Opportunity to acquire the

ASSETS OF KBL MINING LIMITED
(RECEIVERS AND MANAGERS APPOINTED) (ADMINISTRATORS APPOINTED)

Highlights

Mineral Hill Project (Condobolin region NSW, Australia 100% Owned)
- JORC compliant resources including:
  - Pearse North | 298kt at 2.7g/t Au & 26g/t Ag (inclusive of measured, indicated & inferred resource categories includes sulphide and oxide ore types)
  - A Lode | 500kt at 0.7% Cu, 3.2% Pb, 3% Zn, 32g/t Ag & 0.9g/t Au (inclusive of measured, indicated & inferred resource categories)
  - Ore Reserves comprising 263kt at 3.2g/t gold and 41g/t silver (inclusive of proven and probable ore reserve categories & depleted for mining till 16 September 2016)
  - Fully developed open pit and underground mining operation
  - 330,000 tpa flotation circuit, capable of treating both gold and base metal sulphide ore types
  - 400,000tpa CIL circuit (completed in 2016) producing gold dore
  - Production between 1989 – 2016 includes 394,500 ozs Au and 32,500t Cu
  - Immediate open pit gold and underground base metal production potential
  - New Pearse North Mining Lease grant expected shortly
  - Under explored with a number of high priority exploration targets on mining lease adjacent to existing mined areas

KBL Sorby Hills Pty Ltd (Sorby Hills Project, Kununurra region, WA, Australia 75% JV Interest)
- JORC compliant Resources comprising 16.5Mt at 53g/t Ag, 4.7% Pb & 0.7% Zn (inclusive of measured, indicated & inferred resource categories)
- Probable Ore Reserves comprising 2.4Mt at 54g/t Ag & 5% Pb
- Established mining leases and environmental approval

KBL Mining Limited ("KBL") (Receivers and Managers Appointed) (Administrators Appointed) is seeking expressions of interest for the acquisition or restructure/recapitalisation (of the company) of its advanced asset portfolio including:

MINERAL HILL PROJECT (CONDOBOLIN REGION NSW, AUSTRALIA 100% OWNED)
Mineral Hill is located 65 kilometres north of Condobolin in central NSW and comprises 19 granted mining leases enclosed by a single exploration licence. The tenement package covers some 340km² with additional exploration tenure adjacent to the primary project area (Walkers Hill Tenement EL8334).

With a shallow reserve base of 263kt at 3.2g/t gold and 41g/t silver (inclusive of proven and probable ore reserve categories), significant opportunity exists to capitalise on a proven processing plant for the realisation of expedient cash flow.
Resources & Reserves

JORC compliant resources including:

- **Pearse North** | 298kt at 2.7g/t Au & 26g/t Ag (inclusive of measured, indicated & inferred resource categories oxide ore which is treated directly through the CIL plant)
- **Pearse** | 153kt at 5.4g/t Au & 97g/t Ag (inclusive of measured, indicated & inferred resource categories & depleted for mining till 30 June 2016 and primarily sulphide ore where a concentrate is produced through the flotation circuit with the flotation tail further processed through the CIL plant)
- **A Lode** | 500kt at 0.7% Cu, 3.2% Pb, 3% Zn, 32g/t Ag & 0.9g/t Au (inclusive of measured, indicated & inferred resource categories)
- **G & H Lodes** | 438kt at 1.2% Cu & 2.1g/t Au (inclusive of measured, indicated & inferred resource categories)

JORC compliant ore reserves:

- 263kt at 3.2g/t gold and 41g/t silver (inclusive of proven and probable ore reserve categories & depleted for mining till 16 September 2016)

Production

- Processing Method: Conventional crush–grind–froth flotation with CIL finish (can be configured for the simultaneous production of separate saleable copper, lead and zinc concentrates plus dore from the CIL)
- Nominal Treatment Rate: 300–330ktpa

Mining Potential

Open pit mining of remaining ore reserve in Pearse Pit (12,800oz Au & 228,400oz Ag) can recommence immediately, followed by Pearse North deposit (14,500oz Au & 118,200oz Ag).

Underground mining of SOZ base metal lodes can also commence in short order. Drilling intersections include:

- 17.3m at 1.6% Cu, 1.4% Pb, 0.3% Zn, 21g/t Ag, & 3.7g/t Au and
- 42.7m at 2.5% Cu, 18.7% Pb, 10.3% Zn, 132g/t Ag, & 1.4g/t Au (KUSOZ053)
- 34m at 1.1% Cu, 4.5% Pb, 4.5% Zn, 43g/t Ag, & 0.4g/t Au (KUSOZ054)

Exploration Potential

The project lies in the western portion of the Lachlan Fold Belt at the juncture of two regionally important structures; the Gilmore Suture and Lachlan Transfer Zone. Mineral Hill represents an extensive system containing multiple high-grade, low tonnage ore bodies.

In terms of modern exploration, Mineral Hill is considered highly under-explored and while subject to extensive historical drilling, recent discoveries of Pearse and Red Terror have emphasised significant near surface potential with just 2% of drillholes testing beyond 350 metres below surface - the average drillhole depth is just 90 metres.

A number of high priority exploration targets have been identified by the company and include:

- **Pearse Corridor** | A highly prospective, yet underexplored zone defined by an extensive As-Sb-Au soil anomaly and hosting a pre-mining metal inventory of 66,450oz gold and 657,950oz silver between the Pearse and Pearse North deposits
- **Jacks Hut** | Comprising vein-style and stockwork copper mineralisation, the Jacks Hut conceptual exploration target has been estimated at 500-550kt at 1.4-1.6% Cu (at a 1% Cu cut-off). The target is adjacent to the high grade breccia core
mined by Triako Resources Ltd yielding 11.9kt copper and 80koz gold.

- **Conceptual Structural Targets**: Numerous conceptual exploration targets have been developed through an inferred structural architecture. These are largely related to untested zones beneath sequences of Devonian cover and include the Ashes West Graben, Q Fault Skarn & Parker's Hill East Anomaly.

**Recent History**

Under the ownership of ASX listed Triako Resources Limited (1989-2005) 2.1Mt ore was treated at an average grade of 6.4g/t Au and 1.1% Cu, for the recovery of some 20,000 tonnes of copper and 360,000 ounces of gold. KBL acquired the project in 2009 and resumed production in September 2011. As at June 2016 KBL's production at Mineral Hill totalled 12,498t copper, 3,566t lead, 1,472t zinc, 34,507oz gold and 615,160oz silver.

**Site Infrastructure**

The Mineral Hill site includes all infrastructure necessary to support a 330kt tonnes per annum mining operation including tails dams, workshops and offices.

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**KBL SORBY HILLS PTY LTD (SORBY HILLS PROJECT, KUNUNURRA REGION WA, AUSTRALIA 75% JV INTEREST)**

Considered one of the largest undeveloped, near surface silver-lead-zinc resources in Australia, Sorby Hills is located just 50 kilometres north of Kununurra in Western Australia. The project is poised for development with established infrastructure including proximity to the Wyndham port, water supply and sealed access.

KBL’s 100% owned subsidiary, KBL Sorby Hills Pty Ltd has a 75% interest in the project through an unincorporated joint venture. The project consists of five granted mining leases, of which KBL Sorby Hills Pty is registered as a 75% holder, with environmental approval received for Stage one operations.

**Resources & Reserves**

- JORC compliant resources including:
  - 16.5Mt at 53g/t Ag, 4.7% Pb & 0.7% Zn (inclusive of measured, indicated & inferred resource categories)
- JORC compliant ore reserves:
  - 2.4Mt at 54g/t Ag & 5% Pb (Probable)

**Proposed Production**

- Processing Method: Conventional crush-grind-flotation
- Nominal Treatment Rate: Targeting 400kt/a

**Exploration Potential**

Sorby Hills is a classic sediment hosted Mississippi Valley Type (MVT) deposit defined by a series of high grade silver-lead-zinc pods occurring within a broader north-south mineralised corridor. The system extends over 8 kilometres with recent exploration having focussed on just 1.5km of the greater mineralised trend; highlighting opportunity for further resource upgrade and expansion.

Contributing to the strong economic viability, defined resources at Sorby Hills exist as shallow as 20 metres below surface, allowing solely focussed open pit operations for Stage one development.

**Transaction Process**

Interested parties can receive more detailed information by registering their interest with Ferrier Hodgson and executing a Confidentiality Deed and associated process documentation in order to be provided with a copy of the Information Memorandum and access to the Virtual Data Room.

Confidential enquiries can be made to Lauren McCann at Ferrier Hodgson (phone +61 8 9214 1444) or email kblminingsale@fh.com.au.

**SUBMISSION OF OFFERS ARE REQUESTED BY 5PM (AWST) FRIDAY 4TH NOVEMBER 2016.**