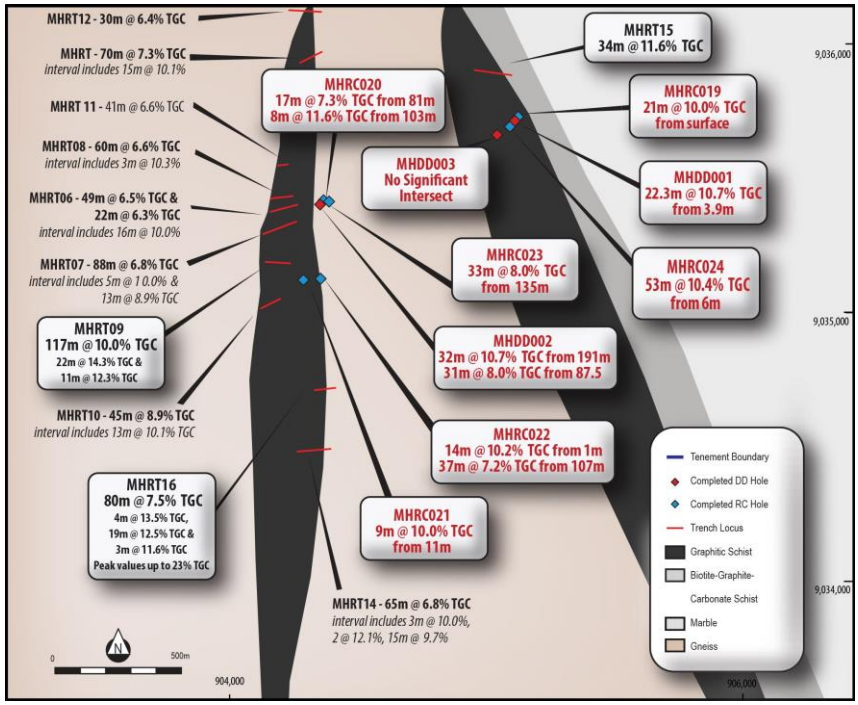


Figure 2: *Epanko Graphite Prospect showing the location of MHRT09 and MHDD01*

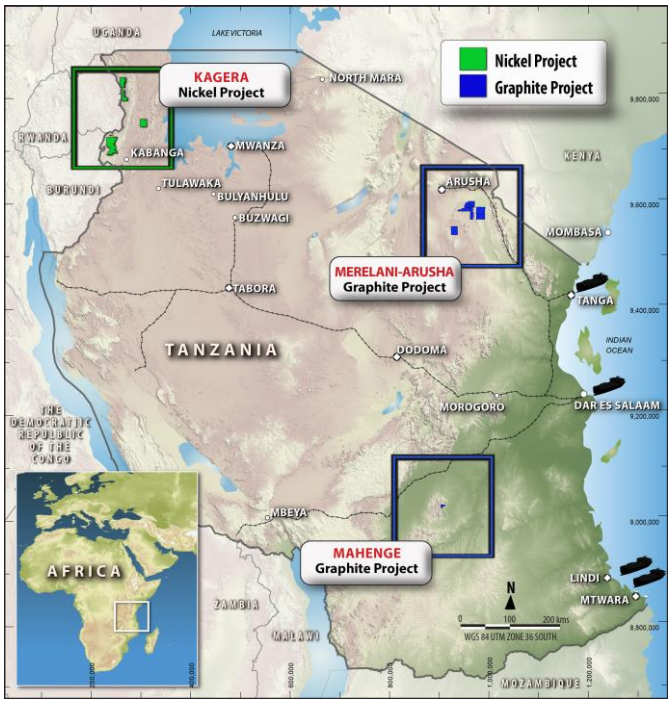
ABOUT KIBARAN RESOURCES LIMITED

Kibaran Resources Limited (ASX: KNL or "Kibaran") 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 be 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 promulgates 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 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.