

LERALA MINING CONTRACT SIGNED

(ASX: KDL) Kimberley Diamonds Ltd (**KDL**) is pleased to announce that its Botswana subsidiary, Lerala Diamond Mines Limited (**Lerala**), has entered into a contract for the open pit mining operations that are due to commence next month at the Lerala Diamond Mine, Botswana.

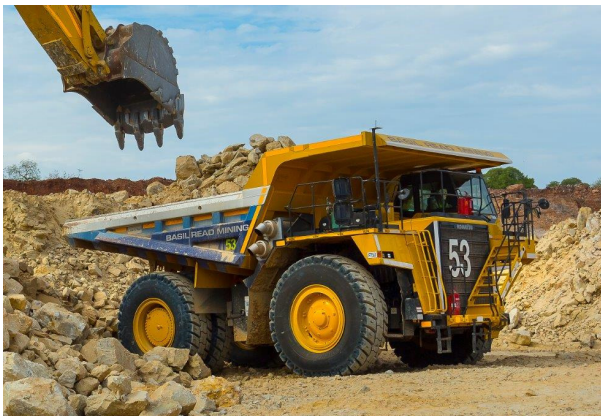
The mining contract was awarded to Basil Read Botswana (Pty) Limited (**Basil Read**) following a two-stage competitive tender process in which eight qualified companies competed for selection into a shortlist of three selected companies, from which BRMB was ultimately selected.

Key contract outcomes are:

- Contract covers the initial five years of mining and may be extended further.
- Competitive rates for drilling, blasting, loading and hauling of ore and waste
- Anticipated total value of the contract is around \$A47 million at current exchange rates.

Basil Read is scheduled to mobilise staff and equipment to Lerala Diamond Mine during the current month of February. Mining is anticipated to commence during March.

Who is Basil Read?



Basil Read Mining equipment in operation.

Basil Read Holdings Limited (**Basil Read**) is one of the leading construction companies in Southern Africa and has more than six decades of construction and open cut mining expertise. Listed within the heavy construction segment of the industrial sector of the JSE Limited (JSE) in South Africa, Basil Read is active in civil engineering projects, road construction, building, mixed-use integrated housing developments, property development, open cut mining and related services. Basil Read Mining Division provides contract mining services across sub-Saharan Africa.

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Mobilisation and mining

KDL intends that Basil Read will commence mobilising its staff and equipment to Lerala Diamond Mine during February 2016. Open cut mining operations are expected to commence during March 2016 and production is scheduled to reach nominal output, in line with commissioning of the processing plant, around June 2016.

KDL looks forward to working with Basil Read during the re-commissioning and subsequent mining operations at Lerala Diamond Mine. Working together, the mine is expected to generate employment and income within the local Lerala community, contribute to the Botswana national economy and become an important source of income for KDL.

For further information please contact:

Noel Halgreen
Managing Director
noel.halgreen@kdl.com.au

Holly Taylor
Corporate Communications
holly.taylor@kdl.com.au

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