

**ASX RELEASE**  
**8 January 2014**

## **ZYL Limited Appoints Voluntary Administrator**

As advised to the ASX on 8 April 2014, ZYL Limited (**ZYL** or the **Company**) has been engaged in extensive discussions with a number of financiers in order to secure long term funding for ZYL and thus enable the Board to review existing and new projects. Despite the best efforts of the Board to sustain the Company throughout this process, in difficult equity market conditions and the continuing decline of the global coal market, no such further funding arrangements have been concluded.

The Board is aware that Prestige Glory Ltd (**Prestige**) (which holds security over all of the Company's assets) has entered into an agreement with Ascent Capital Holdings Pty Limited (**Ascent**), the material terms of which are as follows:

- Following the appointment of an administrator, Ascent and Prestige will propose a deed of company arrangement which will see the Company recapitalised through a 100 for 1 share consolidation and subsequent placement of 115m new fully paid ordinary shares at \$0.01 per new share.
- The Company's South African mining assets, other than the Kangwane South Project (which will be retained by the Company), being transferred to Prestige in satisfaction of the secured debts owed by the Company to Prestige.
- If required, Ascent will provide interim loans to the administrator and Company to complete the recapitalisation.
- Prestige will (in its capacity as creditor and shareholder) vote in favour of all necessary resolutions to effect the recapitalisation.
- The recapitalisation is subject to certain conditions, including all creditor and shareholder approvals, the Company raising a minimum of \$1.15m and ASX agreeing to re-instate the Company's securities to trading without the need to re-comply with Chapters 1 and 2 of the Listing Rules.
- Minerva Corporate will co-ordinate the recapitalisation.

Given the agreement between Prestige and Ascent, the Company's Board has today resolved to appoint Jack James of Palisade Business Consulting as voluntary administrator to the Company.

Following the recapitalisation, the Company's Board expects that the Company will focus on its Kangwane South Project.

### **For and on behalf of the Board**

ZYL Limited

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