KIMBERLEY METALS LIMITED

New Gold Lode at Mineral Hill Supports Mine Restart

Mines & Wines 2010

Adam McKinnon & Stuart Mathews

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Competent Persons Statement

The information in the Presentation that relates to Exploration Results and Mineral Resources has been compiled by Mr Stuart Mathews, MSc (Hons), who is a Member of the Australasian Institute of Mining and Metallurgy and is a full-time employee of the Company. He has sufficient experience that is relevant to the styles of mineralisation and types of deposit under consideration and to the activity that is being undertaking to qualify as a Competent Persons as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves. Mr Mathews consents to the inclusion in the Presentation of the matters based on his information in the form and context that the information appears.

Information relating to Resource Estimates is based on prior reports prepared by Mr Colin Lutherborrow (an employee of Zilloc Pty Ltd and a Member of the Australasian Institute of Mining and Metallurgy) in relation to the Mineral Hill project, and Mr Daniel Wholley (an employee of CSA Australia Pty Ltd and a Member of the Australian Institute of Geoscientists) in relation to the Sorby Hills and Constance Range projects. Each of these persons has sufficient experience that is relevant to the styles of mineralisation and types of deposit under consideration and to the activity that is being undertaking to qualify as Competent Persons as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves. Further, each of these persons consents to the inclusion in the Presentation of the matters based on his information in the form and context that the information appears.

Projects

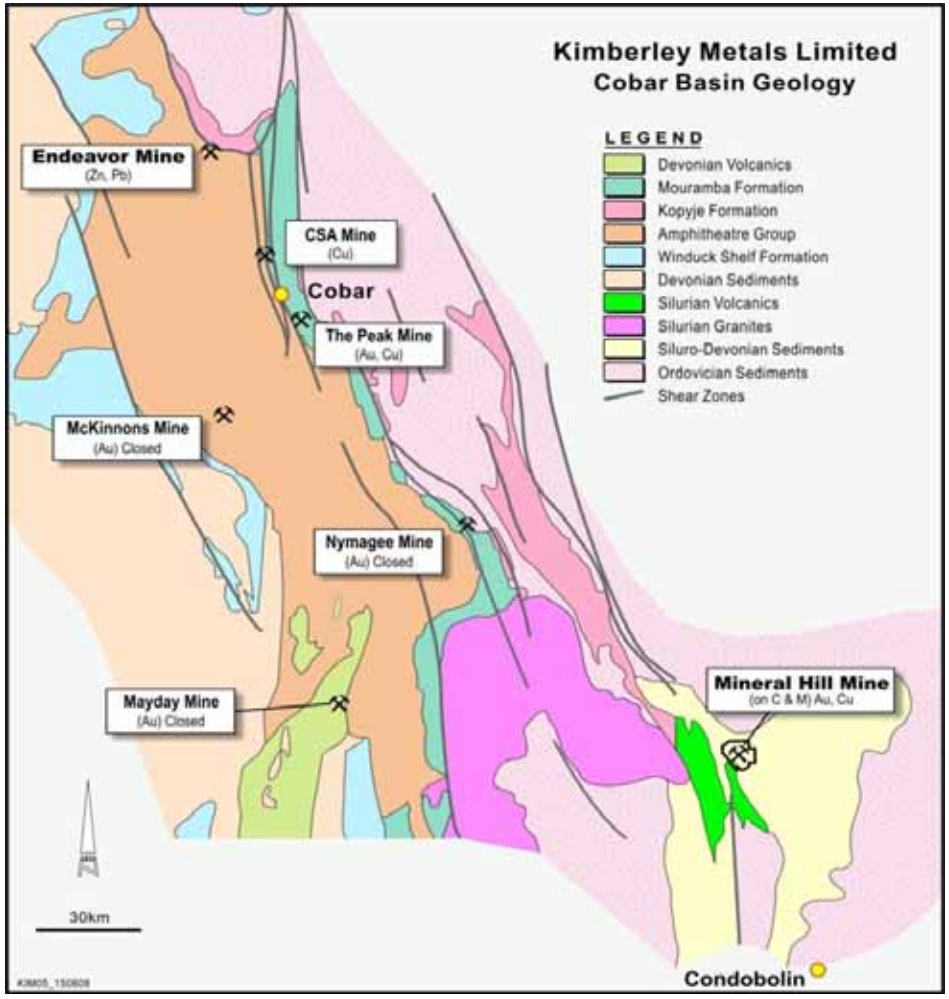

Darwin
Sorby Hills
Lead & Silver
Constance Range
Iron
NORTHERN TERRITORY
QUEENSLAND
WESTERN AUSTRALIA
SOUTH AUSTRALIA
Brisbane
NEW SOUTH WALES
Mineral Hill
Gold & Base Metals
Perth
Adelaide
Canberra
Sydney
VICTORIA
Melbourne
TASMANIA
Hobart

Corporate Background

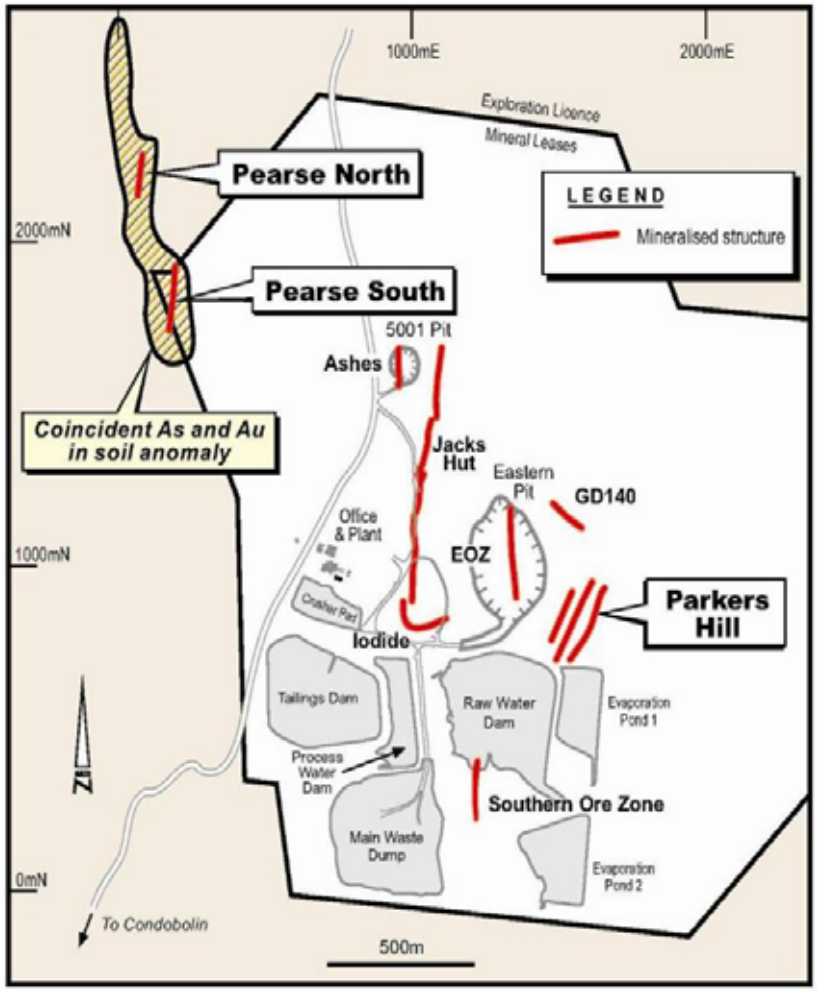
- **ASX Listed on 25 February 2010 (ASX: KBL)**
  - IPO capital raised $11.3 million
- **Agreement announced with the China's largest lead producer, Henan Yuguang Gold & Lead Co. Ltd for a:**
  - $5 million farm-in for 25% of Sorby Hills lead-silver deposit
  - $5 million share issue at 25 cents per share for a 15% interest
- **Focus on Mineral Hill restart**
  - existing Mining Leases and processing plant
  - accelerated production plan with Pearse gold discovery
  - Parker's Hill open pit and underground Cu and Pb/Zn resources
- **Sorby Hills feasibility study commenced**

Mineral Hill Mine

Location and Regional Setting

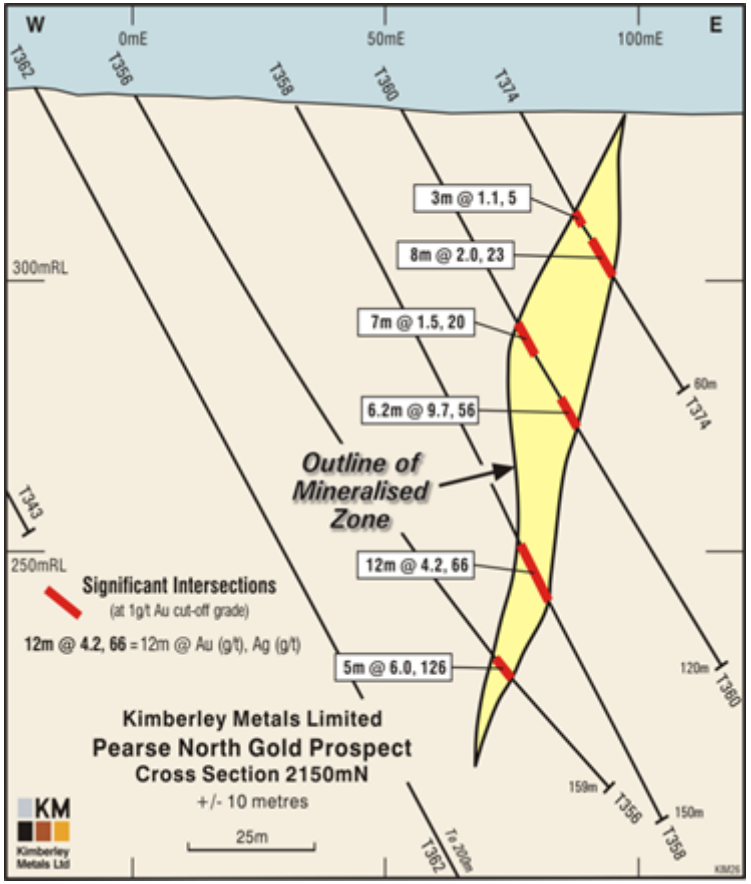


Mineral Hill - Background



- Discovered in 1908; intermittent, small scale mining through to the 1950s
- Modern operations commenced by Triako Resources Limited in 1989 with an open cut for Au-Cu ore
- Subsequent underground mining of Au-Cu ore occurred until the mine entered care and maintenance in 2005
- Total of 2.1 Mt of ore treated from at least four ore zones, producing **360,000 oz Au** and **20,400 Cu**
- Parkers Hill Ore Zone developed on three levels but never mined
- Discovery of high grade gold at Pearse deposit by KBL in 2009

Pearse Deposit – Exploration History



Drilling by Triako Resources at Pearse North gold prospect 1999 - 2000

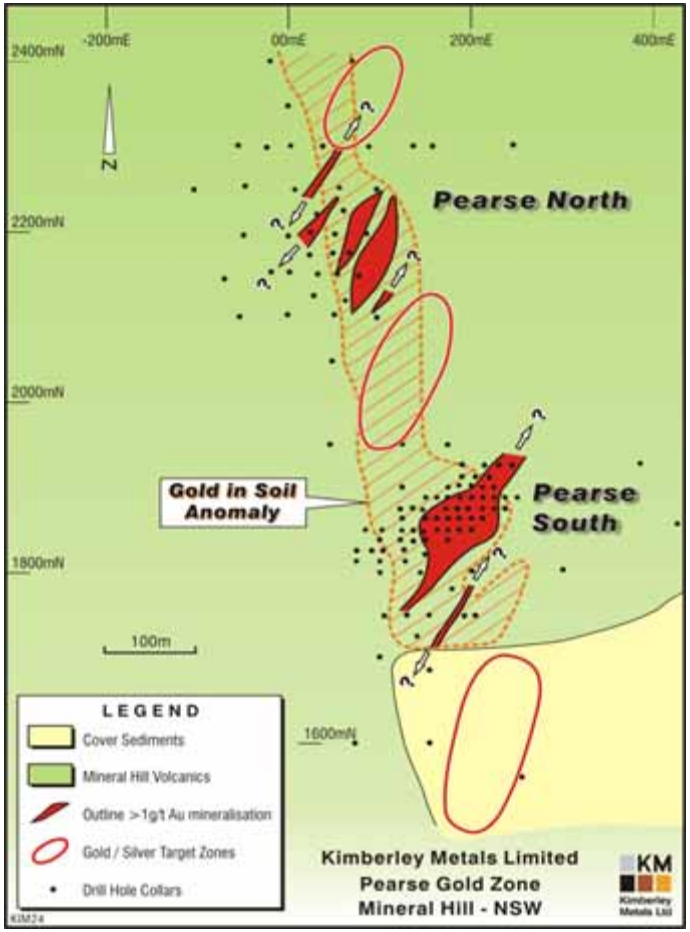
- Au-Ag mineralisation discovered in Pearse area by Triako Resources Ltd
- Prospective area defined by coincident Au-As soil anomaly in late 1990s
- Subsequent drilling concentrated on Pearse North area
- Best results obtained at from sub-vertical structure at 2150N
- Mineralisation considered discontinuous and difficult to follow between sections
- Limited drilling at Pearse South narrowly missed high grade gold mineralisation later discovered by KBL

Pearse Deposit – Exploration by KBL

RC drilling at Pearse – March 2009

- Infill RC drilling by KBL in 2nd Quarter 2009 intersects large, high grade zones at Pearse
  - KMHRC006 **14 m @ 9.3 g/t Au & 48 g/t Ag** from 71m
  - KMHRC025 **21 m @ 14.5 g/t Au & 15 g/t Ag** from 9m & **14 m @ 16.7 g/t Au & 8 g/t Ag** from 53m
  - KMHRC026 **49 m @ 10.7 g/t Au & 119 g/t Au** from 46m
- Extensive drilling program commenced in 2010, close spaced drilling, includes:
  - KMHRC039 **44 m @ 9.4 g/t Au & 172 g/t Ag** from 28m
  - KMHRC046 **23 m @ 21.1 g/t Au & 80 g/t Ag** from 48m
  - KMHDD003 **52.6 m @ 10.4 g/t Au & 156 g/t Ag** from 51.4m
- Measured and Indicated Resources established June 2010
- Metallurgical testwork, mining and environmental studies, and further diamond and RC drilling are currently ongoing

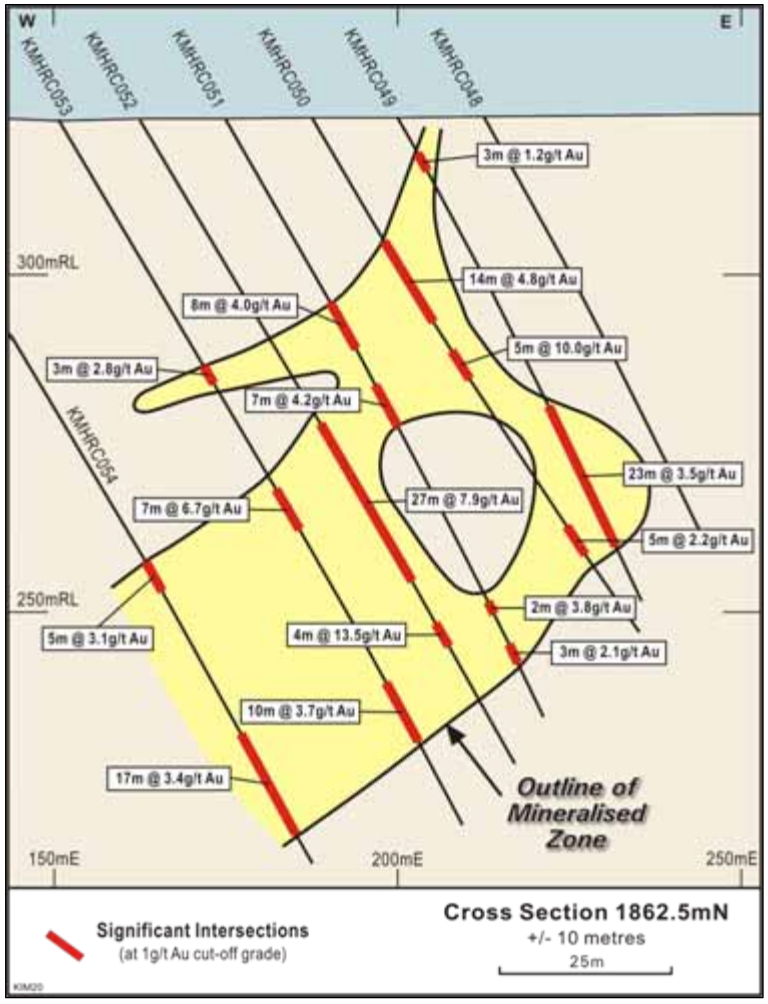
Pearse Deposit - Geology

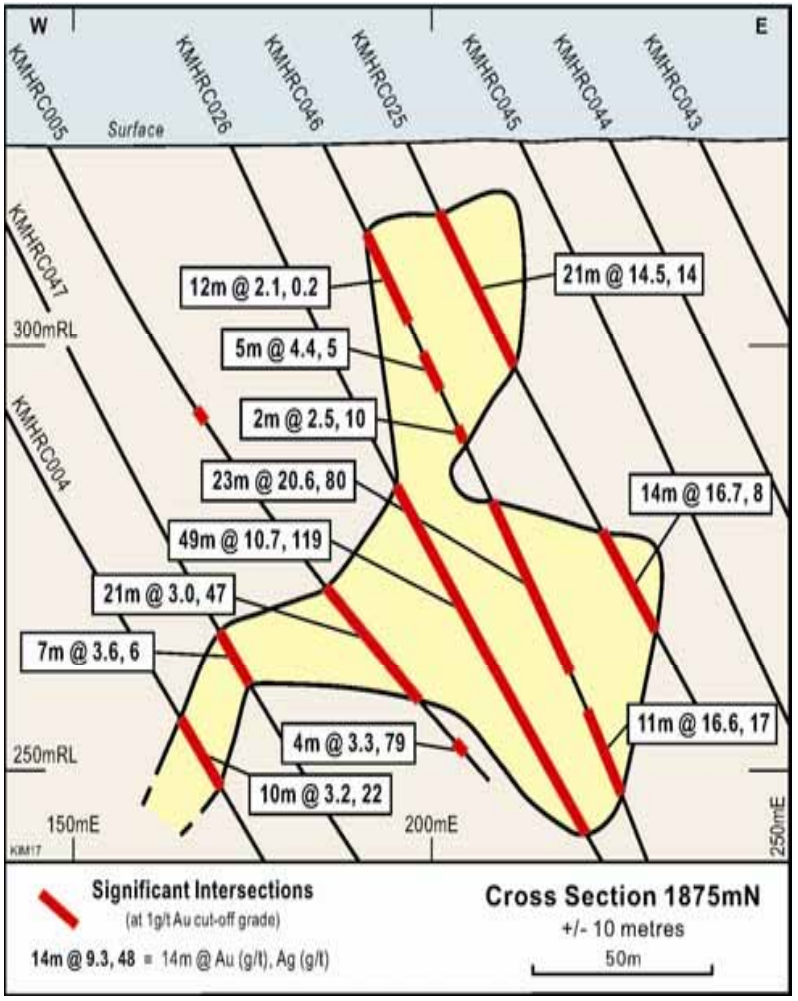


Surface projection of mineralisation

- Deposit hosted in the Late Silurian age Mineral Hill Volcanics
- Discontinuous en-echelon structures
- Pearse deposit shows broad zones of strongly altered and foliated volcanics
- Mineralisation generally strikes NNE-SSW, dips to the west and plunges slightly to the SSW
- Hanging wall comprises variably weathered volcanics, with siltstones and sandstones at higher levels
- Footwall predominantly vitric tuff
- Emplacement of mineralisation appears to have both structural and stratigraphic controls
- Distinct epithermal characteristics, differs markedly from other Mineral Hill Lodes

Pearse Deposit – Cross Sections



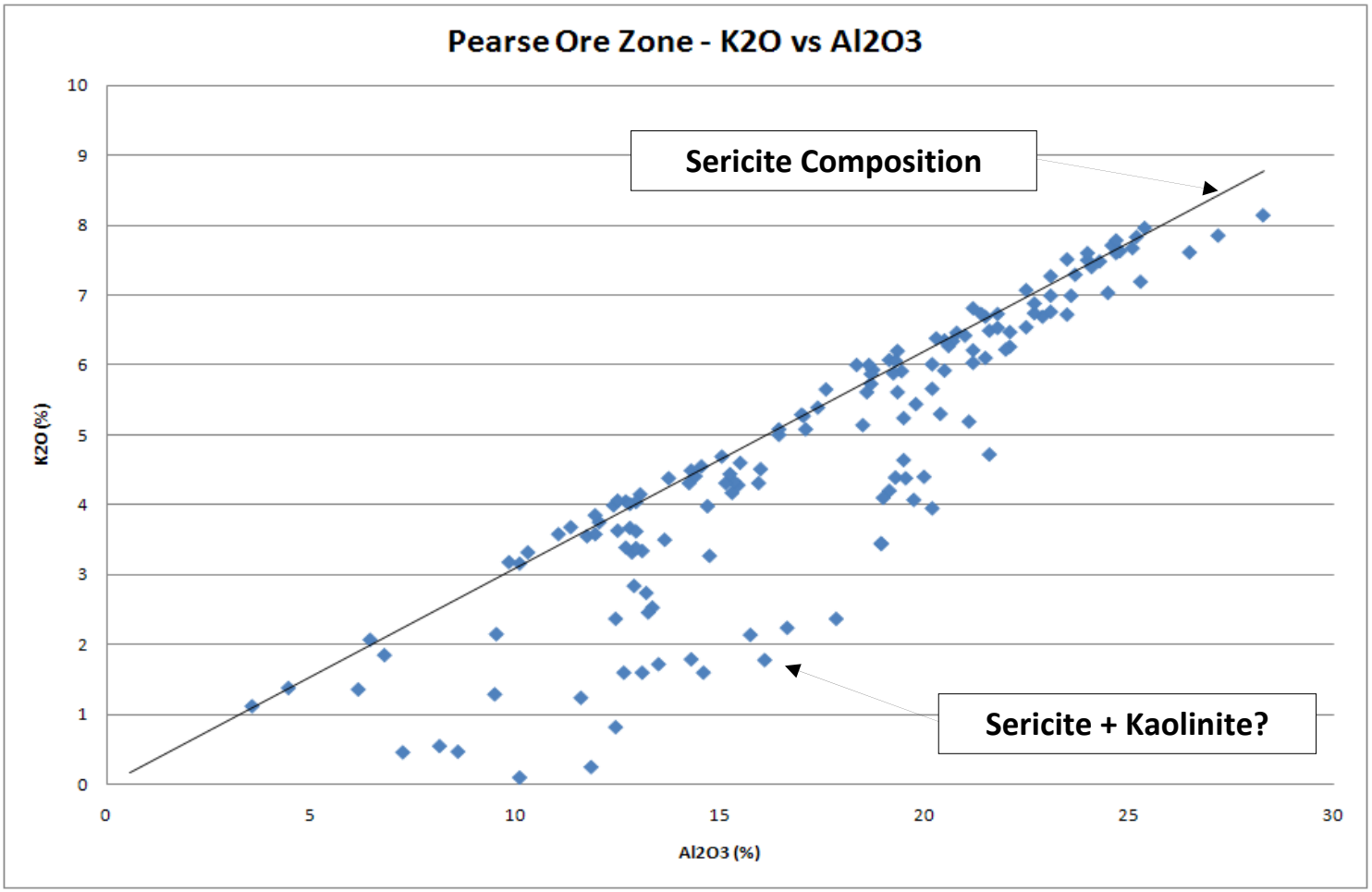


Pearse Deposit - Alteration

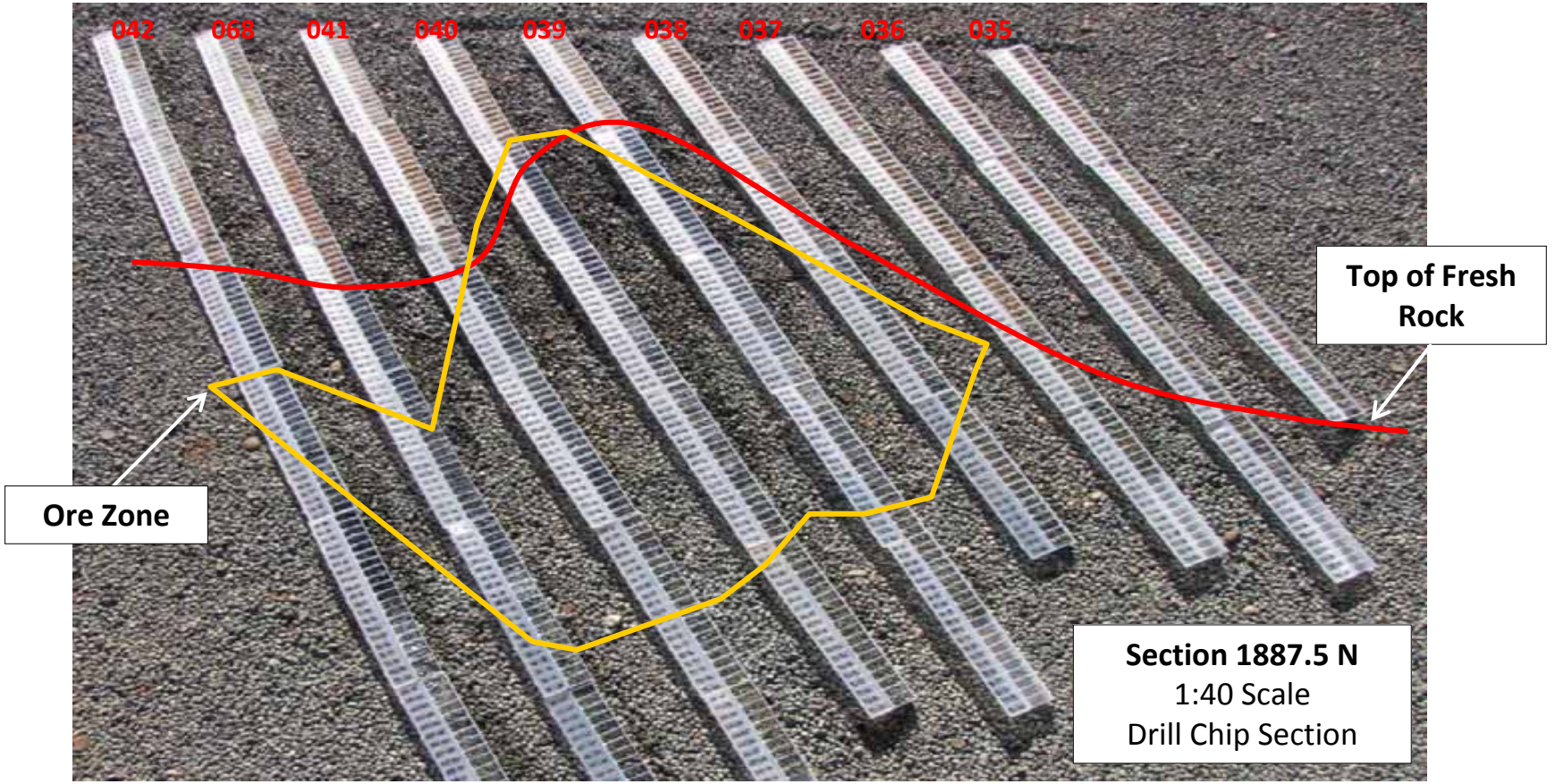
Quartz/carbonate veining in volcanics – Hole KMHDD004

- Ore zones characterised by development of quartz-sericite schist with abundant fine grained sulphides
- Quartz-carbonate veining common at base of ore zone
- Hanging wall alteration includes illite/sericite with minor carbonate and later kaolinite
- Footwall alteration includes quartz and chlorite with some talc-carbonate zones
- Albitisation common in footwall to the north

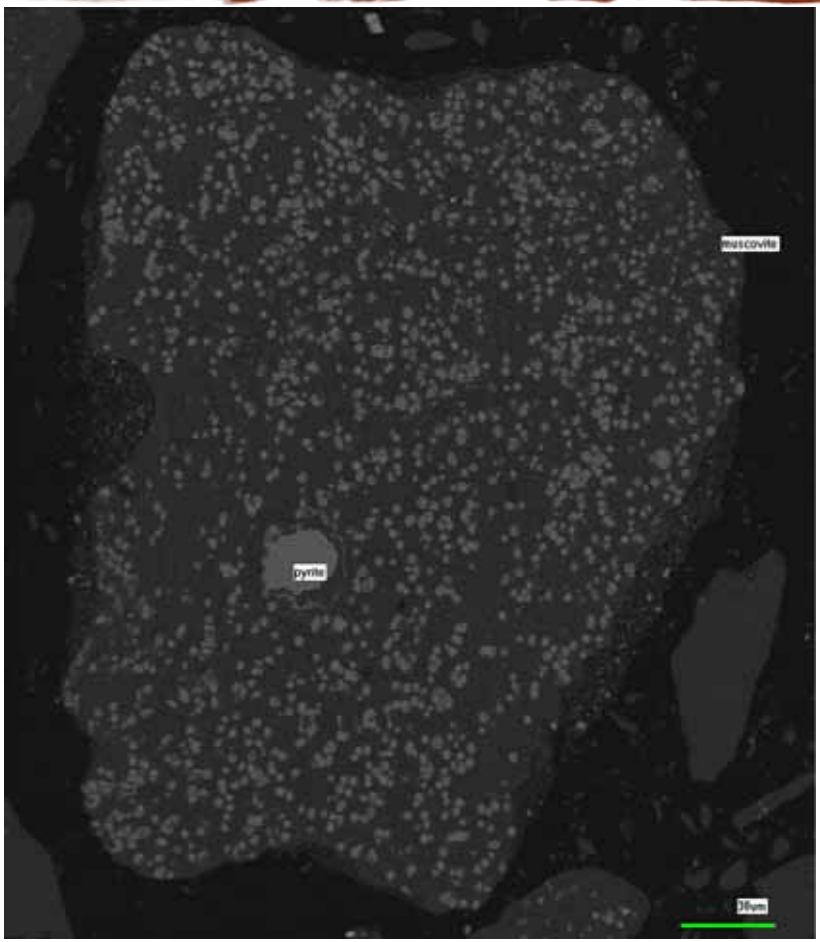
Pearse Deposit - Alteration



Pearse Deposit – Weathering Profile



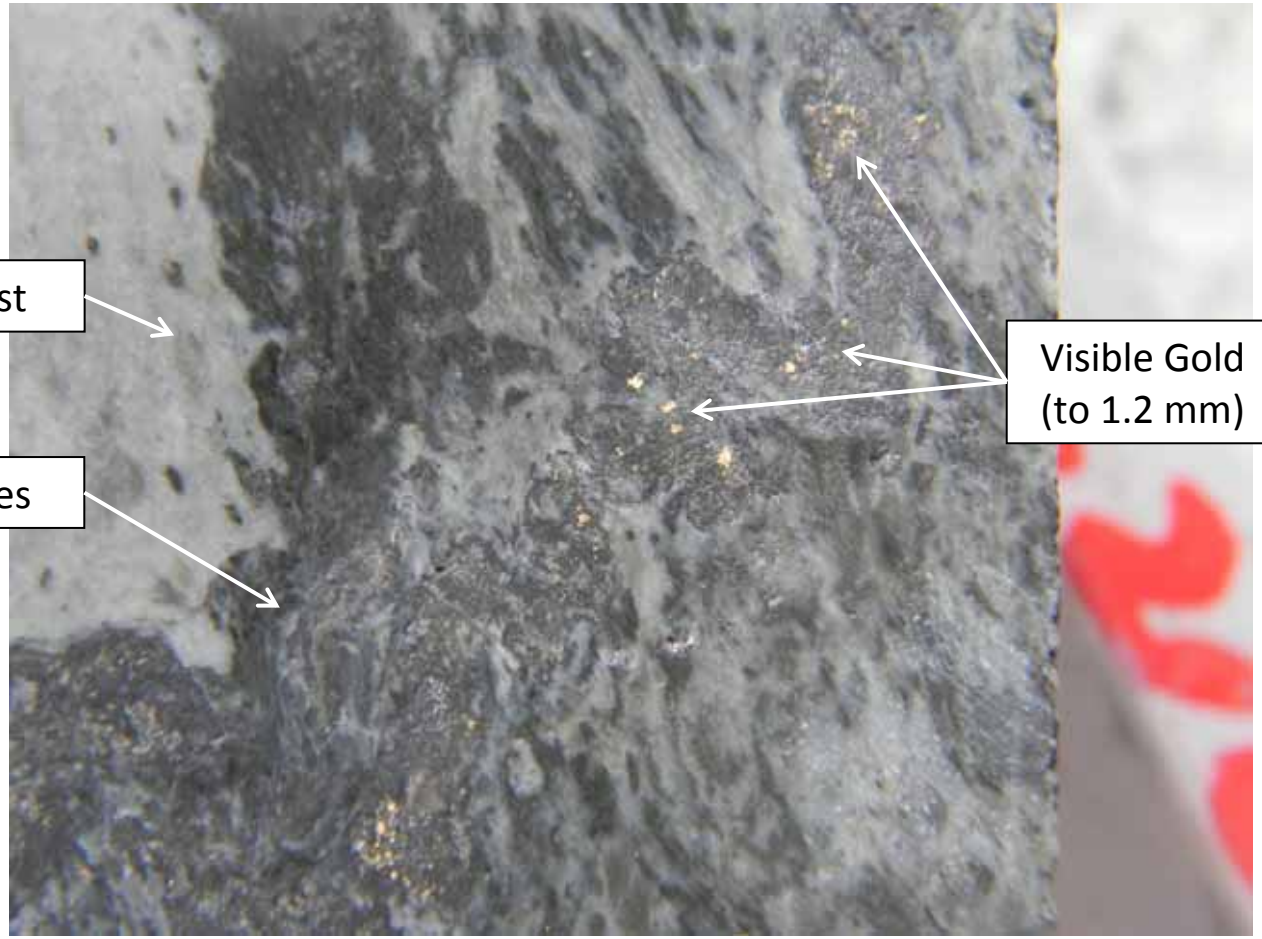
Pearse Deposit - Mineralisation



Fine “melnikovite” pyrite in sericite gangue

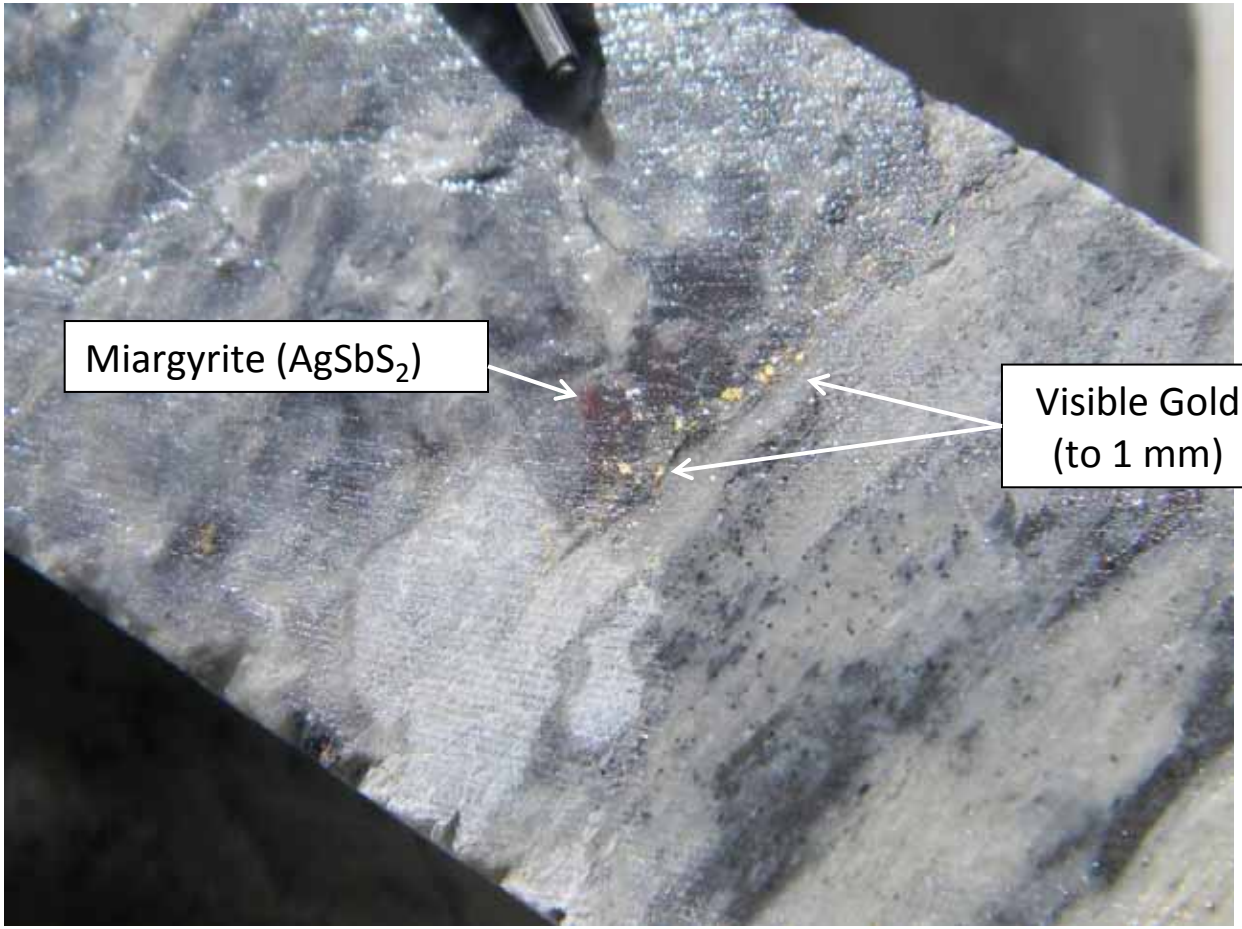
- Dominant sulphide mineral is pyrite, with significant arsenopyrite and stibnite
- Very fine, zoned “melnikovite” pyrite appears to be common in the ore zone
- Rarer phases include native antimony, tetrahedrite/freibergite, sphalerite, galena, miargyrite ($AgSbS_2$) and andorite ($AgPbSb_3S_4$)
- Gold and electrum are hosted as inclusions in sulphides, less commonly as free gold
- Silver is hosted in miargyrite, tetrahedrite and related sulphosalts
- Total sulphide content is modest, averaging 1.6% sulphur for resource
- Base metal mineralisation is almost completely absent

Pearse Deposit – Visible Gold



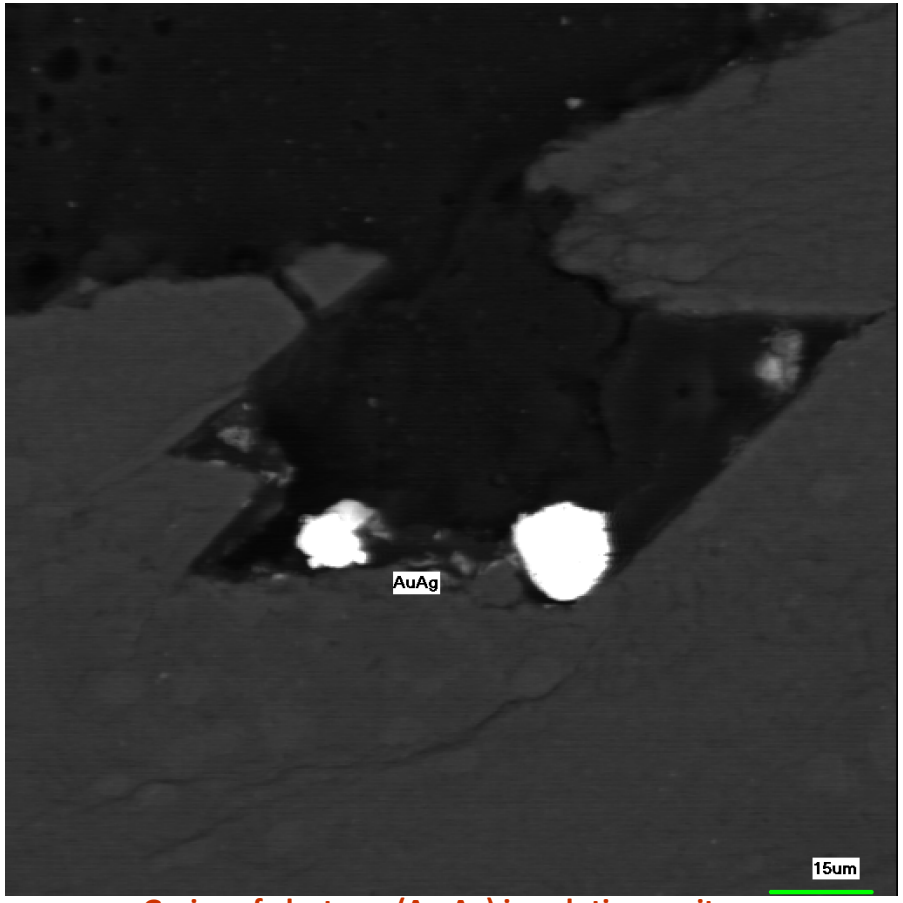
KMHDD003 78 – 79m **205 g/t Au** & **820 g/t Ag**

Pearse Deposit – Visible Gold

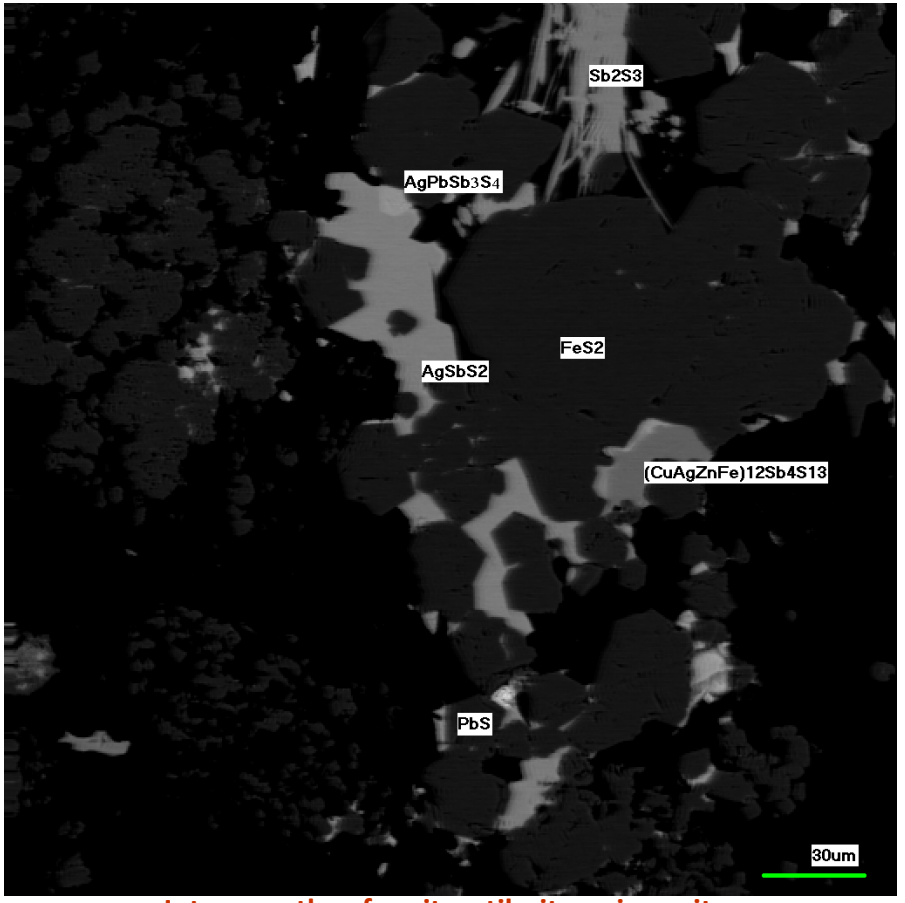


KMHDD003 81 – 82m **92.7 g/t Au** & **179 g/t Ag**

Pearse Deposit - Mineralogy



Grains of electrum (Au,Ag) in solution cavity
from oxide zone, hole KMHRC025
(Back-scattered electron image)



Intergrowths of pyrite, stibnite, miargyrite,
andorite, tetrahedrite and galena
(Back-scattered electron image)

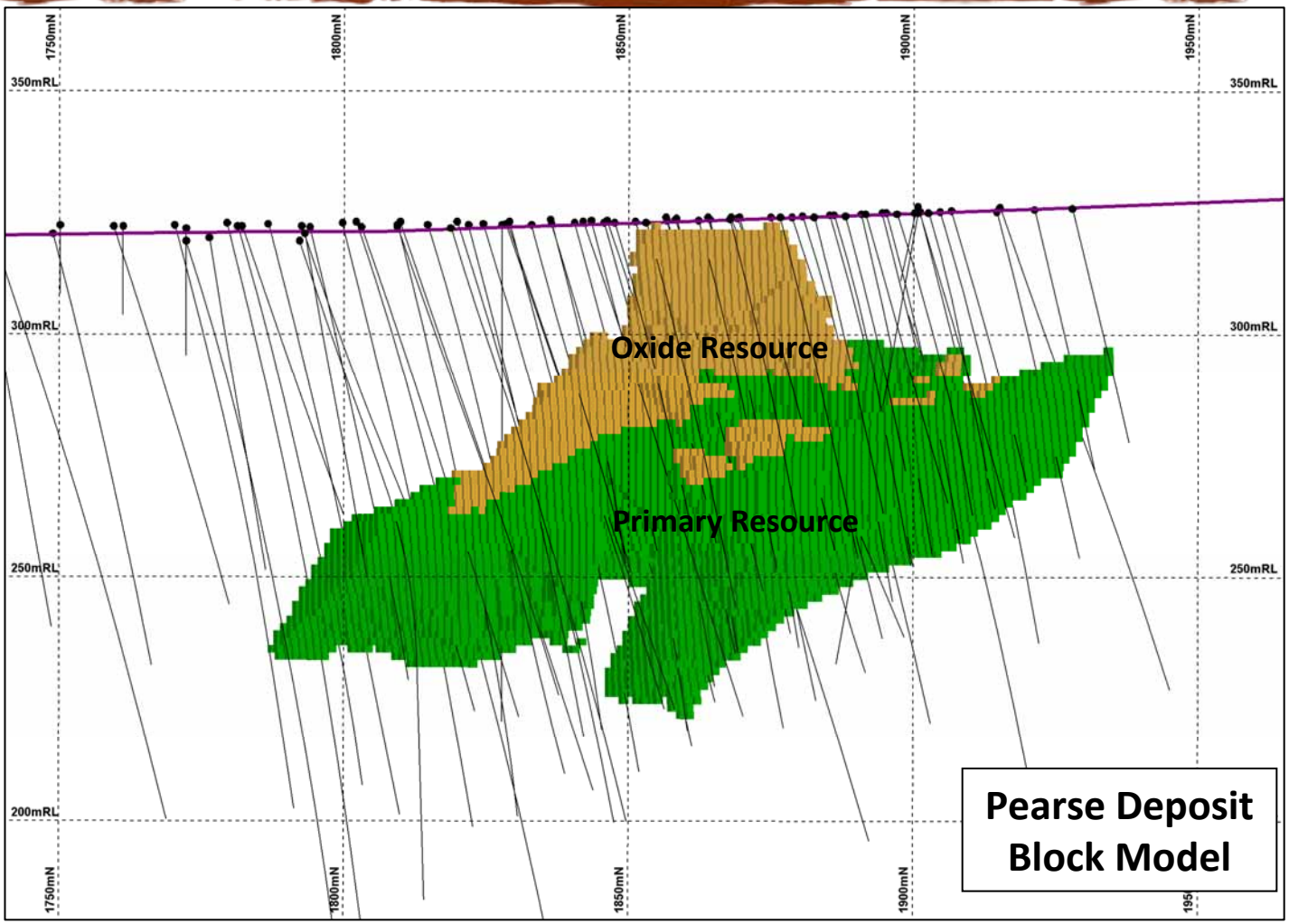
Pearse Deposit - Resources

- New resource calculated for Pearse deposit in 2nd quarter 2010
- Defined by more than 7000 metres of drilling in 80+ drill holes
- Cut-off grade 1 g/t Au for oxide zone and 2 g/t Au for primary zone
- Over 75% of resource in the Measured category, remainder Indicated

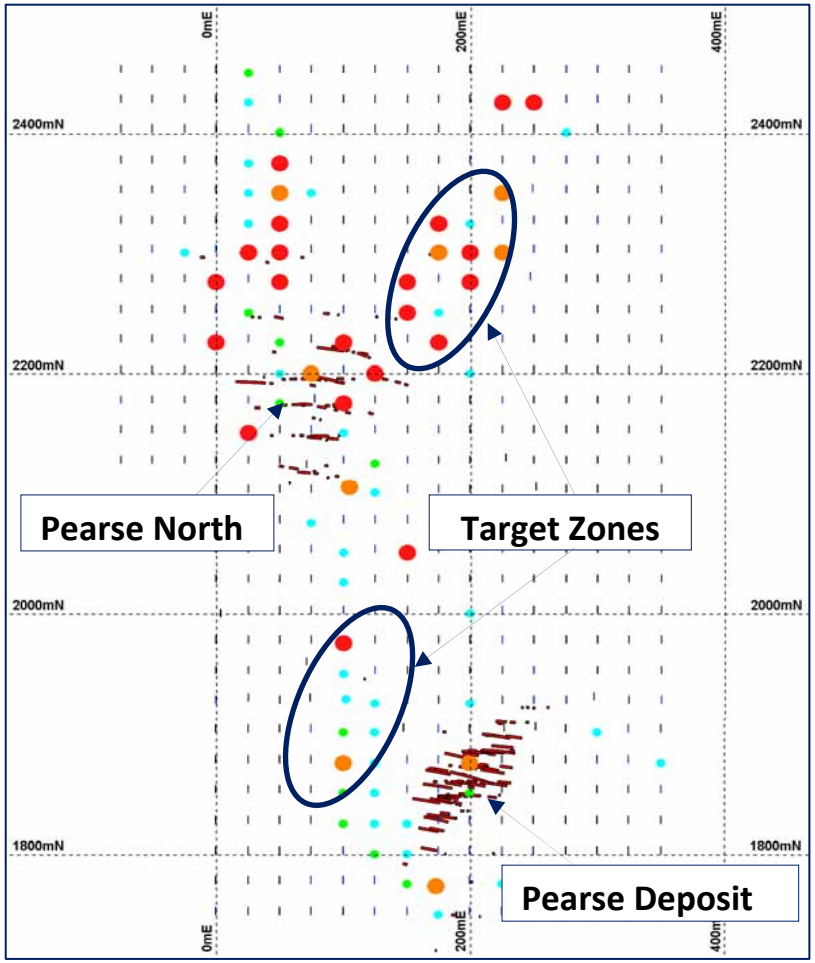
Category	K Tonnes	Grade					Contained Metal		
		Gold g/t	Silver g/t	Antimony %	Arsenic %	Sulphur %	Gold K.ozs	Silver Tonnes	Antimony Tonnes
Measured	226	6.7	84	0.29	0.5	1.5	49	19	649
Indicated	71	5.7	67	0.26	0.4	1.7	13	5	183
Total	**298**	**6.5**	**80**	**0.28**	**0.4**	**1.6**	**62**	**24**	**825**

- Preliminary scoping study for open cut in progress

Pearse Deposit – Long Section



Pearse Area – Further Exploration

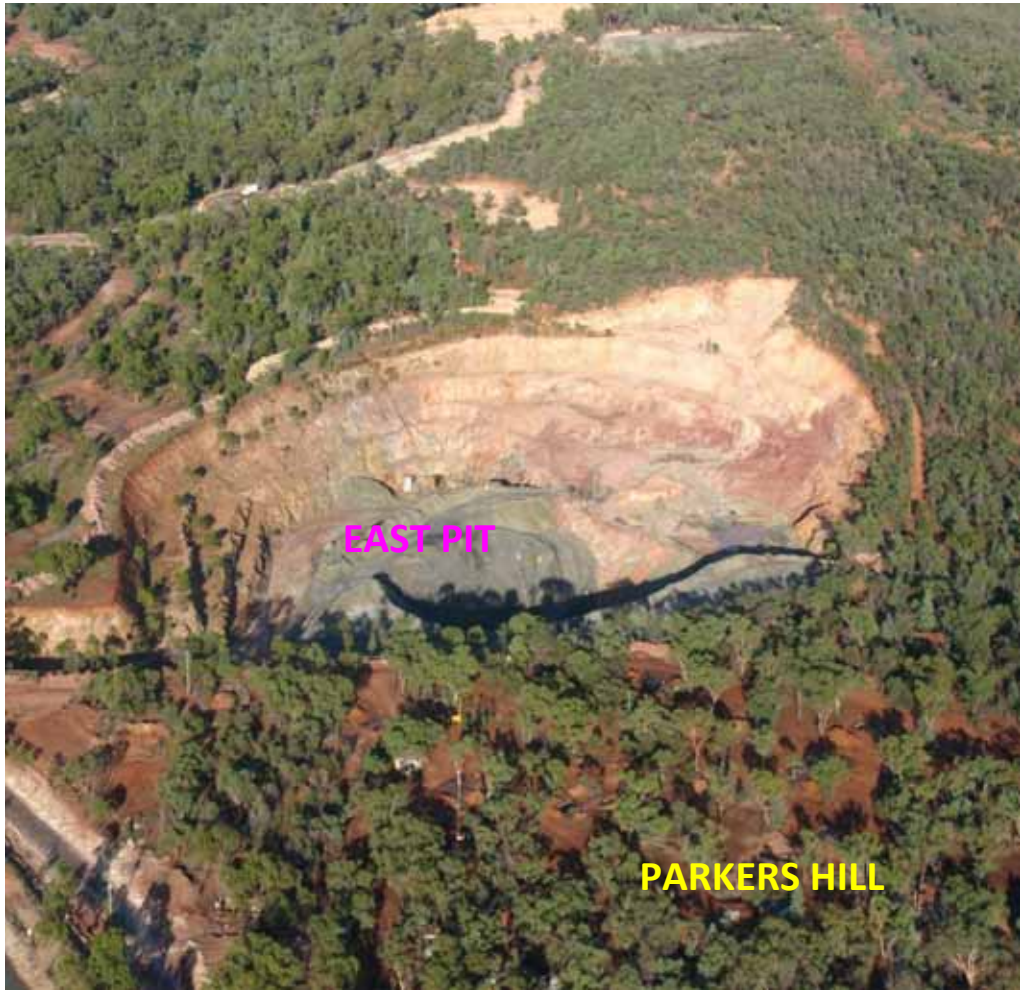


- Close spaced soil geochemistry survey completed May 2010
- Two new target areas identified
- Further drilling currently underway
- Targeting additional ore at Pearse deposit and possible parallel lodes at both Pearse and Pearse North
- Additional diamond drilling to provide geological and mine planning data

Pearse Deposit - Metallurgy

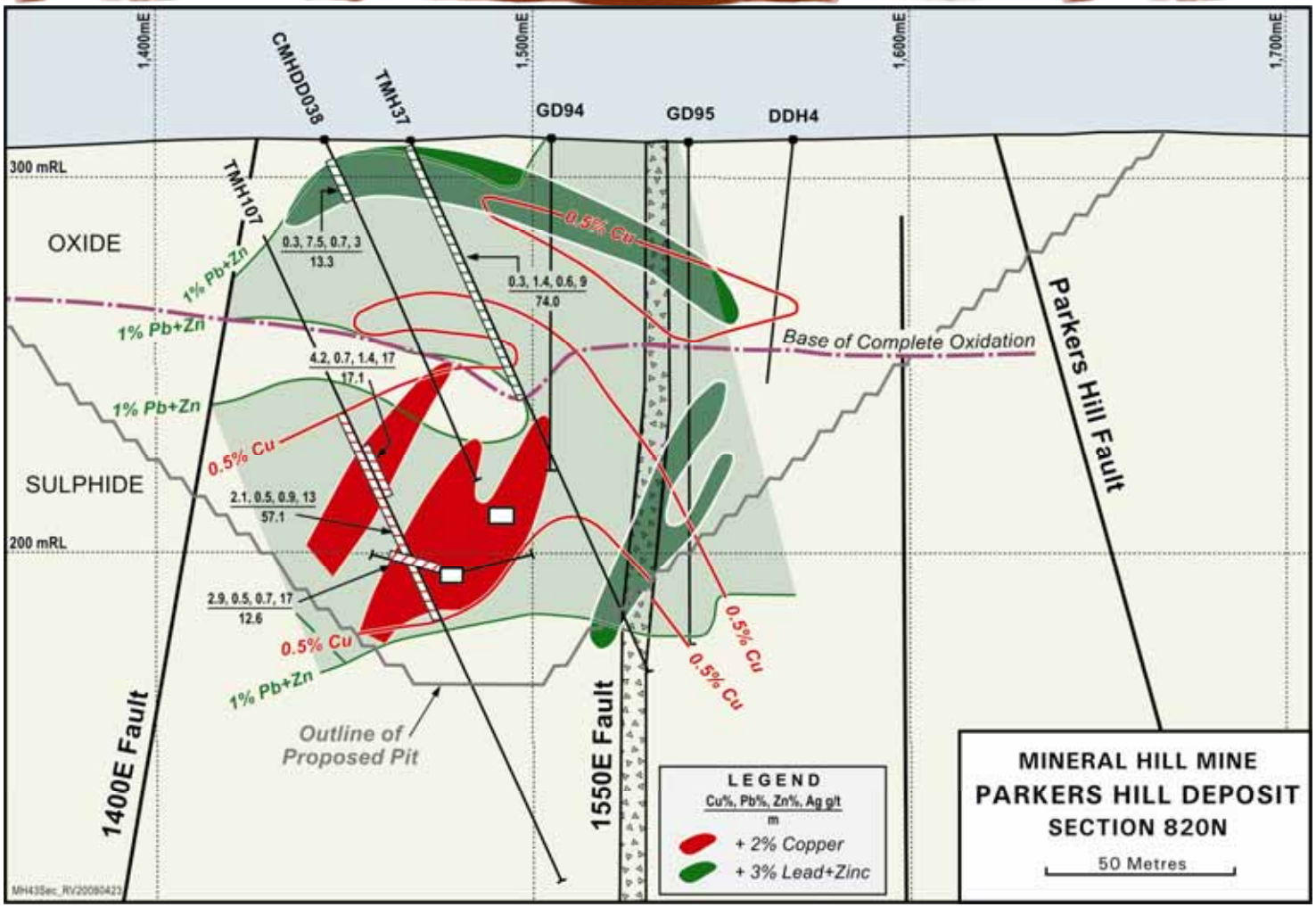
- **Testwork conducted on composite samples from RC and diamond holes**
- **Gold recoveries by CIL:**
  - 96% for oxide ores
  - 78% for transition ores
- **Oxide and transition or represents about 20% of the resource**
- **Flotation testwork gives recoveries of 71% for primary and 69% for transition ores respectively**
- **Combination of flotation and CIL for recovery of primary ore @ 70 – 80% recovery**
- **Further testwork from diamond core aimed at optimising recoveries through both of CIL and flotation**
- **Refurbishment of the 200,000 tpa processing plant at Mineral Hill is underway**

Parkers Hill Deposit



- Large, unmined resource
- Resources defined by over 20,000 metres of surface and underground drilling
- Multiple metal deposit (Cu-Pb-Zn-Ag-Au)
- Underground access in place; development on three levels
- Open cut mining options also available

Parkers Hill – Cross Section



Parkers Hill – Mining Options

Underground and Open Cut Options – Investigations have commenced

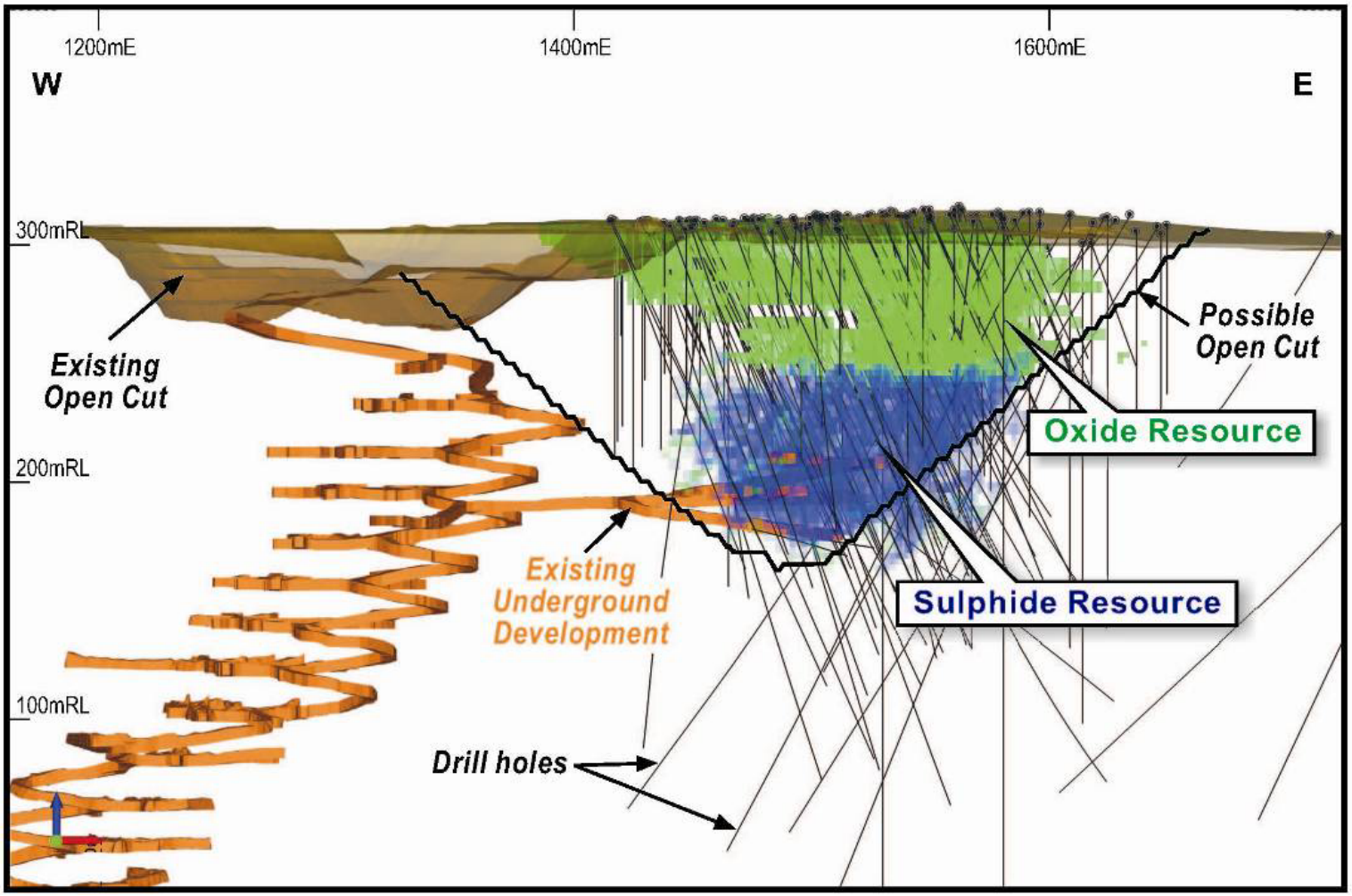
Resource Category	Tonnage	Grade					Contained Metal				
	Mt	% Cu	% Pb	% Zn	g/t Ag	g/t Au	kt Cu	kt Pb	kt Zn	Moz Ag	Moz Au
High Grade Sulphide Resource (2% Cu cut-off)											
Indicated	0.53	2.9	1.7	1.8	59	0.7	15.37	9.01	9.54	1.01	0.01
Inferred	0.02	3.4	1.1	1.4	123	1.9	0.75	0.24	0.31	0.09	0.001
Total	**0.55**	**2.9**	**1.7**	**1.7**	**61**	**0.7**	**16.12**	**9.25**	**9.85**	**1.10**	**0.01**
Oxide Zone Resource (2% Pb or 100g/t Ag cut-off)											
Indicated	1.08	0.6	3.3	0.4	61	na	6.48	35.64	4.32	2.12	na
Inferred	0.02	0.7	3.0	0.5	45	na	0.14	0.60	0.10	0.03	na
Total	**1.10**	**0.6**	**3.3**	**0.4**	**61**	**na**	**6.62**	**36.24**	**4.42**	**2.15**	**na**

- Possible 6 – 8 year mine life
- Mill expansion and pre-stripping capital required for open cut options
- Maximises recovery of copper, lead and zinc

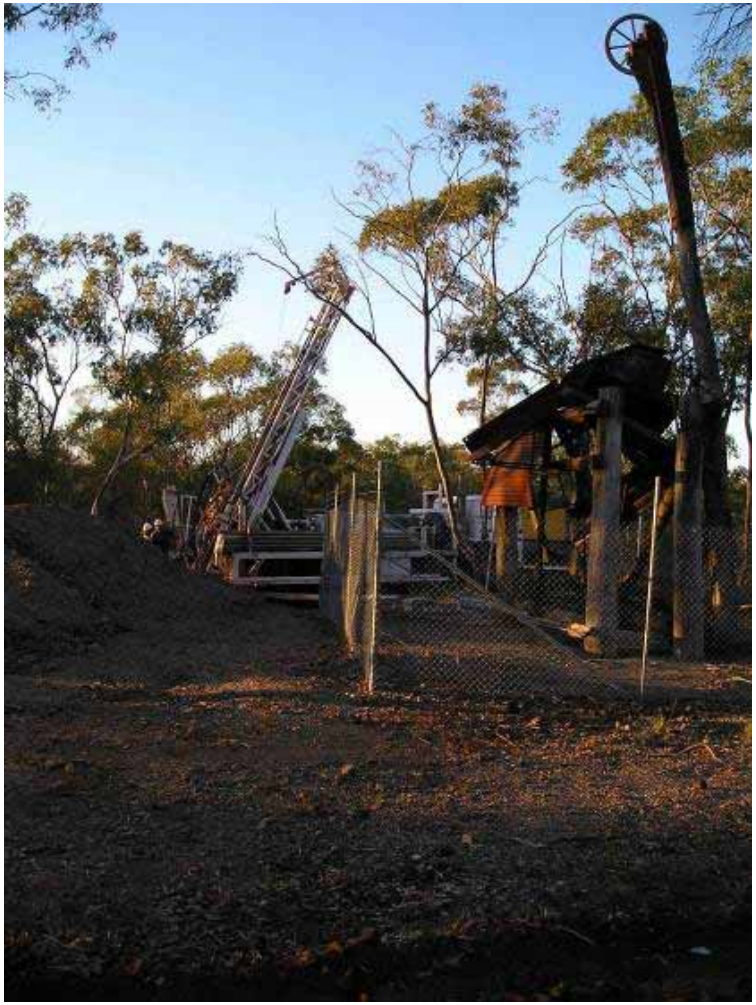
Underground Mining Approved

- Lower CAPEX option
- No additional approvals required
- Underground development already in place

Parkers Hill – Resources & Existing Development



Parkers Hill High Grade Oxide Ag-Pb Resource

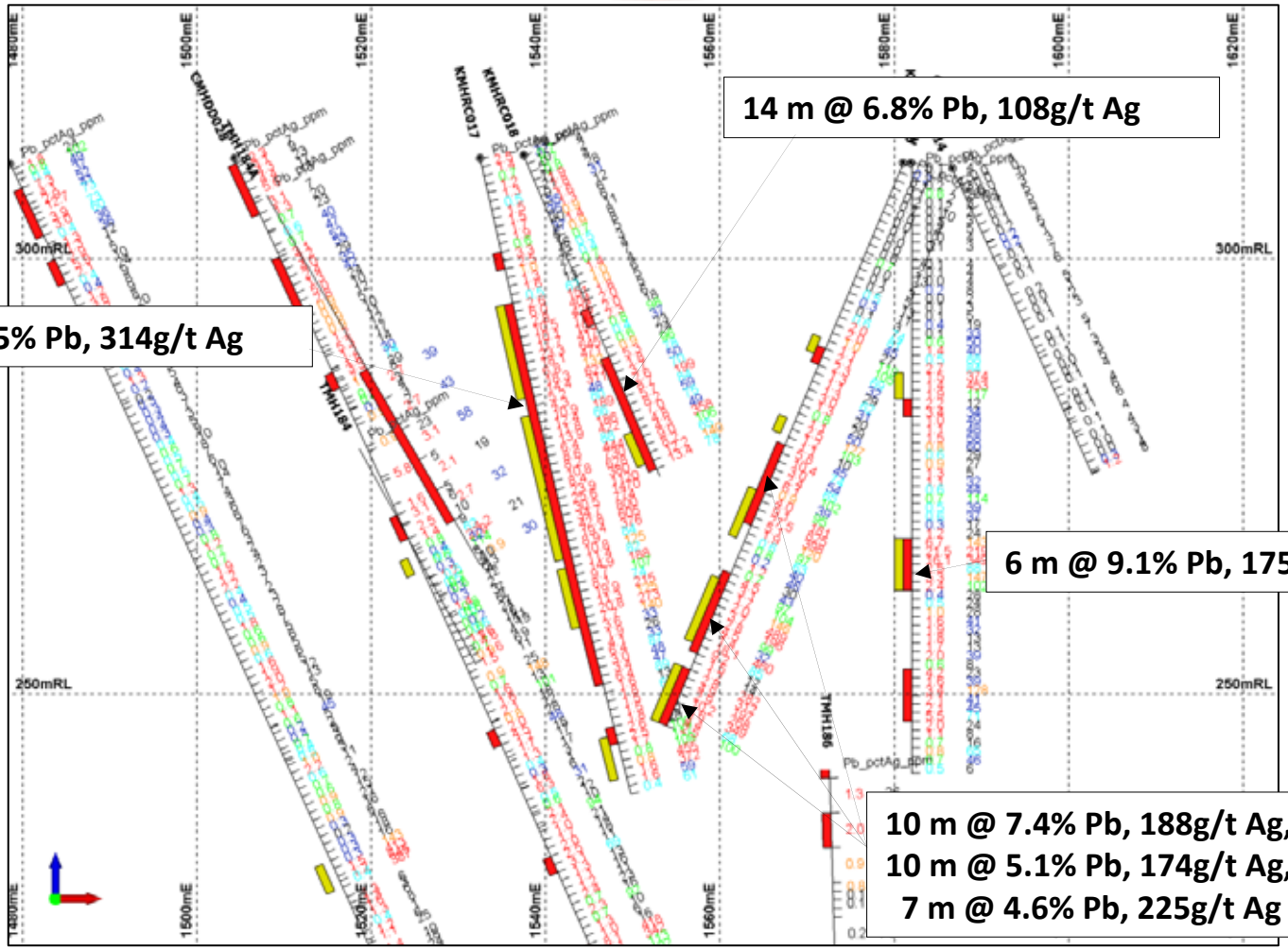


- 16 hole infill RC drilling program of Parkers Hill oxide zone completed in 2009
- New resource estimate completed using 100 g/t Ag cut off:

  145,000t @ 212 g/t Ag & 4.9% Pb

- Near surface resource, mining by shallow open cut (<60 metres)
- Concurrent development with other deposits being investigated

Parkers Hill – High Grade Oxide Zone



Mineral Hill Development Plan

Pearse Au-Ag Deposit

- Two-three year mine life
- Mined by open cut, minimal adjustment to processing plant required
- Gold to be recovered as bullion from CIL circuit initially, subsequent recovery to gold/pyrite concentrated and/or bullion

Parkers Hill Project

- Parkers Hill to be mined after Pearse
- Underground and open cut mining options
- Addition of Pb-Zn flotation circuit to mill
- Ore processing @ 180 – 300 ktpa
- Production of copper con and bulk lead-zinc con

Mineral Hill Plant

Mineral Hill – Established

Timetable

- Process Plant Upgrade and Modifications – Commenced August 2010
- Regulatory approvals have commenced
- Pearse Open Cut Mining to commence – Mid 2011
- Process Plant Commissioning – Mid 2011
- Gold & Silver Production from Pearse – 3rd Quarter 2011
- Combined Pearse & Parkers Hill Projects targeted 5 – 7 years Mine Life at Mineral Hill