
FARM-IN AGREEMENT FOR MANBARRUM LEAD-ZINC-SILVER PROJECT

Kimberley Metals Limited (ASX: KBL, "Kimberley", "the Company") has reached an agreement with TNG Resources Limited (ASX: TNG) by which the Sorby Hills Joint Venturers (Kimberley 75%, Henan Yuguang Gold & Lead Co. Ltd through its Australian subsidiary 25%) ("SHJV") may earn up to an 80% interest in TNG's Manbarrum Project.

Manbarrum Project Highlights

- Located in the Northern Territory, 30 kms east of SHJV's Sorby Hills Project.
- Manbarrum is a 30km long zinc-lead-silver mineralised trend containing Indicated and Inferred Resources at Sandy Creek (24 Mt @ 1.8% Zn, 0.5% Pb, 4.6 g/t Ag) and Inferred Resources at Djibitgan (9.5 Mt @ 20 g/t Ag, 0.6% Zn)
- More than \$15 million spent on exploration in last 4 years
- Same style of MVT type Pb-Zn-Ag mineralisation in carbonate rocks as at Sorby Hills
- Focus to be on shallow high grade sections for early addition to proposed Sorby Hills development
- Combined Sorby Hills and Manbarrum trend represents a large Pb-Zn-Ag mineralised district of more than 60 kilometres strike length

Farmin Terms

- Initial cash payment of \$500,000
- \$2 million expenditure and \$2 million cash payment prior to 30 December 2013 to earn a 51% interest
- Funding to Decision to Mine to earn an additional 29% interest
- On SHJV earning an 80% interest, TNG may maintain its 20% interest or sell a 20% interest to SHJV for \$3 million (CPI indexed) with a 2% NSR or convert its 20% interest to a 3% NSR.

- Farmin conditional on NT government approval and participation of Henan Yuguang Gold & Lead Co. Ltd is conditional on Chinese and FIRB approval.

Manbarrum Project

The project is located in the Northern Territory, 82 kilometres north east of the regional centre of Kununurra in Western Australia and about 30 kilometres east of SHJV's Sorby Hills Project. Both Manbarrum and Sorby Hills are within late Devonian Carbonate rocks of the Bonaparte Basin that hosts multiple occurrences of Mississippi Valley Type (MVT) lead-zinc-silver mineralisation. The combined tenements of SHJV and TNG cover more than 60 kilometres of strike length of the mineralised host carbonate unit.

In March 2010, TNG released Resource estimates by Snowden Mining Industry Consultants for the **Sandy Creek deposit** of:

Material	Classification	Tonnes	Zn	Pb	Ag
Oxide	Indicated	575,000	1.45	0.43	5.14
	Inferred	877,000	1.26	0.28	3.24
	Total	1,452,000	1.34	0.34	3.99
Primary	Indicated	12,906,000	2.07	0.57	4.77
	Inferred	10,023,000	1.54	0.30	4.40
	Total	22,929,000	1.84	0.45	4.61
Total		24,381,000	1.81	0.45	4.57

Table 1: Sandy Creek Zinc Mineral Resource, as at March 2010 at a 1.0% Zn cut-off

The Resource is within 200 metres of the surface and is zinc dominant. However, there are high grade lead and zinc sections of the deposit and these will be targeted by Kimberley for detailed evaluation with the aim of establishing Resources with 50-60 metres of the surface as early stage open cut additions for the proposed Sorby Hills development, a tracking distance of less than 40 kilometres. The potential for development of shallow high grade resources is shown on the following section of the Sandy Creek deposit.

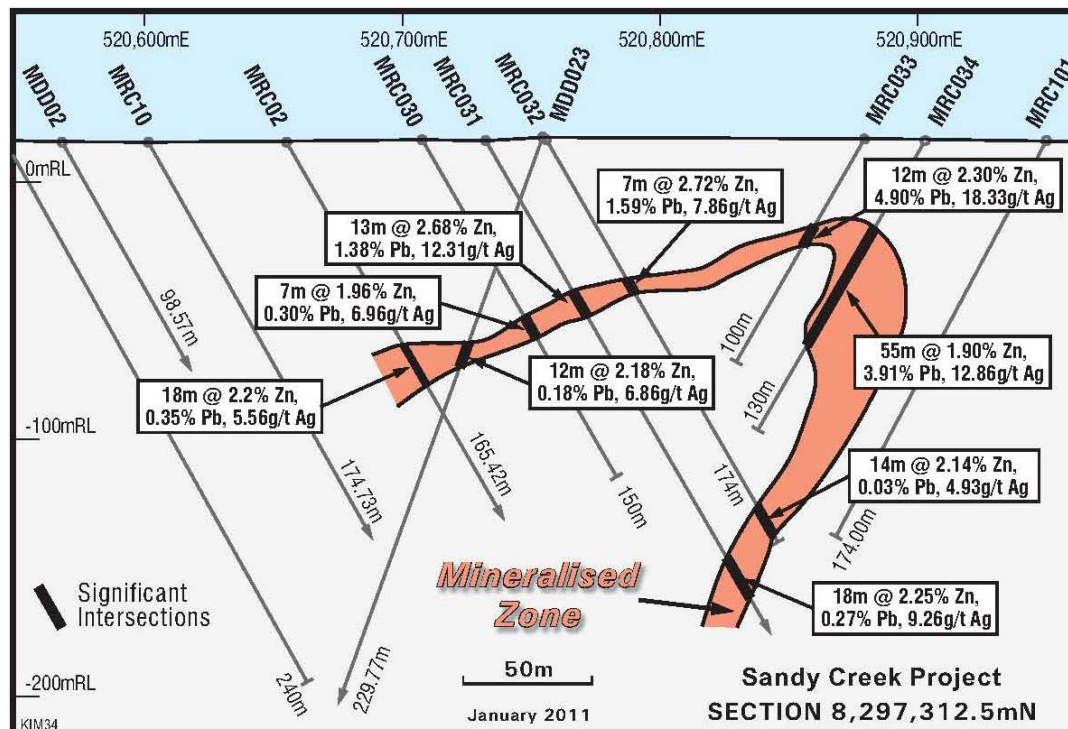
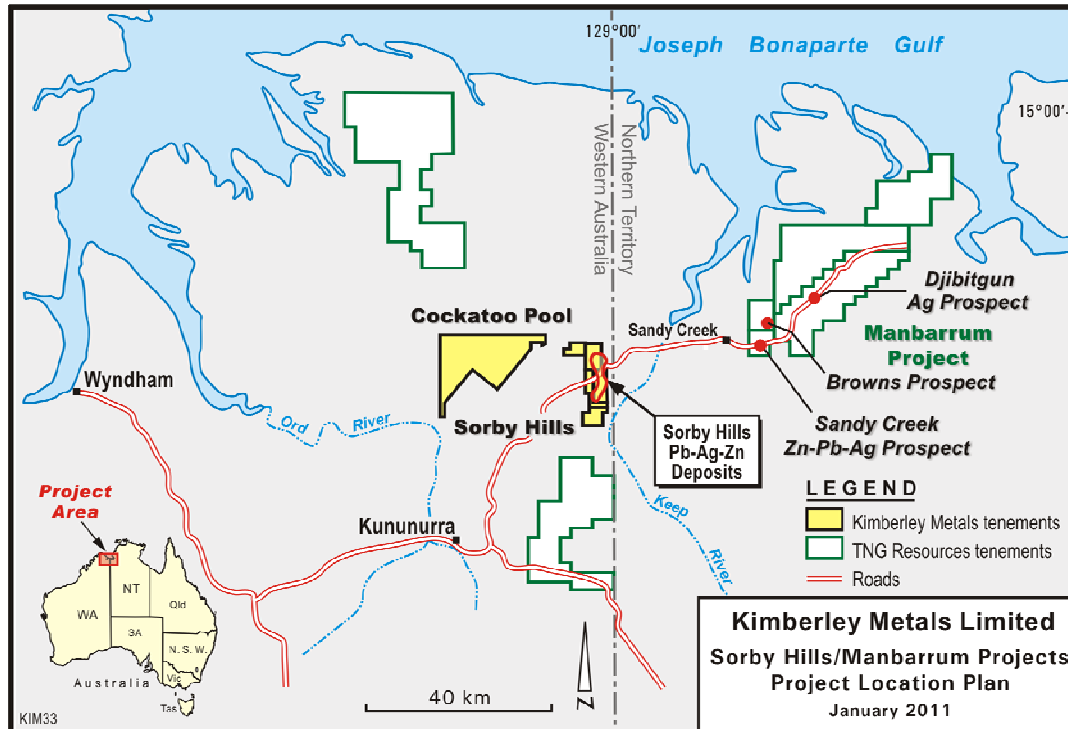
The Manbarrum trend also contains the **Djibitgan deposit**, approximately 25 kilometres north-east of Sandy Creek. This is an oxide deposit for which TNG has announced the following Inferred Resources:

Oxide Silver : **9.5 Mt @ 20.2 g/t Ag, 0.6% Zn** at a 15 g/t Ag cut-off

Oxide Zinc : **3.8 Mt @ 2.2% Zn, 0.5% Pb, 15.3 g/t Ag** at a 1.5% Zn cut-off

This deposit remains open ended.

Other areas of mineralisation have been identified along the trend but have yet to be adequately drill tested.





About Kimberley

Kimberley is an Australian resource company listed on the ASX (ASX: KBL) with focus on precious and base metals. The Company (75%) and Henan Yuguang Gold & Lead Co. Ltd through its Australian subsidiary (25%), own the Sorby Hills Lead-Silver deposit in Western Australia, which is one of the world's largest near surface undeveloped lead deposits, with over 1 million tons of contained metal resources, 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 it has discovered a high-grade gold resource, known as Pearse, less than 1 km from its existing mining and processing facilities. The Company is pursuing a dual track development strategy at Mineral Hill to become a copper producer from the existing Parkers Hill underground mine by mid 2011 and, subject to the necessary Government mining approvals, to produce gold from Pearse. This will quickly generate cash flows to assist development of its other projects. More information can be found on Kimberley's website at www.kimberleymetals.com.au.

Yours faithfully

KIMBERLEY METALS LIMITED

A handwritten signature in black ink, appearing to read 'Jim Wall', is written over a light blue horizontal line.

Jim Wall
Executive Chairman

For further information, please contact:

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Competent Persons Statement

The information in this report that relates to exploration, mineral resources or ore reserves is based on information compiled by Robert Besley (B.Sc. Hons) who is a Director of Kimberley Metals Limited, and is a member of the AusIMM. Mr Besley 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 described by the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Besley consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.