

# KBL Mining Limited (ASX: KBL) Presentation

May 2015 Resources Investment Symposium  
BROKEN HILL



# Disclaimer



This presentation and these materials (together the “Presentation”) has been prepared by KBL Mining Limited ABN 38 129 954 365 (ASX:KBL) (“KBL”) as an Investor Presentation. By participating in this Presentation or reviewing or retaining these materials, you acknowledge and represent that you have read, understood and accepted the terms of this Important Notice and Disclaimer.

This Presentation should be read in conjunction with KBL’s statutory accounts lodged with the Australian Securities Exchange (“ASX”) on 29 August 2014, Annual Reports, and other periodic and continuous disclosure announcements that have been lodged by KBL to the ASX.

This Presentation is not intended as an offer, invitation, solicitation or recommendation with respect to the purchase or sale of any security in the United States or any other jurisdiction. Securities may not be offered or sold in the United States absent registration under the Securities Act of 1933 or an applicable exemption from registration.

This Presentation may contain forward looking statements concerning projected earnings, revenue, growth, outlook or other matters (“Projections”) for the current or future financial years. Any such Projections are based on assumptions which may differ materially from the actual circumstances which may arise. KBL undertakes no obligation to update any Projections for events or circumstances that occur subsequent to the date of this Presentation or to keep current any of the information provided. Past performance is no guarantee of future performance.

Recipients of this Presentation are advised that the information contained in this Presentation is not legal, tax, accounting, investment or financial product advice and should not be used as the basis for making investment decision in relation to KBL securities.

In addition, some of the financial data included in this presentation may be “non-GAAP” financial measures under Regulation G under the Securities Exchange Act of 1934. Certain of these measures may not be comparable to similarly titled measures of other companies.

The information contained in this Presentation is for information purposes only and does not constitute an offer to issue, or arrange to issue, securities or other financial products. KBL has no obligation to tell recipients if it becomes aware of any inaccuracy in or omission from the information in this Presentation. This Presentation has been prepared without taking into account the investment objectives, financial situation or particular needs of any particular person. You should consult your own advisors as to legal, tax, financial and related matters and conduct your own investigations, enquiries and analysis concerning any transaction or investment or other financial decision.

This Presentation, including opinions set out in it, is based on information compiled or prepared by KBL from sources believed to be reliable, although such information has not been verified in all instances. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions or conclusions contained in this Presentation. To the maximum extent permitted by law, none of [Company short name], its directors, employees, advisors or agents, nor any other person, accepts any liability, including without limitation any liability arising out of fault or negligence, for any loss arising out of the use of the information contained in this Presentation. In particular, no representation or warranty, express or implied, is given to the accuracy, completeness, likelihood of achievement or reasonableness of any forecasts, Projections or prospectus referred to in this Presentation.

# Qualification

The information within this presentation on the Mineral Hill and Sorby Hills Projects is extracted from the ASX Reports available on the KBL Mining Website: [www.kblmining.com.au](http://www.kblmining.com.au)

**Slide 8:** The Pearse resource is inclusive of Measured and Indicated Resource categories. Please refer to slides 13 – 16 for complete resource statements.

**Slide 9:** The SOZ resource is inclusive of Measured, Indicated and Inferred Resource categories. Please refer to slides 13 - 16 for complete resource statements.

**Slide 11:** The Sorby Hills global resource is inclusive of Indicated and Inferred Resource categories. Please refer to slides 13 - 16 for complete resource statements

**Slide 17:** G Lode Resource grades are as included in the global SOZ Resource released 19 August 2015.

## Competent Persons Statement

The information in this report that relates to Exploration Results and Exploration Targets, Mineral Resources and Ore Reserves based on information compiled by Owen Thomas, BSc (Hons), who is a Member of the Australasian Institute of Mining and Metallurgy and is a full-time employee of the Company. Mr Thomas has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Mr Thomas consents to the inclusion in the announcement of the matters based on his information in the form and context that the information appears.

The information within this presentation on the Mineral Hill and Sorby Hills Projects is extracted from the ASX Reports available on the KBL Mining Website: [www.kblmining.com.au](http://www.kblmining.com.au)

# Corporate Snapshot



*KBL Mining Limited (ASX:KBL) - Producer, developer and explorer of base and precious metals with substantial exposure to copper, gold, silver, lead and zinc*



**Jim Wall**

Non-Executive  
Chairman



**David Laing**

Non-Executive Director  
Vice President Quintana



**Brian Wesson**

Managing Director



**Lawrence Roulston**

Non-Executive Director  
President Quintana



**Ivo Polovineo**

Company Secretary



**Bob Besley**

Non-Executive Director



**Oliver Rodz**

Non-Executive Director  
Chairman/CEO Quintana



**Greg Starr**

Non-Executive Director

## Market Capitalisation

Shares Outstanding	495.8 m
Market Capitalisation (3.2 cents)	\$15.9 m
Options	105.5 m
Convertible Note 2017	\$11.1 m

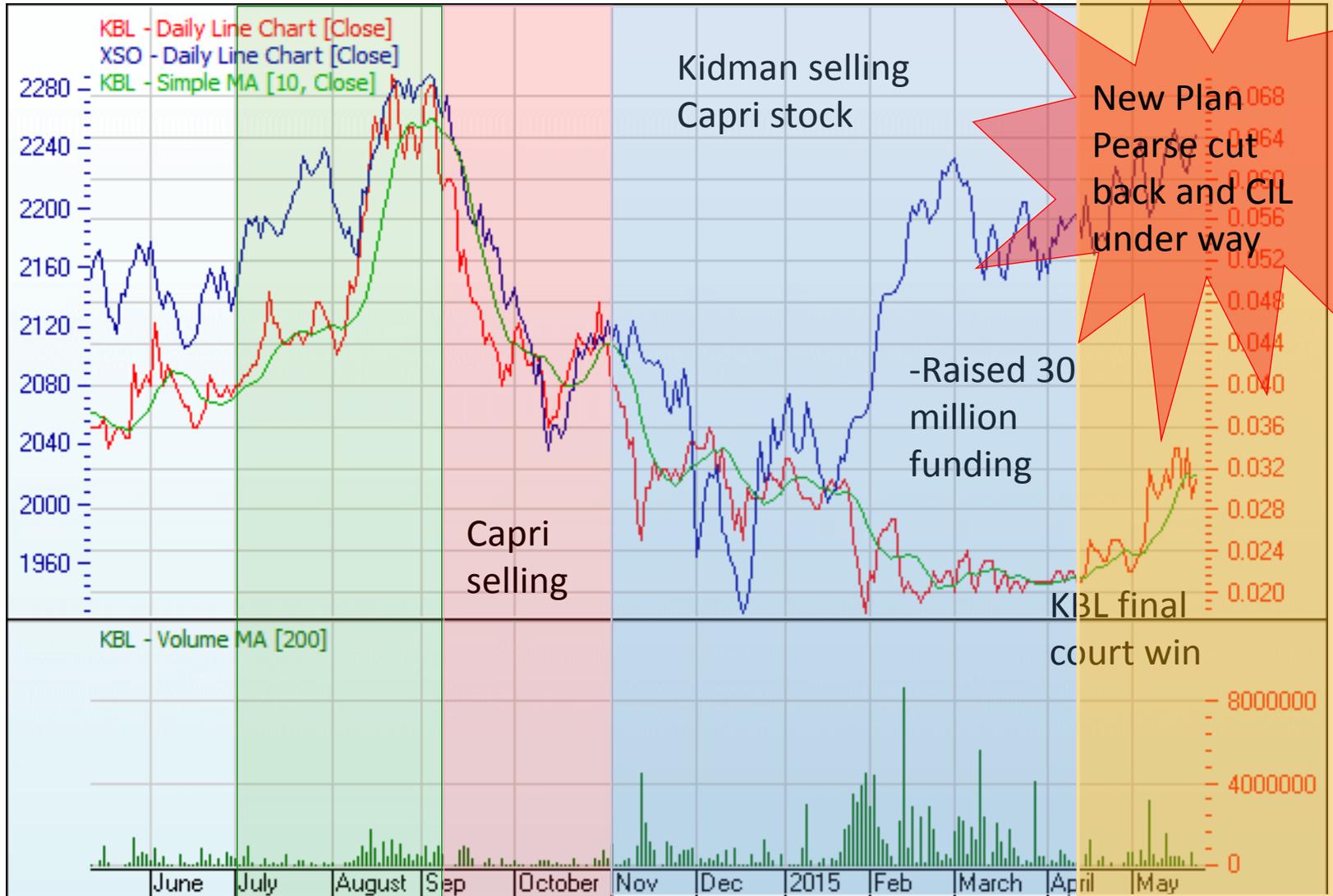
## Major Shareholders

HSBC Custody Nominees	9.1%
Yuguang Australia	4.2%
Citicorp Nominees	3.5%
<b>TOTAL</b>	<b>16.8%</b>

# KBL Share Price



New management



# Mineral Mill Operations – following “the plan”

- Operating copper, lead, zinc, gold and silver mine
- New operating team
- 10 year resource life
- Raised USD 23million, repaired balance sheet
- CIL plant, and zinc third bank under construction, lead flot upgraded
- Pearse accelerated to be in production in 3 months, oxide and transition stockpiled for CIL and 6.9 g/t sulphide processed through flotation
- Surface drilling underway infill drilling mainly Jacks Hut sulphide copper lode, Pearse North gold and other surface resources
- Underground drilling restarted drilling ahead of current mining and testing the down dip of Red Terror lode (Red Terror is one of the highest grade copper lodes discovered to date)
- Processing throughput will be increased to 330,000 tonnes per annum



# Sustainable Growth Strategy

*Diversified production profile with a focus on low cost revenue growth*

## Phase 1 – Improve Mineral Hill Cash flow

### Mineral Hill

- Operational improvements to maximise revenue
- Expansion of existing resource through targeted exploration and development

## Phase 2 – Expand Profit Margins

### Mineral Hill

- Clean Balance sheet
- Addition of gold circuit
- Addition of zinc circuit
- Establish 15 level
- Develop into A Lode

### Sorby Hills

- Commence feasibility study
- Final approvals

## Phase 3 – Diversify Revenue / Profit Base

### Mineral Hill

- Pearse open pit mining ~6.9 g/t
- Infill Pearse North
- Infill Jacks hut
- Mine A lode
- Mine G lode

### Sorby Hills

- Debt funding
- Mine construction

Complete

In progress

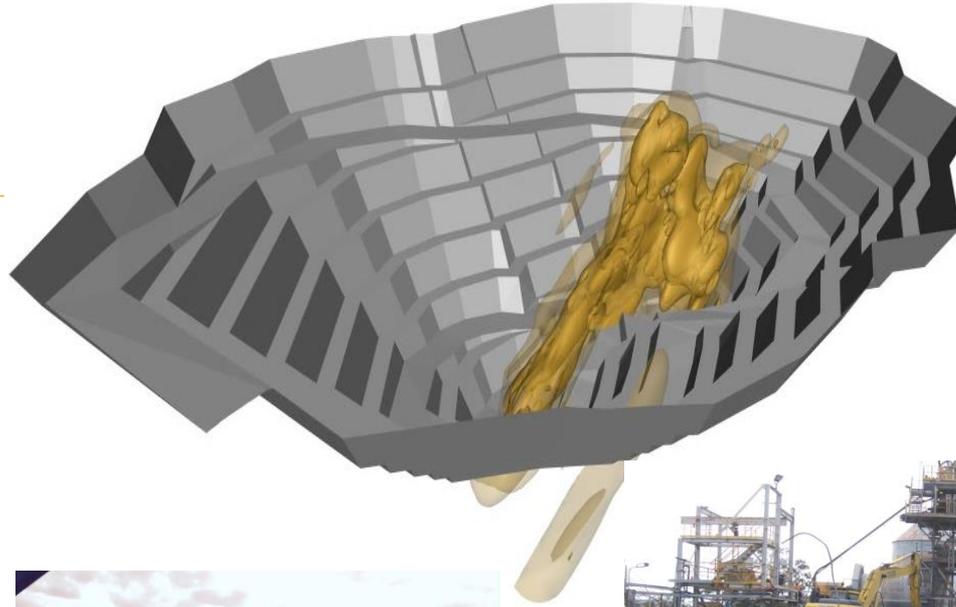
Yet to start

# Mineral Hill - Pearse Gold-Silver Open Cut

- High grade gold-silver resources

## 298kt

@ 6.5g/t Au & 80g/t Ag  
Budget operating cost  
mine and mill 50\$/t



- 800 metres from existing processing plant
- Low strip ratio 8.5
- Will contribute around \$40 million in cash flow
- Gold leach circuit underway to increase gold recoveries from sulphide ore by 15%
- Opportunity for second open cut at Pearse North

# Mineral Hill - Southern Ore Zone

*Record sustainable production levels achieved from SOZ development in 2014*

- Successful underground drilling campaign supports SOZ Resources

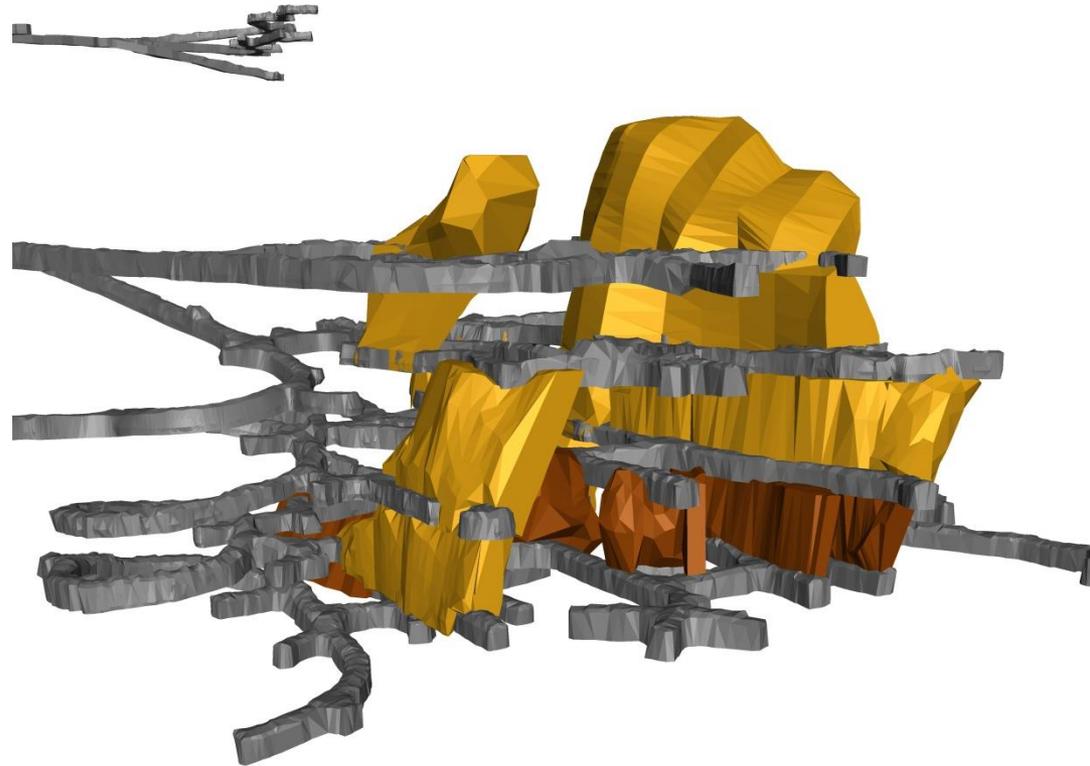
---

## 1,985kt

@ 1.2% Cu, 1.4% Pb, 1.1% Zn, 1.8g/t Au & 19g/t Ag

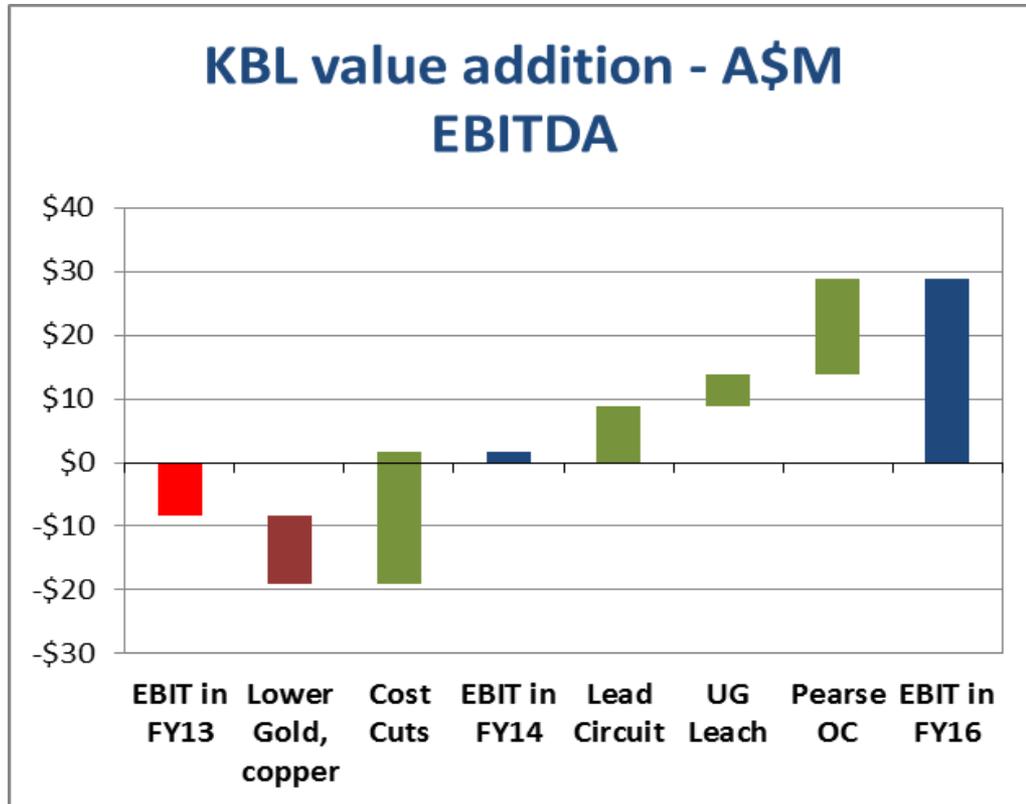
---

- Continuing underground drilling confirms continuity of high grade mineralisation below current mining levels
- Drilling focused on new A Lode discovery
- Polymetallic discovery greatly enhances production profile



**Pearse gives the company the funds and time to drill out surface and underground to formulate a robust mine plan**

# Sustainable Growth Strategy



Mineral Hill position to unlock underlying value over next 12 months

## Mineral Hill

- New management team
- Gold circuit installation underway
- Development of Pearse open cut, underway adding A\$15M net cash per annum
- Installation of zinc circuit expected to add 7 million similar to lead circuit
- Throughput expansion from 250Ktpa to 330Ktp
- Infill drilling program focused on surface.

## Sorby Hills focus next year

- Final approvals, rebuilding cost base and model for funding

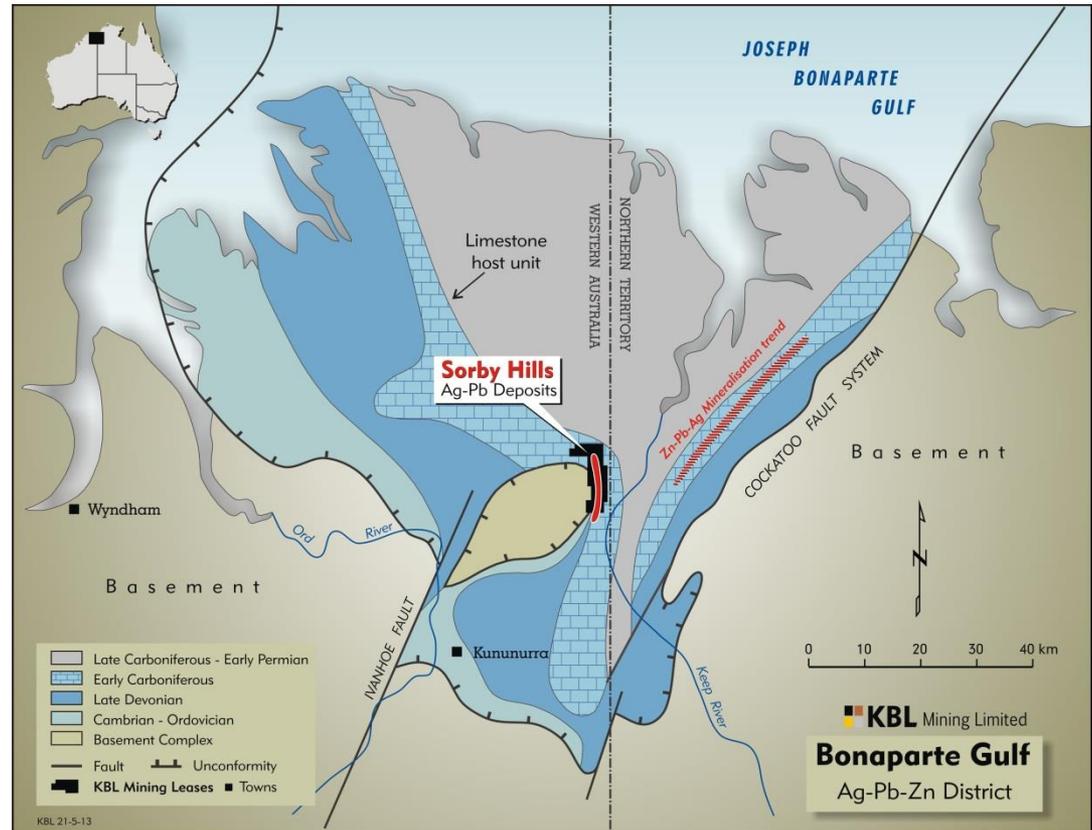
# What's Next

- Largest undeveloped near surface silver-lead-zinc resource in Australia, located 50km north of Kununurra, WA

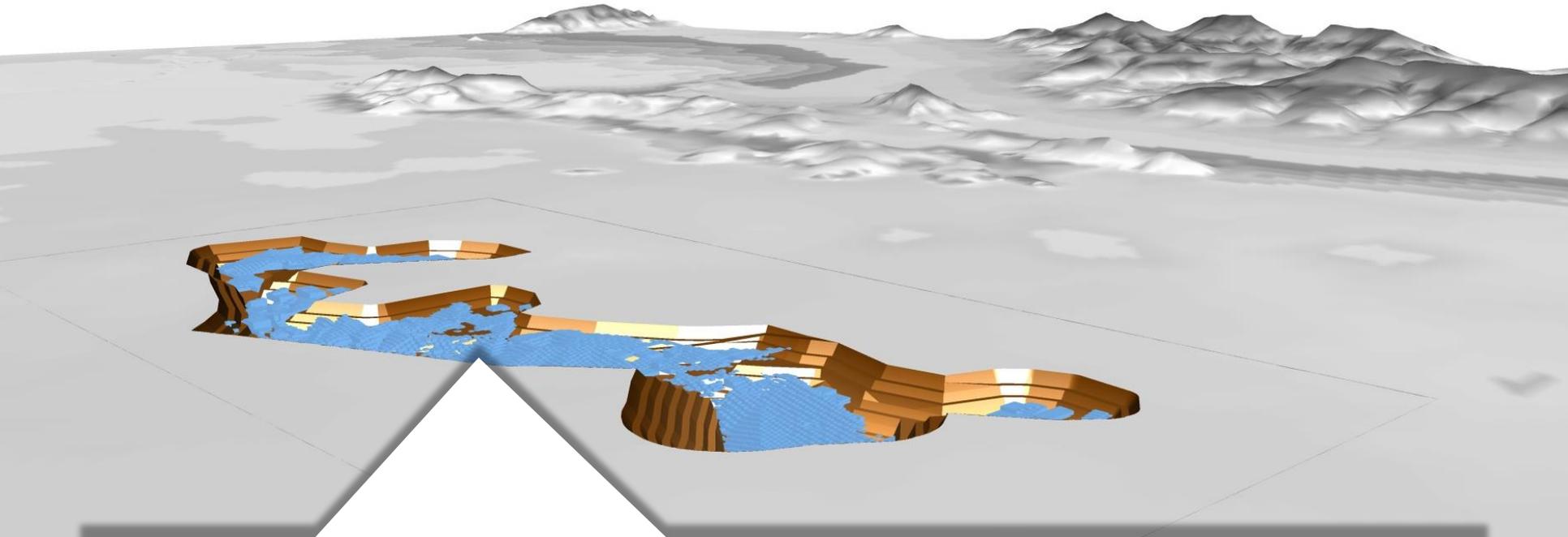
# 16.5Mt

@ 4.7% Pb, 0.7% Zn  
& 53g/t Ag

- KBL have a substantial footprint in an emerging mining district
- Opportunity to develop remaining Resource base for multi-decade operation
- JORC compliant resources extend over a strike length of 10km
- Stage 1 project development (C & DE deposits) only accounts for 1.5km of this trend
- Environmental approval received



# Sorby Hills Reserves



## Sorby Hills

## DE Deposit Reserves

Cut-off Grade 2% Pb (As released on 29 November 2013)

Category	Tonnes (million)	Grade silver (g/t)	Contained metal		
			Lead (%)	Silver (million oz)	Lead (t)
Probable	2.4	54	5	4.2	120,000
Total	2.4	54	5	4.2	120,000

# Appendix 1 :: Mineral Hill Resources

Pearse						Cut-off Grade 1g/t Au Oxide-Transitional & 2g/t Au Fresh (As released 19 November 2011)					
Category	Tonnes		Grade				Contained metal				
	(thousands)		Silver g/t		Gold g/t		Silver (oz)		Gold (oz)		
Measured	226		84.0		6.7		611,430		48,769		
Indicated	71		67.0		5.7		153,803		13,085		
<b>Total</b>	<b>298</b>		<b>80.0</b>		<b>6.5</b>		<b>765,232</b>		<b>61,853</b>		

Pearse North						Cut-off Grade 1g/t Au Oxide-Transitional & 2g/t Au Fresh (As released 25 July 13)					
Category	Tonnes		Grade				Contained metal				
	(thousands)		Silver g/t		Gold g/t		Silver (oz)		Gold (oz)		
Inferred	203		21.1		2.1		137,711		13,706		
<b>Total</b>	<b>203</b>		<b>21.1</b>		<b>2.1</b>		<b>137,711</b>		<b>13,706</b>		

Parkers Hill Sulphide												Cut-off Grade 0.6% Cu (As released on 19 September 2011. Adjusted for depletion from mining activities till 30 November 2013)					
Category	Tonnes		Grade				Contained metal										
	(thousands)		Copper %	Lead %	Zinc %	Silver g/t	Gold g/t	Copper (kt)	Lead (kt)	Zinc (kt)	Silver (oz)	Gold (oz)					
Indicated	1,128		1.8	1.3	1.2	37.0	0.3	20.0	14.2	13.7	1,357,806	9,415					
Inferred	50		1.6	1.1	2.4	48.0	0.2	0.8	0.6	1.2	77,162	322					
<b>Total</b>	<b>1,178</b>		<b>1.8</b>	<b>1.3</b>	<b>1.3</b>	<b>38.0</b>	<b>0.3</b>	<b>20.8</b>	<b>15.0</b>	<b>14.9</b>	<b>1,434,968</b>	<b>9,737</b>					

Parkers Hill Oxide												Cut-off Grade 0.6% Cu, 2% Pb, 100g/t Ag (As released on 13 September 2011)					
Category	Tonnes		Grade				Contained metal										
	(thousands)		Copper %	Lead %	Zinc %	Silver g/t	Gold g/t	Copper (kt)	Lead (kt)	Zinc (kt)	Silver (oz)	Gold (oz)					
Indicated	900		0.7	3.7	0.4	66.6	0.04	5.9	33.6	3.4	1,925,957	1,157					
Inferred	200		1.8	3.9	0.3	86.0	0.05	3.6	7.8	0.6	552,992	302					
<b>Total</b>	<b>1,100</b>		<b>0.9</b>	<b>3.7</b>	<b>0.4</b>	<b>70.0</b>	<b>0.05</b>	<b>9.5</b>	<b>41.4</b>	<b>4.0</b>	<b>2,478,949</b>	<b>1,460</b>					

## Appendix 2 :: Mineral Hill Resources

Red Terror											
Cut-off grade 1.5% Cu Eq. (As released on 14 June 2013. Adjusted for depletion from mining activities til 30 November 2013)											
Category	Tonnes	Grade					Contained metal				
	(thousands)	Copper %	Lead %	Zinc %	Silver g/t	Gold g/t	Copper (kt)	Lead (kt)	Zinc (kt)	Silver (oz)	Gold (oz)
Measured	132	1.8	0.2	0.4	2.3	2.8	2.4	0.2	0.5	9,765	11,939
Indicated	53	1.5	0.1	0.2	1.8	1.2	0.8	0.1	0.1	3,067	2,045
Inferred	1	0.7	0.0	0.2	1.4	2.6	0.0	0.0	0.0	45	84
<b>Total</b>	<b>186</b>	<b>1.7</b>	<b>0.1</b>	<b>0.3</b>	<b>2.2</b>	<b>2.4</b>	<b>3.2</b>	<b>0.3</b>	<b>0.6</b>	<b>12,877</b>	<b>14,068</b>

SOZ											
Cut-off grade 1.5% Cu Eq. (As released 19 August 2014. Adjusted for depletion from mining activities until 31 May 2014)											
Category	Tonnes	Grade					Contained metal				
	(thousands)	Copper %	Lead %	Zinc %	Silver g/t	Gold g/t	Copper (kt)	Lead (kt)	Zinc (kt)	Silver (oz)	Gold (oz)
Measured	553	1.2	0.6	0.5	12.0	2	6.5	3.0	2.5	213,352	35,559
Indicated	705	1.1	1.6	1.3	22.0	1.6	7.5	11.5	9.4	498,658	36,266
Inferred	726	1.2	1.7	1.4	21.0	1.8	8.7	12.1	10.4	490,170	42,015
<b>Total</b>	<b>1,985</b>	<b>1.2</b>	<b>1.4</b>	<b>1.1</b>	<b>19.0</b>	<b>1.8</b>	<b>22.8</b>	<b>26.7</b>	<b>22.2</b>	<b>1,202,180</b>	<b>113,839</b>

Iron Duke							
Cut-off Grade 1% Cu (As released 4 June 2012)							
Category	Oxidation	Tonnes	Grade			Contained metal	
		(thousands)	Copper %	Gold g/t	Copper (kt)	Gold (oz)	
Inferred	Oxidised	22	1.4	0.4	0.3	283	
Inferred	Transitional	164	1.5	0.6	3,164		
Inferred	Fresh	308	1.5	0.9	8,912		
<b>Total</b>		<b>494</b>	<b>1.5</b>	<b>0.8</b>	<b>12,359</b>		

# Appendix 3 :: Mineral Hill Reserves

## Pearse Reserves

Cut-off Grade 1g/t Au Oxide, 2g/t Au Primary (As Released 20 October 2011)

Category	Oxidation	Tonnes	Grade		Contained metal	
		(thousands)	Silver g/t	Gold g/t	Silver (oz)	Gold (oz)
Probable	Primary	28	76.0	6.5	68,417	6,212
	Oxide	18	14.0	4.4	8,102	2,546
Sub Total		47	51.7	5.9	76,519	8,758
Proven	Primary	152	91.0	7.3	444,709	35,674
	Oxide	36	16.1	6.5	18,519	7,523
Sub Total		189	77.0	7.2	463,228	43,198
Total		235	71.7	6.9	539,746	51,956

# Appendix 4 :: Sorby Hills Resources

## *Targeting accelerated development of a multi-decade mining operation*

### Sorby Hills - Global Silver-Lead Resource

Cut-off Grade 2.5% Pb (As released 22 December 2011 & updated to incorporate 29 November 2013 DE Resource Estimate)

Category	Tonnes	Grade			Contained metal		
	(million)	silver (g/t)	Lead (%)	Zinc (%)	Silver (million oz)	Lead (t)	Zinc (t)
Indicated	4.9	62	5.1	0.4	9.7	247,350	19,400
Inferred	11.6	49	4.6	0.8	18.3	534,980	93,040
<b>Total</b>	<b>16.5</b>	<b>53</b>	<b>4.7</b>	<b>0.7</b>	<b>28.0</b>	<b>782,330</b>	<b>112,440</b>

### Sorby Hills - Phase one DE Deposit

Cut-off Grade 1% Pb (As released on 29 November 2013)

Category	Tonnes	Grade			Contained metal		
	(million)	silver (g/t)	Lead (%)	Zinc (%)	Silver (million oz)	Lead (t)	Zinc (t)
Indicated	4.2	44	4.1	0.5	5.8	165,300	17,900
Inferred	1.7	31	2.2	0.2	1.6	36,700	3,600
<b>Total</b>	<b>5.8</b>	<b>41</b>	<b>3.5</b>	<b>0.4</b>	<b>7.4</b>	<b>202,000</b>	<b>21,500</b>

# Value Proposition

## Refinancing- clean balance sheet Complete

- USD23 M ( AUD30 M) raised on 16<sup>th</sup> March from Quintana through a participative metal stream
- KBL has repaid the Capri debt of AUD 12.6 million and repaid the balance sheet
- Capri/RIKID/Kidman litigation complete in favour of KBL, AUD 3million returned and costs awarded
- Convertible notes deferred to 2017

## Mineral Hill Profitability

### Mineral Hill

- Mining high grade lead and zinc on 40 level SOZ
- Mining high grade copper/gold on 20 level
- Developing access to G gold lode 1.3% copper and 2.1 g/t gold
- Development of the 6.9 gram Pearse open cut ore body underway focusing of the 9 g/t sulphides while CIL is completed
- CIL project contract underway running in November
- Lead cleaner installed to increase grade of concentrate lead and zinc
- Zinc circuit installation underway

## Future

- Drilling program to test surface targets- Jacks hut sulfide copper and Pearse North targets
- Sorby lead silver project- environmental approval complete and undergoing preparatory work for attaining the construction license in 6 months and mine development license in 12 months



## Contact Us

(02) 9927 2000

[info@kblmining.com.au](mailto:info@kblmining.com.au)

[www.kblmining.com.au](http://www.kblmining.com.au)