

9 November 2016

ASX Announcements
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

FOR IMMEDIATE RELEASE

Dear Sir/Madam,

Convergent Minerals Ltd (Subject to Deed of Company Arrangement)
A.C.N. 120 909 953 ("the Company")

MARKET RELEASE – MEETING OF CREDITORS AND REPORT TO CREDITORS

As the Deed Administrator of the Company, I advise that on 9 November 2016, notices were issued to all known creditors of the Company, of a meeting of creditors of the Company to be held, as follows:

Location: Level 16, 55 Clarence Street
Sydney NSW 2000
Meeting date: 18 November 2016
Meeting time: 11:30AM

The notice was accompanied by a Deed Administrator's Report to Creditors, a copy of which is attached. The purpose of the meeting, amongst other things, is to consider a variation to the Deed of Company Arrangement.

Shareholders are asked to monitor ASX releases for further information.

Yours faithfully
Convergent Minerals Ltd

Alan Hayes
Deed Administrator



Convergent Minerals Ltd
(Subject to Deed of Company Arrangement)
A.C.N. 120 909 953

Report to creditors
&
Notice of meeting of creditors to consider
proposed variations to the deed of company
arrangement and other matters

9 November 2016

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Abbreviations

| | |
|--------------------|--|
| Act | Corporations Act 2001 |
| AFL | AFL Resources Pty Ltd (In Liquidation) ACN 147 523 751 |
| Amending deed | The draft document headed "Deed of Company Arrangement Amending Deed" attached as Appendix A to this report |
| BCG Aust | Berry Capital Group (Australia) Pty Ltd |
| BCG LLC | BCG E&P No1 LLC |
| Convergent | Convergent Minerals Ltd (Subject to Deed of Company Arrangement) ACN 120 909 953 |
| CVG DOCA | The DOCA dated 14 January 2016 entered into between Christian Sprowles and Alan Hayes in their capacity as joint and several administrators of Convergent Minerals Ltd, Convergent Minerals Ltd (Administrators Appointed), BCG LLC and BCG Aust |
| Deed Administrator | Alan Hayes |
| DOCA | Deed of Company Arrangement |
| EDST | Eastern daylight saving time |
| MRA | Montague Resources Australia Pty Ltd ACN 097 875 619 |
| NQM | NQ Metals Pty Ltd (In Liquidation) ACN 125 551 537 |
| Proposers | BCG LLC and BCG Aust |

1.0 Background

I refer to the Administrators' supplementary 439A report to creditors dated 15 December 2015, the reconvened meeting of creditors held on 22 December 2015 and the Deed of Company Arrangement ('DOCA') dated 14 January 2016 entered into between:

- Christian Sprowles and Alan Hayes in their capacity as joint and several administrators of Convergent Minerals Ltd ('Convergent'),
- Convergent Minerals Ltd (Administrators Appointed),
- BCG E&P No. 1 LLC ('BCG LLC') and
- Berry Capital Group (Australia) Pty Ltd ('BCG Aust') ('CVG DOCA')

Creditors should consider this report in conjunction my supplementary 439A report. The CVG DOCA was the means by which the shell of Convergent was to be relisted and from which a dividend could be paid to creditors.

2.0 Purposes of this report

The purposes of this report are to:

- (i) Provide a chronology of key events since Convergent and its subsidiary companies were placed into voluntary administration to assist creditors' understanding of Convergent's current position
- (ii) Inform creditors regarding proposed variations to the CVG DOCA
- (iii) Provide an updated account of the Deed Administrator's receipts and payments and estimated dividends to creditors
- (iv) Provide information regarding the Deed Administrator's remuneration
- (v) Provide notice of a meeting of creditors to be held on **Friday, 18 November 2016 at 11:30am (EDST)** at the offices of Hayes Advisory, Level 16, 55 Clarence Street, Sydney, convened for the purposes of allowing creditors to consider and, if thought fit, to approve resolutions regarding:
 - Proposed variations to the CVG DOCA, pursuant to section 445F of the Corporations Act ('Act')
 - The Deed Administrator's remuneration

3.0 Chronology of key events

| Date | Event |
|------------|--|
| 14/09/2015 | Christian Spowles and Alan Hayes were appointed Administrators of Convergent Minerals Ltd ('Convergent'), AFL Resources Pty Ltd ('AFL'), Montague Resources Australia Pty Ltd ('MRA') and NQ Metals Pty Ltd ('NQM') ('Convergent group') by their respective Boards of Directors |
| 19/10/2015 | Convergent, AFL, MRA and NQM (all with Administrators Appointed), Capri Trading Pty Ltd ATF the Capri Trading Trust ('Capri') and MH Gold Pty Ltd ('MH Gold') entered into a Deed of Restructure, a Deed of Release and a Deed of Transfer, pursuant to which it was agreed that the mining tenement interests of the Convergent group would transfer to MH Gold and the securities held by Capri in respect of the group would be released. |
| 22/12/2015 | <p>At reconvened meetings of creditors of each of the companies of the Convergent group, creditors resolved, amongst other things, that:</p> <ul style="list-style-type: none"> • Convergent enter into a DOCA and that Christian Spowles and Alan Hayes be appointed as joint and several Deed Administrators • AFL be wound up and that Christian Spowles and Alan Hayes be appointed as joint and several liquidators • MRA enter into a DOCA and that Christian Spowles and Alan Hayes be appointed as joint and several Deed Administrators <p>NQM be wound up and that Christian Spowles and Alan Hayes be appointed as joint and several liquidators</p> |
| 14/01/2016 | Convergent executed the CVG DOCA and Christian Spowles and Alan Hayes were appointed as joint and several Deed Administrators. In accordance with the terms of the CVG DOCA, the Convergent Creditors Trust was formed and Christian Spowles and Alan Hayes were appointed as Joint and several trustees of the Trust |
| 14/01/2016 | MRA executed a DOCA and Christian Spowles and Alan Hayes were appointed as joint and several Deed Administrators |
| 14/01/2016 | In accordance with the terms of the CVG DOCA, the shares held by Convergent in MRA were transferred to MH Gold Pty Ltd |
| 03/02/2016 | The DOCA executed by MRA was wholly effectuated and the MRA Creditors Trust was established in accordance with the terms of the MRA DOCA |

| | |
|------------|--|
| 28/04/2016 | <p>Christian Sprowles ceased to act as Joint and several Deed Administrator of Convergent, Joint and several liquidator of AFL and as Joint and several liquidator of NQM</p> <p>Alan Hayes ('Deed Administrator') continues to act as Deed Administrator of Convergent and liquidator of AFL and NQM (solely appointed)</p> <p>Alan Hayes and Christian Sprowles continue to act as Joint and several Trustees of the Convergent Creditors' Trust and as Joint and several Trustees of the MRA Creditors' Trust</p> |
| 30/09/2016 | <p>The Deed Administrator, BCG LLC and BCG Aust agreed that the Cut Off Date for completion of the CVG DOCA be changed to 16 December 2016</p> |

4.0 Proposed variations to the CVG DOCA

BCG LLC and BCG Aust ('Proposers') have proposed variations to the CVG DOCA.

The proposed variations are set out in a draft document headed "Deed of Company Arrangement Amending Deed" ('Amending deed'). A copy of the Amending deed is attached as **Appendix A**.

An overview of the key variations, as proposed in the Amending deed, is provided below.

| Topic | Overview of key variations | Clause references | |
|--------------------------------|---|-------------------|--|
| | | Amend Deed | CVG DOCA |
| 1. Cut Off Date for completion | <p>Definition of Cut Off Date changed from 1 October 2016 to 16 December 2016.</p> <p>The revised Cut Off Date of 16 December 2016 is as per the agreement reached on 30 September 2016 between the Proponents and the Deed Administrator in accordance with the terms of the DOCA. The agreement was reached in response to the Proponents request for an extension to allow for the holding of a General Meeting of Shareholders.</p> | 1.1 | 1.1 |
| 2. Deed Administrators | <p>Definition of Deed Administrators changed from 'Alan Hayes and Christian Sprowles' to 'Alan Hayes' (to reflect the retirement of Christian Sprowles as Joint and Several Deed Administrator)</p> | 1.1 | 1.1 |
| 3. BCG LLC | <p>Some obligations and/or rights previously attributed to 'BCG LLC' are changed to obligations and/or rights of the 'Proposers', being BCG LLC and BCG Aust, including obligations and/or rights relating to:</p> <ul style="list-style-type: none"> • Completion and/or waiver of Conditions • Agreement to change Cut Off Date | 3(b) Sch. 1 | 4.1 4.2(b) 4.3, 4.4 15.12 Sch. 1 |

| | | | |
|-----------------------------------|--|--------------------|--------------------------------|
| | <ul style="list-style-type: none"> Any duty payable Conditions for Completion (as per Schedule 1) | | |
| 4. Creditors Payment | Changes to clarify that the Second Tranche Amount (\$200,000) must be paid to the Deed Fund by the Proposers (subject to the conditions pertaining to payment) | 3(c) | 2.7(a) 7.1(c)(i) 14.2(a) |
| 5. Refund of First Tranche amount | Changes to clarify that the First Tranche Amount (\$100,000) is refundable to the Proposers (subject to the conditions pertaining to refundability) | 3(c) | 2.7(b) |
| 6. Provisions to cease | <p>Several provisions are to cease to have any force or affect, including provisions that, on Completion:</p> <ul style="list-style-type: none"> the Company must accept the transfer of membership interests in BCG LLC from the BCG LLC Members and must pay the Consideration amount to BCG LLC the current Directors must resign and be replaced by the BCG LLC Nominees and resolutions passed effecting these board changes | 3(a) | 7.1(c)(iv) 7.1(c)(v) |
| 7. Directors | <p>Provisions relating to the removal/retirement of the current directors and the appointment of the incoming directors are to change.</p> <p>The current provisions that:</p> <ul style="list-style-type: none"> The Deed Administrators have the power to remove and appoint Directors and On Completion, the Deed Administrators will do all things necessary to appoint the BCG LLC Nominees as directors <p>are to be replaced with provisions that:</p> <ul style="list-style-type: none"> The Proposers will nominate persons to be the directors of the Company and Convergent's directors will propose that a resolution effecting the change of directors is sought at a meeting of shareholders and the Deed Administrator will provide the requisite authority for that to occur | 3(d) | 5.2(a) 5.2(b) |
| 8. Other general matters | <p>Changes are also proposed in relation to:</p> <ul style="list-style-type: none"> Notification requirements relating to the resignation of the Deed Administrator Requirements to convene a meeting of creditors if the Deed Administrator resigns Deletion of some redundant clauses relating to the joint and several appointment of the Deed Administrators | 3(a), 3(b),3(f) | 9.5, 9.6(a) 9.6(b) |

| | | | |
|--|--|------------------------------|---|
| <p>9. Conditions for Completion – Shareholders Condition</p> | <p>The Shareholders Condition that:</p> <ul style="list-style-type: none"> • a general meeting approve the Recapitalisation Proposals (as per Schedule 2 of the CVG DOCA) <p>be changed to:</p> <ul style="list-style-type: none"> • a general meeting approve the Restructure Resolutions (Schedule 2) (as per Schedule 2 of the Amending Deed) | <p>Clause 1.1 of Sch. 1</p> | <p>Clause 1.1 of Sch. 1</p> |
| <p>10. Conditions for Completion – Deed of Covenant</p> | <p>A Completion condition shall be added that:</p> <ul style="list-style-type: none"> • The Deed Administrator must be given a duly executed Deed of Covenant (in the form attached to the Amending Deed). <p>The Deed of Covenant incorporates an undertaking from the incoming directors that the Creditor shares shall be issued post Completion date</p> | <p>3(g)</p> | <p>7.1</p> |
| <p>11. Recapitalisation Proposal- Shareholder meeting(s)</p> | <p>The Recapitalisation Proposals be amended so that the proposal to hold a single Shareholders’ Meeting be replaced with a proposal to hold two Shareholders’ Meetings, being:</p> <ul style="list-style-type: none"> • The first Shareholders’ Meeting (Restructure Meeting), to consider: <ul style="list-style-type: none"> ○ Share Consolidation ○ Placement to BCG LLC Members ○ Board structure ○ Change of Company name • The second Shareholders’ Meeting (Recapitalisation Meeting), to consider: <ul style="list-style-type: none"> ○ Share and Capital Raising ○ Creditor Shares | <p>Sch. 2</p> | <p>Sch. 2</p> |
| <p>12. Recapitalisation Proposal – Options</p> | <p>The exercise price of options be changed from:</p> <ul style="list-style-type: none"> • an exercise price of \$0.02 per option <p>to</p> <ul style="list-style-type: none"> • an exercise price of \$0.03 per option (at a price equal to the issue price under a Prospectus as detailed in the Recapitalisation Proposal) | <p>Clause 2 of Sch. 2</p> | <p>Clause 5(a)(ii) of Sch. 2</p> |
| <p>13. Recapitalisation Proposal – General Offer</p> | <p>General offer relating to the share issue to be changed from:</p> <ul style="list-style-type: none"> • 600,000,000 shares at an issue price of \$0.02 per share to raise \$12,000,000 <p>to</p> <ul style="list-style-type: none"> • 600,000,00 shares at an issue price of \$0.03 per share to raise \$18,000,000 <p>General offer relating to options be changed from:</p> | <p>Clause 5(i) of Sch. 2</p> | <p>Clauses 5(b)(i) and 5(b)(ii) of Sch. 2</p> |

| | | | |
|--|---|-------|---------------------------------|
| | <ul style="list-style-type: none"> Each option may be exercised by the option holder to be issued with 1 share, with an exercise period of 2 years from the date of issue and exercise price of \$0.04 per share <p>to</p> <ul style="list-style-type: none"> Each option may be exercised by the option holder within 2 years from the date of issue at an exercise price of \$0.06 per share | | |
| 14. Recapitalisation Proposal– Other | Provisions relating to the Share Purchase Plan and the Convertible Notes are to be deleted | Sch.2 | Clauses 5(c) and 5(d) of Sch. 2 |
| 15. Recapitalisation Proposal – Creditor Shares | <p>The requirement to issue</p> <ul style="list-style-type: none"> 5,000,000 shares to the Creditors’ Trust at an issue price of \$0.02 per share <p>will be changed to a requirement to issue</p> <ul style="list-style-type: none"> 3,333,333 shares to the Trustee of the Convergent Trust at an issue price of \$0.03 per share (to a total value of \$100,000, noting that the issue price is to be equal to the public offer share price. <p>In addition, some provisions relating to the responsibility for preparation of documents and the oversight of capital raising activities are to be deleted</p> | Sch 2 | Clause 5(e) of Sch. 2 |
| 16. Research & Development Refund | The provisions relating to the Research and Development Refund are to be deleted (for the reason that the research and development refund has already been received). | Sch 2 | Clause 5(e) of Sch. 2 |

The above overview is provided for the assistance of creditors and is intended to highlight the key variations to the CVG DOCA as set out in the Amending deed. This overview is not necessarily comprehensive. In considering whether or not to agree with the proposed variations creditors should refer to the proposed variations as detailed in the Amending deed.

Subject to the resolutions of creditors at the forthcoming meeting of creditors, the Deed Administrator, Convergent (Subject to DOCA) and the Proposers will, as soon as practicable after the meeting, enter into an agreement in the form of the Draft amending deed.

5.0 Consent to directors to exercise powers in regard to a meeting of shareholders

In accordance with the powers given to me under the CVG DOCA, I have provided Convergent’s directors with my written conditional consent to exercise their powers as directors to convene a meeting of its shareholders and to execute and dispatch a Notice of Meeting and accompanying Explanatory Memorandum consistent with the Recapitalisation Proposals as defined in the CVG DOCA and/or as amended as result of any amendments to the CVG DOCA that are approved by creditors.

Under the current recapitalisation timetable it is expected that the Notice of meeting and accompanying memorandum will be issued to shareholders prior to the forthcoming meeting of creditors and, therefore, will be available for review by creditors (should they wish to do so), via the ASX/CVG portal, prior to the creditors' meeting.

6.0 Account of receipts and payments and estimated dividend returns

A summary account of the administration's receipts and payments to 21/10/2016 together with the estimated future receipts and payments is attached as **Appendix B**.

The summary account has been prepared on a consolidated basis to include actual receipts and payments for the period of the voluntary administration and the CVG DOCA period together with estimated future receipts and payments for the remaining CVG DOCA period and the Creditors Trust.

The estimated future receipts have been prepared on the basis that the proposed variations to the CVG DOCA as described in section 4.0 above are approved by creditors and that the CVG DOCA as amended is effectuated and the proposed recapitalisation successfully completed.

The estimated dividend returns from the Creditors Trust to priority creditors and ordinary unsecured creditors, as also set out in **Appendix B**, are summarised below.

| ESTIMATED DIVIDENDS (1ST DIVIDEND) | | |
|---|---------|---------|
| <u>Priority creditor claims (Employee entitlements)</u> | \$ | \$ |
| Estimated funds available | | 236,112 |
| Total estimated claims | 106,092 | |
| Total estimated dividend | 106,092 | |
| Estimated dividend rate (cents per dollar) | 100 | |
| <u>Ordinary unsecured creditors</u> | | |
| Estimated funds available | | 130,021 |
| Total estimated claims | 435,191 | |
| Total estimated dividend | 130,021 | |
| Estimated dividend rate (cents per dollar) | 29.9 | |

A supplementary dividend to unsecured creditors estimated at up to 12.3 cents per dollar is also estimated to become available as a result of the estimated shareholder dividend return to Convergent from AFL. This dividend is estimated to become available as a result of the surplus available to Convergent in its capacity as sole shareholder of AFL, after payment of AFL's creditors in full. It is anticipated that any such shareholder dividend will be paid to the Convergent Creditors Trust.

7.0 Comparative summary of estimated surplus funds and estimated dividends

Attached as **Appendix C** is a comparative summary of the estimated surplus funds available and estimated dividend distributions as per the Administrators' supplementary 439A report dated 15 December 2015 and as revised per this report. Key data from the comparative summary is provided below.

| Comparative summary | Revised | Per 439A | Difference |
|---|---------|----------|------------|
| | \$,000 | \$,000 | \$,000 |
| 1st dividend | | | |
| Estimated funds available | 236 | 387 | -151 |
| <u>Priority creditors:</u> | | | |
| Total estimated claims | 106 | 123 | -17 |
| Estimated dividend rate (c/\$) | 100 | 100 | 0 |
| <u>Ordinary unsecured creditors:</u> | 0 | 0 | 0 |
| Total estimated claims | 435 | 439 | -3 |
| Estimated dividend rate (c/\$) | 29.9 | 60.3 | -30.4 |
| 2nd dividend | | | |
| Estimated funds available (AFL dividend) | 54 | 177 | -123 |
| <u>Ordinary unsecured creditors:</u> | | | |
| Estimated dividend rate (c/\$) | 12.3 | 40.4 | -28.1 |
| Total estimated dividend to ordinary unsecured creditors (c/\$) | 42.2 | 100.7 | -58.5 |

As indicated above, total surplus funds are now estimated to be \$151K less than the estimate provided in the Supplementary 439A report, as a result of which the estimated dividend returns to ordinary unsecured creditors are now projected to be up to 42.2 cents per dollar compared to the estimates as per the 439A report of up to 100 cents per dollar. There is no change to the expected dividend to employees i.e. 100 cents per dollar.

Key issues giving rise to the reduced estimated surplus funds available for distribution include the following:

- Protracted and unforeseen extent of matters associated with the transfer of tenement interests, the forfeiture application proceedings in the Wardens Court (W.A.) and associated legal proceedings
- Additional compliance costs (eg ASIC /ASX)
- Additional Deed Administrator's fees incurred as a result of the extension of the DOCA period Additional Deed Administrator's fees and legal costs associated with the proposed variations to the DOCA and associated amendments to the recapitalisation proposal
- Deed Administrator's fees and costs associated with the further report to creditors and convening of the meeting of creditors to consider the DOCA variations and other matter. My request to the Proposers for an additional DOCA contribution in respect of these costs was declined.

8.0 Deed Administrator's opinion regarding options available for the company's future

My opinion is, it is in the best interests of Convergent's creditors that Convergent should continue to be subject to the CVG DOCA, as varied in accordance with the proposed amendments described in this report. My opinion in this regard is based on the following:

- If the company were to be wound up, it is unlikely that there would be any funds available for distribution to priority or ordinary unsecured creditors
- The costs associated with pursuing an alternative DOCA proposal and/or causing Convergent to enter into any such alternative DOCA would be significant and, in all likelihood,

prohibitive, in a scenario where there would be no projected funds immediately available to me to meet the costs of exploring any such alternatives.

- The DOCA, as varied in accordance with the amendments set out in this report, will continue to provide an opportunity for Convergent to continue as a going concern.

Employees are reminded that in the event Convergent was wound up and a liquidator was appointed, employees would be entitled to lodge a claim under the Department of Employment's, FEG scheme in respect of unpaid employee entitlements.

9.0 Deed Administrator's remuneration

At the forthcoming meeting of creditors, creditors will be asked in accordance with Section 449E (1A) of the Act to consider, and if thought fit, approve resolutions regarding the payment of the Deed Administrator's remuneration.

A Remuneration report is attached as **Appendix D**.

10.0 Meeting of creditors

A meeting of creditors has been convened for **Friday, 18 November 2016 at 11:30am** at the offices of Hayes Advisory at Level 16, 55 Clarence Street, Sydney to amongst other things consider variations to the DOCA. The resolution by which the variations are proposed are in accordance with Section 445E(3) of the Act, as included on the attached Notice of meeting

Formal notice of the meeting together with a Proxy form and an Informal proof of debt form are attached at **Appendix E**.

Proxy form

If you are planning to attend the meeting of creditors as a representative of a corporate entity, you will need to submit, prior to the meeting, a duly completed proxy form signed by an authorised representative of the corporate entity.

Any person attending the meeting as a representative of a creditor being a person will need to submit, prior to the meeting, a duly completed proxy form signed by that person.

Informal proof of debt form

If you have already lodged a proof of debt form with the Administrators or the Deed Administrator, there is no need to lodge another one for the purposes of the forthcoming meeting, unless you wish to amend your claim.

Please direct any enquiries regarding this matter to Geoffrey Knoke via gknoke@hayesadvisory.com.au or on (02) 8270 9300.

DATED this 9th day of November, 2016



Alan Hayes

Deed Administrator

Convergent Minerals Ltd (Subject to Deed of Company Arrangement)

APPENDIX A

Copy of the Deed of Company Arrangement Amending Deed (including the Deed of Covenant)

Deed of Company Arrangement Amending Deed

Alan Hayes
in his capacity as sole administrator
of Convergent Minerals Limited

and

Convergent Minerals Limited
(Subject to Deed of Company Arrangement)
ACN 120 909 953

and

BCG E&P No. 1 LLC

and

Berry Capital Group (Australia) Pty Ltd
ACN 077 997 918

Deed of Company Arrangement Amending Deed

Date 2016

Parties

1. **Alan Hayes** in his capacity as sole administrator of the Company of Level 16, 55 Clarence Street, Sydney NSW (**Deed Administrator**)
2. **Convergent Minerals Limited (Subject to Deed of Company Arrangement)** ACN 120 909 953 of Level 16, 55 Clarence Street, Sydney NSW (**Company**)
3. **BCG E&P No1 LLC** of c/- Corporation Service Company, 2711 Centerville Road, Suite 400 Wilmington, DE 19808 (**BCG LLC**)
4. **Berry Capital Group (Australia) Pty Ltd** ACN 077 997 918 of Level 17, 264-278 George Street Sydney NSW (**BCG Aust**)

Recitals

- A. On 14 September 2015, Christian Sprowles and Alan Hayes were appointed as joint and several administrators of the Company by a resolution passed by the board of directors pursuant to section 436A of the Corporations Act.
- B. On 24 September 2015 the first meeting of Creditors of the Company was held and the Administrators were retained as the voluntary administrators of the Company.
- C. On 20 October 2015, the second meeting of Creditors of the Company was held and at which creditors resolved to adjourn that meeting for up to 45 Business Days.
- D. The Proposers have proposed this Deed as an amending deed to the deed of company arrangement for the Company.
- E. At a meeting of the Creditors of the Company held on 22 December 2015 and duly convened pursuant to section 439A of the Corporations Act, the Creditors of the Company resolved that the Company execute a Deed of Company Arrangement (DOCA) under section 444B(2)(b) of the Corporations Act.
- F. The DOCA was executed on the 14 January 2016.
- G. The Deed Administrators consented to be the administrators of the DOCA.
- H. On 28 April 2016, Christian Sprowles resigned as Joint and Several Deed Administrator and Alan Hayes continued as Deed Administrator.
- I. At a meeting of the Creditors of the Company held on 2016, convened pursuant to section 445F of the Act, the Creditors of the Company resolved to execute a deed varying the terms of the DOCA in accordance with the terms and conditions of this Amending Deed.

1. Agreed terms - Definitions

In this Amending Deed, and as and from its date, Clause 1.1 of the DOCA is amended so that the following definitions are added to the DOCA or supersede them as the case may be.

1.1 Definitions

Administrators shall mean Alan Hayes in his capacity as sole administrator of the Company and any successor to that office appointed pursuant to the Corporations Act.

Amending Deed means this amending deed.

Amendment Date means the date when this Deed is executed by the Company, the Deed Administrator, and the Deed Proposers (BCG E&P No. 1 LLC and Berry Capital Group (Australia) Pty Ltd).

BCG LLC Members shall mean each of Broughton Vale Holdings, Xinhua Network, Star Prospect on a several, and not joint or joint and several, basis.

BCG LLC Nominees shall be amended to mean BCG LLC and BCG Aust nominees, where those persons nominated in writing by the Proposers within 1 Business Day before Completion to the Deed Administrator to act as Directors.

Completion Date shall mean [5] Business Days after the date of satisfaction or waiver of the last of the Conditions or such other date as agreed by the Proposers and the Deed Administrator in writing.

Commencement Date shall be amended to mean the date that this Deed is executed by the Deed Administrator, the Company and the Proposers.

Creditors Shares shall be amended to mean any Shares to be issued to Creditors under item 6 of the Recapitalisation Resolutions.

Cut Off Date shall mean 16 December 2016, as agreed by the parties dated 26 September 2016.

Deed Administrators shall mean Alan Hayes in his capacity as sole administrator of this Deed and any successor to that office appointed pursuant to the Corporations Act.

Deed of Company Arrangement (DOCA) means the deed of company arrangement between Christian Sprowles and Alan Hayes (in their capacity as joint and several deed administrators of Convergent Minerals Limited, BCG E&P No. 1 LLC and Berry Capital Group (Australia) Pty Ltd dated 14 January 2016.

General Offer shall mean the offer referred to in item 5 of Schedule 2 in this deed.

Heads of Agreement shall mean the binding heads of agreement between the Company, the Administrator, the Proposers dated 14 January, 2016.

Recapitalisation Proposals means each of the proposed transactions to recapitalise and restructure the Company in Schedule 2 of this deed.

Record Date shall mean the second Business Day after the satisfaction or waiver of the last of the Conditions or such other date as is agreed by the Proposers and the Deed Administrator in writing.

Shareholders Condition shall to mean the Condition referred to at item 1.1 of Schedule 1 of this deed.

2. Continuing DOCA Clauses

- a) Clauses 1.2, 1.3, 1.4, 1.5, 1.6, 1.7, 2.1, 2.2, 2.3, 2.4, 2.6(c), 2.8, 3.4, 3.7, 3.10, 4.2(a), 4.2(c), 4.5(b), 5.1(b)(ii), 5.1(b)(iii), 5.3, 6.1, 6.2, 6.3, 6.4, 6.5, 7.1(b), 7.1(c)(ii), 7.1(c)(iii), 7.1(d), 7.2, 8.1, 8.2, 8.3, 8.4, 12.2(c), 12.2(e), 12.2(f), 13(b), 14.1, 14.2(c), 14.2(d), 14.2(f), 14.2(g), 14.3, 14.5, 14.7(b), 14.7(c), 14.8, 15.1, 15.2, 15.3, 15.4, 15.5, 15.6, 15.7, 15.8, 15.9, 15.10, 15.11, 15.12(b), 15.13, 15.14, 15.15, 15.16, 15.17, 15.18, 15.19, and 15.20 of the DOCA continue to apply.
- b) Clauses 2.5, 2.6(a), 2.6(b)(i), 3.1, 3.2, 3.3, 3.5, 3.6, 3.8, 3.9, 3.11, 4.5(b), 5.1(a), 5.1(b)(i), 5.1(b)(iv), 7.1(c)(ii), 7.1(c)(v), 9.1, 9.2, 9.3, 10.1, 10.2, 10.3, 11, 12.1, 12.2(a), 12.2(b), 12.2(d), 13(a), 13(c), 13(d), 14.2(b), 14.2(e), 14.4, 14.6, and 14.7(a) of the DOCA continue to apply as with the terms defined in this deed.

3. Amendments to the DOCA

With effect from the Amendment Date:

- a) clauses 7.1(c)(iv), 7.1(c)(v) and 9.5 and 9.6(a) of the DOCA shall cease to have any force or effect.
- b) In clauses 2.7(b), 4.1, 4.2(b), 4.3, 4.4, 7.1(c)(i), and 15.12(a) of the DOCA reference to BCG LLC or BCG Aust shall mean the Proposers in the DOCA.
- c) In clauses 2.7(a), 2.7(b), 7.1(c)(i), 9.6, and 14.2(a) of the DOCA, Company shall mean the Proposers as presented in the DOCA.
- d) clause 5.2(a) of the DOCA shall be amended to read:
 - (a) The Proposers will nominate persons to be the directors of the Company.
- e) clause 5.2(b) of the DOCA shall be amended to read:
 - (b) Convergent's directors will propose that a resolution effecting a change of Directors is sought at a meeting of Company Shareholders, and the Deed Administrator must provide the directors with the requisite authority to enable that to occur.
- f) clause 9.6(b) of the DOCA shall be amended to read:
 - (b) if the sole Deed Administrator resigns before the 28 days expire, he must convene a meeting of Creditors in accordance with Clause 13(a) of the DOCA for the purpose of nominating a replacement deed administrator.
- g) clause 7.1 of the DOCA shall be amended by adding Clause 7.1(c)(viii) as follows:
 - The Deed Administrator must be given a duly executed Deed of Covenant in the form attached.

4. General

4.1 Execution of documents

The Company, Deed Administrator and the Proposers shall do and perform all acts to give effect to this Deed.

4.2 Costs of this deed

Each party will bear its own costs, fees and expenses in relation to the preparation, approval and implementation of this deed, and of the preparation of any documents necessary to give effect to this Deed.

Schedule 1 - Conditions

Schedule 1 of the DOCA shall be amended by replacing the conditions therein with the following:

- 1.1 A general meeting held by the Company approving the Restructure Resolutions (Schedule 2) in compliance with the Corporations Act, the ASX Listing Rules and the constitution of the Company (**Shareholders Condition**);
- 1.2 The Company receiving a written assurance from the ASX (in a form reasonably acceptable to the Proposers) confirming that, upon the termination of this Deed, the suspension from listing of the Company will be lifted and the quotation to trading of the Shares will be re-instated on and from the Completion Date, or such later date upon which the relevant conditions have been satisfied (**ASX Condition**);
- 1.3 The deregistration of all subsidiaries of the Company or the sale or transfer of all the issued capital of the subsidiaries of the Company by the Deed Administrator at the Deed Administrators' own cost and on terms acceptable to the Proposers;
- 1.4 The termination of all arrangements with any persons employed or contracted by Company (**Convergent Personnel**) and any claims from such Convergent Personnel being subject to this Deed;
- 1.5 The discharge of all Encumbrances or other third party interests registered over any Shares or any other securities or assets of the Company on terms satisfactory to the Proposers;
- 1.6 The Trust Deed being executed and taking effect.

Schedule 2 - Recapitalisation Proposal

Schedule 2 of the DOCA shall be amended by the replacing the table with the following tables:

Restructure Resolutions (Restructure Meeting)

| | | |
|----|---|--|
| 1. | Share Consolidation | Convergent's share capital will be consolidated on the basis of 1 fully paid ordinary share for every 10 fully paid ordinary shares issued in Convergent, rounded to the nearest number, effective from the time of the first Shareholders Meeting (Restructure Meeting). |
| 2. | Placement to the BCG LLC Members | <p>The parties procure that the following share and capital raising transactions take place as soon as practicable after Shareholders Approval is granted:</p> <p>Convergent will:</p> <p>(i) issue 700,000,000 Convergent Shares to the BCG LLC Members in proportions to be determined, at an issue price of \$0.00001 per Convergent Share to raise \$7,000; and</p> <p>(ii) issue 50,000,000 options to the BCG LLC Members in proportions to be determined, at an issue price of \$0.00001 per option to raise \$500, with an exercise period of 2 years and an exercise price of \$0.03 per option (or at a price equal to the issue price under a Prospectus as detailed in the Recapitalisation Proposal). Each option may be exercised by the option holder to be issued with 1 Convergent Share.</p> <p>Each Convergent Share issued in accordance with this placement will rank equally with the other Convergent Shares already on issue (including, for the avoidance of doubt, all rights to dividends and voting rights).</p> |
| 3. | Board Structure | <p>As part of completion the parties procure:</p> <p>(a) The Proposers will nominate persons to be the directors of the Company; and</p> <p>(b) Convergent's directors will propose that a resolution effecting a change of Directors is sought at a meeting of Company Shareholders, and the Deed Administrator must provide the directors with the requisite authority to enable that to occur.</p> |
| 4. | Change of Company Name | Convergent change its company name from "Convergent Minerals Ltd" to "East West Energy Limited" upon Sale Completion. |

Recapitalisation Resolutions (Recapitalisation Meeting)

| | | |
|----|----------------------------------|--|
| 5. | Share and Capital Raising | <p>Convergent must procure that the following share and capital raising transactions take place as soon as practicable after Shareholders Approval is granted:</p> <p>General Offer</p> <p>Convergent will:</p> <ul style="list-style-type: none">(i) issue 600,000,000 Convergent Shares at an issue price of \$0.03 per Convergent Share to raise \$18,000,000. Note the issue price is subject to the appropriate ASX waiver; and(ii) for every 2 Convergent Shares that are so issued, issue one option to acquire a further Convergent Share. Each option may be exercised by the option holder within 2 years from the date of issue at an exercise price of \$0.06 per Convergent Share. Each Convergent Share issued in accordance the General Offer will rank equally with the other Convergent Shares already on issue (including, for the avoidance of doubt, all rights to dividends and voting rights). |
| 6. | Creditors Shares | <p>Convergent will issue 3,333,333 Convergent Shares to the Trustee for the purpose of holding it as an asset of the Creditors' Trust, at an issue price of \$0.03 per Convergent Share (to a total value of \$100,000). Note the issue price is to be equal to the public offer share price and subject to the appropriate ASX waiver, so long as the issue value is \$100,000.</p> <p>Each Convergent Share issued in accordance with this placement will rank equally with the other Convergent Shares already on issue (including, for the avoidance of doubt, all rights to dividends and voting rights).</p> |

Executed as a deed

Signed sealed and delivered by Convergent Minerals Limited
(Subject to Deed of Company Arrangement)
ACN 120 909 953 by its sole administrator in the presence of:

.....
Signature of witness

.....
Signature of administrator

.....
Name of secretary
(please print)

.....
Name of director
(please print)

Signed sealed and delivered by Alan Hayes
in the presence of:

.....
Signature of witness

.....
Signature of Alan Hayes

.....
Name of witness
(please print)

Executed by **BCG E&P No.1 LLC** in accordance with its constituent documents:

.....
Signature of authorised person

.....
Name (please print)

Signed sealed and delivered by Berry Capital Group (Australia) Pty Ltd ACN 077 997 918 in accordance with section 127(1) of the *Corporations Act 2001 (Cth)*:

.....
Signature of sole director and sole company secretary

.....
Name (please print)

Deed of Covenant

Mitchell McGeorge, Scott Brownlaw, John Reader and Vick Dusik
as the incoming Directors

and

Alan Hayes
in his capacity as a Trustee of
the Convergent Creditors Trust

THIS DEED OF COVENANT made the _____ day of _____ 2016

BETWEEN

MITCHELL MCGEORGE, SCOTT BROWNLAW, JOHN READER and VICK DUSIK both jointly and severally C/- Berry Capital Group, Level 17, Australia Square, 264 George Street Sydney NSW 2000 ("**incoming Directors**") of the one part;

and

ALAN HAYES in his capacity as a Trustee of the Convergent Creditors Trust ("**Trustee**") of the other part.

WHEREAS

- A. Alan Hayes and Christian Spowles were appointed as joint and several administrators of the Convergent Minerals Limited ('Company') on 14 September 2015.
- B. A meeting of Creditors of the Company held on 22 December 2015 pursuant to Section 439A of the Corporations Act resolved to execute a Deed of Company Arrangement.
- C. A Deed of Company Arrangement was executed on 14 January 2016 ("**DOCA**").
- D. On 28 April 2016 Christian Spowles resigned as one of the Administrators of the Company.
- E. The Trustee a joint and several trustee of the Convergent Creditors Trust and Christian Spowles is the other trustee.
- F. At a meeting of creditors of the Company held on _____ 2016 pursuant to Section 445F of the Corporations Act, the creditors resolved to vary and amend the terms of the DOCA as set out in Amending Deed.
- G. Incoming Directors have been appointed as directors of the Company pursuant to Clause 5.2(a) of the DOCA (as amended).

NOW THIS DEED WITNESSES:

1. Covenant to Issue and allot Creditor Shares

Incoming Directors jointly and severally do hereby covenant, acknowledge and agree with the Trustee that they shall use their best endeavours to promptly cause the Company to issue the Creditors Shares (3,333,333 ordinary shares deemed fully paid) referred to in Schedule 2 of the Varied DOCA (attached) as soon as practicable after the shareholders of the Company approve the issue and allotment thereof to the Trustee to hold for the benefit of the Creditors Trust at the Company's recapitalization meeting, contemplated by the DOCA and after approval of ASX to the issue price thereof being \$0.03 per share, and to execute all documents necessary to give effect thereto.

2. Covenant to undertake Capital Raising

Incoming Directors, jointly and severally, do hereby covenant, acknowledge and agree with the Trustee that they shall use their best endeavours to promptly cause to be prepared and registered, a prospectus whereunder 600,000,000 ordinary fully paid shares in the Company are issued to the public at an issue price of \$0.03 per share (subject to ASX approval) together with an attaching option for every two shares so issued at an exercise price of \$0.06 per option within two years and shall do all such acts and execute all such documents as shall be reasonably required to complete such public share issue as contemplated by the DOCA.

SIGNED SEALED AND DELIVERED by the)
said **ALAN HAYES**)
in the presence of:)

ALAN HAYES

Witness

APPENDIX B

Summary of receipts and payments

| Convergent Minerals Ltd (Subject to Deed of Company Arrangement) Consolidated summary of receipts and payments for VA, DOCA and Creditors Trust as at 21 Oct 2016 (All figures include GST) | | | |
|--|----------------|------------------|----------------|
| RECEIPTS | (\$) | (\$) | (\$) |
| | Actual | Estimated future | Total |
| Cash at Bank | 37,510 | 0 | 37,510 |
| Debtors | 8,470 | 0 | 8,470 |
| Dividend from Montague | 224,360 | 8,020 | 232,381 |
| DOCA receipts: | | | |
| Creditor payment - First tranche | 100,000 | 0 | 100,000 |
| Creditor payment - Second tranche | 0 | 200,000 | 200,000 |
| Proceeds from sale of Creditor shares | 0 | 100,000 | 100,000 |
| Proceeds from sale of MRA shares | 10,000 | 0 | 10,000 |
| Fees - Sale process | 7,500 | 0 | 7,500 |
| Funding from secured creditor | 40,750 | 0 | 40,750 |
| GST Control | 32,289 | 12,498 | 44,787 |
| Interest | 17 | 0 | 17 |
| Refunds | 6,701 | 1,000 | 7,701 |
| Sale of motor vehicle & equipment | 9,000 | 0 | 9,000 |
| Total receipts | 476,597 | 321,519 | 798,116 |
| PAYMENTS | | | |
| Trading payments | | | |
| ASIC | 2,799 | 1,176 | 3,975 |
| ASX | 27,500 | 2,750 | 30,250 |
| Bank charges | | 20 | 20 |
| Employee expenses: | | | |
| Wages (net) | 24,130 | 0 | 24,130 |
| PAYG Withheld | 9,995 | 0 | 9,995 |
| Superannuation | 3,242 | 0 | 3,242 |
| Rent | 3,185 | 0 | 3,185 |
| Share registry | 3,690 | 615 | 4,305 |
| Subcontractor | 1,320 | 0 | 1,320 |
| Tenement management fees | 14,428 | 0 | 14,428 |
| Tenement rent | 17,510 | 0 | 17,510 |
| Utilities | 8,813 | 0 | 8,813 |
| Other | 2,096 | | 2,096 |
| Sub-total | 118,708 | 4,561 | 123,269 |
| Administrators' Fees and Expenses | | | |
| Administrators' Fees to 13 Jan 2016 | 206,546 | 0 | 206,546 |
| Deed Administrators' Fees from 14 Jan 2016 (act.) | 10,984 | 105,933 | 116,917 |
| Trustees' Fees (est.) | 0 | 11,000 | 11,000 |
| Administrators' Disbursements | 7,065 | 0 | 7,065 |
| Deed Administrators' Disbursements | 0 | 550 | 550 |
| Trustees' Disbursements (est.) | 0 | 1,100 | 1,100 |
| Advertising | 4,224 | 0 | 4,224 |
| Insurance | 9,113 | 0 | 9,113 |
| Inspection and Other Sales Administration Fees | 2,412 | 0 | 2,412 |
| Legal fees | 53,928 | 15,700 | 69,628 |
| Printing | 1,369 | 0 | 1,369 |
| Refunds | 1,000 | 0 | 1,000 |
| Storage - Books and Records | 1,636 | 1,000 | 2,636 |
| Other | 2,975 | 2,200 | 5,175 |
| Sub-total | 301,251 | 137,483 | 438,735 |
| Total payments | 419,959 | 142,044 | 562,003 |
| Net GST/PAYG received / (paid) | | | 0 |
| NET SURPLUS | 56,638 | 179,475 | 236,112 |

| ESTIMATED DIVIDENDS (1ST DIVIDEND) | |
|---|---------|
| <u>Priority creditor claims (Employee entitlements)</u> | \$ \$ |
| Estimated funds available | 236,112 |
| Total estimated claims | 106,092 |
| Total estimated dividend | 106,092 |
| Estimated dividend rate (cents per dollar) | 100 |
| <u>Ordinary unsecured creditors</u> | |
| Estimated funds available | 130,021 |
| Total estimated claims | 435,191 |
| Total estimated dividend | 130,021 |
| Estimated dividend rate (cents per dollar) | 29.9 |

| ESTIMATED DIVIDENDS (2nd DIVIDEND) | |
|---|-----------|
| Estimated future receipt - Dividend from AFL | \$ 58,723 |
| Less: Estimated trustee's fees | 5,000 |
| Estimated net funds available for distribution | 53,723 |
| <u>Ordinary unsecured creditors</u> | |
| Estimated funds available | 53,723 |
| Total estimated claims | 305,170 |
| Total estimated dividend | 53,723 |
| Estimated dividend rate (cents per dollar on total claim) | 12.3 |

APPENDIX C

Comparative summary of estimated surplus funds and estimated dividends

Convergent Minerals Ltd (Subject to Deed of Company Arrangement)
 Comparison of estimated surplus funds available and estimated dividends as
 per the Administrators' Supplementary 439A report and as at 7 Nov 2016

| | Current | Per 439A | Difference |
|--|----------------|----------------|-----------------|
| | \$ | \$ | \$ |
| ESTIMATED TOTAL RECEIPTS | | | |
| Cash at Bank | 37,510 | 37,510 | 0 |
| Debtors | 8,470 | 8,470 | 0 |
| Dividend from Montague | 232,381 | 234,218 | -1,837 |
| DOCA receipts: | 410,000 | 410,000 | 0 |
| Fees - Sale process | 7,500 | 7,500 | 0 |
| Funding from secured creditor | 40,750 | 40,750 | 0 |
| GST Control | 44,787 | | 44,787 |
| Refunds | 7,701 | 5,793 | 1,908 |
| Sale of motor vehicle & equipment | 9,000 | 15,000 | -6,000 |
| Other | 17 | 250 | -233 |
| Total receipts | 798,116 | 759,490 | 38,626 |
| ESTIMATED TOTAL PAYMENTS | | | |
| Trading payments | | | |
| ASIC | 3,975 | 1,161 | 2,814 |
| ASX | 30,250 | 0 | 30,250 |
| Employee expenses | 37,367 | 35,942 | 1,425 |
| Rent | 3,185 | 3,185 | 0 |
| Share registry | 4,305 | 879 | 3,426 |
| Tenement expenses | 42,071 | 31,467 | 10,604 |
| Other | 2,116 | 29,276 | -27,160 |
| Sub-total | 123,269 | 101,910 | 21,358 |
| Administrators' fees and expenses | | | |
| Administrators' fees to 13 Jan 16 | 206,546 | 207,001 | -455 |
| Deed Administrators' fees from 14 Jan 2016 | 116,917 | 13,750 | 103,167 |
| Trustees' fees (est.) | 11,000 | 10,000 | 1,000 |
| Advertising | 4,224 | 4,224 | 0 |
| Insurance | 9,113 | 7,870 | 1,243 |
| Legal fees | 69,628 | 27,241 | 42,387 |
| Sub-total | 438,735 | 270,086 | 168,649 |
| Total payments | 562,003 | 371,996 | 190,007 |
| ESTIMATED SURPLUS* | 236,112 | 387,494 | -151,382 |

| | Current | Per 439A | Difference |
|---|---------|----------|------------|
| | \$ | \$ | \$ |
| ESTIMATED DIVIDENDS (1st DIVIDEND) | | | |
| <u>Priority creditor claims (Employee entitlements)</u> | | | |
| Estimated funds available | 236,112 | 387,494 | -151,382 |
| Total estimated claims | 106,092 | 123,128 | -17,037 |
| Total estimated dividend | 106,092 | 123,128 | -17,037 |
| Estimated dividend rate (cents per dollar) | 100 | 100 | 0 |
| <u>Ordinary unsecured creditors</u> | | | |
| Estimated funds available | 130,021 | 264,365 | -134,345 |
| Total estimated claims | 435,191 | 438,523 | -3,332 |
| Total estimated dividend | 130,021 | 264,365 | -134,345 |
| Estimated dividend rate (cents per dollar) | 29.9 | 60.3 | -30.4 |
| ESTIMATED DIVIDENDS (2nd DIVIDEND) | | | |
| Estimated future receipt - Dividend from AFL | 53,723 | 177,209 | -123,486 |
| <u>Ordinary unsecured creditors</u> | | | |
| Estimated funds available | 53,723 | 177,209 | -123,486 |
| Total estimated claims | 305,170 | 174,158 | 131,013 |
| Total estimated dividend | 53,723 | 177,209 | -123,486 |
| Estimated dividend rate (cents per dollar on total claim) | 12.3 | 40.4 | -28.1 |

Notes:

* The estimated surplus shown for "Per 439A" of \$387,494 includes a Trustee fee expense of \$10,000 which was excluded in error from the calculated surplus per the Administrators' supplementary 439A report, which showed an estimated surplus of \$397,494.

** The estimated 2nd dividend calculation shown for "Per 439A" is based on the "Calculation of estimated dividend return" for AFL as tabled at the reconvened meeting of creditors on 22 December 2015

APPENDIX D

Deed Administrator's remuneration report

Deed Administrator's Remuneration Report

REMUNERATION REPORT

Part 1: Declaration

I, Alan Hayes of Hayes Advisory Pty Ltd, have undertaken a proper assessment of this remuneration claim for my appointment as Deed Administrator of **Convergent Minerals Ltd (Subject to Deed of Company Arrangement) ("CVG")** in accordance with the law and applicable professional standards. I am satisfied that the remuneration claimed is in respect of necessary work, properly performed, or to be properly performed, in the conduct of the Administration.

Part 2: Executive Summary

To date, Deed Administrator's remuneration of up to \$12,500 (plus GST) has been approved and paid.

This remuneration report details approval sought for the following fees:

| Description (Deed Administrator) | Amount (\$ excl. GST) |
|---|-----------------------------|
| 28 January 2016 to 21 October 2016 (Actual includes 25% discount) | 76,101 |
| 22 October 2016 to completion of DOCA (Estimated includes 25% discount) | 20,202 |
| Total | 96,303 |

Please refer to report section references detailed above for full details of the calculation and composition of the remuneration approval sought.

Part 3: Description of Work Completed

Deed Administrators' remuneration for the period 28 January 2016 to 21 October 2016.

| Task Area | General Description | Includes |
|--|---------------------|---|
| Assets 153.0 Hours \$58,733 | Sale of Business | <p>Attendance to compliance issues associated with maintenance of listing status including al ASX and ASIC requirements</p> <p>Correspondence, meetings and telephone calls with proponents, directors, CFO and/or auditors regarding compilation of annual reports and half yearly reports. Preparation, review and/or supply of financial data and other information regarding for annual and half year reports</p> <p>Attendance to matters associated with DOCA completion conditions including correspondence with Kidman Resources regarding tenement transfers, collation of data supporting completion of conditions, discussions and correspondence regarding deregistration and/or transfer of subsidiaries</p> <p>Extensive dealings with lawyers and Kidman Resources regarding tenement forfeiture applications and associated legal proceedings</p> <p>Various dealings regarding the proposed revised Recapitalisation plan including internal</p> |

| Task Area | General Description | Includes |
|--|-----------------------------|--|
| | | <p>discussions, legal correspondence and advice, discussions and correspondence with Proponents, review and discussion regarding draft documents including draft notice of meeting of shareholders, letter of authority to directors and associated tasks</p> <p>Various dealings regarding DOCA variation proposal including internal meetings and discussions, correspondence, telephone calls and meetings with the Proponents; reviews and discussions regarding draft documents; obtaining legal advice as required, and associated tasks</p> |
| | Other Assets | Duties associated with recovery and sale of motor vehicle |
| Creditors 23.7 Hours \$8,620 | Creditor Enquiries | <p>Receive and follow up creditor enquiries via telephone</p> <p>Review and prepare correspondence to creditors and their representatives via facsimile, email and post</p> |
| | Dealing with proofs of debt | <p>Receipting and filing POD's when not related to a dividend</p> <p>Corresponding with ATO regarding POD's when not related to a dividend</p> |
| | Compliance creditors | Dealing with creditors associated with recapitalisation plan and continued listing status |
| Employees 5.8 Hours \$1,630 | Employees enquiry | <p>Receive and follow up employee enquiries via telephone</p> <p>Review and prepare correspondence to employees and their representatives via facsimile, email and post</p> <p>Preparation of letters to employees advising of their entitlements and options available</p> <p>Meetings with employees to provide updates and attend to enquiries</p> |
| | Calculation of entitlements | <p>Calculating employee entitlements</p> <p>Reviewing employee files and company's books and records</p> <p>Reconciling superannuation accounts</p> |
| Investigation 8.0 Hours \$2,097 | Conducting investigation | <p>Investigation of issues relating to forfeiture applications and associated legal proceedings</p> <p>Financial investigations supporting preparation of financial reports</p> <p>Accessing and reviewing contractor's hard drive records</p> <p>Reviewing company's books and records</p> |

| Task Area | General Description | Includes |
|---|--|---|
| Trade-On 17.3 Hours \$4,459 | General | Attend to correspondence from suppliers re ongoing trade on payments Prepare and maintain spreadsheet for payments due Prepare financial forecast Liaise with CFO and directors for the purpose of preparing financial forecast and various queries re trade on payments Attend to lodgement of compliance reports Liaise with Austwide Mining re reporting and/or compliance requirements Organise payment of trade on supplier invoices Entering receipt and payments into accounting system |
| | Tenement maintenance | Dealings with Kidman Resources regarding tenement liabilities and insurances |
| Dividend 6.0 Hours \$2,410 | Dividend calculations and projections | Preparation of dividend forecasts Meetings and/or discussions regarding dividend forecasts |
| Administration 90.9 Hours \$23,521 | Document maintenance/file review/checklist | Filing of documents File reviews Updating checklists Maintenance of books and records listing and storage |
| | Insurance | Attend to ongoing insurance requirements Correspondence with broker regarding ongoing insurance requirements Meeting with insurer to discuss insurance requirements for trade on purposes |
| | Bank account administration | Preparing correspondence opening and closing accounts Requesting bank statements and reviewing same Bank account reconciliations Correspondence with bank regarding specific transfers |
| | Compliance tasks | Preparation and lodgement of BAS Attendance to ASIC statutory lodgement requirements Attend to PAYGW and other employment related obligations |
| | Planning / Review | Discussions regarding status of administration |
| | Books and records / storage | Dealing with records in storage Sending job files to storage |
| Total 304.7 Hours \$101,468 | | |
| Discounted Total \$76,101 | | |

Part 4: Description of Works to be Completed (from 22 October 2016 to completion of the DOCA)

Estimated Deed Administrator's remuneration for the period 22 October 2016 to completion of the DOCA

| Task Area | General Description | Includes |
|---|--|--|
| Assets 29.4 Hours \$10,406 | Sale of business | All tasks to satisfy the Conditions for Completion of the DOCA Attend to execution and finalisation of Amending Deed Attend to statutory lodgements pertaining to Amended DOCA |
| Creditors 42.7 Hours \$15,225 | Creditor Enquiries | Continue to respond to creditor enquiries as and when received |
| | Report to creditors and notice of meeting of creditors | Prepare report to creditors and notice of meeting of creditors to consider proposed DOCA variations Various internal meetings and discussions associated with preparation of report and notice of meeting |
| | Meeting of creditors | Tasks associated with convening of meeting of creditors Preparation for and attendance at meeting of creditors Preparation and lodgement of minutes of meeting |
| Dividends 2.3 Hours \$676 | Dividend procedures | Calculate and attend to payment of dividends to Convergent Trust |
| Administration 2.5 Hours \$630 | Correspondence | Various correspondence |
| | Document maintenance/file review/checklist | Filing of documents File reviews Updating checklists |
| | Statutory lodgements | Continue to attend to all ATO, ASX and ASIC lodgement and notification requirements |
| | Bank account administration | Requesting bank statements Bank account reconciliations Correspondence with bank regarding specific transfers |
| | Planning / Review | Discussions regarding status of administration |
| | Books and records / storage | Obtain records |
| Total 76.9 Hours \$26,936 | | |
| Discounted Total \$20,202 | | |

Part 5: Calculation of Remuneration

See attached schedules setting out the Calculation of Actual Remuneration for the period 28 January 2016 to 21 October 2016 and Calculation of Estimated Remuneration for the period 22 October 2016 to the date of completion of the Deed of Company Arrangement.

See attached hourly rates utilised by Hayes Advisory Pty Ltd as at 1 July 2015 and 1 July 2016.

Part 6: Statement on Remuneration

At the forthcoming meeting of creditors to be held on Friday, 18 November 2016 at 11:30am, creditors will be asked to consider and, if thought fit, approve the following resolutions:

- i) *That the Deed of Company Arrangement of Convergent Minerals Ltd dated 14 January 2016 be varied in accordance with the Deed of Company Arrangement Amending Deed as attached as Appendix A to the Deed Administrator's report to creditors dated 9 November 2016.*
- ii) *That the remuneration of the Deed Administrator, as set out in the Deed Administrator's remuneration report, for the period from 28 January 2016 to 21 October 2016, be approved in the sum of \$76,101 plus GST and that the Deed Administrator be authorised to pay the remuneration.*
- iii) *That the remuneration of the Deed Administrator, as set out in the Deed Administrator's remuneration report, for the period from 22 October 2016 to the date of completion of the Deed of Company Arrangement, be approved up to an amount \$20,202 plus GST and that the Deed Administrator be authorised to pay this remuneration as and when incurred.*

Part 7: Report on External Administration

Please see attached Deed Administrators' Report to Creditors dated 9 November 2016.

Part 8: Disbursements

Disbursements are divided into three types:

- Externally provided professional services - these are recovered at cost. An example of an externally provided professional service disbursement is legal fees.
- Externally provided non-professional costs such as travel, accommodation and search fees - these are recovered at cost.
- Internal disbursements such as photocopying, printing and postage. These disbursements, if charged to the Administration, would generally be charged at cost; though some expenses such as photocopying and printing may be charged at a rate which recoups both variable and fixed costs. The recovery of these costs must be on a reasonable commercial basis.

We are not required to seek creditor approval for disbursements, but must account to creditors. Details of the basis of recovering internal disbursements in this administration are provided below. Full details of any actual costs incurred will be provided with future reporting.

| Disbursements | Rate (Excl GST) |
|-------------------------------|--------------------|
| Advertising | At Cost |
| Search fees | At Cost |
| Courier | At Cost |
| Printing, Faxes & Photocopies | \$0.20 per page |
| Postage | At Cost |
| Travel – staff by own vehicle | \$0.66 per km |
| Travel – other | At cost |

Disbursements scale applicable for the financial year ended 30 June 2016.

Part 9: Summary of Receipts and Payments

Please see attached Appendix “C” to the Deed Administrators’ Report to Creditors setting out receipts and payments for the period 1 May 2016 to 21 October 2016.

Part 10: Queries

Creditors have the right to request and obtain further information from the Deed Administrator.

Part 11: Information Sheet

Creditors may access the remuneration information sheet (ASIC Information Sheet 85 – Approving fees: a guide for creditors) at Hayes Advisory’s website under Publications.

www.hayesadvisory.com.au
www.hayesadvisory.com.au/publications/publications/items/category/infocreditors



Schedule of rates as @ 1 July 2015

Private & Confidential

*Hayes Advisory
Rate \$/Hour
(excluding GST)*

| | |
|-------------------|-----|
| Partner | 450 |
| Director | 405 |
| Senior Manager | 355 |
| Manager | 320 |
| Supervisor | 300 |
| Senior Analyst 1 | 270 |
| Senior Analyst 2 | 260 |
| Analyst 1 | 220 |
| Analyst 2 | 170 |
| Graduate | 150 |
| Undergraduate | 140 |
| Senior Bookkeeper | 140 |
| Bookkeeper | 130 |
| PA | 110 |
| Administration | 90 |



Schedule of rates as @ 1 July 2016

Private & Confidential

| | <i>Hayes Advisory Rate \$/Hour (excluding GST)</i> |
|-----------------------|--|
| Partner | 450 |
| Director | 405 |
| Senior Manager | 355 |
| Manager | 320 |
| Supervisor | 300 |
| Senior Analyst 1 | 270 |
| Senior Analyst 2 | 260 |
| Analyst 1 | 220 |
| Analyst 2 | 170 |
| Graduate/Intermediate | 150 |
| Undergraduate | 140 |
| Senior Bookkeeper | 140 |
| Bookkeeper | 130 |
| PA | 110 |
| Administration | 90 |

CONVERGENT MINERALS LTD (SUBJECT TO DEED OF COMPANY ARRANGEMENT)

A.C.N. 120 909 953

HOURS INCURRED FOR THE PERIOD 28 JANUARY 2016 TO 21 OCTOBER 2016

CALCULATION OF REMUNERATION

| Employee | Position | \$ /hour (ex GST) | Total actual hours | Total (\$) | Task Area | | | | | | | | | | | | | | |
|--|------------------|-------------------|--------------------|----------------|---------------|---------------|---------------|--------------|---------------|--------------|-------------------|--------------|--------------|--------------|--------------|--------------|--------------------|---------------|--|
| | | | | | Assets hrs | \$ | Creditors hrs | \$ | Employees hrs | \$ | Investigation hrs | \$ | Dividend hrs | \$ | Trade on hrs | \$ | Administration hrs | \$ | |
| Alan Hayes | Partner | 450 | 43.6 | 19,620 | 19.9 | 8,955 | 12.6 | 5,670 | 0.4 | 180 | 0.1 | 45 | 0.2 | 90 | 0.1 | 45 | 10.3 | 4,635 | |
| Geoff Knoke | Director | 405 | 121.2 | 49,086 | 106.0 | 42,930 | 1.6 | 648 | 0.7 | 284 | 1.5 | 608 | 5.6 | 2,268 | 0.4 | 162 | 5.4 | 2,187 | |
| Wayne Marshall | Senior Manager | 355 | 0.4 | 142 | 0.0 | 0 | 0.1 | 36 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.3 | 107 | |
| Matthew Nguyen | Manager | 320 | 0.5 | 160 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.5 | 160 | |
| Brandon Lee | Senior Analyst 2 | 260 | 104.1 | 27,066 | 25.3 | 6,578 | 7.8 | 2,028 | 4.2 | 1,092 | 4.4 | 1,144 | 0.2 | 52 | 13.9 | 3,614 | 48.3 | 12,558 | |
| Gigliola Hayes | Analyst 1 | 220 | 2.9 | 638 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 2.9 | 638 | 0.0 | 0 | |
| Denise Law | Graduate | 150 | 21.1 | 3,165 | 1.4 | 210 | 1.0 | 150 | 0.4 | 60 | 0.3 | 45 | 0.0 | 0 | 0.0 | 0 | 18.0 | 2,700 | |
| Stephen Walton | Intermediate | 150 | 4.9 | 735 | 0.4 | 60 | 0.2 | 30 | 0.0 | 0 | 0.6 | 90 | 0.0 | 0 | 0.0 | 0 | 3.7 | 555 | |
| Stephen Walton | Undergraduate | 140 | 4.4 | 616 | 0.0 | 0 | 0.2 | 28 | 0.1 | 14 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 4.1 | 574 | |
| Arthur Hayes | Intermediate | 150 | 1.6 | 240 | 0.0 | 0 | 0.2 | 30 | 0.0 | 0 | 1.1 | 165 | 0.0 | 0 | 0.0 | 0 | 0.3 | 45 | |
| Total | | | 304.7 | 101,468 | 153.0 | 58,733 | 23.7 | 8,620 | 5.8 | 1,630 | 8.0 | 2,097 | 6.0 | 2,410 | 17.3 | 4,459 | 90.9 | 23,521 | |
| Less: Discount at 25% | | | | | 25,367 | | | | | | | | | | | | | | |
| Net total discounted fee | | | | | 76,101 | | | | | | | | | | | | | | |
| GST | | | | | 7,610 | | | | | | | | | | | | | | |
| Total discounted fee (incl GST) | | | | | 83,711 | | | | | | | | | | | | | | |

CONVERGENT MINERALS LTD (SUBJECT TO DEED OF COMPANY ARRANGEMENT)
A.C.N. 120 909 953

ESTIMATED HOURS TO BE INCURRED FOR THE PERIOD FROM 22 OCTOBER 2016 TO COMPLETION OF THE DEED OF COMPANY ARRANGEMENT
CALCULATION OF REMUNERATION

| Employee | Position | \$/hour (ex GST) | Total actual hours | Total (\$) | Task Area | | | | | | | |
|---------------------------|--------------|---------------------|-----------------------|---------------|-------------|---------------|---------------|---------------|--------------|------------|--------------------|------------|
| | | | | | Assets hrs | \$ | Creditors hrs | \$ | Dividend hrs | \$ | Administration hrs | \$ |
| Alan Hayes | Partner | 450 | 14.4 | 6,480 | 6.3 | 2,835 | 7.3 | 3,285 | 0.4 | 180 | 0.4 | 180 |
| Geoff Knoke | Director | 405 | 43.4 | 17,577 | 16.1 | 6,521 | 26.0 | 10,530 | 0.8 | 324 | 0.5 | 203 |
| Gigliola Hayes | Analyst 1 | 220 | 0.2 | 44 | 0.0 | 0 | 0.0 | 0 | 0.1 | 22 | 0.1 | 22 |
| Denise Law | Graduate | 150 | 1.5 | 225 | 0.0 | 0 | 0.5 | 75 | 0.0 | 0 | 1.0 | 150 |
| Stephen Walton | Intermediate | 150 | 17.4 | 2,610 | 7.0 | 1,050 | 8.9 | 1,335 | 1.0 | 150 | 0.5 | 75 |
| Total | | | 76.9 | 26,936 | 29.4 | 10,406 | 42.7 | 15,225 | 2.3 | 676 | 2.5 | 630 |
| Less: Discount at 25% | | | | 6,734 | | | | | | | | |
| Net total discounted fees | | | | 20,202 | | | | | | | | |
| GST | | | | 2,020 | | | | | | | | |
| Total (Incl GST) | | | | 22,222 | | | | | | | | |

APPENDIX E

Notice of meeting of creditors

Proxy form

Informal proof of debt form

Corporations Act 2001
Section 439A(3)(a)
Sub-regulation 5.6.12(2)

**FORM 529
NOTICE OF MEETING OF CREDITORS**

**Convergent Minerals Ltd
(Subject to Deed of Company Arrangement)
A.C.N. 120 909 953**

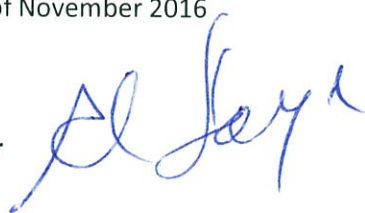
NOTICE IS GIVEN that a meeting of the creditors of the company will be held at **Hayes Advisory, Level 16, 55 Clarence Street, Sydney NSW 2000** on **Friday, 18 November 2016 at 11:30am (EDST)**.

AGENDA

- 2) To consider the Deed Administrator's report to creditors dated 9 November 2016.
- 3) For creditors to consider and, if thought fit, approve the following resolutions:
 - i) That the Deed of Company Arrangement of Convergent Minerals Ltd dated 14 January 2016 be varied in accordance with the Deed of Company Arrangement Amending Deed as attached as Appendix A to the Deed Administrator's report to creditors dated 9 November 2016.
 - ii) That the remuneration of the Deed Administrator, as set out in the Deed Administrator's remuneration report, for the period from 28 January 2016 to 21 October 2016, be approved in the sum of \$76,101 plus GST and that the Deed Administrator be authorised to pay the remuneration.
 - iii) That the remuneration of the Deed Administrator, as set out in the Deed Administrator's remuneration report, for the period from 22 October 2016 to the date of completion of the Deed of Company Arrangement, be approved up to an amount \$20,202 plus GST and that the Deed Administrator be authorised to pay this remuneration as and when incurred.
- 4) To consider any other business that may be properly brought before the meeting.

DATED this 9th day of November 2016

Alan Hayes
Deed Administrator



Instructions for attendance by telephone conference

- a) Conference Call Dial in telephone number - **03 8672 0100** and the **Access Code – 920 857**. If you wish to attend by telephone, please contact Mr Stephen Walton of my office on (02) 8270 9312 or via swalton@hayesadvisory.com.au to confirm your attendance;
- b) A person, or the proxy or attorney of a person, who wishes to participate in the meeting by telephone must give to Alan Hayes, Deed Administrator, not later than the last working day before the day on which the meeting is to be held (i.e. **17 November 2016**), a written statement setting out:
 - (i) the name of the person and of the proxy or attorney (if any); and
 - (ii) an address to which notices to the person, proxy or attorney may be sent; and
 - (iii) a telephone number at which the person, proxy or attorney may be contacted; and
 - (iv) any facsimile transmission number or email address to which notices to the person, proxy or attorney may be sent
- c) A person, or the proxy or attorney of a person, who participates in the meeting by telephone must pay any costs incurred by the person, proxy or attorney in participating and is not entitled to be reimbursed for those costs from the assets of the Company.

INFORMAL PROOF OF DEBT FORM

Regulation 5.6.47

Convergent Minerals Ltd
(Subject to Deed of Company Arrangement)
A.C.N. 120 909 953

Name of creditor:

Amount of debt claimed:

(see note)

Consideration for debt:

Whether debt secured or unsecured:

If secured, give details of security including dates, etc:

Balance, if any, after deducting value of security (see note):

.....
Creditor (or person authorised by creditor)

NOTE:

Under the Corporations Regulations, a creditor is not entitled to vote at a meeting unless (Regulation 5.6.23):

- a. his claim has been admitted, wholly or in part, by the Administrators; or
- b. he has lodged with the Administrators particulars of the debt or claim, or if required, a formal proof of debt.

For the purposes of Part 5.3A, a secured creditor may vote (Regulation 5.6.24):

- a. for the whole of his debt without regard to the estimated value of his security.

Proxies must be made available to the Administrators

APPOINTMENT OF PROXY

Convergent Minerals Ltd (Subject to Deed of Company Arrangement)
 A.C.N. 120 909 953

I/We¹ _____

of _____

a creditor of **Convergent Minerals Ltd**, appoint² _____

or in his/her absence _____

as *my/our *general/special proxy³ to vote at the meeting of creditors to be held on **Friday, 18 November 2016 at 11:30am**, or at any adjournment of that meeting, to vote:

- a) on all matters arising at the meeting; **OR**
- b) on each of the following resolutions in the manner specified:

| | | | | |
|------|---|---------------------------------|-------------------------------------|-------------------------------------|
| i) | That the Deed of Company Arrangement of Convergent Minerals Ltd dated 14 January 2016 be varied in accordance with the Deed of Company Arrangement Amending Deed as attached as Appendix A to the Deed Administrator's report to creditors dated 9 November 2016. | For <input type="checkbox"/> | Against <input type="checkbox"/> | Abstain <input type="checkbox"/> |
| ii) | That the remuneration of the Deed Administrator, as set out in the Deed Administrator's remuneration report, for the period from 28 January 2016 to 21 October 2016, be approved in the sum of \$76,101 plus GST and that the Deed Administrator be authorised to pay the remuneration. | For <input type="checkbox"/> | Against <input type="checkbox"/> | Abstain <input type="checkbox"/> |
| iii) | That the remuneration of the Deed Administrator, as set out in the Deed Administrator's remuneration report, for the period from 22 October 2016 to the date of completion of the Deed of Company Arrangement, be approved up to an amount \$20,202 plus GST and that the Deed Administrator be authorised to pay this remuneration as and when incurred. | For <input type="checkbox"/> | Against <input type="checkbox"/> | Abstain <input type="checkbox"/> |

DATED this _____ 2016

.....
 Signature⁴

¹ If a firm, strike out "I" and set out the full name of the firm.

² Insert the name, address and description of the person appointed.

³ If a special proxy, indicate your voting instructions by putting a tick (✓) in one of boxes labelled 'For', 'Against' or 'Abstain' adjacent to each resolution set out above.

⁴ The signature of the creditor is not to be attested by the person nominated as proxy.

CERTIFICATE OF WITNESS⁵

I _____ of _____
certify that the above instrument appointing a proxy was completed by me in the presence of and at the
request of the person appointing the proxy and read to him or her before he or she signed or marked the
instrument.

DATED this _____ day of _____ 20_____

Signature of Witness _____

Description _____

Place of Residence _____

⁵ This certificate is to be completed only where the person giving the proxy is blind or incapable of writing.