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Circular to Creditors, Noteholders, and Employees

Our ref 29260488_1

11 April 2017

Dear Sir/Madam

KBL Mining Limited (Administrators Appointed) (Receivers and Managers Appointed)
ACN 129 954 365 (“the Company”)
RE: Notification of outcome of Reconvened Second Meeting of Creditors

I refer to my appointment as Administrator of the Company on 8 September 2016, to the second meeting of creditors on Friday, 3 February 2017 (“the Second Meeting”), and to the reconvened second meeting of creditors on Thursday, 6 April 2017 (“the Reconvened Second Meeting”). The purpose of this circular is to advise creditors of the outcome of the Second Meeting.

At the Reconvened Second Meeting, the Administrators discussed the options available to creditors of the Company, including matters subsequent to the Second Meeting and their impact on the proposed Deed of Company Arrangement discussed at the Second Meeting (“the Proposed DOCA”). The Administrators noted a number of other items throughout the meeting including, but not limited to, various correspondence received subsequent to the issuance of the 28 March 2017 Supplementary s439A Report to creditors, and a newly proposed Deed of Company Arrangement that was received the day prior to the Reconvened Second Meeting.

A vote was put to creditors who resolved that the Company should execute the Proposed DOCA in substantially the same terms as detailed in the 25 January 2017 report to creditors and 28 March 2017 supplementary report to creditors. Creditors also resolved that myself and my co-appointee, Stephen Vaughan, be appointed as Deed Administrators of the Company.

The Administrators have 15 business days to work with various stakeholders to draft the Deed associated with the Proposed DOCA and to obtain various conditions precedent to affect its execution.

We will provide creditors update as to our progress in executing the Proposed DOCA as soon as an update is available.

Should you have any queries regarding the above, please contact the Administrators via AU-FM-kbl-mining@kpmg.com.au.

Yours faithfully

Matthew Woods
Joint and Several Administrator