

The Manager  
Company Announcements Office  
Australian Securities Exchange  
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Perth WA

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## CUMMINS RANGE DRILLING READY TO COMMENCE

### KEY POINTS

- **Drilling contractor secured, will commence mid August once PoW approval received.**
- **Service providers secured for all other planned exploration activities.**
- **Site access established and relationships established with key local stakeholders.**

On 16 June 2011 KRE announced a range of high-impact exploration activities planned to advance the Cummins Range rare earth project. We are pleased to announce significant advancement in all aspects of these activities as follows:

### DRILLING

- A Program of Works (PoW) is currently being assessed by the Department and approval is anticipated by mid August.
- An appropriate and reputable drilling contractor has been secured and is expected to commence the planned 5,700 m RC drilling programme as soon as PoW approval is received.
- Relationships are being developed with local pastoral lease holders (Carranya Station and Ruby Plains Station) and a vehicular access track to the project site has been re-established.
- Heritage clearance for the planned activities, approved by the Native Title claimant group, is in place.

### GEOPHYSICS

- A close-spaced, low-altitude, high-resolution aeromagnetic/radiometric survey has been completed over the entire Cummins Range carbonatite diatreme and surrounding country rock. Data was collected at an altitude of 20m along flight lines 20m apart and are currently being processed for delivery to KRE within two weeks.
- A close-spaced ground gravity survey will commence by the end of July and will comprise a total of 3,400 stations. These data will complement the airborne data and are expected to define areas of deepest weathering where the highest-grade rare earth oxide (REO) mineralisation has been found to be coincident.
- To complete the geophysical picture, a series of extremely high resolution (50cm) satellite imagery is currently being captured by the GeoEye satellite and is expected for delivery to KRE within two weeks. The imagery, covering the entire tenement, will provide a snapshot of the project area at the point in time when KRE assumed management of the project. These data will provide baseline references for all logistical, environmental and development activities required during the project's

advancement. Regolith interpretations based on these data will aid in the interpretation of the geochemical survey.

## GEOCHEMISTRY

- An auger contractor has been secured to collect 1,354 samples in a programme designed to investigate the entire tenement for further rare earth mineralisation. Sampling is due to commence on 22 July.

KRE Chief Executive Officer Tim Dobson commented that there had been no significant holdups in any aspect of the planned activities, which are expected to materially advance the understanding and development of the Cummins Range rare earths deposit.

*"We are very pleased to have commenced activities on the ground at Cummins Range, and have been able to secure reputable and experienced contractors for all planned programmes. Accordingly we should have information flowing from the project shortly".*

## 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 to be a specialist rare earths company and holds a 25% interest in the Cummins Range Rare Earths Project in joint venture with Navigator Resources Limited. 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 objective is to spend \$10m within four years to increase its interest to 55%.

The Cummins Range project comprises a single exploration licence (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 4.17Mt 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 187ppm 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.