



**KALGOORLIE-BOULDER  
RESOURCES LTD**  
ABN 48 106 732 487

## **ASX ANNOUNCEMENT**

ASX Code: KAL, KALO

13 December 2006

### **CLARIFICATION OF PRESS ARTICLE AND NON-RENOUNCEABLE ENTITLEMENTS ISSUE**

#### **West Australian Newspaper Article**

The Directors of Kalgoorlie-Boulder Resources Ltd (ASX Code: KAL, KALO) ('KBRL') wish to clarify some of the detail reported in an article in today's West Australian newspaper.

1. The Feldmans and associated entities have agreed to sell their shares in Australian Gold Investments Pty Ltd ('AGI') for a cash consideration. As a result of this transaction a group of United States based investors ('RASL LLC') will assume control of AGI and its Norseman Project assets. The Feldmans will not retain any interest in AGI or the Norseman Project. KBRL has not made any agreement with the Feldmans and they will not receive any shares or options in KBRL.
2. RASL LLC have been funding the Norseman Project since mid 2005. As announced to the ASX on 8 December 2006, the Company has entered into conditional agreements with RASL LLC to acquire 100 percent of the issued share capital of AGI. RASL LLC will receive 50,000,000 shares (escrowed for two years) in KBRL as consideration. In addition, KBRL will issue RASL LLC with Convertible Notes valued at \$3 million with an 8% attaching coupon redeemable 36 months after settlement into 30,000,000 shares in KBRL. AGI's debt of \$3,000,000 to RASL LLC will be assigned to the benefit of KBRL.
3. RASL LLC will emerge (post the completion of this transaction) as KBRL's largest shareholder. They have indicated that they are supportive of and committed to KBRL's strategy to develop what will become very substantial gold assets located in the Goldfields of Western Australia. In addition, as part of this transaction RASL LLC has been offered (and have indicated that they will accept) up to two board positions in KBRL.

#### **Non-renounceable Entitlements Issue**

KBRL is pleased to announce that it has today lodged a prospectus for a non-renounceable entitlements issue to shareholders to raise approximately \$4.87 million before costs ('Offer').

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The Offer entitles eligible shareholders registered on 27 December 2006 ('Record Date') to subscribe for one new share for every two shares held at an issue price of 10 cents per new share.

The Company will also issue to eligible shareholders one free listed option for every two new shares issued under the Offer. The listed options are exercisable at 20 cents expiring on 31 July 2008.

### **Prospectus**

Details of the Offer and investment considerations relating to the Offer are set out in the prospectus which will be sent to eligible shareholders on 28 December 2006. A copy of the prospectus has been lodged with the ASX and is available on the ASX website ([www.asx.com.au](http://www.asx.com.au)) and the KBRL website ([www.kalgoorlieboulderres.com.au](http://www.kalgoorlieboulderres.com.au)).

### **Shortfall**

There is no minimum subscription amount and the rights issue is not underwritten. The Directors reserve the right to place any shortfall at their discretion in accordance with the ASX Listing Rules. The Directors intend to place any shortfall with investors to ensure that the maximum amount under the rights issue is raised. The placement price of any shortfall will be the same price at which the new shares are offered to shareholders under the rights issue. The Company has entered into letters of commitment with various parties who have agreed to take up all of the shortfall in the event the Directors exercise their discretion to place the shortfall with them.

### **Use of Funds**

As announced to the ASX on 8 December 2006, the Company has entered into conditional agreements to acquire 100 percent of the issued share capital of Australia Gold Investments Pty Ltd ('AGI'). AGI is the sole registered and beneficial holder of the Norseman Project – a series of granted mining leases, prospecting leases, exploration licences applications and mining lease applications covering 124 square kilometres in the Norseman region of the Goldfields of Western Australia.

Funds raised under the rights issue will be applied to finance the acquisition of AGI in the event the agreements to acquire AGI become unconditional, to working capital and to meeting the expenses of the rights issue.

### **Timetable**

The timetable and important dates of the rights issue are set out below:

<b>Event</b>	<b>Date</b>
Lodgement of Prospectus and Appendix 3(B) with ASX	13 December 2006
Record Date	27 December 2006
Despatch of Prospectus and Application Form	28 December 2006
Closing Date for Acceptance	12 January 2007
Statements for Shares and Options despatched	22 January 2007

These dates are subject to change by KBRL in consultation with ASX.

For further information please contact:

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