

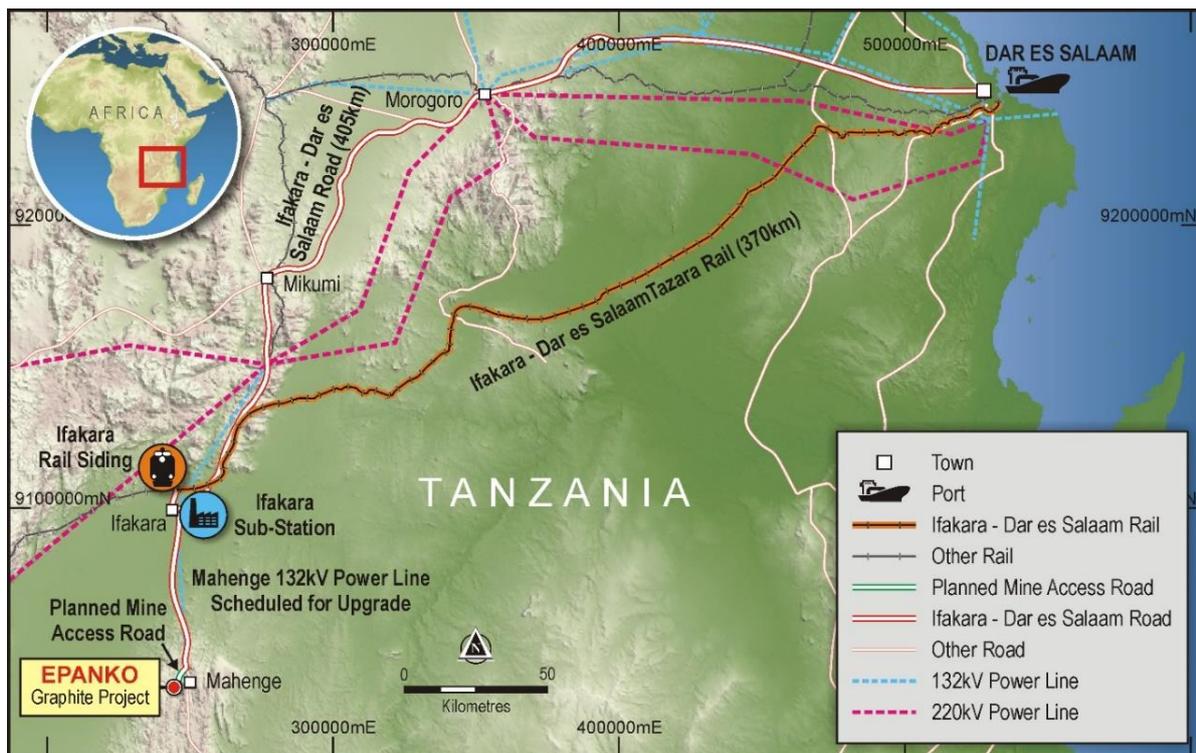
December 2016 Quarterly Activities Report

Significant progress made towards development of Epanko Graphite Project

Downstream Feasibility Study to process Epanko graphite for lithium-ion battery well advanced

Quarterly Highlights:

- Relocation Action Plan for Epanko is well advanced, completion due current quarter
- Significant progress made on pre-development activities at Epanko
- Study on increasing Epanko’s capacity from 40,000tpa to 60,000tpa due current quarter
- Feasibility Study on downstream processing of Epanko graphite to produce lithium-ion battery-grade graphite is well advanced, with test work and equipment selection completed
- End-user test work on battery-grade graphite samples exceeds analytical specifications



EPANKO GRAPHITE PROJECT – TANZANIA (100% Kibaran)

Kibaran Resources (ASX: KNL) is pleased to report on what has been another positive quarter for the Company as it advances its Epanko Graphite Project in Tanzania towards a decision to mine.

premium quality graphite uniquely tanzanian

RELOCATION ACTION PLAN

Kibaran engaged a specialist international environmental and social consultancy group to manage the Relocation Action Plan (“RAP”) to ensure it meets IFC Performance Standards. This group has valuable Tanzanian experience and extensive experience working with the World Bank and other international lenders. A socio-economic survey of the communities affected directly and indirectly by the project is currently being finalised. The preliminary land and asset survey has largely been completed. Potential resettlement sites have been identified and are currently being reviewed by the Relocation Working Group, which consists of representatives from all stakeholders groups, the Epanko community, Regional and District Government, Regional Land Valuer and Ministry of Energy and Minerals.

A preliminary valuation of the land and assets identified in the land and asset survey has largely been completed. The results of the surveys and preliminary valuations will feed into a Resettlement Policy Framework. This framework and completion of the technical work is a requirement by KfW IPEX-Bank for the UFK submission.

Completion of the above work is targeted for the current quarter for approval by the Chief Government Valuer. The approval will enable the completion of the RAP, providing a detailed procedure for compensation, relocation and the monitoring and evaluation of the RAP implementation.

PRE-DEVELOPMENT AND EXPANSION ACTIVITIES

During the December Quarter a number of important activities were completed as part of the upgraded Bankable Feasibility Study (“BFS”) for the Epanko Graphite Project in Tanzania for expansion of production from 40,000tpa to 60,000tpa and pre production activities. These included:

- Completion of 7,734m of infill and extension drilling campaign on both the Western and Eastern deposits
- Targeted diamond drilling for structural, geotechnical and metallurgical purposes
- Five water bores drilled
- Analysis of 7,445 samples for total carbon and total graphitic carbon
- An aerial VTEM and magnetic survey covering the Mining Lease area to access the potential global resource and targets
- Completion of a structural analysis of the mining lease focusing on structural controls on the deposits and mineralisation
- LIDAR survey for the engineering design of access roads and infrastructure

Additional drilling was undertaken in the Eastern and Western zones, increasing the confidence of the reserves as part of planning for the first stages of production. Many of the holes drilled have provided additional geotechnical data for incorporation into the pit designs. Geotechnical data and metallurgical drilling will provide additional information to be used in the final pit and process plant designs.

The pre-development work being conducted will be used in the engineering study on expanding the project from 40,000tpa to 60,000tpa of graphite concentrate.

A combination of orientated core and reverse circulation drilling was completed in early December. Approximately 7,734m of drilling was completed over the two deposits. A new geological and structural logging protocol was developed as a result of the structural and petrological inputs.

Analysis of 4,139 samples has been completed to date with the remainder in progress. A summary is given in Table 1 of significant assay intersections received to date based on using an 8% total graphitic carbon (“TGC”) cut off, a minimum interval length of 2m and allowing up to 2m of internal waste.

These results indicate substantial additional zones of high grade mineralisation in both the Eastern and Western Zones.

Drilling has infilled and extended mineralisation on both deposits with the expectation that there will be a large increase in Indicated and Measured resources in both deposits once they are modelled.

The Company expects to have the above results fed into the expansion study in the next quarter.

AERIAL VTEM & MAGNETIC SURVEY

A VTEM (electromagnetic) survey was completed in December within the Mining Lease to better assess the potential resource size and targets. Data processing is in progress and is expected to be completed during the next quarter. The raw data indicates that the Western Zone is marked by a strong continuous conductor that extends well south of the drilled area. This supports the initial Exploration Target of a substantial resource many times greater than the existing Mineral Resource estimate.

FEASIBILITY STUDY ON PRODUCTION OF LITHIUM-ION BATTERY GRAPHITE

A Feasibility Study on the downstream processing of Epanko graphite continued during the quarter.

Battery-grade graphite samples were sent to major Japanese lithium-ion battery anode producers during the quarter. The samples were produced under commercial production conditions at a well-regarded graphite processing plant and were distributed by Sojitz Corporation as part of the binding agreement and partnership with the Company and with this leading graphite supplier.

Kibaran has sufficient processed graphite to distribute samples globally, including to the important markets of Germany, Japan and the US, where Tesla dominates production of electric vehicles.

Analytical specifications of the samples exceeded those required by leading anode manufacturers. This demonstrates the strong potential the Company has to establish a downstream processing operation to supply the high growth lithium-ion battery market. The results will be incorporated in the Feasibility Study.

Current demand for lithium-ion-battery-grade natural graphite is estimated at 48,000 tonnes per annum with all this material sourced from China.

MERELANI-ARUSHA GRAPHITE PROJECT – TANZANIA (100% KNL)

The Merelani-Arusha Project, located in Tanzania, provides the Company with a potential second source of graphite production.

The Company secured several key tenements that had been held under tenure by other parties. These tenements cover the central graphite stratigraphy and create a land position in Merelani sufficient for the development of a future central plant location.

No activity was undertaken on the Merelani-Arusha Project, however the process work undertaken in the Epanko Graphite Project Feasibility Study, coupled with the upgrade of the Merelani East resource and its metallurgical characteristics, will provide the foundation for a future Pre-Feasibility Study on Merelani East.

CORPORATE

CAPITAL STRUCTURE & CASH POSITION

The Company's summarised capital structure as at 31 December 2016 is as follows:

Issued fully paid ordinary shares:	242,402,394
------------------------------------	-------------

Unlisted options:

Exercisable at \$0.27 & expiring 11/02/2017	800,000
Exercisable at \$0.193 & expiring 11/05/2017	4,000,000
Exercisable at \$0.40 & expiring 26/10/2017	4,000,000
Exercisable at \$0.30 & expiring 17/10/2017	750,000
Exercisable at \$0.174 & expiring 13/07/2017	1,050,000
Exercisable at \$0.228 & expiring 02/06/2019	1,000,000

Cash at bank:	\$7.3 million
---------------	---------------

SCHEDULE OF TENEMENTS

Mining Tenements Held, Acquired or Disposed of by Kibaran Resource Limited as at 31 December 2016.

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.

Ministry ID	Area (sq. km)	Project Location
ML 548/2015	9.49	Mahenge
PL 7906/2012	59.24	Merelani-Arusha
PL 7907/2012	26.42	Merelani-Arusha
PL 7915/2012	41.47	Merelani-Arusha
PL 9537/2014	84.00	Tanga
PL 10090/2014	44.88	Merelani-Arusha
PL 10091/2014	114.22	Merelani-Arusha
PL 10092/2014	23.23	Merelani-Arusha
PL 10388/2014	2.57	Mahenge
PL 10390/2014	2.81	Mahenge
PL 10394/2014	9.74	Mahenge
PL 10752/2016	23.45	Mahenge
PL 10868/2016	72.82	Merelani-Arusha
PL 10869/2016	29.95	Merelani-Arusha
PL 10872/2016	2.6	Merelani-Arusha
PL 10972/2016	3.83	Mahenge

Number disposed during the quarter: Nil

Number acquired during the quarter: Four

Tenement	Project Location	Grant Date	Size sq.km
PL 10868/2016	Merelani-Arusha	23/09/2016	72.82
PL 10869/2016	Merelani-Arusha	23/09/2016	29.95
PL 10872/2016	Merelani-Arusha	7/10/2016	2.6
PL 10972/2016	Mahenge	5/12/2016	3.83

ABOUT KIBARAN RESOURCES LIMITED

Kibaran Resources Limited (ASX: KNL) ('Kibaran' or the 'Company') is a graphite focused resource company with world class graphite projects located in Tanzania.

The Company is developing the Epanko Graphite Project. A Bankable Feasibility Study has been completed with a Proved & Probable Ore Reserve of 10.9Mt at 8.36% to produce 40,000tpa of high quality graphite concentrate. Both Environmental and Mining Licence approvals are in place for Epanko. Metallurgical testwork has found Epanko graphite to be large flake, expandable, ultra-high purity and premium quality from a global perspective.

Due to the quality of the Epanko graphite, binding offtake agreements have been secured for its entire planned production with major international users and suppliers, including ThyssenKrupp in German and Sojitz Corporation in Japan.

Negotiations and due diligence for project financing of the Epanko Project are well advanced. Final due diligence works are due for completion in the first quarter 2017.

Further bankable feasibility work is currently underway to allow for the expansion of the project from 40,000tpa to 60,000tpa based on expected demand and increases in offtake.

Kibaran 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 with a indicated and inferred resource estimate of 17.7Mt at 6.5% TGC for contained graphite of 1.14Mt.

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 raw material of graphene.

For further information, please contact:

Managing Director

Andrew Spinks

Media

Paul Armstrong

Read Corporate

P: +61 8 9388 1474

Kibaran Resources Limited | ABN: 15 117 330 757

Level 1/18 Richardson Street West Perth WA 6005 | PO Box 2106 Subiaco WA 6904

T: +61 8 6424 9000 | E: info@kibaranresources.com | www.kibaranresources.com

The information in this report that relates to Exploration Results is based on information compiled by Mr Andrew Spinks, a Competent Person, who is a Member of The Australasian Institute of Mining and Metallurgy. Andrew Spinks is employed by Kibaran Resources Limited. Mr Spinks 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 Mineral Resources is based on information compiled by Mr David Williams, a Competent Person, who is a Member of The Australasian Institute of Mining and Metallurgy. David Williams is employed by CSA Global Pty Ltd, an independent consulting company. Mr Williams 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.

The information in this report that relates to the Ore Reserve has been compiled by Mr Steve O'Grady. Mr O'Grady, who is a Member of the Australasian Institute of Mining and Metallurgy, is a full time employee of Intermine Engineering and produced the Mining Reserve estimate based on data and geological information supplied by Mr Williams. Mr O'Grady has sufficient experience that is relevant to the estimation, assessment, evaluation and economic extraction of Ore Reserve that he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for

Reporting of Exploration Results, Minerals Resources and Ore Reserves. Mr O'Grady consents to the inclusion in this report of the matters based on his information in the form and context that the information appears.

Table 1: Summary of Significant Drill Intersection completed during the quarter on Eastern and Western Zones showing significant total graphitic carbon (“TGC”) intervals*

Epanko East									
Drillhole	Drill Type	Easting	Northing	Azimuth	Dip	From (m)	To (m)	Interval (m)	% TGC
MHDD025	DD	244820.7	90372226.2	270	-60	5.45	8.05	2.60	17.4
						14.40	17.90	3.50	10.8
						23.45	26.80	3.35	8.6
MHDD040	DD	244892.6	9037287.5	270	-60	3.90	8.00	4.10	13.2
						9.90	12.70	2.80	15.5
						17.00	19.00	2.00	13.2
						22.00	24.70	2.70	10.9
						30.67	67.00	36.33	9.3
						75.14	82.14	7.00	11.5
						86.10	88.15	2.05	9.4
						89.40	91.64	2.24	8.7
						100.15	103.00	2.85	17.3
						121.15	133.95	12.80	8.7
MHDD041	DD	244812.9	9037154.0	270	-50	0.00	3.00	3.00	15.0
						26.10	31.10	5.00	12.0
						31.36	35.00	3.64	13.2
						46.00	61.00	15.00	10.8
						135.28	143.84	8.56	9.3
MHDD043		244854.6	9037205.2	90	-50	1.45	17.20	15.75	13.2
						17.30	21.05	3.75	11.1
						27.92	38.63	10.71	12.2
						49.08	64.15	15.07	12.8
						67.09	73.60	6.51	9.4
						77.96	81.00	3.04	8.7
						89.74	94.00	4.26	8.9
						97.30	100.04	2.74	12.1
						103.58	106.47	2.89	11.3
						106.87	109.04	2.17	15.6
MHWB007	RC	244820.7	90372226.2	0	-90	0.00	19.00	19.00	10.8
						65.00	74.00	9.00	11.3
						84.00	88.00	4.00	8.7
						91.00	93.00	2.00	8.9
						97.00	103.00	6.00	8.3

Epanko West									
Drillhole	Drill Type	Easting	Northing	Azimuth	Dip	From (m)	To (m)	Interval (m)	% TGC
MHDD029	DD	243978.1	9036344.9	270	-50	67.24	82.00	14.76	9.8
MHDD030	DD	243982.4	9036496.3	270	-60	4.60	11.30	6.70	10.1
						45.51	49.00	3.49	9.6
						84.00	86.00	2.00	9.3
						93.00	100.00	7.00	12.3
MHDD031	DD	243953.6	9036551.8	270	-50	50.89	60.00	9.11	9.7
						62.86	74.79	11.93	8.8
						80.48	82.78	2.30	9.6
MHDD032	DD	243897.9	9036750.1	270	-60	3.60	6.70	3.10	10.4
						6.80	12.80	6.00	13.4
						17.30	20.20	2.90	10.0
						26.10	46.00	19.90	9.6
						51.00	54.85	3.85	10.1
MHDD033	DD	243794.5	9036247.8	90	-50	1.52	3.63	2.11	14.7
						3.75	6.50	2.75	13.6
						10.05	12.18	2.13	9.3
						36.00	42.80	6.80	8.7
						45.00	47.00	2.00	8.3
						58.22	63.00	4.78	8.8
						67.47	72.00	4.53	8.4
						77.12	81.81	4.69	8.5
						97.26	101.00	3.74	8.2
						140.99	146.20	5.21	9.2
						152.00	157.84	5.84	9.5
MHDD034	DD	243794.1	9036197.1	90	-50	30.70	33.20	2.50	10.0
						35.40	43.20	7.80	11.1
						57.00	59.20	2.20	8.6
						69.78	72.52	2.74	8.4
						78.00	81.00	3.00	12.1
						98.00	102.00	4.00	8.6
						145.70	149.20	3.50	10.1
MHDD036	DD	243802.7	9036150.0	90	-50	1.50	3.95	2.45	16.0
						6.00	10.00	4.00	10.6
						11.20	13.24	2.04	10.8
						14.20	16.37	2.17	11.3
						17.20	19.45	2.25	13.2
						21.70	27.00	5.30	11.9
						48.60	52.00	3.40	8.9
						62.90	67.27	4.37	11.9

						86.00	88.00	2.00	8.3
						182.00	185.00	3.00	8.8
Epanko West									
Drillhole	Drill Type	Easting	Northing	Azimuth	Dip	From (m)	To (m)	Interval (m)	% TGC
MHDD037	DD	243982.1	9036240.1	270	-50	20.48	22.56	2.08	8.4
						68.89	71.03	2.14	8.7
						75.04	94.69	19.65	9.5
						98.61	105.00	6.39	9.1
MHDD065	RC	243981.5	9036148.5	270	-60	74.00	79.00	5.00	10.7
						106.00	109.00	3.00	9.3
						114.00	130.00	16.00	10.0
MHRC066	RC	243981.4	9036144.5	90	-60	2.00	4.00	2.00	10.2
MHRC068	RC	243961.9	9036200.6	270	-60	43.00	46.00	3.00	9.4
						61.00	63.00	2.00	10.1
						68.00	83.00	15.00	10.0
						96.00	100.00	4.00	8.2
MHRC070	RC	243983.3	9036239.1	270	-50	80.00	91.00	11.00	10.5
						94.00	99.00	5.00	10.3
						131.00	134.00	3.00	8.2
MHRC072	RC	243973.8	9036397.1	270	-50	73.00	83.00	10.00	8.3
MHRC073	RC	243984.0	9036497.7	90	-60	4.00	12.00	8.00	9.5
MHRC074	RC	243923.99	9036684.099	270	-50	20.00	24.00	4.00	8.8
						43.00	47.00	4.00	9.2
						52.00	65.00	13.00	9.7
MHRC075	RC	243793.505	9036244.656	270	-60	0.00	3.00	3.00	8.3
						15.00	18.00	3.00	12.4
MHRC076	RC	243792.576	9036194.066	270	-60	0.00	3.00	3.00	10.0
						16.00	22.00	6.00	9.8
MHRC077	RC	243800.207	9036148.288	270	-60	0.00	12.00	12.00	13.8
						19.00	21.00	2.00	9.0
						24.00	32.00	8.00	8.3
MHRC078	RC	243836.776	9036052.224	270	-60	31.00	49.00	18.00	10.4
						52.00	66.00	14.00	9.2
MHWP003	RC	243948.765	9036800.031	0	-90	5.00	8.00	3.00	8.6
						17.00	27.00	10.00	8.4
MHWP004	RC	243975.932	9036348.911	0	-90	47.00	54.00	7.00	10.5

* Based on using an 8%TGC cut off, a minimum interval length of 2m and allowing up to 2m of internal waste