

Kupang
Resources^{Ltd}

30 July 2013

COMPANY PRESENTATION

Australian resources company Kupang Resources Ltd (ASX: KPR) (**Kupang or Company**) is pleased to attach a copy of a presentation which will be delivered by Company management at a road show commencing in Singapore today.

ENDS

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Kupang Manganese Project

*Near term high grade
Manganese producer*

“Kupang is an investment with near term Manganese production, infrastructure & low capital requirement

Premium Manganese (Mn) Product

- High Grade Mn endowment
- Low impurities
- Supply Agreement
- Approvals export & process in place

Infrastructure

- Established deep water port
- Sealed roads
- Process & port equipment 100% owned
- Port Agreement in place

Environmental & Social Impact

- Dry screen process has low environmental impact
- Local ownership (45%)
- Firm relationships at key authority levels

Financial

- First mover advantage
- Fully funded
- Solid shareholder support
- Exclusive access to port infrastructure

Mn investment with exploration upside – funded to DFS



Corporate Overview

Corporate Snapshot

ASX Code	KPR
Shares	238,383,958 ¹
Share Price	A\$0.135
Market Cap	A\$29M

Cash	Australia	A\$2.0M ²
	Kupang JV	A\$2.5M ³

Options on Issue

3.0M ex. @ \$0.066 (exp 31/12/13)
3.6M ex. @ \$0.15 (exp 30/06/14)
17.5M ex. @ \$0.10 (exp 01/11/14)
2.0M ex. @ \$0.20 (exp 01/11/14)

Major Shareholders ⁴

Cape Lambert Resources Ltd	12.47%
Jusse Tampubolon	6.73%

Projects

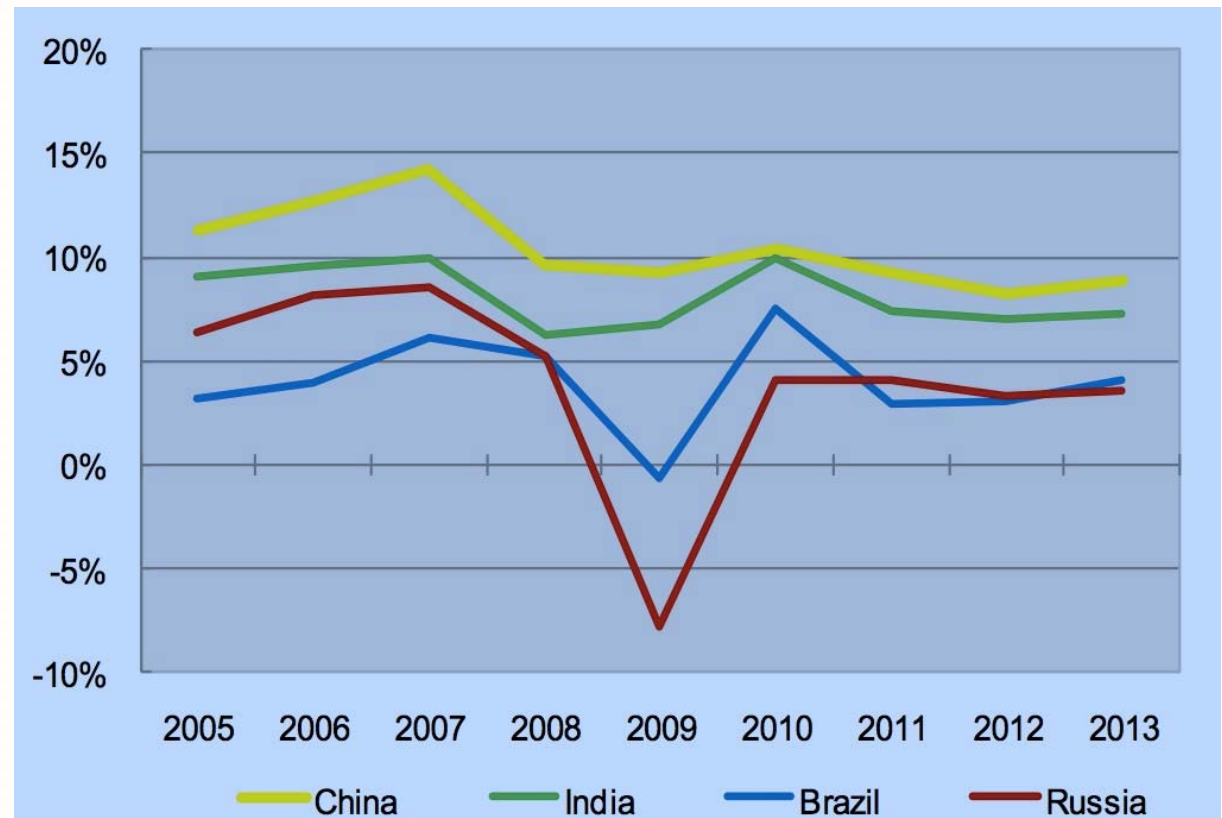
Kupang – Manganese (55% owned by KPR)
Palm Springs - Gold

1. Includes the Company's proposed issue of 22,222,222 Shares (**Placement Shares**) to sophisticated and professional investors at an issue price of \$0.09 per Share to occur in two tranches (**Placement**). 6,666,666 Placement Shares will be issued using the Company's remaining capacity under Listing Rule 7.1 and 7.1A (**Tranche 1**). The balance of 15,555,556 Placement Shares will be issued subject to receipt of shareholder approval to be sought at a general meeting of Kupang shareholders (**Tranche 2**).
2. Includes proceeds from Tranche 1 and Tranche 2 of the Placement.
3. As at 30 June 2013.
4. Includes Tranche 1 Placement Shares issued under the Company's remaining capacity under Listing Rule 7.1 and 7.1A. Excludes Tranche 2 Placement Shares to be issued under the Placement subject to receipt of shareholder approval to be sought at a general meeting of Kupang shareholders .

Manganese Market

Developing World GDP 2005 - 2013

- Demand for Mn aligned with steel & infrastructure growth
- Record global crude steel production of 1,527Mt in 2011
- India & Chinese growth >7%
Indonesia ideally positioned
- Exponential Mn growth potential as input to battery production
- Reference Mn Price, BHP HG Lump US\$5.35/dmtu
46% Mn (August 2012)



Source AME Steel Outlook Aug12

Strong future for Mn tied to Global Infrastructure Growth



Regional Information

West Timor

Region East Nusa Tenggara (ENT)

Population 1.8m
(92% Christian)¹

Capital Kupang, 35% population

Socio-economic 80% unemployment
30% poverty
Average wage AU\$110/m¹

Industry

- Agriculture – slash & burn
- Timber – in decline
- Tourism – nascent

Security

- Navy senior service
- Army base

Enforcement of Mn export Licenses

- Artisanal miners building stockpiles
- Mn export in sea containers
- No bulk Mn export licenses



1. Source; Indonesian Govt. Census 2010 Census



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Key Advantages

Product

High grade and low impurities = premium customers and price

Supply Agreement providing to stockpiled Mn ore

Supply Agreement with Mn Society

Production

All approvals for mining, processing and exporting in place

Sole access to only bulk export facility for MnO₂

Provide future funding for exploration

Local Ownership

Ensuring local alignment

No impact of foreign ownership requirement

Compliance with Indonesian foreign ownership requirement

Infrastructure

Port and process equipment in place

Mains power and sealed roads to site

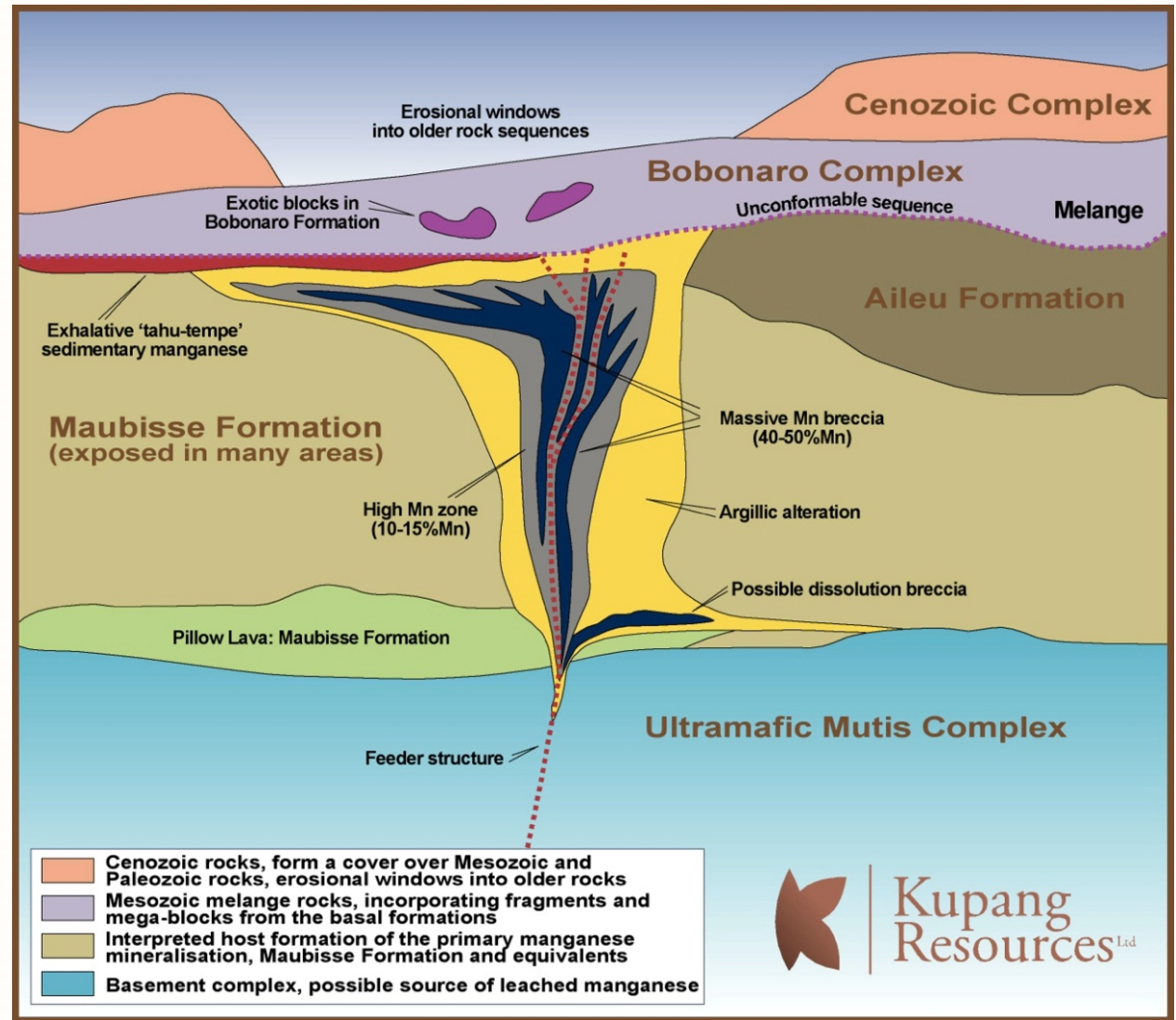
Deep water port near site

Existing High Grade Ore stockpiles & bulk export facilities



Geology is Key

- Mn in Bobonaro Complex viewed as seafloor tectonic/sedimentary in origin
- Prolific local high grade stockpiles not understood
- Anomalous high grade low impurity Mn doesn't fit model
- Island arc related primary endowment is recent view
- JORC resource requires clear definition through exploration techniques including:
 - Mapping
 - Geophysics
 - Drilling & Modeling





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Exploration upside



- No current resource
- New understanding of primary Mn endowment
- Evidence of breccias indicative of primary mineralization
- Requires quantitative & further qualitative data collection
- Geophysical survey using Magnetics/ IP/ Seismic
- Wildcat handheld drilling program to establish target size
- Exciting prospect of contemporary scale surface mining operation

Nearly pure MnO_2 – Exploration funded by trial marketing

Existing Stockpiles

- No JORC resource; stockpiles & mining/processing for export giving cash flow
- Stockpiles grid sampled and sized prior to analysis to simulate process
- Bulk samples simulate product; screened & analysed

• Bulk sample post-process grade:

Mn	Fe	Alumina	P	Silica
55%	1.5%	1.5%	0.07%	6-8%

- Estimated tonnage in stockpiles is 50-100kt²

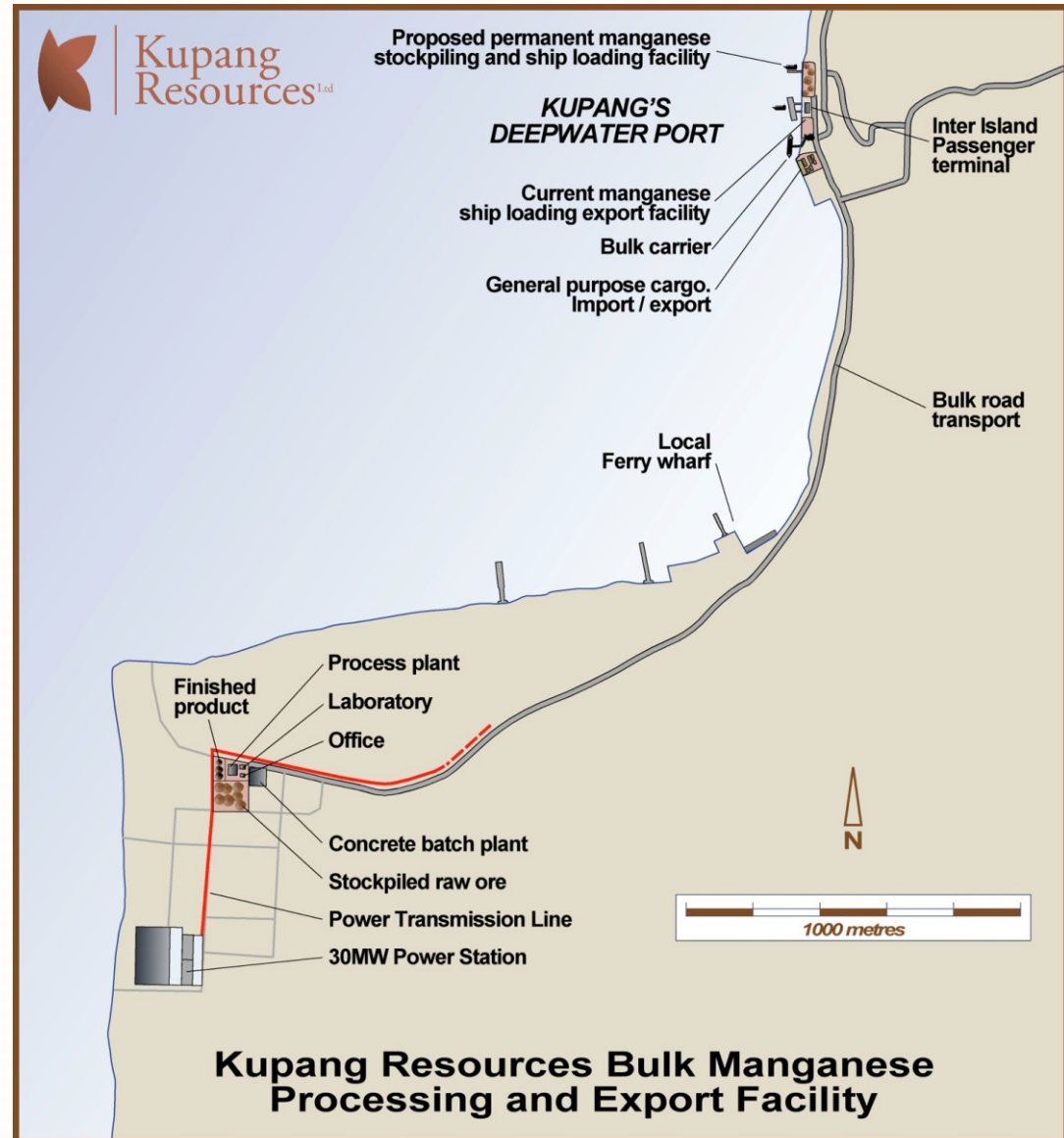


2. Kupang Manganese Society Chairman Letter of Understanding

Sufficient stockpiles to supply process until mining re-starts

Infrastructure

- **Infrastructure**
 - 100% Sealed road to port
 - 100% owned bulk loading equipment
 - Tenau Port capable of 100kt ships
 - New 30MW Power station
- **Process Plant**
 - Being commissioned
 - 30,000t per month capacity
 - 5 Hectare site under 30-year lease
 - Back-up Gensets at Port and Process
- **Tanau Port**
 - Deep water Port
 - 80,000t/month capacity
 - 1000t/hour bulk loading
 - Port stockpile area
 - Current Wharf Handi size



Established new and growing Infrastructure base



Pilot Production & Trial Marketing

- Results indicative of high grade product from artisanal production
- Supply MOU indicating 30,000t/month minimum
- Measured stockpiles, consistent geologically indicating 30,000t of production
- Indicative product is highly sort after by Ferro Mn smelters
- Potential is for 50-100,000t of available artisanal stockpiles

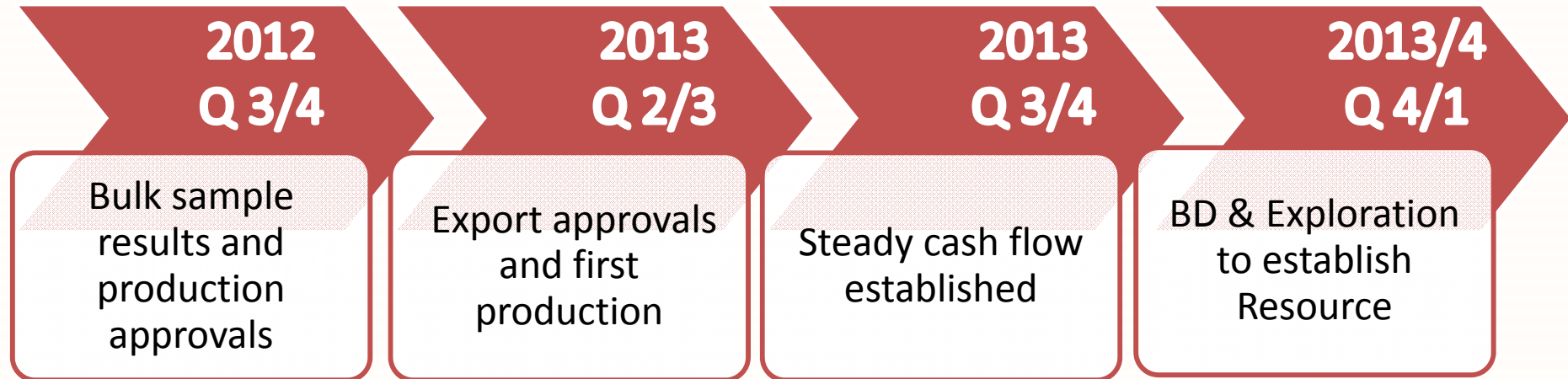


Opportunity to de-risk project funding & 1st bulk exporter



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Proposed Schedule & Budget



Project Budget

- Artisanal project budget \$6M; target opex US\$2/dmtu
- Exploration spend in FY 2013/14 \$3M
- Projected Balance EoCal Year \$>5M

Mn investment with exploration upside – funded to DFS

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Sedimentary Mn



- View of a typical “tahu-tempe” style of mineralization hosted in the scaly clay of the Bobonaro Formation rocks. The chaotic nature of the manganese beds is due to strong folding and faulting within the mélange rocks that make up this formation. (Pit 1 and Pit 2 location)

Manganese Rock Types

- Two Manganese Oxide (**MnO₂**) styles in Timor:
 - Sedimentary Manganese (prolific)
 - Massive/Breccia Manganese
- Primary mineralisation resulted from exhalation of manganese-rich fluids from sea-floor fissures & permeable zones
- Feeder structures are ideal sites for build-up of massive bodies of manganese with breccia in-fill
- Sedimentary MnO₂
 - easy to excavate, hosted in clay-like siltstone, thin massive beds <10cm thick
- A number of these occurrences may in fact be mega-blocks of older rocks hosted within the Bobonaro Formation, rather than the Bobonaro Formation being the exact host of the sedimentary manganese



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Infrastructure in place



Dry Commissioning Kupang
Process Plant - 30 Jun13



Kupang's Bulk Mobile Ship-loading
equipment constructed at Tenau
port - Jun13



Process Plant
Construction
Complete May-
13

Prepared for high grade Manganese production and export

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