



ASX RELEASE

New Resource for Mineral Hill points to decade long copper gold production potential.

Resource definition drilling at Kimberley Metals Limited's (ASX: KBL and KBLGA) Mineral Hill project in NSW has led to a 43 per cent lift in contained copper Resources to 44,385 tonnes and a 64% lift in contained gold Resources to 125,516 ounces with a further material upgrade in copper/gold Resources expected in the next fortnight.

The increased Resource is due primarily to a lift in Indicated Resources for the Parkers Hill deposit and a maiden Resource for the Eastern Southern Ore Zone (ESOZ) deposit. A maiden Resource statement for the Southern Ore Zone (SOZ) is expected before the end of the month to further lift the copper-gold inventory. A summary of the JORC-compliant Resource statement is set out in Table 1.

Kimberley Executive Chairman Mr Jim Wall said today *"The Parkers Hill upgrade and maiden resource for ESOZ can extend the current Mineral Hill Mine production profile by 50% to nine years and with a material increase in the gold Resource. This provides us with great encouragement, and plenty of opportunity to feed the mill and lift throughput towards 400,000 tonnes per annum for at least the next ten years."*



New Resource	t	Cu %	Pb %	Zn %	Ag g/t	Au g/t
Parkers Hill Primary/Sulphide	1,500,000	1.9	1.2	1.2	36	0.3
Parkers Hill Oxide	1,100,000	0.9	3.7	0.4	70	0.05
Pearse	298,000				80	6.5
ESOZ	315,000	1.9	0.1	0.1	8	4.6
SOZ	TBA					
Metal Content	t	t	t	t	oz	oz
Parkers Hill Primary	1,500,000	28,500	18,000	18,000	1,741,935	14,516
Parkers Hill Oxide	1,100,000	9,900	40,700	4,400	2,483,871	1,774
Pearse	298,000	-	-	-	769,032	62,484
ESOZ	315,000	5,985	315	315	81,290	46,742
SOZ	TBA					
Summary		t Cu	t Pb	t Zn	oz Ag	oz Au
New Indicated & Inferred Resource	3,213,000	44,385	59,015	22,715	5,076,129	125,516
Old Indicated Resource	2,687,000	31,091	51,768	15,468	4,388,871	76,667
ADDED	526,000	13,294	7,247	7,247	687,258	48,849
Change	20%	43%	14%	47%	16%	64%

Table 1: Summary of new resources, excluding Southern Ore Zone (SOZ), for Mineral Hill Mine.

Parkers Hill Oxide Resource Update

Previous Resource estimates for Parkers Hill have been described by 2 block models since 2009. A sulphide (primary) Resource model was constructed in 2008 and an oxide Resource in 2009. The boundary between these models has not been precise. Also, drilling in 2009 targeting the oxide resource had relevance to the sulphide resource but no re-calculation took place. Since 2009 a small number of metallurgical holes have been drilled and a great deal of work fine tuning the drill hole data base has been undertaken. More recently, detailed geological modelling of key structures and contacts has been undertaken by Kimberley Metal Ltd, geologists.

The Resource has been remodelled using all available information, based on interpreted geology on sections 10m apart. The oxide and sulphide Resources have been remodelled and are now contained within one single 3 dimensional block model.

The oxide Resource has been modelled as two zones, an upper supergene zone where the original rock fabric has been completely destroyed and a saprock zone with relic geological textures.

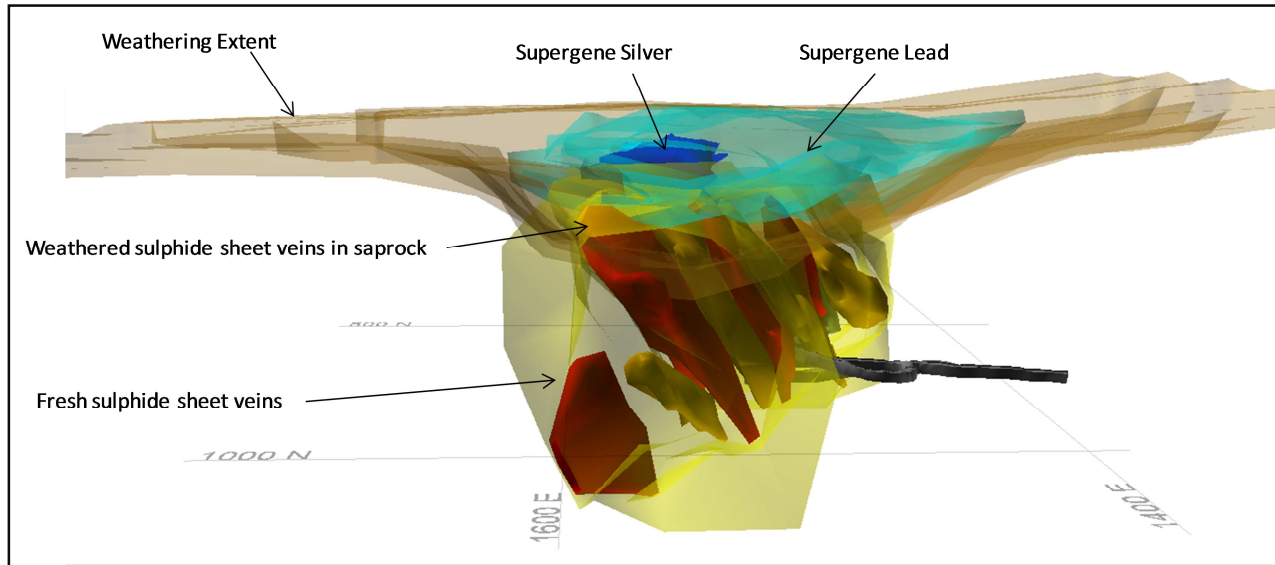


Figure 1: 3D model of the Parkers Hill Oxide and Sulphide deposit (looking north).

Set out in Table 2, are the updated Resources for the Parkers Hill Oxide Zone.

Total Supergene Zone Resource						
Category	M. Tonnes	Copper%	Lead%	Zinc %	Silver g/t	Gold g/t
Indicated	0.8	0.6	4	0.4	69	0.04
Inferred	0	0.3	2.5	0.4	15	0
Total	0.8	0.6	4	0.4	69	0.04
Total Saprock Zone Resources						
Indicated	0.1	1.1	1.6	0.3	47	0.11
Inferred	0.2	1.8	3.9	0.3	86	0.05
Total	0.3	1.6	3.1	0.3	71	0.07
Total Parkers Hill Oxide Resources						
Total	1.1	0.9	3.7	0.4	70	0.05

Table 2: New Parkers Hill oxide resource (cut off grade 0.6% Cu, 2% Pb & 100g/t Ag)

Parkers Hill Sulphide Resource Update

The sulphide Resource is contained in fresh rock and consists of semicontinuous zones of sulphide vein sheets, closely spaced within a variably mineralised, lode domain. The Total Sulphide Resource at a 0.6% copper cut-off grade is given in Table 3.



Parkers Hill Primary / Sulphide Zone Resource						
Category	M. Tonnes	Copper%	Lead%	Zinc %	Silver g/t	Gold g/t
Indicated	1.45	1.9	1.2	1.2	36	0.3
Inferred	0.05	0.7	1.8	2.4	48	0.2
Total	1.5	1.9	1.2	1.2	36	0.3

Table 3: New Parkers Hill sulphide resource (cut off grade 0.6% Cu)

In 2010 the sulphide Resource was estimated at a 0.6% copper cut off grade using the 2009 model of the fresh rock/weathered rock contact. This estimate yielded:

1.29mt @ 1.9% copper, 1.2% lead, 1.2% zinc and 35g/t silver

The modest increase in tonnage to 1.5Mt is due to more rigorously modelled domain boundaries brought about by additional information.

Maiden Eastern Southern Ore Zone (ESOZ) Resource

A Resource estimate has been constructed for an area of unmined mineralisation between the Southern Ore Zone and Eastern Ore Zone of the Mineral Hill Mine, called the Eastern Southern Ore Zone (ESOZ).

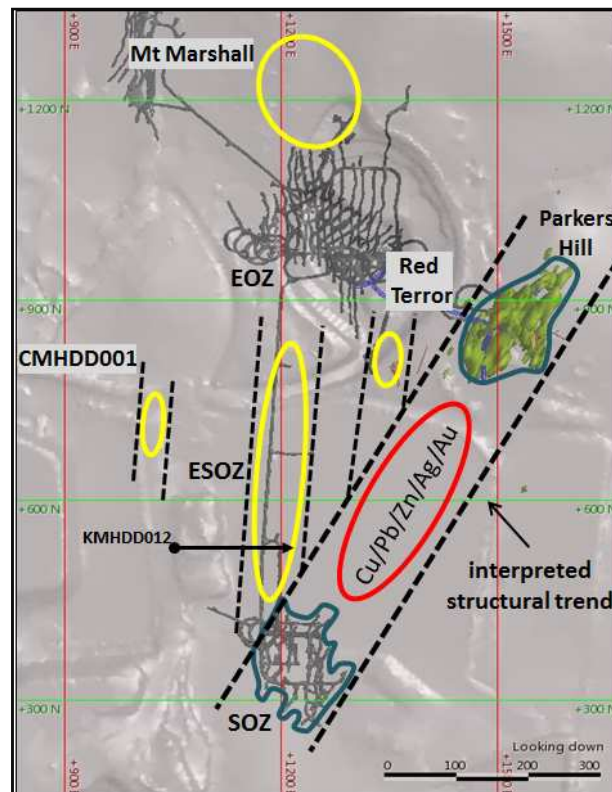
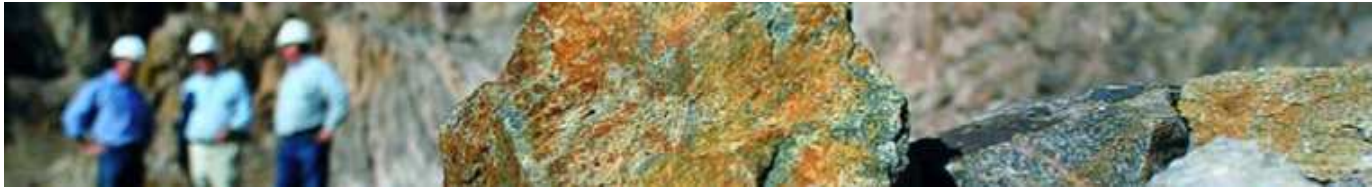


Figure 2: Plan of Mineral Hill with the location of ESOZ in relation to SOZ, Parkers Hill and EOZ deposits.



The geological interpretation of this material is based on work undertaken by Kimberley Metals Ltd geologists, including the drill results announced on 3 August 2011, and divides this zone into four separate lodes (Figure 3).

- H lode South
- H lode North
- G Lode West
- Main G Lode

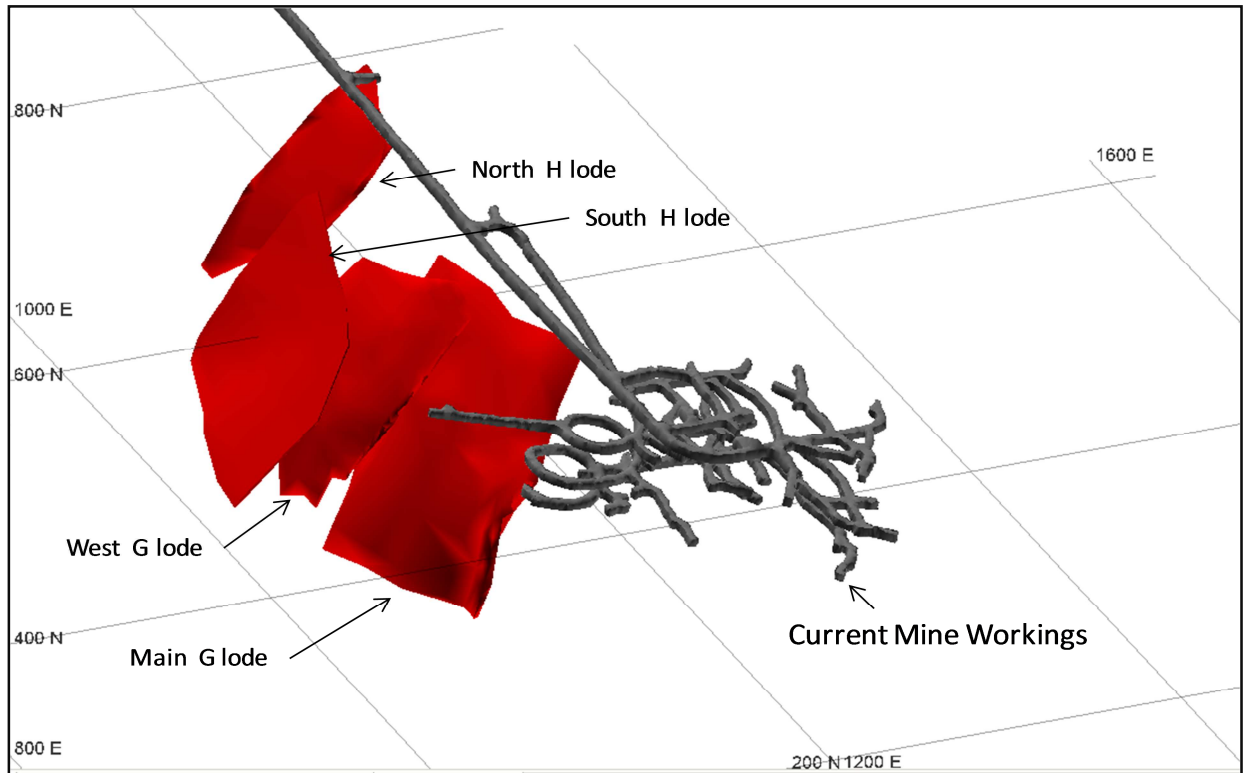


Figure 3: 3D model showing individual lodes and pre-existing underground mine development at ESOZ

Total ESOZ Resource						
Category	K Tonnes	Copper %	Gold g/t	Silver g/t	Zinc %	Lead%
Indicated	101	1.5	3.7	7	0.2	0.1
Inferred	214	2.1	5.1	8	0.1	0.1
Total	315	1.9	4.6	8	0.1	0.1

Table 4: Maiden ESOZ Resource (cut off grade 0.6% Cu equivalent. 1 Cu equivalent = Cu % + 0.66 * Au g/t)



ESOZ is currently open both up and down dip and along strike to the north and south. The maiden resource for ESOZ is only restricted by drill hole data and plans are underway to extend known mineralisation and improve the Resource confidence level.

Importantly, the ESOZ ore body is in close proximity to current mine workings, which are in the process of being dewatered and rehabilitated. Kimberley expects that the ESOZ ore body will be accessed in late 2012 and will provide a high grade copper-gold blend to the copper-lead-zinc-gold ore from Parkers Hill, producing a higher quality concentrate blend and materially extending copper concentrate production.

Production Profile

Current production from Mineral Hill Mine is 250,000 tonnes of ore per annum which currently translates into 5,000 tonnes of copper in concentrate.

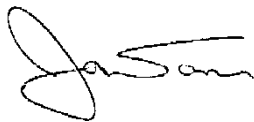
The upgrade to the Parkers Hill Resource and the maiden Resource for ESOZ can extend the current production profile by 50% from six to nine years with a material increase in the gold Resource. Kimberley is confident that with additional drilling of mineralisation targets at Mineral Hill, a maiden resource for the Southern Ore Zone and a planned drilling program at Iron Duke, the current production profile will be materially extended and should enable an expanded production profile to 400,000 tonnes of ore per annum for at least ten years of production.

Southern Ore Zone Resource

Kimberley is currently finalising the maiden resource for the Southern Ore Zone, which will be announced before the end of the month.

Yours faithfully

KIMBERLEY METALS LIMITED



Jim Wall
Executive Chairman



For further information, please contact:

Jim Wall

Executive Chairman
Kimberley Metals Limited
Telephone: 02 9927 2005

Stuart Mathews

Chief Operating Officer
Kimberley Metals Limited
Telephone: 02 9927 2003

About Kimberley Metals

Kimberley Metals is an Australian resource company listed on the ASX (ASX:KBL and KBLGA) with focus on precious and base metals. The Company (75%) and Henan Yuguang Gold & Lead Co. Ltd (HYG&L) (25%) own the Sorby Hills Lead-Silver-Zinc deposit in Western Australia, which is one of the world's largest near surface undeveloped lead deposits, close to port infrastructure and a short distance from Asian markets. The Company also owns the Mineral Hill project located in New South Wales, where in 2009 it discovered a high-grade gold resource less than 1km from its existing mining and processing facilities.

The Company is now operating the refurbished processing plant at Mineral Hill to produce copper concentrates. This will generate cash flows to assist development of its other projects. More information can be found on KBL's website at www.kimberleymetals.com.au.

Competent Persons Statement

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Anthony Johnston, MSc (Hons), who is a Member of the Australasian Institute of Mining and Metallurgy and is a full-time employee of the Company as Chief Geologist. Anthony Johnston has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Mr Johnston consents to the inclusion in the announcement of the matters based on his information in the form and context that the information appears