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ACN 129 954 365

9 April 2015

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

Notice of General Meeting

Enclosed is a copy of the Notice of Meeting and Proxy Form for a General Meeting of the Company to be held on 8 May 2015.

Holders of convertible notes (KBLGA) are also entitled to attend the Meeting but have no right to vote and a copy of the invitation to noteholders is also enclosed. These documents are being mailed today.

Yours Faithfully

A handwritten signature in black ink, appearing to read 'Ivo Polovineo', written in a cursive style.

Ivo Polovineo
Company Secretary

Notice of General Meeting and Proxy Form

Date of Meeting:

8 May 2015

Time of Meeting

10 am (Sydney Time)

Place of Meeting

**BD0 East Coast Partnership,
Level 11, 1 Margaret Street,
Sydney NSW 2000**

For personal use only

Notice of General Meeting

NOTICE IS HEREBY GIVEN that a General Meeting of the shareholders of KBL Mining Limited, ACN 129 954 365 (the "Company" or "KBL"), will be held at **BDO East Coast Partnership, Level 11, 1 Margaret Street, Sydney, NSW 2000** on Friday, 8 May 2015 commencing at 10.00 am for the purpose of transacting the following business.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered shareholders of the Company at 7.00 pm (Sydney time) on 6 May 2015.

Votes at the General Meeting may be given personally or by proxy, attorney or representative and further information on applicable requirements is set out at the end of this Notice and on the enclosed personalised Proxy Form.

Agenda

Resolution 1

Approval for the Prior Placement of Options as announced on 16 March 2015 (ordinary resolution)

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That approval is hereby given, for the purpose of ASX Listing Rule 7.4 and all other purposes, to the issue of 49,080,785 unlisted options to Quintana KBL Holding Company LLC (announced on 16 March 2015) each entitling the holder to subscribe for and be issued 1 fully paid, ordinary share in the Company (ranking equally in all respects with the Company's then issued shares) on payment of 2.47 cents prior to 16 March 2018.

Voting Exclusion

The Company will, in accordance with the Listing Rules of the ASX, disregard any votes cast on this Resolution by Quintana KBL Holding Company LLC and any of its associates. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form, or if it is cast by a person chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on a proxy form to vote as the proxy decides.

Explanatory Note

On 16 March 2015 the Company announced it had issued 49,080,785 unlisted options to Quintana KBL Holding Company LLC each entitling the holder to subscribe for and be issued 1 fully paid ordinary share in the Company (ranking equally in all respects with the Company's then issued shares) on payment of 2.47 cents prior to 16 March 2018. ("the Options"). This issue was pursuant to the Metals Purchase Agreement ("the Quintana MPA") between Quintana Mineral Hill Streaming Company LLC ("Quintana"), the Company and KBL subsidiary, Newincco 1347 Limited, which commenced on 16 March 2015.

ASX Listing Rule 7.1 precludes the Company issuing securities representing more than 15% of its issued capital (subject to certain exceptions) in any 12 month period unless it obtains shareholder approval. Although the placement of the Options was within the Company's capacity under ASX Listing Rule 7.1 when made, the issue diminishes the Company's future placement capacity. ASX Listing Rule 7.4 permits the Company to now seek approval of this placement from shareholders and the effect of approval will be to restore the Company's 15% placement capacity to the extent it has been diminished by this issue.

In accordance with ASX Listing Rule 7.5, the following information is provided;

- 49,080,785 Options were issued.
- There was no specified issue price for the Options as they were issued in consideration of Quintana entering into the Quintana MPA.
- The terms of the Options are set out in the Option Deed at Schedule 1 to this Notice.
- The Options were issued to Quintana KBL Holding Company LLC, being the entity nominated by Quintana.
- No funds have been raised on issue of the Options except that the issue was a requirement of the MPA under which an initial payment of \$US13.6 million was made by Quintana to KBL on 16 March 2015. As and when the Options are exercised, exercise moneys will be used as working capital.

Resolution 2

Approval of Future Placements (ordinary resolution)

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That for the purposes of ASX Listing Rule 7.1 and for all other purposes, the Company approves and authorises the placement by Directors of up to 74,364,826 ordinary fully paid shares in the Company to one or more places not later than 3 months after the date of this meeting, each share to be issued at not less than 80% of the volume weighted average market price of the Company’s shares on the ASX calculated over the last 5 days on which sales of KBL shares were recorded prior to the date on which such share is issued.”

Voting Exclusion

For the purpose of this Resolution, the Company will, in accordance with the Listing Rules of the Australian Securities Exchange, disregard any votes cast on the Resolution by any person who may participate in the proposed placements and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed and an associate of that person (or those persons). However the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form or if it is cast by a person chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on a proxy form to vote as the proxy decides.

Explanatory Note

With the commencement of the Quintana MPA which has enabled KBL to repay \$12.6 million of term debt and which will progressively release an additional \$US9.4 million, the Company is now engaged on a significant improvement programme at the Mineral Hill Mine. This is focussed on open pitting the Pearse gold deposit, installing a CIL circuit so the processing plant can produce dore gold, adding a lead cleaner circuit and a zinc circuit and other underground mining improvements. The Directors anticipate that the expected strong cash flows from these initiatives will lead to the Company’s shares being rerated. The Directors would like to be in the position where additional equity can be raised. This would further strengthen working capital and may, in particular, enable the Company (with 25% JV partner Yuguang (Australia) Pty Ltd) to do further drilling at the Sorby Hills silver lead Project to increase Reserves/ Resources. This Resolution therefore seeks authority for the Directors to place up to 74,364,826 shares (approximately 15% of the Company’s current issued shares) in the 3 months after this meeting at the minimum price provided in the Resolution.

ASX Listing Rule 7.3 requires certain information to be disclosed in relation to this Resolution and this is as follows: If any placement is made under this Resolution, the pricing will be at not less than 80% of the volume weighted average market price of the Company’s shares on the ASX calculated over the last 5 days on which sales of KBL shares were recorded prior to the date on which such share is issued. Clearly, the Directors will seek to maximise the placement price and, in this context, over the 3 months up to 31 March 2015, the Company’s closing share price on the ASX has ranged from a low of 1.8 cents to a high of 3.3 cents.

The proposed allottee(s) are not yet known but are likely to be institutional or sophisticated investors who are in a position to subscribe for shares without a disclosure document. No related party will participate in a placement made under the authority of this Resolution. In addition, all shareholders who vote on this Resolution (and their associates) will be prohibited from subscribing for any shares to be placed under this Resolution. Accordingly, all shareholders who intend (or have associates that intend) to subscribe for any new shares which may be offered pursuant to this Resolution should abstain from voting.



The shares to be issued will be ordinary fully paid shares ranking equally in all respects with the Company's current issued shares. ASX quotation will be sought for the shares which are issued under the authority of this Resolution. The funds raised will be used as working capital as outlined above. No shares will be issued for non cash consideration. It is anticipated that a number of allotments will be made progressively. The effect of this approval will be that the Company's capacity to issue additional shares in the next 12 months up to 15% of its capital in accordance with ASX Listing Rule 7.1 will not be diminished by the proposed placements.

Resolution 3

Election of Oliver Rodz as a Director (ordinary resolution)

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That Mr Oliver Rodz be elected a Director of the Company."

Explanatory Note

Mr Rodz was appointed as a Director on 16 March 2015 as an addition to the existing Directors and the Company's Constitution requires that a Director so appointed must retire from office at the next General Meeting following his or her appointment. The Constitution further provides that such a Director is eligible for re-election and may be re-elected by resolution of the Company. Mr Rodz has consented to re-election.

Oliver Rodz (aged 43) is an energy and natural resources executive and investment professional with an extensive background in corporate and field operations, cross-border transactions, M&A, P&L management and board governance. Mr Rodz holds a B.A- International Relations (U of South Florida) and a JD (Northwestern School of Law at Lewis and Clark College). He is a member of the Oregon State Bar.

Mr Rodz joined the Quintana Minerals Corporation group of companies ("Quintana") in 2010, and serves Quintana as a Managing Director and President of the Quintana Resources Holdings LP affiliate, as well as a member of the board of directors of several of Quintana's portfolio companies

The Metals Purchase Agreement between the Company and Quintana provides for the Company to take all necessary corporate actions to ensure that the KBL Board include 3 nominees of Quintana and Mr Rodz has been nominated by Quintana.

Resolution 4

Election of David Laing as a Director (ordinary resolution)

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

"That Mr David Laing be elected a Director of the Company."

Explanatory Note

Mr Laing was appointed as a Director on 16 March 2015 as an addition to the existing Directors and the Company's Constitution requires that a Director so appointed must retire from office at the next General Meeting following his or her appointment. The Constitution further provides that such a Director is eligible for re-election and may be re-elected by resolution of the Company. Mr Laing has consented to re-election.

Mr Laing (aged 59) is a mining engineer with over 35 years of experience in diverse mining operations, project development, engineering studies, mining finance, investor relations, M&A and corporate development, in both base and precious metals. Mr Laing joined the Quintana group in 2014, and serves as Executive Vice President and COO. of Quintana Resources Capital ULC. Mr Laing holds a B.Sc. Mining Engineering (University of London) and is a graduate of the Royal School of Mines.

The Metals Purchase Agreement between the Company and Quintana provides for the Company to take all necessary corporate actions to ensure that the KBL Board include 3 nominees of Quintana and Mr Laing has been nominated by Quintana.

Resolution 5

Election of Lawrence Roulston as a Director (ordinary resolution)

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That Mr Lawrence Roulston be elected a Director of the Company.”

Explanatory Note

Mr Roulston was appointed as a Director on 16 March 2015 as an addition to the existing Directors and the Company's Constitution requires that a Director so appointed must retire from office at the next General Meeting following his or her appointment. The Constitution further provides that such a Director is eligible for re-election and may be re-elected by resolution of the Company. Mr Roulston has consented to re-election.

Mr Roulston (aged 61) is a geologist, with engineering and business training, and more than 25 years of hands-on experience in the resource industry.. After completing his studies at the University of British Columbia in 1975, Mr. Roulston worked as an analyst for Cominco Ltd. and for a mid-sized Calgary oil group for several years. In 1984 he became the CFO for a group of mineral exploration companies. He was also vice-president in an investment management firm focused on the resource industry. From 1994 to 1997, he was CEO and director of a mineral exploration company. Since then, he has been a resource industry consultant and independent mining analyst.

The Metals Purchase Agreement between the Company and Quintana provides for the Company to take all necessary corporate actions to ensure that the KBL Board include 3 nominees of Quintana and Mr Roulston has been nominated by Quintana.

Proxies

A personalised Proxy Form accompanies this Notice and it should be noted that;

- (a) Votes at the General Meeting may be given personally or by proxy, attorney or representative;
- (b) Each shareholder has a right to appoint one or two proxies;
- (c) A proxy need not be a shareholder of the Company;
- (d) If a shareholder is a company it must execute under its common seal or otherwise in accordance with its constitution;
- (e) Where a shareholder is entitled to cast two or more votes, the shareholder may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise;
- (f) If a shareholder appoints two proxies, and the appointment does not specify the proportion or number of the shareholder's votes, each proxy may exercise half of the votes. If a shareholder appoints two proxies, neither proxy may vote on a show of hands;
- (g) A proxy must be signed by the shareholder or his or her power of attorney who has not received any notice of revocation of the authority. Proxies given by corporations must be signed in accordance with the Company's Constitution and the Corporations Act.
- (h) To be effective, proxy forms must be received by the Company's share registry (Boardroom Pty Limited) no later than 48 hours before the commencement of the General Meeting, that is no later than 10.00 am Sydney time on Wednesday, 6 May 2015. Any proxy form received after that time will not be valid for the scheduled meeting.

Hand Delivery

Boardroom Pty Limited
Level 7, 207 Kent Street
SYDNEY NSW 2000

By Mail

Boardroom Pty Limited
GPO Box 3993
SYDNEY NSW 2001

By Facsimile

(02) 9290 9655



Corporate Representative

Any corporate shareholder who has appointed a person to act as its corporate representative at the Meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company and/or registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative

By order of the Board



Ivo Polovineo

Company Secretary

Dated: 9 April 2015

r personal use only



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North Sydney NSW 2060
Telephone: +61 2 9927 2000
Facsimile: +61 2 9927 2050
info@kblmining.com.au
www.kblmining.com.au

Option Deed

Dated 16 March 2015

KBL Mining Limited (ACN 129 954 365) (Company)

Quintana KBL Holding Company LLC (Option Holder)

Option Deed

Contents

Details	1
General terms	2
1 Interpretation	2
1.1 Definitions	2
1.2 Metals Purchase Agreement definitions	3
1.3 Interpretation	3
1.4 Business Days	4
2 Option	5
2.1 Grant of Option	5
2.2 Option is divisible	5
2.3 Lapse of Option	5
3 Exercise of Option	5
4 Completion	5
4.1 Steps to occur at Completion	5
4.2 Representations and undertakings of the Company	6
5 Mandatory provisions	7
5.1 Reconstruction of issued shares	7
5.2 No reconstruction without consent	7
5.3 New issues of shares by the Company	7
5.4 Pro rata / bonus issues	7
6 Representations and warranties	8
6.1 The Company's representations and warranties	8
6.2 Reliance	8
7 Undertakings	9
7.1 General undertakings	9
7.2 Specific performance	9
8 Further steps	9
9 General	9
9.1 Payments free from encumbrance	9
9.2 Assignment	9
9.3 No liability for loss	10
9.4 Indemnities	10
9.5 Costs	10
9.6 Notice	10
9.7 Counterparts	10
9.8 Governing law	10
Schedule 1 - Exercise Notice (clause 3)	11
Signing page	12

Option Deed

Details

Parties

Parties	Company and Option Holder	
Company	Name	KBL Mining Limited
	ACN	129 954 365
	Address	Level 3, 2 Elizabeth Plaza, North Sydney NSW 2060
	Fax	61 2 9927 2050
	Email	stevelonergan@kblmining.com.au and info@kblmining.com.au
	Attention	Company Secretary
Option Holder	Name	Quintana KBL Holding Company LLC
	Address	c/o Quintana Minerals Corporation, 601 Jefferson Street, Suite 3600, Houston, Texas 77002
	Fax	(281) 657 8047
	Email	orodz@quintanaminerals.com
	Attention	Oliver Rodz
Date of deed	See Signing page	

Option Deed

General terms

1 Interpretation

1.1 Definitions

These meanings apply unless the contrary intention appears:

Authorised Officer means:

- (a) in the case of the Option Holder, a director or secretary, or an officer whose title contains the word "director", "partner", "chief", "head", "president" or "manager" or a person performing the functions of any of them, or any other person nominated by the Option Holder as an Authorised Officer for the purposes of this deed; and
- (b) in the case of the Company, a director or secretary or any other person appointed by the Company to act as an Authorised Officer under this deed.

ASX means the Australian Securities Exchange.

ASX Listing Rules means the Australian Securities Exchange Listing Rules.

Business Day means a day on which banks are open for general banking business in Sydney (not being a Saturday, Sunday or public holiday in that place).

Cleansing Notice means the notice given to ASX by the Company under section 708A(5)(e) of the Corporations Act in respect of each issue of Shares, meeting the requirements of section 708A(6) of the Corporations Act.

Company means the person so described in the Details.

Constitution means, in respect of the Company, the constitution of the Company.

Corporations Act means the *Corporations Act 2001* (Cth).

Details means the section of this deed headed "Details".

Effective Date means the date upon which the Option Holder delivers a completed Exercise Notice to the Company in accordance with clause 3.

Encumbrance means any mortgage, charge, pledge, lien, assignment for the purpose of security, hypothecation, security interest, title retention, trust arrangement, contractual right of set-off or any other security deed or arrangement in favour of any person.

Exercise Notice has the meaning in clause 3.

Exercise Period means the period from the Commencement Date to (and excluding) the Expiry Date.

Exercise Price is \$0.0247.

Expiry Date is three years from the Commencement Date.

Law means any law, regulation, treaty or official directive.

Metals Purchase Agreement means the document entitled "Metals Purchase Agreement" dated on or about 9 March 2015 between the Company, the Seller and the Purchaser.

Option means the call option granted under clause 2.1.

Option Completion Date means 5 Business Days after the Effective Date or such other date the parties agree in writing.

Option Holder means the person so described in the Details.

Purchaser means Quintana Mineral Hills Streaming Co LLC of c/o Quintana Minerals Corporation, 601 Jefferson Street, Suite 3600, Houston, Texas 77002 .

Relevant Shares has the meaning given in clause 4.1(a).

Seller means Newincco 1347 Limited, a company incorporated in the United Kingdom with company number 09374056, of c/- Olswang Cossec of 90 High Holborn, London WC1V6XX United Kingdom which is a fully owned subsidiary of the Company.

Share Purchase Plan means the share purchase plan of the Company announced on 7 November 2014 which closed on 6 February 2015, as amended.

Shares means 49,080,785 fully paid ordinary shares issued by the Company.

Taxes means taxes, levies, imposts, charges and duties (including stamp and transaction duties) imposed by any authority together with any related interest, penalties, fines and expenses in connection with them, except if imposed on, or calculated having regard to, the net income of the Option Holder.

1.2 Metals Purchase Agreement definitions

Definitions in the Metals Purchase Agreement apply in this deed unless the context requires otherwise or the relevant term is defined in this deed.

1.3 Interpretation

- (a) Headings are for convenience only and do not affect interpretation. The following rules also apply in interpreting this deed, except where the context makes it clear that a rule is not intended to apply.
- (b) A reference to:
 - (i) legislation (including subordinate legislation) is to that legislation as amended, re-enacted or replaced, and includes any subordinate legislation issued under it;

- (ii) a document or agreement or a provision of a document or agreement, is to that document, agreement or provision as amended, supplemented, replaced or novated;
 - (iii) a document includes, without limitation, a deed or agreement in writing, certificate or notice;
 - (iv) a clause, Schedule or Annexure is a reference to a clause of, schedule to or annexure to this deed;
 - (v) writing and related expressions includes all means of reproducing words in a tangible and permanently visible form;
 - (vi) conduct includes, without limitation, an omission, representation, statement or undertaking, whether or not in writing; and
 - (vii) any thing (including a right, obligation or concept) is a reference to the whole and each part of it.
- (c) A word that denotes the singular denotes the plural and vice versa.
 - (d) A word that suggests one gender includes the other genders.
 - (e) If a word is defined, another part of speech has a corresponding meaning.
 - (f) No rule of construction applies to the disadvantage of a party because that party was responsible for the preparation of this deed.
 - (g) Where any clause contains sub-clauses, paragraphs or sub-paragraphs, each sub-clause, paragraph and sub-paragraph however called will be read and construed separately and independently of each other.
 - (h) A reference to a party includes their permitted assigns.
 - (i) All references to dollar amounts are in the lawful currency of the Commonwealth of Australia.
 - (j) If any calculation relating to the issue or transfer of Securities results in a number that is, or includes, a fraction, that fraction is rounded to the nearest whole number.
 - (k) If an example is given of any thing (including a right, obligation or concept), such as by saying it includes something else, the example does not limit the scope of that thing.

1.4 Business Days

If the day on or by which a person must do something under this deed is not a Business Day the person must do it on or by the next Business Day.

2 Option

2.1 Grant of Option

In consideration for the Purchaser's entry into the Metals Purchase Agreement with the Seller, the Company irrevocably grants the Option Holder the right to require the Company to issue and deliver Shares together with all accrued rights attaching to the Shares to the Option Holder for the Exercise Price in accordance with this deed ("**Option**"). The Option Holder acknowledges that the Option will not be listed on the ASX or any other securities exchange.

2.2 Option is divisible

- (a) The Option may be exercised in whole or in part.
- (b) If the Option is exercised in part, it may be exercised repeatedly until there are no remaining Shares to be issued.

2.3 Lapse of Option

- (a) The Option automatically lapses immediately after the Exercise Period.
- (b) If the Option lapses in accordance with this clause, neither party is liable to the other party for any damages, expenses, losses, actions, claims or demands arising out of the Option (without prejudice to the rights of the parties already existing under this deed as at that date).

3 Exercise of Option

- (a) The Option Holder may exercise the Option at any time during the Exercise Period.
- (b) To exercise the Option, the Option Holder must deliver to the Company a completed Exercise Notice, in substantially the same form as Schedule 1 ("**Exercise Notice**").

4 Completion

4.1 Steps to occur at Completion

On the Option Completion Date:

- (a) subject to the Option Holder complying with clause 4.1(b), the Company must issue and deliver to the Option Holder the number of Shares ("**Relevant Shares**") specified in the relevant Exercise Notice free of Encumbrances; and
- (b) the Option Holder must pay an amount equal to the Exercise Price multiplied by the number of Relevant Shares by bank cheque or direct deposit of immediately available funds to a bank account nominated by the Company.

4.2 Representations and undertakings of the Company

- (a) The Company represents and warrants, and undertakes, for the benefit of the Option Holder that the Company can and will deliver Relevant Shares to the Option Holder on the Option Completion Date:
- (i) in compliance with the ASX Listing Rules (including ASX Listing Rule 7.1); and
 - (ii) in compliance with the Corporations Act any other Law, the Company's Constitution or any document to which the Company is a party.
- (b) Without limiting paragraph (a), the Company undertakes to:
- (i) obtain approvals (including approvals under the terms of ASX Listing Rule 7.1 or the Corporations Act) (if any) that are required for the Company to lawfully and validly issue Relevant Shares on the Option Completion Date;
 - (ii) procure that official quotation is granted for Relevant Shares on the ASX by 10.00am on the date two Business Days after the Option Completion Date;
 - (iii) subject to paragraph (c) below, give to ASX a Cleansing Notice or otherwise meet and comply with requirements of Part 6D.2 of the Corporations Act, such that no disclosure is required thereunder; and
 - (iv) otherwise comply with the ASX Listing Rules, the Corporations Act and its Constitution and do such other things in relation to the issue of Relevant Shares,
- such that the Relevant Shares may be freely traded on the ASX and the issue or any sale of the Relevant Shares will not require disclosure under Part 6D.2 (including section 707(3)) of the Corporations Act.
- (c) If the Company, acting in good faith, reasonably forms the view that complying with its obligations under clause 4.2(b)(iii) would require the Company to disclose commercially sensitive information that would not otherwise be required to be disclosed under the ASX Listing Rules on the Option Completion Date:
- (i) the Company must notify the Option Holder that it has formed that view within 3 Business Days of the Effective Date;
 - (ii) clause 4.2(b)(iii) will not apply in respect of the issue of the Relevant Shares; and
 - (iii) the Option Holder may, by notice in writing to the Company, withdraw the relevant Exercise Notice.

However, the Company will not be entitled to rely on this clause 4.2(c) in the last three months of the Exercise Period.

5 Mandatory provisions

5.1 Reconstruction of issued shares

If at any time the issued share capital of the Company is reconstructed (whether by consolidation of capital, sub-division of capital, return of capital, reduction of capital by a cancellation of paid-up capital that is lost or not represented by available assets where no securities are cancelled, a pro-rata cancellation of share capital or otherwise) all rights of the Option Holder will be amended to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

5.2 No reconstruction without consent

The Company shall ensure that no reconstruction as envisaged in clause 5.1 takes place or is proposed or approved before the Option Completion Date without the prior express written consent of the Option Holder, such consent not to be unreasonably withheld.

5.3 New issues of shares by the Company

Subject to clause 5.4, if the Company undertakes a pro rata issue of shares during the Exercise Period, the Option Holder may only participate in that issue by exercising the Option in part or in whole.

5.4 Pro rata / bonus issues

- (a) If there is a pro rata issue or a bonus issue to the holders of shares in the Company, adjustments to the Exercise Price or the number of shares over which the Option can be exercised will be made as described in clause 5.4 (b).
- (b) The method of adjustment for the purpose of clause 5.4(a) will be in accordance with the Listing Rules from time to time, which, under Listing Rules 6.22.2 and 6.22.3, currently provide:
 - (i) If there is a pro-rata issue (except a bonus issue) to the holders of shares, the Exercise Price of an option will be reduced according to the following formula:

$$O' = \frac{O - E[P \cdot (S+D)]}{N+1}$$

where:

O' = the new Exercise Price of the option.

O = the old Exercise Price of the option.

E = the number of shares into which one option is exercisable.

P = the average market price per share (weighted by reference to volume) of the shares during the 5 trading

days ending on the day before the ex rights date or ex entitlements date.

S = the subscription price for a security under the pro rata issue.

D = the dividend due but not yet paid on the existing shares (except those to be issued under the pro rata issue).

N = the number of shares with rights or entitlements that must be held to receive a right to one new share.

(ii) If there is a bonus issue to the holders of shares, the number of shares over which the option is exercisable will be increased by the number of shares which the holder of the option would have received if the option had been exercised before the record date for the bonus issue.

(c) No adjustment pursuant to clause 5.4(b) will arise upon the issue of securities by the Company under and in accordance with the Share Purchase Plan.

6 Representations and warranties

6.1 The Company's representations and warranties

The Company represents and warrants to the Option Holder that, on the date of this deed and on each Option Completion Date:

- (a) **(corporate power)** it has the power, and has taken all corporate and other action required, to enter into this deed and to authorise the execution and delivery of this deed and the performance of its obligations under this deed and benefits from entering into this deed;
- (b) **(legally binding obligation)** this deed constitutes a valid and legally binding obligation on it;
- (c) **(execution, delivery and performance)** except as disclosed to the Option Holder, the execution, delivery and performance of this deed does not violate any existing Law or any document or deed to which it is a party or which is binding upon it or any of its assets; and
- (d) **(Solvent)** it is solvent and able to pay its debts as and when they fall due.

6.2 Reliance

The Company acknowledges that the Option Holder has entered into this deed in reliance on the representations and warranties made by the Company in this clause 6.

7 Undertakings

7.1 General undertakings

During the Exercise Period, the Company undertakes not to create any Encumbrance over the Shares without the prior written consent of the Option Holder.

7.2 Specific performance

The parties agree that damages would be an insufficient remedy for breach of the clause 7.1 and the Company agrees that the Option Holder will be entitled to seek and obtain an injunction or specific performance to enforce the Company's obligation under this clause without proof of actual damage and without prejudice to any of its other rights or remedies.

8 Further steps

Except as otherwise provided for in this deed, each party agrees to do anything the other party reasonably asks (such as obtaining consents, signing and producing documents and getting documents completed and signed):

- (a) to bind the party and any other person intended to be bound under this deed;
- (b) to enable the party to exercise its rights in connection with this deed; and
- (c) as may be necessary or desirable to give full effect to the provisions of this deed and the transactions contemplated by it.

9 General

9.1 Payments free from encumbrance

Any payments required to be made under this deed must be made free and clear of any set off, withholding or deduction, for taxes or otherwise, unless prohibited by law.

9.2 Assignment

- (a) The Company may not assign or otherwise deal with its rights under this deed or allow any interest in it to arise or be varied, in each case without the consent of the Option Holder.
- (b) The Option Holder may assign or otherwise deal with its rights under this deed (including by assignment or participation) provided that the Option Holder assigns a minimum of 5,000,000 Options pursuant to any one assignment of such Options.

9.3 No liability for loss

The Option Holder is not liable for loss caused by the exercise or attempted exercise of, failure to exercise, or delay in exercising, a right or remedy under this deed.

9.4 Indemnities

Any indemnity in this deed is a continuing obligation, independent of the Company's other obligations under this deed and continues after this deed ends. It is not necessary for the Option Holder to incur expense or make payment before enforcing a right of indemnity under this deed.

9.5 Costs

Each party agrees to pay its own costs, fees and expenses in connection with the preparation, execution and completion of this deed and other related documentation.

9.6 Notice

Unless expressly stated otherwise in this deed, notices, certificates, consents, approvals, waivers or other communications in connection with this deed must be:

- (a) in writing;
- (b) signed by the sender (if an individual) or an Authorised Officer of the sender;
- (c) marked for the attention of the person identified in the Details or, if the recipient has notified otherwise, then marked for attention in the way last notified; and
- (d) delivered to the office of the party at the address stated or any other address in Australia as one party notifies to the other for the purpose of this clause.

9.7 Counterparts

This deed may consist of a number of copies, each signed by one or more parties to the deed. If so, the signed copies are treated as making up the one document.

9.8 Governing law

This deed is governed by the law in force in New South Wales and the Company and the Option Holder submit to the non-exclusive jurisdiction of the courts of that place.

Option Deed

Schedule 1 - Exercise Notice (clause 3)

To: **KBL Mining Limited**
[*]

Attention: [*]

[Date]

Exercise Notice - Option Deed between KBL Mining Limited and Quintana KBL Holding Co LLC dated [] (“Option”)

By delivery of this notice and in accordance with clause 3 (“**Exercise of Option**”) of the Option, the Option Holder exercises its Option for [*Insert number of Shares*] Shares for the Exercise Price.

Clause 1 (“**Interpretation**”) of the Option applies to this notice as if it was fully set out in this notice.

.....
[Name of person] being
an Authorised Officer of
Quintana KBL Holding Co LLC

Signing page

DATED: 16 March 2015

R. E. BESLEY
Name of director (block letters)

3 J.A. WALL
Name of director/company secretary*
(block letters)
*delete whichever is not applicable

Title

Signing page

EXECUTED and DELIVERED as a deed

DATED: 16 March 2015

EXECUTED AND DELIVERED by
KBL MINING LIMITED in
accordance with section 127(1) of the
Corporations Act 2001 (Cth):

Signature of director

Name of director (block letters)

Signature of director/company
secretary*

*delete whichever is not applicable

Name of director/company secretary*
(block letters)

*delete whichever is not applicable

EXECUTED AND DELIVERED by
QUINTANA KBL HOLDING COMPANY LLC:

Signature

Name _____

Title

ALL CORRESPONDENCE TO:

By Mail:

Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia

Level 7, 207 Kent Street
Sydney NSW 2000 Australia

By Fax:

+61 2 9290 9655

Online:

www.boardroomlimited.com.au

By Phone:

(Within Australia) 1300 737 760
(Outside Australia) +61 2 9290 9600

YOUR VOTE IS IMPORTANT

For your vote to be effective it must be recorded **before 10am (Sydney Time) on Wednesday 6 May 2015.**

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1: Appointment of Proxy

Indicate who you want to appoint as your Proxy.

If you wish to appoint the Chair of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chair of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chair of the Meeting will be your proxy. A proxy need not be a security holder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by contacting the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- return both forms together in the same envelope.

STEP 2: Voting Directions to your Proxy

You can tell your Proxy how to vote.

To direct your proxy how to vote, mark one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of securities are to be voted on any item by inserting the percentage or number that you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item for all your securities your vote on that item will be invalid.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

STEP 3: Sign the Form

The form must be signed as follows:

Individual: This form is to be signed by the securityholder.

Joint Holding: Where the holding is in more than one name, all the securityholders should sign.

Power of Attorney: To sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: This form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form should be signed by that person.

Please indicate the office held by signing in the appropriate place.

STEP 4: Lodgement of a Proxy

Proxy forms (and any Power of Attorney under which it is signed) must be received no later than 48 hours before the commencement of the meeting, therefore by **10am (Sydney Time) on Wednesday, 6 May 2015.** Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxy forms may be lodged using the enclosed Reply Paid Envelope or:

By Fax + 61 2 9290 9655

By Mail Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001 Australia

In Person Boardroom Pty Limited
Level 7, 207 Kent Street
Sydney NSW 2000 Australia

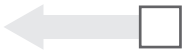
Attending the Meeting

If you wish to attend the meeting please bring this form with you to assist registration.

KBL Mining Limited

ABN 38 129 954 365

YOUR ADDRESS:



This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction in the space to the left. Securityholders sponsored by a broker should advise their broker of any changes.

Please note, you cannot change ownership of your securities using this form.

STEP 1: Appoint a Proxy

I/We being a member/s of **KBL Mining Limited** (Company) and entitled to attend and vote hereby appoint:

☐ the **Chair of the Meeting** (mark box with an "X")

OR If you are **NOT** appointing the Chair of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy below.

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting as my/our proxy at the General Meeting of the Company to be held at **BDO East Coast Partnership, Level 11, 1 Margaret Street, Sydney NSW on Friday, 8 May 2015 commencing at 10am (Sydney time)** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

The Chair of the Meeting will vote all undirected proxies in favour of all Items of business. If you wish to appoint the Chair of the Meeting as your proxy with a direction to vote against, or to abstain from voting on an item, you must provide a direction by marking the 'Against' or 'Abstain' box opposite that resolution.

STEP 2: Voting Directions

* If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in calculating the required majority if a poll is called.

Ordinary Business

		For	Against	Abstain*
Resolution 1	Approval for the Prior Placement of Options as announced on 16 March 2015	☐	☐	☐
Resolution 2	Approval of Future Placements	☐	☐	☐
Resolution 3	Election of Oliver Rodz as a Director	☐	☐	☐
Resolution 4	Election of David Laing as a Director	☐	☐	☐
Resolution 5	Election of Lawrence Roulston as a Director	☐	☐	☐

STEP 3: Signature of shareholders

This form *must* be signed to enable your directions to be implemented.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name: _____ Contact Daytime Telephone: _____ Date: _____ / _____ / 2015

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

9 April 2015

Dear Noteholder,

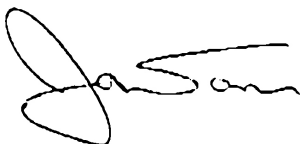
You are recorded as the holder of 5 year, 10% pa convertible notes issued by Kimberley Metals Limited now named KBL Mining Limited ("the Company") and the Trust Deed in respect of these notes provides that:

- The Company shall send to each Noteholder a copy of all reports, notices and announcements sent to holders of ordinary shares at the time they are sent to those holders of ordinary shares; and
- Noteholders may attend general meetings of the Company but the Notes do not carry a right to vote at a general meeting of the Company, unless provided for by the Listing Rules or the Corporations Act.

I am therefore pleased to enclose a copy of Notice of General Meeting of the Company to be held on Friday 8 May 2015 and to invite you to attend this Meeting.

I thank you for your support of the Company and look forward to seeing you at the meeting.

Sincerely



Jim Wall
Chairman