

5 October 2012

KALGOORLIE MINING COMPANY BOARD CHANGES

RESIGNATION OF NON-EXECUTIVE DIRECTORS

Mr Jonathon Murray (Non-Executive Chairman) and Mr Peter George (Non-Executive Director) have elected to stand down from the Kalgoorlie Mining Company Board effective immediately. The Board thanks them both for their efforts, particularly over the last eight months during which time the Company has relied on their professionalism to successfully oversee complex issues to the best possible benefit of shareholders.

APPOINTMENT OF MANAGING DIRECTOR

Mr James Croser has accepted the position of Managing Director and will commence on 5 November. Mr Croser has been a Non-Executive Director of the Company since 2010 and now steps up to manage the strategic and corporate objectives of Kalgoorlie Mining Company.

Mr Croser is a Mining Engineer with over 15 years mining experience in Western Australia, particularly the Goldfields region. He has performed mine management roles with La Mancha Resources and Perilya Limited as well as having significant operational experience with some of Australia's largest mining contracting companies. He is currently General Manager of a Perth-based mining consultancy and contracting business.

The terms of Mr Croser's employment agreement are:

- Total Fixed Remuneration of \$250,000 plus superannuation;
- Short Term Incentives (1 year) and Long Term Incentives (3 years) relating to Company milestones such as re-establishing profitable mine production, delivery share price growth and other strategic Company objectives;
- Mutual termination by either party giving three months notice.

APPOINTMENT OF NON-EXECUTIVE CHAIRMAN

Mr Peter Cordin will come onto the Board as Non-Executive Chairman. Mr Cordin brings a wealth of mining and corporate experience to the Board with 40 years experience as a civil engineer. He has been instrumental in the evaluation and operation of resource projects within Australia and overseas.

Mr Cordin is currently the Chairman at Dragon Mining Limited and has direct experience in the construction and management of diamond and gold operations in Australia and Indonesia and in the development of resource projects in Kazakhstan and New Caledonia.

The Board is very pleased to have secured the services of Mr Cordin and looks forward to his valued contribution to the Company.

APPOINTMENT OF COMPANY SECRETARY

Mr John J Palermo, B.Bus, CA, ACIS, has been appointed as Company Secretary.

Mr Palermo is a Chartered Accountant with 16 years experience in Public Practice. Currently a director of Palermo Chartered Accountants, he has experience in public company accounting and administration. Mr Palermo is a Regional Councillor with the Institute of Chartered Accountants and sits on the Executive of the National Trust of Western Australia.

KALGOORLIE MINING COMPANY LIMITED

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CORPORATE UPDATE

Kalgoorlie Mining Company (KMC) wishes to advise that the Board considers that the stabilization of the Company after the events of earlier this year is almost complete.

The decision to review the underground project at Bullant and implement an active care and maintenance program allowed the Company time to recapitalize, raising almost \$9.8M. The funds were utilized to stabilize the financial situation, meet all creditor obligations, retain core staff and provide working capital. Kalgoorlie Mining Company has relocated its Head Office to Leederville and appointed a new Company Secretary following the resignation of Mr Russell Hardwick.

The Board's previous composition of four (4) Non-Executive Directors performed all day to day executive management activities of the Company as well as many other and various duties. The Directors acknowledge that this model has served its purpose and the timely restructure of the Board is designed to renew Kalgoorlie Mining Company for future endeavours.

ABOUT KALGOORLIE MINING COMPANY

KMC is a junior gold mining company headquartered in Perth, Western Australia. Its major project is the 100% owned Bullant Gold Mine near Kalgoorlie. The underground mine is currently on Active Care and Maintenance, remaining dewatered to the base of the decline at 600m below surface with all mine services in place. Numerous mining and exploration targets have been identified near-mine and across the project tenements.

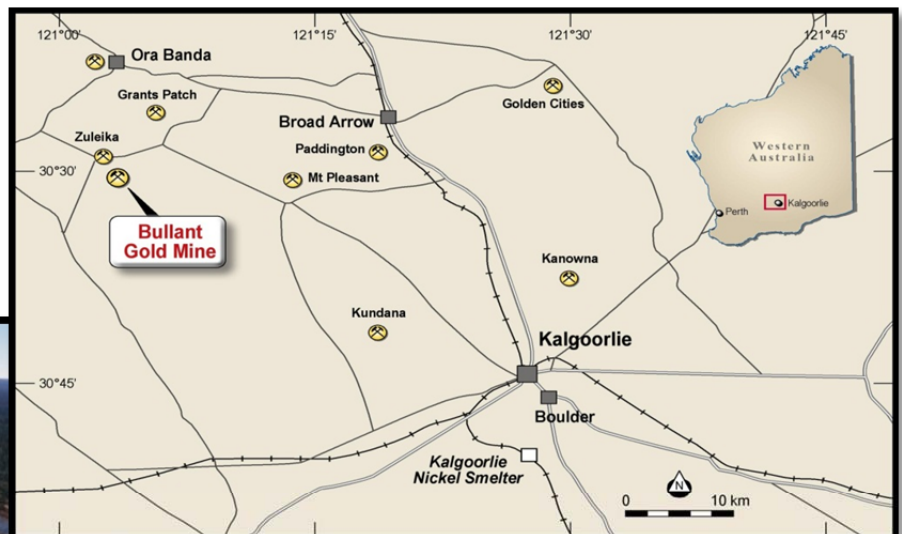
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Bullant Location near Kalgoorlie, WA



Bullant mine site aerial looking north

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