



29 July 2015

ASX RELEASE

## 1 for 2 Non-Renounceable Rights Issue

KalNorth Gold Mines Limited (ASX: KGM, the "Company") is pleased to announce a \$1.58 million capital raising via a pro-rata non-renounceable rights issue ("Rights Issue").

### Summary of Rights Issue:

A prospectus will be issued for the offer of approximately 157,983,017 new shares on a 1 for 2 basis at 1 cent per new share, to raise up to \$1.58 million before costs. The net proceeds of the Rights Issue will be used to repay interest on loans and convertible notes, to fund exploration and evaluation expenditure including tenement rents, rates, salaries, wages and exploration activity comprising some or all of surveying, mapping, geochemical, geophysics and drilling and supplement general working capital.

Following the Rights Issue, the Company will have approximately 473.95 million fully paid ordinary shares on issue (assuming full subscription)

A prospectus for the Rights Offer will be lodged later today and key dates are noted below:

### Key dates for the Rights Issue\*

Prospectus lodged with ASIC and ASX	29 July 2015
Shares trade "ex" the entitlements issue on ASX	4 August 2015
<b>Record Date</b>	6 August 2015
Despatch of Prospectus and Opening Date	11 August 2015
<b>Closing Date</b>	5.00pm WST on 20 August 2015
Shares quoted on a deferred settlement basis	21 August 2015
Allotment of Shares and despatch of holding statements	27 August 2015
Normal trading of Shares commences	28 August 2015

\* The Company reserves the right to vary the Opening Date and the Closing Date, subject to compliance with the ASX Listing Rules. This may impact on subsequent dates

**Lijun Yang**  
Executive Director  
KalNorth Gold Mines Limited