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ABN 20 147 678 779

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**Capital Structure**

125.6m shares  
6.0m 25c, 2014 unlisted options  
2.5m 30c, 2014 unlisted options

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## SIGNIFICANT NEW RARE EARTHS DRILL TARGETS IDENTIFIED AT CUMMINS RANGE

### KEY POINTS

- New high-resolution aeromagnetic survey reveals significant new resource extension targets at Cummins Range.
- Multiple extensions of magnetic lows beyond existing drill coverage support resource extension potential.
- Untested magnetic lows within the Cummins Range pipe to be targeted and tested through increased drilling commitment.
- First 5,500m RC drilling program to commence by 7 September; PoW submitted for additional 11,000 metres of drilling.

### SUMMARY

Kimberley Rare Earths Limited (KRE) is developing the Cummins Range rare earth project in the East Kimberley region of Western Australia and has commenced a high-impact exploration program aimed at improving both the size and classification of the existing JORC-classified resource.

Recently acquired high-resolution aeromagnetic data have defined considerable REO potential within the Cummins Range pipe. The data reveal excellent correlation between the existing rare earth oxide (REO) resource and a central magnetic low. A number of other magnetic lows with a similar signature are revealed by the new data within the confines of the pipe.

A well defined structural fabric has emerged that is interpreted to control both the already defined mineralisation as well as the new target zones, providing a significant vector to further exploration. No effective drilling exists over the new targets.

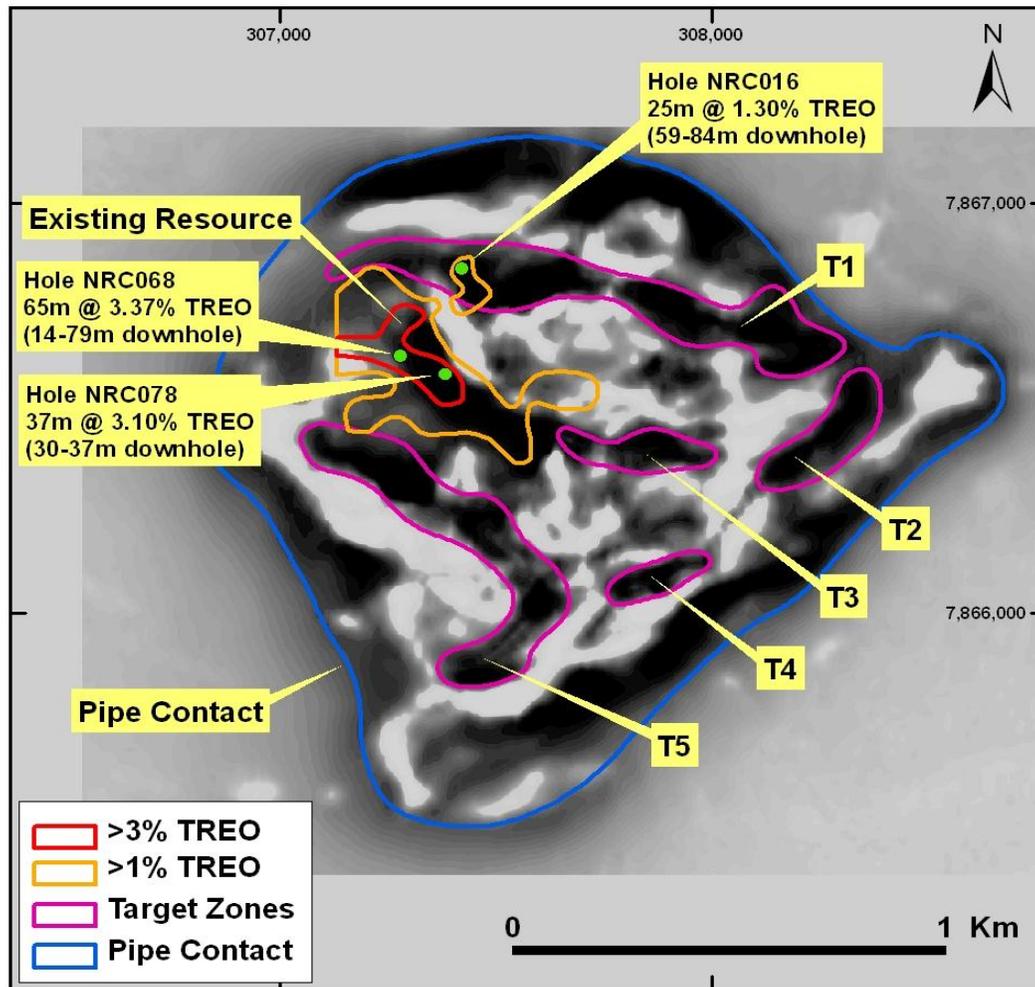
#### About Kimberley Rare Earths

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.





*Figure 1: New aeromagnetic image of the Cummins Range pipe showing existing resource and new targets. Zones of magnetic 'low' (dark) correlate to areas of high-grade REOs in existing resource drill coverage.*

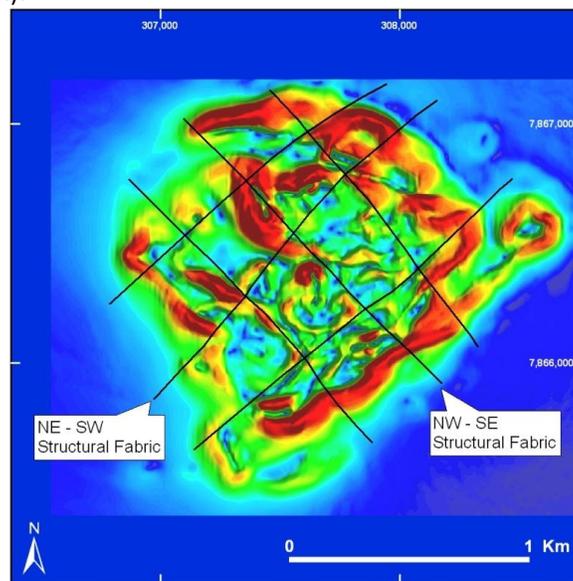
## AEROMAGNETIC DATA

The Company recently flew an ultra-detailed aeromagnetic survey over the Cummins Range pipe and immediate surrounding country rock. The survey was conducted at an altitude of 20m, along north-south trending flight lines 20m apart and with east-west tie lines established every 200m. The data are depicted above as a first vertical derivative of the pole reduced total magnetic intensity.

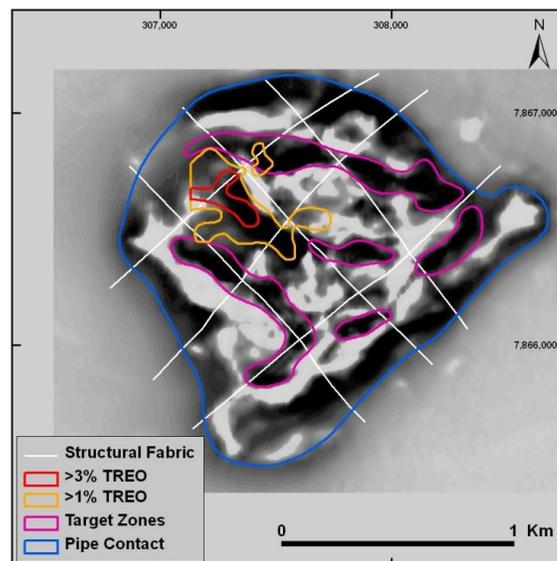
This aeromagnetic image clearly shows a roughly circular pipe with a diameter of approximately 1.4 km. The bright white areas are interpreted to represent the magnetite bearing pyroxenite zones while the darker areas correspond with the REO-bearing carbonate/dolomite rich zones. The existing resource (4.17Mt at 1.72% TREO at 1% cut-off) is depicted at two separate cut-off grades within the centre of the pipe and clearly shows good correlation with the central magnetic low area.

Extrapolating this response to the remainder of the pipe produces five new and separate targets each defined by discrete, coherent magnetic lows within the inner core of the pipe. Each of the targets displays similar characteristics to those over the existing resource and together they represent a significant new suite of targets from which to expand the current REO resource. The northern most target has been previously tested by a single fence of RC drilling with significant assay results including 25m at 1.3% TREO from 59m down hole (NRC016). None of the four remaining targets have been subjected to any form of effective drill testing.

The existing resource area and a number of the new target zones are interpreted to be controlled by a well defined conjugate set of structures trending NE-SW and NW-SE as shown in Figures 2 and 3 below (not all structures shown).



**Figure 2:** Aeromagnetic image (Horizontal Gradient) indicating prominent NE-NW conjugate structures.



**Figure 3:** Influence of the NE-NW conjugate structures on the resource and targets.

The structural fabric of the pipe and surrounding country rock revealed in the above Figures is being used to inform the expanded drilling program by targeting the magnetic lows associated with the intersection points of conjugate structures.

### **RC DRILLING PROGRAM**

The previously announced RC drilling program is now scheduled to commence in the week ending 9 September. Minor delays have been experienced with coordinating the requirements of the radiation management program, water supply and camp facilities, however preparations are now well advanced to complete the initial 5,500m drilling program. An additional Program of Works (PoW) has been lodged with the regulator in order to facilitate an extension of drilling to test the new targets described above.

### **GLOSSARY**

"**Aeromagnetic**" means an airborne geophysical technique whereby the intensity of the earth's magnetic field is measured in a systematic way.

"**Carbonatites**" are intrusive igneous rocks with a composition of greater than 50% carbonate minerals.

"**Diamond Drilling**" or "**Core Drilling**" is a drilling technique which uses a diamond-set drill bit to produce a cylindrical core of rock.

"**Pipe**" means a cylindrical intrusion of younger igneous rocks into an older geological terrain.

"**ppm**" means 1 part per million by weight (10,000ppm equals 1%).

"**Pyroxenite**" is an ultramafic igneous rock comprising predominantly minerals of the pyroxene group.

"**RAB**" means rotary air blast, a cost-effective drilling technique used to sample weathered rock.

"**REO**" means the oxides of the 14 rare earth elements; Lanthanum (La), Cerium (Ce), Praseodymium (Pr), Neodymium (Nd), Samarium (Sm), Europium (Eu), Gadolinium (Gd), Terbium (Tb), Dysprosium (Dy), Holmium (Ho), Erbium (Er), Thulium (Tm), Ytterbium (Yb), Lutetium (Lu) plus Yttrium (Y) but excluding Promethium (Pm).

"**RC**" means reverse circulation, a drilling technique that is used to return uncontaminated pulverised rock samples through a central annulus inside the drill pipes. RC samples can be used in industry-standard Mineral Resource statements.

"**TREO**" means the sum of the 14 rare earth oxides, Lanthanum to Lutetium plus Yttrium as defined above under "REO".

### **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.*