

## **PRODUCTION COMMENCES AT LERALA DIAMOND MINE**

(ASX: KDL) Kimberley Diamonds Ltd (**KDL**) is pleased to announce that production has commenced at its Lerala Diamond Mine in Botswana. This is the culmination of the nine month project to upgrade and re-commission the plant which commenced in August 2015. The first diamond sales are currently expected in June 2016.

### **Processing Operations at the Lerala Diamond Mine**

As announced by KDL on 20 July 2015, KDL entered into a lump sum turnkey contract with Consulmet (Pty) Limited (**Consulmet**), for modifications to the plant at Lerala, to allow the plant to reliably treat and recover diamonds at a nominal rate of 200 tonnes per hour.

Despite a delay necessitated primarily by the requirement to explore a potential alluvial deposit in the tailings dam footprint, ore processing has now commenced through the plant and will be ramped up to full production levels over the next several weeks. During this ramp up phase, the plant process is being balanced to optimise recovery efficiency and plant throughput.

Plant personnel recruited and trained over the past few months have been working hand in hand alongside Consulmet specialists to assist in the commissioning of the plant and to progress to 24/7 continuous operations in the next week.



The first bucket of stockpiled ore being tipped into the headfeed bin and primary crusher





**First ore being sorted in the primary scrubber trommel screen**



**The first wet tailings being pumped into the slimes dam**





Ore on its way from the secondary scrubber to the 400 ton surge bin, feeding the DMS

This is an exciting milestone for KDL and the KDL Board thanks our contractors and staff at the Lerala Diamond Mine for their hard work in recent months and in particular, over the last few weeks in the final run up to the start of production when it has been “all hands on deck” with most of the executive management team on site to assist. We look forward to being able to report back on commissioning results and diamond recoveries over the next few weeks.

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### CORRECTION TO QUARTERLY ACTIVITIES REPORT

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KDL would like to correct the following statement in its March 2016 Quarterly Activities Report, released on 29 April 2016:

On 25 April 2016, Lerala Diamond Mines Limited (**Lerala**) entered into an agreement with DDA Trading BVBA (**DDA**) under which DDA advanced to Lerala a short term loan of USD\$500,000, not USD\$800,000 as reported in the Quarterly Activities Report. Lerala agreed to pay DDA a fee of USD\$50,000 for this loan, not USD\$80,000.

**For further information please contact:**

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