



Advisory
Level 38 Tower Three
300 Barangaroo Avenue
Sydney NSW 2000

P O Box H67 Australia Square
Sydney NSW 1213
Australia

ABN: 51 194 660 183
Telephone: +61 2 9335 7000
Facsimile: +61 2 9335 7001
DX: 1056 Sydney
www.kpmg.com.au

Circular to Creditors, Noteholders, and Employees

Our ref 28480296

13 January 2017

Dear Sir/Madam

**KBL Mining Limited (Administrators Appointed) (Receivers and Managers Appointed)
ACN 129 954 365 (“the Company”)
RE: Notification of further extension of convening period to Friday 27 January 2017**

I refer to previous correspondence and communication regarding the Company since our appointment on 8 September 2016, and more specifically to our circular to creditors dated 24 November 2016 notifying you of an extension of the convening period to 16 January 2017.

Since our last update on 24 November 2016, the Administrators have conducted further investigations into the affairs of KBL and have received a well advanced, although non-binding, DOCA proposal. The Third Orders provide the Administrators with additional time to finalise negotiations on the proposed DOCA before reporting to creditors.

We wish to advise that on 12 January 2017, with the approval of the Committee of Creditors, the Administrators have sought and obtained further orders from Master Strk in the Supreme Court of Western Australia for a further extension of the convening period with respect to the Company from 16 January 2017 to 27 January 2017, pursuant to section 439A(6) of the Corporations Act 2001 (Cth.) (“the Third Orders”).

The effect of the Third Orders is that the convening period for the second meeting of creditors of KBL (“the Second Meeting”) is extended up to and including Friday 27 January 2017, and that the meeting may be held at any time during the convening period and the period of five business days thereafter.

We advise that the Third 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 Third 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