



**(Subject to Deed of Company Arrangement) (Receivers and Managers Appointed)**

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## **NOTIFICATION OF DEED OF COMPANY ARRANGEMENT EXECUTION AND NEXT STEPS**

Sydney, New South Wales: KBL Mining Ltd (Subject to Deed of Company Arrangement) (Receivers and Managers Appointed) ("KBL" or "Company") (**ASX: KBL**) wishes to advise that, in accordance with our update on 11 April 2017, the Company and the Administrators executed the Deed of Company Arrangement on 2 May 2017, within 15 business days following the Reconvened Second Meeting.

The Reconvened Second Meeting was held on 6 April 2017 where creditors resolved that the Company should execute the Proposed Deed of Company Arrangement in substantially the same terms as outlined in our s439A Report to Creditors, and supplementary report.

### *Proponent yet to execute Deed*

We wish to advise creditors that the Proponent is yet to sign the Deed and that, to that effect, in the weeks following our execution of the Deed we took steps to determine the Proponents' intentions in respect of signing their proposed Deed.

Despite numerous attempts to contact the Proponent following our signing of the Deed on 2 May 2017, on 30 May 2017 we formally wrote to the Proponent to advise them that two of the conditions precedent in the Deed had now not been met and that, unless we received a response by Friday 2 June 2017, we are left with no option other than to convene a meeting of creditors in accordance with the Deed for the purpose of passing a resolution to terminate the Deed and consider the best way forward for the Company.

### *Next steps*

Given the current status of the Deed, we have taken steps to consider potential options for the Company and creditors and have been liaising with 3 parties regarding their interest in proposing an amended Deed of Company Arrangement. On Friday 9 June 2017 we received a new Deed of Company Arrangement Proposal from one of those parties which is currently under consideration.

Given the need to protect the interests of creditors, and specifically the timeline of a distribution to employees, the Deed Administrators are reluctant to contemplate a new Deed

of Company Arrangement that will complete at a later date than the Deed approved by creditors and currently in force.

We will provide creditors with a further update as to our progress in considering the options available for the Company and creditors in due course, and will shortly convene a meeting of creditors to consider the options available.

We have been receiving a number of queries from shareholders regarding their position. At this stage, due to the current Deed being in effect which contemplates an entitlements offer to existing shareholders and a relisting, the Deed Administrators are not in a position to declare the shares as worthless for the FY17 financial year. We will be in contact with shareholders regarding their position in due course, following liaison with KBL's creditors as outlined in this circular.

We have now launched a website for creditors of the Company which contains links to our reports, circulars, and other relevant information. You can access the website via this link: [kpmg.com/au/kbl-mining](http://kpmg.com/au/kbl-mining)

Should you have any queries regarding the above, please contact us via email at [AU-FM-kbl-mining@kpmg.com.au](mailto:AU-FM-kbl-mining@kpmg.com.au) or [kbl@kpmg.com.au](mailto:kbl@kpmg.com.au) (same email abbreviated).

Yours faithfully

Matthew Woods  
Joint & Several Voluntary Administrator