

Pearse North Mining Lease Application Lodged – Further Drilling Results Pending

- Mining Lease application lodged over the Pearse North deposit
- An additional diamond drill hole and 13 RC holes completed in early March with results expected in April
- An updated resource estimate is expected in early 2016

KBL Mining Limited (ASX: “KBL” or “the Company”) is pleased to announce the application for a Mining Lease over the Pearse North deposit adjacent to the operating Pearse open cut gold mine. The addition of a new Mining Lease will also provide for further development opportunities along the highly prospective Pearse gold corridor.

Pearse North

The Pearse North deposit, only 200 metres northwest of the operating Pearse open cut gold mine, is a shear-hosted epithermal gold–silver deposit of the same style as Pearse. At the Pearse deposits, gold is associated with a fine-grained pyrite–arsenopyrite–stibnite assemblage hosted in altered siliceous volcaniclastic rocks within a zone marked by a strong shear fabric.

With an existing Inferred Mineral Resource of **203kt @ 2.1g/t Au and 21.1g/t Ag¹**, drilling completed in March was designed to infill historical drill holes for the improved definition of high-grade Au–Ag lenses and provision of important structural data with which to refine the geological model. Results of the first diamond drill hole in this programme were encouraging, including²:

- 7 metres at 6.7g/t Au and 7.4g/t Ag from 6m *and*
- 35 metres at 8.6g/t Au and 133.5g/t Ag from 18m (KMHDD030)

Results from the remainder of the programme are expected to be completed in early April leading to a revised Mineral Resource estimate and open pit mine plan.

The application for a Mining Lease encompassing Pearse North represents a significant milestone in the development pathway of the project approvals and potential future open cut mining operations.

An external environmental consultant group have been engaged to commence and progress the development approvals process, the environmental studies and reviews along with the key stakeholder consultation processes.

¹ Cut-off Grade 1g/t Au Oxide–Transitional & 2g/t Au Fresh (As released 25 July 2013)

² As released 9 February 2016, ‘High Grade Gold Assays from Pearse North – Drilling Continues’

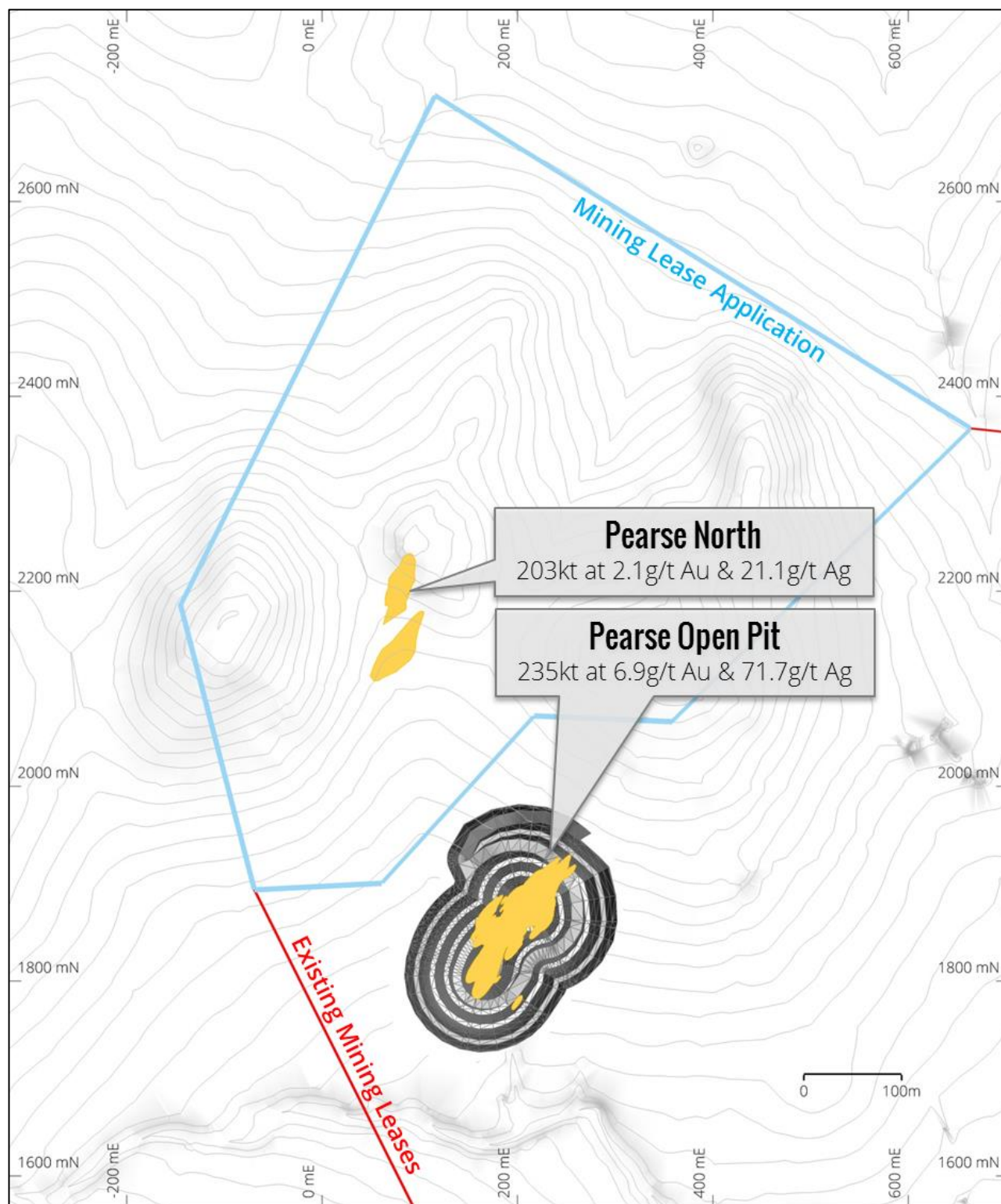


Figure 1. The Pearce North deposit is just 200 metres northwest of the operating Pearce³ open cut gold mine with the MLA area outlined in blue.

³ Inclusive of Proven and Probable Ore Reserve categories as released 20 October 2011 at a cut-off Grade 1g/t Au Oxide, 2g/t Au Primary. The Pearce Mineral Reserve estimate of 235 thousand tonnes at 6.9g/t gold and 71.7g/t silver has not yet been depleted for mining activities.

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 current focus on producing precious 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 2015 commenced producing a gold-silver concentrate and bullion. KBL also holds 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.

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

Competent Persons Statement

The information in this report that relates to drilling results and Mineral Resources is based on information compiled by Owen Thomas, BSc (Hons), who is a Member of the Australian 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.