
Managing Director's Terms of Employment

KBL Mining Limited (ASX: "KBL" or "the Company") refers to the announcement yesterday advising that Mr Greg Starr has been appointed Managing Director of the Company. KBL now provides the following significant terms of Mr Starr's employment as approved by the Company's Board.

- Fixed remuneration of A\$400,000 plus statutory superannuation per annum;
- Subject to shareholder approval an incentive Options package consisting of 2 tranches of 26M options each with the following terms and conditions:
 - Options exercisable within 5 years of the date of grant at exercise price of \$0.028 (tranche 1) and \$0.0325 (tranche 2)¹;
 - The two tranches vest in 1 and 2 years, respectively, subject to meeting a performance target that KBL's TSR² exceeds the median TSR of a group of comparable gold companies, agreed by Mr Starr and the Company;
 - If the performance measure is not achieved in the twelve month period prior to the vesting date, the vesting is deferred and retested on each anniversary (to a maximum of 5 years) of the vesting date; and
 - In the event of a future share issue by the Company during the term of the Options, an anti dilution clause would apply to the Options such that additional options would be granted pro rata at a strike price 15% above the share price of such an issue.
- 6 months notice given to Mr Starr for Termination by the company without cause unless the Termination is a consequence of a change in control in which case the Termination notice is 12 months; and
- 3 Months notice to be given by Mr Starr to the Company.

For further information, please contact:

Jim Wall

Chairman

KBL Mining Limited

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¹ The strike prices represent an average 30% premium to the VWAP of \$0.0232 on the day the initial offer was made to Mr Starr.

² Total Shareholder Return "TSR" = (Share Price appreciation + Dividends), expressed as a percentage of the opening share price

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-gold concentrates and in 2013 commenced producing a separate lead-silver concentrate. In 2015 it commenced production of a gold concentrate and in January 2016 poured its first gold dore at Mineral Hill. Sorby Hills (KBL holds 75% with Henan Yuguang Gold & Lead Co. Ltd (HYG&L) holding 25%) is a large near surface undeveloped silver-lead deposit close to port infrastructure and a short distance from Asian markets. A PFS for stage 1 of the project (400,000tpa open cut ore processed) was released on 6 December 2012. Environmental approvals for stage 1 were granted in 2014. A BFS is in progress to be followed by project financing.

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