

# AGM Presentation

29 November 2011

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## COMPETENT PERSONS STATEMENT

- Information in this presentation that relates to exploration or exploration results is based on information compiled by Mr Geoff Collis, who is a member of the Australasian Institute of Mining and Metallurgy and has sufficient exploration experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activities which are being undertaken to qualify as a Competent Person as defined in the 2004 Edition of the “Australian Code for Reporting of Mineral Resources and Ore Reserves”. Mr Collis consents to the inclusion of these estimates in the form and context in which they appear.
- Information in this presentation that relates to Mineral Resources is based on a resource estimate at Cummins Range performed by Dr Phillip Hellman FAIG, who is a Director of Hellman and Schofield Pty Ltd and who has had sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activities which are being undertaken to qualify as a Competent Person as defined in the 2004 Edition of the “Australian Code for Reporting of Mineral Resources and Ore Reserves”. Dr Phillip Hellman consents to the inclusion of these estimates in the form and context in which they appear.

## ASX:KRE

List Date	18 May 2011
List Price	\$0.20
Shares on Issue	126 million
Shares Quoted	112 million
Options (\$0.30 exercise price)	6 million
Options (\$0.25 exercise price)	5 million
Current Share Price	\$0.11
Current Market Cap	\$13.8 million
Current Cash in Bank	\$15.0 million

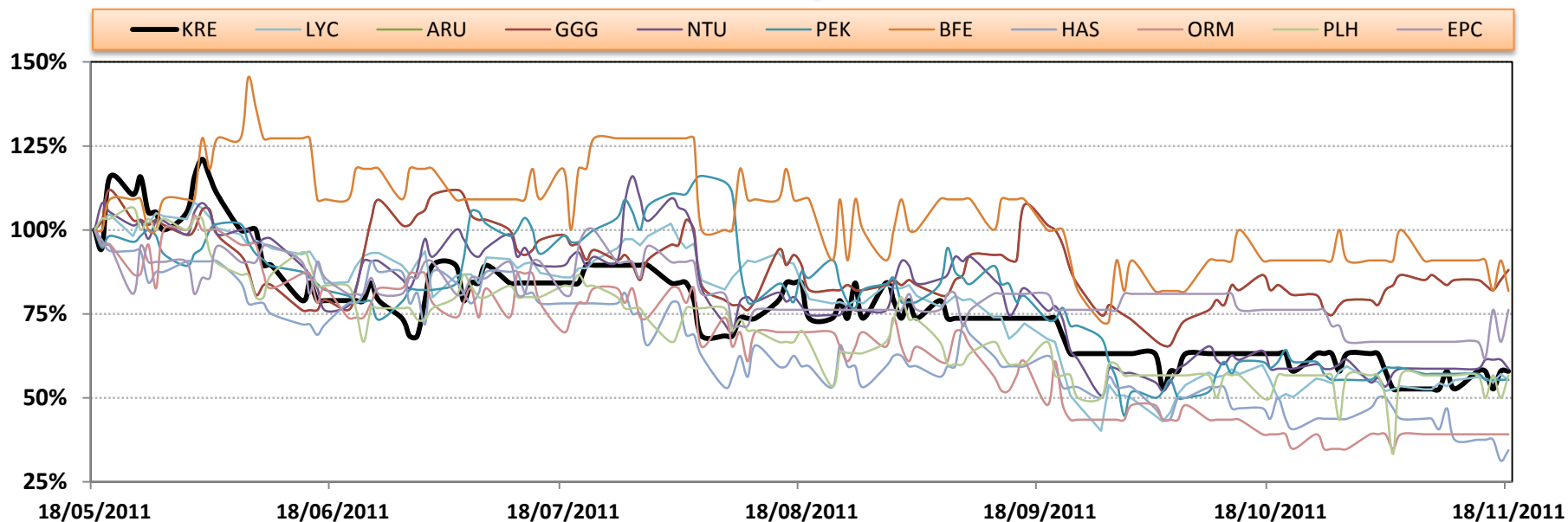
## TOP 10 SHAREHOLDERS

NAVIGATOR RESOURCES LIMITED	8.8%
JP MORGAN NOMINEES AUSTRALIA	7.2%
CITICORP NOMINEES PTY LIMITED	6.7%
BT PORTFOLIO SERVICES LIMITED	2.5%
GREGORACH PTY LTD	2.4%
MERRIWEE PTY LTD	2.0%
HSBC CUSTODY NOMINEES	1.9%
BANNABY INVESTMENTS PTY LTD	1.8%
IE PROPERTIES PTY LTD	1.8%
NAVIGATOR RESOURCES LIMITED	1.7%

# Market Momentum

## Since KRE Listing Date (18 May 2011)

NYSE: Dow Jones Industrial Average	↓	8%
ASX: All Ordinaries Index	↓	11%
Bloomberg Rare Earths Mineral Resources Index	↓	47%
ASX Rare Earths Peer Group (see below)	↓	37%
KRE	↓	42%

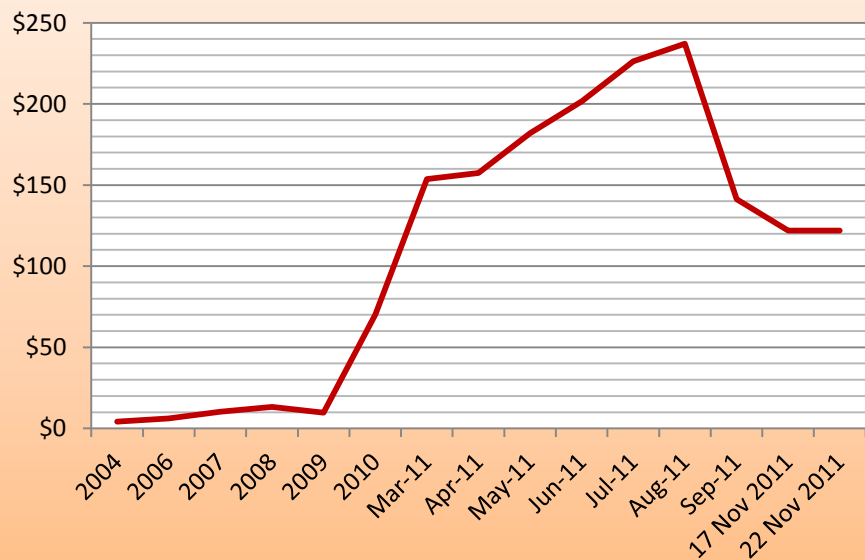


# What's Happened To Rare Earth Prices?

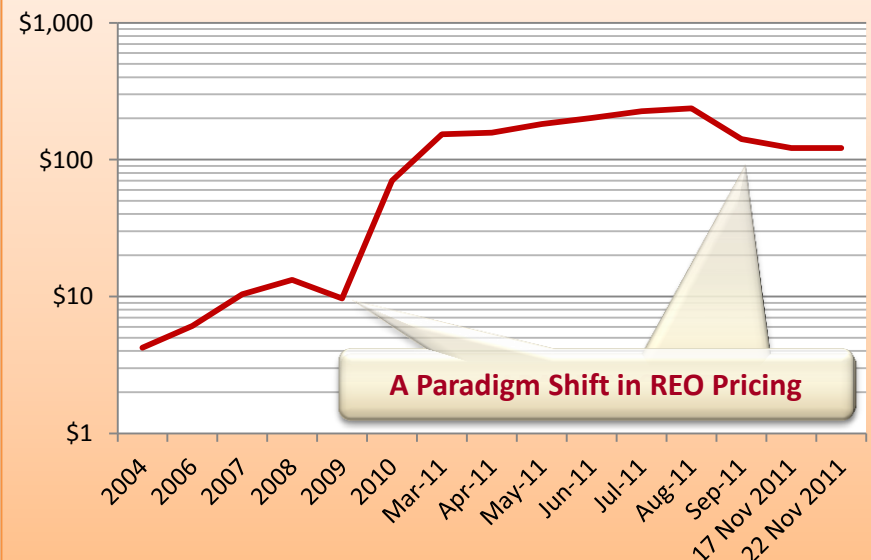
- Rare Earth Oxide prices spiked in 2010 and peaked in August this year
- Thin trading and inventory drawdown has halted the continuous price rise
- Prices however remain an order of magnitude higher than prior to 2010

## CUMMINS RANGE RARE EARTH OXIDE BLEND PRICE

On a Linear Scale



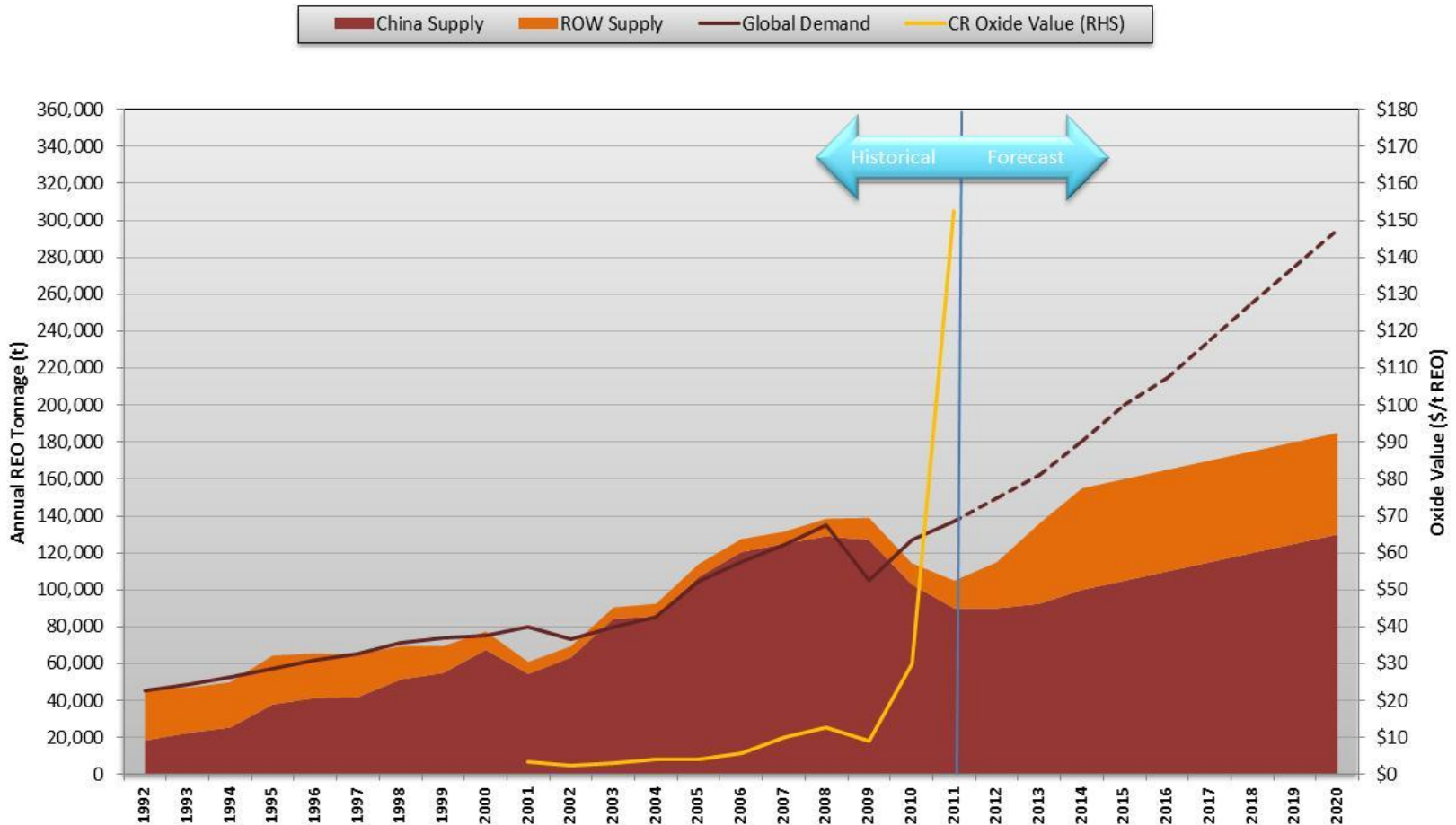
On a Log Scale





# Market Outlook Remains Unchanged

## Rare Earths Supply and Demand



## As defined in IPO Prospectus:

1. *Advance the scale, geological and metallurgical understanding of the Cummins Range rare earths deposit.*
2. *Undertake metallurgical test work studies targeting the test-scale production of rare earth metal concentrates for the purpose of achieving near term commercial development.*
3. *Assess and, if warranted, acquire other rare earths projects that have potential to add value to the Company.*



## ***OUR OBJECTIVE***

***KRE will rapidly take its place amongst the front line of rare earth producers and will be recognised by all stakeholders as a high quality company that delivers***

## ***OUR GOALS***

**GOAL 1** Develop a healthy and robust culture

**GOAL 2** Establish KRE as a widely recognised rare earth specialist company

**GOAL 3** Justify accelerated ownership of the Cummins Range project

**GOAL 4** Rapidly achieve optimum commercial development of the Cummins Range project

**GOAL 5** Develop a pipeline of rare earth projects

**GOAL 6** Maintain access to capital resources to achieve our goals



# Building The Right Team



## *Tim Dobson – Focused on company growth*

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### *Managing Director*

Metallurgist with 23 years of continuous, broad-based experience in a range of ASX-listed and international mining companies including Placer Dome, Lihir Gold Limited, OM Group, and Norilsk Nickel. Technical and management roles in large, complex hydrometallurgical operations including gold pressure oxidation (Porgera and Lihir) and nickel-cobalt laterite (Cawse). Extensive feasibility study, project development and organisational development experience.



## *Geoff Collis – Managing the project pipeline*

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### *General Manager - Exploration*

26 years continuous experience as an exploration geologist working throughout Africa and Australia for a number of highly successful companies, across a range of commodities and within a variety of different geological terrains. Involved in the discovery of numerous gold deposits, the discovery of the Youanmi vanadium deposit in Western Australia and the Hartley Platinum Project prefeasibility study. Corporate experience as Exploration Manager ranging from pre-IPO through to successful M&A.



## *Michael Chan – Developing Cummins Range (commences 12 December)*

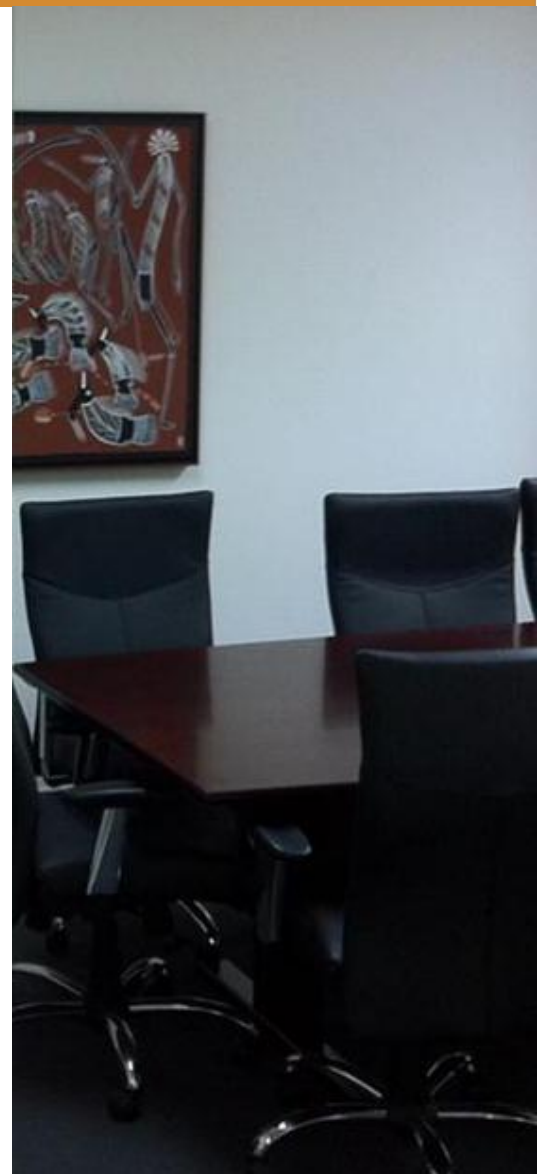
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### *General Manager – Project Development*

Metallurgist with 35 years industry experience in senior operations, project development and commercial roles. 10 years of extensive rare earth project experience including complex metallurgical flowsheet development and co-author of technical papers on Mt Weld rare earths project. Language skills in Mandarin, Malay/Indonesian, Cantonese, Hokkien and residential commercial role experience in China and Malaysia.

## CORPORATE

- Established corporate office in Havelock St, West Perth
- Recruited key team members
- Approved Strategic Business Plan and budget
- Completed wide-ranging company marketing and awareness program within Australia
- Completed round up and sale of unmarketable parcels of shares
- Attended specialist rare earths conferences and seminars in China, Toronto and Hong Kong



## CUMMINS RANGE

- Established site access, field camp and local relationships
- Completed high impact exploration program at Cummins Range
  - *High resolution aeromagnetic survey*
  - *Ground gravity survey*
  - *Geochemical survey of whole tenement*
  - *4,500 m RC drilling program*
- Identified 5 new drill targets within carbonatite feature
- Assessed metallurgical laboratories
- Commenced flotation test program at AMMTEC on 2007 drill samples



*RC Drilling at Cummins Range – September 2011*

## OTHER PROJECTS

- Commenced project assessment process
  - *Several projects already assessed and rejected*
  - *Currently 5-10 projects under review – both within Australia and overseas*
- Identified and secured second project with excellent heavy rare earth element (HREE) potential
  - *Malilongue, Mozambique*
  - *Legal due diligence to be completed by 16 December*



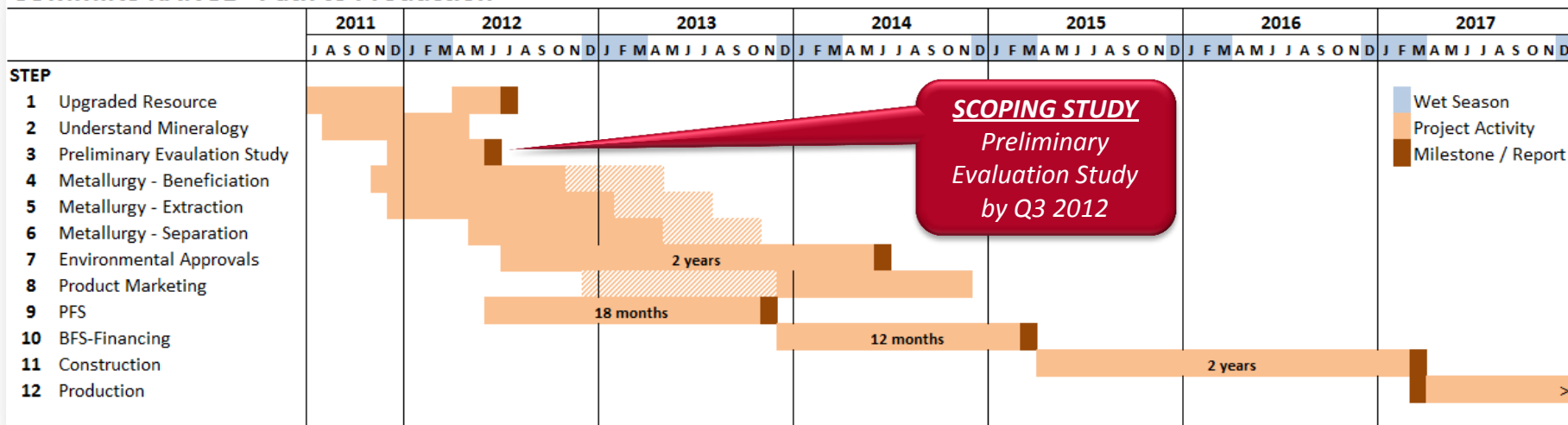
*A large topaz crystal from artisanal workings in pegmatite at Malilongue*



# The year ahead

1. Manage cash flow in balance with capital markets
2. Publish new resource statement for Cummins Range
3. Complete initial metallurgical assessment and preliminary evaluation of Cummins Range project by July
4. Complete acquisition of Malilongue and commence exploration activities
5. Assess other rare earths projects that may add value to the company, and acquire if warranted

### CUMMINS RANGE - Path to Production



# Focused On Rare Earths

## Principal Place of Business

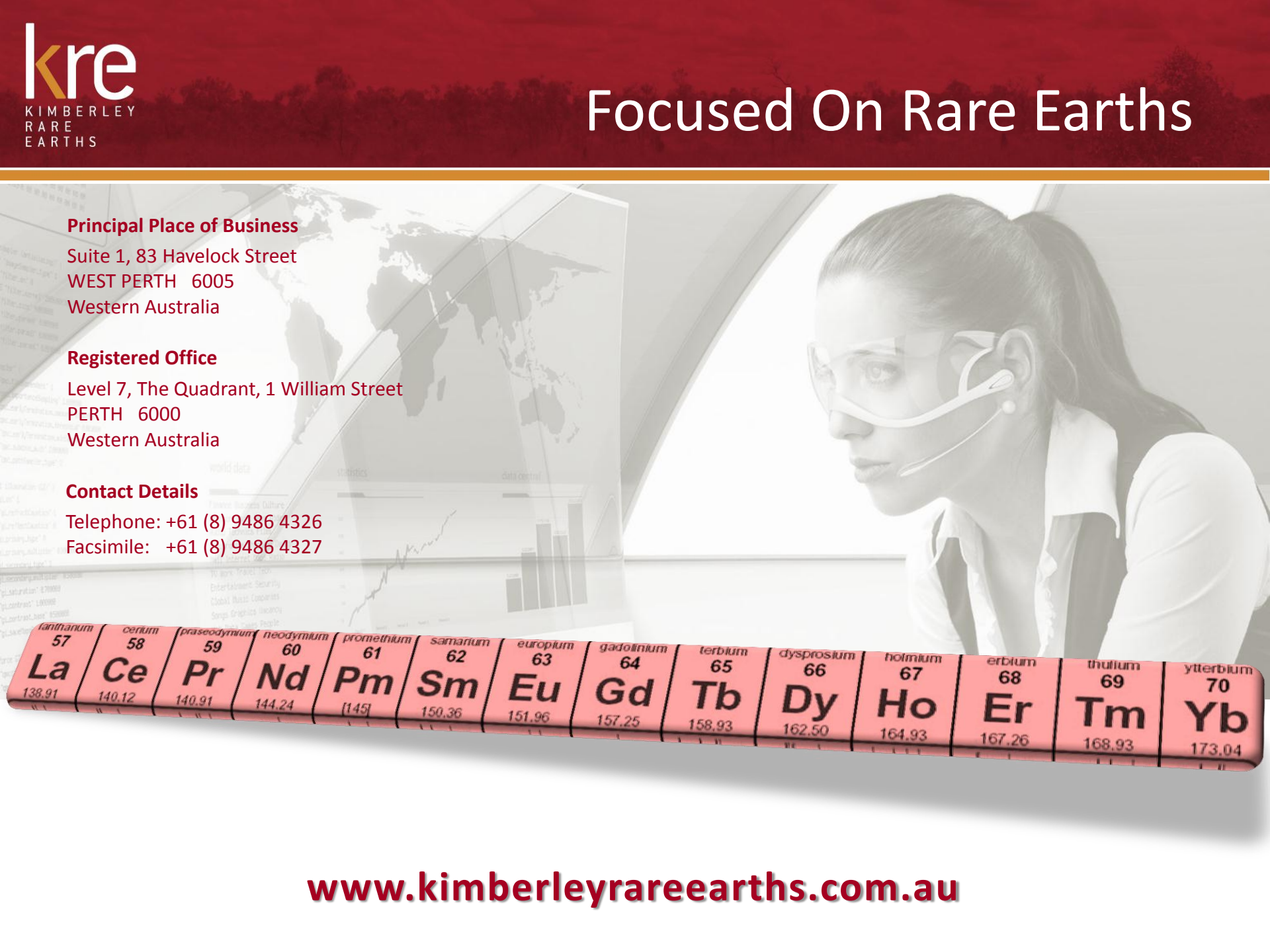
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lanthanum 57 <b>La</b> 138.91	cerium 58 <b>Ce</b> 140.12	praseodymium 59 <b>Pr</b> 140.91	neodymium 60 <b>Nd</b> 144.24	promethium 61 <b>Pm</b> [145]	samarium 62 <b>Sm</b> 150.36	europium 63 <b>Eu</b> 151.96	gadolinium 64 <b>Gd</b> 157.25	terbium 65 <b>Tb</b> 158.93	dysprosium 66 <b>Dy</b> 162.50	holmium 67 <b>Ho</b> 164.93	erbium 68 <b>Er</b> 167.26	thulium 69 <b>Tm</b> 168.93	ytterbium 70 <b>Yb</b> 173.04
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