

Interested Parties/Creditors:

FTI Consulting (Australia) Pty Ltd

+61.8.9321.8533 or +61.7.3225.4900

ASX ANNOUNCEMENT MEDIA RELEASE

Liquidation of Kagara Limited, Mungana Pty Ltd and Kagara Copper Pty Ltd

Perth, 9 December 2013 – As announced previously, at the meeting of creditors held on 31 October 2013, the creditors of each of Kagara Limited (subject to deed of company arrangement)* (ASX: KZL) and its wholly owned subsidiaries Mungana Pty Ltd and Kagara Copper Pty Ltd (both subject to deed of company arrangement)* (together the **Companies** or the **Group**) approved that the respective deed of company arrangement (**DOCA**) be extended to 16 December 2013 to enable the Administrators to conclude negotiations with potential buyers.

These negotiations have been unsuccessful to date.

Whilst there has been interest in the Group's assets, low commodity prices and poor market sentiment has meant that funding the acquisitions has been difficult for interested purchasers.

Although there are other proposals being considered the DOCAs will automatically terminate and the Companies will be placed into liquidation on 16 December 2013 in accordance with clause 13.3(a) of the respective DOCAs. These proposals will continue to be considered in liquidation.

Importantly from 16 December 2013, former employees of the Companies will be able to apply for assistance relating to their entitlements through the Australian Government's Fair Entitlement Guarantee. The Administrators have been in discussions with the Department of Employment and we are working in close cooperation on this matter.

* Michael Ryan, Mark Englebert, Stefan Dopking and Quentin Olde, all of FTI Consulting (Australia) Pty Ltd, were appointed joint and several voluntary administrators ("Administrators") of Kagara Limited, Mungana Pty Ltd, Kagara Copper Pty Ltd and Einasleigh Mining Pty Ltd on 29 April 2012. On 27 May 2013 each of Kagara Limited, Mungana Pty Ltd, Kagara Copper Pty Ltd and Einasleigh Mining Pty Ltd entered into deeds of company arrangement with their respective creditors and the Administrators were appointed deed administrators.

- Ends

About FTI Consulting

FTI Consulting, Inc. is a global business advisory firm dedicated to helping organisations protect and enhance enterprise value in an increasingly complex legal, regulatory and economic environment. With over 3,900 employees located in 24 countries, FTI Consulting professionals work closely with clients to anticipate, illuminate and overcome complex business challenges in areas such as investigations, litigation, mergers and acquisitions, regulatory issues, reputation management, strategic communications and restructuring. The Company generated \$1.58 billion in revenues during fiscal year 2012. More information can be found at www.fticonsulting.com.