



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
Website: www.kblmining.com.au

ACN 129 954 365

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

Litigation Update

KBL Mining Limited (**Company** or **KBL**) advises that it has reached agreement with Kidman Mining Pty Ltd (a subsidiary of Kidman Resources Limited) (**Kidman**) for Kidman to discontinue the legal proceedings that it brought against KBL, certain of its Directors and their related entities in the Victorian Supreme Court, with all parties to bear their own costs. The proceedings pertain to an application by Kidman as to the validity of the amendments to the Convertible Note Trust Deed for KBL's Convertible Notes (ASX Code KBLGA) that were approved by Noteholders on 6 January 2015 (**Note Proceedings**).

The Company and Kidman have also agreed that KBL's proceedings against Kidman in the NSW Supreme Court will be discontinued with no order as to costs (**NSW Proceedings**). The remaining defendant in the NSW Proceedings is RIKID511 Pty Ltd (a subsidiary of KBL's former lender, Capri Trading Pty Ltd (**Capri**)). The dispute is in relation to interest and expenses claimed by Capri in respect of the Capri loan repaid by KBL on 16 March 2015. The matter is to be heard by the Court on 8 and 9 April 2015.

Proceedings brought by the Company against Kidman to enforce an earlier settlement of the Note Proceedings and Kidman's involvement in the NSW Proceedings (**Settlement Proceedings**) has also been agreed to be discontinued on the basis that Kidman will pay KBL's costs in the Settlement Proceedings.

Yours Faithfully

A handwritten signature in black ink, appearing to read 'Brian Wesson', with a horizontal line drawn underneath it.

Brian Wesson
Managing Director