

ZYL Limited
(to be renamed “Hawkstone Mining Limited”)
ACN 008 720 223
Subject to Deed of Company Arrangement

SUPPLEMENTARY PROSPECTUS

1. Important information

This is a supplementary prospectus (**Supplementary Prospectus**) intended to be read with the prospectus dated 30 September 2016 (**Prospectus**) issued by ZYL Limited (to be renamed “Hawkstone Mining Limited”) ACN 008 720 223 (Subject to Deed of Company Arrangement) (**Company**).

This Supplementary Prospectus is dated 23 December 2016 and was lodged with ASIC on that date. Neither ASIC nor ASX take any responsibility as to the contents of this Supplementary Prospectus.

The Company is presently subject to a deed of company arrangement.

The Administrator has not been involved in the preparation of this Supplementary Prospectus and has taken no part in the preparation of any documents and expresses no opinion regarding the Recapitalisation Proposal. The Administrator has not independently verified any of the information contained in this Supplementary Prospectus. Neither the Administrator nor his servants, agents or employees make any representation or warranty (express or implied) as to the accuracy, reasonableness or completeness of the information contained in this Supplementary Prospectus. To the extent permissible by law, all such parties and entities expressly disclaim any and all liability for, or based on or relating to, any such information contained in, or errors in or omissions from this Supplementary Prospectus.

This Supplementary Prospectus should be read together with the Prospectus. Other than the changes set out in this Supplementary Prospectus, all other details in relation to the Prospectus remain unchanged. To the extent of any inconsistency between this Supplementary Prospectus and the Prospectus, the provisions of this Supplementary Prospectus will prevail. Unless otherwise indicated, terms defined and used in the Prospectus have the same meaning in this Supplementary Prospectus.

The Company has issued both a printed and electronic version of this Supplementary Prospectus and the Prospectus. Electronic versions of both may be accessed at www.zyl-limited.com.

This Supplementary Prospectus and the Prospectus are important documents that should be read in their entirety. If you are in any doubt as to the contents of this Supplementary Prospectus or the Prospectus, you should consult your stockbroker, lawyer, accountant or other professional adviser without delay.

2. Supplementary Prospectus

2.1 Reasons for this Supplementary Prospectus

This Supplementary Prospectus has been prepared to extend the period for admission to quotation of Shares offered under the Prospectus from three months from the date

of the Prospectus to three months from the date of this Supplementary Prospectus (**Quotation Condition**) pursuant to the ASIC Corporations (Minimum Subscription and Quotation Conditions) Instrument 2016/70 (**Instrument**).

Subject to the withdrawal rights in section 3 of this Supplementary Prospectus, as at the date of this Supplementary Prospectus, the minimum subscription (being \$2,000,000) to the Public Offer under the Prospectus has been achieved.

2.2 Quotation Condition

The Company makes the following statements regarding the Quotation Condition as required by the Instrument.

- (a) An application for admission to quotation of the Shares offered under the Prospectus was made within 7 days after the date of the Prospectus.
- (b) The Shares offered under the Prospectus have not been admitted to quotation as at the date of this Supplementary Prospectus.
- (c) ASX has not indicated that the Shares offered under the Prospectus will not be admitted to quotation. A summary of the ASX's conditions which the Company must meet to obtain re-quotation of its securities is set out in Section 4.2 of this Supplementary Prospectus.
- (d) The Quotation Condition is being amended to extend the period for admission to quotation of Shares offered under the Prospectus from three months from the date of the Prospectus to three months from the date of this Supplementary Prospectus.
- (e) The Quotation Condition must be satisfied by 23 March 2017, being the date three months from the date of this Supplementary Prospectus.
- (f) As at the date of this Supplementary Prospectus the number of Shares for which applications have been received is 206,400,000.

On 30 September 2016, the Company received a conditional reinstatement letter from ASX extending the time for which ASX's reinstatement conditions are met (summarised at Section 1.6 of the Prospectus) to 30 December 2016.

As at the date of this Supplementary Prospectus, the Company has not satisfied those conditions as Altius is yet to notorially execute the mining right (see Section 3.2 of the Prospectus).

The timing of the execution of the mining right is a matter which is outside of the control of the Company, with the Company encountering a further delay due to the DMR closing its offices for the Christmas holiday period. Pending execution of the mining right, the Company is satisfied that it is in a position to satisfy all of the ASX conditions.

The Company has applied to ASX for and been granted a further extension to meet ASX's conditions to 31 January 2017. If the Company does not meet ASX's conditions and its securities are not reinstated to quotation by 31 January 2017 (and no further extensions are granted by ASX), then the Company will be removed from the Official List of ASX from the commencement of trading on 31 January 2017. If this occurs, this Supplementary Prospectus and the Prospectus will be withdrawn and Application Monies will be refunded.

The Company has issued this Supplementary Prospectus because it was not able to satisfy conditions 2.2(b) and 2.2(c) of the Prospectus before 30 December 2016 to allow the quotation of its Shares on or before that date.

3. Applications

3.1 Investors who HAVE previously submitted an Application Form

A copy of this Supplementary Prospectus will be sent to all applicants who have subscribed for Shares under the Prospectus prior to the date of this Supplementary Prospectus. In accordance with section 724 of the Corporations Act, the Company will allow investors who have lodged Application Forms prior to the date of this Supplementary Prospectus one (1) month from the date of this Supplementary Prospectus (being 23 January 2017) to obtain a refund of their Application Monies if they do not wish to proceed with their application (the **Withdrawal Period**).

Any investor who wishes to obtain a refund under the Public Offer should write to ZYL Limited at the following address:

ZYL Limited (Subject to Deed of Company Arrangement)
Suite 23, 513 Hay Street
SUBIACO WA 6008
Attention: info@zyl-limited.com

If you do not wish to withdraw your application, you do not need to take any action.

4. Amendments to the Prospectus

4.1 Indicative timetable

The indicative timetable set out in Section 1.5 of the Prospectus is deleted and replaced with the following:

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| Lodgement of the Prospectus with ASIC | 23 December 2016 |
| Issue of Shares under this Prospectus | 24 January 2017 |
| DOCA effectuated and Administrator retires | 24 January 2017 |
| Re-commencement of trading Shares on ASX | 30 January 2017 |

4.2 ASX Listing

Sections 1.6 and 2.9 of the Prospectus are deleted and replaced with the following:

The Company's securities have been suspended from official quotation since 1 October 2013.

The Company has received a letter from ASX confirming that it sees no reason why the Company's securities should not be reinstated to official quotation conditional on completion of the following material conditions:

- (a) confirmation that the DOCA has been fully effectuated;

- (b) the Company's shareholders approving all resolutions at the General Meeting;
- (c) completion of the Consolidation;
- (d) confirmation that the Company has retained its interest in the Kangwane South Project and the tenements comprising the Kangwane South Project are in good standing;
- (e) receipt of a legal opinion from a reputable independent South African law firm opining (to the satisfaction of ASX) as to the legality of the Company conducting its proposed activities on the Kangwane South Project as at the date of reinstatement and confirming that it has an unfettered right to access the tenements comprising the Kangwane South Project;
- (f) confirmation by the Company that the Company has unfettered access to conduct its proposed activities on the Kangwane South Project;
- (g) confirmation the Security has been released and discharged and there are no outstanding security interests over the Company's interest in the Kangwane South Project;
- (h) compliance with ASX Listing Rules 12.1 to 12.4, including:
 - (i) the Company's business objectives meeting ASX Listing Rule 12.1;
 - (ii) confirmation of completion of the Capital Raising and that, after payment of the costs of the capital raising (if any) and payments to the deed administrators to satisfy obligations under the DOCA, the Company can demonstrate to ASX that it will have a minimum of \$1,000,000 in cash, net of all liabilities, at the date of reinstatement, to satisfy ASX Listing Rule 12.2;
 - (iii) the Company demonstrating to ASX that it has at least 300 Shareholders each holding at least \$500 worth of fully paid ordinary shares;
- (i) lodgement of any outstanding financial reports.

The Company has until 31 January 2017 to meet the ASX conditions.

If the Company does not meet ASX's conditions and its securities are not reinstated to quotation by 31 January 2017 (and no further extensions are granted by ASX), then the Company will be removed from the Official List of ASX from the commencement of trading on 31 January 2017. If this occurs, this Supplementary Prospectus and the Prospectus will be withdrawn and Application Monies will be refunded.

Section 2.2(b) of the Prospectus is deleted and replaced with the following:

The Company has received approval from ASX to have its securities reinstated to trading on the ASX subject to satisfying certain conditions, including that the Company has an unfettered right to access the tenements comprising the

Kangwane South Project (please see Section 1.6 of the Prospectus for further information).

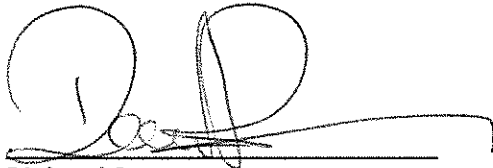
The approval expires on 30 December 2016. The Company requested and was granted an extension to the date by which the Company must meet the conditions to 31 January 2017.

The Offers are conditional upon the ASX extending the deadline to meet the conditions and the Directors being reasonably satisfied of the Company's ability to satisfy the requirements of the ASX for reinstatement to trading of the Company's securities on ASX.

5. Directors' authorisation

This Supplementary Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Supplementary Prospectus with ASIC and has not withdrawn that consent prior to lodgement.

A handwritten signature in black ink, appearing to read 'Richard Pearce', written over a horizontal line.

Richard Pearce
Non-Executive Director