

**ASX RELEASE**  
**24 June 2013**

## **Revised Settlement Agreement**

ZYL today announces that it will no longer be proceeding with the acquisition of the Mbila project and the Settlement Agreement previously signed has been varied to effect this.

As the Mbila project acquisition is no longer proceeding, the associated capital raising of AUD\$5.6million will now no longer be taking place.

Under the terms of the revised Settlement Agreement, ZYL has agreed to pay to the Mbila Vendors the amount of AUD\$350,000 by 3 July 2013 and a further AUD\$150,000 on 25 September 2013. On payment of the second amount on 25 September 2013, the respective parties have agreed to release each other from any further claims.

Prestige Glory has agreed to provide a AUD\$1million convertible note to the Company which will be drawn down in two tranches, AUD\$750,000 immediately and a further AUD\$250,000 in two months time. This will provide ZYL with the working capital to make the payments to the Mbila vendors under the revised Settlement Agreement and provide on-going working capital. Key terms of the Convertible Note are contained in the annexure to this announcement.

ZYL will continue to hold its 42.86% interest in the Kangwane Central project (following issue of 5% of the shares to the local community as per the original transaction agreements) as well as 70% in the Kangwane South Project. The Board of ZYL continues to explore the possibility of acquiring an additional interest in the Kangwane Central Project and will revert to shareholders once a suitable outcome has been achieved.

As a result of no longer proceeding with the acquisition of the Mbila project or the AUD\$5.6 million capital raising, these resolutions will be withdrawn from the ZYL shareholder meeting scheduled for 24 June 2013 at 3.00pm. The meeting will take place and the other business of the meeting will ensue.

### **Contact:**

#### **Phillipe Lalieu, ZYL LIMITED**

**T:** +27 (0) 10 591 0634  
**M:** +27 (0) 83 455 6867  
**E:** [plalieu@zyllimited.co.za](mailto:plalieu@zyllimited.co.za)

#### **Corporate Office:**

Level 8, 225 St Georges Terrace, Perth 6000, Western Australia  
PO Box 7653, Cloisters Square, Perth 6850, Western Australia

**Tel:** +61 8 9486 4036  
**Fax:** +61 8 9486 4799

**Email:** [info@zyllimited.com.au](mailto:info@zyllimited.com.au)  
**Web:** [www.zyllimited.com.au](http://www.zyllimited.com.au)



**Registered Office - Perth Australia**

**T: +61 (0) 8 9486 4036**

**E: [info@zylimited.com.au](mailto:info@zylimited.com.au)**

**About ZYL Limited**

ZYL Limited is listed on the Australian Securities Exchange (ASX) and aims to become one of the world's leading anthracite coal producers. The mission of ZYL is to develop high-margin metallurgical coal deposits for domestic and export markets. The Company's flagship project is the Kangwane Central Project in South Africa, located close to rail, port, power and water infrastructure.

## Annexure – Key terms of Convertible Notes

Key Terms	Description
<b>Term</b>	12 Months
<b>Face Value</b>	AUD\$1mil
<b>Draw Down</b>	In two tranches - \$750k in 5 days of signing of Con Note and \$250k in 2 months
<b>Conversion price</b>	AUD\$0.005
<b>Interest Rate</b>	15% per annum
<b>Interest Payable</b>	Convertible to shares on conversion of the note at the election of the note holder (at the conversion price) or payable at expiry of the term
<b>Repayment</b>	The earlier of twelve months from the date of the facility, or a date upon which shareholders do not to approve the facility
<b>Conversion conditions</b>	Conversion is subject to shareholder approval and at the election of the note holder at any time during the term of the facility

### Corporate Office:

Level 8, 225 St Georges Terrace, Perth 6000, Western Australia  
PO Box 7653, Cloisters Square, Perth 6850, Western Australia

**Tel:** +61 8 9486 4036  
**Fax:** +61 8 9486 4799

**Email:** [info@zylimited.com.au](mailto:info@zylimited.com.au)  
**Web:** [www.zylimited.com.au](http://www.zylimited.com.au)

