

20 October 2011  
AFSL: 247 404

### INVESTMENT DATA

ASX Code	KBL
Market Sector	Precious & Base Metals
Price (20 Oct 11)	\$ 0.26
Shares on Issue	188.2 m
Market Cap.	c. \$49 m
Unlisted Options	2.4 m
12 month high	\$ 0.37
12 month low	\$ 0.19
Convert. Notes	13.13m
Convert. Notes	\$5.0m

### KBL's PROJECTS & BONAPARTE BASIN



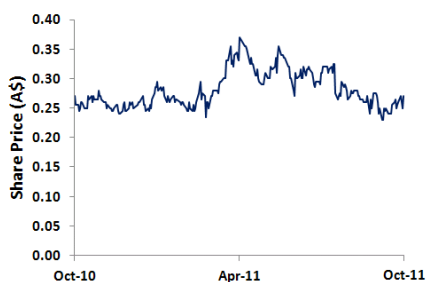
Source: KBL

### PEARSE ESTIMATED PRODUCTION

Gold-Silver Annual Prod'n	2.5 years
Ore treated	120,000t
Grade Au	7 g/t
Grade Ag	72 g/t
Recovery Au	80%
Recovery Ag	50%
Au production pa	20,000oz
Ag production pa	135,000oz

Source: KBL

### KBL SHARE PRICE (Oct10-Oct11)



Source: Bloomberg

## PEARSE GOLD SILVER PROJECT APPROVED FOR DEVELOPMENT

- Pearse Deposit development application approved
- Mining to commence mid-2012 at 120 -150kt for 2.5 years
- Pearse will raise Mineral Hill annual production to 5kt Cu, 21koz Au and 255koz Ag
- Plant capacity increased to 400,000 tonnes from mid-2012
- High quality exploration targets earmarked for next year

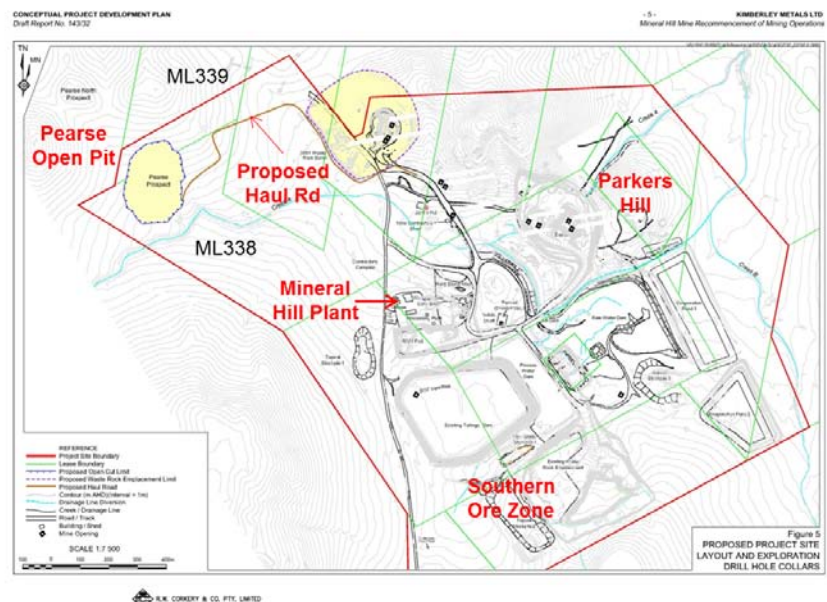
### Pearse Open Cut Mine

Kimberley Metals (KBL) key assets include:

- operating Parkers Hill mine (copper & gold) and developing the Pearse project (gold & silver) at Mineral Hill in NSW; and
- development of 50mt ore in three new carbonate-hosted Mississippi Valley Type Pb-Ag resources in the Bonaparte Basin N of Kununurra WA/NT.

KBL has now received Development Approval for the Pearse open cut mine.

The proposed open pit mine consists of an elliptical open pit on a north-northeast trend approximately 250m long and 180m wide and at a maximum depth of 75m. Gold and silver from Pearse will be recovered by the planned reinstatement of the CIL circuit at the Mineral Hill plant.



Source: KBL

The addition of gold and silver dore (unrefined bullion) production from Pearse will raise **Mineral Hill** annual production to approximately **5,000 tonnes of copper, 21,350 ounces of gold and 255,000 ounces silver from mid-late 2012.**

## MANAGEMENT

### Barry Dawes

Managing Director

## RESEARCH

### Greg Burns – Head of Research

gburns@mpsecurities.com.au

### Richard Kennewell – Research Analyst

rkennewell@mpsecurities.com.au

## CORPORATE

### David Grimes – Head of Corporate

dgrimes@mpsecurities.com.au

### Estelle Kanellopoulos – Client Advisor

ekanellopoulos@mpsecurities.com.au

### Anthony Panoyan – Client Advisor

apanoyan@mpsecurities.com.au

## INSTITUTIONAL DEALING

### Tony Davison – Head of Trading

adavison@mpsecurities.com.au

### Fiona Simmons – Institutional Equities

fsimmons@mpsecurities.com.au

### Darren Odell – Institutional Equities

dodell@mpsecurities.com.au

### Adam Nable – Institutional Equities

anable@mpsecurities.com.au

## RETAIL DEALING

### Jonathan Howe – Head of Trading

jhowe@mpsecurities.com.au

### John Athanasiou – Client Advisor

jathanasiou@mpsecurities.com.au

### Ryan Bradshaw – Client Advisor

rbradshaw@mpsecurities.com.au

### George Elhage – Client Advisor

gelhage@mpsecurities.com.au

### Jonathan Feil – Client Advisor

jfeil@mpsecurities.com.au

### Anthony Hung – Client Advisor

ahung@mpsecurities.com.au

## MARTIN PLACE SECURITIES

AFSL 247 404 | ABN 30 094 927 949

General Phone +61 2 9222 9111

Corporate Fax +61 2 8224 9699

Trading Fax +61 2 9221 9680

GPO Box 5263, Sydney, NSW 2001

Level 3, 14 Martin Place Sydney, NSW 2000

www.mpsecurities.com.au

The first proven and probable Reserve estimate for the Pearse open cut mine was completed in Sept 2010. The reserve is at depth of less than 100 metres from surface.

Open Cut Reserves						
Category		Tonnes	Silver g/t	Gold g/t	Contained Silver (oz)	Contained Gold (oz)
Probable	Primary	28,458	76	6.9	68,417	6,212
	Oxide	18,244	14	4.4	8,102	2,546
<b>Sub Total</b>		<b>46,702</b>	<b>52</b>	<b>5.9</b>	<b>76,519</b>	<b>8,758</b>
Proven	Primary	152,489	91	7.3	444,709	35,674
	Oxide	36,049	16	6.5	18,519	7,523
<b>Sub Total</b>		<b>188,538</b>	<b>77</b>	<b>7.2</b>	<b>463,228</b>	<b>43,198</b>
<b>TOTAL</b>		<b>235,240</b>	<b>72</b>	<b>6.9</b>	<b>539,746</b>	<b>51,956</b>

KBL plans to commence mining the Pearse open cut mine from mid-2012 at a rate of 120,000 to 150,000 tonnes for up to two and a half years.

**The annual production is anticipated to add 20,000 oz of gold and 135,000 oz of silver to Mineral Hill output.**

Recent data compilation and structural interpretation of the Pearse zone has highlighted a number of high quality exploration targets. KBL will drill test a number of these targets over the next year with the aim to discover high value deposits such as Pearse and Pearse North.

### General Securities – Advice Warning

Martin Place Securities Pty Ltd ('MPS') makes no representation and gives no warranties to the accuracy or reliability of any information contained in this document and does not accept any liability for any loss caused by representations, errors or omissions on the part of MPS or by any of their respective officers, employees or agents. In preparing this information, MPS did not take into account the investment objectives, financial situation and particular needs of the reader.

Before making an investment decision on the basis of this information, the reader needs to consider, with or without the assistance of an adviser, whether the advice is appropriate in light of their particular investment needs, objectives and financial circumstances.

### Disclaimer

This Investment Note has been prepared for the general use of the clients of MPS and must not be copied, either in whole or in part, or distributed to any other person. If you are not the intended recipient you must not use or disclose the information in this research in any way. Nothing in this research shall be construed as a solicitation to buy or sell any security or product, or to engage in or refrain from engaging in any transaction.

This note is intended to provide background information only and does not purport to make any recommendation upon which you may reasonably rely without taking further and more specific advice. You should make your own decision regarding this company based on your own enquires.

This Update is based on information obtained from sources believed to be reliable but we do not make any representation or warranty that it is accurate, complete or up to date. We accept no obligation to correct or update the information or opinions in it. Opinions expressed are subject to change without notice. No member of MPS accepts any liability whatsoever for any direct, indirect, consequential or other loss arising from any use of this Investment Update and/or further communication in relation to this Update.

### Disclosure

MPS and its associates declare that as of 20 October 2011, they may have a relevant interest in the securities recommended herein, in particular:

- Barry Dawes, Managing Director of MPS, holds shares in Kimberley Metals Limited. This position can change at any time.

MPS has been Broker to Kimberley for its recent capital raising and is Broker to the Placement of the Shortfall of the Convertible Notes from the Company's recent Rights Issue. In its role as Broker MPS has and will earn a fee on the total amount raised by MPS.