



7 November 2014

ASX RELEASE

AGREEMENT REACHED FOR SALE OF NON-CORE ASSETS

As foreshadowed in recent announcements, KalNorth Gold Mines Limited ("KGM" or the "Company") has been involved in discussions for the sale of non-core mineral assets forming part of its extensive land holding in the Goldfields region of Western Australia.

The Company has entered into an agreement with Norton Gold Fields Ltd (ASX: NGF) for the sale of its Mount Jewell project, including all mineral tenements and exploration database comprising that project, for cash consideration amounting to \$1.8 million. Following the payment of deferred purchase consideration payable by the Company to the previous holder of the Mount Jewell project, the sale proceeds will augment the Company's working capital and enable it to undertake limited exploration activity in the near future. Completion and settlement of the sale agreement is anticipated within the next two weeks.

The Directors continue to focus on longer term plans to strengthen the Company's financial position and have commenced discussion with a broad range of stakeholders.

Lijun Yang
Executive Director