

29 November 2012

**2012 Annual General Meeting - Chairman's address**

Welcome to all shareholders and visitors to the second Annual General Meeting of Kimberley Rare Earths Limited.

Your Company was formed last year to exploit the Cummins Range Project with the aim of becoming a rare earths producer. Some 18 months later we've stopped development, exited the project and taken a different path.

Work by the management team on Cummins Range has been thorough and quicker and at lower cost than anticipated in the IPO. It included defining the resource, designing the flow sheet and completing a concept study. But the deposit does not extend as hoped and is comprised of light rather than heavy - the more valuable - rare earth elements. Moreover, the rare earth sector has undergone a rapid structural change and prices have fallen dramatically.

The Board's assessment is that Cummins Range cannot be exploited profitably in the foreseeable future. It is not the basis for building a successful mining business. And so, we ceased all discretionary spending on it, acquired an interest in the Malilongue exploration project, and began searching for an M&A opportunity that can deliver value to shareholders.

Yesterday we announced the Big Springs Project as that very exciting opportunity. It is the best of more than forty projects assessed. It is prospective for early development to deliver sustainable cash flow. And it provides a platform for growth. After the formal proceedings the Managing Director, Tim Dobson, will make a presentation on the Big Springs Project.

At this point I would like to acknowledge the stewardship of the Company's inaugural chairman Mr Ian Macpherson who is stepping down from the Board at the close of this meeting. Ian has made a significant contribution in guiding the Company through its successful listing and formative period. Thank you Ian on behalf of the Board and shareholders.

Jon Parker  
Chairman  
Kimberley Rare Earths Limited