

Kimber Resources Inc.
Management's Discussion and Analysis
For the year ended June 30, 2009

The following management's discussion and analysis ("MD&A") of Kimber Resources Inc.'s ("Kimber" or the "Company") financial position is for the year ended June 30, 2009 compared to June 30, 2008 and covers information up to the date of this MD&A. This discussion should be read in conjunction with the attached consolidated financial statements which have been prepared in accordance with Canadian generally accepted accounting principles (GAAP). This MD&A may contain certain forward-looking statements about Kimber's future prospects, and Kimber provides no assurance that actual results will meet management's expectations.

All amounts are stated in Canadian dollars unless indicated otherwise. Additional information regarding Kimber is available on SEDAR at www.sedar.com, on EDGAR at www.sec.gov/edgar.com, and on Kimber's website at www.kimberresources.com.

This management's discussion and analysis is dated September 25, 2009.

Introduction

Kimber Resources Inc. is a gold-silver exploration company focused in Mexico seeking to grow shareholder value by building gold and silver mineral resources through focused exploration.

Kimber's strategy is to excel as an exploration company specializing in the discovery, definition and development of gold and silver deposits in Mexico, building mineral resources and advancing projects into valuable assets capable of becoming profitable mining operations. Kimber seeks to achieve these goals by focusing activities and cash expenditures on areas that will enhance assets while maintaining safe work conditions, protecting the environment and building strong relationships with local communities and stakeholders.

Kimber owns three exploration projects located in Mexico. The most advanced project is Monterde, which is 29,266 hectares in size and is located in the prolific Sierra Madre Gold-Silver belt of Northern Mexico. The Monterde project hosts substantial gold-silver mineralization and has three deposits located within two kilometres of each other. Kimber is currently advancing the Monterde project so that the full value can be realized.

Kimber Resources Inc. is based in Vancouver, British Columbia and trades on the NYSE Amex under the symbol "KBX" and on the Toronto Stock Exchange under the symbol "KBR."

Results of Operations

Kimber's net loss for the fiscal year ended June 30, 2009 was \$2,391,005 or \$0.04 per common share compared with \$2,937,925 or \$0.06 loss per share for the year ended June 30, 2008. Kimber's net loss for the year decreased by \$546,920 compared to the previous year.

During the fiscal year ended June 30, 2009 Kimber incurred expenditures of \$3,608,089 on its mineral properties; \$81,597 for property acquisition payments and exploration expenditures of \$3,526,492. The two major projects during the year were Monterde and Pericones.

Monterde exploration costs

Exploration costs for Monterde totaled \$3,124,868 for the year ended June 30, 2009 compared with \$4,979,924 for the year ended June 30, 2008.

Drilling costs were \$106,617 for the year ended June 30, 2009 compared to \$1,506,892 for the year ended June 30, 2008. The previous drill program ended during the first quarter of the current fiscal year and no new drill program was carried out during the remainder of the current fiscal year.

Assay testing costs were \$263,632 for the year ending June 30, 2009 compared to \$137,017 for the year ended June 30, 2008. The payment of assay costs lags behind drilling costs. In addition to assay costs resulting from the previous year's drilling program, additional costs were incurred for surface sampling activities at Monterde and Pericones during the year.

Geological and geophysical expenditures were \$1,151,303 for the year ending June 30, 2009 compared to \$1,314,680 for the year ended June 30, 2008. The decrease in costs is the result of members of the geological team being taken from Monterde and reassigned to the Pericones project.

Engineering expenditures were \$332,323 for the year ending June 30, 2009 compared to \$245,511 for the year ended June 30, 2008. The increase is the result of the use of additional external consultants.

Other significant cost categories in the fiscal year ending June 30, 2009 were field office costs of \$336,190 and travel and accommodation of \$194,270. Field office costs are the costs of running the camp and include payroll and machinery costs.

Pericones exploration costs

Exploration costs for Pericones totaled \$401,624 for the year ended June 30, 2009 compared with \$99,680 for the year ended June 30, 2008.

Geological and geophysical expenditures were \$270,006 for the year ending June 30, 2009 compared to \$70,706 for the year ended June 30, 2008. Additional resources were employed at Pericones during the current year.

Other significant cost categories for Pericones in the fiscal year ending June 30, 2009 were travel and accommodation at \$68,082 and assays at \$34,383.

Administration costs

Salary and benefit expenses include stock based compensation charges. Salary and benefit expenses decreased during the year ended June 30, 2009 to \$1,267,171 from \$1,817,419 in the year ended June 30, 2008. The decrease is due to the settlement of severance agreements with former officers incurred in 2008, a lower number of administrative personnel and a reduction in fees paid to directors. In addition, during the fiscal year ended June 30, 2009 stock based compensation expenses were lower by \$300,541 compared to the previous year.

Legal, consulting and audit costs decreased to \$505,533 for the year ended June 30, 2008 from \$532,207 in the previous year.

Investor relations and shareholder communications expenses of \$43,397 (2008 – \$69,894) were reduced as there was reduced investor related travel and conference attendance.

Office and miscellaneous expenses were \$279,441 compared to \$278,050 in 2008.

Kimber recorded a loss from foreign exchange of \$9,997 during the year ended June 30, 2009 as compared to a loss of \$8,516 in the year ended 2008. The loss originates from funds advanced to Mexico during the year that have depreciated in value due to fluctuations in the Mexican peso or United States dollar relative to the Canadian dollar.

Selected Annual Information

The following information is for each of the three fiscal years ended June 30, 2009, 2008 and 2007:

	2009	2008	2007
Investment income	\$74,611	\$173,193	\$415,493
Net loss	\$(2,391,005)	\$(2,937,925)	\$(3,813,938)
Net loss per share – basic and diluted	\$(0.04)	\$(0.06)	\$(0.08)
Total assets	\$45,309,626	\$42,911,957	\$39,508,524
Long-term liabilities	-	-	-
Dividends	-	-	-

Kimber's income from interest and investments decreased during the current fiscal year due to reduced interest rates from short term investments compared to previous years and amounts of cash and cash equivalents that were available for short-term investment.

The net losses for Kimber in the fiscal years ended June 30, 2009 and 2008 include non-cash charges for stock-option compensation of \$428,398 in 2009 and \$728,939 in 2008.

Kimber's net assets have increased over the fiscal periods mainly because of share capital proceeds raised through private placements and increased unproven mineral right interests expenditures capitalized during the years.

Summary of Quarterly Results September 30, 2007 to June 30, 2009

	Q4 Jun30/09	Q3 Mar31/09	Q2 Dec31/08	Q1 Sep30/08
Interest income	\$1,913	\$8,790	\$15,706	\$48,202
Total Loss	\$(530,555)	\$(728,081)	\$(628,006)	\$(504,363)
Loss per share	\$(0.01)	\$(0.01)	\$(0.01)	\$(0.01)

	Q4 Jun30/08	Q3 Mar31/08	Q2 Dec31/07	Q1 Sep30/07
Interest income	\$43,525	\$ 27,936	\$43,653	\$58,079
Total Loss	\$(778,293)	\$(658,884)	\$(661,099)	\$(839,649)
Loss per share	\$(0.01)	\$(0.01)	\$(0.01)	\$(0.02)

Kimber is in the exploration stage, and therefore, variances in its quarterly losses are not affected by sales or production-related factors. Increases in costs are generally attributed to growth in operations and success in financing activities which allow Kimber to undertake further development and exploration on its properties.

Kimber's income is derived from interest and gains received on cash or short-term investments (low-risk Canadian government treasury bills and banker's acceptance notes) classified as cash. Interest income fluctuates according to the amounts of funds held in deposit and interest rates offered during the period. Kimber does not have revenues from mining operations and does not expect to have revenues in the near future other than interest earned on cash balances.

Financial Condition

At June 30, 2009, Kimber had working capital of \$3,364,187 (2008 - \$4,142,653). Kimber has no long-term indebtedness or long-term obligations. The change in working capital for the year ended June 30, 2009 is primarily the result of a decrease in available cash of \$507,166 to \$3,455,576 (2008 - \$3,962,742) and a reduction in amounts receivable from \$914,474 to \$190,975. The cash decrease is due to the ongoing net expenditure. In the fiscal year ended June 30, 2009 Kimber received \$5,000,000 from a non-brokered private placement and \$146,000 from the exercise of 200,000 stock options.

Current liabilities decreased to \$393,561 as at June 30, 2009 from \$815,757 at June 30, 2008. The reduction in liabilities is primarily attributable to a decrease in accounts payable for drilling and assay fees of \$434,082 compared to the 2008 year end.

Cash Flows

Kimber generates cash inflow from selling its shares either through financings or the exercise of outstanding stock options and warrants. There is a risk that these options and warrants may not be exercised if Kimber's share price falls below the exercise price due to market conditions.

Amounts receivable were \$190,975 at June 30, 2009 compared to \$914,474 at June 30, 2008. The decrease was due to a reduced amount of IVA Tax receivable from the Government of Mexico, and receipt during the year of a US\$250,000 deposit receivable from the drilling company used in Mexico. Receivables for IVA, which is charged at 15% of expenditures in Mexico, decreased during the year to \$136,173 from \$591,880, as a result of decreased drilling and other expenditures for the year ended June 30, 2009 and a decrease in the number of months of IVA outstanding.

Prepaid expenses were \$111,197 at June 30, 2009 compared to \$81,194 at June 30, 2008. The increase was due primarily to an increase in advance payments for various insurance policies and prepaid conference fees.

Kimber made equipment purchases of \$176,453 during the year ended June 30, 2009 including: \$21,400 for the exploration camp and related equipment, \$61,942 for computer equipment and software, \$85,496 for camp vehicles and \$7,615 for office fixtures and equipment.

Property acquisition costs of \$81,597 were incurred for concession taxes on the Monterde Property (\$65,380), the Setago Property (\$7,602) and the Pericones Property (\$8,615). Future acquisition expenditures on these staked concessions will be minimal as there are no property

purchase payments required.

Share capital increased cash inflows by an aggregate of \$5,146,000 through the issuance of 4,000,000 common shares issued by private placement, and 200,000 shares issued on the exercise of stock options during the fiscal year ended June 30, 2009.

Financings

On September 24, 2008 Kimber closed a private placement consisting of four million units at a price of \$1.25 per unit for gross proceeds of \$5 million. Each unit consisted of one common share plus one half non-transferable common share purchase warrant. Each full share purchase warrant entitles the holder to purchase one common share at \$1.80 for a two year period commencing September 24, 2008. Fees related to the placement totalled \$363,529. These fees consisted primarily of finder's fees of \$332,500 being 7% on certain of the proceeds, as well as legal and regulatory costs.

Contractual Obligations

Kimber has no long-term debt and does not anticipate that it will require debt financing for current planned expenditures. Kimber has no future contractual obligations to property vendors for the Monterde, Setago or Pericones Properties.

Kimber leases its premises under an operating lease which expires in the fiscal year ending June 30, 2011. Kimber is obligated to make basic rent payments under its operating lease in each of the fiscal years from 2010 to 2011 totalling \$141,372. In addition, under the lease Kimber has the obligation to pay its proportionate share of operating costs and taxes for the building.

Capital Resources and Liquidity

Capital resources of Kimber consist primarily of cash and liquid short-term investments. As at August 31, 2009, Kimber had cash and Canadian government treasury bills totaling approximately \$2,714,000, \$125,000 in amounts receivable and an estimated \$270,000 in accounts payable and accrued liabilities.

Based on the current cash resources, management believes that it has sufficient cash to complete planned expenditures to June 30, 2010. Management will be reviewing cash expenditures on an ongoing basis, and will be seeking to obtain additional financing prior to this date. There can be no assurance that Kimber will succeed in obtaining additional financing, now or in the future. The current market conditions could make it difficult or impossible for Kimber to raise necessary funds to meet its capital requirements. Failure to raise additional financing on a timely basis could cause Kimber to suspend its operations and eventually to forfeit or sell its interest in its properties. In the past, Kimber has been successful at raising funds to continue work on its mining properties. However, there is no certainty that Kimber will be able to raise additional funding on reasonable terms if at all, in which case the property may be joint ventured, sold, abandoned or the outstanding agreements renegotiated.

Kimber has no plans for debt financing at this time.

Kimber does not anticipate the payment of dividends in the foreseeable future.

Related Party Transactions

Unless otherwise stated, related party transactions are measured at the exchange amount, being the amount of consideration established and agreed to by the related parties. See Note 9 of the Notes to the Consolidated Financial Statements for disclosure of related party transactions.

Mineral Properties

The Monterde property, located in the Sierra Madre region of south-western Chihuahua State, Mexico, is Kimber's principal asset. It covers 29,266 hectares in claims which extend 37 kilometres along the trend of mineralization.

Kimber holds 100% of the Monterde property, free of royalties, through its wholly-owned Mexican subsidiary, Minera Monterde, S. de R.L. de C.V. Three zones of gold-silver mineralization have been extensively drilled at Monterde, including Carmen, Carotare, and Veta Minitas. Details of this work are listed in the Form 20-F Annual Report, filed on SEDAR and EDGAR, are displayed on Kimber's website, and have been described in previous news releases. The designated Qualified Persons responsible for each of the mineral resource statements are stated in the Form 20-F Annual Report.

Monterde – Carmen

Since the completion and disclosure of Kimber's NI 43-101 compliant mineral resource estimate for Carmen in July 2006, Kimber has drilled an additional 18 core holes and 125 reverse circulation drill holes on the Carmen deposit. In addition, 121 previously drilled, non-geotechnical core holes have been added to the resource database. During 2009 the principal focus on the Carmen deposit has been to compile all geologic data to provide greater control on resource estimates and on the distribution of high and low recovery zones for silver within the deposit. This work is complete and is being used, along with all drill data, as a basis for a revised mineral resource estimate for the Carmen zone.

Monterde - Veta Minitas

Veta Minitas is located approximately 250 metres south-west of the Carmen gold-silver deposit. Since the previous mineral resource estimate was prepared in 2004 an additional 33 reverse circulation holes and 8 core holes were drilled. A revised model of the geology and mineralization at Veta Minitas has been completed and is being reviewed, along with all drill data, for preparation of a revised mineral resource estimate.

Monterde – Carotare

The Carotare zone of mineralization is located 2 km west of the Carmen Deposit. In November 2005 Kimber delivered a mineral resource estimate on the Carotare deposit based on the 28 reverse circulation holes drilled. The Carotare resource database has since been expanded by the addition of 17 core drill holes and 40 reverse circulation holes. A review of the model of the geology and mineralization at Carotare has been completed and is being used, along with all drill data, in the preparation of a revised mineral resource estimate.

Pericones

Pericones is located approximately 160 kilometres southwest of Mexico City in a belt that is well known for silver veins, some of which have been mined. Initial sampling by Kimber returned significant silver grades, which were confirmed in greater detail in 2008 and 2009. The 100% owned Pericones property covers 11,890 hectares.

There are four principal areas identified as exploration targets so far, Plaza de Gallos, Aguacate, Tejamanil and El Cirian. These four areas of alteration and old workings exhibit mineralization associated with veins and shears containing mostly silver with some gold. A program of rock sampling, prospecting and alteration mapping was initiated in March 2008 and carried on until early 2009. Management's initial geological assessment is favourable and more work is planned. A drill program at Pericones is currently being considered.

Setago

The 100% owned Setago Property, which consists of 3 concessions totalling 10,068 hectares, lies approximately 24 kilometres to the west of Monterde, and is still in the early stages of exploration.

Safety

Kimber continues to encourage a safe work environment. Safety meetings have been held and first aid instruction given. Protective equipment is mandatory in the vicinity of heavy machinery and underground. There were no lost time incidents during the year ended June 30, 2009.

Off-Balance Sheet Arrangements

Kimber has no off-balance sheet arrangements or transactions and none are contemplated.

Financial and Other Instruments

Kimber maintains the majority of its cash balances in Canadian dollars and converts them to United States dollars or Mexican Pesos when payments are required. No hedging has been undertaken to date as management has viewed the Canadian dollar as the stronger currency in recent years. The majority of Kimber's funds are invested in Canadian government treasury bills.

Kimber's financial instruments consist of cash and cash equivalents, amounts receivable, accounts payable and accrued liabilities, the fair value of which approximates their carrying value due to the short term to maturity.

Legal Proceedings

Kimber and its subsidiaries are not parties to any legal proceedings and have no material contingent liabilities as at June 30, 2009.

Adoption of new accounting standards

Effective July 1, 2008, Kimber adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants ("CICA"):

i) Capital Disclosures

Section 1535, "Capital Disclosures", requires additional disclosures about Kimber's capital and how it is managed. The additional disclosure includes information regarding Kimber's objectives, policies and processes for managing capital, and whether there are any externally imposed capital requirements and the implications of any non-compliance.

ii) Financial Instruments – Disclosures and Presentation

Section 3862, “Financial Instruments – Disclosures”, and Section 3863, “*Financial Instruments – Presentation*”, replace Section 3861, “*Financial Instruments – Disclosure and Presentation*”. The new Sections require disclosures of both qualitative and quantitative information on the nature and extent of risks arising from financial instruments to which Kimber is exposed and how it manages those risks.

iii) Assessing going concern

Effective July 1, 2008, Kimber adopted the amended CICA Handbook Section 1400, “*General Standards of Financial Statement Presentation*”. This amended Section includes requirements for management to assess and disclose an entity’s ability to continue as a going concern, and if applicable, management’s plans to address any going concern issues. The adoption of this standard had no material impact on Kimber’s financial statements.

iv) Mining exploration costs

In March 2009 the Company adopted CICA issued Emerging Issues Committee Abstract 174 – *Mining Exploration Costs* which amends EIC-126 - *Accounting by Mining Enterprises for Exploration Costs*, to provide additional guidance for mining exploration enterprises on the accounting for capitalization of exploration costs and when an impairment test of these costs are required. EIC – 126 has been withdrawn. Adoption of EIC 174 did not have a significant impact on the Company’s consolidated financial statements.

v) International Financial Reporting Standards (IFRS)

In February 2008, the Canadian Accounting Standards Board confirmed that publicly accountable enterprises will be required to adopt IFRS for fiscal years beginning on or after January 1, 2011, with earlier adoption permitted. Accordingly, the conversion to IFRS will be applicable to Kimber’s reporting effective July 1, 2011, with restatement of comparative information presented. The conversion to IFRS will impact Kimber’s accounting policies, internal control over financial reporting, and disclosure controls and procedures. Kimber is developing an IFRS conversion plan and anticipates there will be changes in accounting policies and these changes may materially impact Kimber’s financial statements but the impact has not been determined at this time.

Recent accounting pronouncements

i) CICA Handbook Section 3064, “Goodwill and Intangible Assets”

In February 2008, the CICA issued new CICA Handbook Section 3064, “*Goodwill and Intangible Assets*”, replacing CICA 3062, “*Goodwill and Other Intangible Assets*”, and CICA 3450, “*Research and Development Costs*”. Collectively, these changes bring Canadian practice closer to International Financial Reporting Standards (“IFRS”) and U.S. GAAP. The effective date of adopting this standard for Kimber is July 1, 2009. The impact of implementation of these standards will not have a material impact on Kimber’s consolidated financial statements.

ii) CICA Handbook Section 1582, “*Business Combinations*”, Section 1601, “*Consolidated Financial Statements*”, and Section 1602, “*Non Controlling Interests*”.

In January 2009, the CICA issued Section 1582, “*Business Combinations*”, Section 1601, “*Consolidated Financial Statements*”, and Section 1602, “*Non Controlling Interests*” to replace Section 1581 and Section 1600. These sections shall be applied prospectively to business combinations on or after the beginning of the first annual reporting period beginning after January 1, 2011 with earlier application permitted. Effective July 1, 2011, Kimber will adopt the new handbook sections, which establish updated standards on the recognition, measurement criteria and presentation for acquisitions, the accounting for assets and liabilities assumed and non-controlling interests. The impact of implementation of these standards will not have a material impact on Kimber’s consolidated financial statements.

Internal Control Over Financial Reporting

Kimber’s management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in the Securities Exchange Act Rule 13a-15(f) and in National Instrument 52-109 of the Canadian Securities Administrators. Kimber’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Kimber’s internal control over financial reporting includes those policies and procedures that: (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of Kimber’s management and directors; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness in future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Kimber’s management, including its Chief Executive Officer and Chief Financial Officer, assessed the effectiveness of Kimber’s internal controls over financial reporting as of June 30, 2009. In making its assessment of internal control over financial reporting, Kimber’s management used the criteria established in Internal Control an Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this assessment, Kimber’s management concluded that Kimber’s internal control over financial reporting was effective as at June 30, 2009.

This MD&A does not include an attestation report of Kimber’s registered public accounting firm regarding internal control over financial reporting. Management’s report was not subject to attestation by our registered public accounting firm pursuant to rules of the SEC that permit us to provide only management’s report in this MD&A.

This MD&A shall not be deemed to be filed for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liabilities of that section, and is not incorporated by reference into any filing of Kimber, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

There has been no change in Kimber's internal controls over financial reporting during the financial year ended June 30, 2009 that has materially affected, or is reasonably likely to materially affect, Kimber's internal controls over financial reporting.

Disclosure Controls and Procedures

Kimber, under the supervision and with the participation of Kimber's management, including its Chief Executive Officer and Chief Financial Officer, carried out an evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the United States Securities Exchange Act of 1934), and in National Instrument 52-109 of the Canadian Securities Administrators, as of June 30, 2009.

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Securities Exchange Act and under National Instrument 52-109 of the Canadian Securities Administrators is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's and in National Instrument 52-109 of the Canadian Securities Administrators rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in our reports filed under the Securities Exchange Act and under National Instrument 52-109 of the Canadian Securities Administrators is accumulated and communicated to management, including the Company's Chief Executive Officer and the Company's Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Based upon this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of June 30, 2009.

Outstanding Share Data

Kimber has one class of shares and at June 30, 2009 and September 25, 2009 Kimber had 62,086,620 shares issued and 72,108,620 outstanding on a diluted basis.

Kimber has a stock option plan and at June 30, 2009 there were 4,022,000 options outstanding. Of the 4,022,000 options granted to employees, directors and consultants 2,907,000 had vested.

Kimber had 6,000,000 warrants outstanding as at June 30, 2009. 4,000,000 of these warrants were issued on March 11, 2008 and expire on March 10, 2010. Each warrant entitles the holder to purchase one additional common share at a price of \$1.25. 2,000,000 of these warrants were issued on September 25, 2008 and expire on September 24, 2010. Each warrant entitles the holder to purchase one additional common share at a price of \$1.80.

Risk and Uncertainties

Except for historical information contained in this discussion and analysis, disclosure statements contained herein are forward-looking, which statements are subject to risks and uncertainties, which could cause actual results to differ materially from those in such forward-looking statements.

Kimber is a mineral exploration company and is exposed to a number of risks and uncertainties that are common to other companies in the same business; some of these risks have been discussed in the notes to financial statements and in the Form 20-F.

Kimber's financial success is subject to general market conditions, which affect mining and exploration companies. The value of Kimber's mineral resources and future operating profit and loss may be affected by fluctuations in precious metal prices, over which Kimber has no control, although it may choose to hedge some of its future production. The cost of exploration and future capital and operating costs are affected by foreign exchange rates for the Canadian dollar, United States dollar and Mexican peso. Kimber can mitigate the effects of these rate fluctuations, to some extent, through forward purchases. Because of its limited operating record and history of losses, it may not be able to hedge future risk to the extent it feels is warranted. Kimber also competes with other mining companies, which are larger and have more economic resources to acquire prospective exploration properties or producing mines.

Kimber also faces certain risks and uncertainties specific to its circumstances. Kimber's ability to obtain financing to explore for mineral deposits and to continue and complete the development of those properties it has classified as assets is not assured; nor is there assurance that the expenditure of funds will result in the discovery of an economic mineral deposit. Kimber has not completed a feasibility study on any of its deposits to determine if it hosts a mineral resource that can be economically developed and profitably mined. While Kimber has used its best efforts to secure title to all its properties and secured access to surface rights, these titles or rights may be disputed.

For a more complete list of potential risk factors which could affect Kimber please refer to Kimber's current Form 20-F filed on SEDAR and EDGAR and our current Form 20-F is also available on Kimber's website.

Below is a brief summary of some of Kimber's risks and uncertainties. Each of these risks is more fully described in our 20-F, along with other risks and uncertainties.

Industry Risks

- Mineral resource exploration and development is a high risk, speculative business.
- Mineral exploration is subject to numerous industry operating hazards and risks, many of which are beyond Kimber's control and any one of which may have an adverse effect on its financial condition and operations.
- Metal prices have fluctuated widely in the past and are expected to continue to do so in the future which may adversely affect the amount of revenues derived from production of mineral reserves.
- Exploration activities are subject to geologic uncertainty and inherent variability.
- The quantification of mineral resources is based on estimates and is subject to great uncertainty.
- The recent unprecedented events in global financial markets have had a profound impact on the global economy, in general and on the mining industry in particular. These events may negatively impact Kimber.
- Increased operating and capital costs may adversely affect the viability of existing and proposed mining projects.

Company Risks

- Kimber faces substantial competition within the mining industry from other mineral companies with much greater financial and technical resources and may not be able to effectively compete which would have an adverse effect on Kimber's financial condition and operations.
- Kimber's exploration efforts may be unsuccessful in locating viable mineral resources.
- If Kimber is unable to develop acceptable overall gold and silver recovery levels, the Carmen deposit may not be a viable project and Kimber will have to continue to explore for a viable deposit or cease operations.
- If Kimber's mineral resource estimates are not indicative of the actual gold and silver that can be mined, the mineable gold and silver that can be recovered from the Carmen deposit may be less than the mineral resource estimate and the Carmen deposit may not be a viable project.
- Kimber has a limited history as an exploration company and does not have any experience in putting a mining project into production.
- Kimber expects to continue to incur losses and may never achieve profitability, which in turn may harm the future operating performance and may cause the market price of Kimber's common shares to decline.
- Kimber's title to its mineral properties and its validity may be disputed in the future by others claiming title to all or part of such properties.
- Kimber's properties are located in Mexico, which can lead to difficulty with changes in political conditions and regulations, currency exchange, in obtaining financing, finding and hiring qualified people or obtaining all necessary services for Kimber's operations in Mexico.
- Kimber originally contemplated an open pit mining operation on the Carmen deposit, however it is currently contemplating the possibility of a combined open pit and underground mining operation, the effect of which, if it were to proceed to production, would expose Kimber to increased costs, potential time delays and risks to underground workers.
- Kimber is subject to numerous government regulations which could cause delays in carrying out its operations, and increase costs related to its business.
- Kimber has not completed an environmental impact statement, nor has it received the necessary permits for water or explosives to conduct mining operations.
- The Monterde Property is located in the Sierra Madre Mountains of Mexico which have been subject to episodes of unusually high rainfall in past years resulting in washouts and erosion of soil. Continuing increased rainfall may result in increased costs and delays in operations.
- Kimber depends on key personnel for critical management decisions and industry contacts but does not maintain key person insurance.
- Kimber does not have a full staff of technical people and relies upon outside consultants to provide critical services.
- Certain Kimber directors also serve as officers and/or directors of other mineral resource companies, which may give rise to conflicts.

- Kimber will need to raise additional capital through the sale of its securities, resulting in dilution to the existing shareholders, and if such funding is not available, Kimber's operations would be adversely affected.
- Future sales of Kimber's common shares into the public market by holders of Kimber options and Warrants may lower the market price, which may result in losses to Kimber's shareholders.
- Kimber has no history of paying dividends, does not expect to pay dividends in the immediate future and may never pay dividends.
- Kimber's business involves risks for which Kimber may not be adequately insured, if it is insured at all.
- Kimber's activities are subject to environmental liability, which would have an adverse effect on its financial condition and operations.
- A shortage of supplies and equipment could adversely affect Kimber's ability to operate its business.

National Instrument 43-101 Compliance

Unless otherwise indicated, Kimber has prepared the technical information in this MD&A ("Technical Information") based on information contained in the technical reports and news releases (collectively the "Disclosure Documents") available under Kimber's company profile on SEDAR at www.sedar.com and on the Company's website. Each Disclosure Document was prepared by or under the supervision of a qualified person (a "Qualified Person") as defined in National Instrument 43-101 – Standards of Disclosure for Mineral Projects of the Canadian Securities Administrators ("NI 43-101"). Readers are encouraged to review the full text of the Disclosure Documents which qualifies the Technical Information. Readers are advised that mineral resources that are not mineral reserves do not have demonstrated economic viability. The Disclosure Documents are each intended to be read as a whole and sections should not be read or relied upon out of context. The Technical Information is subject to the assumptions and qualifications contained in the Disclosure Documents.

The disclosure in this MD&A of technical information has been prepared under the supervision of Petrus (Marius) Mare, Professional Geologist, a Qualified Person under NI 43-101.

Cautionary Note to U.S. Investors – The United States Securities and Exchange Commission permits U.S. mining companies, in their filings with the SEC, to disclose only those mineral deposits that a company can economically and legally extract or produce. We use certain terms in this document, such as "measured," "indicated," and "inferred," "resources," which the SEC guidelines strictly prohibit U.S. registered companies from including in their filings with the SEC. U.S. Investors are urged to consider closely the disclosure in our Form 20-F which may be secured from us, or from the SEC's website at <http://www.sec.gov/edgar.shtml>.