

## Loan Funding from Norton Gold Fields Limited

Kalgoorlie Mining Company Limited (**KMC** or the **Company**) is currently the subject of off-market takeover offers by Norton Gold Fields Limited (**NGF**) for all of the fully paid ordinary shares and listed options of the Company.

On 13 June 2013, KMC and NGF executed a binding term sheet under which NGF has agreed to make available to KMC an unsecured loan of a maximum of AUD\$700,000.

The loan facility will be used by KMC to fund its care and maintenance, corporate overhead and other costs.

The terms of the loan were negotiated on an arm's-length, commercial basis between NGF and KMC. The key terms of the loan are as follows:

- (a) KMC may borrow a maximum of \$700,000 from NGF, which can be drawdown at any time before 13 June 2014 upon KMC providing NGF 5 days written notice;
- (b) KMC must use the funds provided under the loan to fund the care and maintenance of the Bullant Gold Project and meet corporate expenses;
- (c) Interest is payable on the amount of the loan outstanding at 11% per annum and must be paid quarterly in arrears;
- (d) Any outstanding balance of the loan, including principal and interest, must be fully and finally repaid within 6 months after the earlier of:
  - (i) the maximum \$700,000 available being drawn down;
  - (ii) 13 June 2014; and
  - (iii) the termination of the term sheet;
- (e) Both parties have provided limited warranties confirming that they are validly incorporated, have corporate power to own assets and carry on their respective businesses, have full power to enter into and perform the obligations under the term sheet, and that the term sheet has been validly executed and is binding and enforceable against them;
- (f) The following will constitute a default by KMC under the term sheet:
  - (i) failure to pay any amount due and owing;
  - (ii) becoming insolvent; and
  - (iii) failing to perform a material undertaking under any material agreement to which it is a party (including failing to apply an advance towards the permitted use of the borrowed funds);
- (g) In the event NGF notifies KMC that is in breach of the term sheet, and KMC fails to rectify the breach within 14 days of receiving the notice, NGF may terminate the term sheet by providing written notice to KMC.

For and on behalf of the Company,



James Croser  
Managing Director