



**KALGOORLIE-BOULDER
RESOURCES LTD**

ABN 48 106 732 487

ASX Announcement

ASX Codes: KAL, KALO

28 May 2007

RESULTS OF RECENT STRATEGIC REVIEW

Highlights

- ***Kalgoorlie Boulder Resources to now focus on its aim of upgrading the Norseman 1moz gold open cut Inferred Resource***
- ***Extensive drilling campaign underway at Norseman***
- ***Restructure of uranium option sale agreement with Burey Gold to provide \$1.75 million working capital***

Kalgoorlie-Boulder Resources Limited (the "Company") is pleased to announce the results of a wide-ranging strategic review. The Company will now focus on its 100%-owned Norseman Gold Project in the prolific South Yilgarn Greenstone Belt of Western Australia, which was acquired in March 2007.

Following the strategic review, the restructured Board of Kalgoorlie-Boulder Resources has resolved that the Company's strategic focus will be the development of the Norseman Gold Project. The Company aims to upgrade the current 1.2 million ounce inferred gold resource in the near future.

Other key outcomes include:

- Commencement of drilling at the Norseman Gold Project with the aim of upgrading existing gold resources.
- In principle agreement with Burey Gold Limited ("Burey Gold") to restructure the sale of the Company's uranium tenements and other interests. The new proposed agreement will provide \$1.75 million up-front cash and 2 million Burey Gold shares to strengthen the Company's balance sheet.
- The orderly divestment of the Company's United States oil and gas assets.
- Adoption of active steps to realise value from the Company's other nickel and gold assets.

- Commencement of a search for a new Chief Executive Officer with experience in exploration and mine development.

The completed strategic review has focused on the optimal way to maximise long-term value for all of the Company's shareholders.

"Since the restructure of the Board of Kalgoorlie-Boulder Resources in March 2007, the new Board has thoroughly examined the existing portfolio of projects held by the Company with a view to creating maximum value for shareholders," Chairman Michael Atkins said.

"After having taken appropriate independent advice, the review has confirmed we should focus on our 100%-owned Norseman Gold Project given the project's potential to move into production in the near to medium-term."

"The process has also highlighted that the proposed sale of the Company's uranium tenements and other interests to Burey Gold by way of an option agreement and the contemplated in-specie distribution of Burey Gold shares to certain shareholders of the Company could not proceed due to implementation difficulties and uncertainties."

"The Board is therefore pleased to announce today that it has reached an agreement in principle with Burey Gold for the sale of the Company's uranium tenements and other interests for approximately \$2.3 million, made up of \$1.75 million in cash and 2 million Burey Gold shares. The Board does not now contemplate that these Burey Gold shares will be distributed to shareholders."

"Importantly, the funds realised from the restructured transaction with Burey Gold, together with the expected cash flow from the final milling of ore from the Jackpot Mine, will strengthen the Company's balance sheet and provide capital to aggressively push ahead with exploration and development of the Norseman Gold Project."

Mr Atkins also confirmed that the Company has commenced a search for a talented and experienced CEO who will drive the Company and the Norseman Gold project forward in the next two years.

"The Board is extremely excited by the potential of the Norseman Gold Project and believes that it has potential to create value for shareholders in coming years," Mr Atkins said.

Norseman Gold Project

The Norseman Gold Project covers 124 square kilometres of the prolific South Yilgarn Greenstone belt of the Eastern Goldfields in Western Australia. Norseman is the southernmost gold mining centre of the Norseman to Wiluna gold belt which hosts an endowment of over 270 million ounces of gold. The Norseman region has been a major gold producer with production in excess of 5.5 million ounces of gold from 1935.

The Norseman Gold Project currently contains a total inferred resource of 1.23 million ounces of gold as shown below.

Deposit	Inferred Resource +0.7g/t Au		
	Tonnage ('000)	Au (g/t)	Ounces ('000)
Mt Henry	12,480	1.4	566
Selene	15,550	1.2	624
North Scotia	481	2.6	40
Abbotshall	536	1.8	31
Total	29,047	1.3	1,261

With mining and milling at the Company's Jackpot Mine expected to be concluded in June, the Company's technical exploration team will soon relocate to Norseman to boost the exploration and development work on the Norseman Gold Project.

Kalgoorlie-Boulder Resources is currently undertaking an initial 10,000 metre drilling program at the Norseman Gold Project, which is expected to be completed during 2007. The drilling program is designed to expand and upgrade the current JORC-compliant resources at the project. A scoping study designed to identify the various development options available for the project is also expected to commence in the second half of 2007.

An indicative timetable of key milestones identified by the Company for calendar 2007 is set out below.

Event	Date
First exploration drilling results	June 2007
Commence Norseman scoping study	Q3 2007
Further exploration drilling results	Second half 2007
Complete initial exploration drilling program	December 2007
Upgraded JORC resource statement	December 2007
Complete Norseman scoping study	December 2007

Once the initial drilling program and scoping study is complete, Kalgoorlie-Boulder Resources intends to review the various development options available to the Company.

Burey Gold Transaction

In May 2006, the Company entered into a Heads of Agreement which was subsequently replaced by an option agreement with Burey Gold. Under the option agreement if it were exercised, certain uranium tenements and other

interests would be transferred to Burey Gold for \$50,000 and 17.2 million fully paid ordinary shares in Burey Gold. The option could only be exercised provided certain conditions were satisfied. The option conditions have to be fulfilled and the option exercised within 6 months of Burey Gold listing on the ASX. Burey Gold listed on 12 December 2006, therefore the exercise period expires on 12 June 2007. There is some uncertainty as to whether the conditions could be satisfied within the exercise period.

Under the terms of the option agreement between the Company and Burey Gold, it was contemplated that if it were validly exercised, the Company would also distribute in-specie the Burey Gold shares it received to all Kalgoorlie-Boulder Resources shareholders.

In November 2006, the Company sent a Notice of Meeting and accompanying Information Memorandum to shareholders seeking approval for a potential return of capital to effect the in-specie distribution of Burey Gold shares to shareholders. The Information Memorandum stated that the final decision as to whether to proceed with the in-specie distribution of Burey Gold shares would be made by the Directors in their absolute discretion.

Shareholders approved the resolution set out in that Notice of Meeting on 15 December 2006 and the record date for entitlements to the Burey Gold shares was set at 27 December 2006.

As part of a strategic review, the new Board of the Company examined the terms of the option agreement with Burey Gold. The Board considers that the imposition of contractual escrow restrictions on the shares proposed to be distributed to Kalgoorlie-Boulder Resources shareholders means that the transaction, as documented by the option agreement, would be difficult to implement, or may not be able to be implemented, to give effect to what was originally contemplated by the parties.

As a result of this uncertainty, and in order to clarify the situation, the Company has reached an agreement in principle with Burey Gold to restructure the transaction in a way which provides certainty and useful working capital. It is proposed that the consideration payable by Burey Gold for the Company's uranium tenements and other interests will now be \$1.75 million in cash payable on settlement and 2 million Burey Gold shares which are subject to less restrictive escrow periods. The issue of the 2 million Burey Gold shares may require Burey Gold's shareholder approval.

The terms of the proposal are also subject to the approval of various third parties who have interests in some of the tenements.

It is expected that this new proposed agreement will be agreed, documented and executed over the next few days. Burey Gold has indicated that it intends to exercise the option on the above terms.

The restructured transaction, once documented, executed and approved is expected to settle in early June 2007. The issue of the Burey Gold shares is expected to occur in July 2007.

As a result, the Board has resolved that any previously contemplated in-specie distribution of Burey Gold shares to shareholders will not be able to proceed.

The funds realised from the new proposed transaction will strengthen the Company's balance sheet and be directed towards the Company's expanded exploration and development efforts at the Norseman Gold Project.

For further information, please contact:

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The information in this report that relates to Mineral Resources or Ore Reserves is based on information compiled by Richard Breyley, who is a member of the Australasian Institute of Mining and Metallurgy.

Mr Breyley is a full time employee of Kalgoorlie-Boulder Resources and has sufficient experience which is relevant to the style of mineralisation and the type of ore deposit under consideration and 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 Mineral Resources and Ore Reserves.

Mr Breyley consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

About Kalgoorlie-Boulder Resources

Kalgoorlie-Boulder Resources is an ASX-listed minerals exploration company focused on its 100%-owned the Norseman Gold Project.

The Norseman Gold Project covers 124 square kilometres of the prolific South Yilgarn Greenstone belt of the Eastern Goldfields in Western Australia. Norseman is the southernmost gold mining centre of the Norseman to Wiluna gold belt which hosts an endowment of over 270 million ounces of gold. The Norseman region has been a major gold producer with production in excess of 5.5 million ounces of gold from 1935.

The Norseman Gold Project contains a number of mineral resources at the Mt Henry, Selene and Scotia deposits where there are currently total inferred resources of 1.23 million ounces of gold at a 0.7 grams/tonne cut-off.

Kalgoorlie-Boulder Resources is currently undertaking an initial 10,000 metre drilling program at the Norseman Gold Project and will shortly commence a scoping study designed to identify the various development options available to the Company.