

ASX RELEASE

17 April 2015

Appointment of CIL Plant EPCM Manager

KBL Mining Limited ("the Company" or "KBL") announces that following a bid process and receiving five proposals, Westech (HK) Limited has been appointed as Equipment Procurement and Construction Manager (EPCM) for the installation of the A\$8 million Carbon in Leach Plant (CIL) at KBL's Mineral Hill Mine. Westech International Limited had earlier provided the engineering design for the CIL.

The Westech companies are associated with Brian Wesson, the Company's Managing Director. The KBL Board (excluding Mr Wesson) was of the view that the Westech proposal was more favourable to the Company than the other arm's length proposals for the EPCM, including on pricing and other key terms and conditions.

The related party nature of the EPCM arrangement with Westech meant that Mr Wesson was excluded from the assessment of the Westech and other arm's length proposals for the EPCM. To ensure that the owner's role under the EPCM contract is independently managed, certain contractual and company procedures and controls have been implemented and an independent assessor is being appointed to report to the KBL Board, excluding Mr Wesson. The cost for the assessors will be deducted from Westech's EPCM fee.

The EPCM contract provides for a contracted completion date of 31 October 2015 for the CIL. The CIL is key element of KBL's Mineral Hill Mine expansion project which also includes exploiting open cut high grade gold and silver reserves from surface at the Pearse deposit, upgrading the process capacity to 330Kta (last year average 256Kta) and installation of a zinc recovery circuit. Further, the Company will exploit the high grade gold and copper G lode in the Southern Ore Zone with the new CIL providing optimised gold recovery.

For further information, please contact:

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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.