

53m at 10.4% - HIGH GRADE GRAPHITE INTERSECTION

HIGHLIGHTS:

- Further exploration drilling at the Epanko and Ndololo Prospects (Eastern Zone) has uncovered new high-grade graphite mineralisation zones
- Diamond drilling program underway with first hole completed
- Trench sampling underway
- Results continue to support the potential for a significant graphite development

Kibaran Resources Limited (ASX: KNL) is pleased to report the assay results from the latest round of reverse circulation (RC) exploration drilling at the Epanko and Ndololo (Eastern Zone) Prospects of the Mahenge Graphite Project, located in Tanzania.

The further three drill holes (one at Epanko and two at Eastern Ndololo) intercepted additional high-grade graphite intersections and the subsequent assay results confirmed the occurrence of high-grade mineralisation in both target prospect areas:

Epanko Prospect:

- 53m at 10.4% Total Graphitic Carbon ("TGC") from 6m.

Importantly, this intersection is located outside of Kibaran's primary exploration area at Epanko. The 53m at 10.4% TGC, from 6m, intersection sits below MHRC019 – a previously reported drill hole which recorded a significant high-grade mineralisation zone of 20m at 10.0% TGC from surface. An additional four drill holes (MHRC020 to MHRC022 and MHRC024) have also been completed at Epanko and assay results remain pending.

Ndololo Prospect (Eastern Zone):

- 13m at 10.8% TGC from 7m; and
- 11m at 11.2% TGC from 12m

A total of three RC drill holes were completed and assay results for two holes have now been received. Results for the third drill hole (MHRC027) remain pending. The received results confirm the occurrence of high-grade graphite mineralisation in the Ndololo Eastern Zone and support the exploration target¹ of between 3.5million tonnes and 7million tonnes of graphitic schist, grading between 10.0% and 15.5% graphitic carbon. (Refer to ASX Announcement on 9 May 2012).

These drilling and assay results are encouraging and continue to support the potential for a significant graphite occurrence at the Mahenge Graphite Project. (Full results are outlined below in Table 1).

¹The potential quantity and grade of the exploration target is conceptual in nature and there has been insufficient exploration to define a Mineral Resource. It is uncertain if further exploration will result in the determination of a Mineral Resource calculated in accordance with the JORC code.

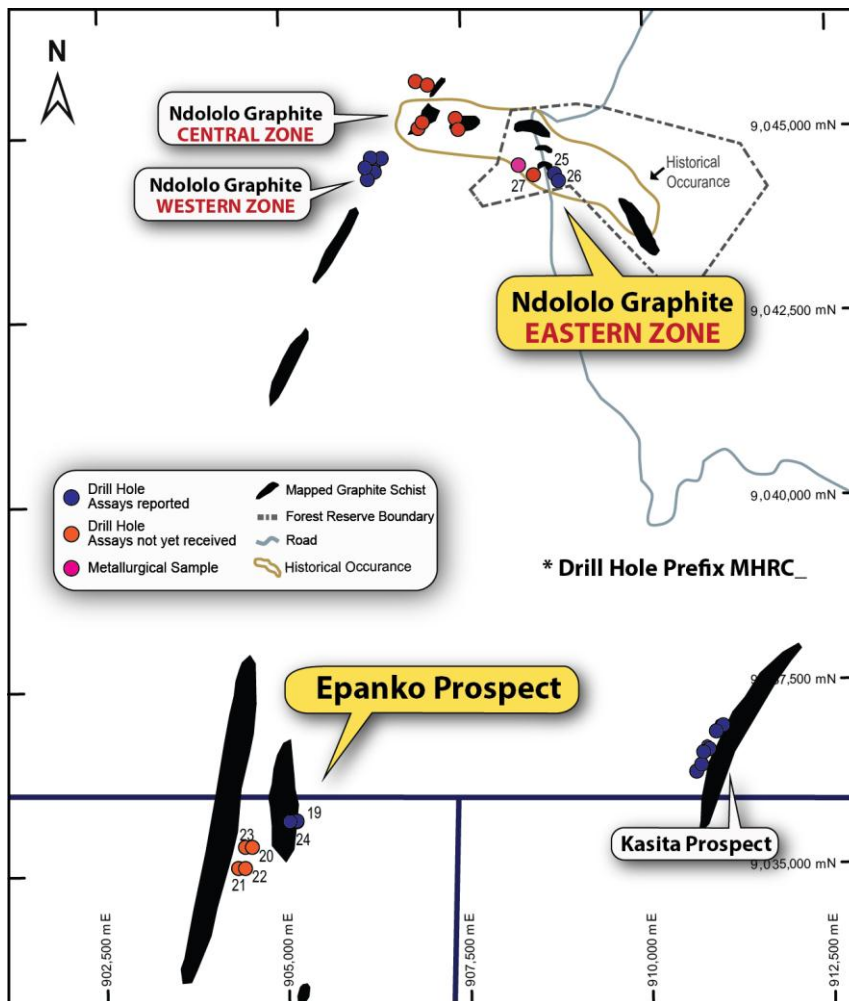


Figure 1: Drill hole locations for the Mahenge Graphite Prospect.

RC DRILLING

An analysis of RC fines fraction vs. RC coarse fraction has demonstrated that the RC fines fraction contains double the graphite content than the RC coarse fraction. This analysis supports the Company's assumption that RC grade is potentially under-reported, based on the likelihood that a portion of the finer fraction has been lost through the process of RC drilling.

Based on this evaluation that the RC intersection grades are under-reporting and higher grades for the same intervals are expected from the diamond drilling program.

Table 1: RC Intersection Table

						Graphite Mineralisation			
Hole_ID	N	E	Dip	Azi	Depth (m)	From (m)	To (m)	Interval (m)	Grade (%TGC)
Epanko Graphite Prospect									
MHRC_024	905120	9035646	-60	90	117	6	59	53	10.4
Includes						8	52	44	11.7
Ndololo Graphite Prospect									
MHRC_025	908755	9044300	-90	340	70	5	38	33	5.8
Includes						7	20	13	10.8
MHRC_026	908760	9044296	-90	160	100	12	41	29	6.8
Includes						12	23	11	11.2

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 an industry standard 3 tier riffle splitter. Minimum intersection width 2 metres with internal waste of no more than 2 metres. 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.

DIAMOND DRILLING

The diamond drilling program has commenced with the first diamond drill hole MHDD001 completed.

The current program consists of six diamond holes (HQ3). Drilling is planned to continue over the Christmas period and is being undertaken on double shift.



Figure 2: MHDD001 showing the graphite mineralisation in a core tray. Flake graphite is observed throughout the entire interval.

TRENCHING

A total of five trenches have been completed at the Mahenge Graphite Project, for a total of 330 samples. Trenching is ongoing.



Figure 3: Trenches being dug by locals and sample shows the visual graphite mineralisation.

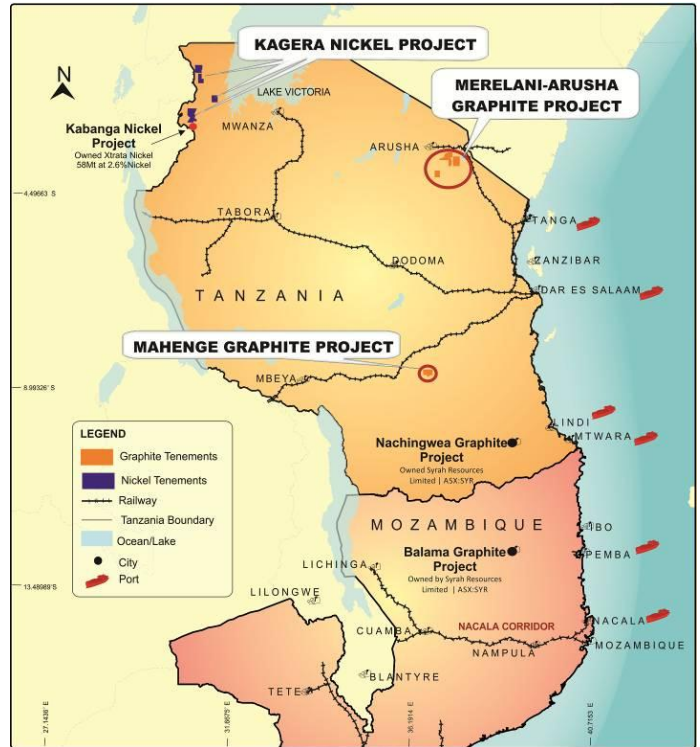
ABOUT KIBARAN RESOURCES LIMITED

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.