
Withdrawal of Current Share Purchase Plan and Terms of a New Share Purchase Plan

KBL Mining Limited (“KBL” or “the Company”) advises that it has decided to today withdraw the existing Share Purchase Plan first announced on 7 November 2014 with a closing date of 5 December 2014 which has been extended by subsequent announcements, to 23 January 2015 (“Current SPP”).

The Current SPP gave eligible shareholders the opportunity to apply for up to \$15,000 of KBL shares at 3.6 cents per share. Since the Current SPP was announced, 101 shareholders have subscribed \$512,500. No shares have yet been issued under the Current SPP. The 3.6 cent offer price represented a 13.7% discount to the 30 day volume weighted average price for KBL shares traded on the ASX ending on 6 November 2014, being the record date for the Current SPP. Since 7 November 2014 and for all but one ASX trading day, the ASX closing price for KBL shares has been less than 3.6 cents per share. A significant influence has been the opportunistic selling of KBL shares by Kidman Mining Pty Ltd as disclosed in Kidman Resources Limited’s Form 604 released to the ASX on 30 December 2014.

In these circumstances, the Company has decided to offer a new Share Purchase Plan (“New SPP”) to eligible shareholders (being those shareholders with registered addresses in Australia or New Zealand as of 7pm (Sydney time) on 7 January 2015) to apply for up to \$15,000 worth of KBL shares at the **lesser of:**

- **the volume weighted average market price of KBL shares over the last 5 days on which sales of KBL shares are recorded before the shares under the New SPP are issued, less a discount of 15%; or**
- **3 cents per share**

Full details of the New SPP will be sent to eligible shareholders shortly.

The pricing formula for the New SPP will ensure that the offer remains attractive despite the prevailing KBL share price during the offer period. As the Company progresses with its refinancing, the New SPP will also give shareholders an opportunity to have exposure to any strengthening KBL share price.

Those shareholders who have already subscribed for shares under the Current SPP will be offered a refund of their subscription moneys or, if they remain eligible shareholders under the New SPP, the opportunity to have their subscription moneys applied to KBL shares on the new pricing basis under the New SPP.

The indicative timetable for the New SPP is as follows:

SPP Record Date	Wednesday 7 January 2015 (7.00pm Sydney time)
Despatch of SPP offers	Thursday 15 January 2015
SPP Opening Date	Friday 16 January 2015
SPP Closing Date	Friday 6 February 2015 (5.00pm Sydney time)
SPP Results Announcement	Thursday 12 February 2015
Despatch Date	Friday 13 February 2015
SPP Shares Commence Trading	Monday 16 February 2015

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

The Directors of KBL each intend to subscribe for the maximum of \$15,000 in respect of their KBL holdings.

The Directors do appreciate the many expressions of support they have received in recent weeks from shareholders and noteholders in relation to the campaign by Kidman Resources Limited which has negatively impacted the KBL share and note prices. The support of shareholders who have subscribed to the Current SPP is particularly appreciated in these circumstances and the Board hopes that the New SPP will be attractive to all shareholders.

For further information, please contact:

Brian Wesson

Managing Director

KBL Mining Limited

Ph: +61 2 9927 2000

