

Significant extension of Mt Jewell targetted



- Likely extension of Tregurtha orebody identified
- Increases confidence in growth potential of Mt Jewell region
- Potential to substantially enlarge Tregurtha pit design

KalNorth Gold Mines Limited (ASX: KGM) is pleased to announce that recent RAB drilling at Mt Jewell has identified a significant southerly extension of mineralisation south of the Tregurtha orebody. The recent intercepts, which lie 300m along strike, suggest that the Tregurtha deposit is substantially larger than previously thought (see Figure 1).

RAB drilling tested the area between the proposed Hughes and Tregurtha pits. The drilling penetrated a depletion zone of oxide material overlying the granite-hosted gold mineralised systems. Notable results include: (See Table 1 for details)

- 4m @1.46g/t from 36m
- 12m @3.84g/t from 32m
- 24m @ 1.0g/t from 28m and 4m @2.94g/t from 56m

Further drilling will be undertaken to better define the southern extension. A Reverse Circulation (RC) program, planned to explore the proximal extensions of the mineralised zones, is being modified to incorporate a series of deeper holes beneath the newly identified target. (see Figure 2).

Further investigation of the new extension is a top exploration/development priority.

John McKinstry commented:

“These RAB drilling results confirm the expectation that higher grade mineralised zones will be discovered in the fresh rock below.”

“Our confidence in the resource potential of Mt Jewell continues to grow. The mineralisation remains open and significant scope exists for further discoveries.

“Coupled with the recently defined Reserves, the latest results make Mt Jewell a preferred location for the construction and housing of our own processing plant.

“Pre-Feasibility work is underway to determine the economics of such a project.”

Date: 11 April 2013

ASX Code: KGM

www.kalnorthgoldmines.com

Shares on issue: 169.9M ordinary shares

Share Price: \$0.275

Market Capitalisation: \$46.7M

Directors

Laurence Freedman AM: Chairman

John McKinstry: Managing Director

Robert Schuitema: Executive Director and
Company Secretary

Henry Jian Yu: Non-executive Director

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Table 1: RAB drilling results at the Tregurtha orebody

Hole_ID	Easting	Northing	Depth	From	To	Width	Grade
HNRB005	352980	6651100	31	28	31	3	0.32
HNRB044	352500	6651400	46	8	12	4	0.48
MJRB025	352220	6650650	60	48	52	4	0.2
MJRB029	351900	6650650	61	40	44	4	0.26
MJRB030	352380	6650650	60	36	40	4	0.2
MJRB048	352880	6650750	58	40	44	4	0.41
MJRB055	352200	6650850	63	28	52	24	0.99
MJRB055	352200	6650850	63	56	60	4	2.94
MJRB070	352160	6650950	58	40	44	4	0.51
MJRB071	352080	6650950	50	40	44	4	0.23
MJRB091	351960	6651050	56	40	44	4	0.26
MJRB110	349920	6652120	71	36	40	4	0.97
MJRB145	349680	6653080	58	0	4	4	0.24
MJRB145	349680	6653080	58	52	56	4	0.53
MJRB156	352240	6650850	64	32	44	12	3.84
MJRB156	352240	6650850	64	52	60	8	0.85
MJRB158	352200	6650950	52	36	40	4	1.46
MJRB158	352200	6650950	52	44	52	8	0.55

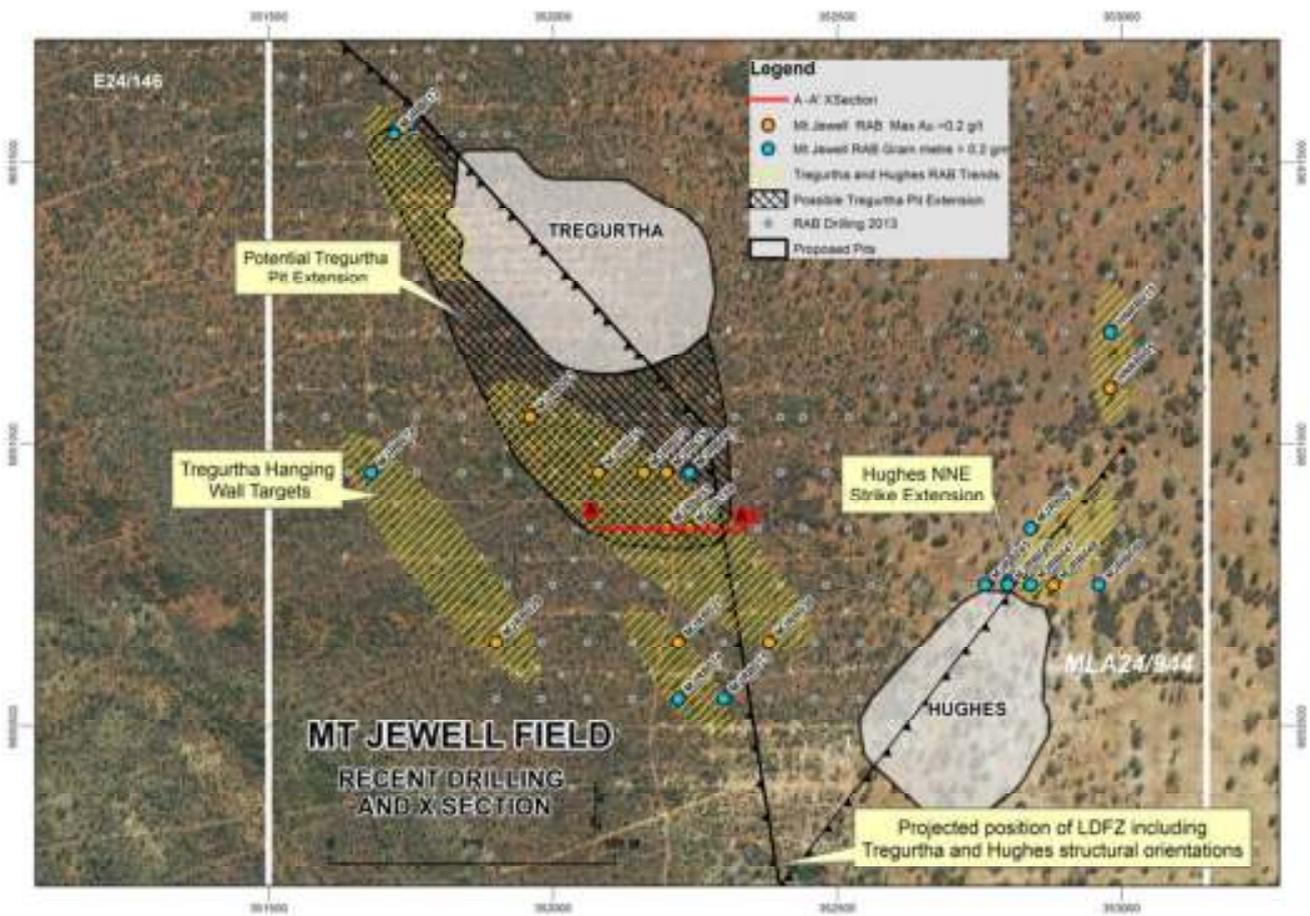


Fig 1 Plan view of exploration target areas

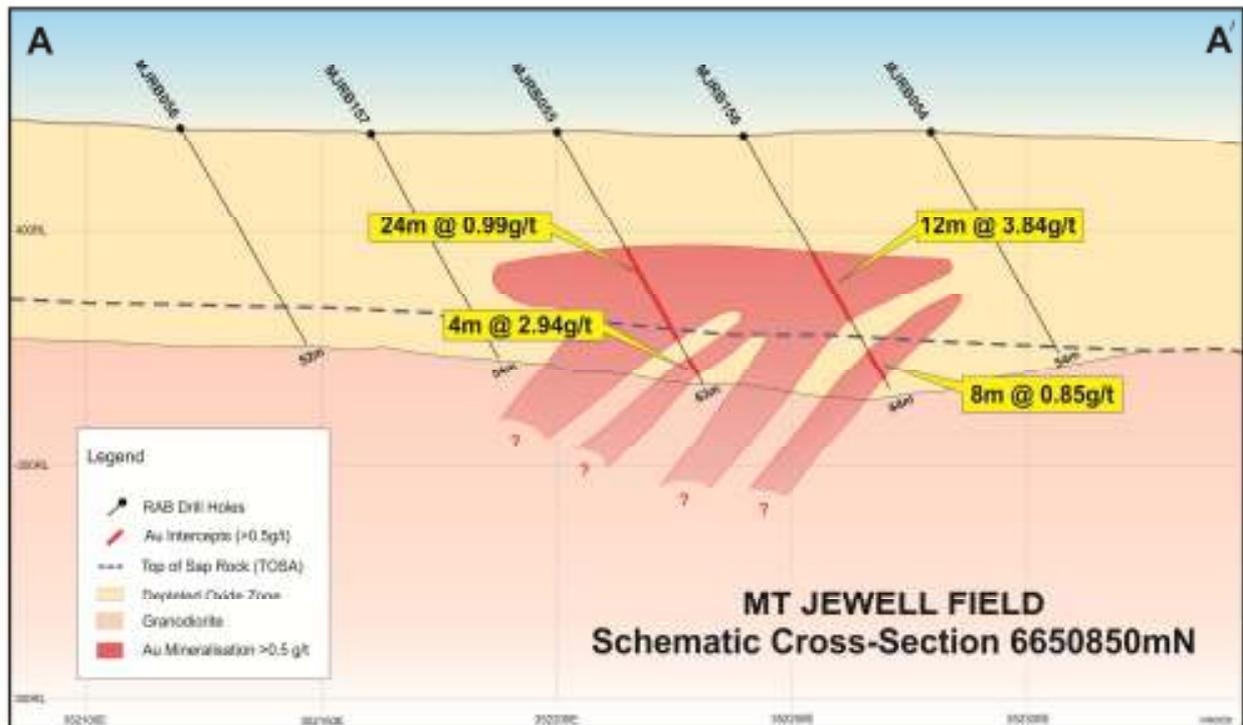


Fig 2 Cross-section view through section A-A' from plan view

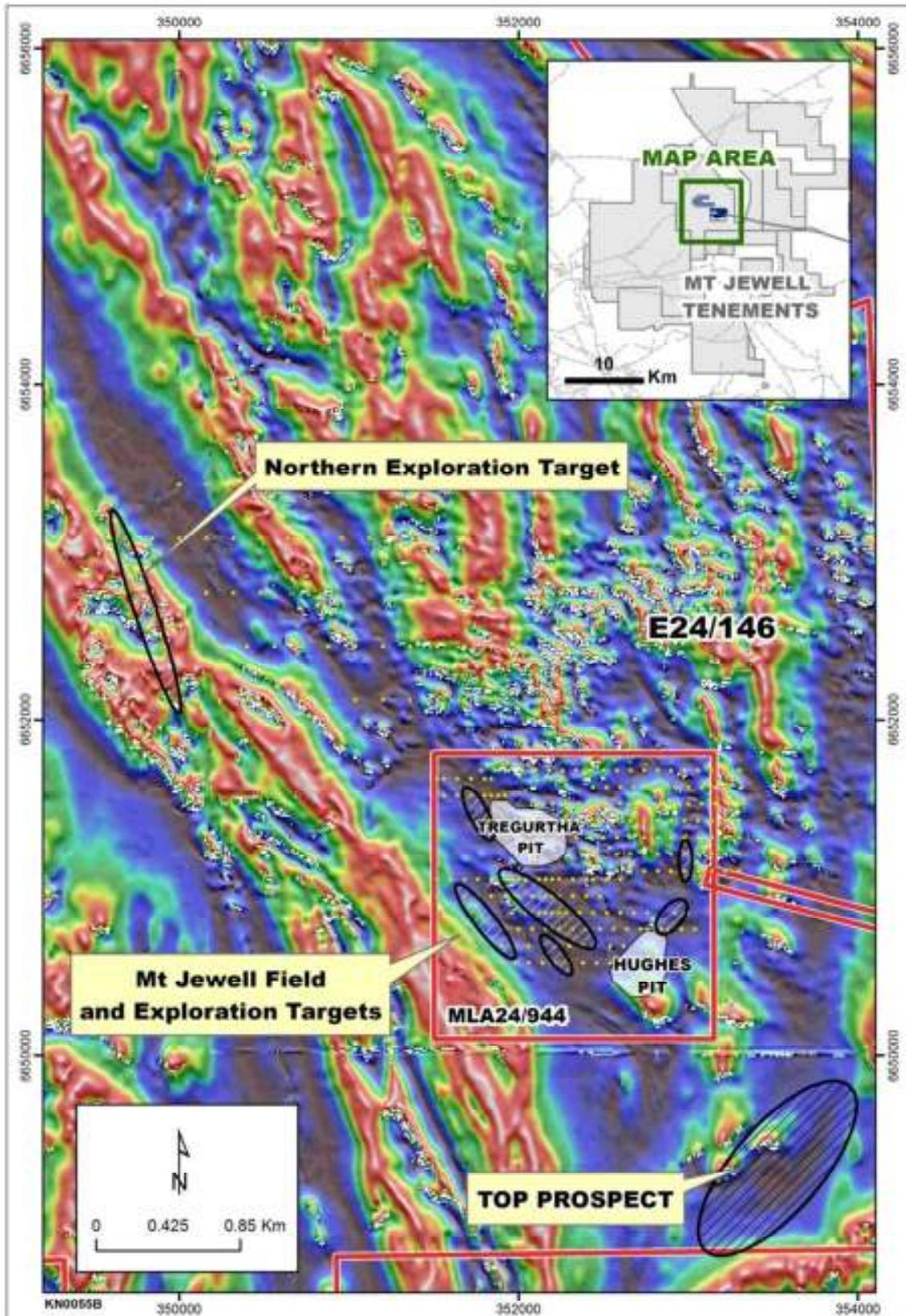


Figure 3 Exploration targets shown on a regional magnetics background

Table 2: Total Probable Reserve for Mt Jewell

CLASSIFICATION	WEATHERING TYPE	TONNES (t)	GRADE Au (g/t)	Ounces
ORE				
(0.67 g/t)	Fresh	1,223,400	1.28	
	Transitional	1,214,800	1.35	
	Oxide	299,000	1.74	
	Transported			
Sub-total		2,737,200	1.36	119,800
LOW-GRADE				
(0.3 g/t)	Fresh	322,800	0.51	
	Transitional	514,600	0.51	
	Oxide	80,600	0.47	
	Transported			
Sub-total		918,000	0.50	14,850
Waste	ALL	15,592,676		
Strip Ratio (HG)			6.8	

Table 3: Total Probable Reserves for KGM (as at 14/03/13)

Deposit	Tonnes (t)	Grade (g/t)	Ounces (oz)
Brilliant	1,090,000	1.71	59,930
Lindsay's	664,000	2.19	43,000
Gambia	567,000	2.75	50,040
Hughes	1,473,800	1.20	56,900
Tregurtha	1,263,400	1.55	62,900
Total	5,058,200	1.68	272,770

Notes to accompany Reserves Statement:

Pit Optimisations were performed using MineSight software
Resource models prepared by KGM geologist and peer reviewed by Snowden Associates
Geotechnical and hydrological parameters estimated using known regional data
Pit shells of \$1500 and \$1600/oz used for pit optimisations
Mining dilution and mining recoveries have been taken into account
Processing recovery varies according to metallurgical testwork
Mining costs based on current mining contract at Lindsay's Mine
Numbers have been rounded to reflect accuracy
Deposits and stockpiles are as at 31 December 2012

Table 4: Total Resources for KalNorth Gold Mines (as at 14 March 2013)

Deposit	Indicated			Inferred			Total		
	Tonnes (t)	Grade (g/t)	Ounces (oz)	Tonnes (t)	Grade (g/t)	Ounces (oz)	Tonnes (t)	Grade (g/t)	Ounces (oz)
Kurnalpi Field									
Total	3,110,200	1.2	124,200	3,057,000	1.1	105,700	6,167,000	1.2	228,800
Kalpini Field									
Total	3,241,000	1.8	190,600	1,373,000	1.5	65,000	4,614,000	1.7	255,600
Lindsays Field									
Total	4,151,400	1.7	228,200	990,400	3.0	95,400	5,141,800	2.0	323,600
Mt Jewell Field									
Total	6,167,000	1.1	212,400	2,452,000	0.8	63,200	8,619,000	1.0	275,600
Spargoville Field									
Lady Allison (1)	-	-	-	2,127,700	1.3	86,800	2,127,700	1.3	86,800
KalNorth Gold Mines Total									
Total	16,669,600	1.4	755,400	10,000,100	1.3	416,100	26,669,500	1.4	1,170,400

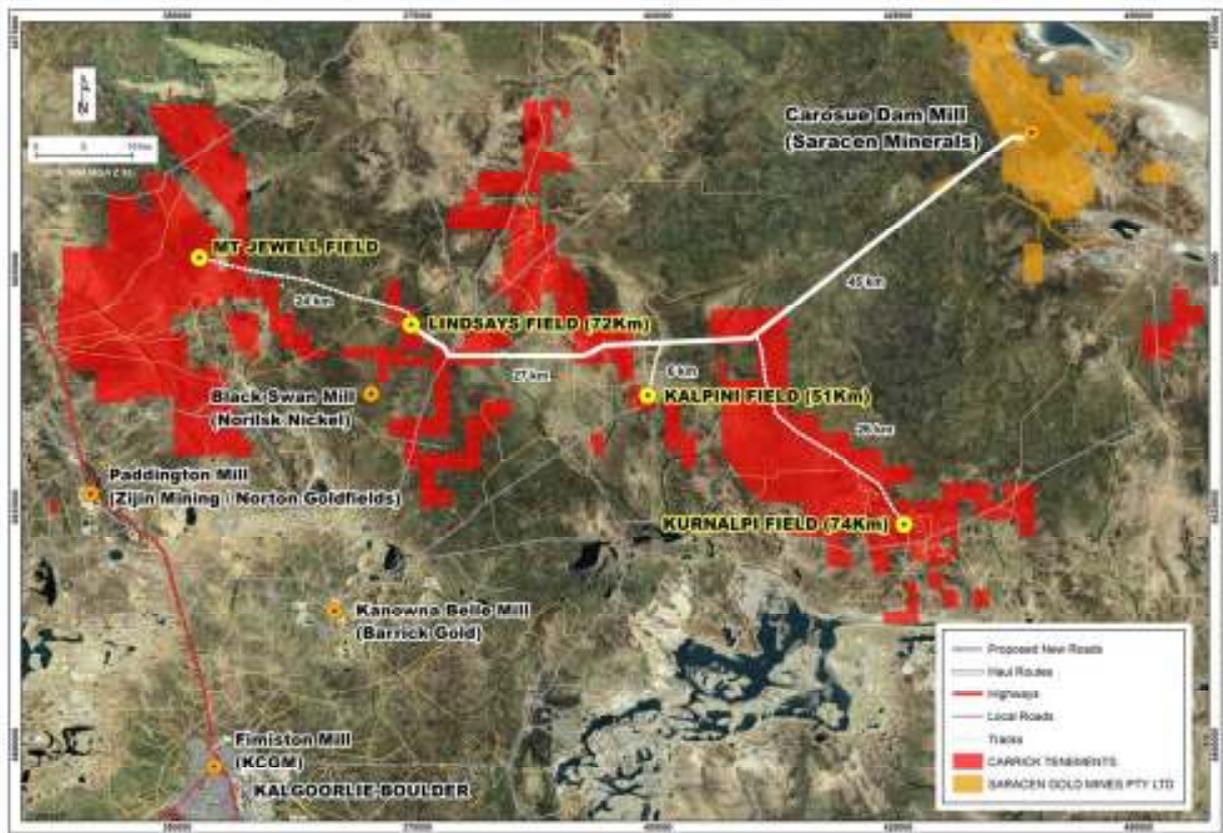
Additional Notes for tables:

- * All figures for Lindsays, Kurnalpi, Kalpini, Mt Jewell and Spargoville used a 0.5g/t lower cut off.
- * (1) denotes models completed by Mr Shane Fieldgate who is a member of the Australian Institute of Mining and Metallurgy and is employed full time by Snowden Mining
- * (2) denotes models completed by Mr Mark Carder who is a member of the Australian Institute of Geoscientists and is a former employee of Carrick Gold Limited (Carrick).
- * (3) denotes design reviewed and approved by Mr Rodney Drown who is a member of the Australasian Institute of Mining and Metallurgy and is employed by KalNorth
- * (4) denotes models completed by Mr Paul Boamah who is a member of the Australian Institute of Geoscientists and Australian Institute of Mining and Metallurgy and is
- * All models completed by Shane Fieldgate (Snowdens) used a 0.3g/t lower cut off mineralised wireframe with minimum 2m thickness and 2m maximum internal dilution.
- * All models completed by Mark Carder (Carrick) used a 0.3g/t lower cut off mineralised wireframe with minimum 1m thickness and 2m maximum internal dilution.
- * All models completed by Paul Boamah (KalNorth) used a 0.3g/t lower cut off mineralised wireframe with minimum 2m thickness and 2m maximum internal dilution.
- * Mineral Resources are inclusive of Ore Reserves.
- * Figures have been rounded to 2 or 3 significant figures to reflect accuracy of the estimates (note that rounding can yield apparent computational discrepancies)
- * Contained gold for Mineral Resources is insitu.
- * The resources for Discovery Hill, Scottish Lass, Sparkle, Dazzle, Camelia and Atlas are transected by historic underground workings and have been depleted for mining.
- * Spargoville Field is subject to a farm-in agreement with Mithril resources

The information within this report as it relates to geology, mineralisation and resource estimation on all deposits was reviewed and approved by Mr Wade Johnson who is a full time employee of KalNorth Gold Mines Limited. Mr Johnson is a member of The Australian Institute of Geoscientists (AIG), and is a Competent Person as defined by the 2004 JORC Code, having more than five years' experience relevant to the style of mineralisation and type of deposit described in the Report. This person consents to the inclusion of this information in the form and context in which it appears in this presentation.

The information within this document as it relates to mine design and ore reserves was reviewed and approved by Mr Rodney Drown who is a full time employee of KalNorth Gold Mines Limited. Mr Drown is a member of The Australasian Institute of Mining and Metallurgy (AusIMM), and is a Competent Person as defined by the 2004 JORC Code, having more than five years' experience relevant to the mining method and type of deposit described in the Report. Mr Drown consents to the inclusion of this information in the form and context in which it appears in this document.

KALNORTH GOLD FIELD



Location map showing roads and local processing plants

About KalNorth Gold Mines Limited

KalNorth Gold Mines Limited (ASX Code: KGM) is a gold mining company based in Perth, Western Australia.

The Company's suite of tenements, all 100% owned, is located some 50km north-east of the world-renowned gold mining town of Kalgoorlie, Western Australia. They cover approximately 1,200km² of highly prospective land. KalNorth's operational base is located in Kalgoorlie.

There are currently four discovered gold fields within the KGM tenements: from west to east, Mt Jewell, Lindsay's, Kalpini, and Kurnalpi (collectively the KalNorth Gold Field). Spargoville, south of Kalgoorlie, is a JV project with Mithril Resources Limited.

KalNorth Gold Mines is well-funded to pursue its exploration and development plans, which are designed to substantially increase its Resources and Reserves and to establish four mines on the KalNorth Field. Initially, all will be open pit operations. Each has future underground potential.

To date, the Company has been focused on bringing the Parrot Feathers open pit mine on the Lindsay's field into production – a milestone which has been achieved within budget and on time in January 2013. Concentrated drilling is proceeding to substantially increase both Resource and Reserves across the KalNorth Gold Field, with the stated target of adding at least 500,000 ounces in calendar 2013.

Planning is underway to develop the second, third and fourth mines after Lindsay's.