

12 December 2014

Dear Noteholder

Adjournment of Noteholder Meeting

KBL Mining Limited ("KBL" or "Company") advised on 10 December 2014 that the Meeting of Noteholders convened on that day, was adjourned, by operation of the Trust Deed for the Convertible Notes to 10.00am (Sydney Time) on 6 January 2015, due to the absence of the required quorum.

There has been overwhelming support (especially from the larger Noteholders) for the approval of the resolutions to be considered at the Noteholder Meeting. As at 10am on Monday 8 December 2014, the Company had received valid proxies from Noteholders who hold between them more than 76% of the total amount outstanding under the Convertibles Notes.

The Trust Deed requires a quorum of more than 50% in number of Noteholders who are entitled to vote and who between them hold more than 67% of the total amount outstanding under the Convertible Notes. However, the required number of Noteholders present in person, by representative or proxy at the meeting this morning was marginally short of the 50% requirement.

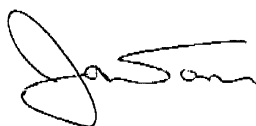
The Noteholder Meeting has been adjourned to **10.00am (Sydney time) on 6 January 2015** and will be held at the same venue – **BDO East Coast Partnership, Level 11, 1 Margaret Street, Sydney, NSW**. The date, time and place of the adjourned meeting have been determined by the Trustee in accordance with the Trust Deed.

The business to be considered at the adjourned meeting is the same as set out in the Notice of Meeting which was despatched to Noteholders on 18 November 2014.

Noteholders may attend the adjourned meeting in person or through a representative or proxy appointed and notified to the Trustee.

Proxy appointments that have already been notified to the Company in relation to the Noteholder Meeting will remain valid for the adjourned meeting and any proxy appointments or restated proxies provided by notice to the Company by 10.00 am (Sydney time) on Sunday 4 January 2015 will be valid in accordance with the Trust Deed.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Jim Wall', written over a white background.

Jim Wall
Chairman