
PEARSE GOLD - SILVER PROJECT APPROVAL

Kimberley Metals Limited (ASX: KBL and KBLGA, “Kimberley” and “the Company”) is pleased to announce the formal Development Approval of the high grade Pearse Gold-Silver Project have been received.

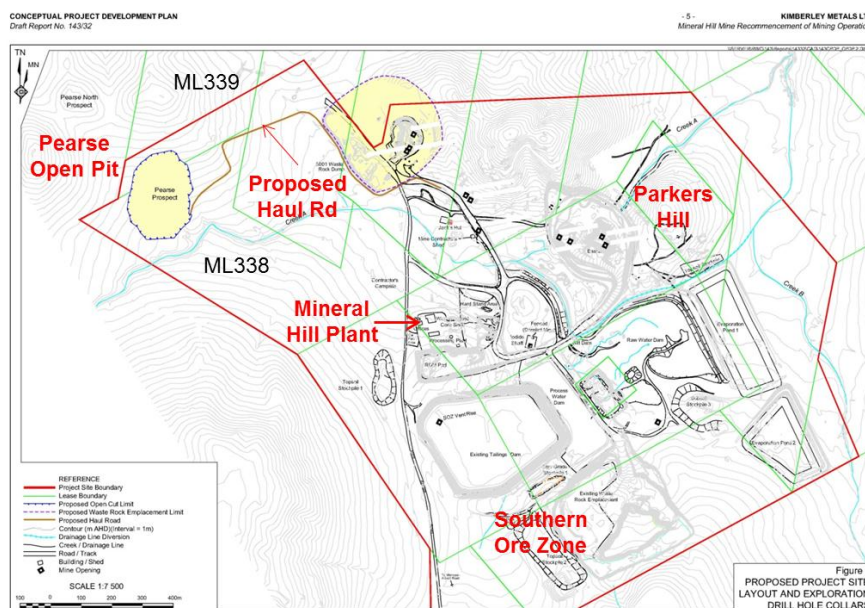
PEARSE APPROVAL

Kimberley’s Development Application to develop the Pearse open pit mine for the extraction of ore was approved by the Lachlan Shire Council on 19 October 2011.

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.

PEARSE OPEN CUT GOLD MINE

A series of successful drilling programs during the 2009-10 year resulted in the discovery and delineation of the high grade Pearse gold deposit, located less than 1 kilometre from Kimberley’s Mineral Hill processing plant and within the current mining leases.



ASX ANNOUNCEMENT

20 October 2011



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The first proven and probable Ore Reserve estimate for the Pearse open cut mine was completed in September 2010 and set out in Table 1. The Reserve is at depths 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
Sub Total		46,702	52	5.9	76,519	8,758
Proven	Primary	152,489	91	7.3	444,709	35,674
	Oxide	36,049	16	6.5	18,519	7,523
Sub Total		188,538	77	7.2	463,228	43,198
TOTAL		235,240	72	6.9	539,746	51,956

Table 1: Ore Reserves for Pearse Deposit

Kimberley 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 production profile of the Pearse project is set out in Table 2.

Gold - Silver Annual Production	2.5 years	
Ore Treated	120,000	t
Grade Au	7	g/t
Grade Ag	72	g/t
Recovery Au	80%	
Recovery Ag	50%	
Au production per annum	20,000	oz
Ag production per annum	135,000	oz

Table 2: Pearse open cut mine annual production

The proposed open cut pit mine consists of an elliptical open pit on a north-northeast trend approximately 250m long and 180m wide, covering 4.8 hectares. The deepest part of the open pit is the 250 level or 75m below the surface.

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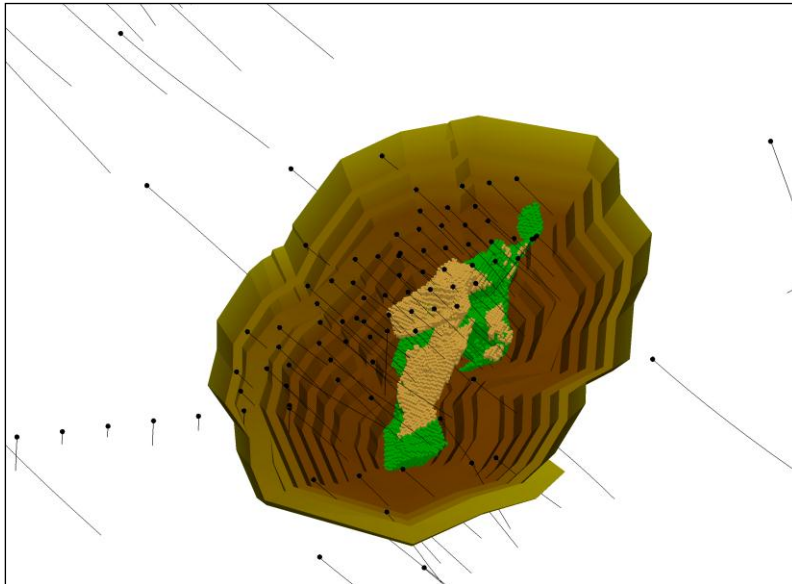


Diagram 2: Pearse open cut pit plan

The “free dig” zone is expected to be for at least the first three to six metres then a drill and blast operation will be required. Bench height for mining is planned at three metres which allows for appropriate controls of dilution at ore boundaries. First ore will be mined within the first three metre bench.

Gold and silver bullion from Pearse open cut will be recovered by the planned reinstatement of the CIL circuit at the Mineral Hill plant which together with additional flotation cells and a possible third ball mill will increase ore processed through the plant to 400,000 tonnes per annum.

Recent data compilation and structural interpretation of the Pearse zone has highlighted a number of high quality exploration targets (Figure 3). Kimberley 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 and to ensure continued gold and silver bullion production from the Mineral Hill plant.

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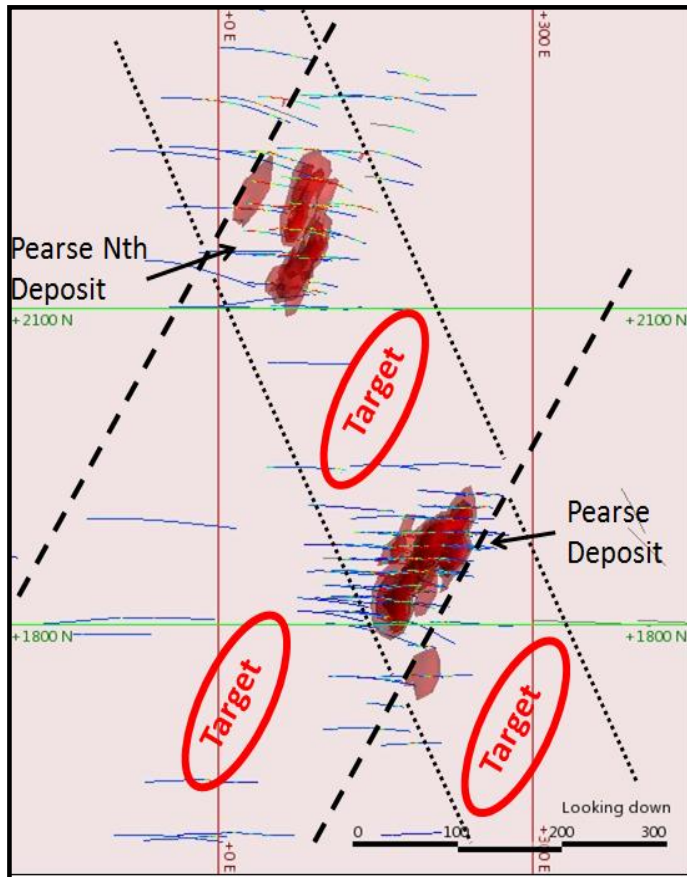


Diagram 3: Exploration targets near Pearse Deposit

The Approval for the Pearse open cut mine is exclusively for the Pearse Deposit, and no approval has yet been sought for the Pearse North Deposit.

KIMBERLEY METALS LIMITED

A handwritten signature in black ink, appearing to read 'Jim Wall'.

Jim Wall
Executive Chairman

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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 Silver-Lead-Zinc deposit in Western Australia, which is one of the world's largest near surface undeveloped silver-lead deposits, close to port infrastructure and a short distance from Asian markets. The Company wholly owns the Mineral Hill Mine located in central New South Wales. Current production of 250,000tpa at Mineral Hill is forecast to increase to 400,000tpa with the introduction of gold and silver dore production from Pearse open cut from mid-2012. Initial production at Sorby Hills will be 500,000tpa from mid-2013 rising to 1.2 mtpa.

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.