
KDL SECURES FURTHER \$3 MILLION DEBT FINANCE

(ASX: KDL) Kimberley Diamonds Ltd (**KDL**) is pleased to announce that Zhejiang Huitong Auction Co Ltd (**Zhejiang**) has agreed to provide KDL with a further AUD\$3 million in debt finance. These additional funds will be provided under the terms of the loan agreement previously entered into with Zhejiang, and will bring the total funds to be provided to KDL from Zhejiang to AUD\$13 million.

The loan is repayable in May 2017 and has an interest rate of 5% per annum. The funds will be applied to the refurbishment and re-commissioning of the plant at KDL's Lerala Diamond Mine in Botswana, as well as to ongoing operating costs.

KDL continues discussions with potential investors in relation to the further funding required to complete the re-commissioning work and re-open the Lerala Diamond Mine and intends to update the market in due course.

Lerala Update

Refurbishment and re-commissioning

The refurbishment and re-commissioning project at the Lerala Diamond Mine continues to make good progress:

- dismantling and removal of obsolete equipment is now complete;
- significant progress has been made on earthworks and civils site preparation; and
- all orders for long lead equipment which is being fabricated in South Africa, have been placed and fabrication is progressing well. Despite some late steel deliveries to suppliers, no scheduling issues on the Consulmet contract have been identified to date.

Geotechnical review

A geotechnical review has been conducted on the early production pits at K3, K2 and K5 and while a final report is yet to be issued, the preliminary report has made recommendations on pit slope angles and bench height configurations for input into an updated mine planning and optimisation exercise which will commence mid-October.

This exercise will provide for an update to the Life of Mine depletion plan and from this we expect to be in a position to provide an update to the Ore Reserve estimate for the Lerala Diamond Mine.



Primary scrubber module area: before and after demolition and site preparation



Recovery Module: Compaction in civils construction footprint in progress



Secondary Surge Bin Module: Setting out and compaction of construction footprint



Rebar cages in preparation for concrete civil works

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