



**Interim Financial Report
for the Half-Year Ended
31 December 2013**

ABN 15 117 330 757

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CORPORATE DIRECTORY

Directors

Simon O'Loughlin – Chairman and Non-executive Director
Robert Greenslade - Non-executive Director
Andrew Spinks – Non-executive Director
John Park - Non-executive Director
Grant Pierce – Non-executive Director

Company Secretary

Robert Hodby

Registered and Principal Office

338 Hay Street
Subiaco WA 6008

Telephone: +61 8 6380 1003
Facsimile: +61 8 6380 1026
Internet: www.kibararesources.com
Email: info@kibaranresources.com

Share Registry

Link Market Services Limited
Ground Floor, 178 St Georges Terrace
Perth WA 6000
Telephone: +61 8 9211 6652
Facsimile: +61 8 9211 6660

Solicitors

Steinepreis Paganin
Level 12, 60 Carrington Street
Sydney NSW 2000
Telephone: +61 2 8915 1000
Facsimile: +61 2 8916 2000

Auditor

Ernst & Young
11 Mounts Bay Road
Perth, WA 6000
Telephone: +61 8 9429 2222
Facsimile: +61 8 9429 2435

Bankers

National Australia Bank
Level 39, 100 Miller Street
North Sydney NSW 2060

Stock Exchange Listing

Australian Securities Exchange
ASX Code: KNL
Fully paid ordinary shares

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DIRECTORS' REPORT

The Board of Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the "Group" or "Kibaran Resources") consisting of Kibaran Resources Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled for the half-year ended 31 December 2013.

DIRECTORS

The names of the Directors of Kibaran Resources in office during the half-year and until the date of this report are:

Simon O'Loughlin	Chairman and Non-executive Director
Robert Greenslade	Non-executive Director
Andrew Spinks	Non-executive Director
John Park	Non-executive Director
Grant Pierce	Non-executive Director

All Directors were in office from the beginning of the half-year until the date of this report.

PRINCIPAL ACTIVITIES

The principal activities of the Group during the interim period were mineral resource exploration and evaluation of its tenements in Tanzania. The Group is focused on exploring for graphite on its Mahenge and Arusha projects and nickel on the Kagera project.

OPERATING RESULTS

The net operating loss after tax for the half-year ended 31 December 2013 was \$445,213 (31 December 2012: \$424,812).

REVIEW OF OPERATIONS

The Group's exploration and corporate activities during the six months ended 31 December 2013 are detailed in the reports released to the ASX. Other than the ASX announcements, there has been no other significant change in the operations of the Group.

EVENTS AFTER BALANCE DATE

In January 2014, 15,930,000 performance shares issued in July 2012 were converted to ordinary shares.

In February 2014, the Company completed the placement of 9,321,265 shares to raise \$1.125m before costs.

No other matters or circumstances have arisen since 31 December 2013 that have significantly affected or may significantly affect;

- The consolidated Company's operations in future financial years; or
- The results of those operations in future financial years; or
- The consolidated Company's state of affairs in future financial years.

DIRECTORS' REPORT (Continued)

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is included on page 3 and forms part of the Director's report for the six months ended 31 December 2013.

Signed in accordance with a resolution of Directors.



ANDREW SPINKS
Executive Director

14 March 2014

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Ernst & Young
11 Mounts Bay Road
Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

Tel: +61 8 9429 2222
Fax: +61 8 9429 2436
ey.com/au

Auditor's Independence Declaration to the Directors of Kibaran Resources Ltd

In relation to our review of the financial report of Kibaran Resources Ltd for the half-year ended 31 December 2013, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Gavin Buckingham
Partner
Perth
14 March 2014

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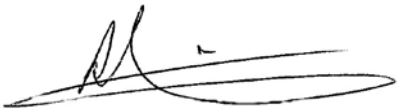
DIRECTORS' DECLARATION

The Directors declare that:

- (a) In the Director's opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- (b) In the Directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the *Corporations Regulations 2001* as disclosed in note 1 and giving a true and fair view of the financial position and performance of the consolidated entity for the half-year ended 31 December 2013.

Signed in accordance with a resolution of the Directors, made pursuant to S295(5) of the Corporations Act 2001.

On behalf of the Directors



ANDREW SPINKS
Executive Director

14 March 2014

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME**
FOR THE HALF YEAR ENDED 31 DECEMBER 2013

	Half Year Ended 31 December 2013 \$	Half Year Ended 31 December 2012 \$
Other income	17,807	34,220
Communications	(1,067)	(11,640)
Employee benefits expense	(167,180)	(91,887)
Finance & legal	(45,676)	(113,435)
Travel & accommodation	(18,423)	(60,389)
Occupancy	(21,000)	-
Other expenses	(209,674)	(181,681)
Loss before income tax	(445,213)	(424,812)
Income tax expense	-	-
Loss for the period	(445,213)	(424,812)
Other comprehensive income <i>Items that may be reclassified subsequently to profit or loss</i>		
Exchange differences arising on translation of foreign operations	(14,936)	(1,190)
Income tax on other comprehensive income	-	-
Other comprehensive income for the period net of tax	-	-
Total comprehensive income for the period	(460,149)	(426,002)
Loss attributable to		
Members of Kibaran Resources Limited	(445,213)	(424,812)
Non-controlling interest	-	-
Total comprehensive income attributable to		
Members of Kibaran Resources Limited	(460,149)	(426,002)
Non-controlling interest	-	-
Loss per share attributable to the members of Kibaran Resources Limited		
Basic loss per share (cents per share)	(0.66)	(0.70)
Diluted loss per share (cents per share)	(0.66)	(0.70)

The accompanying notes form part of the financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013

	Note	31 December 2013 \$	30 June 2013 \$
ASSETS			
Current Assets			
Cash and cash equivalents		667,100	1,327,063
Trade and other receivables		25,944	38,043
Total Current Assets		693,044	1,365,106
Non-current Assets			
Exploration and evaluation assets	3	5,888,668	5,855,381
Total Non-current Assets		5,888,668	5,855,381
TOTAL ASSETS		6,581,712	7,220,487
LIABILITIES			
Current Liabilities			
Trade and other payables		298,098	476,724
Total Current Liabilities		298,098	476,724
TOTAL LIABILITIES		298,098	476,724
NET ASSETS		6,283,614	6,743,763
EQUITY			
Issued capital	4	11,936,177	11,936,177
Reserves		1,208,652	1,223,588
Accumulated losses		(6,861,215)	(6,416,002)
TOTAL EQUITY		6,283,614	6,743,763

The accompanying notes form part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED 31 DECEMBER 2013

	Issued Capital Ordinary	Retained Earnings	Share Option Reserve	Foreign Exchange Translation Reserve	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2012	6,264,714	(5,641,658)	1,192,280	(8,372)	1,806,964
Loss for the period	-	(424,812)	-	-	(424,812)
Other comprehensive loss	-	-	-	(1,190)	(1,190)
Issue of shares	5,953,962	-	-	-	5,953,962
Transaction costs	(276,619)	-	-	-	(276,619)
Balance at 31 December 2012	11,942,057	(6,066,470)	1,192,280	(9,562)	7,058,305
Balance at 1 July 2013	11,936,177	(6,416,002)	1,231,960	(8,372)	6,743,763
Loss for the period	-	(445,213)	-	-	(445,213)
Other comprehensive loss	-	-	-	(14,936)	(14,936)
Balance at 31 December 2013	11,936,177	(6,861,215)	1,231,960	(23,308)	6,283,614

The accompanying notes form part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2013

	Half Year Ended 31 December 2013 \$	Half Year Ended 31 December 2012 \$
Cash flows from operating activities		
Payments to suppliers and employees	(400,927)	(436,502)
Net cash used in operating activities	(400,927)	(436,502)
Cash flows from investing activities		
Payments for exploration activities	(276,843)	(1,309,894)
Interest received	17,807	12,674
Net cash used in investing activities	(259,036)	(1,297,220)
Cash flows from financing activities		
Proceeds from issue of shares	-	3,953,922
Transaction costs of issue of shares	-	(276,619)
Net cash from financing activities	-	3,677,303
Net (decrease)/increase in cash and cash equivalents	(659,963)	1,943,581
Cash and cash equivalents at the beginning of the period	1,327,063	551,549
Cash and cash equivalents at the end of the period	667,100	2,495,130

The accompanying notes form part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2013

1. GENERAL INFORMATION AND BASIS OF PREPARATION

General information

The interim condensed consolidated financial statements of Kibaran Resources Limited and its subsidiaries (the Group) for the six months ended 31 December 2013 were authorised for issue in accordance with a resolution of the directors on 14 March 2014.

Kibaran Resources Limited (the Company) is a limited company, incorporated and domiciled in Australia, whose shares are publicly traded. The Group's principal activities are described in the Directors Report.

Basis of preparation

The half-year Financial Report is a general purpose condensed financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001 and AASB 134 "Interim Financial Reporting".

The half-year Financial Report does not include all notes of the type normally included within the Annual Financial Report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the Annual Financial Report.

The half-year Financial Report should be read in conjunction with the Annual Financial Report of Kibaran Resources Limited as at 30 June 2013.

It is also recommended that the half-year Financial Report be considered together with the public announcements made by Kibaran Resources Limited during, and since, the half-year ended 31 December 2013 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

The half-year Financial Report has been prepared on a historical cost basis and in Australian dollars.

Basis of preparation

The financial statements have been prepared on the basis of historical cost. All amounts are presented in Australian dollars, unless otherwise noted.

New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2013, except for the adoption of new standards and interpretations effective as of 1 January 2013 detailed below:

- AASB 119 (Revised 2011) Employee Benefits
- AASB 10 Consolidated Financial Statements
- AASB 11 Joint Arrangements
- AASB 12 Disclosure of Interest in Other Entities
- AASB 13 Fair Value Measurement

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

1. GENERAL INFORMATION AND BASIS OF PREPARATION (continued)

The nature and the impact of each new standards/amendments are described below:

AASB 119 (Revised 2011) Employee Benefits

The revised standard changes the definition of short term employee benefit. The distinction between short-term and other long-term employee benefits is now based on whether the benefits are expected to be settled wholly within 12 months after the reporting date.

The change in distinction between short-term and other long-term employee benefits did not have any impact on the Group.

AASB 10 Consolidated Financial Statements

AASB 10 establishes a single control model that applies to all entities including special purpose entities. AASB 10 replaces the parts of previously existing AASB 27 Consolidated and Separate Financial Statements that dealt with consolidated financial statements and Interpretation 112 Consolidation – Special Purpose Entities. AASB 10 changes the definition of control such that an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. To meet the definition of control in AASB 10, all three criteria must be met, including: (a) an investor has power over an investee; (b) the investor has exposure, or rights, to variable returns from its involvement with the investee; and (c) the investor has the ability to use its power over the investee to affect the amount of the investor's returns.

AASB 10 had no impact on the consolidation of investments held by the Group.

AASB 11 Joint Arrangements

AASB 11 replaces AASB 31 Interests in Joint Ventures and Interpretation 13 Jointly-controlled Entities — Non-monetary Contributions by Venturers. AASB 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture under AASB 11 must be accounted for using the equity method.

AASB 11 had no impact on the Group as the Group has no joint ventures.

AASB 12 Disclosure of Interests in Other Entities

AASB 12 sets out the requirements for disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. None of these disclosure requirements are applicable for interim condensed consolidated financial statements, unless significant events and transactions in the interim period requires that they are provided. Accordingly, the Group has not made such disclosures.

AASB 13 Fair Value Measurement

AASB 13 establishes a single source of guidance under AASB for all fair value measurements. AASB 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under AASB when fair value is required or permitted. AASB 13 also requires specific disclosures on fair values, some of which replace existing disclosure requirements in other standards, including AASB 7 Financial Instruments: Disclosures.

AASB 13 did not have a significant impact as the Group does not have significant assets or liabilities carried at fair value. Additional disclosures are included in Note 7.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

2. SEGMENT INFORMATION

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

Types of service by segment

As of the date of this report and during the period ended 31 December 2013 the Group operates in the industry of exploration of graphite and nickel in Tanzania. The operating segments are identified based on the size of the exploration tenements.

The Group is managed primarily on its tenements. An operating segment is engaged in providing products or services within a particular economic environment and is subject to risks and returns that are different from those of segments operating in other economic environment.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics and are also similar with respect to the type of product and service. The Group has determined that the reportable operating segments are based on geographical locations as they are the source of the Group's major assets.

Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in Note 1 to the accounts and the annual financial statements of the Group.

Basis of accounting for purposes of reporting by operating segments

Segment assets

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

Segment liabilities

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables.

Segment Results

The internal reports that are reviewed and used by the board of directors comprise only direct exploration expenditure. This information is used by the board of directors in assessing performance and in determining the allocation of resources and as such no segment result or segment revenues are separately disclosed.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

2. SEGMENT INFORMATION (continued)

	Australia \$	Tanzania \$	Total \$
Segment revenue for the half year ended 31 December 2013	17,807	-	17,807
Segment results for the half year ended 31 December 2013	(445,213)	-	(445,213)

	Australia \$	Tanzania \$	Total \$
Segment assets as at 31 December 2013	-	5,888,668	5,888,668
Unallocated Assets:			-
Cash and cash equivalent			667,100
Trade and other current assets			25,944
Total assets per the statement of financial position			6,581,712

	Australia \$	Tanzania \$	Total \$
Segment revenue for the half year ended 31 December 2012	34,270	-	34,270
Segment results for the half year ended 31 December 2012	(424,812)	-	(424,812)

	Australia \$	Tanzania \$	Total \$
Segment assets as at 30 June 2013	-	5,855,381	5,855,381
Unallocated Assets:			-
Cash and cash equivalent			1,327,063
Trade and other current assets			38,043
Total assets per the statement of financial position			7,220,487

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

3. EXPLORATION AND EVALUATION ASSETS

	31 December 2013 \$	30 June 2013 \$
Carrying value	5,888,668	5,885,381
	5,888,668	5,885,381
Reconciliation		
Carrying value at beginning of the period	5,855,381	1,329,143
Additions	33,287	4,526,238
Impairment	-	-
	5,888,668	5,855,381

4. CONTRIBUTED EQUITY

	31 December 2013 \$	30 June 2013 \$
(a) Ordinary shares		
Fully paid ordinary shares	11,936,177	11,936,177
Total issued and paid up capital	11,936,177	11,936,177

(b) Movements in Ordinary Shares During the Past Six Months Were as Follows:

Date	Details	Number of Shares	\$
1 July 2013	Opening balance	67,076,404	11,936,177
31 December 2013	Closing Balance	67,076,404	11,936,177

At 31 December 2013 there were 30,930,000 (30 June 2013: 38,430,000) performance shares on issue.

5. DIVIDENDS PAID OR PROVIDED FOR

No dividend has been paid or provided for during the half year (31 December 2012: nil).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2013 (CONTINUED)

6. EVENTS AFTER BALANCE DATE

In January 2014, 15,930,000 performance shares issued in July 2012 were converted to ordinary shares.

In February 2014, the Company completed the placement of 9,321,265 shares to raise \$1.125m before costs.

No other matters or circumstances have arisen since 31 December 2013 that have significantly affected or may significantly affect;

- The Group's operations in future financial years; or
- The results of those operations in future financial years; or
- The Group's state of affairs in future financial years.

7. FINANCIAL INSTRUMENTS

The fair value of financial assets and financial liabilities of the Group approximated their carrying amount.

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To the members of Kibaran Resources Ltd

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Kibaran Resources Ltd, which comprises the consolidated statement of financial position as at 31 December 2013, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Kibaran Resources Ltd and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Kibaran Resources Ltd is not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Ernst & Young

Ernst & Young

Gavin Buckingham

Gavin Buckingham
Partner
Perth
14 March 2014

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