
Mineral Hill – Process Plant Update

- The second concentrate filter has been installed and is now operational
- The carbon regeneration kiln in the CIL plant has been commissioned and is now operational
- Plant throughputs are being ramped up to 40tph

KBL Mining Limited (ASX: “KBL” or “the Company”) is pleased to announce that the remaining works required to allow the Mineral Hill processing plant to reach throughput rates of up to 40 tonnes per hour in the flotation and CIL circuit, have now been completed. The CIL plant kiln is also now operational resulting in overall CIL plant recoveries increasing from 10% of total ore feed pre kiln installation, up to 15% (an additional 60% - 65% of gold is recovered in the flotation plant bringing overall recovery up to 70% -75%)

Flotation Plant

The existing Mineral Hill Process Plant generates a saleable metal concentrates through flotation. Under the Quintana financing entered into in 2015, allowances were made to modify the flotation circuit to realise an increase in the concentrate produced. The installation of the second pressure filter, which removes moisture from the thickened concentrates, increases the flotation plant throughput capacity from 25-30 tonnes per hour, up to 40 tonnes per hour. This filter was sourced in December 2015, with the original planned installation set for January 2016. Actual installation took place over a four week period in February with commissioning taking place in early March.

The second concentrate filter (manufactured by Diemme of Italy) has now been installed, commissioned by the manufacturer, and is operating satisfactorily, producing concentrate at design rates, and at a moisture content suitable for shipment. The flotation section of the plant is now operating at capacity.



Second Concentrate Filter in operation

CIL Plant

A second project which has been delayed is the CIL plant carbon regeneration kiln. Carbon is used in the cyanide leach process to absorb gold from the leach solution. The purpose of the kiln is to regenerate carbon so adsorption rates for the recovery of gold are maximised.

The kiln was originally planned to be commissioned in December 2015 however the commissioning process was delayed due to contractor availability.

The kiln, supplied by Heat Systems (WA based), is now also working well, with regenerated carbon activities of up to 90%, allowing the CIL (carbon in leach) section of the plant to operate as per design and increase overall CIL plant recoveries from 10% of total ore feed pre kiln installation to up to 15%.



Carbon Regeneration Kiln in operation

Greg Starr KBL's Managing Director said *"with these final pieces of equipment now installed and operational, we are now in a position to maximise cash generation from our Mineral Hill Gold Operation."*

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.