

1 October 2014

Market Announcements Office
Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

Dear Sir

This notice is given by Kimberley Diamonds Ltd (ACN 150 737 563) (ASX: **KDL**) (the **Company**) under section 708A(5)(e) of the *Corporations Act 2001* Cth (**Act**) and in compliance with the requirements of section 708A(6) of the Act.

On 1 October 2014, the Company issued 980,772 fully paid ordinary shares (**Shares**) to Sayona Mining Limited (**Sayona**) for non-cash consideration as part of the settlement of the legal proceedings between Sayona and Mantle Diamonds Limited, a wholly owned subsidiary of KDL. Refer to ASX announcement of 24 September 2014 for further information.

The Company gives notice under section 708A(5)(e) of the Act that:

1. the Shares were issued without disclosure to investors under Part 6D.2 of the Act;
2. this notice is being given under section 708A(5)(e) of the Act;
3. as at the date of this notice, the Company has complied with:
 - a. the provisions of Chapter 2M of the Act as they apply to the Company; and
 - b. section 674 of the Act; and
4. as at the date of this notice, there is no "excluded information" as defined in sections 708A(7) and 708A(8) of the Act in relation to the Company.

Yours sincerely



Laila Green
Company Secretary