

10 November 2011

The Company Announcements Platform  
ASX Limited

By E-lodgement

## **\$6M PLACEMENT COMPLETED FOR CONTINUED DEVELOPMENT BULLANT PROJECT**

### **HIGHLIGHTS**

- **\$6M raised for Stage 1 Treatment Plant**
- **Additional working capital to expedite mine decline development**
- **Exploration budget to be expanded – Bullant Project**

The Company is pleased to report that it has received commitments for a \$6M capital raising. The funds raised will be put towards the construction of Stage 1 of the gold treatment plant (see diagrams attached) to be located at the Bullant gold mine, located approximately 70km north-west of Kalgoorlie WA. The Bullant gold mine is currently producing gold ore and toll milling at the near-by Kanowna Belle gold mill of Barrick.

Completion of Stage 1 will significantly reduce the costs currently associated with the toll crushing of Bullant ore for delivery to Barrick. Stage 1 of the Treatment Plant will entail the following:

- ROM ore pad for Bullant Gold Mine and third party ores
- ROM ore bin and grizzly
- Primary Crusher
- Secondary Crusher
- Apron Feeder
- Screens
- Weightometers
- Primary Trash Magnet
- Poly Picker
- Associated conveyor systems / transfer station
- Power and reticulation
- Platework and structural steel
- Civils and earthworks
- Tramp Bin
- Various feed and discharge chutes
- Radial stacker
- CAT front-end loader

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The Company is anticipating approval shortly (Environmental Approval already received) from the Department of Mines and Petroleum for construction to be able to commence at site. The Company is aiming to have the crushing circuit completed within the first quarter of 2012.

The crushing circuit will have a capacity of 220 t/hr enabling it to comfortably feed the Company's planned +700,000 tpa gold treatment plant.

The additional capital will also be put towards the continued advancement of the mine re-development at Bullant, which has been progressing well to date. The Main Lode has been accessed at the bottom of the mine and is being readied for production; the decline is also to be pushed deeper to open up more ore development levels.

The Company's geological team have investigated all immediate targets associated with the Bullant project and prioritised these targets with the objective of adding to its resource base. Exploration design work and planning is underway of its primary targets, notably, "Bullant Deeps" targeting the Main Lode at depth below the current resource level, "Bullant South" following up previously successful high grade intersection, and the continual resource extensions and exploration of the "East Lode".

The capital raising will be completed in two tranches at \$0.08 per share with a 1:1 free attached listed KMC option exercisable at \$0.25 per option by May 2014, subject to shareholder approval. The first tranche will be issued under the Company's 15% placement capacity. The second tranche via a shareholder meeting to approve the remaining balance. A notice to shareholders will be released to the ASX shortly outlining the details.

I look forward in next updating shareholders of the Company's progress as we strive to deliver rapid shareholder wealth through the development and exploration of the Bullant gold project.



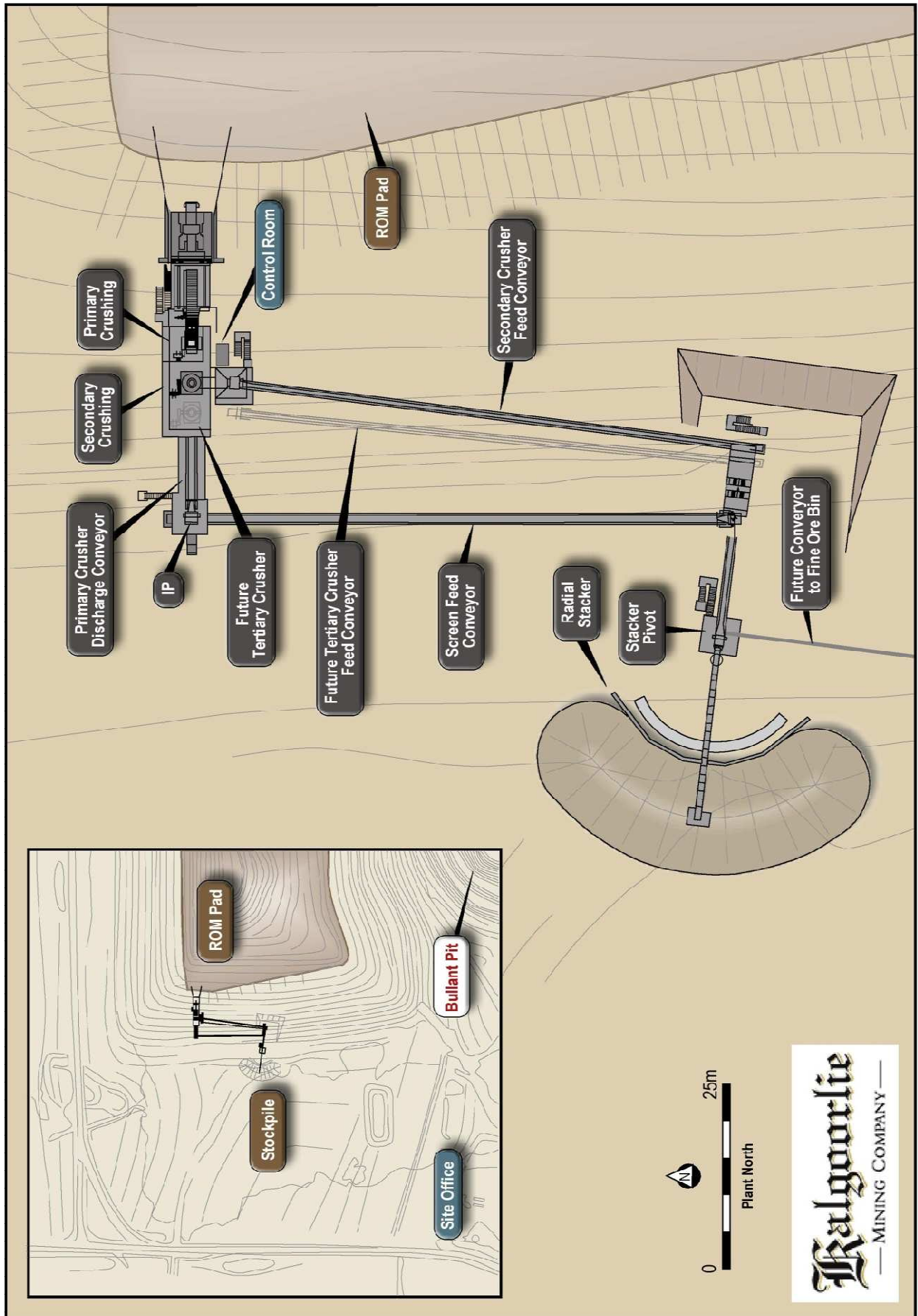
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Chris Daws  
Chief Executive Officer

#### **About Kalgoorlie Mining Company Limited**

Kalgoorlie Mining Company Limited (KMC) is a rapidly developing resource development and exploration Company based in Perth, Western Australia and with regional offices in Kalgoorlie, Western Australia. KMC is currently developing the Bullant Gold Mine located 70km North West of Kalgoorlie, Western Australia with first gold ore sales achieved in August 2011.

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