
KBL USD21 million funding moves to final documentation

KBL Mining Limited (“KBL” or “the Company”) advises that Quintana Resources Holdings LP, an affiliate of Quintana Minerals Corporation (jointly “Quintana”), has concluded the majority of technical due diligence on the Mineral Hill project.

Further to an announcement on 23 December 2014, KBL and Quintana have entered into a non-binding term sheet under which KBL may, subject to final due diligence and an Agreement being mutually agreed upon, receive USD 21 million as a metals prepayment based on future production at Mineral Hill under a metal purchase agreement more commonly known as a streaming financing (the “Agreement”).

Final technical due diligence and financial and legal confirmatory due diligence by Quintana are now moving forward in parallel with legal documentation, with a view to closing the Agreement in February 2015 if all continues to go well.

Under the terms of the Agreement, the KBL Board of Directors will be increased by the addition of three to-be-determined Quintana nominees, bringing the Board of Directors to seven.

The funds will be used in accordance with the plan laid out to shareholders in an announcement of 4 July 2014 (and in subsequent announcements), specifically:

- Repay the Capri AUD12.6 million loan due in March
 - Install the gold circuit to allow for oxide gold production from surface and recover gold from the flotation tail
 - Remove overburden and establish access for the mining of the Pearse gold open pit
 - Develop the Southern Ore Zone decline below 20 level to access the plunge of the B, C and D lodes
- Exploration and infill drilling of the A lode in the Southern ore Zone and open cut resources on surface

Managing Director Brian Wesson stated:

“It is an exciting time for KBL, our implementation of a long term plan and significant asset value has attracted a number of potential investment partners.

The successful completion of most of Quintana’s technical due diligence and our moving towards a final due diligence phase and a potential close are significant milestones.

Quintana are a preeminent US-based natural resources group and we are excited at having the opportunity of gaining the significant value they will bring both from the prepayment and refinancing and their skills and expertise on the Board. We look forward to them joining the team.

We are pleased to have another firm independently realize the value of the Mineral Hill project.”

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About KBL Mining

KBL Mining is an Australian resource Company listed on the ASX (KBL and KBLGA) with a focus on producing precious and base metals. KBL's main assets include the Mineral Hill copper-gold-silver-lead-zinc mine near Condobolin in New South Wales and Sorby Hills lead-silver-zinc project in Western Australia. The Company has been operating the refurbished processing plant at Mineral Hill since October 2011 to produce copper concentrates. Sorby Hills (KBL holds 75% with Henan Yuguang Gold & Lead Co. Ltd (HYG&L) holding 25%) is one of the world's largest near surface undeveloped silver-lead deposits, close to port infrastructure and a short distance from Asian markets. The project received environmental approval on 2 April 2014 and the Joint Venturers are now progressing the Project to development

More information can be found on KBL's website at www.kblmining.com.au.

About Quintana

Quintana Resources Holdings LP ("Q-Holdings") is an investment holding company with a strong focus on the global metals and mining sector and providing capital that optimizes a company's capital structure – with an emphasis on extending funding to cash-flowing (or within 1 year) projects through base metals streaming agreements. Q-Holdings is managed by Quintana Resources Capital ULC, a Vancouver-based management company with a dedicated team of highly experienced mining professionals. Both companies are members of the Houston-based Quintana Minerals Corporation ("QMC") group of companies, which have been in existence for close to 100 years. QMC was originally formed as the mining division of Quintana Petroleum Corp. in 1963, and is today the management company for a large group of energy and natural resources-based private and publicly-traded companies and private equity firms controlled and/or operated by the Corbin J. Robertson Jr. family. For more information please visit www.quintanaresources.com and/or contact Oliver Rodz, President of Q-Holdings, 601 Jefferson Street, Suite 3600, Houston, Texas 77002 (tel: +1 713-751-7500).