

22 September 2014

Mr. Jeremy Newman
Adviser, Listings (Perth)
Australian Securities Exchange Limited
Level 40, Central Park
152-158 St Georges Terrace
PERTH WA 6000

Dear Jeremy,

In response to your letter dated 22 September 2014 regarding the late lodgement of Appendices 3X and 3Y, I advise as follows:

1. The late lodgment of the final director's interest notice for Mr Brendan Connell and an initial director's interest notice for Mr Yuanguang Yang, was an administrative oversight subsequent to the changeover of the board position and also the change of the Company secretary on 29 August 2014. Once recognised, the matter was immediately addressed on 19 September 2014.
2. The Company considers that it has put in place the necessary education, reporting and notification policies to ensure compliance with the disclosure obligations under listing rule 3.19A. Directors are notified at the time of their appointment of their obligations to inform the Company of any changes in their holdings.
3. The Company considers the current arrangements to be adequate to ensure future compliance with the ASX Listing Rules.

Yours faithfully



Lijun Yang
Executive director
Kalnorth Gold Mines Limited



ASX Compliance Pty Limited
ABN 26 087 780 489
Level 40, Central Park
152-158 St Georges Terrace
PERTH WA 6000

GPO Box D187
PERTH WA 6840

Telephone 61 8 9224 0000
www.asx.com.au

22 September 2014

Lijun Yang
Executive Director and Company Secretary
KalNorth Gold Mines Limited

By email: lijun.yang@kalnorthgoldmines.com

Dear Lijun

KalNorth Gold Mines Limited (the "Company")

We refer to the following:

1. The Company's announcement lodged with ASX Ltd ("ASX") on 19 September 2014 regarding a final director's interest notice for Mr Brendan Connell and an initial director's interest notice for Mr Yuanguang Yang ("Notices").
2. Listing rule 3.19A which requires an entity to tell ASX the following:
 - 3.19A.1 *The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the following times:*
 - On the date that the entity is admitted to the official list.
 - On the date that a director is appointed.

The entity must complete an Appendix 3X and give it to ASX no more than 5 business days after the entity's admission or a director's appointment.
 - 3.19A.2 *A change to a notifiable interest of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust). The entity must complete an Appendix 3Y and give it to ASX no more than 5 business days after the change occurs.*
 - 3.19A.3 *The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the date that the director ceases to be a director. The entity must complete an Appendix 3Z and give it to ASX no more than 5 business days after the director ceases to be a director.*
3. Listing rule 3.19B which states as follows.

An entity must make such arrangements as are necessary with a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) to ensure that the director discloses to the entity all the information required by the entity to give ASX completed Appendices 3X, 3Y and 3Z within the time period allowed by listing rule 3.19.A. The entity must enforce the arrangements with the director.

4. The Companies Update dated 27 June 2008, reminding listed entities of their obligation to notify ASX within 5 business days of the notifiable interests in securities held by each director and outlining the action that ASX would take in relation to breaches of listings rules 3.19A and 3.19B.

As the Notices indicate, Mr Connell ceased to be, and Mr Yang became a director of the Company on 28 August 2014, the Notices should have been lodged with the ASX by 4 September 2014. As the Notices were lodged on 19 September 2014 it appears that the Company may be in breach of listing rules 3.19A and/or 3.19B.

Please note that ASX is required to record details of breaches of the listing rules by listed companies for its reporting requirements.

ASX reminds the Company of its contract with ASX to comply with the listing rules. In the circumstances ASX considers that it is appropriate that the Company make necessary arrangements to ensure there is not a reoccurrence of a breach of the listing rules.

Having regard to listing rules 3.19A and 3.19B and Guidance Note 22: "Director Disclosure of Interests and Transactions in Securities - Obligations of Listed Entities", we ask that you answer each of the following questions.

1. Please explain why the Notices were lodged late.
2. What arrangements does the Company have in place with its directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A?
3. If the current arrangements are inadequate or not being enforced, what additional steps does the Company intend to take to ensure compliance with listing rule 3.19B?

Your response should be sent to me by e-mail to jeremy.newman@asx.com.au. It should not be sent to ASX Market Announcements.

A response is requested as soon as possible and, in any event, not later than **3:00 pm WST on Wednesday, 24 September 2014**.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a form suitable for release and must separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Yours sincerely,

[sent electronically without signature]

Jeremy Newman
Adviser, Listings (Perth)