

NOTIFICATION OF UNDER SUBSCRIPTIONS FOR NON-RENOUNCEABLE RIGHTS ISSUE

(ASX: KDL) Kimberley Diamonds Ltd (**KDL**) is pleased to announce that it has received applications for rights issue entitlements and shortfall for the total of \$1.938 million to date. The Directors will continue to work on placing the shortfall.

KDL Rights Issue Offer

KDL advises that its non-renounceable rights issue offer at \$0.02 per new fully paid ordinary share (**Rights Issue**) closed at 5pm (Sydney time) on Wednesday 15 February 2017 (**Closing Date**). The Rights Issue comprised:

1. a 1 for 1 non-renounceable Rights Issue offer;
2. an additional offer, under which Eligible Shareholders could apply for additional shares after applying for their full entitlement under the Rights Issue offer (**Additional Offer**); and
3. a shortfall offer, under which any new shares not subscribed for under the Rights Issue or the Additional Offer, may be placed at the discretion of Directors within three months of the Closing Date (**Shortfall Offer**).

The following table sets out the number of new shares subscribed for by Eligible Shareholders under the Rights Issue and the Additional Offer (**New Shares**):

Offer Details	Number of New Shares	Gross Proceeds (\$)	Percentage of Maximum (%)
Maximum number of new shares that could have been issued under the Rights Issue offer as per the offer document	203,948,966	\$4,078,979	100.0%
Less Rights Issue offer subscriptions	96,502,444	\$1,930,048.88	47.32%
Less Additional Offer subscriptions	377,237	\$7,544.74	0.18%
Shortfall (under subscriptions)	107,446,522	\$2,148,930.44	52.68%

The above figures are subject to none of the subscription proceeds received by cheque being dishonoured between the time of this announcement and the allotment and issue of the New Shares. \$1,581,135.36 has been a repayment of debt owed to those shareholders in exchange for the issue of shares under the Rights Issue.

The allotment and issue of the New Shares will occur on 22 February 2017. Entry of the New Shares into the shareholder holdings and despatch of the holding statements will also occur on this date. It is anticipated that normal trading of the New Shares will commence on 23 February 2017.

Shortfall Offer

The Shortfall (107,466,522 shares) represents the maximum number of new shares which the Directors can now issue under the Shortfall Offer at their discretion within 3 months of the Closing Date. Any new shares issued under the Shortfall Offer will be at an issue price of \$0.02 per new share (being the price at which new shares were offered under the Rights Issue).

To date, KDL has received \$7,544.74 for 377,237 new Shortfall shares to be issued under the Shortfall Offer. The Directors will look to place the remainder of the Shortfall within the permitted 3 month timeframe.

For further information please contact:

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