

24 December 2015

ASX Announcements
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

FOR IMMEDIATE RELEASE

Dear Sir/Madam,

Convergent Minerals Ltd
(Administrators Appointed)
A.C.N. 120 909 953

MARKET RELEASE – CREDITORS’ RESOLUTIONS CONCERNING THE FUTURE OF CONVERGENT MINERALS LTD AND SUBSIDIARY COMPANIES

At reconvened meetings of creditors of Convergent Minerals Limited (Administrators Appointed) (**Convergent**) and subsidiary companies (also subject to Administrators’ appointment) held on 22 December 2015, creditors resolved that:

- Convergent execute a Deed of Company Arrangement (**DOCA**) as proposed by Berry Capital Group (Australia) Pty Limited and BCP E&P No.1 LLC in accordance with the proposal outlined in the Administrators’ report to creditors dated 15 December 2015 and that Alan Hayes and Christian Spowles of Hayes Advisory be appointed as Deed Administrators.
- Montague Resources Australia Pty Limited (Administrators Appointed) (**Montague**) execute a DOCA as proposed by M.H. Gold Pty Limited in accordance with the proposal outlined in the Administrators’ report to creditors dated 15 December 2015 and that Alan Hayes and Christian Spowles of Hayes Advisory be appointed as Deed Administrators.
- AFL Resources Pty Limited be wound up.
- NQ Metals Pty Limited be wound up.

Further resolutions were passed approving the payment of the Administrators’, Deed Administrators’ and/or Liquidators’ remuneration and in relation to the destruction of records of AFL Resources Pty Limited and NQ Metals Pty Limited.

Summaries of the main components of the proposed Convergent DOCA and Montague DOCA are provided on Appendix 1 and Appendix 2 respectively.

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A copy of the minutes of the concurrent meetings of creditors will be lodged by the Administrators with the Australian Securities and Investments Commission.

Yours faithfully
Convergent Minerals Ltd



Alan Hayes
Joint & Several Administrator

CONVERGENT MINERALS LIMITED (ADMINISTRATORS APPOINTED)

ASX Release dated 23 December 2015

Appendix 1 - Summary of main components of the proposed Deed of Company Arrangement (DOCA) between Convergent Minerals Limited (Convergent), Berry Capital Group (Australia) Pty Ltd and BCG E&P No.1 LLC (Proponents)

- 1) **Proponents** – Berry Capital Group (Australia) Pty Ltd and BCG E&P No.1 LLC
- 2) **Consideration** - \$400,000, comprising \$300,000 cash and \$100,000 in shares.
- 3) **Timing of Consideration**

	(\$)
Within 5 business days of execution of DOCA	100,000
Within 5 days of shareholders' approval of a proposed recapitalisation	200,000
Shares to be issued on successful capital raising	100,000
Total	400,000

- 4) **Other**
 - a) The Administrators will be Administrators of the Deed of Company Arrangement
 - b) A Creditors' Trust is to be established for the purposes of receiving and distributing the funds available. The Administrators will be Trustees of the Trust.
 - c) A moratorium on all creditor claims against the company will exist during the term of the DOCA.
 - d) All creditor claims against Convergent as at the date of the Administrators' appointment are to be extinguished on successful completion of the DOCA
 - e) Creditors with admitted claims will become beneficiaries of the Creditors' Trust on successful completion of the DOCA
 - f) Deed property is to be transferred to a Creditors' Trust on successful completion of the DOCA.
 - g) Deed property is to comprise:
 - i) Payments to be made by the Proponents, being:
 - \$100,000 subject to execution of the DOCA
 - \$200,000 following completion of the DOCA
 - ii) All other property of the company, excluding tenement interests encumbered in favour of Capri Trading Pty Limited and/or M.H. Gold Pty Limited

- h) Completion of the DOCA is subject to, amongst other things,:
 - i) The removal of all encumbrances over property of Convergent (including its mining tenements)
 - ii) The deregistration or transfer of all subsidiary companies of Convergent
 - iii) Shareholder approval for the proposed recapitalisation of Convergent
- i) New shares in Convergent to a value of \$100,000, based on the issue price of the shares, will be issued to the Creditors' Trust, subject to the successful recapitalisation of Convergent.
- j) The Proponents will be primarily responsible for, and will meet the costs associated with, undertaking all steps necessary to facilitate the proposed recapitalisation of Convergent, including, for example, preparation of an explanatory memorandum, obtaining necessary consents from relevant authorities (including ASX and ASIC), preparing notice to shareholders of a general meeting, convening and holding the general meeting. Administrators to provide their reasonable assistance.
- k) The cut-off date for the completion of the DOCA is 1 October 2016, subject to the parties agreeing to extend the cut-off date.
- l) Payments to the DOCA fund are to be funded by way of a loan from BCG to Convergent and thereafter to be repayable on Convergent's successful recapitalisation.
- m) Distribution priorities from the Creditors' Trust are to reflect the distribution priorities provided for in the Corporations Act as if the company was in liquidation and as if the beneficiaries of the Trust were unsecured creditors with claims admitted by a liquidator, with the exception that the Trustees' remuneration and costs will be paid first.



CONVERGENT MINERALS LIMITED (ADMINISTRATORS APPOINTED)
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Appendix 2 - Summary of main components of the proposed Deed of Company Arrangement (DOCA) between Montague Resources Australia Pty Limited (Administrators appointed) (Montague) and M.H. Gold Pty Limited (Proponent)

- **Proponent** – MH Gold Pty Limited
- **Consideration** - \$20,000, comprising \$10,000 payment to a Deed fund and \$10,000 to Convergent for the purchase of its shares in Montague
- **Timing of Consideration** - On execution of the DOCA
- **Other**
 - A Creditors' Trust is to be established for the purposes of receiving and distributing the funds available. The Administrators will be Trustees of the Trust.
 - Net Deed funds available are to be transferred to the Creditors' Trust.
 - Admitted creditors to receive distribution as beneficiaries of the Trust.
 - Creditor claims against Montague to be extinguished on successful completion of the DOCA
 - Shares held by Convergent in Montague (being 100% of shares issued) to be transferred to MH Gold.
 - R&D incentive payment, if received, to be paid to the Creditors' Trust and form part of funds available for distribution to beneficiaries (being the Admitted creditors)
 - Tenement interests, held in Montague's name, will not form part of the property available for distribution to beneficiaries
 - Distribution priorities from the Trust fund are to reflect the distribution priorities provided for in the Corporations Act as if the company was in liquidation and as if the beneficiaries were unsecured creditors with claims admitted by a liquidator, with the exception that the Trustees' remuneration and costs will be paid first.



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