

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

30 June 2011

## CUMMINS RANGE PROJECT TENEMENT AND JOINT VENTURE AGREEMENT

### KEY POINTS

- **KRE has full management and operational rights over the Cummins Range Project**
- **There are no encumbrances over KRE's 25% interest in the Cummins Range Tenement**
- **KRE is aggressively progressing a high impact exploration programs in line with its strategy of rapid development of the Cummins Range Project.**

In response to queries from several KRE shareholders, the Company is pleased to provide clarification of its position with respect to the Cummins Range Joint Venture ("the Joint Venture") and its rights to the Cummins Range Project Tenement, being E80/2232 ("the Project").

As detailed in KRE's IPO Prospectus, the Joint Venture Agreement entitles the Company to unencumbered rights to the Project through meeting earn in commitments in three stages. The first stage has been achieved and the Company currently has unencumbered ownership of 25% of the Project.

Achievement of the second stage is in progress with the commencement of exploration as detailed in the 16 June announcement. KRE immediately earns unencumbered ownership of an additional 30% equity (to 55%) upon the completion of \$10M exploration spend over within 4 years.

KRE then has the ability to earn a further 25% (to 80%) equity in the Project through the delivery of a bankable feasibility study.

KRE is not aware of any material risks that would affect the Company's current tenure, its ability to earn additional equity or its management rights under the Joint Venture Agreement, provided that KRE continues to meet its obligations under that Agreement.

The Board and management are continuing to aggressively progress the high impact exploration program detailed in the 16 June announcement.

**Tim Dobson**  
CEO

## Contact details

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## 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<sup>2</sup> 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<sub>2</sub>O<sub>5</sub> and 187 ppm U<sub>3</sub>O<sub>8</sub> (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.