

12 November 2014

Company Announcements Office
Australian Securities Exchange
Level 4, Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Funding for A Lode Development and Gold Production from High Grade Pearse Open Cut at Mineral Hill

KBL Mining Limited ("KBL" or "the Company") advises that since the discovery of significant high grade intercepts in the upper levels of the A lode at KBL's Mineral Hill Mine, the Company has been in discussions with financiers for funding KBL's A lode development and a zinc circuit addition for the process plant, a new CIL gold plant, pre-stripping for Pearse Open Cut (235Kt at 6.9g/t Au & 71.7g/t Ag¹) together with repayment of the \$12.6 m Capri debt. Funding arrangements are now at an advanced stage.

The Company notes the Kidman Resources ("Kidman") ASX announcement of 11 November 2014 advising that it has acquired a "\$12.6m KBL Mining Loan" from Capri Trading Ltd ("Capri"). It is also noted that as part of the acquisition terms Kidman has also acquired Capri Trading Ltd's share interest in the company. Both acquisitions are on a deferred payment basis.

The opportunistic acquisition of the Capri debt by Kidman is a further demonstration of the significance of the A lode discovery and potential of the Pearse Open Cut.

A handwritten signature in black ink, appearing to read 'Brian Wesson', with a small horizontal line underneath.

Brian Wesson
Managing Director

¹ As released 20 October 2011.