
ASX Requirements for Issue of Securities

KBL Mining Limited (ASX: “KBL” or “the Company”) advises that the Company has been notified by ASX that it has exceeded its capacity to issue equity securities without security holder approval under listing rule 7.1 through the issue of convertible notes on 4 March 2016, 7 April 2016 and 16 May 2016 that contain a floating conversion rate (“Convertible Notes”). Accordingly the KBL has agreed the following:

1. The Company will not issue further shares in respect of conversions of outstanding amounts owing under the Convertible Notes without seeking shareholder approval.
2. Ratification by security holders of the issue of the shares issued upon conversion of the Convertible Notes will not refresh the Company’s capacity to issue securities, as ratification under listing rule 7.4 is only available where the securities are issued without breaching listing rule 7.1.
3. The Company has provided ASX with an undertaking not to issue any equity securities without security holder approval until 10 June 2016, unless the issue comes within an exception in listing rule 7.2 (“Undertaking”). For the avoidance of doubt, as the Convertible Notes did not comply with the listing rules at the date of issue, shares in respect of the Convertible Notes may not be issued pursuant to listing rule 7.2.
4. On 15 April 2016 the Company received shareholder approval for the purposes of listing rule 7.1 to issue 100,000,000 ordinary fully paid shares (“Existing Approval”). The Undertaking does not affect the Company’s ability to issue securities under the Existing Approval, however, the Company may not rely on the Existing Approval for the conversion of securities in respect of the Convertible Notes.

The Company notes that ASX acknowledges that this breach was not intentional (noting there was a specific clause in the Convertible Note Agreement that it would not issue shares if such an issue was in breach of the listing rules) and that the Company believed, based on the Company’s advisor’s interpretation of the listing rules, that the terms of its convertible loan agreements were sufficient to ensure compliance with the Listing Rules.

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.