Sydney, Australia (ABN Newswire) - KBL Mining Ltd. (ASX:KBL) present their report, together with the financial statements, on the consolidated entity consisting of KBL Mining Ltd. (referred to hereafter as the 'company' or 'KBL') and the entities it controlled for the half-year ended 31 December 2015.

Principal activities

During the half-year the principal continuing activities of the consolidated entity consisted of mineral exploration, resource development and mining in Australia.

Review of operations

The loss for the consolidated entity after providing for income tax amounted to $10,186,613 (31 December 2014: loss of $5,378,006).

There were a number of highs and lows for KBL in the half year. The highs were;

1. The development and commencement of mining of the Pearse orebody

2. The construction of the CIL plant neared completion

The lows were;

1. Underground production did not meet grade targets due to low levels of advance drilling and development resulting in poor mining practices

2. The CIL plant was over budget and delayed

As a result of the above the company was in a difficult financial position at period end. This was made even more challenging as the CIL plants initial performance was significantly lower than planned.

As a result of these challenges subsequent to period end the board has made management changes as well as entering into arrangements with key suppliers to delay repayment of amounts outstanding. This delay will assist in being able to settle amounts outstanding to suppliers with smaller amounts outstanding in a shorter period of time.

Also subsequent to the end of the period, the company has arranged the installation of a greater capacity filter to increase production through the floatation circuit as well as completion of the installation of a carbon regeneration kiln which will improve recovery from the CIL circuit.

Despite these improvements, production is not expected to fully reach targeted performance levels; however the company believes it will still generate a very healthy return from the high grade Pearse orebody. It is anticipated that this projected return will enable the repayment of outstanding suppliers as well as generating cash to continue to explore for further high-grade surface deposits (such as the recently announced Pearse North zone) and further exploring and developing the large Mineral Hill underground resource.

To view the report, please visit:
http://media.abnnewswire.net/media/en/docs/ASX-KBL-754622.pdf

About KBL Mining Ltd:

KBL Mining Ltd. (ASX:KBL) is an Australian resource Company listed on the ASX 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.

Source:

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