KALGOORLIE-BOULDER
RESOURCES LTD
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ASX Announcement **ASX Codes: KAL, KALO**

17th April 2008

Positive Scoping Study confirms robust economic viability of Norseman Gold Project

HIGHLIGHTS

- 1.8Mtpa open cut gold operation over 7 years
- Average NPV of A$ 80 million (before tax @ 10%)
- IRR (Internal Rate of Return) of 40%
- Net project cash flow after capital of A$143 million
- Operating costs of A$660/oz
- Capital costs of A$75 million
- Capital payback over first 32 months of operation.
- Company commits to pre-feasibility phase of development

SUMMARY

Kalgoorlie Boulder Resources Limited (KBRL) is pleased to announce positive results from the Scoping Study on its 100% owned Norseman Gold Project in Western Australia.

The results confirm robust economic returns from a 1.8 million tonnes per annum open cut gold mining operation, located 30km south of the prolific gold producing centre of Norseman. Production is capable of commencing in 2010, producing an average of approximately 100,000 ounces of gold per annum for seven years.

The Project is forecast to generate a net project cash flow of A$143 million over a 7 year period after allowing for an initial capital cost of A$75 million. The company expects a capital payback period of 32 months, before taxation considerations.

Metallurgical test work performed to date on both the Mt Henry and Selene deposits has projected average gold recoveries of 89% and 86% respectively using a

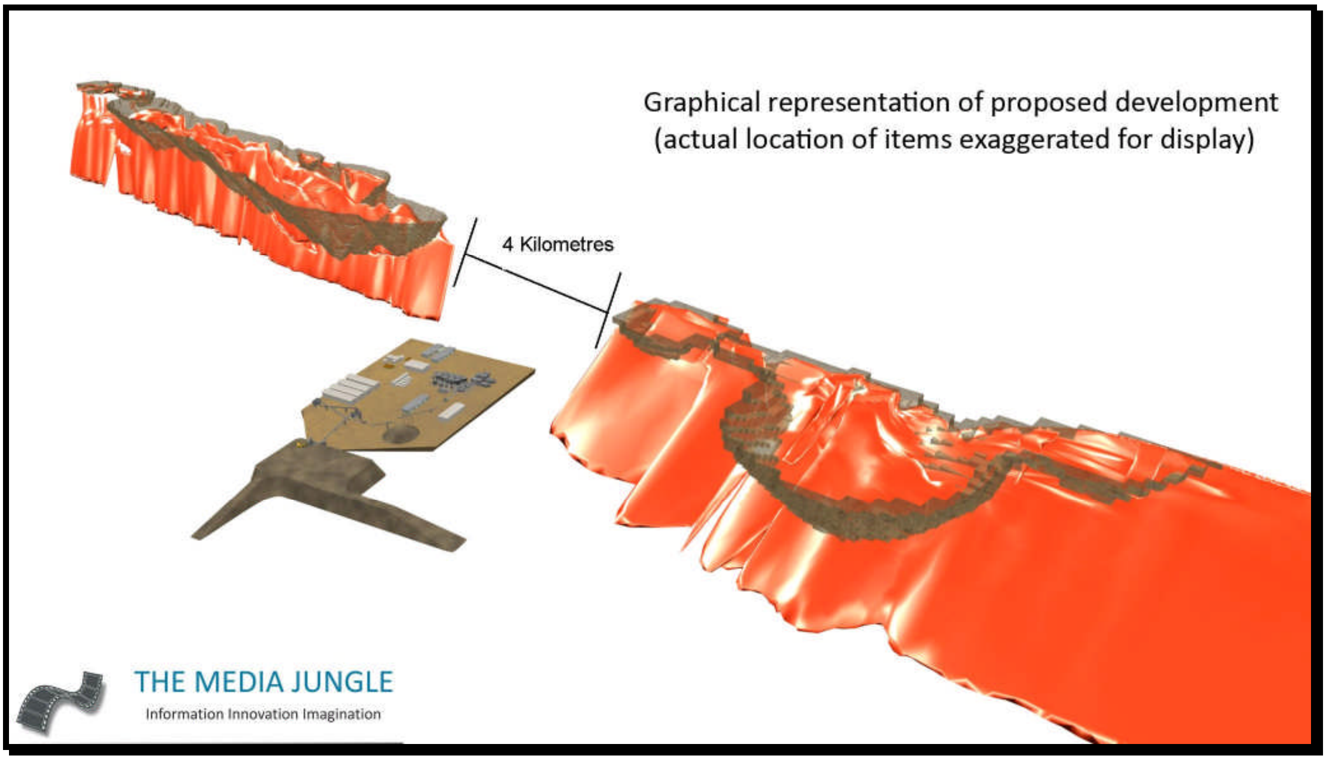
conventional carbon in leach (CIL) plant with a grind size of 80% passing 75 & 105 microns respectively.

KBRL Chairman Michael Atkins said the positive Scoping Study outcome clearly demonstrated that the Norseman Gold Project had the potential to generate substantial value for shareholders for many years to come.

"Since focusing our attention on the Norseman gold project in mid 2007, KBRL has methodically and systematically worked toward proving the project's potential to become a substantial and highly profitable long term gold operation," he said.

"These positive scoping study results are a clear vindication of the Board's strategy. KBRL is now perfectly placed to capitalise on the buoyant gold market for the benefit of shareholders."

Based on these results, the Board of KBRL has decided to proceed with a formal Pre-Feasibility Study immediately. It is anticipated that this study will be completed by the last quarter of 2008.



Graphical representation of the Pit shells and plant design.

SCOPING STUDY

The Scoping Study was project managed and audited by ElementCMC, a Perth based mining consultancy firm, with the following engineering consultants being used:

• DownerEDI Engineering	Process plant capital
• John M. MacIntyre & Associates Pty Ltd	Process plant operating costs
• Ammtec Ltd	Metallurgical testing

- GHD Pty Ltd — Environmental assessments

Previous studies commissioned by Kinross Gold and completed by J.R. Engineering (now DownerEDI Engineering) prior to the commencement of this Scoping Study were completed to pre-feasibility standard and form part of the A$10 million database acquired by KBRL in 2007. These studies evaluated a mix of different processing options, including heap/ bacterial leaching, flotation and conventional CIL processes. The most practical option was determined to be the CIL process which has been used in this study.

Whilst the previous Pre-Feasibility Study process had been extensive, a new Scoping Study was undertaken to take into account the revised cost environment and significantly improved gold price.

During the Scoping Study, KBRL evaluated conveying and trucking options to toll treat ore at Norseman and Higginsville. Although these options are not optimal when compared to on-site processing, KBRL believe that they provide low risk options to realise value from the Norseman Project.

Project Economics

Based on the results of the study for a 1.8Mtpa open cut gold operation over 7 years, the project economics are summarised as follows:

Gold price (POG)	A$990/oz
Mine life	7 years
Average NPV @ 10% discount	A$80 million
Average IRR (Internal Rate of Return)	40%
Net project cash flow after capital costs	A$143 million
Operating costs	A$660/oz
Capital costs	A$75 million

With gold trading recently at all-time highs, and with the negative outlook surrounding the US economy, strong growth in the gold price is anticipated over the next three years. For the purposes of its analysis, KBRL has adopted the current gold price of around A$990 in analysing the merits of this project.

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Sensitivity Analysis

The company has conducted a sensitivity analysis on the project with a range from A$800 to A$1500/oz, based on the Whittle optimisations conducted.

From this analysis it can be seen that the breakeven price for the project is A$820/oz but with a gold price of over A$1000/oz, the NPV is much higher and peaks at A$1500/oz to an NPV of A$300 million.

The table below highlights the impact of the gold price on the NPV at a discount rate of 10%:

Average gold price		Average NPV
(A$/oz)	(US$/oz)*	(A$/ million)
820	754	0
900	828	36
1,000	920	84
1,200	1,104	170
1,300	1,196	208
1,400	1,288	250
1,500	1,380	299

*@ A$1.00=US$0.92

Costing Assumptions

Capital costs for the construction of a 1.8Mtpa process plant were based on the original design prepared by Kinross Gold and updated in March 2008 by DownerEDI Engineering. Costs were estimated to be A$65 million with an accuracy limit of ± 25%. Additional capital costs of A$10 million are projected for tailings storage facilities, accommodation, pit establishment and other ancillary costs, resulting in a total capital expenditure requirement of A$75 million.

The estimated capital costs breakdown is as follows:

	A$ million
Processing plant	56.4
Engineering, procurement & construction management	5.5
Support infrastructure	3.2
Tailings storage facility	2.5
Accommodation	2.5
Other plant ancillary costs	3.2
Pit establishment	1.9
Total	**~ 75**

Operating costs have been estimated at A$660/oz for the Project. Mining contractors have been allowed for to initially reduce capital costs and increase flexibility. This strategy will be confirmed in later studies.

Processing costs have been estimated by consultant John MacIntyre considering gas, diesel and hybrid gas/ diesel power generation options. Although the Norseman Project is within close proximity to the gas pipeline that runs from the Northwest Shelf to Esperance, supply contracts that guarantee supply for power generation are yet to be negotiated. In light of this KBRL has modelled the Project using hybrid gas/ diesel power generation. Successful negotiation of gas supply contracts will improve project economics.

The estimated operating cost breakdown is as follows:

	A$/oz
Processing	308
Mining	271
Distributions	39
Royalties	25
Grade control	10
Rehabilitation	3
Total	**~ 660**

Mining Approval Study

The Project is located on pre-approved mining leases. Previous ethnographic and environmental studies have indicated neither endangered priority species plants nor any significant heritage sites within the mining area.

Pre-Feasibility Study

Based on the results of this Study, the Board of KBRL has decided to immediately proceed with the Pre-Feasibility Study, which is anticipated to be completed by the end of the last quarter of 2008.

The Pre-Feasibility study work requirements are as follows:

Infill drilling
↓
Resource upgrades
↓
Metallurgical testwork
↓
Geotechnical drilling/ testwork
↓
Update capital and operating cost estimates

Infill drilling during the Pre-Feasibility study will target areas classified within the Inferred category for upgrade to the Indicated category. This and the high prospectivity

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for identification of additional resources have the capacity to increase the project life and improve project economics.

Mine Life Extension

During the Scoping Study, it has not been possible to review the potential for further resources and other ore sources to the proposed mill. However it is the aim of the company to extend the mill/mine life to at least 10 years. Options to achieve this include future exploration principally in areas where previous VTEM survey indicates and additional high priority targets, Joint Ventures and potential acquisitions.

Furthermore the company feels that the new mill will be of major strategic value as it will be the lowest cost and largest mill for approximately 60 kilometres in radius, giving the company an advantage in treating other company's ore in Toll treatment or in a Joint Venture arrangement.

Exploration upside

Kalgoorlie Boulder Resources remain committed to a focussed exploration program based on the successfully completed VTEM survey. During this survey, 16 new high priority anomalies have been identified, with several others indicated as lower priority anomalies. These anomalies, along with the already known exploration targets at Birthday Gift, Scotia Footwall, Everlasting, Gladstone North, Break of Day and Mildura will form the focus of the exploration for the company at Norseman.

This exploration program will target high grade/tonnage open-pittable gold mineralisation to enhance the projects Net Present Value. The potential also exists for the discovery of high grade "Norseman vein style" type ore bodies which would also be prioritised for mill feed.

Michael Atkins
Executive Chairman

About Kalgoorlie-Boulder Resources

Kalgoorlie-Boulder Resources is an ASX-Listed minerals exploration company focused on its 100% owned Norseman Gold Project and its Clinker Hill Project NNW of Kambalda WA.

The Norseman Gold Project covers 124 square kilometres of the prolific South Norseman-Wiluna Greenstone belt of the Eastern Goldfields in Western Australia. Norseman is the southernmost gold mining centre of the Norseman-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 6.1 million ounces of gold from 1935.

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