

NON-RENOUNCEABLE PRO-RATA RIGHTS ISSUE

(ASX: KDL) Kimberley Diamonds Ltd (“KDL” or “Kimberley”) is pleased to announce that it will be undertaking a non-renounceable pro-rata rights issue offer of new KDL ordinary shares (**New Shares**) at an issue price of \$0.10 per New Share (**Issue Price**) to raise up to approximately \$4,024,678 (**Offer**).

The Issue Price is a 24% discount to the 20 day volume weighted average price (**VWAP**) of KDL shares and a 21% discount to the 30 day VWAP.

The funds raised by the Offer will be used for:

1. costs associated with the commencement of production of the Lerala Diamond Mine in Botswana; and
2. general working capital requirements.

Eligible shareholders will be able to purchase 1 New Share for every 3 existing KDL ordinary shares held as at 5.00pm (AEST) on 10 March 2016 (**Record Date**). New shares issued under the Offer will rank equally with existing KDL ordinary shares from issue.

To be an eligible shareholder, you must, as at 5.00pm (EST) on the Record Date:

1. be registered as a holder of KDL ordinary shares; and
2. have a registered address in Australia or New Zealand.

Full details of the Offer will be contained in the offer document. The indicative timetable for the Offer is set out below:

Announcement of the Offer (Offer Document, s708AA Cleansing Notice and Appendix 3B lodged with ASX)	Prior to 10.00am (Sydney time) on 7 March 2016
Notice sent to security holders containing the information required by Appendix 3B	7 March 2016
Shares quoted on an “Ex Entitlement” basis	9 March 2016
Record Date	5.00pm (Sydney time) on 10 March 2016
Offer Document sent to Eligible Shareholders	14 March 2016
Closing Date	5.00pm (Sydney time) on 24 March 2016
Shares quoted on a Deferred Settlement basis	29 March 2016
Shortfall Notification Date	29 March 2016
Allotment of New Shares	31 March 2016
Despatch Date	31 March 2016

Trading on ASX of New Shares	1 April 2016
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