



(Subject to Deed of Company Arrangement) (Receivers and Managers Appointed)

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12 February 2018

Status of Deed of Company Arrangement variation proposals

Sydney, New South Wales: KBL Mining Ltd (Subject to Deed of Company Arrangement) (Receivers and Managers Appointed) (“KBL” or “Company”) (**ASX: KBL**) wishes to provide an update to creditors and shareholders as to the status of ongoing negotiations with interested parties and next steps in the Deed Administration.

Current status

Since our circular to creditors on 22 December 2017 (ASX announcement of 8 January 2018), we have received an amended proposed variation to the Deed of Company Arrangement that:

1. takes into account the commercial requirements to acquire the Sorby Shares (as outlined in our last update);
2. provides 100 cents in the dollar to priority creditors (employees); and
3. provides a return to creditors

(“the Revised Offer”).

We have been liaising with the proponent regarding the Revised Offer and have provided a deadline extension of Friday, 16 February 2018 for them to provide substantiation as to their financial capacity to complete the proposal in the proposed form and time, without any capital raising risk, in order to be in a position to put the proposal to creditors at a meeting yet to be called.

We will provide an update to creditors via a further ASX announcement on Monday 19 February 2018 as to the outcome of this process.

Next steps

No action is required of shareholders or creditors at this stage.

Per our last update, we continue to plan to report to creditors by the end of February 2018 regarding the outcome of these negotiations. We expect we will call a meeting of creditors to consider any variation to the Deed or alternatively to terminate the Deed and wind up the Company.

Following the outcome of any meeting of creditors regarding next steps, we will update Shareholders accordingly.

Should you have any queries regarding the above, please continue to refer to the KBL Information Page for all information relating to KBL (kpmg.com/au/kbl-mining) or alternatively contact us via email at kbl@kpmg.com.au. We will endeavour to respond to general enquiries within 10 business days.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'Matthew Woods', written in a cursive style.

Matthew Woods
Joint & Several Deed Administrator