

Mineral Hill Update Pearse Open Cut Restart

KBL Mining Limited (ASX: “KBL” or “the Company”) is pleased to announce the finalisation of remedial works on the failed section of the Pearse haul road, with access to the bottom of the pit re-established and normal open pit production has resumed.

As announced on 14 June 2016, following a severe weather event, cracking occurred beneath the haul access road in the Pearse Pit resulting in the loss of access to the ore mining zone. The remediation works have been completed in line with independent geotechnical advice and access to the pit base has been re-established.



Picture [1] - The photo to the left is of the Pearse Open Pit looking northwest illustrating the slip and associated cracking in the haul road as per the announcement on 14 June 2016. The photo to the right is from a similar point of view, taken yesterday showing access established to the base of the pit.

With access to the Pearse Open Pit normal mining operations and the supply of high grade gold ore to the processing plant have resumed. Over the next six months we plan to mine and process the remaining 19,000 ozs of gold within the pit¹, these ounces represent approximately \$34 million in value (at a gold price of A\$1,800/oz). During June and early July ore supply to the mill was restricted to treatment of gold tailings and lower grade oxide stockpiles.

¹ The pre-mining/depletion Pearse Mineral Reserve estimate comprised 235kt at 6.9g/t Au & 71.7g/t Ag, inclusive of Proven and Probable Reserve categories (as released 20 October 2011 under JORC 2004). Production records indicate that approximately 161kt at 6.4g/t gold and 52g/t silver was mined up to April 30 2016.



Picture [2] – high grade gold ore being delivered to the ROM after access to the Pearse pit base re-established

KBL's Managing Director, Greg Starr commented *"The continuation of normal open pit operations at Pearse is a positive step in regaining momentum developed in the first quarter of CY2016. Production from Pearse prior to the access interruption in early June had exceeded forecast performance and the Board remain confident that Pearse will continue to deliver strong margins as mining recommences"*.

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.