

NOTIFICATION OF UNDER SUBSCRIPTIONS FOR NON-RENOUNCEABLE RIGHTS ISSUE

(ASX: KDL) Kimberley Diamonds Ltd (**KDL**) is pleased to announce that it has received applications for rights issue entitlements and shortfall for the total of \$1.7 million to date, of which:

- \$1,003,677.31 has been received; and
- \$800,000 of shortfall funds are due to be received by 6 April 2016.

The Directors will continue to work on placing the shortfall in April and May.

KDL Rights Issue Offer

KDL advises that its non-renounceable rights issue offer at \$0.10 per new fully paid ordinary share (**Rights Issue**) closed at 5pm (Sydney time) on Thursday 24 March 2016 (**Closing Date**). The Rights Issue comprised:

1. a 1 for 3 non-renounceable Rights Issue offer;
2. an additional offer, under which Eligible Shareholders could apply for additional shares after applying for their full entitlement under the Rights Issue offer (**Additional Offer**); and
3. a shortfall offer, under which any new shares not subscribed for under the Rights Issue or the Additional Offer, may be placed at the discretion of Directors within three months of the Closing Date (**Shortfall Offer**).

The following table sets out the number of new shares subscribed for by Eligible Shareholders under the Rights Issue and the Additional Offer (**New Shares**):

Offer Details	Number of New Shares	Gross Proceeds (\$)	Percentage of Maximum (%)
Maximum number of new shares that could have been issued under the Rights Issue offer as per the offer document	40,246,783	4,024,678	100.0%
Less Rights Issue offer subscriptions	4,302,409	430,240.90	10.69%
Less Additional Offer subscriptions	214,926	21,492.60	0.53%

Shortfall (under subscriptions)	35,729,448	3,572,945	88.78%
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The above figures are subject to none of the subscription proceeds received by cheque being dishonoured between the time of this announcement and the allotment and issue of the New Shares.

The allotment and issue of the New Shares will occur on 31 March 2016. Entry of the New Shares into the shareholder holdings and despatch of the holding statements will also occur on this date. It is anticipated that normal trading of the New Shares will commence on 1 April 2016.

Shortfall Offer

The Shortfall (35,729,448 shares) represents the maximum number of new shares which the Directors can now issue under the Shortfall Offer at their discretion within 3 months of the Closing Date. Any new shares issued under the Shortfall Offer will be at an issue price of \$0.10 per new share (being the price at which new shares were offered under the Rights Issue).

To date, KDL has received \$551,943.81 for 5,519,438 new Shortfall shares to be issued under the Shortfall Offer. KDL has also received applications for a further 8,000,000 Shortfall shares under the Shortfall Offer, which the Directors intend to accept on receipt of funds for these shares. The Directors will look to place the remainder of the Shortfall within the permitted 3 month timeframe.

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