

KBL pours first Gold at Mineral Hill

KBL Mining Limited (ASX: “KBL” or “the Company”) is proud to announce that it has produced, smelted and sold the first 497 ounces of gold dore from its Mineral Hill mine in NSW.

The gold pour marks a significant mile stone as over the last eight months the Company has moved from being an underground operation to a 100% surface gold and silver producer. During this time the existing flotation plant capacity was doubled and commenced production of a gold concentrate and a new CIL circuit installed. The process plant now has the flexibility to float gold concentrates, leach gold ores, float copper, lead and zinc concentrates, all through separate circuits providing the ability to treat ores separately from the polymetallic gold, silver, copper, lead and zinc lodes contained within the 10 year resource base. Significant underground development has recently been completed to access future underground lodes within the Southern Ore Zone.

While the gold pour was a milestone, the Company sees that there is a significant opportunity for improved results as the quantity of pour was less than anticipated. As a result, it is thoroughly reviewing its ongoing practices.

The current focus is the high grade (6.5 g/t Au) Pearse open cut operation with the movement of over 800,000 BCM of over burden (waste) exposing the full strike of the Pearse lode. With the majority of waste removed KBL can reduce the equipment size to excavate and transport ore to the process plant some 850 metres from the pit. This has placed KBL in a unique position for the first time with stock piled oxide and sulphide ore ahead of the process plant.

Some 86,586 tonnes of ore has been extracted from the Pearse deposit and processed through the Mineral Hill process plant at a rate of 400,000 tonnes per annum compared to the long term average throughput rate of 300,000 tonnes per annum. The initial three months of mining was prior to the CIL plant operating and required the oxide ore to be stockpiled and the free milling component of the tails stored for processing when the CIL was commissioned. Sulphide ore was processed through the two mills to produce a gold concentrate for export to China. KBL has to date produced and exported some 3,617 tonnes of concentrate, containing approximately **two ounces gold** and **ten ounces silver** per tonne.

Moving forward the geological team are continuing to evaluate several other targets on the Mineral Hill property, located near to the flotation and CIL processing facilities, which have the potential to add further resources. Mineral Hill is highly underexplored in terms of modern exploration, as evidenced by recent discoveries of Red Terror, Pearse and Pearse North.



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About KBL Mining

KBL Mining is an Australian resource Company listed on the ASX (KBL and KBLGA) with a focus on producing precious and base 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 2013 commenced producing a separate lead-silver concentrate. 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. A PFS for stage 1 of the project (400,000tpa open cut ore processed) was released on 6 December 2012. Environmental approvals for stage 1 were granted in 2014. A BFS is in progress to be followed by project financing.

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