



(In Liquidation) (Receivers and Managers Appointed)

C/- KPMG Restructuring Services

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22 August 2018

**Declaration by Liquidators about value of shares (ASX:KBL) and options (KBLO)
of the Company as worthless**

We refer to our 28 June 2018 ASX announcement where we declared that there is no likelihood of any future distribution to shareholders (ASX:KBL) and option holders (KBLO) of KBL.

Further to our declaration dated 28 June 2018, we provide the following declaration to assist shareholders and option holders who may have the ability to choose to make a capital loss in the income year as a result of CGT event G3 occurring in relation to their investment. However, shareholders should seek their own legal and taxation advice in relation to this matter.

Declaration of worthless shares and options (ASX:KBL) and (KBLO)

Under section 104-145 of the *Income Tax Assessment Act 1997* the Liquidators of the Company declare that each of the KBL shares and options have no value or have only negligible value and, again, declare that there is no likelihood that shareholders or option holders will receive any further distribution in the course of the winding up of the KBL.

As such, we declare that each of the shares and options are worthless as at today's date.

As aforementioned, shareholders should remain aware that our 28 June 2018 ASX announcement should be sufficient to claim CGT event G3 as at that date, however, they alternatively they may use this declaration to substantiate the worthless declaration as at today's date.

This declaration does not apply in relation to convertible notes (**ASX:KBLGA**) (which rank for an unsecured creditor claim in the estate of the Company) (Noteholders). Noteholders will continue to receive communication from the Liquidators in respect of their statutory investigations and any potential recoveries which, if pursued and successful, may result in a future distribution.



Further information and queries

Should you have any queries in relation to dealing with worthless shareholdings or options holdings you may find further information available from the Australian Taxation Office here: <https://www.ato.gov.au/General/Capital-gains-tax/Shares,-units-and-similar-investments/Investments-in-a-company-in-liquidation-or-administration/>.

All shareholders, option holders, and creditors should seek their own independent taxation and legal advice in all circumstances.

Should you have any queries in relation to this matter, information is available for creditors at the KPMG KBL Information Page at <http://www.kpmg.com/au/kbl-mining>.

Specific queries may be directed via email at kbl@kpmg.com.au. Please note that we will endeavour to respond to queries within 10 days, however to the extent that the information is available on the KPMG KBL Information Page you will be directed to that page for information.

Yours faithfully

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

Matthew Woods
Joint & Several Liquidator