KIMBERLEY RARE EARTHS LIMITED ABN 20 147 678 779
Telephone 08 9463 2463 Facsimile 08 9463 2499
Principal Place of Business Ground Floor, 45 Richardson St, West Perth WA 6005
Registered Office Level 7, The Quadrant, 1 William St, Perth WA 6001
kimberleyrareearths.com.au

The Manager
Company Announcements Office
Australian Securities Exchange
Level 8, Exchange Plaza
2 The Esplanade
Perth WA

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High-Impact Exploration Programs Planned at Cummins Range REO Project

KEY POINTS

- **RC drilling to increase already defined JORC resource.**
- **High resolution airborne and ground geophysical surveys to identify additional exploration targets.**
- **Focused auger sample geochemical program to aid exploration target selection.**

An exploration program designed to achieve rapid advancement of the Cummins Range rare earth oxide (REO) project is planned to commence shortly upon completion of permitting expected by late July 2011. The programs will have five main objectives:

1. Upgrade the existing JORC Inferred Resource to Indicated status.
2. Extend and expand the existing mineral resource, in particular to the west, the northwest and north of current drill coverage where high-grade REO mineralisation remains open.
3. Allow the collection of additional samples of high-grade REO mineralisation in order to advance metallurgical testwork
4. Explore the carbonatite for repeat REO deposits of similar style to the existing Cummins Range mineral resource.
5. Assess the entire tenement for other intrusive related REO mineralisation, including potential repeats of Cummins Range-style mineralisation.

The Cummins Range Inferred JORC compliant resource consists of shallow REO mineralisation (4.17 Mt at 1.72% TREO at 1% REO cut-off) occurring within the deeply weathered regolith profile developed above a carbonatite/pyroxenite volcanic diatreme. The weathering profile appears to be strongly related to the regional structural fabric, with structural controls trending both NW and NE.

DRILLING – Permitting in progress

A total of 5,700 m of RC drilling has been planned to infill and extend the existing resource at Cummins Range. Half of the program will comprise infill drilling which will close the current hole spacing down to 50 x 25 m resulting in a JORC status upgrade from Inferred to Indicated. The remainder of the program is designed to explore for extensions to the known resource primarily towards the NW. All of the potentially economic mineralisation occurs within the regolith and inclined holes will be drilled to fresh rock, notionally 100 m deep over the resource area.

Regulatory permitting has commenced, as has consultation with other stakeholders, including Native Title and pastoral leaseholders, where existing agreements and clearances are already in place. A drilling contract tender process has commenced and it is anticipated that drilling will commence at the project immediately following permit approvals.

GEOPHYSICS – High-resolution airborne and ground surveys

The existing broad-spaced aeromagnetic survey indicates that REO mineralisation is spatially related to magnetic lows and to radiometric highs within the Cummins Range diatreme. The magnetic diatreme itself is clearly evident as a prominent overall magnetic high in the airborne data (see figure below), however there is inadequate resolution to inform the exploration requirements of close-spaced drilling of high-grade REO zones.

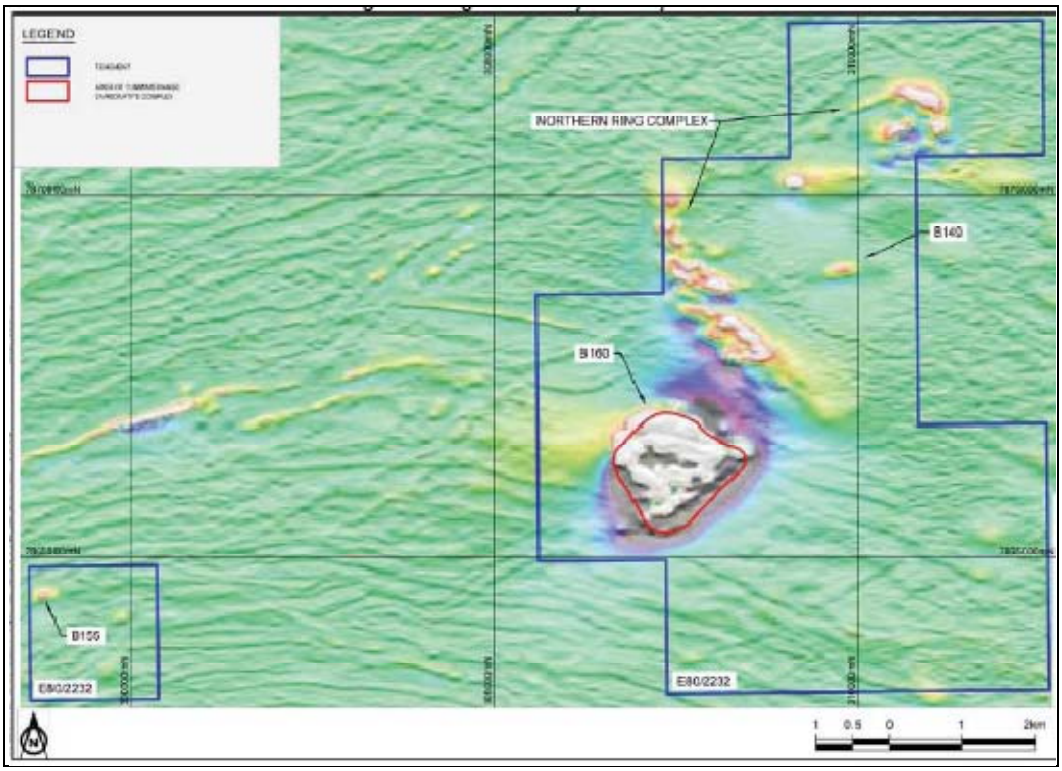

Figure 1: Aeromagnetic image of Cummins Range based on broad-spaced data.

A contractor has been secured for a close spaced (20 m line spacing), low altitude (20 m flight height) aeromagnetic/radiometric survey covering the entire diatreme and immediate surrounding country rock. Approximately 2,000 line kilometers will be flown using north-south flight lines and east-west tie lines. The resulting data will be instrumental in defining further high-priority REO mineralisation targets as the signature of the existing mineral resource will be established and then extrapolated over the remaining intrusive in search of similar zones. Flying is scheduled to commence in late June.

A close-spaced ground gravity survey is planned to compliment the airborne survey detailed above. A station spacing of 100 x 50 m will be used over the central portion of the diatreme, expanding to 200 x 100 m over the adjacent country rock to establish background parameters. This type of gravity survey is particularly effective as a regolith mapping tool and will help define the areas of deepest weathering where the highest-grade REO mineralisation has been found to be coincident.

A limited orientation sub-audio magnetic (SAM) survey is being considered to help define structures that may have focused, and hence accelerated, the weathering process creating zones of deeper weathering. If effective, the survey will be expanded to cover the entire intrusive.

Pending engagement of suitable service providers, these programs are also anticipated to commence in July.

GEOCHEMISTRY – Auger sampling an effective exploration tool

A thin veneer of aeolian sand covers much of the Cummins Range tenement area obscuring the bedrock from standard mapping, prospecting and sampling methods. An auger-sampling program comprising 916 samples has been designed to collect samples from a depth of about 2 m. A spacing of 500 x 200 m will be utilised to screen the entire tenement area closing to 100 x 100 m over the Cummins Range diatreme.

Resulting samples fine-fractions will be analysed for a wide range of elements, including the rare earth elements (REE), to aid in the definition of high-priority REO mineralisation targets for follow-up drilling. Innovative partial-leach geochemistry will be trialed over the existing resource to obtain the geochemical signature of the deposit, which will then be applied to samples collected over the remainder of the tenement area.

KRE Chief Executive Officer, Tim Dobson said that these programs represent an immediate commencement of the commitments made in the company's recent IPO Prospectus.

"The Cummins Range project is one of only a handful of defined REO resources in Australia right now and we are focused on rapidly assessing its commercial viability in this exciting and rapidly developing industry sector", Mr. Dobson said.

About Kimberley Rare Earths

Kimberley Rare Earths Limited listed on the Australian Securities Exchange on 18 May 2011, having raised $18.2m under an oversubscribed Initial Public Offering.

KRE was incorporated by Navigator Resources Limited, to be a specialist rare earths company and following listing, now holds a 25% interest in the Cummins Range Project. KRE has the right to earn up to 80% by funding exploration and development through to delivery of a bankable feasibility study. KRE's first target is to spend $10m within four years to increase its interest to 55%.

The Cummins Range project comprises 1 granted exploration license (80/2232) in the East Kimberley with an area of 48.5km^2 and within which is contained an independently estimated Inferred JORC compliant resource. The resource contains 4.17 Mt at an average grade of 1.72% TREO (total rare earth oxide) for 71,700 tonnes TREO, 11.0% P_2O_5 and 187 ppm U_3O_8 (using a 1% TREO cut off). The Cummins Range project is one of only a few Australian rare earths projects with a Resource reported under the JORC Code.

Competent Person Statement

Information in this ASX release 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 ASX release 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.