



Level 3, 2 Elizabeth Plaza, NORTH SYDNEY NSW 2060
PO Box 98, NORTH SYDNEY NSW 2059
Fax: +61 2 9927 2050
Website: www.kblmining.com.au

ACN 129 954 365

14 November 2014

This is an important document that requires your attention

Dear Shareholder,

Share Purchase Plan – Eligible Shareholders may purchase parcels of fully paid ordinary shares up to a value of \$15,000

On behalf of KBL Mining Limited (“KBL” or “the Company”), I am pleased to offer you the opportunity to increase your shareholding in KBL through a Share Purchase Plan (the “SPP”) as announced by the Company on 7 November 2014.

This SPP provides shareholders with the opportunity to apply for up to \$15,000 worth of KBL ordinary shares at 3.6 cents per share, without incurring brokerage or other transaction costs.

KBL is now moving forward on the development of the A Lode at the Mineral Hill mine in conjunction with the current mining of copper and gold dominant lodes in the Southern Ore Zone. Recent development into the A Lode on the 40 level (350m below surface) has confirmed strong lead-zinc-silver (plus copper-gold) mineralisation previously outlined by drilling. The delineation of the unmined A Lode brings a new era for Mineral Hill and KBL as to date the Company has mined extensions of previously mined lodes that had limited strike extension. For further information on the A Lode please refer to the KBL website and the presentation released to the market on 29 October 2014.

The funds raised will be utilised to advance the knowledge, development, production and processing of the A Lode at the Company’s Mineral Hill mine:

Infill drilling – In support of Mineral Hill’s future production, an infill diamond drilling program is planned to upgrade classification of the current Mineral Resource comprising 523Kt at 0.9% Cu, 3.6% Pb, 3% Zn, 1.3g/t Au and 37g/t Ag¹. With 43% of the existing resource classified as measured and indicated, it is expected that a drilling program of up to 6000m (results dependent) will substantially improve resource classification in anticipation of Ore Reserve estimation. Due to limited access from existing underground development, the program will commence from surface, but underground drill holes will substitute as access improves.

¹ Released 19 August 2014

Table 1. A Lode resource estimate at a 1.5% copper equivalent cut-off (as released 19 August 2014).

Lode	Class	Tonnes Kt	Cu %	Pb %	Zn %	Au g/t	Ag g/t
A	measured	10	0.91	2.88	2.50	0.8	26.6
	indicated	213	0.95	3.90	3.21	0.9	40.2
	inferred	300	0.86	3.39	2.93	1.6	34.9
	TOTAL	523	0.9	3.6	3.0	1.3	36.9

Drilling will be staged in support of ongoing mine planning and development, initially focussed on increasing the drilling density between 40mRL and 100mRL (approximately 270m and 210m below surface). This will improve confidence in grade continuity and provide important structural data for optimisation of stope and development design. Further drilling will define and infill the high-grade upper extents of the A Lode and this may be followed by scoping holes to test the down plunge extension of mineralisation which remains open to the south.

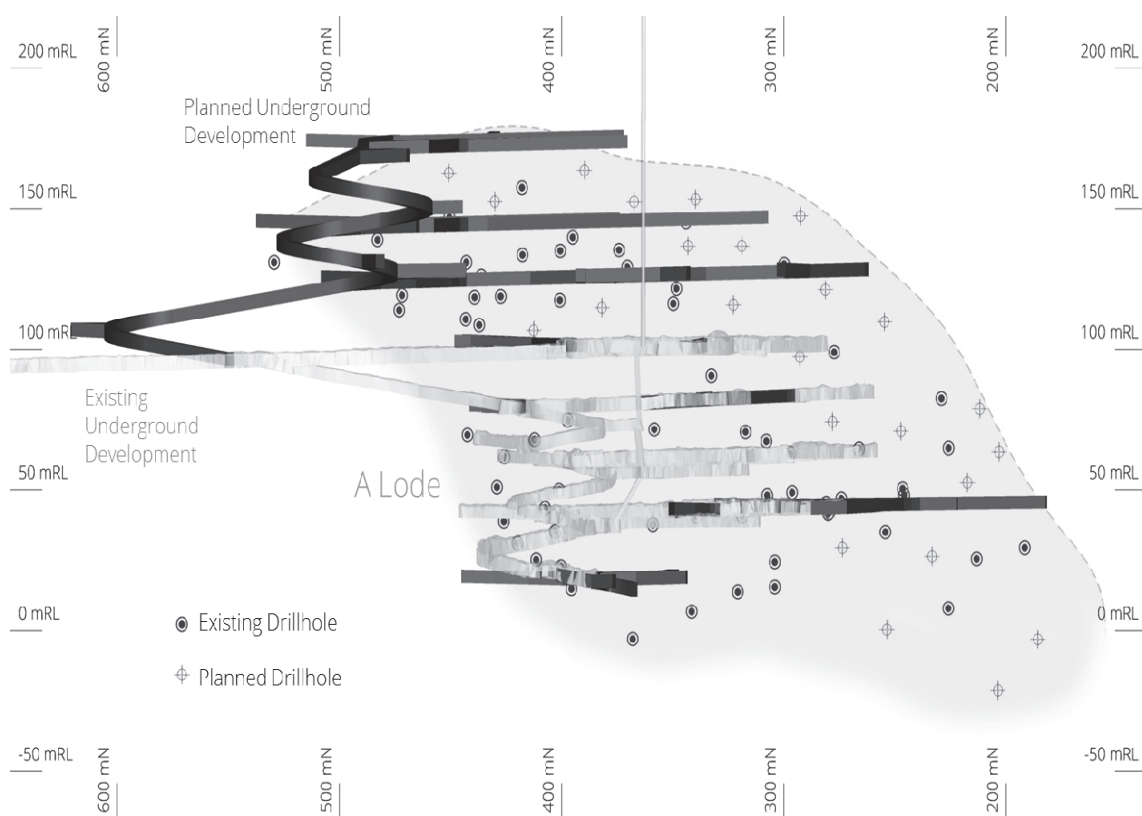


Figure2. A Lode resource long section – Includes proposed drillhole targets along with existing (light grey) and proposed (dark grey) access development

Access - Current operations at Mineral Hill have continued in the Southern Ore Zone (SOZ), with consistent ore being primarily extracted from the B and D Lodes. Drilling within the system has continued to advance the active lodes, while also targeting future tonnage opportunities, such as the A Lode.

Recently, drilling results have allowed development to be advanced past the copper/gold B Lode and into the polymetallic A Lode. The drive passed through the A Lode on 40mRL, with favourable copper, and spectacular lead and zinc mineralisation being encountered, as expected.

Further capital is required to open up the ore body to the north and the south, giving access high grade lead and zinc mineralisation on 40 level, and also providing draw points for the mining of the lode extensions directly above (60-80mRL). Planned development of this mineralisation on the 40 level requires up to 350m of development to secure in the order of 4 to 5 months of mill ore feed. Stopping is expected to commence in early 2015.

In conjunction with the 40mRL works, a 400 metre incline from the 80mRL level to 120mRL level and associated development infrastructure is planned to access the higher grade upper lead/zinc portion of A Lode, as seen in past drilling releases **(42.7 metres (true width 16.5m) at 2.5% Cu, 18.7% Pb, 10.3% Zn, 132g/t Ag, & 1.4g/t Au from 150m in hole KUSOZ053).**

The development would be undertaken as part of the normal mining sequences already being carried out at the SOZ, with the incline to the 120mRL being completed by July 2015. Once access is in place, the A Lode resource has the potential to supply a high grade lead and zinc feed for several years.

Processing – The Mineral Hill plant has continued to process SOZ ore, achieving good metal recoveries into both copper and lead concentrates. To allow all future metal value to be extracted, and in particular from the upper zones of A Lode, the existing process plant will require the installation of a zinc circuit.

Current designs for the zinc circuit require an additional 6 flotation cells be incorporated into the existing circuits, along with two new cleaner flotation cells, an third concentrate thickener with an 8m diameter, an agitated storage tank and associated equipment.

KBL has sourced available second hand equipment to fulfil the modifications, and capital costs are expected to be some \$1.2 million. Works are projected to take only a few months, with commissioning planned in early 2015.

The current A Lode resource contains some 4,700 tonnes of copper metal, 18,800 tonnes of lead metal and 15,600 tonnes of zinc. With the plant upgrade, KBL plans to produce all three base metals in separate concentrates, the uplift in revenues from the A Lode due to the addition of the zinc circuit is approximately \$15 million.

Details of the Mineral Hill mine are provided in recent ASX announcements which can be accessed on the Company's website, www.kblmining.com.au.

The Share Purchase Plan

The amount that each Eligible Shareholder can apply for under the SPP is capped at \$15,000.

The SPP is being offered to Australian and New Zealand Shareholders at \$0.036 per new fully paid ordinary share (New Shares) (Issue Price). The Issue Price represents:

- a 13.7% discount to the 30 day volume-weighted average price of KBL's shares traded on the ASX in the period ending on 6 November 2014, being the record date for the SPP; and
- an 8.6% discount to the average market price of KBL's shares over the last five days on which sales in the shares were recorded on the ASX prior to 7 November 2014, being the date on which the SPP was announced.

The offer

The SPP is offered exclusively to all Eligible Shareholders, being registered holders as at 7pm (Sydney time) on Thursday 6 November 2014 (Record Date) with a registered address in Australia or New Zealand who meet certain other conditions as set out in the Terms and Conditions.

The SPP provides Eligible Shareholders with an opportunity to buy a parcel of New Shares in KBL valued at \$2,500, \$5,000, \$7,500, \$10,000, \$12,500 or \$15,000.

If the total value of applications under the SPP is more than \$4,250,000, KBL may undertake a discretionary scaleback and refund excess monies. For further information on the scaleback, please refer to section 7 of the Terms and Conditions of the SPP.

The SPP opens today and is expected to close at 5pm (Sydney time) on Friday, 5 December 2014.

Participation in the SPP is entirely voluntary. All New Shares issued under the SPP will rank equally with existing fully paid ordinary shares and will carry the same voting rights and entitlement to receive distributions. No brokerage or transaction costs apply to purchases under the SPP. The issue of New Shares is expected to occur on 12 December 2014.

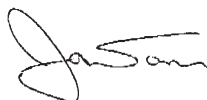
How to accept this offer

To apply for New Shares under the SPP, please follow the instructions in the accompanying Terms and Conditions and in the enclosed personalised Application Form.

This letter and its attachments set out the details and Terms and Conditions of the SPP. I encourage you to read the enclosed material and seek your own financial advice in relation to the SPP, before you decide whether to participate.

On behalf of the Board, I invite you to consider participation in the SPP.

Yours sincerely,



Jim Wall
Chairman

Key Dates*

Date	Event	
7:00pm (Sydney time), Thursday, 6 November 2014	Record Date	The date on which KBL determines Eligible Shareholders
Friday, 14 November 2014	Opening Date	SPP opens
5pm on Friday 5 December 2014	Closing Date	SPP closes. Applications must be received by 5pm (Sydney time)
Friday, 12 December 2014	Allotment Date	New Shares will be issued on this date

* The above dates are indicative only. KBL has the discretion to alter Key Dates at any time without prior notice, subject to regulatory requirements.

Further assistance

If you have any questions in relation to the SPP please call your broker, accountant or professional adviser. If you require information on how to complete the Application Form please contact the KBL Shareholder Information line on 1300 737 760.

Foreign Jurisdictions

The SPP does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to any U.S. Person (as defined in Regulation S under the United States Securities Act of 1933, as amended (the US Securities Act)). The SPP has been prepared for publication in Australia and New Zealand only and may not be released elsewhere.

TERMS AND CONDITIONS

IMPORTANT NOTICE: The offer to purchase New Shares under this Share Purchase Plan (SPP) is not a recommendation to purchase shares in KBL. If you are in any doubt about whether or not, or the extent that, you should participate in this SPP, you should obtain professional financial and/or taxation advice to assist you (taking into account your own financial situation, needs and objectives). Nothing in these Terms and Conditions, the Application Form or any other accompanying documentation constitutes investment or financial product advice or is intended to influence your decision whether or not to participate in the SPP.

If you apply to participate in the SPP by making a BPAY® payment or completing and returning the Application Form with a cheque or money order, you are accepting the risk that the market price of shares in KBL may change between the Opening Date, the date on which you send in an Application Form or make a BPAY® payment and the Allotment Date. This means it is possible that, up to or after the Allotment Date, you may be able to buy shares in KBL at a lower price than the Issue Price.

Set out below are the terms and conditions of the KBL Mining Limited Share Purchase Plan which are binding on any Shareholder completing a Share Purchase Plan Application Form or applying via BPAY®. The Application Form forms part of this document.

Capitalised terms used in these Terms and Conditions are both defined in the body of these Terms and Conditions as well as in clause 17.

1. The SPP

- (a) The SPP is an invitation to Eligible Shareholders by KBL Mining Limited (**KBL**) to subscribe for fully paid ordinary shares in KBL (**KBL Shares**) at the Issue Price (see clause 5 below) per New Share.
- (b) The minimum application amount under the SPP is \$2,500. All applications must be in increments of \$2,500.
- (c) The amount an Eligible Shareholder can apply for will be restricted to a cumulative total of \$15,000, subject to discretionary scaleback.
- (d) The SPP is conducted in accordance with the Corporations Act, ASIC Class Order CO 09/425 and the ASX Listing Rules.
- (e) You are not obliged to accept or otherwise participate in the SPP. **Participation in the SPP is optional and is subject to any scaleback.**
- (f) The SPP is made to each Eligible Shareholder on the same terms and conditions.
- (g) The offer under the SPP is non-renounceable, which means you may not transfer your right to apply for New Shares under the SPP to anyone else.
- (h) The offer of New Shares under the SPP will not be underwritten.

2. Opening and Closing Date of the SPP

The SPP opens on 14 November 2014 and is scheduled to close at 5.00pm (Sydney time) on 5 December 2014. KBL reserves the right to change the closing date of the SPP. No late applications will be accepted.

3. Eligible Shareholders

- (a) You are eligible to participate in the SPP (**Eligible Shareholder**) if you were a registered holder of fully paid ordinary shares in KBL at 7.00pm (Sydney time) on 6 November 2014 (**Record Date**) whose address in the security register of KBL is in Australia or New Zealand, unless:
- (i) you hold KBL Shares on behalf of another person who resides outside Australia or New Zealand and do not hold KBL Shares in any other capacity;
 - (ii) you are in the United States or you are a U.S. Person, or acting for the account or benefit of a U.S. Person; or
 - (iii) you are ineligible to participate in the SPP because of the aggregate limit explained in clause 4 below.
- (b) (**Single Holders**) If you are the only registered holder of KBL Shares, but you receive more than one offer under the SPP (for example, due to multiple registered holdings), you may only apply for one maximum parcel of New Shares up to the value of \$15,000.
- (c) (**Joint Holders**) If you are recorded with one or more other persons as the joint holder of KBL Shares, that joint holding is considered to be a single registered holding for the purposes of the SPP and, subject to the conditions of eligibility set out in this clause 3, the joint holders are entitled to participate in the SPP in respect of that single holding only. The certification under clause 9(a)(iv) by one joint holder will be effective in respect of the other joint holder(s). If the same joint holders receive more than one offer under the SPP due to multiple registered holdings, the joint holders may only apply for New Shares up to a maximum of \$15,000.
- (d) (**Custodians, Trustees and Nominees**) If you are a custodian within the definition of 'custodian' in ASIC Class Order CO 09/425 and you are a registered holder of KBL Shares on behalf of another person (**Beneficiary**) and you apply to acquire New Shares on behalf of the Beneficiary, you must certify in writing to KBL a number of matters relating to such beneficiaries (**Custodian Certificate**). If you are a custodian please contact the Security Registry to obtain the form of Custodian Certificate that you are required to submit.
- If you are a custodian and you hold shares or interests jointly on behalf of two or more persons, the \$15,000 limit applies jointly in relation to those persons as if you hold the shares or interests on behalf of a single person.
- If you hold KBL Shares as a trustee or nominee for another person, but are not a 'custodian' as defined above, you cannot participate for Beneficiaries in the manner described above. In this case, the rules for multiple single holdings (above) apply.
- Nominees and other registered holders of KBL Shares that are acting on behalf of a person in the United States must not (i) send this document or any other document relating to the SPP to any person in the United States or (ii) purport to exercise rights under this offer on behalf of a person in the United States.
- (e) If you are an Eligible Shareholder, your rights under this offer are personal to you and are non-renounceable, which means you cannot transfer your rights to another person.

4. How much can you invest?

The minimum application amount under the SPP is \$2,500. All applications must be in increments of \$2,500. Applications under the SPP may only be made for the following amounts:

- \$2,500;
- \$5,000;
- \$7,500;
- \$10,000;
- \$12,500; and
- \$15,000.

The offer under the SPP needs to comply with the limit in ASIC Class Order CO 09/425. Under that class order, Eligible Shareholders may only acquire a maximum of \$15,000 worth of KBL Shares under a security purchase plan in any 12 month period. This means that Eligible Shareholders are not permitted to acquire more than \$15,000 worth of KBL Shares in aggregate, even if you receive more than one Application Form or hold KBL Shares in more than one capacity, e.g. if you are both a sole and joint holder of KBL Shares (**Aggregate SPP Participation**).

5. Issue Price of New Shares under the SPP

- (a) The price per New Shares on offer under the SPP (**Issue Price**) will be \$0.036.
- (b) The current KBL Share price can be obtained from the ASX website at www.asx.com.au (ASX code: KBL) and is listed in the financial and business section of major daily newspapers circulated in Australia.
- (c) The Issue Price represents:
 - (i) a 13.7% discount to the 30 day volume-weighted average price of KBL's shares traded on the ASX in the period ending on 6 November 2014, being the record date for the SPP; and
 - (ii) an 8.6% discount to the average market price of KBL's shares over the last five days on which sales in the shares were recorded on the ASX prior to 7 November 2014, being the date on which the SPP was announced.
- (d) You agree to pay the Issue Price for each New Share.
- (e) You acknowledge that the market price of New Shares may rise or fall between the date of this SPP and the date that New Shares are allotted to you under the SPP (**Allotment Date**) and that the effect of this is that the Issue Price you pay for the New Shares may exceed the market price of KBL Shares on the Allotment Date.

6. Applying for New Shares

- (a) Eligible Shareholders may apply to purchase a parcel of New Shares above a minimum of \$2,500 and only in increments of \$2,500, up to a maximum of \$15,000. If you are an Eligible Shareholder and wish to participate in the SPP, you must follow the instructions on the SPP Application Form (**Application Form**) and:

- (i) make payment by BPAY® equivalent to the value of the parcel of New Shares you wish to apply for, using the information provided on the application form; **or**
- (ii) complete the Application Form and provide a cheque or money order made payable to "KBL Limited SPP Account",

so that it is received by the Security Registry by 5.00pm (Sydney time) on the Closing Date.

Payments must be denominated in Australian dollars.

- (b) If you apply for New Shares under the SPP, you will apply for a certain value, rather than a certain number, of New Shares. Subject to clause (c), KBL will divide the parcel value you select by the Issue Price in order to determine the number of New Shares for which you have applied (rounded down to the nearest whole number of New Shares). Any balance of monies sent by you that is remaining as a result of rounding will be refunded to you except where the amount is less than \$2.00 (or an amount advised by KBL).
- (c) Eligible Shareholders who receive more than one offer under the SPP (for example, because they hold KBL Shares in more than one capacity) may apply on different Application Forms for New Shares but may not apply for New Shares with an aggregate value of more than \$15,000.
- (d) KBL may accept or reject your application for New Shares, either in whole or in part, at its absolute discretion. For example, KBL may reject your application in any of the following circumstances (among others):
 - (i) it appears that you are applying to purchase a number of New Shares that will mean that your Aggregate SPP Participation will exceed \$15,000;
 - (ii) the application is for less than \$2,500 worth of New Shares;
 - (iii) your Application Form is incorrectly completed, incomplete or otherwise determined by KBL to be invalid;
 - (iv) your cheque is dishonoured or the cheque or money order that you enclose with your Application Form is not made out for the amount corresponding to the value of the parcel of New Shares for which you have applied;
 - (v) your Application Form or BPAY® payment is received after the Closing Date. Late or otherwise incomplete or invalid payments will be refunded to you; or
 - (vi) KBL believes you are not an Eligible Shareholder (subject to compliance with any applicable Australian Securities and Investments Commission (**ASIC**) or ASX requirements).

7. Scaleback

- (a) If the total value of applications for New Shares under the SPP is more than \$4,250,000, KBL may, in its absolute discretion, undertake a scaleback to the extent and in the manner that it sees fit, including by taking into account the size of an applicant's shareholding before the SPP.
- (b) A scaleback is a reduction in the allotment of New Shares (compared to parcels applied for) that KBL will undertake if it receives applications under the SPP for more New Shares than it intends to issue.

- (c) If there is a scaleback, an applicant may receive less than the parcel of New Shares for which it applied. If a scaleback produces a fractional number of New Shares when applied to an applicant's parcel, the number of New Shares the applicant will be allocated will be rounded up or down to the nearest whole number of New Shares.
- (d) In the event of a scaleback, the difference between the value of the shares allotted and the application amount paid to the Company by an applicant will be refunded (without interest) by direct credit (to the applicant's nominated account as recorded on the Company's share register) or cheque as soon as practicable following allotment.

8. Risk

Subscription for New Shares under the SPP is a speculative investment and the market price may change between the date you apply for New Shares and the issue of New Shares to you. Accordingly, the value of New Shares applied for is likely to rise or fall. Importantly, there is a risk that during the period between when you apply for New Shares and when the New Shares are issued to you, the price at which KBL Shares are traded on the ASX may be less than the Issue Price payable under this SPP.

This document is not a prospectus or product disclosure statement, and has not been lodged with ASIC. The issue of a prospectus or product disclosure statement is not required for the purposes of the SPP. This document does not contain the types of disclosure required to be contained in a prospectus or product disclosure statement. You must rely on your own knowledge of KBL; previous disclosures made by KBL to the ASX (including disclosure regarding the risks of making an investment in KBL) and, if necessary, consult your professional adviser when deciding whether or not to participate in the SPP.

9. Timetable

- (a) Subject to clause (b):

(**Record Date**) the record date for the offer is 7.00pm (Sydney time) on 6 November 2014;

(**Opening Date**) the offer opens on 14 November 2014;

(**Closing Date**) the offer closes at 5.00pm (Sydney time) on 5 December 2014;

(**SPP Results Announcement**) the number of New Shares to be issued will be announced to the ASX shortly after the Closing Date;

(**Allotment Date**) KBL proposes to allot the New Shares on 10 December 2014;

(**Despatch Date**) the date on which transaction confirmations are sent to security holders and, if applicable, a direct credit deposit to your nominated account is made or refund cheque is dispatched, is expected to be 12 December 2014; and

(**Trading Date**) the New Shares are expected to commence trading on 16 December 2014.

- (b) KBL may vary any of the above dates in clause (a) at its discretion (even if the offer has opened, or BPAY® or Application Forms have been received) by lodging a revised timetable with ASX.

10. Effect of Making an Application

- (a) If you submit a BPAY® payment or complete and return an Application Form together with a cheque or money order:
 - (i) you acknowledge that you are an Eligible Shareholder;
 - (ii) you irrevocably and unconditionally agree to these Terms and Conditions and the terms of the Application Form and agree not to do any act or thing that would be contrary to the spirit, intention or purpose of the SPP or these Terms and Conditions;
 - (iii) you acknowledge your application is irrevocable, unconditional and cannot be withdrawn once returned;
 - (iv) you certify that the total of the application price for the following does not exceed \$15,000:
 - (A) New Shares under the SPP the subject of your application;
 - (B) any other New Shares or interests under the SPP or any KBL Shares or interests in the class of shares issued that you acquired under any similar arrangement in the 12 months before the date of your application;
 - (C) any other New Shares or interests in the class of shares issued which you have instructed a custodian to acquire on your behalf under the SPP; and
 - (D) any other KBL Shares or interests in the class of shares issued to a custodian under an arrangement similar to the SPP in the 12 months before the date of your application as a result of an instruction given by you to the custodian or another custodian and which resulted in you holding beneficial interests in the shares or interests in the class, even though you may have received more than one offer under the SPP or received offers in more than one capacity under the SPP;
- (v) if you are a custodian, you make additional representations that you either:
 - (A) hold an Australian financial services licence that:
 - (1) covers the provision of a custodial or depository service (as defined by section 766E of the *Corporations Act 2001* (Cth) (**Corporations Act**)); or
 - (2) includes a condition requiring you to comply with the requirements of ASIC Class Order CO 02/294; or
 - (B) are exempt from the requirement to hold an Australian financial services licence for the provision of a custodial or depository service under:
 - (1) paragraph 7.6.01(1)(k) of the *Corporations Regulations 2001* (Cth) (**Regulations**);
 - (2) paragraph 7.6.01(1)(na) of the Regulations;
 - (3) ASIC Class Order CO 05/1270 to the extent that it relates to ASIC Class Order CO 03/184;
 - (4) ASIC Class Orders CO 03/1099, CO 03/1100, CO 03/1101, CO 3/1102, CO 04/829 or CO 04/1313;
 - (5) an individual instrument of relief granted by ASIC in terms similar to one of the Class Orders referred to in subclause (5) above; or

- (6) paragraph 911A(2)(h) of the Corporations Act; or
- (C) are otherwise a custodian as defined in Class Order CO 09/425, and that you have provided a Custodian Certificate to KBL;
- (vi) you authorise KBL to correct minor errors in your Application Form and to complete the Application Form by inserting any missing minor detail;
 - (vii) you acknowledge that KBL may determine that your Application Form is valid, in accordance with these Terms and Conditions, even if the Application Form is incomplete, contains errors or is otherwise defective;
 - (viii) you accept the risk associated with any refund (resulting from a scaleback or otherwise) that may be sent to your address or to your nominated bank account as shown on the KBL security register;
 - (ix) you are responsible for any dishonour fees or other costs KBL may incur in presenting a cheque for payment that is dishonoured;
 - (x) you acknowledge that no interest will be paid on any application monies paid in connection with this SPP and that are held pending the allotment of the New Shares or subsequently refunded to you for any reason;
 - (xi) you acknowledge that you have not been provided with investment advice or financial product advice by KBL or the Security Registry and that neither of them has any obligation to provide this advice in relation to your consideration as to whether or not to participate in, or the extent of such participation in, the SPP;
 - (xii) you acknowledge that KBL is not liable for any exercise of its discretions referred to in these Terms and Conditions;
 - (xiii) you acknowledge that the New Shares have not, and will not be, registered under the US Securities Act or the securities law of any other jurisdiction outside Australia and, accordingly, the New Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any other applicable securities laws;
 - (xiv) you represent and warrant that you are not a US Person, and are not applying under the Offer for or on behalf of a US Person;
 - (xv) you agree not to send any materials relating to the Offer to any person in the United States or to any person who is acting for the account or benefit of a US Person; and
 - (xvi) if you are a Custodian, you make additional representations that you meet the definition of “custodian” in the Class Order and have provided a Custodian Certificate to KBL.

11. Waiver, Amendment, Suspension and Withdrawal

KBL may, at its discretion, waive compliance with any provision of these Terms and Conditions, amend or vary these Terms and Conditions or suspend or withdraw the offer made under this SPP at any time and in its absolute discretion. Any such waiver, amendment, variation, suspension or withdrawal will be binding on

all Eligible Shareholders even where KBL does not give notice of the event. However, the rights of any Eligible Shareholder in connection with any New Shares that have been duly issued and allotted to that person prior to the occurrence of any such waiver, amendment, variation, suspension or withdrawal will not be affected as a result of any such occurrence.

KBL is not liable for any loss, cost, expense, liability or damage arising out of exercise of any of its discretions under these Terms and Conditions.

If you have any questions in respect of the SPP, please contact the KBL Shareholder Information line on 1300 737 760.

12. Rights Attaching

The rights and obligations of the New Shares are contained in the KBL Constitution. The New Shares will be issued on the same terms as all other KBL Shares and KBL will apply for the New Shares proposed to be issued under the SPP to be quoted on the ASX. If the New Shares are not quoted on the ASX, the New Shares will not be issued and all application monies will be refunded.

13. Costs of Participation

No brokerage costs will be payable by Eligible Shareholders in respect of the application for, and allotment of, New Shares under the SPP.

14. Privacy

By receiving completed Application Forms, KBL collects personal information about Shareholders. KBL will use this information for the purposes of processing the Application Form and updating the records of KBL. To the extent restricted by law, KBL will not disclose personal information about a Shareholder to a third party. To the extent permitted by law, Shareholders are able to access, upon request, personal information about them held by KBL.

15. Dispute Resolution

KBL may settle in any manner it thinks fit, any difficulties, anomalies or disputes that may arise in connection with or by reason of the operation of the SPP. The decision of KBL will be conclusive and binding on all participants and other persons to whom the determination relates. KBL's rights may be exercised by the Board or any delegate of the Board.

16. Governing Law

These Terms and Conditions are governed by the laws in force in New South Wales. Any dispute arising out of or in connection with these Terms and Conditions, or the offer of New Shares, will be determined by the courts of New South Wales. By accepting this offer, you agree to submit to the exclusive jurisdiction of the courts in New South Wales.

17. Definitions

Aggregate SPP Participation has the meaning set out in clause 4.

Allotment Date means the date upon which New Shares will be allotted under the SPP.

Application Form means the SPP Application Form, a copy of which is enclosed with this document.

ASX means ASX Limited and the prescribed market known as the Australian Securities Exchange.

Beneficiary means a person on whose behalf a custodian within the meaning of ASIC Class Order CO 09/425 holds registered KBL Shares.

Board means the board of directors of KBL.

Closing Date means 5.00pm (Sydney time) on 5 December 2014.

Corporations Act means *Corporations Act 2001* (Cth).

Custodian Certificate means the certificate to be provided by custodians within the meaning of ASIC Class Order CO 09/425.

Eligible Shareholder means a Shareholder eligible to participate in the SPP in accordance with clause 3.

Issue Price means \$0.036 per New Share.

KBL means KBL Mining Limited (ACN 129 954 365).

KBL Constitution means the constitution of KBL.

KBL Share means a fully paid ordinary share in KBL.

New Shares means a fully paid ordinary share issued in accordance with this SPP.

Opening Date means 14 November 2014.

Record Date means 7.00pm (Sydney time) on 6 November 2014.

Regulations means the *Corporations Regulations 2001* (Cth).

Shareholder means the registered holder of a KBL Share.

Security Registry means Boardroom Pty Limited.

SPP means this Security Purchase Plan.

U.S. Person means "U.S. person" as defined in Rule 902(k) under the U.S. Securities Act.

US Securities Act means the United States Securities Act of 1933, as amended.

Share Purchase Plan – Application Form

Record Date: 7.00 pm (Sydney time)
6 November 2014

Opening Date 14 November 2014

Closing Date: 5pm (Sydney time)
5 December 2014

Issue Price: \$0.036

A Offer Details

This is an important document which requires your immediate attention. If you are in doubt as to how to deal with this document please contact your professional adviser.

Before applying for shares in KBL Mining Limited (**KBL**) (**New Shares**) under the Share Purchase Plan (**SPP**) you should read the SPP Terms and Conditions and the Declarations and Acknowledgments on the back of this Application Form. Terms not defined in this Application Form have the same meaning as in the SPP Terms and Conditions. By making a BPAY payment or completing and returning this Application Form with a cheque or money order, you agree to be bound by the constitution of KBL and the SPP Terms and Conditions (including the eligibility requirements) and you make all of the acknowledgments, representations, declarations and certifications contained in the SPP Terms and Conditions.

This SPP is non-renounceable. Applications can only be accepted in the name printed on the Application Form.

Custodians cannot use this form to apply for multiple parcels of shares on behalf of distinct beneficiaries. Please see over.

If you do not wish to purchase New Shares under the SPP there is no need to take any action.

SAMPLE

B Offer Choice

Indicate your choice below by marking one box only. The number of New Shares to be issued will be calculated by dividing your application amount by the Issue Price of 3.6 cents per share rounded down to the nearest whole number of New Shares as per the SPP Terms and Conditions.

☐

Offer for A\$2,500
69,444 New Shares

☐

Offer for A\$5,000
138,888 New Shares

☐

Offer for \$7,500
208,333 New Shares

☐

Offer for A\$10,000
277,777 New Shares

☐

Offer for A\$12,500
347,222 New Shares

☐

Offer for \$15,000
416,666 New Shares

IMPORTANT NOTE: The total allowable application is A\$15,000 per shareholder. By making an application for New Shares under the SPP, you certify that your application amount under the SPP does not exceed A\$15,000. Any amounts over the A\$15,000 total risk a delay in processing and missing this offer.

C Payment Details

Payment may only be made by BPAY, cheque or money order. Cash will not be accepted via the mail or at the KBL Share Registry. Payments cannot be made at any bank.

The amount of your payment received by BPAY, cheque or money order prior to the close, divided by the Issue Price, will be deemed to be the total number of New Shares you are applying for.

THIS FORM CONTINUES OVERLEAF

Payment Option 1 - BPAY



Biller Code:

Ref:

Telephone & Internet Banking - BPAY®

Contact your bank, credit union or building society to make this payment from your cheque or savings account. More info: www.bpay.com.au
® Registered to BPAY Ltd ABN 69 079 137 518

- To pay via BPAY please contact your participating financial institution;
- If paying by BPAY you do not need to return the Application Form, but will be deemed to have submitted an Application Form.

Payment Option 2 - Cheque

Record cheque details below:

Drawer	Cheque No.	BSB No.	Account No.	Amount A\$

- Only cheques or money orders in Australian dollars and drawn on a bank or financial institution in Australia will be accepted;
- Your cheque or money order must be made payable to "KBL Limited SPP Account" and crossed "Not Negotiable";
- Please ensure you submit the correct amount. Incorrect payments may result in your application being rejected;
- Payments must be made via cheque or money order accompanying the Application Form.

D Contact Details

Please provide a telephone number and contact name in case we need to contact you regarding your application.

Home telephone number	Work telephone number	Contact name

E Custodians

Custodians cannot use this form to apply for multiple parcels of shares on behalf of distinct beneficiaries. To do so please contact Boardroom Pty Limited as below to apply for New Shares on behalf of distinct beneficiaries. Custodians must obtain a separate custodian certificate from Boardroom Pty Limited. Custodians must comply with the requirements of ASIC Class Order CO 09/425 and provide evidence satisfactory to KBL of the distinct holdings when submitting the offer. Each beneficial holder on whose behalf a custodian submits an application must be named in the custodian certificate and must have a registered address in either Australia or New Zealand (at 7.00pm Sydney time) on the Record Date.

F Enquiries

If unsure how to complete this form please contact the KBL Shareholder Information Line on 1300 737 760 or +612 9290 9600 if outside Australia.

G Declarations and Acknowledgments

By lodging this form with your cheque, money order or BPAY payment you acknowledge and confirm that you have read, understood and agree to and make all representations contained in the SPP Terms and Conditions. That is, by lodging this form with your cheque, money order or BPAY payment you represent that the total application price for the following does not exceed \$15,000:

- the New Shares you are applying for;
- any other New Shares or interests you are applying for under this SPP, or KBL Shares or interests in the class issued that you acquired under a similar arrangement in the 12 months before this application;
- any other New Shares or interests in the class which you have instructed a custodian to acquire on your behalf under this SPP; and
- any other KBL Shares or interests in the class of shares issued to a custodian under an arrangement similar to this SPP in the 12 months before this application as a result of you instructing the custodian or another custodian, and which resulted in you holding a beneficial interest in the KBL Shares or interests in the class.

Any personal information collected by KBL on this application form will be dealt with in accordance with applicable privacy requirements.

NO SIGNATURE IS REQUIRED ON THIS FORM

THIS OFFER IS NON-RENOUNCEABLE

**Application Forms and cheques, money orders or payment via BPAY
must be received no later than 5pm (Sydney time) on 5 December 2014.**

You should allow sufficient time for this to occur. The postal acceptance rule does not apply to the SPP.

MAILING ADDRESS

Boardroom Pty Limited
GPO Box 3993
SYDNEY NSW 2001

DELIVERY ADDRESS

Boardroom Pty Limited
Level 7, 207 Kent Street
SYDNEY NSW 2000