



Level 3, 2 Elizabeth Plaza, NORTH SYDNEY NSW 2060
PO Box 98, NORTH SYDNEY NSW 2059
Phone: +61 2 9927 2000
Fax: +61 2 9927 2050
www.kblmining.com.au
ACN: 129 954 365

30 June 2016

Company Announcements Office
Australian Securities Exchange
Level 4, Exchange Centre
20 Bridge Street
Sydney NSW 2000

Notice of General Meeting

Enclosed is a copy of the Notice of Meeting and Proxy Form for a General Meeting of shareholders to be held on 28 July 2016.

Holders of convertible notes (KBLGA) are also entitled to attend the Meeting but have no right to vote and a copy of the invitation to noteholders is also enclosed.

Yours faithfully

Ivo J Polovineo
Company Secretary



KBL



Mining
Limited

ABN: 38 129 954 365

Notice of General Meeting

Explanatory Memorandum
and Proxy Form



Date of Meeting:
Thursday 28 July 2016

Time of Meeting:
10.00 am (Sydney Time)

Place of Meeting:
**BDO East Coast Partnership,
Level 11, 1 Margaret Street,
Sydney, NSW**

Agenda

Notice of General Meeting

Notice is hereby given that a General Meeting of shareholders of KBL Mining Limited, ABN 38 129 954 365 (the **Company**), will be held at BDO East Coast Partnership, Level 11, 1 Margaret Street, Sydney, NSW, on Thursday, 28 July 2016, commencing at 10.00 am (Sydney time) for the purpose of transacting the following business.

Resolutions

Resolution 1

Approval of Prior Issue of Shares to APP Securities Pty Ltd

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Shareholders of the Company approve the prior issues of 7,275,132 Shares to APP Securities Pty Ltd on 10 March 2016 at \$0.021 per Share and otherwise on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice.”

Resolution 2

Approval of Prior Issue of Shares to Bernacki & Elvish Enterprises

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Shareholders of the Company approve the prior issues of 2,162,063 Shares to Bernacki & Elvish Enterprises on 20 April 2016 at \$0.015 per Share and otherwise on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice.”

Resolution 3

Approval of Prior Issue of Shares to Dovuxe Pty Ltd

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Shareholders of the Company approve the prior issues of 4,784,791 Shares to Dovuxe Pty Ltd on 20 April 2016 at \$0.015 per Share and otherwise on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice.”

Resolution 4

Approval of Prior Issue of Options to Investor

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Shareholders of the Company approve the prior issues of 31,538,462 options to Investor and its nominee between on 21 April 2016 and 16 May 2016 at an exercise price of \$0.016 on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice.”

Resolution 5

Approval of Issue of Options

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That for the purposes of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue and allotment of up to 165,000,000 Options for nil consideration to Sophisticated Shareholders pursuant to the subscription agreements dated 21 June 2016 arranged by APP Securities with an exercise price of 0.5 cents each, expiring two years after the date of issue and otherwise on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice."

Resolution 6

Approval of Issue of Shares to Investor on future Conversion of Convertible Notes

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, the Shareholders of the Company approve the issue of Shares to Investor, or its nominee, on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice."

Resolution 7

Approval of Issue of further Convertible Notes to Investor

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, the Shareholders of the Company approve the issue of up to six (6) Convertible Notes to Investor, or its nominee, on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice."

Resolution 8

Approval of Issue of Shares to Investor

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, the Shareholders of the Company approve the issue of \$150,000 worth of Shares to Investor, or its nominee, on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice."

Resolution 9

Approval of Issue of Shares to Investor

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, the Shareholders of the Company approve the issue of 8,000,000 Shares to Investor, or its nominee, on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice."

Resolution 10

Approval of Issue of Shares and Options to Stock Assist Group Pty Ltd

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, the Shareholders of the Company approve the issue of 135,000,000 Shares and 67,500,000 Options to Stock Assist Group Pty Ltd on the terms set out in the Explanatory Memorandum accompanying this Notice."



Resolution 11 Approval of Future Placements

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That for the purposes of ASX Listing Rule 7.1 and for all other purposes, the Company approves and authorises the placement by Directors of Shares in the Company to raise up to \$6,000,000 to one or more places not later than 3 months after the date of this meeting, each Share to be issued at not less than 80% of the volume weighted average market price of the Company's shares on the ASX calculated over the last 5 days on which sales of KBL Shares were recorded prior to the date on which such Share is issued."

Resolution 12 Approval of Future Option Placements

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That for the purposes of ASX Listing Rule 7.1 and for all other purposes, the Company approves and authorises the placement by Directors of 500,000,000 Options in the Company to one or more places not later than 3 months after the date of this meeting, each Option to be issued at not less than 80% of the volume weighted average market price of the Company's Options on the ASX calculated over the last 5 days on which sales of KBL Options were recorded prior to the date on which such Option is issued."



Ivo Polovineo
Secretary

Date: 29 June 2016

Notes

Explanatory Memorandum

The Explanatory Memorandum accompanying this Notice of General Meeting is incorporated in and comprises part of this Notice of General Meeting, and should be read in conjunction with this Notice of General Meeting.

Shareholders are specifically referred to the Glossary in the Explanatory Memorandum which contains definitions of capitalised terms used both in this Notice of General Meeting and the Explanatory Memorandum.

Voting Exclusions

Resolution 1

The Company will disregard any votes in respect of Resolution 1 if they are cast by or on behalf of APP Securities Pty Ltd, or any associate of APP Securities Pty Ltd.

However the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the relevant proxy form; or
- (b) it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 2

The Company will disregard any votes in respect of Resolution 2 if they are cast by or on behalf of Bernacki & Elvish Enterprises Pty Limited, or any associate of Bernacki & Elvish Enterprises Pty Limited.

However the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the relevant proxy form; or
- (b) it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 3

The Company will disregard any votes in respect of Resolution 3 if they are cast by or on behalf of Dovuxe Pty Ltd, or any associate of Dovuxe Pty Ltd.

However the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the relevant proxy form; or
- (b) it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 4

The Company will disregard any votes in respect of Resolution 4 if they are cast by or on behalf of Investor, or its nominee or any associate of Investor.

However the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the relevant proxy form; or
- (b) it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 5

The Company will disregard any votes cast on Resolution 5 by:

- (a) any person who may participate in the proposed issue of Options and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares if the resolution is passed; and
- (b) any associate of that person (or those persons).

However, the Company need not disregard any vote by any such persons on Resolution 5 if:

- (c) it is cast by any of them as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or
- (d) it is cast by the person who is chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolutions 6, 7, 8 and 9

The Company will disregard any votes in respect of Resolutions 6, 7, 8 and 9 if they are cast by or on behalf of Investor, or any associate of Investor.

However the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the relevant proxy form; or
- (b) it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 10

The Company will disregard any votes in respect of Resolution 10 if they are cast by or on behalf of Stock Assist Group Pty Ltd, or any associate of Stock Assist Group Pty Ltd.

However the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the relevant proxy form; or
- (b) it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 11

The Company will disregard any votes cast on Resolution 11 by any person who may participate in the proposed placements and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed and an associate of that person (or those persons).

However the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the relevant proxy form; or
- (b) it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolutions 12

The Company will disregard any votes cast on Resolution 12 by any person who may participate in the proposed placements and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed and an associate of that person (or those persons).

However the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the relevant proxy form; or
- (b) it is cast by the person chairing the meeting as a proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Record date

The Company has determined, in accordance with regulation 7.11.37 of the Corporations Regulations 2001 (Cth), that the holders of Shares recorded in the Company's register as at 7pm (Sydney time) on 26 July 2016 shall, for the purposes of determining voting entitlements at the General Meeting, be taken to be held by the persons registered as holding the Shares at that time.

Proxies

- (a) Votes at the General Meeting may be given personally or by proxy, attorney or representative.
- (b) Each shareholder has a right to appoint one or two proxies.
- (c) A proxy need not be a shareholder of the Company.
- (d) If a shareholder is a company it must execute under its common seal or otherwise in accordance with its constitution.
- (e) Where a shareholder is entitled to cast two or more votes, the shareholder may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.
- (f) If a shareholder appoints two proxies, and the appointment does not specify the proportion or number of the shareholder's votes, each proxy may exercise half of the votes. If a shareholder appoints two proxies, neither proxy may vote on a show of hands.
- (g) A proxy must be signed by the shareholder or his or her attorney who has not received any notice of revocation of the authority. Proxies given by corporations must be signed in accordance with the corporation's constitution and the Corporations Act.
- (h) To be effective, proxy forms must be received by the Company's share registry (Boardroom Pty Limited) no later than 48 hours before the commencement of the General Meeting, that is no later than 10.00 am Sydney time on 26 July 2016. Any proxy form received after that time will not be valid for the scheduled meeting.

Hand Delivery

Boardroom Pty Limited
Level 12, 225 George St, SYDNEY NSW 2000

By Mail

Boardroom Pty Limited
GPO Box 3993, SYDNEY NSW 2001

By Facsimile

(02) 9290 9655

Corporate Representative

Any corporate shareholder who has appointed a person to act as its corporate representative at the Meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company and/or registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

Explanatory Memorandum

This Explanatory Memorandum forms part of a Notice of General Meeting convening the general meeting of shareholders of KBL Mining Limited (**Company**) to be held on 28 July 2016. This Explanatory Memorandum is to assist shareholders in understanding the background to and the legal and other implications of the Notice of General Meeting and the reasons for the resolutions proposed. Both documents should be read in their entirety and in conjunction with each other.

The Directors recommend that shareholders read this Explanatory Memorandum in full before making any decision in relation to the resolutions. All the resolutions are separate resolutions and are in no way dependent on each other.

Resolutions

Resolution 1

Approval of Prior Issue of Shares to APP Securities Pty Ltd

The shares referred to in this resolution were issued under ASX Listing Rule 7.1A.

ASX Listing Rule 7.1A provides that certain eligible companies may seek shareholder approval at its AGM to issue up to a further 10% of its fully paid ordinary securities on issue at the start of the 12 month period commencing on the date of the AGM (10% issue capacity). The Company is an eligible company and received shareholder approval to the additional 10% issue capacity at its AGM on 17 November 2015. The shareholder approval was valid for 12 months from the date of the AGM (that is, until 17 November 2016).

Although this issue was within the Company's capacity under ASX Listing Rule 7.1A when made, the issue diminishes the Company's future placement capacity under ASX Listing Rule 7.1A.

ASX Listing Rule 7.4 provides that an issue of securities made under Listing Rule 7.1A can be ratified subsequently by shareholders so that the Company's placement capacity is refreshed by the specific resolution approved by shareholders.

In accordance with ASX Listing Rule 7.5 the following information is provided:

- (a) A total of 7,275,132 ordinary fully paid shares were allotted on 10 March 2016 at an issue price of \$0.021 per share.
- (b) The securities were ordinary fully paid shares ranking equally in all respects with the Company's issued shares.
- (c) The shares were issued to APP Securities Pty Ltd.
- (d) The shares were issued as consideration for invoiced costs of finance consulting services.

The Board recommends Shareholders vote in favour of Resolution 1 as it allows the Company greater flexibility to issue further securities representing up to 10% (under ASX Listing Rule 7.1A) of the total number of Shares on issue in any 12 month period without Shareholder approval in the period to 17 November 2016.

Resolution 2

Approval of Prior Issue of Shares to Bernacki & Elvish Enterprises Pty Limited

The shares referred to in this resolution were issued under ASX Listing Rule 7.1A. ASX Listing Rule 7.1A is summarised in the explanation for Resolution 1.

Although this issue was within the Company's capacity under ASX Listing Rule 7.1A when made, the issue diminishes the Company's future placement capacity under ASX Listing Rule 7.1A.

ASX Listing Rule 7.4 provides that an issue of securities made under Listing Rule 7.1A can be ratified subsequently by shareholders so that the Company's placement capacity is refreshed by the specific resolution approved by shareholders.

In accordance with ASX Listing Rule 7.5 the following information is provided:

- (a) A total of 2,162,063 ordinary fully paid shares were allotted on 30 April 2016 at an issue price of \$0.015 per share.
- (b) The securities were ordinary fully paid shares ranking equally in all respects with the Company's issued shares.
- (c) The shares were issued to Bernacki & Elvish Pty Limited.
- (d) The shares were issued as consideration for invoiced costs of technical consulting services.

The Board recommends Shareholders vote in favour of Resolution 2 as it allows the Company greater flexibility to issue further securities representing up to 10% (under ASX Listing Rule 7.1A) of the total number of Shares on issue in any 12 month period without Shareholder approval in the period to 17 November 2016.

Resolution 3

Approval of Prior Issue of Shares to Dovuxe Pty Ltd

The shares referred to in this resolution were issued under ASX Listing Rule 7.1A. ASX Listing Rule 7.1A is summarised in the explanation for Resolution 1.

Although this issue was within the Company's capacity under ASX Listing Rule 7.1A when made, the issue diminishes the Company's future placement capacity under ASX Listing Rule 7.1A.

ASX Listing Rule 7.4 provides that an issue of securities made under Listing Rule 7.1A can be ratified subsequently by shareholders so that the Company's placement capacity is refreshed by the specific resolution approved by shareholders.

In accordance with ASX Listing Rule 7.5 the following information is provided:

- (a) A total of 4,784,791 ordinary fully paid shares were allotted on 30 April 2016 at an issue price of \$0.015 per share.
- (b) The securities were ordinary fully paid shares ranking equally in all respects with the Company's issued shares.
- (c) The shares were issued to Dovuxe Pty Ltd.
- (d) The shares were issued as consideration for invoiced costs of management consulting services.

The Board recommends Shareholders vote in favour of Resolution 3 as it allows the Company greater flexibility to issue further securities representing up to 10% (under ASX Listing Rule 7.1A) of the total number of Shares on issue in any 12 month period without Shareholder approval in the period to 17 November 2016.

Resolution 4

Approval of Prior Issue of Options to Investor

On 21 April 2016 and 16 May 2016 the Company announced the issue of Convertible Notes under the convertible note arrangement announced on 4 March 2016.

Fees payable in respect of each of the additional Convertible Notes included 15,769,231 options (Options) for each of the notes, each in respect of one Share on the following terms:

- (a) 15,769,231 Options with an Exercise price of \$0.016 and exercisable any time until 21 April 2019.
- (b) 15,769,231 Options with an Exercise price of \$0.016 and exercisable any time until 16 May 2019.
- (c) Adjustments:
 - (i) If prior to an exercise of an Option, the Company makes an issue of Shares by way of capitalisation of profits or out of its reserves (other than pursuant to a dividend reinvestment plan), pursuant to an offer of such Shares to at least all the holders of ASX Shares resident in Australia, then on exercise of the Option, the number of Shares over which an Option is exercisable shall be increased by the number of Shares which the holder of the Option would have received if the Option had been exercised before the date on which entitlements to the issue were calculated.
 - (ii) If prior to an exercise of an Option, any offer or invitation is made by the Company to at least all the holders of Shares resident in Australia for the subscription for cash with respect to Shares, options or other securities of the Company on a pro rata basis relative to those holders' shareholding at the time of the offer, the Initial Option Exercise Price in relation to those ASX Shares that are to be purchased under the Options shall be reduced as

specified in the Listing Rules in relation to pro-rata issues (except bonus issues).

- (iii) In the event of a consolidation, subdivision or similar reconstruction of the issued capital of the Company, and subject to such changes as are necessary to comply with the Listing Rules applying to a reconstruction of capital at the time of the reconstruction:
 - the number of the Shares to which each Option holder is entitled on exercise of the outstanding Options shall be reduced or increased in the same proportion as, and the nature of the Shares shall be modified to the same extent that, the issued capital of the Company is consolidated, subdivided or reconstructed (subject to the same provisions with respect to rounding of entitlements as sanctioned by the meeting of shareholders approving the consolidation, subdivision or reconstruction); and
 - an appropriate adjustment shall be made to the relevant Option Exercise Price of the outstanding Options, with the intent that the total amount payable on exercise of the Options shall not alter.

Full effect shall be given to the provisions in (c) above, as and when occasions of their application arise and in such manner that the effects of the successive applications of them are cumulative, the intention being that the adjustments they progressively effect will be such as to reflect, in relation to the Shares issuable on exercise of the Options outstanding, the adjustments which on the occasions in question are progressively effected in relation to Shares already on issue.

- (d) Fully transferable and assignable by holder.
- (e) Company to seek ASX quotation in respect of any Share issued on exercise of an Option but the Options will not be listed.

The Options were issued pursuant to the Company's capacity under Listing Rule 7.1.

ASX Listing Rule 7.1 prohibits a listed company from issuing, or agreeing to issue, equity securities (which includes Options) that exceed 15% of the total number of fully paid ordinary securities on issue in any 12 month period, unless approval is obtained from the holders of the Company's ordinary securities.

ASX Listing Rule 7.4 provides that an issue of securities made without approval under Listing Rule 7.1 will be treated as having been made with shareholder approval for the purposes of that Listing Rule if shareholders subsequently approve it and the issue did not breach Listing Rule 7.1.

If Shareholders approve Resolution 4, the issue of 31,538,462 Options will be excluded from the calculations of the 15% limit under ASX Listing Rule 7.1.

In accordance with ASX Listing Rule 7.5 the following information is provided:

- (a) 15,769,231 Options were issued on 21 April 2016 and 15,769,231 Options were issued on 16 May 2016.
- (b) The securities were issued with a nil issue price, as part payment of fees in connection with the convertible notes.

- (c) The terms of the Options are as set out above.
- (d) The Options were issued to Investor.
- (e) No funds were raised in respect of issue of the Options but funds raised in respect of the convertible notes were for working capital.
- (f) A voting exclusion statement is included in this Notice.

The Board recommends Shareholders vote in favour of Resolution 4 as the effect of this approval will be that the Company's capacity to issue additional Equity Securities in the next 12 months up to 15% of its share capital in accordance with ASX Listing Rule 7.1 will not be diminished by the proposed issue of the Shares.

Resolution 5 Approval of Issue of Options

Pursuant to the Placement of Shares announced on 21 June 2016, the Company has agreed to issue to subscribers one free option (exercisable at 0.5 cents per share with a two year expiry) for every one shares issued. The issue of the options is subject to approval by shareholders at this General Meeting.

In accordance with ASX Listing Rule 7.3 the following information is provided:

- (a) A maximum of 165,000,000 Options will be issued with exercise price of 0.5 cents each, expiring two years after the date of issue.
- (b) Subject to Shareholders' approval, the Options will be issued as soon as practicable after the date of this General Meeting but in any event no later than 3 months after the General Meeting.
- (c) The Options will be issued for no consideration, noting that they are proposed to be issued as an entitlement to the subscribers to the Placement.
- (d) The 165,000,000 Options will be issued to the subscribers of the Placement and as announced on 21 June 2016 pursuant to subscription agreements arranged by APP Securities Pty Ltd.
- (e) The Options will have an exercise price of 0.5 cents each, expiring two years after the date of issue. The key terms of the Options are set out in the Schedule to this Explanatory Memorandum.
- (f) The Options will be issued for no consideration noting that they are proposed to be issued as an entitlement to the subscribers to the Placement. The Placement Shares were issued to sophisticated investors and for working capital.
- (g) A voting exclusion statement is included in this Notice.

The Board recommends Shareholders vote in favour of Resolution 5 as the effect of this approval will be that the Company's capacity to issue additional Equity Securities in the next 12 months up to 15% of its share capital in accordance with ASX Listing Rule 7.1 will not be diminished by the proposed issue of the Options.

Resolution 6 Approval of Issue of Shares to Investor on conversion of Convertible Notes

The Company has entered into convertible note arrangements announced to ASX on each of 4 March 2016, 6 April 2016 and 16 May 2016.

The face value of the convertible notes issued amounted to \$1,320,000 of which a total of \$890,000 has been repaid by the issue of 76,595,647 shares as at the date of this Notice

The Company is seeking approval to issue shares to Investor in satisfaction of future conversions of the notes for the outstanding face value of \$430,000.

The number of shares to be issued on conversions of the Convertible Notes is dependent on the following formula as set out in the Convertible Note Arrangement:

- a fixed percentage of the average of the two (2) lowest daily VWAPs per share during the fifteen (15) consecutive trading days immediately prior to the relevant conversion notice date - rounded down to 1 decimal point of 1 cent (Conversion Formula)

The following table shows the amounts outstanding on each Convertible Note and the fixed percentage to be applied in the above formula:

Note	Amount	% of VWAP
1	\$10,000	90%
2	\$130,000	85%
3	\$290,000	85%
Total	\$430,000	

As the Company is unable to quantify the maximum number of share that may be issued pursuant to the Conversion Formula the following table has been prepared to provide an indication of the possible number of Shares that may be issued and the dilution impact to shareholders which is based on 989,568,490* Shares on issue at the date of this Notice.

Assumed VWAP's	\$0.004	\$0.005	\$0.010
Conversion Prices			
Note 1	\$0.003	\$0.004	\$0.009
Note 2	\$0.003	\$0.004	\$0.008
Note 3	\$0.003	\$0.004	\$0.008
Total Shares	143,333,333	107,500,000	53,611,111
Post issue Dilution*	13.9%	10.78%	5.7%

* This number excludes Shares that may be issued pursuant to the approval sought under Resolutions 7, 8, 9, 10 and 11.

In accordance with ASX Listing Rule 7.3 the following additional information is provided:

- (a) The maximum number of Shares to be issued is dependent on the Conversion Formula applied to each conversion notice. The possible number of shares to be issued is set out in the table above.

- (b) Subject to Shareholders' approval the Shares will be issued no later than 3 months after the General Meeting. The shares will be issued to Investor or its nominee and will be issued progressively in satisfaction of conversion notices received for conversion of the outstanding notes.
- (c) The proposed allottee is the Investor or its nominee.
- (d) The issue price will be determined in accordance with the Conversion Formula, however the pricing will be not less than 80% of the volume weighted average market price of the Company's Shares on the ASX calculated over the last 5 days on which sales of KBL Shares were recorded prior to the date on which such Shares are issued.
- (e) The securities to be issued are ordinary fully paid shares ranking equally in all respects with the Company's issued shares.
- (f) The shares will be issued in satisfaction of conversion notices received for conversion of the outstanding notes.
- (g) A voting exclusion statement is included in this Notice.

The Board recommends Shareholders vote in favour of Resolution 6 as the effect of this approval will be that the Company's capacity to issue additional Equity Securities in the next 12 months up to 15% of its share capital in accordance with ASX Listing Rule 7.1 will not be diminished by the proposed issue of the Shares.

Resolution 7

Issue of further Convertible Notes to Investor

The Company has entered into a Convertible Securities Agreement (**Facility**) with the Investor, for up to a further \$3,000,000 in funding over the next 15 months by the issue of up to a further six (6) tranches of unsecured Convertible Notes (each a **Convertible Note Tranche**). Each Convertible Note will be issued with a face value of \$10,000 and the total value per Convertible Note Tranche will be between \$150,000 and \$500,000 each. These Convertible Notes Tranches are in addition to the Convertible Notes already issued as further described in connection with Resolution 6.

Under the Facility:

- (a) the Investor will be entitled to an establishment fee of \$150,000 payable by issue of Shares at the current market price – this issue of Shares is dealt with in Resolution 8;
- (b) the Investor will be issued and additional 8,000,000 Shares as collateral in respect of the Company's obligations under the Facility – this issue of Shares is dealt with in Resolution 9;
- (c) drawdown and issue of the next Convertible Note Tranche is expected to occur following the General Meeting;
- (d) subsequent drawdowns and issue of further Convertible Tranches may occur each 120 days (or such other period as agreed with the Investor) until all 6 further Convertible Notes have been issued;
- (e) on each drawdown and issue of a Convertible Note, the Investor will be entitled to fees of 1% of the face value of the Convertible Note Tranche payable in Shares to be issued at a 10% discount to the average of the five daily VWAPs prior to the drawdown and options over Shares equivalent to 50% coverage with an exercise price equal to the lower of:

- 30% premium to the lowest of the 5 daily VWAPs prior to the drawdown; or
- 30% premium to the lowest of the 5 daily VWAPs prior to the issue of the next Convertible Note.

Shares and Options to be issued in satisfaction of these fees are not the subject of Shareholder approval at the General Meeting and will be issued under the Company's general capacity to issue Equity Securities;

- (f) each Convertible Note Tranche will have a minimum face value of \$150,000, and this amount may be increased to \$500,000 by agreement between the Company and the Investor;
- (g) in consideration for the issue of each Convertible Note Tranche, the Investor will provide the Company with a cash amount equal to 85% of the total face value of the Convertible Note Tranche;
- (h) the face value of each Convertible Note is repayable 12 months after issue (or upon a change of control of the Company), and does not otherwise carry an interest coupon; and
- (i) if the Investor elects to convert into Shares, the conversion price is the lesser of:
 - 85% of the average of the two (2) lowest daily VWAPs per Share during the fifteen (15) consecutive trading days immediately prior to the relevant conversion date notice - rounded down to 1 decimal point of 1 cent (or if the VWAP calculation results in a Share price of less than \$0.006, then 80% of that amount); or
 - 125% of the average of the daily VWAPs per Share for the five (5) consecutive trading days prior to the issue of the next Convertible Note, or at the Investor's election, 125% of the average of the daily VWAPs per Share for the five (5) consecutive trading days prior to the issue of the relevant Convertible Note,

(Conversion Formula)

ASX Listing Rule 7.1 prohibits a listed company from issuing, or agreeing to issue, equity securities (which includes Convertible Notes) that exceed 15% of the total number of fully paid ordinary securities on issue in any 12 month period, unless approval is obtained from the holders of the Company's ordinary securities.

If Shareholders approve Resolution 8, the issue of the further Convertible Notes and the issue of all Shares on conversion of the further Convertible Notes will be excluded from the calculations of the 15% limit under ASX Listing Rule 7.1.

As the Company is unable to quantify the maximum number of Shares that may be issued on conversion of any Convertible Notes pursuant to the Conversion Formula the following table has been prepared to provide an indication of the possible number of shares that may be issued and the dilution impact to shareholders which is based on 989,568,490* ordinary shares on issue at the date of this Notice.

The actual number of Shares that may be issued on conversion of Convertible Notes will depend on the total face value of Convertible Notes issued, whether the Convertible Notes are converted and also the application of the Conversion Formula:

Assumed VWAP's	\$0.004	\$0.005	\$0.010
Conversion Prices			
Tranche 4 - \$500,000	\$0.003	\$0.004	\$0.008
Tranche 5 - \$500,000	\$0.003	\$0.004	\$0.008
Tranche 6 - \$500,000	\$0.003	\$0.004	\$0.008
Tranche 7 - \$500,000	\$0.003	\$0.004	\$0.008
Tranche 8 - \$500,000	\$0.003	\$0.004	\$0.008
Tranche 9 - \$500,000	\$0.003	\$0.004	\$0.008
Total Shares	1,000,000,000	750,000,000	375,000,000
Post issue Dilution*	52.9%	45.8%	29.7%

* This number excludes Shares that may be issued pursuant to the approval sought under Resolutions 6, 8, 9, 10 and 11.

In accordance with ASX Listing Rule 7.3 the following additional information is provided:

- (a) The maximum number of further Convertible Notes which may be issued is 300 which will be issued in six (6) Tranches.
The maximum number of Shares which may be issued on conversion of the further Convertible Notes is dependent on total face value of Convertible Notes issued, whether the Convertible Notes are converted and also the application of the Conversion Formula applied to each conversion notice. The possible number of Shares to be issued is set out in the table above.
- (b) Subject to Shareholders' approval the issue of Convertible Notes will occur no later than 3 months after the General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules). It is intended that issue of the Convertible Notes will occur progressively on different dates as set out in paragraph (d) above. The Company has submitted a waiver application with ASX seeking a waiver of ASX Listing Rule 7.3.2 to allow the Company to issue the Convertible Notes within 21 months from the date of the General Meeting, representing an extension of 18 months. In the event that the waiver is not granted the Company will be required to seek further shareholder approval/s to issue any additional Convertible Notes outside 3 months from the date of the Meeting. The Company expects that the outcome of the waiver application will be advised by way of an ASX announcement prior to the date of the General Meeting. The Shares that may be issued on conversion of the Convertible Notes will be issued to Investor or its nominee and will be issued progressively in satisfaction of conversion notices received for conversion of the outstanding Convertible Notes.
- (c) The proposed allottee is the Investor or its nominee.
- (d) The securities to be issued are Convertible Notes on the terms set out above. The Shares to be issued on conversion of the Convertible Notes will be issued in satisfaction of conversion notices received for conversion of the relevant Convertible Notes.
- (e) Each Convertible Note will be issued at an issue price of \$8,500.
- (f) The funds raised will be used as working capital purposes.
- (g) Both the further Convertible Notes and Shares issued on conversion of the Convertible Notes will be issued progressively as further set out above.

(h) A voting exclusion statement is included in this Notice.

The Board recommends Shareholders vote in favour of Resolution 7 as the effect of this approval will be that the Company's capacity to issue additional Equity Securities in the next 12 months up to 15% of its share capital in accordance with ASX Listing Rule 7.1 will not be diminished by the proposed issue of the Shares.

Resolutions 7, 8 and 9 each relate to the Facility. However, this Resolution 7 is not conditional on Resolutions 8 and 9 being passed.

Resolution 8

Approval of Issue of Shares to Investor or its Nominee

As stated in Resolution 7 above the Company is required to issue Shares to the Investor, or its nominee, as part of the Facility.

The issue of these Shares is subject to approval by shareholders at this General Meeting pursuant to Listing Rule 7.3.

In accordance with ASX Listing Rule 7.3 the following information is provided:

- (a) The number of Shares to be issued is that number of Shares which, when multiplied by the issue price, equals \$150,000.
- (b) Subject to Shareholders' approval the Shares will be issued as soon as practicable after the date of this General Meeting but in any event no later than 3 months after the General Meeting.
- (c) The Shares will be issued to the Investor or its nominee.
- (d) The issue price will be equal to the VWAP per Share on the trading day immediately prior to issue, and, in any event, no less than 80% of the VWAP for shares in that class, calculated over the last 5 days on which sales in the shares were recorded before the day on which the issue was made.
- (e) The securities to be issued are ordinary fully paid shares ranking equally in all respects with the Company's issued shares.
- (f) The Shares are to be issued as part of the consideration under the Facility.
- (g) A voting exclusion statement is included in this Notice.

The Board recommends Shareholders vote in favour of Resolution 8 as the effect of this approval will be that the Company's capacity to issue additional Equity Securities in the next 12 months up to 15% of its share capital in accordance with ASX Listing Rule 7.1 will not be diminished by the proposed issue of the Shares.

Resolutions 7, 8 and 9 each relate to the Facility. Further, Resolutions 8 and 9 are each conditional on and subject to Resolution 7 being passed. The Shares to be issued pursuant to this Resolution 8 will not be issued if Resolution 7 is not passed, irrespective of the result of the voting on this Resolution 8. If Resolution 7 is passed and this Resolution 8 is not passed, the Board intends to issue the Shares the subject of this Resolution under the Company's general capacity to issue equity securities under either Listing Rule 7.1 or 7.1A.

Resolution 9

Approval of Issue of Shares to Investor

As stated in Resolution 7 above the Company is required to issue 8,000,000 Shares to the Investor, or its nominee, as collateral in respect of the Company's obligations under the Facility. The issue will bring the total number of Shares issued to the Investor as collateral pursuant to the Facility to 20,000,000. All collateral Shares will be applied against the final conversion of Convertible Notes under the Facility or, alternatively, will be purchased by the Investor.

The purchase price will be 85% of the average of the two (2) lowest daily VWAPs per Share during the fifteen (15) consecutive trading days immediately prior to the relevant conversion date notice - rounded down to 1 decimal point of 1 cent (or if the VWAP calculation results in a Share price of less than \$0.006, then 80% of that amount), however, in any event, will not be less than 80% of the VWAP for shares in that class, calculated over the last 5 days on which sales in the shares were recorded before the day on which the issue was made.

The issue of these Shares is subject to approval by shareholders at this General Meeting pursuant to Listing Rule 7.3.

In accordance with ASX Listing Rule 7.3 the following information is provided:

- (a) The number of Shares to be issued is 8,000,000.
- (b) Subject to Shareholders' approval the Shares will be issued as soon as practicable after the date of this General Meeting but in any event no later than 3 months after the General Meeting.
- (c) The Shares will be issued with a nil issue price, pursuant to the terms of the Facility as collateral in respect of the Company's obligations under the Facility.
- (d) The Shares will be issued to the Investor or its nominee.
- (e) The securities to be issued are ordinary fully paid shares ranking equally in all respects with the Company's issued shares.
- (f) The Shares are to be issued as part of the consideration under the Facility and as collateral in respect of the Company's obligations under the Facility.
- (g) A voting exclusion statement is included in this Notice.

The Board recommends Shareholders vote in favour of Resolution 9 as the effect of this approval will be that the Company's capacity to issue additional Equity Securities in the next 12 months up to 15% of its share capital in accordance with ASX Listing Rule 7.1 will not be diminished by the proposed issue of the Shares.

Resolutions 7, 8 and 9 each relate to the Facility. Further, Resolutions 8 and 9 are each conditional on and subject to Resolution 7 being passed. The Shares to be issued pursuant to this Resolution 9 will not be issued if Resolution 7 is not passed, irrespective of the result of the voting on this Resolution 8. If Resolution 7 is passed and this Resolution 9 is not passed, the Board intends to issue the Shares the subject of this Resolution under the Company's general capacity to issue equity securities under either Listing Rule 7.1 or 7.1A.

Resolution 10

Approval of Issue of Shares and Options to Stock Assist Group Pty Ltd

The Company has entered into a mandate arrangement with Stock Assist Group Pty Ltd in connection with the proposed fund raisings announced by the Company on 21 June 2016.

Pursuant to the mandate, the Company has agreed to issue 135,000,000 Shares and 67,500,000 Options to Stock Assist Group Pty Ltd in consideration for finance consulting services. The issue of these Shares is subject to approval by shareholders at this General Meeting pursuant to Listing Rule 7.3.

In accordance with ASX Listing Rule 7.3 the following information is provided:

- (a) A total of 135,000,000 ordinary fully paid shares and 67,500,000 Options over fully paid ordinary shares will be issued.
- (b) Subject to Shareholders' approval the Shares and Options will be issued as soon as practicable after the date of this General Meeting but in any event no later than 3 months after the General Meeting.
- (c) The Shares will be issued at a nominal issue price equal to the volume weighted average market price for the Shares calculated over the last 5 days on which sales in the Shares were recorded prior to issue. The Options will be issued for nil consideration.
- (d) The Options will have an exercise price of 0.5 cents each, expiring two years after the date of issue. The key terms on the Options are set out in the Schedule to this Explanatory Memorandum.
- (e) The Shares and Options will be issued to Stock Assist Group Pty Ltd.
- (f) The securities to be issued are:
 - ordinary fully paid shares ranking equally in all respects with the Company's issued shares; and
 - Options over fully paid ordinary shares.
- (g) The Shares and Options will be issued as consideration for finance consulting services.
- (h) A voting exclusion statement is included in this Notice.

The Board recommends Shareholders vote in favour of Resolution 10 as the effect of this approval will be that the Company's capacity to issue additional Equity Securities in the next 12 months up to 15% of its share capital in accordance with ASX Listing Rule 7.1 will not be diminished by the proposed issue of the Shares.

Resolution 11

Approval of Future Placements

Further to the announcement on the restructuring arrangement with the Company's major service providers on 22 February 2016, the operational improvements referred to therein and subsequently announce to ASX, and the Placement announced on 21 June 2016, the Directors would like to be in the position where additional equity can be raised.

This would further strengthen working capital and provide funds for further exploration activities.

This Resolution therefore seeks authority for the Directors to place up to that number of Shares, which when multiplied by the issue price, will raise up to \$6,000,000 in the 3 months after this meeting at the minimum price provided in the Resolution.

In accordance with ASX Listing Rule 7.3 the following information is provided:

- (a) The maximum number of Shares to be issued is that number of Shares which, when multiplied by the issue price, equals \$6,000,000. An example of the potential number of Shares that may be issued is set out below:

Issue Price	\$0.004	\$0.005	\$0.010
Potential number of Shares	1,500,000,000	1,200,000,000	600,000,000

- (b) Subject to Shareholders' approval the Shares will be issued no later than 3 months after the General Meeting. It is anticipated that a number of allotments may be made progressively.
- (c) If any placement is made under this Resolution, the pricing will be at not less than 80% of the volume weighted average market price of the Company's Shares on the ASX calculated over the last 5 days on which sales of KBL Shares were recorded prior to the date on which such Share is issued.
- (d) The proposed allottee(s) are not yet known but are likely to be institutional or sophisticated investors who are in a position to subscribe for shares without a disclosure document. No related party will participate in a placement made under the authority of this Resolution.
- (e) The securities to be issued are ordinary fully paid shares ranking equally in all respects with the Company's issued shares.
- (f) The funds raised will be used as working capital as outlined above.
- (g) A voting exclusion statement is included in this Notice.

The Board recommends Shareholders vote in favour of Resolution 11 as the effect of this approval will be that the Company's capacity to issue additional Equity Securities in the next 12 months up to 15% of its share capital in accordance with ASX Listing Rule 7.1 will not be diminished by the proposed issue of the Shares.

Resolution 12 Approval of Future Option Placements

Further to the the Placement announced on 21 June 2016, the Directors would like to be in the position where additional equity can be raised.

This would further strengthen working capital and provide funds for further exploration activities.

This Resolution therefore seeks authority for the Directors to place up to 500,000,000 Options in the 3 months after this meeting at the minimum price provided in the Resolution. The Company proposes to apply for quotation of the Options.

In accordance with ASX Listing Rule 7.3 the following information is provided:

- (a) A maximum of 500,000,000 Options will be issued
- (b) Subject to Shareholders' approval the Options will be issued no later than 3 months after the General Meeting. It is anticipated that a number of allotments may be made progressively.
- (c) If any placement is made under this Resolution, the pricing will be at not less than 80% of the volume weighted average market price of the Company's Options on the ASX calculated over the last 5 days on which sales of KBL Options were recorded prior to the date on which such Share is issued.
- (d) The proposed allottee(s) are not yet known but are likely to be institutional or sophisticated investors who are in a position to subscribe for shares without a disclosure document. No related party will participate in a placement made under the authority of this Resolution.
- (e) The securities to be issued are Options over fully paid ordinary shares and will have an exercise price of 0.5 cents each, expiring two years after the date of issue. The key terms on the Options are set out in the Schedule to this Explanatory Memorandum.
- (f) The funds raised will be used as working capital as outlined above.
- (g) A voting exclusion statement is included in this Notice.

The Board recommends Shareholders vote in favour of Resolution 12 as the effect of this approval will be that the Company's capacity to issue additional Equity Securities in the next 12 months up to 15% of its share capital in accordance with ASX Listing Rule 7.1 will not be diminished by the proposed issue of the Shares.



Glossary

In this Explanatory Memorandum and Notice of General Meeting the following expressions have the following meanings unless stated otherwise or unless the context otherwise requires:

ASX means ASX Limited ACN 008 624 691;

ASX Listing Rules means the official listing rules of ASX;

Board means the board of Directors;

Company means KBL Mining Limited ACN 129 954 365;

Corporations Act means *Corporations Act 2001* (Cth);

Directors mean the directors of the Company;

Equity Securities has the meaning given to that term in the ASX Listing Rules;

Investor means L1 Capital Global Opportunities Master Fund;

Meeting or **General Meeting** means the meeting of shareholders convened by the Notice of General Meeting;

Notice of General Meeting means the notice of general meeting to which this Explanatory Memorandum is attached;

Share means a fully paid ordinary share in the capital of the Company; and

Trading day means a day determined by the ASX to be a trading day in accordance with the ASX Listing Rules.

Schedule

Terms and conditions of options

- Each option gives the holder the right to subscribe for one ordinary share.
- The options held by the option holder are exercisable in whole or in part at any time during the exercise period. options not exercised before the expiry of the exercise period will lapse.
- Options are exercisable by notice in writing to the Board delivered to the registered office of the Company and payment of the exercise price in cleared funds.
- The Company proposes to apply for quotation on ASX of the options.
- The Company will make application for official quotation on ASX of new shares allotted on exercise of the options. Those shares will participate equally in all respects with existing issued ordinary shares, and in particular new shares allotted on exercise of the options will qualify for dividends declared after the date of their allotment.
- Options are transferable subject to any restriction or escrow arrangements imposed by the ASX or under applicable Australian securities laws.
- An option holder may only participate in new issues of securities to holders of ordinary shares in the Company if the option has been exercised and shares allotted in respect of the option before the record date for determining entitlements to the issue. The Company must give prior notice to the option holder of any new issue before the record date for determining entitlements to the issue in accordance with the ASX Listing Rules.
- If there is a bonus issue to the holders of ordinary shares in the capital of the Company, the number of ordinary shares over which the option is exercisable will be increased by the number of ordinary shares which the holder of the option would have received if the option had been exercised before the record date for the bonus issue.
- If the Company makes a rights issue (other than a bonus issue), the exercise price of options on issue will be reduced according to the following formula:

$$A = \frac{O - E [P - (S + D)]}{(N + 1)}$$

Where:

- A = the new exercise price of the option;
 - O = the old exercise price of the option;
 - E = the number of underlying ordinary shares into which one option is exercisable;
 - P = the volume weighted average market price per ordinary security recorded on the stockmarket of ASX during the five trading days immediately preceding the ex-rights date or ex entitlements date (excluding special crossings and overnight sales and exchange traded option exercises);
 - S = the subscription price for a security under the pro rata issue;
 - D = the dividend due but not yet paid on existing underlying securities (except those to be issued under the pro rata issue); and
 - N = the number of securities with rights or entitlements that must be held to receive a right to one new security.
- If, during the currency of the options the issued capital of the Company is reorganised, those options will be reorganised to the extent necessary to comply with ASX Listing Rules.



KBL MINING LIMITED



ABN 38 129 954 365



Level 3, 2 Elizabeth Plaza,
NORTH SYDNEY NSW 2060

Phone: +61 2 9927 2000

Fax: +61 2 9927 2050

www.kblmining.com.au

info@kblmining.com.au

ACN: 129 954 365

ALL CORRESPONDENCE TO:

By Mail:

Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia

By Fax:

+61 2 9290 9655

Online:

www.boardroomlimited.com.au

By Phone:

(Within Australia) 1300 737 760
(Outside Australia) +61 2 9290 9600

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded before **10:00am (Sydney time) on Tuesday 26 July 2016.**

TO VOTE ONLINE

STEP 1: VISIT www.votingonline.com.au/kblgmjuly2016

STEP 2: Enter your Postcode OR Country of Residence (if outside Australia)

STEP 3: Enter your Voting Access Code (VAC):

BY SMARTPHONE



Scan QR Code
using smartphone
QR Reader App

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1: Appointment of Proxy

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a security holder of the Company. Do not write the name of the issuer Company or the registered securityholder in the space.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the Company's securities registry or you may copy this form.

To appoint a second proxy you must:

- complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together in the same envelope.

STEP 2: Voting Directions to your Proxy

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the Company's securities registry.

STEP 3: Sign the Form

The form must be signed as follows:

Individual: This form is to be signed by the securityholder.

Joint Holding: Where the holding is in more than one name, all the securityholders should sign.

Power of Attorney: To sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: This form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person.

Please indicate the office held by signing in the appropriate place.

STEP 4: Lodgement

Proxy Forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **10:00am (Sydney time) on Tuesday, 26 July 2016.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy Forms may be lodged using the enclosed Reply Paid Envelope or:

Online www.votingonline.com.au/kblgmjuly2016

By Fax + 61 2 9290 9655

By Mail Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia

In Person Boardroom Pty Limited
Level 12, 225 George Street
Sydney NSW 2000 Australia

Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

KBL Mining Limited

ABN 38 129 954 365

YOUR ADDRESS:



This is your address as it appears on the Company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes.

Please note, you cannot change ownership of your securities using this form.

STEP 1: Appoint a Proxy

I/We being a member/s of **KBL Mining Limited** (Company) and entitled to attend and vote hereby appoint:

the **Chair of the Meeting** (mark box)

OR If you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy below.

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the General Meeting of the Company to be held at **BDO East Coast Partnership, Level 11, 1 Margaret Street, Sydney, NSW on Thursday, 28 July 2016 commencing at 10:00am (Sydney time)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

The Chair of the Meeting intends to vote all undirected proxies in favour of each Resolution. If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote, you must provide a direction by marking the 'For', 'Against' or 'Abstain' box opposite that resolution.

STEP 2: Voting Directions

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

	For	Against	Abstain*
Resolution 1 Approval of Prior Issue of Shares to APP Securities Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Approval of Prior Issue of Shares to Bernacki & Elvish Enterprises	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Approval of Prior Issue of Shares to Dovuxe Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Approval of Prior Issue of Options to Investor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Approval of Issue of Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 Approval of Issue of Shares to Investor on future Conversion of Convertible Notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 Approval of issue of further Convertible Notes to Investor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8 Approval of Issue of Shares to Investor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9 Approval of Issue of Shares to Investor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10 Approval of Issue of Shares and Options to Stock Assist Group Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 11 Approval of Future Placements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 12 Approval of Future Option Placements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STEP 3: Signature of shareholders – This section *must* be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name: Contact Daytime Telephone: Date: / / 2016



29 June 2016

Dear Noteholder,

You are recorded as the holder of 5 year, convertible notes issued by Kimberley Metals Limited now named KBL Mining Limited ("the Company") and the Trust Deed in respect of these notes provides that:

- The Company shall send to each Noteholder a copy of all reports, notices and announcements sent to holders of ordinary shares at the time they are sent to those holders of ordinary shares; and
- Noteholders may attend general meetings of the Company but the Notes do not carry a right to vote at a general meeting of the Company, unless provided for by the Listing Rules or the Corporations Act.

I am therefore pleased to enclose a copy of Notice of General Meeting of the Company to be held on Thursday 28 July 2016 and to invite you to attend this Meeting.

I thank you for your support of the Company and look forward to seeing you at the meeting.

Sincerely

Jim Wall
Chairman