

7 June 2019

ASX Announcements  
ASX Limited  
20 Bridge Street  
SYDNEY NSW 2000

**FOR IMMEDIATE RELEASE**

Dear Sir/Madam,

**Department 13 International Ltd (Administrator Appointed)**  
A.C.N. 155 396 893 ("the Company")

<b>ASX: D13 – Update for Shareholders</b>
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I refer to my appointment as Administrator of the Company on 30 May 2019 by the Company's Board.

I have received requests from some of the Company's shareholders about their position/standing, the options available to them and the likely timeframe.

**1.0 Position**

The Administrator's primary obligations are to the Company's creditors and the preservation of the Company and if that's not possible, as much of the Company's business as is possible. However, shareholders, along with directors, customers and the public, are also an important stakeholder of the Company and will be kept apprised of the Voluntary Administration ("VA") progress by me, via ASX announcements.

Shareholders' equity is subordinated to the claims of creditors.

**2.0 Options**

Currently there is little shareholders are able to do that would affect the outcome of the VA process.

**3.0 Timeframe**

The VA process, which is largely regulated by the *Corporations Act, 2001*, typically takes a minimum of five (5) weeks (in this case, from 30 May 2019). However, I expect in this case that it will continue over a longer period, due to complexities with the Company being an ASX listed company domiciled in Australia and its major asset being a wholly-owned subsidiary business (i.e. Department 13, Inc.) based in the USA.

#### **4.0 Interim Funding**

I have secured interim funding to support the USA subsidiary, Department 13, Inc., during the VA process whilst I consider available options for the Company and its subsidiary business.

Shareholders are asked to monitor ASX releases for further information.

Yours faithfully  
**Department 13 International Ltd**

Alan Hayes  
**Administrator**

