

**NZX ANNOUNCEMENT**

3 May 2017

**Wilaci Pty Limited v Torchlight Fund No.1 LP – Court of Appeal ruling**

Pyne Gould Corporation (“PGC”) said today an appeal to the Supreme Court will be considered in a case involving Torchlight Fund No.1 LP (“TLF1”), a former associate of PGC’s which was placed into receivership in 2014.

The case concerns a loan to TLF1 from Wilaci, an entity connected with Australian businessman John Grill. The High Court ruled in October 2015 that a late payment fee claimed by Wilaci was a “penalty fee” and was unenforceable. Wilaci then appealed this ruling.

The Court of Appeal yesterday delivered its judgment and overturned the High Court ruling. It has ordered the TLF1 to pay AUD31,477,194 in late payment fees to Wilaci.

As TLF1 was placed into receivership in 2014, there is a possibility that the receivers of TLF1 may attempt to lay claim to some of the assets of Torchlight Fund LP (“TLF”), a PGC subsidiary.

“This ruling will be considered carefully and then there will be a decision as to whether it will be appealed to the Supreme Court,” said PGC Managing Director George Kerr.

PGC will itself consider the judgment from the Court of Appeal and whether the ruling is likely to have a material impact on PGC, and report to the market.

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