

ASX RELEASE

16 March 2015

Quintana Metals Purchase Agreement Commences

KBL Mining Limited (“the Company” or “KBL”) today received first payment of \$US 13.6 million under the Metals Purchase Agreement (“MPA”) with Quintana Metal Streaming Co. LLC an affiliate of US based Quintana Minerals Corporation LLC (jointly “Quintana”) as foreshadowed in the Company’s announcement of 10 March 2015.

This payment has enabled KBL to repay \$AUD 12.6 million to RIKID511 Pty Ltd (“RPL”). A related dispute with RPL is listed in the NSW Supreme Court at a hearing scheduled for 8 and 9 April 2015.

With commencement of the MPA, 3 nominees of Quintana have been appointed to the KBL Board:

Oliver Rodz (aged 43) is an energy and natural resources executive and investment professional with an extensive background in corporate and field operations, cross-border transactions, M&A, P&L management and board governance. Mr Rodz joined the Quintana Minerals Corporation group of companies (“QMC”) in 2010, and serves QMC as a Managing Director and President of the Quintana Resources Holdings LP affiliate, as well as a member of the board of directors of several of QMC’s portfolio companies.

David Laing (aged 59) is a mining engineer with over 35 years of experience in diverse mining operations, project development, engineering studies, mining finance, investor relations, M&A and corporate development, in both base and precious metals. Mr Laing joined QMC in 2014, and serves the Quintana Resources Capital ULC affiliate as Executive Vice President and COO.

Lawrence Roulston (aged 61) is a geologist, with engineering and business training, and more than 25 years of hands-on experience in the resource industry. After completing his studies at the University of British Columbia in 1975, Mr Roulston worked as an analyst for Cominco Ltd. and for a mid-sized Calgary oil group for several years. In 1984 he became the CFO for a group of mineral exploration companies. He was also vice-president in an investment management firm focused on the resource industry. From 1994 to 1997, he was CEO and director of a mineral exploration company. Since then, he has been a resource industry consultant and independent mining analyst.

KBL has also issued to Quintana today 49,080,785 unlisted options (being some 9.9% of KBL’s current issued shares) each entitling the holder to subscriber for and be issued 1 fully paid ordinary share in KBL (ranking equally in all respects with KBL’s then issued shares) on payment of 2.47 cents prior of 16 March 2018.

KBL Chairman Jim Wall said “the Quintana Agreement fully funds the development of the CIL plant, zinc circuit and lead cleaner, clearing the way for Mineral Hill to increase its production to 330,000 tonnes of ore per annum and puts the difficulties of the last year behind the Company. We also welcome the mining and financial expertise of our three new Directors who will further strengthen the KBL Board.”

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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).