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Circular to Creditors, Noteholders, and Employees

Our ref 27664493_2

5 October 2016

Dear Sir/Madam

KBL Mining Limited (Administrators Appointed) (Receivers and Managers Appointed)
ACN 129 954 365
("the Company")

RE: Notification of extension of convening period

I refer to previous correspondence and communication regarding the Company since our appointment on 8 September 2016 and the first meeting of creditors held on 20 September 2016.

We wish to advise that on 4 October 2016, as contemplated by the Administrators at the first meeting of the Company's creditors held on 20 September 2016, the Administrators have sought and obtained orders from Master Sanderson in the Supreme Court of Western Australia for the extension of the convening period with respect to the Company from 7 October 2016 to 30 November 2016, pursuant to section 439A(6) of the Corporations Act 2001 (Cth.) ("the Orders").

The Orders provide the Administrators sufficient time to complete their investigations, and to allow interested parties sufficient time to submit binding proposals to restructure and recapitalise the Company. The effect of the Orders is that the second meeting of creditors of the Company ("the Second Meeting") may now be convened at any time up to 30 November 2016.

Notwithstanding the extension, the Administrators intend to finalise negotiations and call and hold the Second Meeting as soon as is practicable.

We advise that the Orders grant liberty to any person who can demonstrate sufficient interest, including any creditor of the Company or the Australian Securities and Investments Commission, to apply to the court to modify or discharge the Orders.

Should you require any further information with respect to the above, please contact the Administrators via AU-FM-kbl-mining@kpmg.com.au and continue to refer to ASX announcements for any further updates.

Yours faithfully

Matthew Woods
Joint and Several Administrator