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HIGHLIGHTS

CORPORATE

- Key appointments to Board of Directors and management team to broaden the technical and strategic experience of the Kimberley Diamonds Ltd (“KDL”)
- Change of company name and ASX code to Kimberley Diamonds Limited (ASX:KDL)
- Debt Recovery action taken against Blina Minerals NL

OPERATIONAL UPDATE

- KDC recovered 32,838 carats during the quarter at an average grade of 3.28 carats per hundred tonnes (cpht). This compares to 47,265 carats recovered at an average grade of 4.16 cpht during Q4 2012;
- KDC sold 34,037 carats at a total sales value of US\$24.5m. This compares to 51,357 carats sold in Q4 2012 at a total sales value of US\$33.2m;
- KDC's average cash cost of recovery for the quarter was A\$722 per carat. This compares to an average cash cost of A\$553 per carat during the same quarter in 2012;
- In Q4 2013, Sales Revenue of A\$25.5 million, EBITDA of A\$5.4 million and net cash flow from operating activities of A\$3.0 million was achieved on a consolidated basis. The EBITDA result was ahead of the \$4.5m Q4 guidance provided at the end of April;
- Cash position of A\$8.8 million at 30 June 2013;
- Recommencement of mining expected following pit wall slippage;
- Bulk Sample Results in the Far East Pit at E9 exceed expectations;
- 2013 Ellendale Exploration Programme announced;
- Drilling Commences at Calarie.

OVERVIEW

Kimberley Diamonds Ltd (ASX:KDL) is the owner of Kimberley Diamond Company (“KDC”), which owns and operates the Ellendale Diamond Project in the West Kimberley region of Western Australia.

The Ellendale Mining Lease, M 04/372, covering 123 sq. km, is located approximately 120 km south east of Derby.

The Ellendale Mine produces predominantly gem and near-gem quality diamonds, and is the world’s leading source of rare fancy yellow diamonds, contributing an estimated 50% of the world supply.

Ellendale mines diamond-bearing lamproite pipes. Like the better-known kimberlite, lamproite is an unusual magma type that originates within the upper mantle, at depths exceeding 150 km. The lamproite magma entrains diamonds as it ascends through a diamond-bearing zone in the upper mantle, before erupting at the surface.

The operation currently extracts and processes ore from the E9 lamproite pipe. Mining of a second pipe, E4, was started in 2006 but discontinued in 2009 during the GFC. Some 47 additional lamproite pipes occur within the Ellendale Mining Lease. Several of these lamproites offer exploration and developmental potential.

Ellendale prides itself on its excellent safety track record, and is a fatality-free site. The company seeks opportunities to employ local people and engage in community-enriching initiatives.

KDL additionally has interests in a portfolio of tenements prospective for gold and copper-gold in New South Wales, the Northern Territory and Western Australia.

KEY APPOINTMENTS

A new board and management structure was announced in April, consolidating the management teams of Goodrich and KDC.

Alex Alexander has assumed the role of Executive Chairman. He is a founder of KDL and remains the company’s largest shareholder with a 16% interest. Mr Alexander is also the founder and Managing Director of Summit Equities Ltd, a Sydney-based private equity firm. He additionally serves as Non-executive Director for both Winmar Resources (ASX:WFE) and Freshtel Holdings Ltd (ASX:FRE).

Rod Sainty has stepped down as Managing Director and remains a director of the company, continuing to serve in an executive capacity as General Manager – Minerals. He will focus on progressing KDL’s copper-gold projects, as well as the evaluation of new exploration opportunities.

Lee-Anne de Bruin has joined the Board as Managing Director. She previously served as KDC's Chief Executive Officer. Mrs de Bruin joined KDC as Chief Financial Officer in 2009 prior to assuming the helm as CEO in November 2011. She has over 12 years' experience in financial operations and management including six years within the diamond industry.

Nick Selby has joined the management team as Site General Manager and Head of Metallurgy. Mr Selby previously served as General Manager of Operations at Ellendale in 2009 and 2010. Mr Selby is an Extraction Metallurgist with over 30 years' experience in the mining industry, primarily in diamonds. He began his career with De Beers Consolidated Mines ("De Beers"), holding various production positions during his 19 year tenure.

Gideon Scheepers has been engaged as Production Manager in a permanent capacity. Mr Scheepers is an experienced diamond metallurgical engineer and mining industry professional with over 20 years of experience in mining including general management, technical management, project and process design and strategy.

Mr Scheepers has been employed by KDC on a contract basis since January 2013. Thus far, he has achieved outstanding results in improving overall plant efficiency and recovery grade, as well as training KDC's production team.

CHANGE OF COMPANY NAME AND ASX CODE

A Resolution for the Change of Company name from Goodrich Resources Ltd to Kimberley Diamonds Ltd was approved by shareholders at the Company's Extraordinary General Meeting on 26 April 2013.

For Australian Securities Exchange purposes, the company name and ASX code officially changed on 30 April 2013. The Company's ASX code changed from "GRX" to "KDL".

DEBT RECOVERY ACTION

In May KDL's wholly-owned subsidiary, Kimberley Diamond Company NL (KDC), commenced debt recovery action against the ASX-listed entity, Blina Minerals NL (Blina) (ASX:BDI).

The net amount of the debts sought to be recovered from Blina is \$256,230.

Kimberley Diamond Company

OPERATIONS

	Q4 2013	Q4 2012	Variance
Waste stripped (tonnes)	1 285 953	2 112 660	(39%)
Ore mined (tonnes)	1 446 949	1 548 621	(7%)
Ore treated (tonnes)	1 002 496	1 136 125	(12%)
Carats recovered	32 838	47 265	(30%)
Grade (cpht) *	3.28	4.16	(21%)

*cpht – carats per hundred tonnes; Note Q4 2012 results pertain to Gem Diamonds Ltd

	2H 2013	2H 2012	Variance
Waste stripped (tonnes)	1 424 872	3 091 828	(53%)
Ore mined (tonnes)	3 023 857	2 042 693	48%
Ore treated (tonnes)	1 889 429	2 073 793	(9%)
Carats recovered	69 382	78 881	(12%)
Grade (cpht) *	3.67	3.80	(3%)

*cpht – carats per hundred tonnes; Note 2H 2012 results pertain to Gem Diamonds Ltd

The amount of ore mined in Q4 2013 was lower than Q4 2012 due to several days of unseasonal rain coupled with the later deployment of the second PC 1250 excavator and related fleet. There was a focus in Q4 2013 on moving additional waste to allow the flexibility of moving to a larger pit option on the assumption that price increases will be achieved in 2014.

The amount of ore treated was slightly below expectation due to the decision to accelerate the planned bulk sampling of the large Lites stockpile, which is expected to contribute significantly to the future revenue stream. In particular, treatment of bulk samples requires the plant to be flushed of normal production material before each bulk sample is run.

The decrease in grade compared to Q4 2012 was due to the lower percentage of East pit material treated in Q4 2013 (3%) compared to Q4 2012 (60%) and the higher percentage of lower grade FEP ore treated in Q4 2013 (23%) as opposed to Q4 2012 (11%). The Mine Call Factor (MCF) for Q4 2013 was 92% (Q4 2012 95%). MCF is the ratio of actually recovered carats compared to the estimated carats in the plant head-feed from the resource and stockpile model and thus is a combined measure of resource and plant performance.

Ellendale continued through Q4 of 2013 with no Lost Time Injuries (LTI) occurring. In mid-July Ellendale recognised another milestone of being 1 year LTI free. Prior to that period, Ellendale had been LTI free for 1,058 days. Additionally there were zero significant environmental non-compliances during the quarter.

Following a routine blast in the E9 pit in June some slippage of the pit wall occurred beneath the main access ramp. This slippage rendered the ramp temporarily unsafe for use. Advice from geotechnical consultants, Mine Technics Pty Ltd, concluded that construction of a toe buttress should provide sufficient support to facilitate resumption of mining and safeguard future operations against rock falls.

Construction of the buttress has been completed at an estimated cost of \$300,000. Before mining recommences some probe holes will be drilled to obtain a better understanding of the location of the failure contact above and immediately below the ramp. This will be completed immediately allowing a decision of the safe commencement of mining to be taken in the first week of August 2013. In the interim period, the Company will continue to process its ore stockpiles. At the end of July the ore stockpile totalled 416 kt (excluding low-grade stockpiles) which ensures one month of additional processing.

SALES PROCESS & RESULTS

	Q4 2013	Q4 2012	% Change
Carats sold	34 037	51 357	(34%)
Sales value (US\$)	24 525 462	33 190 417	(26%)
Achieved US\$/carat	721	644	12%

Note Q4 2012 results pertain to Gem Diamonds Ltd

Ellendale's fancy yellow diamonds comprise an estimated 9 – 16% of total carats sold and account for approximately 80% of the Company's revenue. These fancy yellow diamonds are sold directly under a life of mine off-take agreement to Laurelton Diamonds Inc., the diamond sourcing and manufacturing subsidiary of the world's premier jeweller, Tiffany & Co.

The remaining production is sold by electronic auction via an online retail platform for diamond sales and marketing based in Antwerp, Belgium.

The average price achieved for Q4 2013 was US\$721 per carat which is equal to that achieved for the full year 2012. In Australian dollar terms the achieved sales price for the quarter was A\$748 per carat.

FINANCIALS

Quarterly unaudited earnings results (consolidated)

	Q4 2013	April Guidance
Sales of diamonds	\$25,452,608	\$25,937,400
Operating costs	\$19,356,785	\$21,399,829
Operating profit	\$6,095,823	\$4,537,571
FX, hedging, other income	(\$659,480)	-
EBITDA	\$5,436,343	\$4,537,571

Unit Production cost (KDC)

		Q4 2013	Q4 2012
Cash cost per carat recovered	A\$/ct	722	553
Total cost per carat recovered	A\$/ct	486	464
EBITDA per carat	A\$/ct	170	126

Note: Cash costs and total costs exclude corporate costs; Q4 2012 results pertain to Gem Diamonds Ltd

Cash costs per carat recovered increased to A\$722 per carat in the June quarter compared with A\$553 per carat in the corresponding period in 2012. This variance is explained largely as a result of the fixed cost base over lower grade, plant throughput and waste mined in preparation for a larger pit option beyond 2013. This additional waste mined has been deferred to the Balance Sheet which is reflected in the Total cost per carat recovered of A\$486 per carat.

Summary Cash Flow in June Quarter

	A\$000 (Consolidated)
Cash flow related to operating activities	3,041
Cash flow related to investment activities	(3,850)
Issue of equity	2,700
Proceeds of borrowings, net of repayments	(1,883)
Net increase in cash held	8
Cash at beginning of quarter	9,507
Exchange rate adjustments	(685)
Cash at end of quarter	8,830

BULK SAMPLE RESULTS IN THE FAR EAST PIT (FEP) AT E9 EXCEED EXPECTATIONS

To date, two bulk samples from the FEP have been completed with encouraging results. A combined total of 29,683 tonnes has been treated, recovering 1,060 carats at an average grade of 3.57 carats per hundred tonnes (cpht). The results compare well to the previously published resource grade of 2.55 cpht.

The samples were treated through the E9 East production process plant and independent valuations were carried out by Independent Diamond Valuers Pty Ltd.

Sample ID	Tonnes	Carats	Grade, cpht	Valuation, US\$ / ct	Bottom screen size cut off
MD106118-109106	8,317	285.72	3.44	1,017	1.5 mm
MD100071-103100	21,366	774.61	3.63	679	1.5 mm
Total	29,683	1,060.33	3.57	770	

2013 ELLENDALE EXPLORATION PROGRAMME ANNOUNCED

An extensive exploration programme is to be undertaken at Ellendale with the company commencing a number of potentially life-extending projects, specifically:

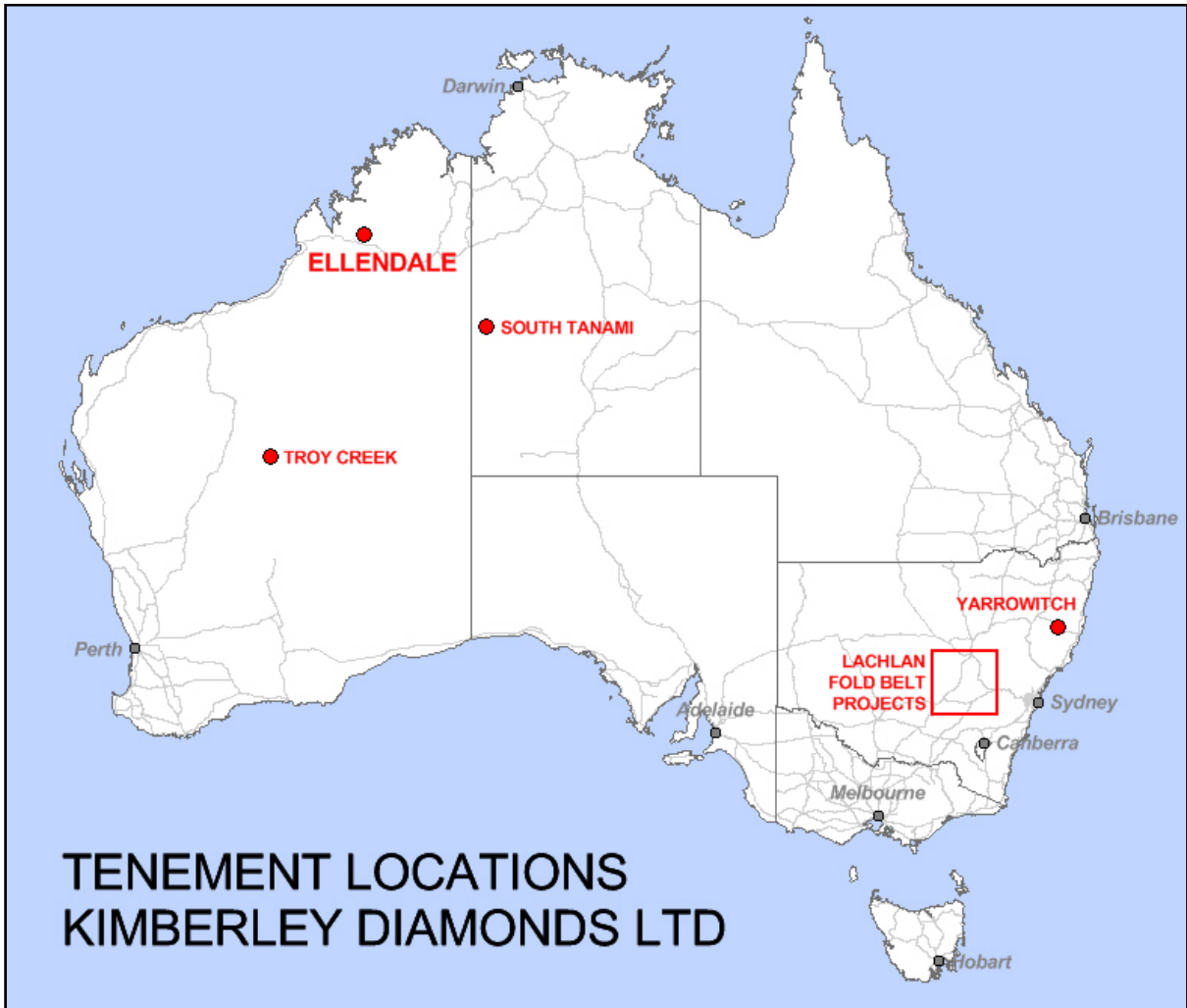
- Excavation and treatment of 20,000 tonnes bulk sample at E4 Satellite;
- RC Drill Programme planned in the central lamproite tuff zone of Ellendale 6;
- Testing and evaluation of the E9 coarse tailings dumps.

There are 49 lamproite pipes known within the existing Ellendale mining lease. To date, only the E9 and E4 pipes have been mined commercially. E9 is currently being mined and E4 was partially mined between 2006 and 2009, when it was placed on care and maintenance. Of the remaining pipes, E4 Satellite and E6 have been prioritised for immediate exploration.

COPPER-GOLD EXPLORATION PROGRAMMES

Calarie copper-gold project (KDL earning 70%)

At the Calarie property, KDL completed the first of two diamond drill holes seeking depth extensions of the high-grade (~23 g/t gold) lode mined previously by the historic Lachlan Mine. Hole GLM01 was completed at 238.6 m. The second hole, GLM02 has been completed at 236.3 m after June 30. Results for both holes are pending.



Tenement Interest acquired by KDL of during the quarter

PROJECT	TENEMENT	STATE
Yarrowitch	ELA4807	NSW

Tenement Interests disposed of by KDL during the quarter

PROJECT	TENEMENT	STATE
Reynolds Range	EL28788	NT
Chianina	EL28804	NT

Tenement Interests retained by KDL

PROJECT	TENEMENT	STATE
Diamond Projects		
Ellendale	M04/372	WA
Yarrowitch ²	EL7972	NSW
Lachlan Fold Belt Projects		
Calarie ¹	EL7023	NSW
Calarie ¹	ML739	NSW
Calarie	EL8007	NSW
Boomey	EL6567	NSW
Boomey	ELA4334	NSW
Garland	EL7812	NSW
West Wyalong	EL7827	NSW
West Wyalong	EL7828	NSW
North Parkes East	EL7994	NSW
North Parkes East	EL7995	NSW
Biscay	EL7889	NSW
Wilga Downs ²	EL7810	NSW
Yeoval ^{2,3}	EL6311	NSW
Yeoval ^{2,3}	ML811	NSW
Other Projects		
South Tanami	EL28787	NT
Troy Creek ²	E69/2903	WA
Troy Creek ²	E69/2904	WA
Troy Creek ²	E69/2905	WA
Troy Creek ²	E69/2921	WA
Troy Creek ^{2,4}	P69/45-I	WA
Troy Creek ^{2,4}	E69/1729-I	WA
Troy Creek ^{2,4}	E69/2357-I	WA
Troy Creek ^{2,4}	E69/2358-I	WA
Troy Creek ^{2,4}	E69/2869	WA
Troy Creek ^{2,4}	E69/2870	WA
Troy Creek ^{2,4}	E69/2485	WA

COMMERCIAL AGREEMENTS

1. FARM-IN AGREEMENT – CALARIE PROJECT

TriAusMin Limited ACN 062 002 475 and Tri Origin Mining Pty Ltd ACN 115 529 112, as collective Farmors of the Calarie tenements ML739 and EL7023, and the farmee Goodrich, entered into a farmin agreement on 2 August 2011 permitting Goodrich to explore for minerals on the tenements.

Pursuant to the agreement, Goodrich continues to qualify to earn the Acquisition Interest of 75% of the tenements.

2. INTEREST IN ZODIAC RESOURCES PTY LTD

KDL holds a 58% interest in Zodiac Resources Pty Ltd.

3. FARM-IN AGREEMENT – YEOVAL PROJECT

Augur Resources Ltd ACN 106 879 690, as farmor of the Yeoval tenements ML811 and EL6311, and the farmee Zodiac Resources, entered into a farmin agreement on 31 March 2011 permitting Zodiac to explore for minerals on the tenements.

A Deed of Amendment agreement, signed 11 May 2012, amended the earn-in conditions between the parties. Pursuant to this agreement, Zodiac now has a 75% interest in the tenements.

4. FARM-IN AGREEMENT AND JOINT VENTURE AGREEMENT – TROY CREEK PROJECT

Empire Resources Limited ACN 092 471 513 and Adrian Martin Lambert JESSUP, as joint farmors of the Troy Creek tenements E69/1729, E69/2357-58, P69/45, E69/2485, and E69/2869-70, and the farmee Zodiac Resources, entered into a Farmin agreement on 10 December 2010 permitting Zodiac to explore for minerals on the tenements.

Pursuant to the agreement, Zodiac holds a 55% interest in the tenements subject to meeting qualifying expenditure commitments.

Competent Person Statement

The information in this report that relates to Exploration Results and Exploration Targets are based on information compiled by Mr Richard Price, a Competent Person who is a member of the Australasian Institute of Mining and Metallurgy. Mr Price is a full time employee of the company. Mr Price has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Price consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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