NON-RENOUNCEABLE PRO-RATA RIGHTS ISSUE

(ASX: KDL) Kimberley Diamonds Ltd ("KDL" or "Kimberley") is pleased to announce that it will be undertaking a non-renounceable pro-rata rights issue offer of new KDL ordinary shares (**New Shares**) at an issue price of $0.02 per New Share (**Issue Price**) to raise up to approximately $4,078,979 (**Offer**).

The funds raised by the Offer may be used for:

1.   costs associated with the operation of the Lerala Diamond Mine in Botswana;

2.   repayment of some existing loans; and

3.   general working capital requirements.

Eligible shareholders will be able to purchase 1 New Share for every 1 existing KDL ordinary share held as at 5.00pm (Sydney time) on 1 February 2017 (**Record Date**). New shares issued under the Offer will rank equally with existing KDL ordinary shares from issue.

To be an eligible shareholder, you must, as at 5.00pm (Sydney time) on the Record Date:

1.   be registered as a holder of KDL ordinary shares; and

2.   have a registered address in Australia or New Zealand.

Full details of the Offer will be contained in the offer document. The indicative timetable for the Offer is set out below:

Announcement of the Offer (Offer Document, s708AA Cleansing Notice and Appendix 3B lodged with ASX)	Prior to 10.00am (Sydney time) on 27 January 2017
Notice sent to security holders containing the information required by Appendix 3B	27 January 2017
Shares quoted on an "Ex Entitlement" basis	31 January 2017
Record Date	5.00pm (Sydney time) on 1 February 2017
Offer Document sent to Eligible Shareholders	3 February 2017
Closing Date	5.00pm (Sydney time) on 15 February 2017
Shares quoted on a Deferred Settlement basis	16 February 2017
Shortfall Notification Date	17 February 2017
Allotment of New Shares	22 February 2017
Despatch Date	22 February 2017
Trading on ASX of New Shares	23 February 2017

For further information please contact:

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