

Non Binding MoU re potential Joint Venture of Merelani Graphite Assets

- **Non Binding MoU signed with Richland Resources Limited (“Richland”) with a view to forming a joint venture to consolidate Merelani graphite assets**
- **The Richland groups Merelani graphite assets are located within the mining licence area jointly licenced on a 50:50 basis to Richland’s wholly owned subsidiary TanzaniteOne Mining Limited and the State Mining Corporation (“STAMICO”) a Tanzanian government parastatal (the “Relevant Parties”)**
- **Dependent on due diligence and commercial negotiations between Kibaran and the Relevant Parties it is hoped to establish a second source of graphite and provide Kibaran with an expanded graphite production profile**
- **TanzaniteOne Mining Limited has a 15,000tpa processing plant and associated infrastructure.**
- **The strategic objective is to combine Merelani mineral rights and recommence graphite production in the medium-term**
- **Kibaran plan to commence due diligence and thereafter commence commercial negotiations with the Relevant Parties**

Kibaran Resources Limited (ASX: KNL, “Kibaran” or the “Company”) is pleased to announce that it has signed a non-binding Memorandum of Understanding (“MoU”) to consolidate its Merelani-Arusha Graphite Project with the Richland groups graphite assets in the region. This follows the recent signing of a binding off-take agreement for Kibaran’s Epanko graphite.

Under the terms of the MoU with Richland, the two groups have agreed to undertake due diligence and work towards legally binding agreements to consolidate their respective graphite assets in the Merelani region in a Joint Venture. The objective of the negotiations is to combine graphite mineral rights and assets, which include TanzaniteOne Mining Limited’s graphite processing plant, with the goal of recommencing graphite production. A joint venture would provide Kibaran with a second source of graphite in Tanzania and a clear strategy to expand the Company’s future graphite production.

Richland is listed on the AIM stock exchange in London, and specialises in the mining and production of the Tanzanite gemstone from its Merelani mine. Richland owns the historical Merelani Graphite Mine plant which was built with a nameplate capacity of 15,000 tonnes per annum (refer to background below). TanzaniteOne Mining has in place a processing plant and infrastructure including tailing storage facility, power, water, administration facilities, site camp and services, on a commercial basis.

Kibaran has a 90-day exclusive due diligence period under the MoU which will include a site visit by Kibaran Directors and design/mechanical engineers to evaluate the processing plant and the cost of refurbishment to return it to operational status for graphite production. The graphite plant was closed in the late 1990s due to a change in focus to the production of Tanzanite.

Kibarans Executive Director Andrew Spinks said, “Following the recent milestone achievement of a signed binding off-take agreement for Epanko graphite, we are pleased to be in negotiations to progress the Company’s Merelani-Arusha Graphite Project with the Richland group – the owners of the historical Merelani Graphite Mine. This is in line with Kibarans’ primary objective of becoming a significant, long term producer of premium quality graphite.

Richland’s Chief Executive Officer Bernard Olivier said “Our team in Tanzania led by Ami Mpungwe the Chairman of TanzaniteOne Mining Limited are looking forward to working with Kibaran with a view to commercialising the graphite potential of the Merelani mine for the benefit of TanzaniteOne Mining and STAMICO”

Kibaran’s Merelani-Arusha Graphite Project consists of seven tenements and covers an area of 973.4 km². The project is located 12km to the east of TanzaniteOne Mining and STAMICO’s Tanzanite mine which covers an area of 7.6 km².

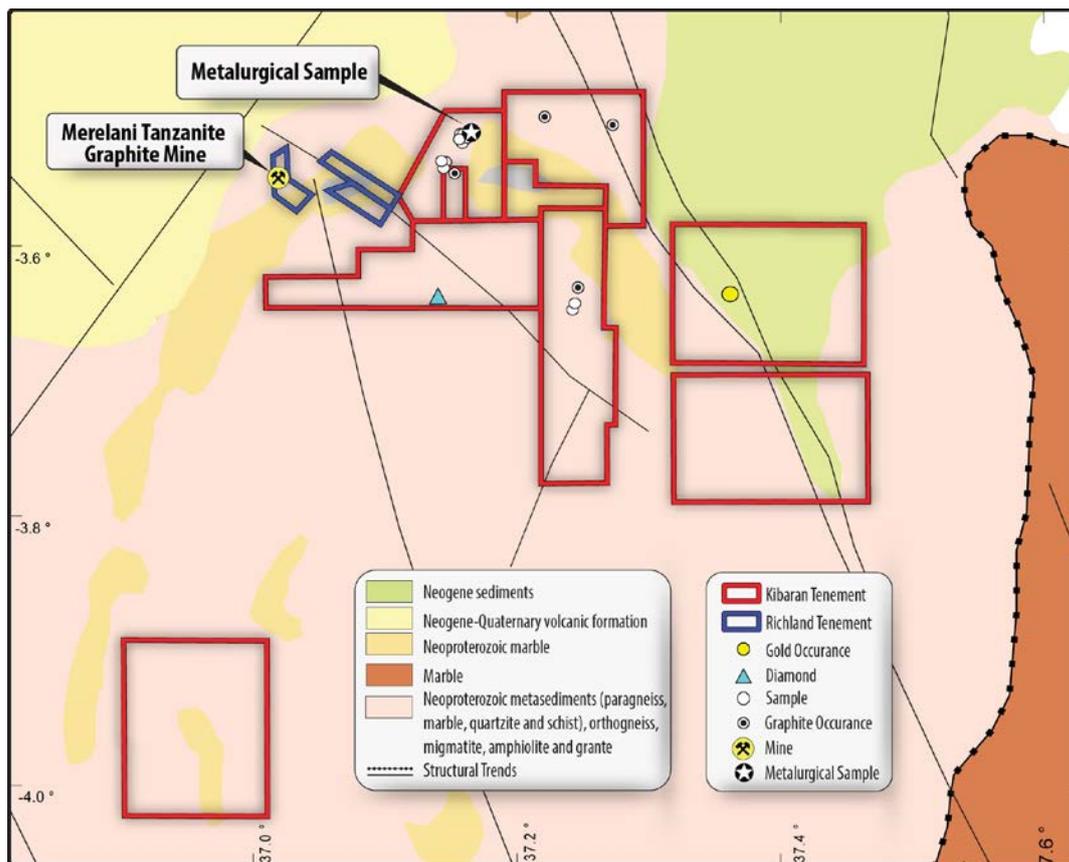


Figure 1: Location of Merelani graphite project

Merelani Graphite Mine Background

Richland acquired the Merelani Tanzanite and Graphite Mine in 2004 from African Gem Resources Limited ("AFGEM"). The Merelani Graphite Mine commenced mining operations in 1995 and produced 6,776 tonnes of graphite. Graphite sales was through Harbison-Walker Refractories Company located in the USA and was via an offtake agreement. Mineralisation was initially identified to be sufficient for a 40-year operation at a mining rate of 15,000 tonnes per annum of high-grade flake graphite of 97-98% purity. However, the mine encountered financial problems in 1997 and the last shipment of remaining stockpiled ore was made in February 1998.

The graphite mining operation and plant were modified by AFGEM to focus on Tanzanite extraction only.

Significant infrastructure and equipment originally installed for the extraction and processing of graphite still exist and are currently partly in use for the Company's Tanzanite mining operation. Richland currently has over 650 employees and well established infrastructure on the same property, including offices, accommodation, engineering facilities, water, electricity, haulage roads and a Tanzanite processing plant.



*Image: View of the Merelani processing plant
(source: Richland Resource Ltd)*

A Unique Geological Setting

The Merelani-Arusha province in Tanzania is best known for the occurrence of the rare gemstone, Tanzanite. The highly unusual hydrothermally-altered geological environment that produces Tanzanite is thought to also give rise to the graphite mineralisation in the local gneissic host rocks at Merelani-Arusha, and may provide an explanation for the occurrence of such large flake graphite in the region.



*Image: Tanzanite on graphite matrix sample from the Merelani Tanzanite Mine
(source: Richland Resources Ltd)*

About Kibaran Resources Limited:

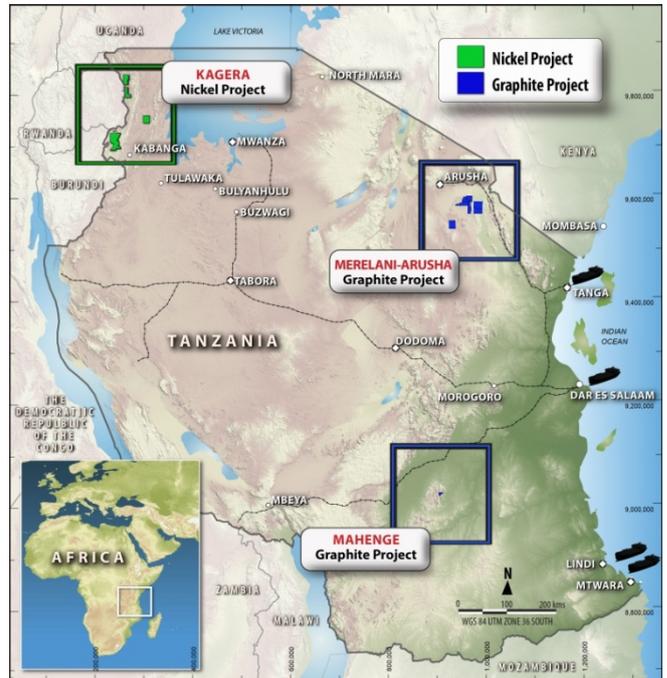
Kibaran Resources Limited (ASX: KNL or “Kibaran”) is an exploration company with highly prospective graphite and nickel projects located in Tanzania.

The Company’s primary focus is on its 100%-owned Epanko deposit, located within the Mahenge Graphite Project. Epanko currently has an Inferred Mineral Resource Estimate of 14.9Mt, grading 10.5% TGC, for 1.56Mt 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.



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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 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.