

Kimber Resources Inc.
Management's Discussion and Analysis
November 1, 2007

The following management discussion and analysis of the Company's financial position is for the three month period ended September 30, 2007 and covers information up to the date of this report. This discussion should be read in conjunction with the attached unaudited interim consolidated financial statements and related "Notes to the Unaudited Interim Consolidated Financial Statements" which have been prepared in accordance with Canadian Generally Accepted Accounting Principles (GAAP). The discussion and analysis may contain certain forward-looking statements about the Company's future prospects, and the Company provides no assurance that actual results will meet management's expectations.

All amounts are stated in Canadian dollars unless indicated otherwise. Additional information regarding the Company is available on SEDAR at www.sedar.com and on the Company's website at www.kimberresources.com.

The Company's auditor has reviewed but not audited the unaudited interim consolidated financial statements for the three month period ended September 30, 2007.

Introduction

Kimber Resources Inc. is a Canadian-based company principally engaged in the exploration of gold and silver in Mexico. Kimber owns mineral concessions covering approximately 32,000 hectares of the prospective Sierra Madre gold-silver belt where initial reconnaissance exploration carried out in 2007 has identified a number of new exploration targets. To date, three gold-silver deposits have been identified within the Company's Monterde property. The Carmen deposit, which has been extensively drilled, is currently undergoing detailed geologic modeling in order to evaluate the potential for a combined open pit and underground mining operation based on current resources.

Results of Operations

The net loss for the three month period ended September 30, 2007 was \$839,649 or \$0.02 per common share compared with \$418,217 or \$0.01 per share loss for the three months ended September 30, 2006.

During the three months ended September 30, 2007 the Company spent \$838,783 on its mineral properties (as compared to \$3,737,354 for the three months ended September 30, 2006); \$24,208 was incurred for property acquisition payments and taxes and had mineral property exploration expenditures of \$814,575. The exploration costs at Monterde were \$814,504, considerably lower than the quarter ended September 30, 2006 due to drilling and assays being temporarily halted while the geologic modeling progresses. Drilling costs were \$nil compared to \$1,707,218 in September 30, 2006. Assay costs during the three months ended September 30, 2007 were \$7,619 compared to \$402,225 for the comparable period ended September 30, 2006. Camp supplies costs were \$87,704 compared to \$324,500 for the comparable period ended September 30, 2006. Geological expenditures were \$258,021 compared to \$292,270 in the three months ended September 30, 2006.

In accordance with the stock-based compensation policy required by the Canadian Institute of Chartered Accountants the Company recorded an expense of \$179,906 on 790,000 stock options including 465,000 granted in the period. This is a non-cash expense and does not affect the Company's operations. Without this non-cash expense, the Company would have recorded a loss of \$659,743 or \$0.013 weighted average loss per share during the quarter.

Salary and benefits expenses increased to \$289,540 in the three months ended September 30, 2007 from \$197,275 in the three months ended September 30, 2006 due to salary and director's fees increases and

administrative demands that have grown with increases in certain of the Company's activities and regulatory compliance requirements.

Legal audit and consulting fees increased to \$226,677 for the quarter ended September 30, 2007 as compared to \$68,727 for the comparable period ended September 30, 2006. The increase is primarily attributable to fees accrued for assistance in the company's corporate consulting activities, Sarbanes Oxley (SOX) compliance fees, and legal fees for various corporate matters.

Investor relations and shareholder communications expenses decreased to \$11,474 in the three months ended September 30, 2007 from \$31,211 in the three months ended September 30, 2006

Office and miscellaneous expenses increased during the period ended September 30, 2007 to \$67,435 from \$53,323 in the three months ended September 30, 2006. The increase is mainly attributable to increased insurance costs, office supplies, printing costs and computer service and maintenance costs.

Rent expense for the head office increased to \$46,630 in the period ended September 30, 2007 from \$25,834 in the three month period ended September 30, 2006 as the result of the additional office space occupied this year.

The Company recorded a loss from foreign exchange of \$18,916 during the three months ended September 30, 2007 as opposed to a gain of \$21,058 in the period ended September 30, 2006. The loss comes from funds advanced to Mexico during the current and previous periods that have declined in value due to fluctuations in the Mexican peso or United States Dollar relative to the Canadian dollar. The rate of exchange for the Mexican peso began the fiscal year at 0.09877 and closed lower to 0.09097 on September 30, 2007. The rate of exchange for the United States Dollar versus the Canadian dollar was 1.0656 at June 30, 2007 and 0.9929 at September 30, 2007 with fluctuations during the quarter above and below the opening and closing rates.

Summary of Quarterly Results for periods ended December 31, 2005 to September 30, 2007

	Q2 Dec31/05	Q3 Mar31/06	Q4 Jun30/06	Q1 Sep30/06
Interest income	34,169	74,470	162,867	144,861
Total Loss	(608,484)	(546,797)	(705,370)	(418,217)
Loss per share	(0.02)	(0.01)	(0.02)	(0.01)

	Q2 Dec31/06	Q3 Mar31/07	Q4 Jun30/07	Q1 Sep30/07
Interest income	117,901	85,841	66,890	58,079
Total Loss	(737,982)	(606,468)	(2,051,271)	(839,649)
Loss per share	(0.01)	(0.01)	(0.04)	(0.02)

The Company 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 the Company to undertake further development and exploration on its properties.

Revenues for the Company are for interest and gains received on cash or short-term investments (low-risk banker's acceptance notes that yield 4.80% on an annual basis) classified as cash. Interest revenues fluctuate 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 received on cash balances.

Financial Condition

At September 30, 2007, the Company had working capital of \$4,085,643 (June 30, 2007 - \$5,371,675). The change in working capital is the result of decreased available cash and cash equivalents to \$4,933,606 compared to the previous year end (June 30, 2007 - \$6,200,602). During the three months ended September 30, 2007 the Company issued 425,000 shares for net proceeds of \$191,250 from option exercises.

Current liabilities were \$1,092,207 at September 30, 2007 compared to \$1,315,654 as at June 30, 2007. The Company has no long-term indebtedness or long-term obligations.

Cash Flows

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

Amounts receivable decreased by \$244,048 to \$185,433 during the three months ended September 30, 2007 mainly attributable to input tax credit payments and recoveries for IVA Tax receivable from the Government of Mexico. Receivables for IVA is 15% of expenditures in Mexico. As at September 30, 2007 four months (June to September inclusive) of IVA are receivable compared to five months as at June 30, 2007.

Prepaid expenses, which are mostly insurance policies and advances for investment conferences, increased since the fiscal year end by \$1,565 to \$58,811.

Property acquisition costs of \$19,097 were incurred for concession taxes on the Monterde Property and \$5,111 for the Pericones Property for the quarter ended September 30, 2007.

During the three months ended September 30, 2007 the Company issued 425,000 shares for net proceeds of \$191,250 from option exercises.

Financings

The Company has not carried out any financings during the current fiscal year to date.

Contractual Obligations

The Company 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 any of its properties.

The Company leases its office premises under an operating lease which expires in the fiscal year ending June 30, 2011. The Company is obligated to make basic rent payments under its operating lease in each of the fiscal years from 2007 to 2011 totalling \$290,407 at September 30, 2007. In addition, under the lease the Company has the obligation to pay its proportionate share of operating costs and taxes for the building.

By Settlement Agreements dated April 26, 2007 the Company settled any claims which Robert V. Longe, President, CEO and Director and Michael E. Hoole, Vice President and Secretary may have in respect to Change of Control Agreements with each of them dated January 13, 2004.

Pursuant to the settlement agreement with Mr Longe, the Company has agreed to pay him \$339,657 plus unused vacation upon retirement on or before October 31, 2007. This amount has been accrued at September 30, 2007 and at June 30, 2007. This amount is unpaid at November 1, 2007.

Pursuant to the settlement agreement with Mr Hoole, it has been agreed that Mr Hoole will remain as Vice President and Secretary of the Company until his date of termination as an officer on or before February 28, 2008 and he will be paid \$339,657 by way of salary continuance from May 1, 2007 until he ceases to be an officer and employee of the Company with the balance payable at that time. At September 30, 2007 the Company owes \$271,402 (\$312,255 as at June 30, 2007) of remaining commitments to Mr. Hoole. In addition, Mr Hoole is being paid at the rate of \$1,000/day for each day worked for the Company. The amount of \$271,402 has been accrued at quarter end.

Capital Resources and Liquidity

Capital resources of the Company consist primarily of cash and liquid short-term investments. As at October 31, 2007 the Company's working capital consisted of cash and cash equivalents of approximately \$4,584,000 receivables of \$117,000 and payables of \$972,000. As at October 31, 2007, the overall net working capital of the Company was approximately \$3,729,000

If existing vested, in-the-money options were exercised, the Company would generate \$385,233.

At present, management believes that it has sufficient financial resources to continue operations at the current level until early-2008.

The Company does not anticipate the payment of dividends in the foreseeable future.

Related Party Transactions

Amounts paid to related parties were in the normal course of operations and were valued at fair market value as determined by management.

Mineral Properties

The Monterde Property, located in the Sierra Madre Mountains of southwestern Chihuahua State, is the Company's principal asset. It covers 29,000 hectares in claims which stretch for 37 kilometres along the trend of mineralization. Access to the developed part of the property is by 225 km of paved highway from Chihuahua City followed by 35 km of logging road from San Rafael, where railroad and power are also available.

The Company holds 100% of the Monterde property, free of royalties, through its wholly-owned Mexican subsidiary, Minera Monterde, S. de R.L. de C.V. In its northern part, three mineral deposits, the Carmen, Carotare, and Veta Minitas have been developed to the point of having gold and silver resources, most of them in the Measured and Indicated categories. Details of these resources are listed in the Form 20F Annual Report, filed on SEDAR and EDGAR.

The principal deposit is the Carmen on which 572 holes have been drilled. Like many other deposits in the Sierra Madre, it falls in the category oxidized, low sulphidation, epithermal. There are two satellite deposits: the Veta Minitas which is adjacent to the Carmen, and the Carotare, two kilometres to the east.

Carmen deposit

There were minor changes (a slight increase) to mineral resources on the Carmen deposit during this reporting period. The block model estimate of July 17, 2006 has been adjusted (May, 2007) and an estimate of resources which are likely to be minable from underground has been prepared by polygonal methods. No drilling was carried out during the first quarter of the year ended June 30, 2008. There is no immediate plan for further drilling on the Carmen deposit. Current estimates on the Carmen deposit are shown in the table below.

Carmen Deposit							
	Tonnes	Gold (g/t)	Silver (g/t)	Gold Eq.* (g/t)	Gold (oz)	Silver (oz)	Gold Eq.* (oz)
Carmen Deposit (Estimate "M" block model)							
Measured ("M")	23,270,000	0.78	44	1.37	583,100	33,180,000	1,025,500
Indicated ("I")	9,950,000	0.68	26	1.03	218,000	8,460,000	330,800
M & I	33,220,000	0.75	39	1.27	801,100	41,640,000	1,356,300
Inferred	3,530,000	0.64	17	0.87	72,600	1,950,000	98,600
Carmen Deposit (higher grades, beneath Estimate M)							
Inferred	703,000	6.41	67	7.30	144,800	1,513,000	165,000

Gold-equivalent assumes equivalence of 75 units of silver to one unit of gold.

During the period May to September the principal focus on the Carmen deposit has been to compile all geologic data (from drill holes, mapping and sampling) so that greater detail can be applied to resource estimates (for both open pit and underground mining) and to the distribution of high and low recovery zones for silver within the deposit. This definitive geologic compilation and the accompanying interpretation are pre-requisites for the next resource estimates and for all economic studies to follow.

The next phase of metallurgical testing involves agitation leach tests which are currently underway. Completion of the geologic compilation with the agitation tests will outline the different silver-recovery zones within the deposit.

Carotare and Veta Minitas Deposits

Resource estimates on both the Carotare deposit (November, 2005) and the Veta Minitas deposit (November, 2004) remain unchanged and are shown below.

Carotare Deposit							
	Tonnes	Gold	Silver (g/t)	Gold Eq.* (g/t)	Gold (oz)	Silver (oz)	Gold Eq.* (oz)
Measured	1,680,000		0.81	29	44,000	1,578,000	65,000
Indicated	1,020,000		0.83	29	27,000	945,000	40,000
M & I	2,700,000		0.82	29	71,000	2,523,000	105,000
Inferred	3,780,000		0.85	25	103,000	2,987,000	143,000
Veta Minitas							
Measured	701,000		0.63	88	14,200	1,974,900	40,600
Indicated	176,000		1.03	105	6,000	591,800	13,700
M & I	877,000		0.72	91	20,200	2,566,700	54,300
Inferred	400,000		0.37	69	4,500	840,000	15,700

Gold-equivalent assumes equivalence of 75 units of silver to one unit of gold.

Exploration Drilling at Carotare & El Orito

Drilling on the El Orito Norte and on extensions to the Carotare deposit ended in January 2007. No additional resources have been identified on these targets but final analyses of the results from the drilling and geological interpretation have not been completed.

New Drill Targets

During March and April 2007 two new drill targets were identified by geological mapping and sampling.

Structures on the Carmen deposit were followed to the south of the resources currently defined by drilling. The type of alteration typically associated with such structures has been extended for 900 metres and remains open. This drill target, now known as Carmen South, consists of at least two structures which appear to be extensions of those on the Carmen deposit. A drilling permit has been received.

The Arimo target was identified by mapping and sampling. Lying to the immediate south of one of the villages and on a major regional structure, an outcrop of silicified hydrothermal breccia has been shown to be auriferous. Further mapping and sampling is being carried out and a drill permit has been received.

Exploration on the Monterde Property

The first stage of the reconnaissance exploration program has been completed. Results from the northern part of the Monterde property identified five catchment basins with significantly anomalous values in silver and gold on which follow up investigations are required.

Other Properties

The Company holds two other properties, the Setago, also in the Sierra Madre, 24 km to the west of Monterde, and Pericones in Estado de Mexico. Both were acquired by staking and are 100% owned.

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.

Erosion Control

Measures to control erosion caused by periodic heavy rain in areas disturbed by drilling and road building continue. The effect of an exceptional storm on July 8, 2007 was mitigated by the structures (gabions and culverts) already installed, however remediation work necessitated by the storm is anticipated to cost approximately \$150,000.

Off-Balance Sheet Arrangements

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

Financial and Other Instruments

The Company 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. No funds have been invested in asset-backed commercial paper.

The Company'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. Property payment commitments are due in United States dollars which will vary with the Canadian/US dollar exchange rate.

Legal Proceedings

The Company and its subsidiaries are not parties to any legal proceedings and have no contingent liabilities, except as follows:

On September 12, 2006 an employee of Minera Monterde, S. de R.L. de C.V., a subsidiary of Kimber Resources Inc., was involved in a road collision with a group of cyclists while driving a truck owned by the subsidiary. \$89,401 was paid in December 2006 to the Mexican authorities in respect of this matter. The Company does not believe that there will be any further legal liability in relation to this incident but has not yet received formal releases from all potential claimants.

Changes in Accounting Policy

There were no changes to accounting policies adopted in the quarter ended September 30, 2007.

Internal Controls Over Financial Reporting

The Company's management, with the participation of its Chief Executive Officer and Chief Financial Officer, are responsible for establishing and maintaining adequate internal control over financial reporting. Under the supervision of the Chief Financial Officer, the Company'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 ("GAAP"). The Company's controls include policies and procedures that:

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the annual financial statements or interim financial statements.

There has been no significant change in the Company's internal control over financial reporting during the quarter ended September 30, 2007 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Disclosure Controls and Procedures

The Company has disclosure controls and procedures in place to provide reasonable assurance that material information is made known to the President and Chief Financial Officer and other officers and have concluded that its disclosure controls and procedures are effective.

Outstanding Share Data

The Company has one class of shares and at September 30, 2007 the Company had 49,848,620 shares issued and 52,573,620 outstanding on a fully diluted basis.

The Company has a stock option plan and at September 30, 2007 there were 2,725,000 options outstanding. Of the 2,725,000 options granted to employees, directors and consultants 1,896,667 had vested.

The Company had no warrants outstanding as at September 30, 2007.

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.

The Company 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 elsewhere in this report and in the notes to financial statements.

The Company's financial success is subject to general market conditions, which affect mining and exploration companies. The value of the Company's mineral resources and future operating profit and loss may be affected by fluctuations in precious metal prices, over which the Company 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. The Company 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. The Company also competes with other mining companies, which are larger and have more economic resources to acquire prospective exploration properties or producing mines.

The Company also faces certain risks and uncertainties specific to its circumstances. The Company'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. The Company 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 the Company 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.