

KBL puts first slurry through new CIL gold plant

KBL Mining Limited (ASX: “KBL” or “the Company”) is pleased to announce that the CIL gold processing plant has commenced operations.

As reported to the market, the planned shutdown on 19 November successfully connected the CIL into the back end of the process plant to allow it to come online. The new innovative cyanide handling system was commissioned and slurry from the flotation tails fed through the plant. Carbon will be added in the next two days and the CIL will move to full production. The plant will be run at 30 tonnes an hour, fed from the flotation tails and subsequently oxide ore will be introduced to bring the throughput up to 50 tonnes per hour.

The plan is to continue to treat 30 tonnes per hour of 6.5 grams per tonne of sulphide ore through ‘Ball Mill One’ and the flotation plant, with recovery of up to 70% of the gold to float concentrate. With the CIL coming online, a further 15% of the gold will be recovered to doré (gold bars) by the CIL treatment of the float tails. A further 20 tonnes per hour of oxide ore will be treated through ‘Ball Mill Two’ directly to the CIL that is scheduled to recover 97% of the 3 to 4 grams of gold per tonne oxide feed grade.

As the open cut Pearse ore has a Lower Bond Work Index than underground ore, throughput is expected to exceed the 300,000 tonnes per annum achieved on underground ore. Gold production is expected to be around 30,000 ozs per annum with C1 cost at Mineral Hill ranging between \$500 and \$600/oz of gold.

The first gold pour from the new plant is scheduled for December 2015.

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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.