
Pearse North – Regulatory Approvals Update

KBL Mining Limited (ASX: “KBL” or “the Company”) is pleased to announce completion and submission of the Statement of Environmental Effects for the Pearse North deposit. This document represents the final major work required to support regulatory approval for the commencement of mining at Pearse North.

Pearse North

The Pearse North deposit, approximately 200 metres northwest of the operating Pearse open cut gold mine, is a shear-hosted epithermal gold–silver deposit of the same style as Pearse. In June, the Company announced a maiden Ore Reserve Estimate for the deposit comprising **179kt at 2.5g/t gold and 21g/t silver** (at a cut-off of 1g/t Au for Oxide & 1.5g/t for Transitional and Fresh)¹.

Approvals Process

Marking the final submission on behalf of the Company, the Statement of Environmental Effects comprises a comprehensive review by industry experts as to the environmental implications and management strategies supporting mine planning at Pearse North. Positively, the document highlights significant benefits for the local community with continued employment of 50 personnel in addition to some 30 contract staff.

To date, the approvals process has progressed as planned and the Board remain optimistic that with provision of the final documentation, approvals for the Pearse North development will be received late 2016.

In consideration of market conditions, KBL are focussed on the exploitation of shallow, open pit gold opportunities with further resource definition drilling to occur in parallel with mining operations targeting a return to underground polymetallic production in the future.

¹ The Pearse North Mineral Reserve estimate of 179kt at 2.5g/t gold and 21g/t silver (at a cut-off of 1g/t Au for Oxide & 1.5g/t for Transitional and Fresh as released on 16 June 2016 under JORC2012) is inclusive of Proven and Probable Reserve categories. Please refer to Table 1 for a complete summary of reserve classification.

Table 1. The maiden Ore Reserve estimate for the Pearse North deposit (at a cut-off of 1g/t Au for Oxide & 1.5g/t for Transitional and Fresh) detailed by Reserve category and oxidation state. Note small rounding errors may have occurred in the compilation of this table.

Classification	Tonnes (thousands)	Density	Grade				Contained Metal	
			Au (g/t)	Ag (g/t)	As ppm	Sb ppm	Au (oz)	Ag (oz)
Proved	55	2.54	2.3	17	2348	372	4,000	31,100
Probable	124	2.54	2.6	22	2122	402	10,500	87,100
Total	179	2.54	2.5	21	2192	393	14,500	118,200

Oxidation	Tonnes (thousands)	Density	Grade				Contained Metal	
			Au (g/t)	Ag (g/t)	As ppm	Sb ppm	Au (oz)	Ag (oz)
Oxide	80	2.45	1.9	11	2140	313	4,900	27,800
Transitional	43	2.57	3.5	27	2100	401	4,800	37,400
Fresh	57	2.65	2.6	29	2335	499	4,800	53,000
Total	179	2.54	2.5	21	2192	393	14,500	118,200

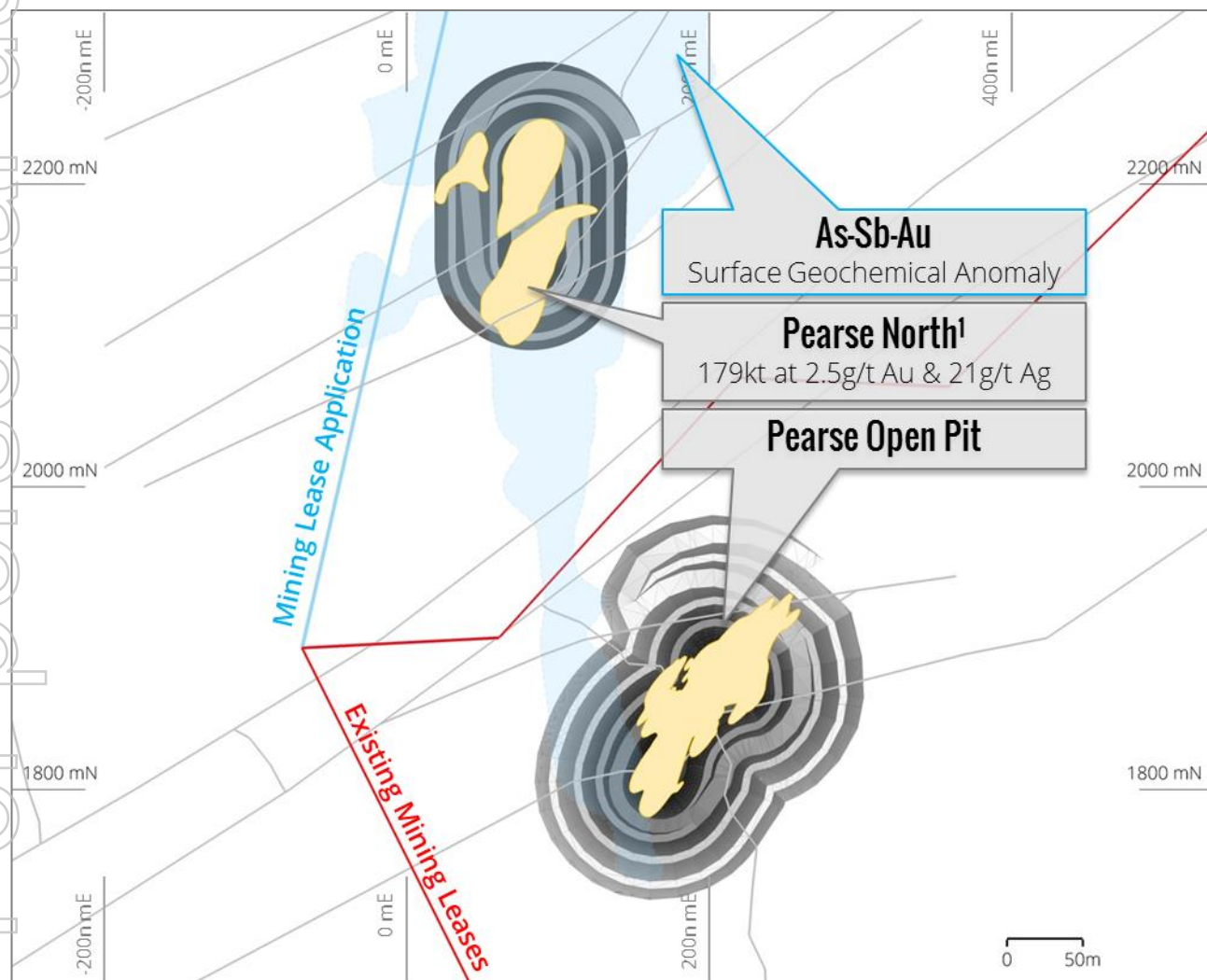


Figure 1. The Pearse-Pearse North corridor illustrating the current Pearse Open Pit relative to the Pearse North proposed open pit as supported by the Ore Reserve Estimate. Note the Mining Lease application over the Pearse North deposit was lodged in March 2016.

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.

Competent Persons Statement

The information in this report that relates to drilling results and Mineral Resources is based on information compiled by Owen Thomas, BSc (Hons), who is a Member of the Australian Institute of Mining and Metallurgy and is a full time employee of the Company. Mr Thomas has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 & 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Mr Thomas consents to the inclusion in the announcement of the matters based on his information in the form and context that the information appears.

The information in this report that relates to Ore Reserve Estimation is based on information compiled by Peter Gilligan, BSc Eng.(Hons)(Lond),ARSM,MBA who is a Member of the Australian Institute of Mining and Metallurgy and is a full time employee of the Company. Mr Gilligan has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 & 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Mr Gilligan consents to the inclusion in the announcement of the matters based on his information in the form and context that the information appears. .