

kre
KIMBERLEY
RARE
EARTHS



Development focus | distinctive capability

AMEC Convention
September 2012

DISCLAIMER

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- The Cummins Range JORC resource is classified as Inferred and as a result, is not sufficiently defined to allow conversion to an ore reserve. It is uncertain if additional exploration will allow conversion of the Inferred resource to a higher confidence resource (Indicated or Measured) and hence if a reserve could be determined for the project in the future. There is no certainty that the results of the concept study will be realised.

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.
- The Resource estimates were prepared by Rob Spiers (MAIG) who is a full time employee of Hellman and Schofield Pty Ltd. All resource work was supervised by Dr Phillip Hellman FAIG, who is a Director of Hellman and Schofield Pty Ltd. Both Robert and Phil have 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 Competent Persons as defined in the 2004 Edition of the “Australian Code for Reporting of Mineral Resources and Ore Reserves”. Robert Spiers and Dr Phillip Hellman consent to the inclusion of these estimates in the form and context in which they appear.

ASX:KRE

Kimberley Rare Earths Limited
ABN 20 147 678 779

Directors

Ian Macpherson – Chairman & NED
Tim Dobson – Managing Director
Jon Parker – Deputy Chairman & NED
Allan Trench – NED

Management

Tim Dobson – Managing Director
Geoff Collis – GM Exploration
Michael Chan – GM Project Dev.
Darren Crawte – Company Secretary

Capital Structure

128.2m shares
6.0m 25c, 2014 unlisted options
3.5m 30c, 2014 unlisted options
0.75m 30c, 2015 unlisted options

Cash at 31 August 2012

\$11.3 million

Market Cap at 31 August 2012

\$7.69 million



Well resourced:

- \$11 million cash on hand
- right team in place

Malilongue, Mozambique:

- targets: heavy rare earths, tantalum, lithium
- field work underway

Cummins Range, Western Australia:

- JORC rare earth resource
- positive concept study

M&A, in focus

... intent to become a company that delivers strong shareholder satisfaction from a series of resource projects.



Tim Dobson: *Focusing on company growth*

Managing Director

- Metallurgist
- 23 years industry experience
- Corporate, operations and project development



Geoff Collis: *Managing the project pipeline*

General Manager - Exploration

- Geologist
- 26 years industry experience
- Corporate, exploration success and project development



Michael Chan: *Leading project and technology development*

General Manager – Project Development

- Metallurgist
- 35 years industry experience, strong Asian networks
- Commercial, project and technology development

Malilongue: heavy rare earths project ...



**MALILONGUE
PROJECT**

Located 300km from Tete, pegmatite hosted rare earths discovered in active gemstone field



JV partner GWM's site office and accommodation facilities at Malilongue



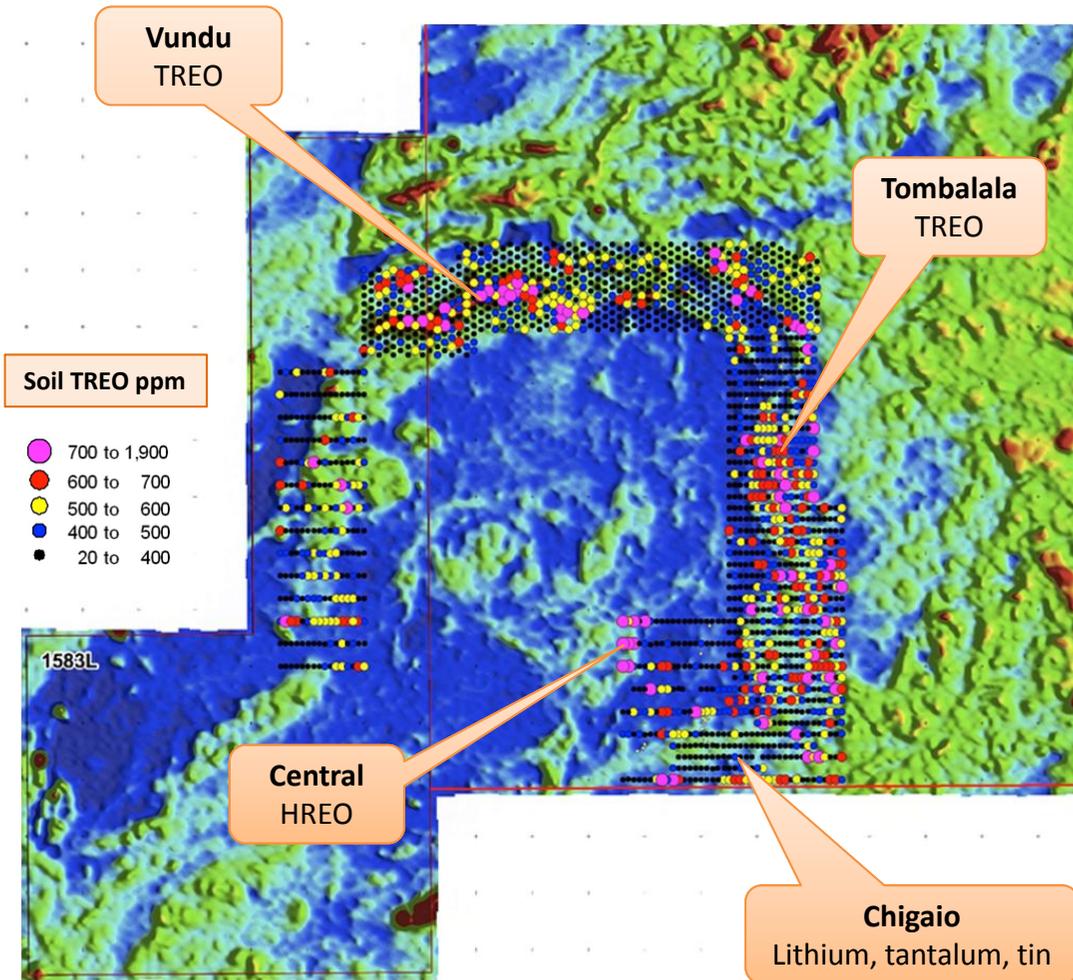
**5 cm
xenotime**

*Heavy rare earth mineral **xenotime** present in pegmatites & associated alluvials.*

*Pebbles collected on site assay up to **40% TREO** and **27% HREO**. KRE is exploring for the source*

KRE has 40% interest and farm-in rights to earn up to 90% (excludes gemstones)

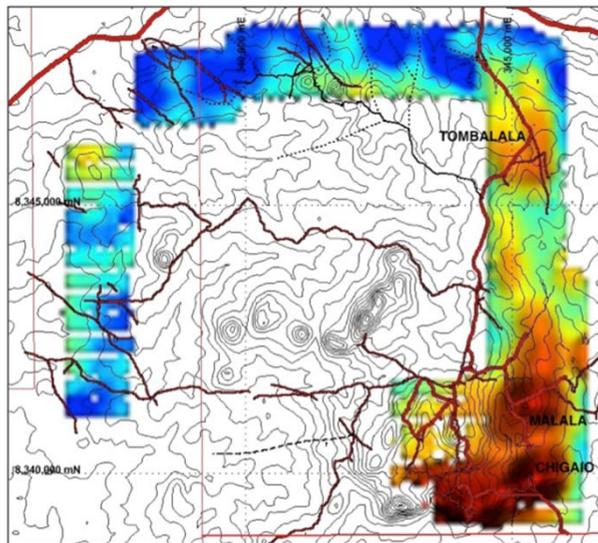
Malilongue: large targets ...



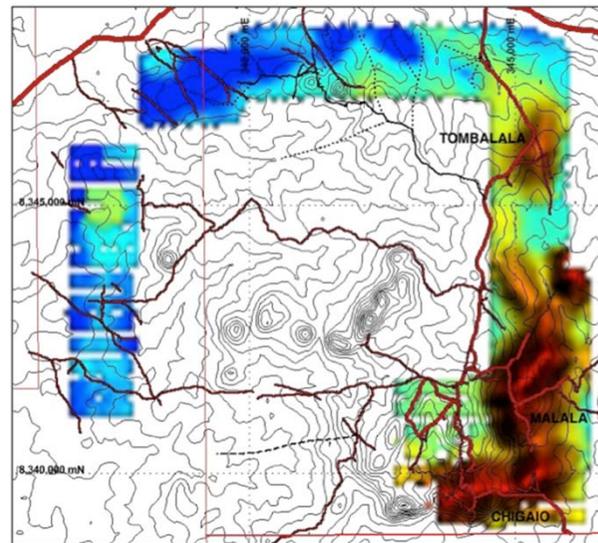
Trench sampling in progress

First field exploration program started March, 2012

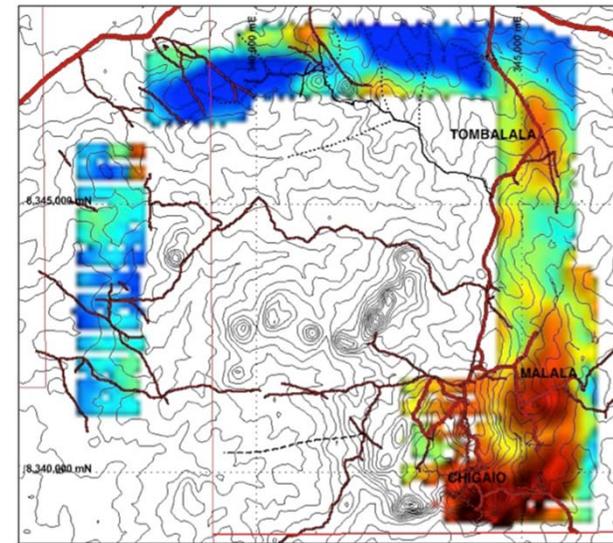
Malilongue: prospective for strategic metals ...



Lithium (Li)



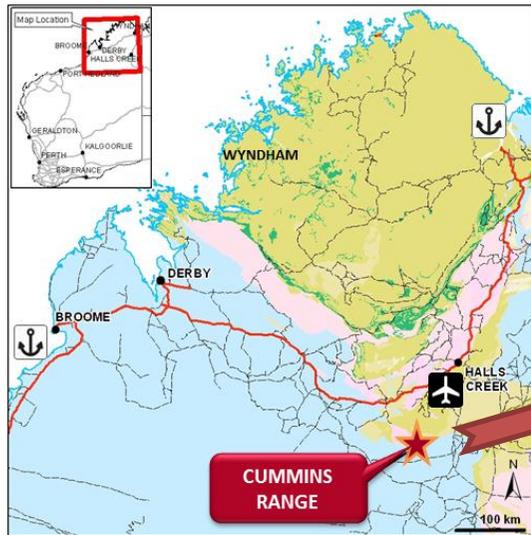
Tin (Sn)



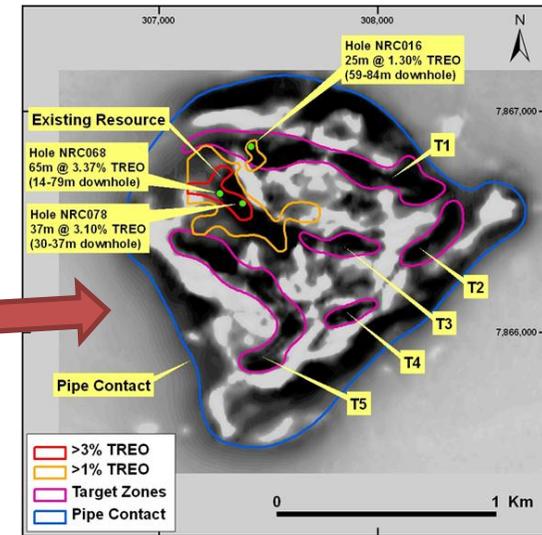
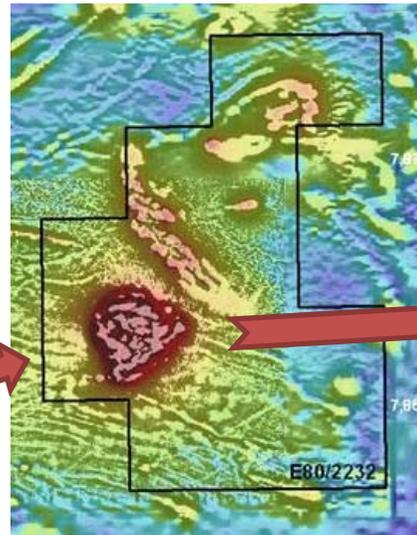
Tantalum (Ta)



Cummins Range: workable location, mineralogy and geology ...



LOCATION



MINERAL

Monazite

One of only 3
minerals
commercially
processed for rare
earths



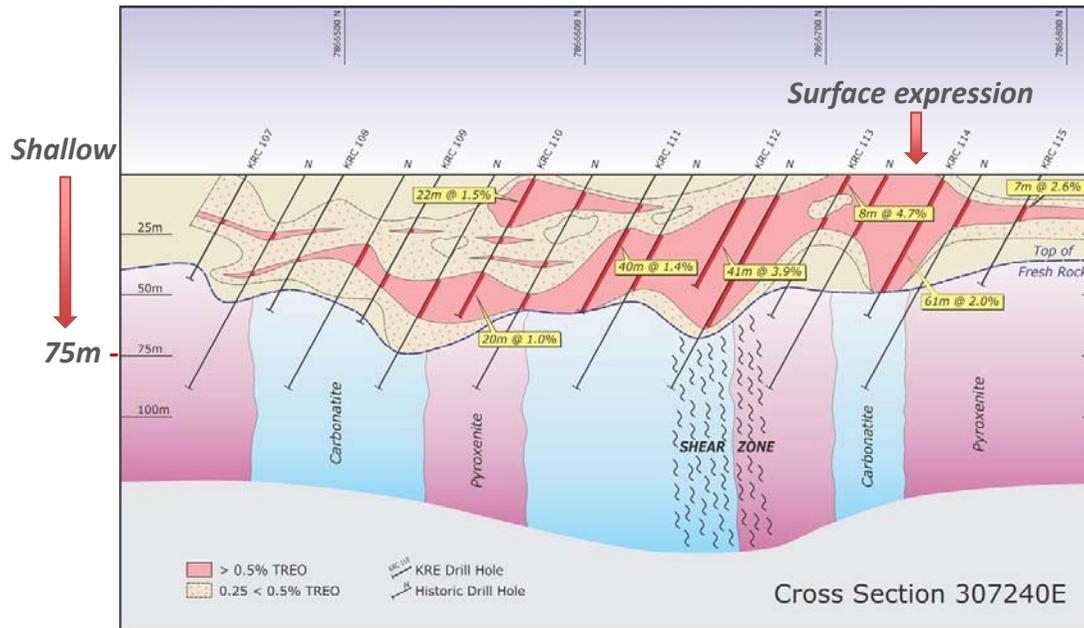
GEOLOGY

Weathered Carbonatite

Same as Mt Weld

Cummins Range: JORC compliant Resource ...

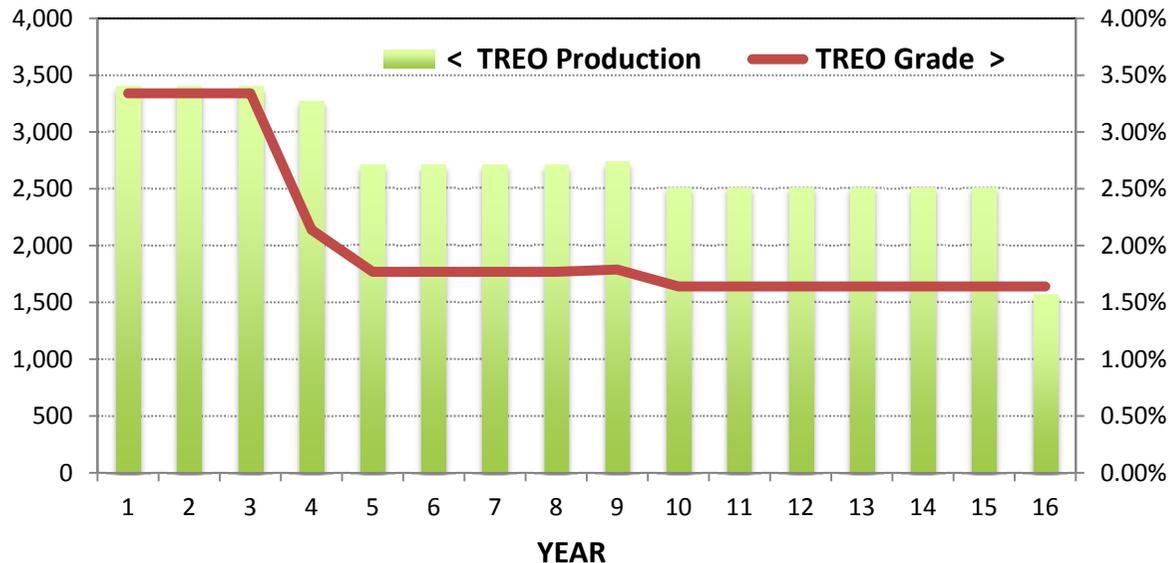
Cummins Range Inferred Resource						
Cut-off grade	Tonnage (Mt)	REO (%)	P ₂ O ₅ (%)	U ₃ O ₈ (ppm)	Th (ppm)	Total REO (kt)
1.0 %	4.90	1.74	11.2	145	48	85
0.5%	10.8	1.18	10.2	100	47	127



A simple mining proposition.

Ore is weathered and expresses at surface

Cummins Range: study proves concept ...



First three years enhanced by high grade starter pit production

Technical viability supported

Resource fully exploitable via simple open pit design

Conventional process flow sheet achievable

Commercial scale production supports 16-year mine life



Economics enhanced with scale-up to include third party feeds



British Geological Survey

Supply Risk Index 2011 Top 5	
Metal	Supply risk index
tungsten	8.5
antimony	8.5
platinum group	8.5
mercury	8.5
REE*	8.0



Critical Metals in Strategic Energy Technologies	
Metal	Supply risk
dysprosium (HREE*)	high
neodymium (LREE*)	high
tellurium	high
gallium	high
indium	high



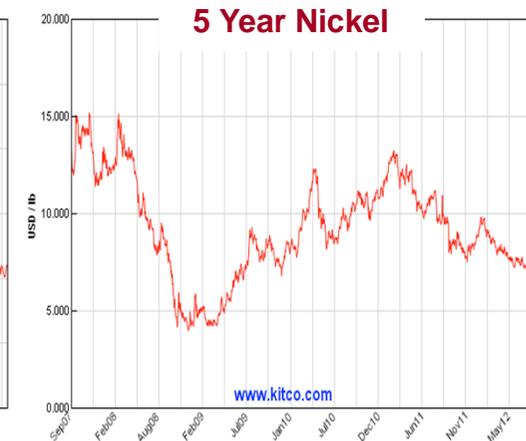
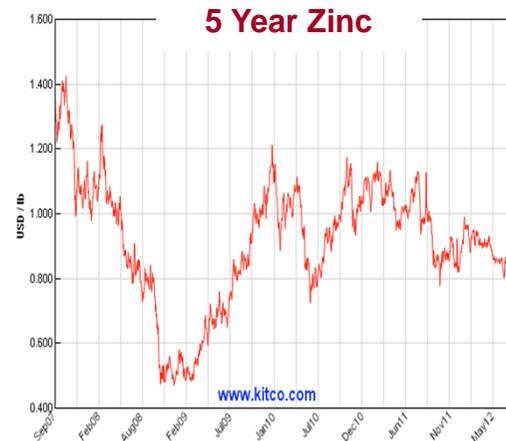
US Department of Energy

Critical Metals in Clean Energy Technologies	
Metal	Supply risk
dysprosium (HREE*)	critical
neodymium (LREE*)	critical
terbium (HREE*)	critical
europium (HREE*)	critical
yttrium (HREE*)	critical

* REE = rare earth elements; HREE = heavy rare earth element; LREE = light rare earth element

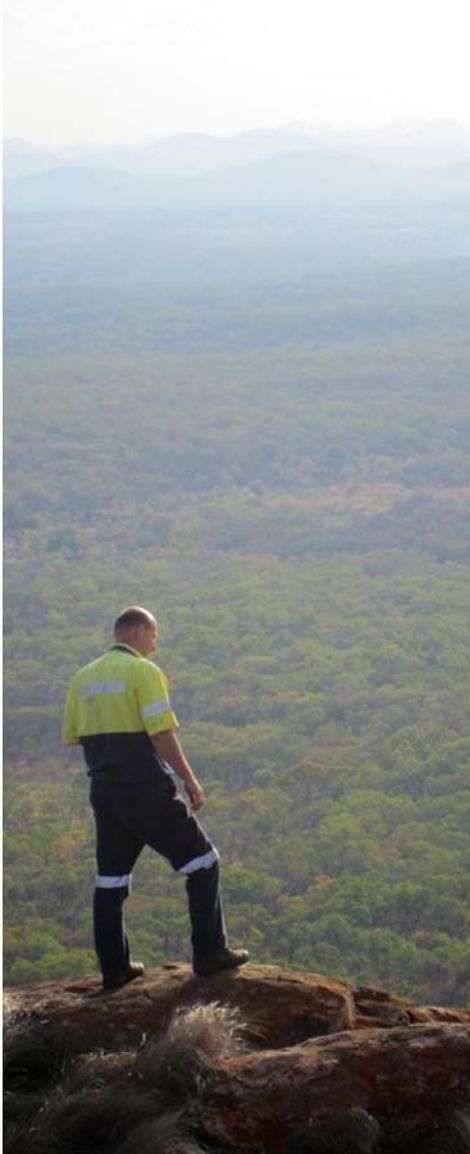
Complex, innovative metallurgy is often the key to unlocking value

M&A focus: and advanced precious/base metal projects



SOURCE: Kitco

Precious metal prices have risen strongly, base metal prices are holding



KRE is development focused ...

Malilongue, Mozambique

Prospective for heavy rare earths and other strategic metals

Cummins Range, Australia

JORC rare earths resource - positive concept study

M&A in focus

Advanced strategic, precious and base metal development projects

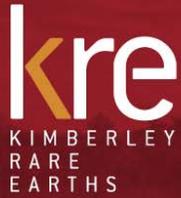
... and has distinctive capability in place

Cashed up

\$11 million on hand – trading below cash backing

Right team

Healthy culture, metallurgical skills, development track record



ASX:KRE

Principal Place of Business

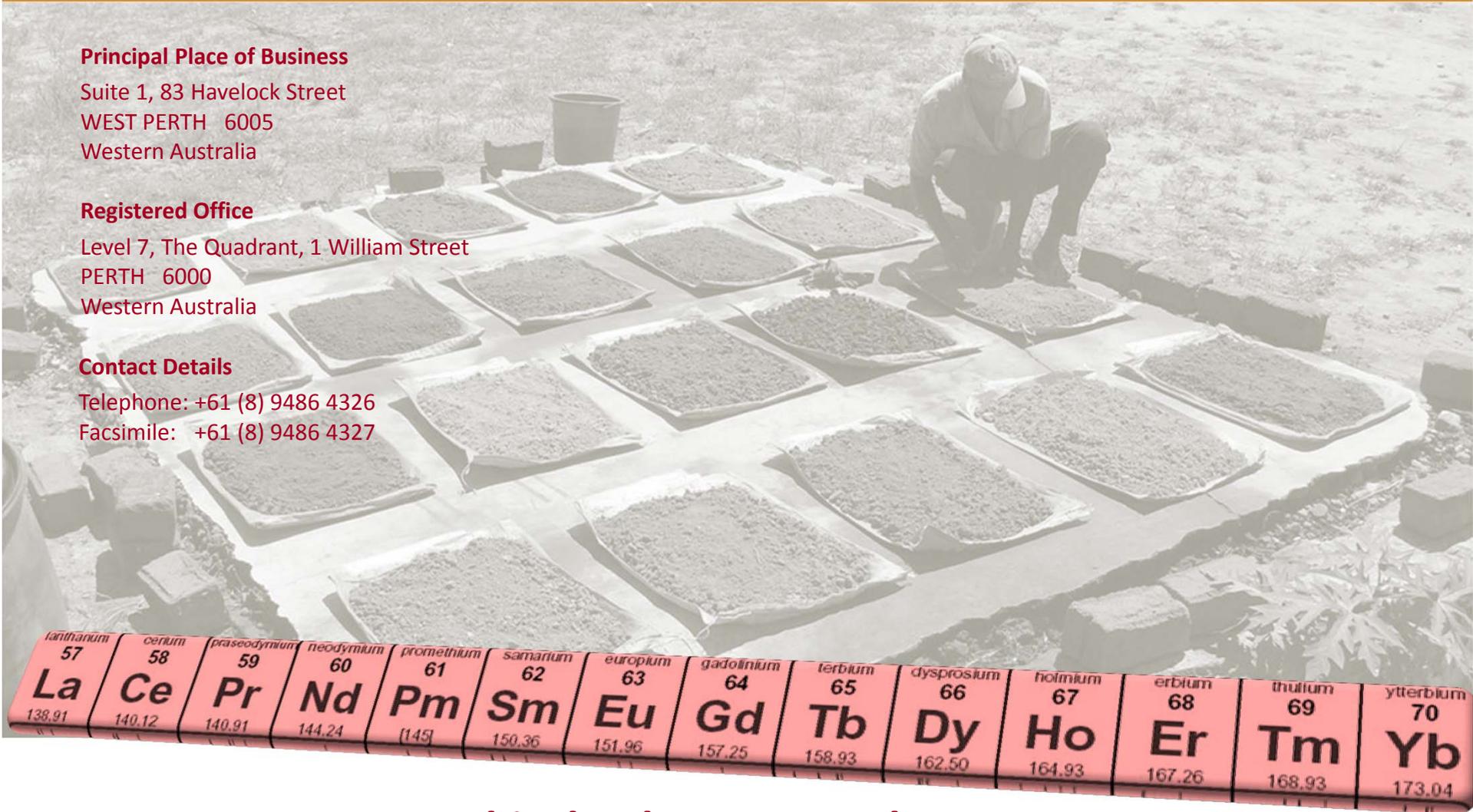
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