

ASX Announcement
8 June 2017

Voluntary Administration Update

The Administrators of Kingsrose Mining Limited (administrators appointed) (the **Company**) are pleased to provide the following update in relation to the ongoing restructure of the Company's financial affairs, the termination of voluntary administration, entry into deed administration and the process to recommence the trading of the Company's securities on ASX.

Second Creditors' Meeting

The Administrators today held the second meeting of creditors for the Company and Natarang Offshore Pty Ltd (administrators appointed) (collectively the **Kingsrose Group**) and MM Gold Pty Ltd (administrators appointed) (**MM Gold**) to end the voluntary administration of the Kingsrose Group by way of approval by the creditors of the Kingsrose Group of a deed of company arrangement (**DOCA**) proposal.

The objectives of the DOCA are to:

- Enable creditors to receive a better return
- Facilitate the conversion of the convertible loans and the debts owed to secured creditors Michael John Andrews (**MJA**) and Great Golden Investment Limited (**GGIL**) to equity in the Company following shareholder approval
- Facilitate the business of the Kingsrose Group continuing as a going concern
- Enable all employees of the Kingsrose Group to continue employment
- Facilitate the adjudication and payment of creditors' claims.

At the meeting, creditors approved entering into the DOCA against liquidation alternatives. The MM Gold meeting was adjourned to 22 June 2017.

The DOCA has subsequently been executed and the voluntary administrators, Michael Ryan and Ian Francis of FTI Consulting have now been appointed as deed administrators of the Kingsrose Group (**Deed Administrators**).

The Deed Administrators will now administer the DOCA which will come to an end upon the satisfaction of the following:

1. The lodgment of the financial reports for the half-year ended 31 December 2016 with ASX and ASIC – this was done on 7 June 2017;
2. Shareholders of the Company in general meeting approving the conversion of the convertible loans and the debts of MJA and GGIL to equity;

3. The share issues referred to in 2 above, having been issued; and
4. The Deed Administrators having paid the final distribution of funds to creditors in accordance with the terms of the DOCA.

Recommendation of Trading on ASX

The Deed Administrators will work with the Company, its advisors, ASX and ASIC to seek recommencement of trading of the Company's securities on ASX. A number of regulatory approvals are required and the Deed Administrators will seek to obtain these approvals as soon as possible. The Deed Administrators will provide an update once an indicative timetable for re-quotation is finalised.

Shareholders' Meeting

In February 2017 the Company entered into a debt restructure deed with each of its secured lenders to restructure certain loan facilities. MJA and GGIL agreed to convert their debt to equity at \$0.04 per share (subject to shareholder approval) as part of a further equity raising.

In addition, the Company raised a total of \$6.55M under secured convertible loan facility agreements earlier this year, which is convertible to equity at \$0.04 per share, subject to shareholder approval.

The Company is in the process of finalising the notice of meeting which will seek approval for the issue of the shares referred to above. It is anticipated this will be dispatched to shareholders in the near future.

The holding of the shareholder meeting is an important step towards completing the recapitalisation of the Company.

Board and Management

An executive search is underway for a new Chief Executive Officer, and the Deed Administrators are in discussions with potential Board members to join the Board following the retirement of the Deed Administrators.

-ENDS-

Enquiries:

Michael Ryan, Ian Francis and Eileen Chan

FTI Consulting

+61 8 9321 8533