



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

C/- KPMG Restructuring Services

PO Box H67

Australia Square NSW 1213

D +61 2 9335 7000

F +61 2 9335 7001

ACN 129 954 365

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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.

This is a courtesy update only and is similarly reflected in the *Latest News* section of the KBL information page (kpmg.com/au/kbl-mining). This update is not related to any circular issued to creditors formally by email and mail.

Current status

Since our courtesy update to the market and creditors on Thursday 8 March 2018 we have been in ongoing negotiations as to potential variations to the Deed of Company Arrangement. Regrettably, we have been unable to reach a consensus as to a final term sheet in the agreed timeframe and, given the time that has elapsed, despite the progress that has been made, we no longer consider it to be commercial to persist with negotiations.

Next steps

Given the above, the Deed Administrators intend to convene a meeting of creditors as soon as practicable where we will recommend to creditors that the Company be placed into Liquidation. No action is currently required of shareholders or creditors. Following the outcome of the meeting of creditors, we will update shareholders accordingly.

We would like to thank unsecured creditors for their patience while we have worked to obtain a more certain alternative to Liquidation in the form of a variation to the deed.

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

Matthew Woods
Joint & Several Deed Administrator