

**Wolf Minerals Limited  
(Administrator Appointed)  
ACN 121 831 472**

Voluntary Administrators' Report

11 January 2019

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## Glossary of terms

Term	Description
ACN	Australian Company Number
Act	Corporations Act 2001
Administrators	Martin Jones and Ryan Eagle
Administrators' Report	Our report prepared pursuant to section 438A of the Act dated 5 November 2018
ARITA	Australian Restructuring, Insolvency & Turnaround Association
ASIC	Australian Securities & Investments Commission
ATO	Australian Taxation Office
Code	ARITA Code of Professional Practice
COI	Committee of Inspection
Company/Wolf Minerals	Wolf Minerals Limited (Administrators Appointed)
Creditors' Trust	The creditors' trust contemplated by the proposal for a DOCA referred to in paragraph 7 below.
Current Standstill Agreement	The Standstill and Restructuring Agreement dated 13 August 2018 between, amongst others, the Company, Wolf UK, the Senior Lenders, the Junior Lenders and the Offtakers
Directors	Don Newport, Christopher Corbett, John Hopkins, Ronald Beevor, Nicholas Clarke, Michael Wolley and Richard Lucas
DIRRI	Declaration of Independence, Relevant Relationships and Indemnities, pursuant to s436DA of the Act and Code
DOCA	Deed of Company Arrangement
ERV	Estimated Realisable Value
FEG	Fair Entitlements Guarantee
First Meeting	First meeting of creditors held on 22 October 2018
FY	Financial year
IPR	Insolvency Practice Rules (Corporations) 2016
Junior Lender	Resources Capital Fund VI L.P.
k	Thousands
m	Millions
Oftakers	Wolfram Bergbau and Hütten AG and Global Tungsten & Powders Corp
PPSR	Personal Property Securities Register
RATA	Report as to Affairs
RCF	Resource Capital Fund

Term	Description
Report	This report, prepared pursuant to IPR 75-225 and Section 438A of the Act
Secured Creditors	Senior and Junior Lenders and the Offtakers
Security Trustee	UniCredit Bank AG
Senior Lenders	Unicredit Bank AG, ING Bank NV and Caterpillar Financial SARL
Second Meeting	Second meeting held pursuant to IPR 75-225 and Section 439A of the Act, where creditors determine the future of the Company
Standstill Agreement	A Standstill and Restructuring agreement between, amongst others, the Company, Wolf UK, the Senior Lenders, the Junior Lenders and the Offtakers and originally dated 21 October 2016 and amended and restated on occasion
STID	A Security Trust and Inter-creditor Deed between, amongst others, the Company, Wolf UK, the Senior Lenders, the Junior Lenders and the Offtakers, originally dated 10 May 2013 as amended and restated on occasion including most recently on 14 August 2018
Subsidiary Interests	The Company's share interests in Wolf UK, Wolf LLP and Wolf MFPL.
Wolf Group	Wolf Group includes the Company, Wolf UK, Wolf LLP and Wolf MFPL
Wolf LLP	Wolf Minerals LLP is a company registered in the UK and is in a partnership between the Company, Wolf MFPL and Wolf LLP. We understand that Wolf LLP is dormant
Wolf MFPL	Wolf Minerals Finance Pty Ltd is an Australian registered entity 100% owned by the Company. We understand that Wolf MFPL is dormant
Wolf UK	Wolf Minerals (UK) Limited is a wholly owned subsidiary of the Company. Wolf UK was placed into Liquidation on 17 October 2018 and Ken Beasley of the Insolvency Service's Public Interest Unit was appointed Official Receiver

# 1 Executive summary

This section addresses frequently asked questions relating to the Administration of the Company including a summary of the estimated outcome for creditors. Full details are available throughout this Report.

## Question

### What is the Company?

The Company is a public company with a listing on the ASX and (formerly the AIM until 19 October 2018) under code WLF. The Company also acts as the holding company for the Wolf Group.

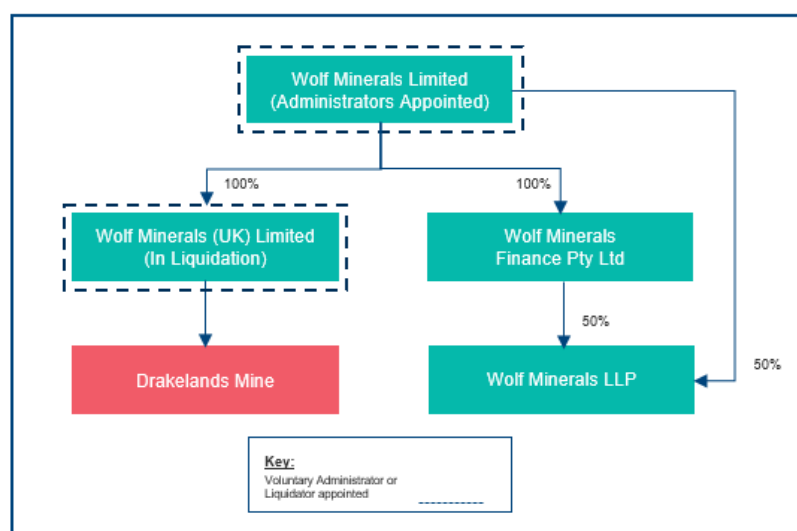
The Wolf Group was a specialist metals producer with key assets located near the Hemerdon village in the United Kingdom. The Company's wholly owned subsidiary, Wolf UK, owns and operated the Drakelands Mine which produced tungsten and tin from its 500tph processing plant.

### What is the purpose of this Report?

The purpose of this Report is to provide an update in respect of any changes since our Administrators' Report, provide an update on our investigations, as well as provide our opinion on the three (3) options available to creditors in deciding the future of the Company at the Reconvened Second Meeting.

### What is the ownership structure of the Company?

The Company's group structure is outlined below:



Key observations include:

- Wolf Minerals is listed on the ASX and (formerly the AIM until 19 October 2018) and is the holding company of the Wolf Group;
- Wolf UK is a wholly owned subsidiary, and owns the Drakelands Mine at Hemerdon Tungston and Tin Project located in the United Kingdom;
- Other subsidiaries include Wolf MFPL (Australian registered entity) and Wolf LLP (UK registered entity) in which the Company and Wolf MFPL holds a partnership interest with Wolf LLP. Wolf MFPL and Wolf LLP are dormant entities.

## Question

On 10 October 2018, Martin Jones and Ryan Eagle, were appointed as joint and several Administrators of the Company by the Directors under Section 436A of the Act.

### Other Appointments

#### What is the current status of the Company?

Wolf UK was ordered to be wound up under the provisions of the UK Insolvency Act 1986 on 17 October 2018. The petition was presented by the Directors of Wolf UK and the matter was heard in the High Court of Justice on 17 October 2018 before the Chief Insolvency and Companies Court Judge Briggs. Mr Ken Beasley, of the Insolvency Service's Public Interest Unit is now by virtue of the Order made the Liquidator of Wolf UK. Contact details for the Official Receivers' office are outlined below:

Contact: Ken Beasley

Email: Ken.Beasley@insolvency.gsi.gov.uk

#### Who is in control of the Company?

On appointment, the Administrators assumed control of the Company's affairs and notified creditors and other stakeholders, including shareholders via announcement to the ASX and AIM of their appointment.

The Administrators have also undertaken preliminary investigations into the affairs of the Company and the reasons for its failure which will be discussed further herein.

#### Why do the Directors believe the Company became insolvent?

There has been no change to the Directors' position regarding the Company's reasons for failure since our Administrators' Report that:

"The Company was reliant on positive cash flows from its subsidiary investment in Wolf UK and its operation of the Drakelands tungsten and tin mine. The mine did not reach sustainable positive cash flows and although the operations of Wolf UK were funded by the Bridge Loan Facility that was provided by Wolf UK's senior lenders and offtaker guarantors when required (including under the most recent standstill arrangements), further funding, investment and/or restructuring of debt that was required to facilitate the production improvements that were required to improve cash flow from operations. The Company resolved to appoint voluntary administrators when access to further funding ceased to be available."

#### Why do the Administrators believe the Company became insolvent?

There has been no change to our preliminary view outlined in our Administrators' Report that, in addition to the reasons identified by the Directors, the Company failed given:

- The Company was reliant upon ongoing funding and support from its major stakeholders in order to fund Wolf UK's Drakelands Mine's ongoing operating losses. Funding and liquidity relief was provided for under the Current Standstill Agreement and included but was not limited to major stakeholders such as the Senior and Junior Lenders;
- On 1 October 2018 the parties subject to the Current Standstill Agreement notified the Company that given the inability to agree a longer-term restructuring proposal, they intended to commence the "second phase" of the M&A process under the Current Standstill Agreement, including inviting formal bids in relation to any potential merger, acquisition or capital raising;
- Wolf Minerals however also required short-term funding during this period, in order to continue Wolf UK's operations whilst initiating the second phase of the M&A process. The Company explored various short-term funding options with a number of major stakeholders and third parties, however by 10 October 2018 confirmation had been received from each party that they were not willing to provide funding.
- As Wolf Minerals was a guarantor in respect of the Senior Lenders debt facilities and borrower in regard to the Junior Lender, when funding became unavailable to the Wolf Group, the Company was or likely to have become insolvent, and the Directors of the Company had no other option than to appoint administrators.

## Question

### What were the underlying causes of the Company's failure?

There has been no change to our preliminary view outlined in our Administrators' Report that the reasons the Company failed include:

- Trading losses;
- Inadequate cash flow or high cash use; and
- Inability to obtain new or extend finance facilities.

### What is the purpose of the Second Meeting of Creditors?

To resolve the future of the Company. The options available include whether:

- The Company execute a DOCA;
- The Administration should end; or
- The Company be wound up.

At the reconvened 2<sup>nd</sup> meeting, creditors are unable to adjourn the meeting for a further period.

At this stage creditors are expected to receive the following dividends:

### What is the estimated return to creditors?

Creditor class	Liquidation (Low)	DOCA (Low)	Liquidation (High)	DOCA (High)
Priority employees	Nil	N/A	Nil	N/A
Secured	Nil	0.2023 cents	Nil	0.2023 cents
Unsecured	Nil	Nil	Nil	Nil

We note that any return to creditors is subject to:

1. Successful recapitalisation/restructure of the Company's ASX listed Shell; and
2. The realisable value of Wolf UK's assets.

### What do the Administrators recommend creditors should do?

We recommend that it is in the creditors' best interests to approve the recapitalisation proposal put forward by First Guardian Synergy and for the Company to execute a DOCA on the same or substantially the same terms as it set out in the DOCA Term Sheet attached at Annexure F for the following key reasons:

- It provides a greater return to the creditors than Liquidation.
- The Secured Creditors representatives have been kept apprised of the DOCA proposals we have received to date, and have to date not objected to our recommendation and proposed course of action of proceeding with the First Guardian Synergy DOCA proposal.
- The Junior Lender which is also the largest shareholder of the Company has not objected to the DOCA proposal and in particular the shareholder resolutions that are proposed within the DOCA Term Sheet.

### What claims will a liquidator investigate?

Our investigations to date have not identified any antecedent transactions, nor any claims against the Directors of the Company.

The investigations undertaken to date in the Administration are detailed at **Section 7** of this report.

**Question**

**Where can I get more information?**

If you require any further information, please see the Ferrier Hodgson website and/or contact the following:

**Creditor queries**

**Employee queries**

Phone:08 9214 1444

Phone:08 9214 1444

E-mail: [belinda.devattimo@fh.com.au](mailto:belinda.devattimo@fh.com.au)

E-mail: [belinda.devattimo@fh.com.au](mailto:belinda.devattimo@fh.com.au)



## 2 Introduction

This section provides information on the entities subject to the Administration process, the objectives of the Administration, the purpose of this Supplementary Report, details of meetings of creditors and a summary of the Administrators' remuneration.

### 2.1 Appointment of Voluntary Administrators

On 10 October 2018, Martin Jones and Ryan Eagle, were appointed as joint and several Administrators of the Company by the Directors under Section 436A of the Act.

### 2.2 Appointment of Liquidator to Wolf UK

Wolf UK was ordered to be wound up under the provisions of the UK Insolvency Act 1986 on 17 October 2018. The petition was presented by the Directors of Wolf UK and the matter was heard in the High Court of Justice on 17 October 2018 before the Chief Insolvency and Companies Court Judge Briggs. Mr Ken Beasley, of the Insolvency Service's Public Interest Unit is now by virtue of the Order made the Liquidator of Wolf UK.

Contact details for the Official Receivers' office are outlined below:

Contact: Ken Beasley

Email: Ken.Beasley@insolvency.gsi.gov.uk

### 2.3 Objective of voluntary administration

In a voluntary administration, Administrators are empowered by the Act to assume control of an insolvent company, superseding the powers of the Directors and Officers, to manage the company's affairs and deal with its assets in the interests of its creditors.

The intention of a voluntary administration is to maximise the prospects of a company continuing in existence or, if that is not possible, to achieve better returns to creditors than would be achieved by its immediate liquidation. During a voluntary administration there is a moratorium over most pre-administration creditor claims.

Administrators are also required to investigate the Company's affairs and report to creditors on the Administrators' opinion as to which outcome of the voluntary administration process is in the creditors' best interest, informing the creditors prior to their voting at the Reconvened Second Meeting (please see Section 2.8 for further details).

### 2.4 Purpose and basis of this Supplementary Report

IPR 75-225 requires a voluntary administrator to provide a report (the **Supplementary Report** or this **Report**) to all creditors ahead of the Reconvened Second Meeting, outlining:

- Details regarding the business, property, affairs and financial circumstances of the entity under administration;
- The Administrators' opinion and recommendation on each of the options available to creditors; and
- If a DOCA is proposed, the details of the DOCA.

This Report also informs creditors about any further preliminary investigations undertaken by the Administrators since the Second Report. The views formed in this Report are not final and may be subject to change. Any additional material issues that are identified after this Report may be subject to a further written report and/or tabled at the forthcoming Reconvened Second Meeting.

This Report has been prepared primarily from information obtained from the Company's books and records and discussions with the Directors. Although the Administrators have conducted certain investigations of the affairs of the Company, there may be matters which we are unaware of as an audit of the Company has not been undertaken.

In order to complete our Report, we have utilised information from:

- The Company's book and records received by the Liquidator of Wolf UK;
- Discussions with creditors of the Company; and

- Other public databases.

## 2.5 Context of this Report

- Our Administrators' Report and this Report are based on our preliminary investigations to date. Any additional material issues that are identified subsequent to the issue of this Report may be the subject of a further written report and/or tabled at the Reconvened Second Meeting.
- The statements and opinions given in this Report are given in good faith and in the belief that such statements and opinions are not false or misleading. We reserve the right to alter any conclusions reached based on any changed or additional information which may be provided to us between the date of this Report and the date of the Reconvened Second Meeting (except where otherwise stated).
- In considering the options available to creditors and formulating our opinion and recommendation, we have necessarily made forecasts of asset realisations and total creditors' claims based on our best assessment in the circumstances. These forecasts and estimates may change as asset realisations progress and we receive creditor claims and consequently the outcome for creditors might differ from the information provided in this Report.
- Creditors should consider seeking their own independent legal advice as to their rights and the options available to them at the Reconvened Second Meeting.

## 2.6 Declaration of independence, relevant relationships and indemnities

In accordance with Section 436DA of the Act and the Code, a DIRRI was enclosed with the Administrators' first communication to creditors (and tabled at the First Meetings of Creditors).

The DIRRI disclosed information regarding the Administrators' independence, prior personal or professional relationships with the Company or related parties and any indemnities received in relation to the appointment. This assessment identified no real or potential risks to the Administrators' independence.

There has been no change in the declaration since that time.

## 2.7 First Meeting of Creditors and Committee of Inspection

Section 436E of the Act requires the Administrators to convene the first meeting of creditors within eight business days of being appointed.

The First Meeting of Creditors of the Company was held on 22 October 2018, at which the Administrators appointment was confirmed.

Creditors resolved at the First Meeting of Creditors to appoint a COI. The COI members represented 56.87% of the book value of creditors in the Administration. The members of the COI included:

- Resource Capital Fund V LP;
- Resource Capital Fund VI LP; and
- Lazard Pty Ltd.

Please note that Lazard Pty Ltd resigned as a member of the COI and accordingly the COI has now been dissolved.

## 2.8 Second Meeting of Creditors

Pursuant to Section 439A of the Act, the Second Meeting was held on 14 November 2018 at Level 28, 108 St Georges Terrace, Perth WA 6000 at 4pm.

At the Second Meeting, creditors resolved in favour of the Administrators' recommendation to adjourn the Second Meeting for up to a period not exceeding 45 business days to:

- Allow the Administrators with sufficient time to complete a sales process for the recapitalisation/restructure of the Company.
- Align the Administrators' sale process with that of the Wolf UK Liquidator so that any DOCA proposal/s received for the Company and its subsidiaries could also be considered.

- Allow the Administrators to finalise their review of the books and records of the Company. Please note that although the Administrators had received the majority of the Company's books and records, the Company's records were primarily held in the UK. Accordingly, adjourning the Second Meeting provided additional time to obtain the balance of the books and records to complete investigations.

## 2.9 Reconvened Second Meeting of Creditors

The Reconvened Second Meeting has been scheduled for Monday, 21 January 2019 and will be held at the office of Ferrier Hodgson, Level 28, 108 St Georges Terrace, PERTH WA 6000 at 11:00am AWST.

At the Reconvened Second Meeting, creditors will decide the Company's future in voting on one of the following options:

- That the Company execute a DOCA; or
- That the administration should end and control of the company revert to its directors; or
- That each company should be wound up.

The Notice of Meeting of Creditors is attached (**Annexure A**) along with an appointment of proxy form (**Annexure B**) and a proof of debt or claim form (**Annexure C**).

Creditors who wish to participate in the Reconvened Second Meeting must complete and submit the following forms to this office by 4:00pm.

on 18 January 2019. Please note that creditors who have previously submitted a Form 535 are not required to resubmit the same form unless they wish to revise their claim.

Form	Comments
Appointment of proxy (form 532)	<ul style="list-style-type: none"> <li>– Corporate creditors must appoint an individual to act on its behalf.</li> <li>– Individuals voting in person are not required to complete this form but must complete this form if a representative is appointed to vote on their behalf.</li> <li>– Please note that proxy forms submitted for the First Meeting are not valid for the Second Meeting. A new proxy form must be submitted.</li> </ul>
Proof of debt (form 535)	<ul style="list-style-type: none"> <li>– Creditors must submit documentation to support the amount they have claimed (i.e. unpaid invoices, payslips).</li> <li>– Creditors who have already submitted a proof of debt are not required to resubmit a proof of debt form unless the amount claimed has changed.</li> </ul>

## 2.10 Remuneration

An administrators' remuneration can only be fixed by resolution of a COI, the company's creditors, or by application to the Court. In accordance with IPR 70-35 and the Code, an Initial Remuneration Notice was provided to creditors with our initial communication and tabled at the First Meeting of Creditors.

ARITA has issued an "Approving remuneration in external administrations" information sheet providing general information for creditors on the approval of an administrator's fees in a liquidation, a voluntary administration or a DOCA. This information sheet is available from the ARITA website ([www.arita.com.au](http://www.arita.com.au)).

A summary of previously approved remuneration together with remuneration we will be seeking approval for at the Reconvened Second Meeting is tabled overleaf:

Period	Amount (ex GST) \$
<b>Current remuneration approval sought:</b>	
<b>Voluntary Administration</b>	
<i>Resolution 1: 15 November 2018 to 31 December 2018</i>	32,620.00
<i>Resolution 2: 1 January 2019 to 21 January 2019 (being the estimated Administrators' fees to the Reconvened Second Meeting)</i>	10,000.00
<i>Resolution 3: 21 January 2019 to the execution of the DOCA (being the estimated Administrators' fees to the execution of the DOCA)</i>	10,000.00
<b>Total Voluntary Administrators remuneration approval sought</b>	<b>52,620.00</b>
<b>Deed of Company Arrangement and Creditors' Trust (if applicable)</b>	
<i>Resolution 4: Execution of the DOCA to completion of the DOCA (being the estimated Deed Administrators remuneration to the completion of the DOCA)</i>	50,000.00
<i>Resolution 5: Date of Execution of Creditors' Trust to Completion (being the estimated Trustees' remuneration to the completion of the Creditors' Trust)</i>	10,000.00
<b>Total Deed of Company Arrangement and Creditors' Trust remuneration approval sought</b>	<b>60,000.00</b>
<b>Total current remuneration approval sought</b>	<b>112,620.00</b>
<b>Liquidation (if applicable)</b>	
<i>Resolution 6: 21 January 2019 to Completion of the Liquidation (being the estimated Liquidators fees to the completion of the Liquidation)</i>	100,000.00
<b>Total approval sought – liquidation (if applicable)*</b>	<b>100,000.00</b>
<b>Past remuneration approved:</b>	
<b>Voluntary Administration</b>	
10 October 2018 to 26 October 2018	103,696.50
27 October 2018 to 14 November 2018	40,000.00
<b>Total past remuneration approved</b>	<b>143,696.50</b>

\* Approval for the future remuneration sought is based on an estimate of the work necessary to the completion of the administration.

Please refer to our Remuneration Approval Request at **Annexure D** for details of the key tasks undertaken throughout the course of the administration to date.

## 2.11 Non-disclosure of certain information

There are sections of this Report where we have considered it inappropriate to disclose certain information to creditors. Such information includes:

- Valuation of the business
- Commercially sensitive prospective financial information (for example, projections / forecasts)

We recognise the need to provide creditors with complete disclosure of all necessary information relating to the Company. However, we believe this information is commercially sensitive and it is not in creditors' interests for us to disclose the information publicly at this stage.

Where necessary in this Report, we provide a combined figure for potential realisations of assets when comparing estimated dividends under the relevant options.

## 3 Company information

Please refer to the Administrators' Report for details regarding the Company's history, statutory information and the Directors' decision to appoint the Administrators.

## 4 Historical financial position

Please refer to the Administrators' Report for details regarding the Company's historical financial information which incorporates historical profit and loss results and balance sheets.

## 5 Report as to affairs and director's reasons for failure

This section provides an updated summary of the report as to affairs submitted by the Directors and confirms that there has been no change to the Directors' and Administrators' position regarding the reasons for the Company's failure.

### 5.1 Report as to affairs

Tabled below is an updated summary of the assets and liabilities disclosed in the Directors' RATA relative to the Administrators' estimated realisable values. The table has been amended in respect of the estimated Administrators' ERV for the unsecured creditors of the Company:

\$000s	Ref	Book Value	Directors' ERV	Administrators' ERV Low	Administrators' ERV High
<b>Assets</b>					
Cash at bank		78	78	78	78
Term Deposit		62	62	62	62
Shares in Wolf UK		313	Nil	Nil	Nil
<b>Total assets</b>		<b>453</b>	<b>140</b>	<b>140</b>	<b>140</b>
<b>Liabilities</b>					
Secured creditors		(242,881)	(242,881)	(295,183)	(295,183)
Employees claims		(96)	(96)	(4)	(4)
Unsecured creditors	5.1.1	(3,235)	(3,235)	(3,235)	(947)
<b>Total liabilities</b>		<b>(246,212)</b>	<b>(246,212)</b>	<b>(298,422)</b>	<b>(296,134)</b>
<b>Estimated surplus / (deficiency)</b>		<b>(245,759)</b>	<b>(246,072)</b>	<b>(298,282)</b>	<b>(295,994)</b>

Please refer to the Administrators' Report for further details regarding the above table.

### Notes

#### 5.1.1 Unsecured creditors

The Directors' RATA recorded unsecured creditor claims totalling \$3.2m. A summary of the unsecured creditors is below:

	Directors' ERV	Administrators' ERV
Trade creditors	28,083	29,809
Director's unsecured employee entitlements	Nil	92,459
Statutory creditors	1,782,419	TBC
Advisory/Professional Fees	1,424,498	825,000
<b>Total</b>	<b>3,235,000</b>	<b>947,268</b>

The above Administrators' ERV has been calculated as the total proof of debts received to date plus the Directors' unsecured portion of their employee entitlement claim.

To date, the Administrators have received eight (8) proofs of debt totalling \$854,809.

## 5.2 Directors' opinions as to the reasons for failure

There has been no change to the Directors' position regarding the Company's reasons for failure since our Administrators' Report that:

"The Company was reliant on positive cash flows from its subsidiary investment in Wolf UK and its operation of the Drakelands tungsten and tin mine. The mine did not reach sustainable positive cash flows and although the operations of Wolf UK were funded by the Bridge Loan Facility that was provided by Wolf UK's senior lenders and offtaker guarantors when required (including under the most recent standstill arrangements), further funding, investment and/or restructuring of debt that was required to facilitate the production improvements that were required to improve cash flow from operations. The Company resolved to appoint voluntary administrators when access to further funding ceased to be available."

## 5.3 Administrator's opinions as to the reasons for failure

There has been no change to our preliminary view outlined in our Administrators' Report that the reasons the Company failed include:

- Trading losses;
- Inadequate cash flow or high cash use; and
- Inability to extend finance facilities.

There has been no change to our preliminary view outlined in our Administrators' Report that, in addition to the reasons identified by the Directors, the Company failed given:

- The Company's subsidiary, Wolf UK's Drakelands mine was operating at a loss and was reliant upon the secured creditors and key stakeholders to provide financial relief to aid in the Company and Wolf UK's liquidity and to provide short-term working capital funding required to absorb the ongoing losses.
- The Company's key stakeholder group decided to cease funding the Wolf Group from 10 October 2018. Alternative sources of finance options (both debt and equity) were also exhausted or unlikely to advance in the near term. In this regard, the Company's Directors had no other option other than to appoint administrators given the short-term funding requirements.

# 6 The Administration to date and sale of business process

This section provides an overview of the conduct of the Administration, including the trading of the business and the going concern sale process.

## 6.1 Company's AIM Listing

As at the date of our appointment the Company was dual listed on the ASX and AIM.

On 16 October 2018 Numis Securities Limited, the Company's AIM Nominated Adviser resigned with immediate effect.

Following this we engaged the AIM Regulation Team to confirm the Company's ongoing AIM listing requirements. The AIM Regulation team confirmed that the Company was required to complete the following tasks to maintain the listing otherwise the AIM would move to cancel the Company's listing:

1. By 4pm 16 November 2018 the Company was required to appoint a new Nominated Adviser to the Company.

2. By 31 December 2018 the Company was required to prepare, audit and lodge its 30 June 2018 financial accounts with the AIM. Following discussions with the Company's auditor, PKF, the Company's 30 June 2018 financial accounts were still in a draft stage and would require a reasonable level of work to finalise.

Given the Administration was unfunded, we sought confirmation from interested parties as to their interest in maintaining the AIM listing and their appetite to fund the aforementioned tasks.

We did not receive any expressions of interest in respect of the AIM listing and generally feedback received confirmed that a dual listing was burdensome as the AIM listing would effectively duplicate administration costs.

Given the above, we allowed the deadline to appoint a new Nominated Adviser to lapse and the AIM proceeded to cancel the AIM listing on 19 October 2018.

## 6.2 Business since the Second Meeting

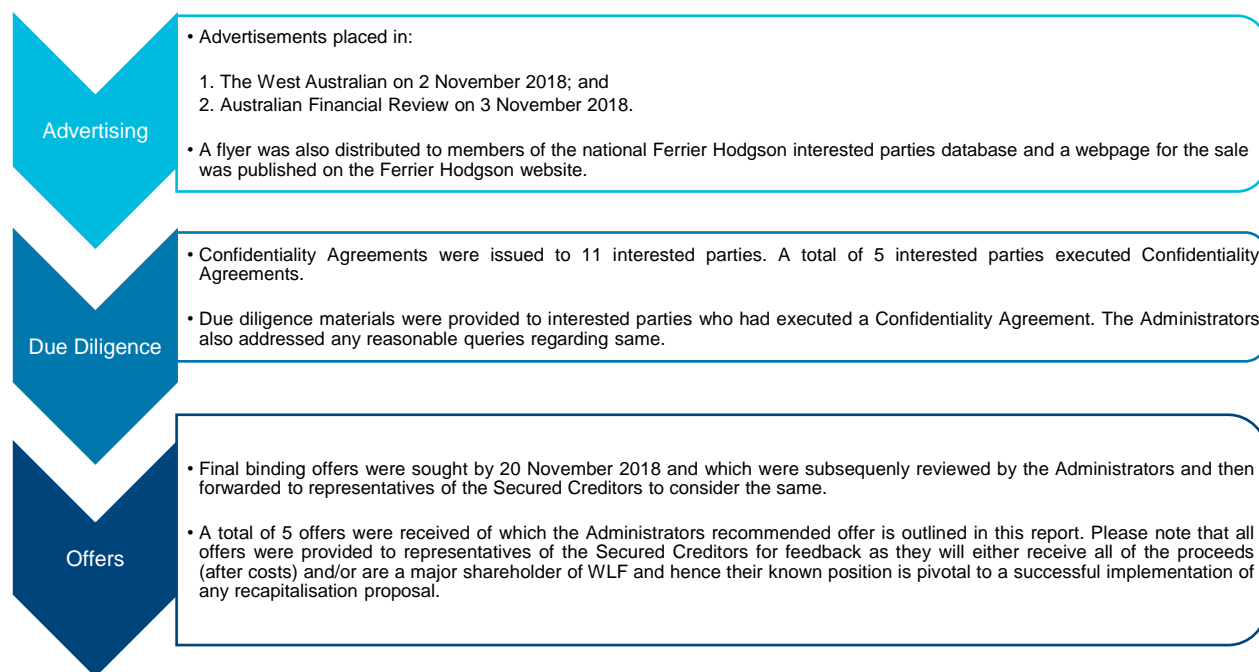
Following the Second Meeting the following main tasks have been undertaken:

- Corresponded with secured creditors including the Senior and Junior Lenders;
- Continued the Administrators' marketing campaign and sale process and undertook tasks associated with the same, including liaising with parties who had submitted offers;
- Liaised with interested parties and the AIM regulations team regarding the requirement to maintain the Company's AIM listing;
- Obtained approval in respect of our application to extend the 2018 Annual General Meeting and communicated the same with Company stakeholders;
- Drafted our Supplementary Voluntary Administrators Report;
- Communicated with various creditors regarding their outstanding debt and shareholders regarding their suspended shareholdings;
- Communicated with the Official Receiver of Wolf UK regarding the sale process and the Company's remaining books and records.

**THIS SECTION HAS BEEN LEFT BLANK INTENTIONALLY**

### 6.3 The sale of business process

Please refer to my Administrators' Report for a detailed analysis on the background of the sale process, however a summary of which is as follows:



In regard to the final offers for the reconstruction and recapitalisation of WLF received, broadly, each of the five (5) offers provided for:

- Proposes a recapitalisation plan for WLF to enable it to return to trade on the ASX;
- Preserves some value for existing shareholders, albeit existing shareholders of WLF will have their shares consolidated;
- Provides for additional funds to be made available for the Secured Creditors; and
- Includes certain share consolidation and share and option issues (capital raisings) as part of the restructure.

The material terms of the offer submitted and subsequently reflected in the DOCA Term Sheet executed by First Guardian Synergy is summarised at section 7.

### 6.4 Key trading issues and trading results

The Company does not trade. Accordingly, the Administrators' do not have trading receipts and payments.

Full particulars of the Administrators' receipts and payments are attached as **Annexure D**.

## 7 Proposal for DOCA

Having received no objection from the Secured Creditors to proceed with the recommended First Guardian Synergy proposal, a term sheet setting out the principal terms and conditions of the DOCA Proposal was drafted and subsequently executed by First Guardian Synergy and the Administrators.

Based on the terms of the DOCA Term Sheet, the Secured Creditors of WLF are expected to receive a return of 0.2023 cents in the dollar.



## 7.1 Proposal received

A copy of the First Guardian Synergy DOCA Term Sheet that has been executed by the Administrators is attached at **Annexure F**.

We consider that the DOCA Term Sheet complies with section 25.6.6 of the Code.

## 7.2 Key features of the proposal

The key features of the proposal may be summarised as followed:

Key Terms	
Proponent	- First Guardian Synergy Capital Pty Ltd
Deed Administrators	- The Administrators
Parties to the Deed	- Wolf Minerals Limited (Administrators Appointed), the Administrators, the Proponent and the Security Trustee on behalf of the Secured Creditors.
Purpose of the Deed	<p>Under the DOCA:</p> <ul style="list-style-type: none"> <li>- the Administrators will become the Deed Administrators;</li> <li>- the claims of all creditors will be released to the fullest extent possible;</li> <li>- the Company's share interests in its subsidiaries are to be transferred to the Creditors' Trust;</li> <li>- the Creditors' Trust will be created and the creditors of WLF will only be entitled to participate as beneficiaries of the Creditors' Trust.</li> </ul>
Conditions Precedent	<ol style="list-style-type: none"> <li>1. Each of the following will be a condition precedent ("<b>Conditions Precedent</b>") to Implementation and effectuation of the DOCA: <ol style="list-style-type: none"> <li>i. the shareholders of the Company providing such approvals ("<b>Shareholder Approvals</b>") as may be required pursuant to the Act and/or the ASX Listing Rules for: <ol style="list-style-type: none"> <li>1. a consolidation of the existing securities of the Company on a 1 for 250 basis (which will result in the Company having 4,363,521 fully paid ordinary shares ("<b>Shares</b>") on issue immediately post-consolidation and prior to the further transactions referred to below) (to be conducted immediately following Implementation) ("<b>Consolidation</b>");</li> <li>2. an issue of up to 80,000,000 Shares at an issue price of \$0.01 per Share to the Proponent and/or its nominees, together with five free attaching options for each Share issued (on a post-Consolidation basis) exercisable at \$0.01 on or before the date which is four years post their issue (to be conducted immediately following Implementation) ("<b>Proponent Issue</b>"); and</li> <li>3. an issue of up to 80,000,000 Shares at an issue price of \$0.01 per Share (on a post-Consolidation basis) to sophisticated or professional investors identified or introduced by the Proponent (to be conducted within three months of the shareholder approval);</li> </ol> </li> <li>ii. execution of a creditors' trust deed to create the Creditors' Trust ("<b>Creditors' Trust Deed</b>") by the Company, the Trustees, the Proponent and the Security Trustee (on behalf of the Secured Creditors);</li> </ol> </li> </ol>

	<ul style="list-style-type: none"> <li>iii. provision of such consents as may be required to effect the transfer of the Company's subsidiary interests to the Creditors' Trust (including, without limitation, from the liquidator of Wolf UK);</li> <li>iv. the Secured Creditors agreeing to release all security interests held by the Security Trustee over the Company (including the general security deeds and share mortgages over the shares in Wolf UK) ("<b>Security</b>");</li> <li>v. termination of the employment of all employees of the Company, if any, on terms that ensure that there are no liabilities owing to such employees following Implementation;</li> <li>vi. cancellation of all employee and performance rights issued by the Company, whether pursuant to the terms of the DOCA or otherwise;</li> <li>vii. each other regulatory approval or consent that required to give effect to the DOCA, including pursuant to the Company's constitution or the Act, and/or from ASIC or ASX, being provided on an unconditional basis (or with conditions satisfactory to the Deed Administrators and the Proponent, each acting reasonably) and remaining in full force and effect and not being withdrawn, suspended or revoked; and</li> <li>viii. any other items agreed by the Company, the Trustees, the Proponent and the Security Trustee (on behalf of the Secured Creditors)</li> </ul>
Deposit	<p>The Proponent will pay a deposit of \$35,000 ("<b>Deposit</b>") to the Deed Administrators on execution of the term sheet, which becomes non-refundable immediately on the creditors of the Company resolving that the Company execute the DOCA at the Second Meeting.</p>
Key Events	<ul style="list-style-type: none"> <li>1. Implementation of the transactions contemplated by the DOCA ("<b>Implementation</b>") will take place on the day falling five business days after the satisfaction of the last of the Conditions Precedent.</li> <li>2. On Implementation, the following steps will be taken: <ul style="list-style-type: none"> <li>i. the Proponent will pay the Contribution Balance (defined below) to the Deed Administrators to be placed into a deed fund established and maintained by the Deed Administrators ("<b>Deed Fund</b>") (or as directed by the Deed Administrators);</li> <li>ii. the Security Trustee will provide executed releases of all Security;</li> <li>iii. the Creditors' Trust Deed will be executed by all parties to it and the Creditors' Trust will be established;</li> <li>iv. the remuneration, costs and expenses of the Deed Administrators (in their capacities as Administrators and Deed Administrators) (including any estimated future remuneration, costs and expenses of the Deed Administrators or the Trustees) will be paid by the Deed Administrators from the Deed Fund;</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>v. the balance of (and all assets comprised in) the Deed Fund will be transferred by the Deed Administrators to the fund established under the Creditors' Trust Deed ("<b>Creditors' Trust Fund</b>");</li> <li>vi. the Deed Administrators will remove and/or appoint such directors as may be directed by the Proponent;</li> <li>vii. management and control of the Company will revert to the directors;</li> <li>viii. the Consolidation and Proponent Issue will take place;</li> <li>ix. the DOCA will effectuate and terminate;</li> <li>x. the Deed Administrators will retire and the Company will cease to be subject to the DOCA.</li> </ul>
	<p>3. Within two business days of Implementation, the balance of the monies standing to the credit of the Deed Fund after the payment in clause 2.iv ("<b>Secured Creditor Amount</b>") will be paid by the Trustees to the Security Trustee to be distributed to the Secured Creditors pursuant to the terms of the STID.</p>
Monitoring and Reporting	The Deed Administrators will remain in full control of the Company until their retirement as Deed Administrators' which will occur upon effectuation of the proposed DOCA pursuant to the Key Events set out above.
Proponent Consideration	<p>The Proponents consideration will include:</p> <ul style="list-style-type: none"> <li>- a cash payment by the Proponent in the total sum of \$800,000 ("<b>Contribution</b>"), comprising: <ul style="list-style-type: none"> <li>o the Deposit; and</li> <li>o a payment of \$765,000 to be made on Implementation ("<b>Contribution Balance</b>");</li> </ul> </li> </ul>
Distribution to Secured Creditors	Within two (2) business days of implementation, the Secured Creditor Amount will be transferred to the Security Trustee for distribution to the Secured Creditors pursuant to the STID.
Related Parties	Please note that no related parties will receive a distribution from the Creditors' Trust.
Comparison of the DOCA to a liquidation scenario	Under a liquidation scenario, the return to creditors (including the Secured Creditors) will be nil. The First Guardian Synergy proposal provides a return to the Secured Creditors of 0.2023 cents in the dollar.
Appointees Remuneration and Disbursements	Details in respect of the appointees' retrospective and prospective remuneration and disbursements is outlined at <b>Annexure D</b> of this Supplementary Report.

### 7.3 Creditors' Trust

The DOCA proposal requires the utilisation of a Creditors' Trust. The purpose of a Creditors' Trust will be to enable certain tasks ordinarily undertaken by the Deed Administrators (including but not limited to, the calling for and adjudication of creditors' proofs of debt) to be performed by the Trustees of the Creditors' Trust in order to facilitate the termination of the DOCA.

It is important that creditors understand that the Creditors' Trust is a separate legal structure to the corporate entity, WLF, which is presently subject to administration.

Under ASIC's Regulatory Guide 82, we provide the below information in regarding the utilisation of the Creditors' Trust in the DOCA.

Item	Information for creditors
Reason	The purpose of the Creditors' Trust will be to enable certain tasks ordinarily undertaken by deed administrators to be performed by the Trustees of the Creditors' Trust, in order to facilitate a realisation of the listed shell of WLF, in a way which is consistent with the expectations of potential proponents for the exploitation of the listed shell of WLF.
Key events	Once the Conditions Precedent as set out above are met, the DOCA will be terminated and the control of the Company returned to the directors (including any new directors appointed at the direction of the Proponent). The balance of (and all assets comprised) in the Deed Fund (after the payment referred to in paragraph 2(iv) of the "Key Events" section above will be transferred by the Deed Administrators to the Trustees to hold in the Creditors' Trust Fund, and will be distributed by the Trustees as set out below.
Return	As stated above, the Secured Creditors are anticipated to receive a return of 0.2023 cents in the dollar.
Trustee particulars	Martin Jones and Ryan Eagle will be the Deed Administrators, will have the necessary powers to administer the DOCA and will be entitled to exercise all rights, privileges, authorise and discretions conferred by the Company's constitution or otherwise by law on the directors to the exclusion of the directors during the DOCA. The Deed Administrators will assume of the role of Trustee of the Creditors' Trust.
Remuneration	Refer to <b>Annexure D</b> .
Indemnities	The Administrators of WLF, the Deed Administrators, and the Trustees are entitled to be indemnified out of and will have a lien over the Deed Fund and the Creditors' Trust Fund for their remuneration, costs, fees and expenses for the work due in those respective capacities.

Item	Information for creditors
Powers	<p>The Trustees of the Creditors' Trust become solely responsible to the former creditors (now beneficiaries) for:</p> <ul style="list-style-type: none"> <li>(a) Ensuring that the Company and / or other third parties perform their obligations to the Trustees;</li> <li>(b) Determining how much each of the former creditors is entitled to receive from the Creditors' Trust; and</li> <li>(c) In due course, making any distribution to those former creditors (where applicable).</li> </ul> <p>In addition to the above, the Trustees are likely to have the following powers:</p> <ul style="list-style-type: none"> <li>(a) To administer the Creditors' Trust Fund and to distribute funds to the Secured Creditors;</li> <li>(b) To ensure that the Company fulfils its obligations under the DOCA and to take such legal proceedings or other steps as the Trustees think fit to enforce those obligations;</li> <li>(c) To fulfil the Trustees' obligations in terms of the DOCA and the Creditors' Trust Deed;</li> <li>(d) To admit claims to proof in accordance with the provisions of the DOCA and the Creditors' Trust Deed;</li> <li>(e) To make interim or other dividend payments to creditors or distributions of the Creditors' Trust Fund;</li> <li>(f) To appoint agents to do any business or attend to any matter or affairs of the Creditors' Trust that the Trustees are unable to do or that it is unreasonable to expect the Trustees to do in person;</li> <li>(g) To appoint a solicitor, accountant or other professionally qualified person to assist the Trustees;</li> <li>(h) To compromise any claim on such terms as the Trustees consider fit;</li> <li>(i) Having taken an assignment of all causes of action, to prosecute such of those actions as the Trustees consider fit; and</li> <li>(j) To do anything else that is necessary or convenient for administering the Creditors' Trust.</li> </ul> <p>These powers are provided for the benefit of creditors in determining whether to accept the proposed DOCA. However, these powers may be varied prior to finalisation of the Creditors' Trust Deed.</p>
Claims	<p>Subdivisions A, B, C, D and E of Division 6 of Part 5.6 of the Corporations Act (except sections 554A(3) to 554A(8) and 556, other than to the extent expressly incorporated) shall apply as if the references to "liquidator" were references to the "Trustee", references to "winding up" were references to the "Creditors' Trust" and with such other modifications as are necessary to give effect to the terms of the DOCA and Creditors' Trust Deed.</p> <p>Sections 444DA and 444DB of the Act will apply to the DOCA and Creditors' Trust Deed.</p>

Item	Information for creditors
Distribution of Creditors' Trust property	<p>Within two (2) business days of implementation, the Secured Creditor Amount will be transferred to the Security Trustee for distribution to the Secured Creditors pursuant to the STID.</p> <p>Any other assets forming part of the Creditors' Trust Fund in due course will be distributed in accordance with the following order of priority:</p> <ul style="list-style-type: none"> <li>(a) First, in payment of the remuneration, costs and expenses of the Deed Administrators (in their capacities as Administrators and Deed Administrators) (to the extent not paid on or before Implementation);</li> <li>(b) Second, in payment of the remuneration, costs and expenses of the Deed Trustees (to the extent not paid on or before Implementation);</li> <li>(c) Third, subject to section 561 of the Act, in payment to the Secured Creditors in accordance with the order of priority provided for under the STID;</li> <li>(d) Fourth, subject to section 561 of the Act, in payment of claims of eligible employee creditors (as defined in the Corporations Act) in accordance with the priorities in section 556 of the Act; and</li> <li>(e) Fifth, in payments of claims of any other creditors of the Company on a pari passu basis.</li> </ul>
Intercompany debts	For the purposes of proving under the Creditors' Trust, intercompany debts will be ignored.
Other creditor/ beneficiary differences	A comparison of the protections and rights of creditors under the Act and of beneficiaries under the DOCA proposal.
FEG	Employees are not eligible for FEG assistance given that they are considered excluded employees (i.e. directors).
Compliance opinion	We consider that the WLF and the Proponent will be able to comply with the terms of the Creditors' Trust.
Solvency statement	All creditors' claims will be transferred into the Creditors' Trust and the Proponent of the DOCA has undertaken that it will ensure that WLF has sufficient working capital with effect from effectuation of the DOCA.
Tax (company / trust)	<p>Creditors should note that there may be income tax and stamp duty implications for the Company and the Creditors' Trust associated with the abovementioned proposal.</p> <p>The Creditors' Trust may be required to register for GST purposes and apply for a new Tax File Number. In addition, the Trustees may also be responsible for lodging income tax returns for the Creditors' Trust with the ATO.</p>
Tax (creditor/ beneficiary)	<p>Our preliminary view is that by assigning creditors' claims to the Creditors' Trust any dividend paid to creditors would be treated the same as if creditors had received the dividend from the Company under Administration. That is, we do not foresee any tax disadvantages to creditors with the proposed DOCA and Creditors' Trust.</p> <p>The proposed DOCA and Creditors' Trust also enables the Trustees to make distributions to the beneficiaries of the Creditors' Trust (as opposed to the repayment of creditors' claims outlined above). Under this scenario however, the Trustees may be required to withhold tax from distributions to non-resident beneficiaries at the applicable tax rates.</p> <p>Creditors are encouraged to seek their own independent legal advice in relation to the possible taxation consequences of receiving a distribution from the proposed Creditor's Trust.</p>

#### 7.4 Further information for creditors

Creditors should seek their own legal advice as to their rights and the effects of their position in entering into the DOCA.

Creditors can obtain further information from the ASIC website at [www.asic.gov.au](http://www.asic.gov.au) under Regulatory Resources – Insolvency – Insolvency for Creditors.

#### 7.5 Administrators' recommendation

Having assessed the alternative options and all recapitalisation proposals received to date, we recommend that Creditors resolve that the Company execute First Guardian Synergy's DOCA under Part 5.3A of the Act.

We recommend that it is in the creditors' best interests to approve the recapitalisation proposal put forward by First Guardian Synergy and for the Company to execute a DOCA on the same or substantially the same terms as it set out in the DOCA Term Sheet attached at Annexure F for the following key reasons:

- It provides a greater return to the creditors than Liquidation.
- The Secured Creditors' representatives have been kept apprised of the DOCA proposals we have received to date, and have to date not objected to our recommendation and proposed course of action of proceeding with the First Guardian Synergy DOCA proposal.
- The Junior Lender which is also the largest shareholder of the Company has not objected to the DOCA proposal and in particular the shareholder resolutions that are proposed within the DOCA Term Sheet as a Condition Precedent to successful effectuation of the DOCA.

## 8 Statutory investigations

This section provides creditors with further information on the preliminary investigations undertaken by the Administrators since the Second Meeting.

Please refer to the Administrators' Report for a detailed summary in respect of the investigations into the Company's affairs.

As you may be aware the following Company information had not been received at the date of writing our Administrators' Report, given the majority of the Company's records were located in the UK and were under the control of the Wolf UK Liquidator:

- the Company's aged creditor details which is required to conduct our analysis on the aging of creditor debts;
- the balance sheet for the Company which is one of the primary insolvency tests and accordingly, we have been unable to accurately assess the Company's net asset or working capital position; and
- a copy of the Company's ATO documentation relevant to our freedom of information request.

We have now obtained the balance of the Company's records from the Wolf UK Liquidator's solicitor. Based upon our review of the records, the information received does not contain the above listed information. Please note that the Administrators' have now received the Company's ATO documentation following our freedom of information request to the ATO.

In the event further Company information becomes available to us which changes our preliminary views as to the Company's solvency position we will report to creditors accordingly.

The indicators tabled below are not consistent with what was discussed in the Administrators Report. Accordingly, we provide an update below:

Insolvency indicator	Present	Date relevant to insolvency	Administrators' comments
<b>Endemic shortage of working capital - balance sheet test</b>			
Ageing of creditors	N/A	N/A	We have not yet received the Company's aged payables listing on an unconsolidated basis.  In this regard, my staff have developed an aged payable listing based on the proof of debts submitted to date. Through analysing the same it appears that 99.33% of creditors were outstanding for less than one (1) month indicating the Company was not experiencing difficulty in paying their creditors as and when they fell due.
<b>Availability of other cash resources – cash flow test</b>			
Overdue Commonwealth and State taxes	Unknown	Unknown	Based upon a two (2) year review of the Company's ATO running balance account, the Company was lodging business activities statements and making payment of any liabilities on time. At the date of our appointment the ATO running balance account showed an amount of \$7.8k payable.  As outlined at section 5.1.1, the Directors' RATA indicated that the ATO is owed ~\$1.7m in respect of unpaid withholding taxes. We have not yet received a copy of the ATOs proof of debt form and accordingly, are unable to verify the extent of the ATOs total claim at this stage.  We received the firmer action request from the ATO on 21 November 2018. The ATO has confirmed that the overdue lodgements on the Company's account included the income tax return for FY17 and the activity statement for May 2018.



## 9 Voidable transactions

Please refer to the Administrators Report for our detailed summary in respect of potential voidable transactions that occurred prior to the appointment of the Administrators.

We confirm we have not identified any voidable transactions.

## 10 Return to creditors

This section provides creditors with information on the estimated financial outcome to creditors together with the anticipated timing of any dividend.

### 10.1 Return to creditors

The table below outlines an estimated Low and High return for each class of creditor in both a Liquidation and a DOCA scenario.

\$000s	Liquidation ERV Low	Liquidation ERV High	First Guardian Synergy
<b>Assets</b>			
Cash at bank	26	26	26
<b>Add:</b>			
Shares in Wolf UK	Nil	Nil	Nil
Shares in other subsidiaries	Nil	Nil	Nil
Sale of WLF ASX shell	Nil	Nil	800
<b>Total Asset Realisations</b>	<b>26</b>	<b>26</b>	<b>826</b>
<b>Less:</b>			
Costs of the administration e.g. ASIC/ASX fees	-	-	(10)
Administrators' fees and disbursements (to the 14 November 2018)	(77)	(77)	(77)
Administrators' fees and disbursements (15 November 2018 to 31 December 2018)	(33)	(33)	(33)
Administrators fees and disbursements (to the reconvened meeting)	(11)	(11)	(11)
Administrators fees and disbursements (meeting to the execution of the DOCA)	N/A	N/A	(11)
Deed Administrators fees and disbursements	N/A	N/A	(53)
Trustees fees and disbursements	N/A	N/A	(11)
Liquidators fees and disbursements	(100)	(100)	N/A
Legal fees and other professional costs	-	-	(25)
<b>Total Trading Expenses, Fees and Costs</b>	<b>(220)</b>	<b>(220)</b>	<b>(229)</b>
<b>Funds available to secured creditor</b>	<b>-</b>	<b>-</b>	<b>597</b>
Secured claims	(295,183)	(295,183)	(295,183)
<b>Funds available to Priority creditors</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
Employee claims	(4)	(4)	(4)
<b>Funds available to unsecured creditors</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
Other recoveries (voidable transactions if applicable)	Nil	Nil	Nil
Unsecured claims	(3,235)	(855)	(855)
<b>Estimated surplus / deficiency</b>	<b>(298,616)</b>	<b>(296,236)</b>	<b>(295,445)</b>
<b>Estimated dividend (cents in \$)</b>			
Secured creditor	Nil	Nil	0.2023
Priority employee creditors	Nil	Nil	Nil
Unsecured creditors	Nil	Nil	Nil

The above calculations are an estimate only and may change due to:

- The outcome of the recapitalisation of the Company;
- Final proving of creditor claims;
- Changes in the quantum of costs of a potential DOCA for unforeseen issues; and
- Compliance with all provisions of a potential DOCA.

Notwithstanding that any proceeds from a successful recapitalisation of the Company's ASX listed shell will be applied to the secured debt due, as the proceeds will be insufficient to discharge the debt due to the secured creditors there will be no funds available to unsecured creditors.

## 10.2 Estimated Return to Creditors

A summary of the estimated return to creditors under each outcome is as follows:

	Liquidation	First Guardian Synergy Proposal
	(\$)	(\$)
Return to Priority Creditors	Nil	Nil
Return to Secured Creditors	Nil	0.2023 cents
Return to Unsecured Creditors	Nil	Nil

In regard to the analysis above, we note that the First Guardian Synergy DOCA Proposal presents a better return to creditors than a liquidation.

## 10.3 Timing of dividend

The timing of a dividend is dependent upon the outcome of the Reconvened Second Meeting. If a DOCA is proposed the secured creditors dividend will be contingent upon the timely and successful completion of the First Guardian Synergy recapitalisation proposal.

A summary of the estimated timetable to complete the First Guardian Synergy DOCA Proposal is outlined below:

Step	Action (As drafted within preferred proponents term sheet) Subject to negotiation	Proposed End Date
1	Reconvened Second Meeting to be held to consider DOCA Term Sheet. Deposit to become non-refundable	21/01/2019
2	Execute DOCA (to be executed within 15 business days of Reconvened Second Meeting)	12/02/2019
3	Administrators' solicitor to prepare Notice of General Meeting of shareholders (estimate 3 weeks)	5/03/2019
4	Shareholder meeting (28 days' notice required). To be chaired by Deed Administrator	3/04/2019
5	Completion of the DOCA (final payment under DOCA made – First Guardian Synergy proposal suggests 14 business days following shareholder approval)	26/04/2019
6	Transfer of shares in Subsidiary Interests and payment of dividend to Secured Creditors.	26/04/2019

In the event creditors resolve to place the Company into liquidation, the return to all creditors will be nil.

## 11 Statement by Administrators

This section provides creditors with information on the estimated financial outcome to creditors together with the anticipated timing of any dividend.

Pursuant to IPR 75-225(3)(b), we are required to provide creditors with a statement setting out our opinion on whether it is in creditors' interests for the:

- Administration to end;
- Company to be wound up; and
- Company to execute a DOCA.

Each of these options is considered below. In forming our opinion, it is necessary to consider an estimate of the dividend creditors might expect and the likely costs under each option.

### 11.1 Administration to end

The Company is insolvent and unable to pay its debts as and when they fall due. Accordingly, returning control of the Company to its Directors would be inappropriate and is not recommended.

### 11.2 Winding up of the Company

Should the Company be placed into Liquidation, the liquidators would be unable to recapitalise the Company's ASX listed shell which would result in a nil return to the creditors of the Company. Further our investigations to date have not identified any recoverable transactions which would only be available to a potential liquidator.

In this regard, we do not recommend creditors resolve to liquidate the Company given it is likely to provide no return to creditors.

### 11.3 DOCA

Having regard for all of the points identified above, we recommend that it is in the creditors' best interests to approve the recapitalisation proposal put forward by First Guardian Synergy and for the Company to execute a DOCA on the same or substantially the same terms as it set out in the DOCA Term Sheet attached at Annexure F for the following key reasons:

- It provides a greater return to the creditors than Liquidation.
- The Secured Creditors' representatives have been kept apprised of the DOCA proposals we have received to date, and have to date not objected to our recommendation and proposed course of action of proceeding with the First Guardian Synergy DOCA proposal.
- The Junior Lender which is also the largest shareholder of the Company has not objected to the DOCA proposal and in particular the shareholder resolutions that are proposed within the DOCA Term Sheet as a condition precedent to successful effectuation of the DOCA.

The ASIC has released several insolvency information sheets to assist creditors, employees and shareholders with their understanding of the insolvency process. You can access the relevant ASIC information sheets at [www.asic.gov.au](http://www.asic.gov.au).

We will advise creditors in writing of any additional matter that comes to our attention after the release of this Report, which in our view is material to creditors' consideration.

Should you have any enquiries, please contact Rebecca Wong on (08) 9214 1444 or by email at Belinda De Vattimo.

Dated this 11<sup>th</sup> day of January 2019



**Martin Jones**  
Joint and Several Administrator of **Wolf Minerals Limited**

## Annexures

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## A – A – Notice of meeting of creditors

### Notice of meeting of creditors

*Insolvency Practice Rules (Corporations) 2016 (IPR), Section 75-225*

**Wolf Minerals Limited (Administrators Appointed) (the Company)**  
**ACN 121 831 472**

NOTICE is given that a reconvened meeting of creditors of the Company will be held on Monday, 21 January 2019 at 11:00AM AWST at Ferrier Hodgson, Level 28, 108 St Georges Terrace, Perth WA 6000.

### Agenda

1. To consider a statement by the Directors about the Company's business, property, affairs and financial circumstances.
2. To consider the circumstances leading to the appointment of the Administrators to the Company, details of the proposed Deed of Company Arrangement and the various options available to creditors.
3. To consider the report of the Administrators dated 11 January 2019.
4. If it is resolved that the Company be wound up, and an alternate Liquidator is proposed, consider whether creditors wish to appoint the alternate Liquidator.
5. If it is resolved that the Company be wound up, consider whether a Committee of Inspection is to be appointed, and if so, the members of that Committee.
6. If it is resolved that the Company be wound up, consider whether, subject to obtaining the approval of the Australian Securities & Investments Commission (**ASIC**) pursuant to Section 70-35 of Schedule 2 to the Act, the books and records of the Company and of the Liquidators may be disposed of by the Liquidators 12 months after the dissolution of the Company or earlier at the discretion of ASIC.
7. To fix the remuneration of the Administrators.
8. If it is resolved that the Company execute a Deed of Company Arrangement, to fix the remuneration of the Deed Administrators.
9. If it is resolved that the Company be wound up, to fix the remuneration of the Liquidators.
10. Any other business that may be lawfully brought forward.

For a person to be eligible to attend and vote at the meeting on your behalf, a Form 532, Appointment of Proxy, is to be completed and submitted by no later than 4:00PM AWST on Friday, 18 January 2019 to:

Wolf Minerals Limited (Administrators Appointed)  
c/- Ferrier Hodgson

Tel: 08 9214 1444  
Fax: 08 9214 1400  
Email: belinda.devattimo@fh.com.au

### Note:

*A company may only be represented by proxy or by an attorney appointed pursuant to IPR Sections 75-25 and 75-150 or, by a representative appointed under Section 250D of the Act.*

Dated this 11th day of January 2019



**Martin Jones**  
Administrator

Note: In accordance with IPR Section 75-15(1)(c) please see effect of IPR Section 75-85 Entitlement to vote at meetings of creditors on the following page.

## **Effect of IPR Section 75-85 – Entitlement to vote at meetings of creditors**

1. A person other than a creditor (or the creditor's proxy or attorney) is not entitled to vote at a meeting of creditors.
2. Subject to subsections (3), (4) and (5), each creditor is entitled to vote and has one vote.
3. A person is not entitled to vote as a creditor at a meeting of creditors unless:
  - (a) his or her debt or claim has been admitted wholly or in part by the external administrator; or
  - (b) he or she has lodged, with the person presiding at the meeting, or with the person named in the notice convening the meeting as the person who may receive particulars of the debt or claim:
    - (i) those particulars; or
    - (ii) if required—a formal proof of the debt or claim.
4. A creditor must not vote in respect of:
  - (a) an unliquidated debt; or
  - (b) a contingent debt; or
  - (c) an unliquidated or a contingent claim; or
  - (d) a debt the value of which is not established;unless a just estimate of its value has been made.
5. A creditor must not vote in respect of a debt or a claim on or secured by a bill of exchange, a promissory note or any other negotiable instrument or security held by the creditor unless he or she is willing to do the following:
  - (a) treat the liability to him or her on the instrument or security of a person covered by subsection (6) as a security in his or her hands;
  - (b) estimate its value;
  - (c) for the purposes of voting (but not for the purposes of dividend), to deduct it from his or her debt or claim.
6. A person is covered by this subsection if:
  - (a) the person's liability is a debt or a claim on, or secured by, a bill of exchange, a promissory note or any other negotiable instrument or security held by the creditor; and
  - (b) the person is either liable to the company directly, or may be liable to the company on the default of another person with respect to the liability; andthe person is not an insolvent under administration or a person against whom a winding up order is in force.

## B – Appointment of proxy

### Form 532 - Appointment of Proxy

Insolvency Practice Rules (Corporations) 2016, Section 75-25

Return no later than 4:00PM AWST, 18 January 2019 to:  
Ferrier Hodgson GPO Box 2537, PERTH WA 6001

Tel: 08 9214 1444

Fax: 08 9214 1400

Email: belinda.devattimo@fh.com.au

**Indebted Company: Wolf Minerals Limited (Administrators Appointed) ACN 121 831 472**

**Date of Appointment: 10/10/2018**

#### A. Name and Contact Details of Person or Entity Entitled to Attend Meeting

<sup>1</sup>

(if entitled in a personal capacity, given name and surname; if a corporate entity, full name of company, etc)

<sup>2</sup> of

(address)

<sup>3</sup> Tel:

<sup>4</sup> Email:

#### B. Appointment of Person to Act as Proxy

Note: You may nominate "the Chairperson of the meeting" as your proxy (or your alternate proxy in the event that the first-named proxy is not in attendance).

<sup>1</sup> I/We, as named in Section A above, a creditor/employee/contributory/member of the Company, appoint

<sup>2</sup>

(name of person appointed as proxy)

<sup>3</sup>

<sup>4</sup> or in his / her absence

(address of person appointed as proxy)

<sup>5</sup>

(name of person appointed as alternate proxy)

<sup>6</sup>

<sup>7</sup> as \*my / \*our proxy

(address of person appointed as alternate proxy)

to vote at the meeting of creditors to be held on Monday, 21 January 2019, 11:00AM AWST at Ferrier Hodgson, Level 28, 108 St Georges Terrace, Perth WA 6000 in accordance with the instructions in Section C below.

#### C. Voting Instructions

<sup>1</sup> \*My / \*Our proxy, as named in Section B above, is entitled to act as \*my / \*our :

☐

<sup>2</sup> general proxy, to vote on \*my / \*our behalf and / or

☐

<sup>3</sup> special proxy, to vote on \*my / \*our behalf specifically as follows:

Resolution	For	Against	Abstain
1. That, pursuant to Section 439C of the Corporations Act 2001 (the Act), the Company execute a Deed of Company Arrangement, under Part 5.3A of the Act, in the same form as the proposal statement presented to the meeting (even if it differs from the proposed Deed details of which accompanied the notice of meeting).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. That the Administration should end.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. That the Company be wound up.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. That in the event that the Company is wound up and an alternate Liquidator is proposed, that the existing Liquidators be replaced and (Alternative Appointee) be appointed in their stead.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. That a Committee of Inspection be appointed, the members of which are to be determined by the meeting.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



Resolution	For	Against	Abstain
6. That, subject to obtaining the approval of the Australian Securities & Investments Commission ( <b>ASIC</b> ) pursuant to Section 70-35 of Schedule 2 to the Act, the books and records of the Company and of the Liquidators be disposed of by the Liquidators 12 months after the dissolution of the Company or earlier at the discretion of ASIC.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. That the remuneration of the Administrators, as set out in the Remuneration Approval Request dated 11 January 2019, for the period from 15 November 2018 to 31 December 2018 be fixed in the amount of \$32,620, plus any applicable GST, and may be paid.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. That the remuneration of the Administrators, as set out in the Remuneration Approval Request dated 11 January 2019, for the period from 1 January 2019 to 21 January 2019 be fixed in the amount of \$10,000, plus any applicable GST, but subject to upward revision by resolution of the Committee of Inspection, and that the Liquidators be authorised to make periodic payments on account of such accruing remuneration as incurred.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. That the remuneration of the Administrators, as set out in the Remuneration Approval Request dated 11 January 2019, for the period from 21 January 2019 to the execution of the DOCA be fixed in the amount of \$10,000, plus any applicable GST, but subject to upward revision by resolution of the Committee of Inspection, and that the Liquidators be authorised to make periodic payments on account of such accruing remuneration as incurred.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. That the remuneration of the Administrators, as set out in the Remuneration Approval Request dated 11 January 2019, for the period from the execution of the DOCA to the completion of the DOCA be fixed in the amount of \$50,000, plus any applicable GST, but subject to upward revision by resolution of the Committee of Inspection, and that the Liquidators be authorised to make periodic payments on account of such accruing remuneration as incurred.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. That the remuneration of the Administrators, as set out in the Remuneration Approval Request dated 11 January 2019, for the period from the date of execution of the Creditors Trust to completion to be fixed in the amount of \$10,000, plus any applicable GST, but subject to upward revision by resolution of the Committee of Inspection, and that the Liquidators be authorised to make periodic payments on account of such accruing remuneration as incurred	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. That the remuneration of the Liquidators, as set out in the Remuneration Approval Request dated 11 January 2019, for the period from 21 January 2019 to completion of the Liquidation in the amount of \$100,000, plus any applicable GST, but subject to upward revision by resolution of the Committee of Inspection, and that the Liquidators be authorised to make periodic payments on account of such accruing remuneration as incurred	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. That the internal disbursements of the Administrators, as set out in the Remuneration Approval Request dated 11 January 2019, for the period from 15 November 2018 to 31 December 2018 be fixed in the amount of \$183.14, plus any applicable GST, and may be paid.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. That the internal disbursements of the Administrators, as set out in the Remuneration Approval Request dated 11 January 2019, for the period from 1 January 2019 to 21 January 2019 be fixed up to a maximum amount of \$500, plus any applicable GST, but subject to upward revision by resolution of the Committee of Inspection, and that the Administrators be authorised to make periodic payments on account of such accruing disbursements as incurred.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Resolution	For	Against	Abstain
15. That the internal disbursements of the Administrators, as set out in the Remuneration Approval Request dated 11 January 2019, for the period from 21 January 2019 to the execution of the DOCA be fixed up to a maximum amount of \$500, plus any applicable GST, but subject to upward revision by resolution of the Committee of Inspection, and that the Administrators be authorised to make periodic payments on account of such accruing disbursements as incurred.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16. That the internal disbursements of the Administrators, as set out in the Remuneration Approval Request dated 11 January 2019, for the period from execution of the DOCA to the completion of the DOCA be fixed up to a maximum amount of \$1,000, plus any applicable GST, but subject to upward revision by resolution of the Committee of Inspection, and that the Administrators be authorised to make periodic payments on account of such accruing disbursements as incurred.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. That the internal disbursements of the Administrators, as set out in the Remuneration Approval Request dated 11 January 2019, for the period from the date of execution of the Creditors Trust to completion be fixed up to a maximum amount of \$500, plus any applicable GST, but subject to upward revision by resolution of the Committee of Inspection, and that the Administrators be authorised to make periodic payments on account of such accruing disbursements as incurred.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. That the internal disbursements of the Liquidators, as set out in the Remuneration Approval Request dated 11 January 2019, for the period from 21 January 2019 to completion of the Liquidation be fixed up to a maximum amount of \$2,000, plus any applicable GST, but subject to upward revision by resolution of the Committee of Inspection, and that the Administrators be authorised to make periodic payments on account of such accruing disbursements as incurred.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

#### D. Signature

<sup>1</sup> Dated:

<sup>2</sup> Signature:

<sup>3</sup> Name / Capacity:

## Creditor Assistance Sheet: Completing a Proxy Form

### Section A – Name and Contact Details of Person or Entity Entitled to Attend Meeting

1. Insert the full name of the employee, individual, sole trader, partnership or company that the debt is owed to.
2. Insert the address of the employee, individual, sole trader, partnership or company that the debt is owed to.
3. Insert the telephone number of the employee, individual, sole trader, partnership or company that the debt is owed to.
4. Insert the email address of the employee, individual, sole trader, partnership or company that the debt is owed to.

### Section B – Appointment of Person to Act as Proxy

1. Cross out any wording that is **not** applicable. For example, if the employee/individual/sole trader/partnership/company is a creditor, cross out ‘\*eligible employee creditor’, ‘\*contributory’, ‘\*debenture holder’ and ‘\*member’.
2. Insert the name of the person who will be exercising the creditor’s vote at the meeting. If someone is attending the meeting in person, that person’s name should be inserted. Alternatively, if someone is unable to attend, but you still want to cast a vote at the meeting, then you can appoint the Chairperson of the meeting to vote on your behalf by inserting the words ‘the Chairperson’ here.
3. Insert the address of the person nominated at (2) that will be attending the meeting as proxy. If you have elected ‘the Chairperson’ because no one is attending in person, leave this row blank.
4. Cross out any wording that is **not** applicable.
5. If the person you have elected to attend is unavailable on the day, you may nominate a second person to attend in their absence. Alternatively, you can appoint the Chairperson of the meeting to vote on your behalf by inserting ‘the Chairperson’.
6. Insert the address of the second person here. If you have elected ‘the Chairperson’, leave this row blank.
7. Cross out any wording that is not applicable.

### Section C – Voting Instructions

1. Cross out any wording that is not applicable.
2. Insert an ‘X’ in this box if you want the person who is attending the meeting to vote as they see fit on each of the resolutions in the ‘Resolution’ table. If you select this option, proceed to Section D, **unless** you wish to vote specifically on certain resolutions, in which case you also insert an ‘X’ in the special proxy box and select ‘For’, ‘Against’ or ‘Abstain’ on the resolutions. The person voting at the meeting will have discretion to vote as they see fit on any resolutions where you have **not** selected ‘For’, ‘Against’ or ‘Abstain’.
3. Insert an ‘X’ in this box if you want the person who is attending the meeting, to vote exactly in accordance with your instructions. If you select this option, you must select ‘For’, ‘Against’ or ‘Abstain’ for each of the resolutions in the ‘Resolution’ table. Do not tick more than one box for each resolution.

### Section D – Signature Instructions

1. Insert the date that the proxy form is being signed.
2. The form should be signed by **one** of the following persons:
  - If the debt is owed to an employee/individual, then the individual that the debt is owed to; or
  - If the debt is owed to a sole trader, then the sole trader that the debt is owed to; or
  - If the debt is owed to a partnership, then one of the partners of the partnership; or
  - If the debt is owed to a company, then a duly authorised office of the company (normally a director or secretary of the company).
3. Insert the name of the person signing the form, and note their capacity (that is, their role):
  - If the debt is owed to a sole trader, note their capacity as proprietor, eg: “[Full name], proprietor”; or
  - If the debt is owed to a partnership, note their capacity as partner, eg: “[Full name], partner of the firm named in Section A above”; or
  - If the debt is owed to a company, note their capacity as director or secretary, eg: “[Full name], director/secretary of the company named in Section A above”]

## C – Proof of debt

**Form 535 Formal Proof of Debt or Claim Form**  
*Corporations Act 2001, Regulation 5.6.49(2)*

Return to:  
Ferrier Hodgson GPO Box 2537, PERTH WA 6001  
Tel: 08 9214 1444  
Fax: 08 9214 1400  
Email: belinda.devattimo@fh.com.au

**Indebted Company: Wolf Minerals Limited (Administrators Appointed) ACN 121 831 472**  
**Date of Appointment: 10/10/2018**

**A. Name and Contact Details of Creditor**

<sup>1</sup>

(the Creditor)

(if in a personal capacity, given name and surname; if a corporate entity, full name of company, etc)

<sup>2</sup> of

(insert address)

<sup>3</sup> Tel:

<sup>4</sup> Email:

☐

Tick this box to elect to receive electronic notification of notices or documents, in accordance with Section 600G of the Corporations Act 2001, at the email address specified above.

**B. Details of Debt or Claim**

<sup>1</sup> Amount owing:

(insert dollars and cents, inclusive of GST if applicable)

<sup>2</sup> Nature of Debt or Claim:

(insert description of debt and/or reference any supporting documentation)

<sup>3</sup> Select one of the following options:

☐

The Creditor is an unsecured creditor of the indebted Company

☐

The Creditor is a secured creditor of the indebted Company

☐

The Creditor is an employee / former employee of the indebted Company

☐

The Creditor is a related party (please indicate: secured / unsecured)

For all claims:

☐

<sup>4</sup> I have attached supporting documentation to substantiate the Creditor's claim (secured creditors must attach evidence of security)

☐

<sup>5</sup> To my knowledge or belief the creditor has not, nor has any person by the creditor's order had or received any satisfaction or security for the sum or any part of it except for the following:

(insert details and value of security where relevant)

**C. Signature**

<sup>1</sup> Dated:

<sup>2</sup> Signature:

<sup>3</sup> Name / Capacity

## Creditor Assistance Sheet: Completing a Proof of Debt Form

### Section A – Name and Contact Details of Creditor

1. Insert the full name of the employee, individual, sole trader, partnership or company that the debt is owed to.
2. Insert the address of the employee, individual, sole trader, partnership or company that the debt is owed to.
3. Insert the telephone number of the employee, individual, sole trader, partnership or company that the debt is owed to.
4. Insert the email address of the employee, individual, sole trader, partnership or company that the debt is owed to.

### Section B – Details of Debt or Claim

1. The amount owing should only include debts or claims which arose prior to the date of appointment.
2. Insert the currency if not Australian dollars.
3. Type of creditor: tick one of the options only.
4. For all claims, ensure supporting documentation is attached, such as invoices, statements, agreements.
5. For secured creditors, insert particulars of all securities held. If the securities are on the property of the company, assess the value of those securities. If any bills or other negotiable securities are held, indicate "refer attached" above and show them in a schedule in the following form:

Date	Drawer	Acceptor	Amount (\$)	Due Date

### Section C – Signature Instructions

1. Insert the date that the proof of debt form is being signed.
2. The form should be signed by **one** of the following persons:
  - If the debt is owed to an employee/individual, then the individual that the debt is owed to; or
  - If the debt is owed to a sole trader, then the sole trader that the debt is owed to; or
  - If the debt is owed to a partnership, then one of the partners of the partnership; or
  - If the debt is owed to a company, then a duly authorised office of the company (normally a director or secretary of the company).
3. Insert the name of the person signing the form, and note their capacity (that is, their role):
  - If the debt is owed to a sole trader, note their capacity as proprietor, eg: "[Full name], proprietor"; or
  - If the debt is owed to a partnership, note their capacity as partner, eg: "[Full name], partner of the firm named in Section A above"; or
  - If the debt is owed to a company, note their capacity as director or secretary, eg: "[Full name], director/secretary of the company named in Section A above"

## D – Remuneration approval request

*Schedule 2 to the Corporations Act 2001, Section 70-50*  
*Insolvency Practice Rules (Corporations) 2016, Section 70-45*

**Wolf Minerals Limited (Administrators Appointed) (the Company)**  
**ACN 121 831 472**

### Remuneration Approval Request

This report contains the following information:

- Part 1: Declaration
- Part 2: Executive summary
- Part 3: Remuneration
- Part 4: Disbursements
- Part 5: Report on progress of the administration
- Part 6: Summary of receipts and payments
- Part 7: Questions
- Part 8: Approval of remuneration and internal disbursements
- Schedule A: Resolution 1 details
- Schedule B: Resolution 2 details
- Schedule C: Resolution 3 details
- Schedule D: Resolution 4 details
- Schedule E: Resolution 5 details
- Schedule F: Resolution 6 details

Next steps for creditors:

- Please review the contents of this report, which sets out the resolutions to be approved by creditors at the reconvened meeting of creditors on 21 January 2019.
- Refer to section 2.7 of the Voluntary Administrator's Report dated 11 January 2019 for details as to how you can attend the meeting of creditors in person or by proxy to vote on the resolutions contained in this report.

## 1 Declaration

We, Martin Jones and Ryan Eagle of Ferrier Hodgson, have undertaken a proper assessment of this remuneration claim for our appointment as Administrators of the Company in accordance with the Corporations Act 2001 (Cth) (**the Act**), the Australian Restructuring Insolvency & Turnaround Association (**ARITA**) Code of Professional Practice (**the Code**) and applicable professional standards.

We are satisfied that the remuneration claimed is in respect of necessary work, properly performed, or to be properly performed, in the conduct of the administration.

## 2 Executive summary

### 2.1 Summary of remuneration approval sought for the Company

To date, remuneration totalling \$143,696.50 (excluding GST) has been approved and \$60,646.45 (excluding GST) has been paid in the administration of the Company.

Period	Amount (ex GST) \$
<b>Current remuneration approval sought:</b>	
<b>Voluntary Administration</b>	
Resolution 1: 15 November 2018 to 31 December 2018	32,620.00
Resolution 2: 1 January 2019 to 21 January 2019 (being the estimated Administrators' fees to the Reconvened Second Meeting)	10,000.00
Resolution 21 January 2019 to the execution of the DOCA (being the estimated Administrators' fees to the execution of the DOCA)	10,000.00
<b>Total Voluntary Administrators remuneration approval sought</b>	<b>52,620.00</b>
<b>Deed of Company Arrangement and Creditors' Trust (if applicable)</b>	
Resolution 4: Execution of the DOCA to completion of the DOCA (being the estimated Deed Administrators remuneration to the completion of the DOCA)	50,000.00
Resolution 5: Date of Execution of Creditors Trust to Completion (being the estimated Trustees' remuneration to the completion of the Creditors Trust)	10,000.00
<b>Total Deed of Company Arrangement and Creditors' Trust remuneration approval sought</b>	<b>60,000.00</b>
<b>Total current remuneration approval sought</b>	<b>112,620.00</b>
<b>Liquidation (if applicable)</b>	
Resolution 6: 21 January 2019 to Completion of the Liquidation (being the estimated Liquidators fees to the completion of the Liquidation)	100,000.00
<b>Total approval sought – liquidation (if applicable)*</b>	<b>100,000.00</b>
<b>Past remuneration approved:</b>	
<b>Voluntary Administration</b>	
10 October 2018 to 26 October 2018	103,696.50
27 October 2018 to 14 November 2018	40,000.00
<b>Total past remuneration approved</b>	<b>143,696.50</b>

This report details approval sought for the following remuneration:

Please refer to Part 3 for full details of the calculation and composition of the remuneration approval being sought.

## 2.2 Summary of internal disbursements approval sought for the Company

To date, no internal disbursements have been approved and paid in the administration of the Company.

This report details approval sought for the following internal disbursements:

Period	Amount (ex GST) \$
<b>Total Past internal disbursements approved</b>	<b>567.97</b>
<b>Current internal disbursements approval sought:</b>	
<b>Voluntary Administration</b>	
Resolution 1: 15 November 2018 to 31 December 2018	183.14
Resolution 2: 1 January 2019 to 21 January 2019 (being the estimated Administrators' fees to the Reconvened Second Meeting)	500
Resolution 3: 21 January 2019 to the execution of the DOCA (being the estimated Administrators' fees to the execution of the DOCA)	500
<b>Total Voluntary Administrators disbursement approval sought</b>	<b>1,183.14</b>
<b>Deed of Company Arrangement and Creditors' Trust (if applicable)</b>	
Resolution 4: Execution of the DOCA to completion of the DOCA (being the estimated Deed Administrators remuneration to the completion of the DOCA)	1,000

Period	Amount (ex GST) \$
<i>Resolution 5: Date of Execution of Creditors Trust to Completion (being the estimated Trustees' remuneration to the completion of the Creditors Trust)</i>	500
<b>Total Deed of Company Arrangement and Creditors' Trust disbursement approval sought</b>	<b>1,500</b>
<b>Total current remuneration approval sought</b>	<b>2,683.14</b>
<b>Liquidation (if applicable)</b>	
<i>Resolution 6: 21 January 2019 to Completion of the Liquidation (being the estimated Liquidators fees to the completion of the Liquidation)</i>	2,000
<b>Total approval sought – liquidation (if applicable)*</b>	<b>2,000</b>
<i>* Approval for the future internal disbursements sought is based on an estimate of the internal disbursements necessary to the completion of the administration. Should additional internal disbursements be necessary beyond what is contemplated, further approval may be sought from creditors.</i>	

Please refer to Part 4 for full details of the calculation and composition of the internal disbursements approval being sought.

### 2.3 Comparison to estimate of costs provided to creditors in the Initial Remuneration Notice

The remuneration approval sought is not consistent with the estimate of costs provided to creditors in the Initial Remuneration Notice included in our letter dated 11 October 2018, which estimated a cost for the administration of the Company's affairs between \$100,000 to \$150,000 (excluding GST).

At this point in time we estimate that the total remuneration for this administration will be \$256,316.50 (excluding GST). This includes the current approval amount being sought of \$112,620 (excluding GST).

The above estimate differs to the estimate of costs provided to creditors in the Initial Remuneration Notice included in our letter dated 11 October 2018 for the following reasons:

- Greater than anticipated level of correspondence with the secured creditors, interested parties and Liquidator of Wolf UK, regarding the proposed sale process.
- Difficulties in obtaining the books and records of the Company given the majority of records are held in the UK.
- Adjournment of the Second Meeting of Creditors to conclude the recapitalisation process.

## 1 Remuneration

### 1.1 Remuneration claim resolutions

We will be seeking approval of the following resolutions with respect to our remuneration. Details to support these resolutions are included in Part 3.2.

#### Resolution 1:

*"That the remuneration of the Administrators, as set out in the Remuneration Approval Request dated 11 January 2019, for the period from 15 November 2018 to 31 December 2018 be fixed in the amount of \$32,620, plus any applicable GST, and may be paid."*

#### Resolution 2:

*" That the remuneration of the Administrators, as set out in the Remuneration Approval Request dated 11 January 2019, for the period 1 January 2019 to 21 January 2019 be fixed up to a maximum amount of \$10,000, plus any applicable GST, but subject to upward revision by resolution of the Committee of Inspection, and that the Administrators be authorised to make periodic payments on account of such accruing remuneration as incurred."*

Please note that the above is an estimate only.



**Resolution 3 (if applicable):**

*"That the remuneration of the Administrators, as set out in the Remuneration Approval Request dated 11 January 2019, for the period from 21 January 2019 to the execution of the DOCA be fixed up to a maximum amount of \$10,000, plus any applicable GST, but subject to upward revision by resolution of the Committee of Inspection, and that the Administrators be authorised to make periodic payments on account of such accruing remuneration as incurred."*

Please note that the above is an estimate only.

**Resolution 4 (if applicable):**

*"That the remuneration of the Administrators, as set out in the Remuneration Approval Request dated 11 January 2019, for the period from execution of the DOCA to the completion of the DOCA be fixed up to a maximum amount of \$50,000, plus any applicable GST, but subject to upward revision by resolution of the Committee of Inspection, and that the Administrators be authorised to make periodic payments on account of such accruing remuneration as incurred."*

Please note that the above is an estimate only.

**Resolution 5 (if applicable):**

*"That the remuneration of the Administrators, as set out in the Remuneration Approval Request dated 11 January 2019, for the period from the date of the execution of the Creditors Trust to the completion of the Creditors Trust be fixed up to a maximum amount of \$10,000, plus any applicable GST, but subject to upward revision by resolution of the Committee of Inspection, and that the Administrators be authorised to make periodic payments on account of such accruing remuneration as incurred."*

Please note that the above is an estimate only.

**Resolution 6 (if applicable):**

*"That the remuneration of the Liquidators, as set out in the Remuneration Approval Request dated 11 January 2019, for the period from 21 January 2019 to completion of the Liquidation be fixed up to a maximum amount of \$100,000, plus any applicable GST, but subject to upward revision by resolution of the Committee of Inspection, and that the Liquidators be authorised to make periodic payments on account of such accruing remuneration as incurred."*

Please note that the above is an estimate only.

**1.2 Details of remuneration**

The basis of calculating the remuneration claims are set out below, including the details of the major tasks performed and the costs associated with each of those major tasks.

### 1.2.1 Resolution 1: 15 November 2018 to 31 December 2018

The below table sets out time charged to each major task area performed by the Administrators and their staff for the period 15 November 2018 to 31 December 2018, which is the basis of the Resolution 1 claim. Please refer to Schedule A for further details with respect to the tasks performed.

Employee	Position	Rate (ex GST)	Total		Task Area								
					Assets		Creditors		Investigation		Administration		
		(\$/Hour)	(Hrs)	(\$)	(Hrs)	(\$)	(Hrs)	(\$)	(Hrs)	(\$)	(Hrs)	(\$)	
Jones, Martin	Partner	650	1.9	1,235.00	-	-	-	-	-	-	1.9	1,235.00	
Birch, Tom	Director	575	8.5	4,887.50	5.6	3,220.00	-	-	-	-	2.9	1,667.50	
Flower, Michael	Assistant Manager	425	35.4	15,045.00	22.7	9,647.50	9.8	4,165.00	1.2	510.00	1.7	722.50	
Stephens, Miranda	Practice Manager	425	0.2	85.00	-	-	-	-	-	-	0.2	85.00	
De Vattimo, Belinda	Analyst	340	26.6	9,044.00	-	-	17.1	5,814.00	7.4	2,516.00	2.1	714.00	
Wong, Rebecca	Accountant	290	7.7	2,233.00	0.6	174.00	5.3	1,537.00	-	-	1.8	522.00	
Titlestad, Jacqui	Personal/ Team Assistant	205	0.1	20.50	-	-	-	-	-	-	0.1	20.50	
Robinson, Keith	Administration Supervisor/ Assistant	140	0.4	56.00	-	-	-	-	-	-	0.4	56.00	
Buckley, Brendan	Administration Supervisor/ Assistant	140	0.1	14.00	-	-	-	-	-	-	0.1	14.00	
Total (excluding GST)			80.9	32,620.00	28.9	13,041.50	32.2	11,516.00	8.6	3,026.00	11.2	5,036.50	
GST				3,262.00									
Total (including GST)				35,882.00									
Average Hourly Rate				403.21		451.26		357.64		351.86		449.69	

### 1.2.2 Resolution 2: 1 January 2019 to 21 January 2019

The below table sets out the expected costs for the major tasks likely to be performed by the Administrators and their staff for the period 1 January 2019 to 21 January 2019, which is the basis of the Resolution 2 claim. Please refer to Schedule B for further details with respect to the tasks likely to be performed.

Task	Hours	Amount (\$)
Assets	8.8	4,000.00
Creditors	8.2	3,000.00
Investigation	2.7	1,000.00
Administration	7.6	2,000.00
<b>Total</b>	<b>27.3</b>	<b>10,000.00</b>

### 1.2.3 Resolution 3: 21 January 2019 to the Execution of the DOCA (if applicable)

The below table sets out the expected costs for the major tasks likely to be performed by the Administrators and their staff for the period 21 January 2019 to the execution of the DOCA, which is the basis of the Resolution 3 claim. Please refer to Schedule C for further details with respect to the tasks likely to be performed.

Task	Hours	Amount (\$)
Assets	13.4	5,500.00
Creditors	5.8	2,000.00
Administration	6.5	2,500.00
<b>Total</b>	<b>25.7</b>	<b>10,000.00</b>

### 1.2.4 Resolution 4: Execution of the DOCA to completion of the DOCA (if applicable)

The below table sets out the expected costs for the major tasks likely to be performed by the Deed Administrators' and their staff for the period from the execution of the DOCA to the completion of the DOCA, which is the basis of the Resolution 4 claim. Please refer to Schedule D for further details with respect to the tasks likely to be performed.

Task	Hours	Amount (\$)
Assets	74.8	30,000.00
Creditors	27.2	10,000.00
Administration	27.2	10,000.00
<b>Total</b>	<b>129.2</b>	<b>50,000.00</b>

### 1.2.5 Resolution 5: Execution of the Creditors Trust to completion of the Creditors Trust (if applicable)

The below table sets out the expected costs for the major tasks likely to be performed by the Trustees and their staff for the period from the execution of the Creditors Trust to the completion of the Creditors Trust, which is the basis of the Resolution 5 claim. Please refer to Schedule E for further details with respect to the tasks likely to be performed.

Task	Hours	Amount (\$)
Assets	10.4	4,000.00
Dividend	5.7	2,000.00
Administration	11.4	4,000.00
<b>Total</b>	<b>27.6</b>	<b>10,000.00</b>

### 1.2.6 Resolution 6: 21 January 2019 to the Completion of the Liquidation (if applicable)

The below table sets out the expected costs for the major tasks likely to be performed by the Liquidators and their staff for the period from 21 January 2019 to the completion of the liquidation, which is the basis of the Resolution 6 claim. Please refer to Schedule F for further details with respect to the tasks likely to be performed.

Task	Hours	Amount (\$)
Assets	24.5	10,000.00
Creditors	48.5	20,000.00
Investigations	112.4	40,000.00
Dividend	40.3	15,000.00
Administration	42.9	15,000.00
<b>Total</b>	<b>256.8</b>	<b>100,000.00</b>

### 1.2.7 Future remuneration requests

In preparing this report, we have made our best estimate at what we believe the administration will cost to complete and we do not anticipate that we will have to ask creditors to approve any further remuneration. However, should the administration not proceed as expected, we will advise creditors and we may seek approval of further remuneration and provide details on why the remuneration has changed. Matters that may affect the progress and the cost of the administration, include:

- Delays in the recapitalisation process;
- Further Investigations

### 1.3 Likely impact on dividends

The Administrators' remuneration and disbursements are a priority expense that rank ahead of the payment of creditors. In this regard, the remuneration sought will reduce the returns to Secured Creditors.

### 1.4 Remuneration recoverable from external sources

The Administrators have not received, or are not entitled to receive, funding from external sources in respect of remuneration.

## 2 Disbursements

### 2.1 Types of disbursements

Disbursements are divided into three types:

- Externally provided professional services. These are recovered at cost. An example is legal fees.
- Externally provided non-professional costs such as travel, accommodation and search fees. These disbursements 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; although if a data room is utilised, the fee will comprise an initial setup fee and then a fee based on the duration and size of the data room or the number of users per month. Certain services provided by Ferrier Hodgson may require the processing of electronically stored information into specialist review platforms. Where these specialist resources are utilised, the fee will be based on units (e.g. number of computers), size (e.g. per gigabyte) and/or period of time (e.g. period of hosting). The relevant rates for internal disbursements are set out below:

Disbursement type	Charges (excl GST)
Advertising	At cost
ASIC industry funding model levy – metric events	At prescribed ASIC rates
Couriers	At cost
Data room set-up	\$450.00
Data room hosting – Option A	Variable – see separate table below
Data room hosting – Option B (incl 100GB of data)	\$84.95 per user per month
eDiscovery services	Variable
Photocopying / printing (colour)	\$0.50 per page
Photocopying / printing (mono)	\$0.20 per page
Photocopying / printing (outsourced)	At cost
Postage	At cost
Searches	At cost
Staff travel reimbursement	Up to \$100/day
Staff vehicle use	At prescribed ATO rates
Storage and storage transit	At cost
Telephone calls	At cost

Note: Above rates are applicable for the financial year ending 30 June 2019. Disbursements charged at cost do not require creditor approval.

Data room hosting fees by size (MB)	Charges per month (excl GST)
0-300	\$950
300-1000	\$950 + \$2.50/MB
1000-5000	\$2,500 + \$1.25/MB
5000+	\$7,500 + \$0.60/MB

## 2.2 Disbursements paid from the administration to Ferrier Hodgson to date

There have been no disbursements paid from the administration to Ferrier Hodgson to date. Future disbursements provided by Ferrier Hodgson will be charged to the administration on the same basis as the table in Part 4.1.

## 2.3 Disbursement claim resolutions

We will be seeking approval of the following resolutions with respect to disbursements in respect of the Company. Details to support these resolutions are included in Part 4.4.

### Resolution 1:

*"That the internal disbursements of the Administrators, as set out in the Remuneration Approval Request dated 11 January 2019, for the period from 15 November 2018 to 31 December 2018 be fixed in the amount of \$183.14, plus any applicable GST, and may be paid."*

### Resolution 2:

*"That the internal disbursements of the Administrators, as set out in the Remuneration Approval Request dated 11 January 2019, for the period from 1 January 2019 to 21 January 2019 be fixed up to a maximum amount of \$500, plus any applicable GST, but subject to upward revision by resolution of the Committee of Inspection, and that the Administrators be authorised to make periodic payments on account of such accruing disbursements as incurred."*

### Resolution 3:

*"That the internal disbursements of the Administrators, as set out in the Remuneration Approval Request dated 11 January 2019, for the period from 21 January 2019 to the execution of the DOCA be fixed up to a maximum amount of \$500, plus any applicable GST, but subject to upward revision by resolution of the Committee of Inspection, and that the Administrators be authorised to make periodic payments on account of such accruing disbursements as incurred."*

**Resolution 4 (if applicable):**

*"That the internal disbursements of the Administrators, as set out in the Remuneration Approval Request dated 11 January 2019, for the period from the execution of the DOCA to completion of the DOCA be fixed up to a maximum amount of \$1,000, plus any applicable GST, but subject to upward revision by resolution of the Committee of Inspection, and that the Administrators be authorised to make periodic payments on account of such accruing disbursements as incurred."*

**Resolution 5 (if applicable):**

*"That the internal disbursements of the Liquidators, as set out in the Remuneration Approval Request dated 11 January 2019, for the period from the date of execution of creditors trust to completion of the creditors trust be fixed up to a maximum amount of \$500, plus any applicable GST, but subject to upward revision by resolution of the Committee of Inspection, and that the Administrators be authorised to make periodic payments on account of such accruing disbursements as incurred."*

**Resolution 6 (if applicable):**

*"That the internal disbursements of the Liquidators, as set out in the Remuneration Approval Request dated 11 January 2019, for the period from 21 January 2019 to completion of the Liquidation be fixed up to a maximum amount of \$2,000, plus any applicable GST, but subject to upward revision by resolution of the Committee of Inspection, and that the Administrators be authorised to make periodic payments on account of such accruing disbursements as incurred."*

## 2.4 Details of disbursements

### 2.4.1 Retrospective internal disbursement claim

The following internal disbursements have been claimed by our firm, Ferrier Hodgson, for the period 15 November 2018 to 31 December 2018 which is the basis of the Resolution 1 claim.

Disbursements claimed	Basis	Total (excl GST) \$
Postage	Circulars to stakeholders	36.3
Photocopying / printing (mono and colour)	Miscellaneous	111.00
Stationery	Miscellaneous	10.95
Searches	At cost	24.89
<b>Total</b>		<b>183.14</b>

### 2.4.2 Prospective internal disbursement claim

Future disbursements provided by our firm, Ferrier Hodgson, will be charged to the administration on the same basis as set out in Part 4.1. Approval of the payment of these disbursements at those rates to a capped amount of \$500 for the period from 1 January 2019 to 21 January 2019, \$500 for the period from 21 January 2019 to the execution of the DOCA, \$2,500 for the period from the execution of the DOCA to completion of the DOCA, if applicable, \$500 for the period from the date of execution of creditors trust to completion of the creditors trust, if applicable and \$2,000 for the period from 21 January 2019 to completion of Liquidation, if applicable, is being sought.

**Period from 1 January 2019 to 21 January 2019**

Prospective internal disbursements	Basis	Total (excl GST) \$
ASIC industry funding model levy – model events	1 event at \$125 per event	125
Postage	Report to creditors	100
Photocopying / Printing (mono)	1,000 pages at \$0.20 per page	200
Photocopying / Printing (colour)	150 pages at \$0.50 per page	75
<b>Total</b>		<b>500</b>

**Period from 21 January 2019 to execution of the DOCA (if applicable)**

Prospective internal disbursements	Basis	Total (excl GST) \$
ASIC industry funding model levy – model events	1 event at \$125 per event	125
Postage	Report to creditors	100
Photocopying / Printing (mono)	1,000 pages at \$0.20 per page	200
Photocopying / Printing (colour)	150 pages at \$0.50 per page	75
<b>Total</b>		<b>500</b>

**Period from the execution of the DOCA to completion of the DOCA (if applicable)**

Prospective internal disbursements	Basis	Total (excl GST) \$
ASIC industry funding model levy – model events	2 events at \$125 per event	250
Postage	Report to creditors	200
Photocopying / Printing (mono)	2,000 pages at \$0.20 per page	400
Photocopying / Printing (colour)	300 pages at \$0.50 per page	150
<b>Total</b>		<b>1,000</b>

**Period from the date of execution of the Creditors Trust to completion (if applicable)**

Prospective internal disbursements	Basis	Total (excl GST) \$
ASIC industry funding model levy – model events	1 event at \$125 per event	125
Postage	Report to creditors	100
Photocopying / Printing (mono)	1,000 pages at \$0.20 per page	200
Photocopying / Printing (colour)	150 pages at \$0.50 per page	75
<b>Total</b>		<b>500</b>

**Period from 21 January 2019 to completion of the Liquidation (if applicable)**

Prospective internal disbursements	Basis	Total (excl GST) \$
ASIC industry funding model levy – model events	5 events at \$125 per event	625
Postage	Report to creditors	200
Photocopying / Printing (mono)	4,000 pages at \$0.20 per page	800
Photocopying / Printing (colour)	750 pages at \$0.50 per page	375
<b>Total</b>		<b>2,000</b>

### 3 Report on progress of the administration

The Remuneration Approval Request must be read in conjunction with the Voluntary Administrators' Report to creditors dated 11 January 2019 which outlines the progress of the administration.

### 4 Summary of receipts and payments

A summary of receipts and payments for the period 10 October 2018 to 31 October 2018 is set out in the table below:

Receipts and payments	Total (incl GST) \$
<b>Receipts</b>	
Cash at bank 1 November 2018	78
Transfer from term deposit	61
<b>Total receipts</b>	<b>139</b>
Advertising	(7)
Appointee Fees	(67)
ASIC Fees	(3)
Legal Fees	(23)
<b>Payments</b>	<b>(100)</b>
<b>Closing cash at bank</b>	<b>39</b>

### 5 Approval of remuneration and internal disbursements

For information about how approval of the resolutions for remuneration and internal disbursements will be sought, refer to Section 2.8 of the Voluntary Administrators' Report to creditors dated 11 January 2019.

### 6 Questions

If you require further information in respect of the above, or have other questions, please contact Belinda De Vattimo of this office on 08 9214 1444.

The partners of Ferrier Hodgson are members of ARITA. Ferrier Hodgson follows the Code. A copy of the Code may be found on the ARITA website at [www.arita.com.au](http://www.arita.com.au).

An information sheet concerning approval of remuneration in external administrations can also be obtained from the Australian Securities & Investments Commission website at [www.asic.gov.au](http://www.asic.gov.au).

Dated 11<sup>th</sup> day of January 2019



**Martin Jones**  
Administrator



## Schedule A – Resolution 1

The below table contains more detailed descriptions of the tasks performed within each task area performed by the Administrators and their staff for the period 15 November 2018 to 31 December 2018, which is the basis of the Resolution 1 claim in section 3.2.1.

Task area	General description	Includes
<b>Assets</b>  <b>28.9 hours</b> <b>\$13,041.50</b> <b>(excl GST)</b>	Sale of business	<ul style="list-style-type: none"> <li>– Liaising with interested parties</li> <li>– Internal meetings to discuss the sale process</li> <li>– Marketing campaign</li> <li>– Liaising with interested parties and obtaining executed confidentiality agreements</li> <li>– Provision of company information to interested parties for due diligence</li> <li>– Liaising with potential purchasers regarding their DOCA proposals and the structure of the same</li> <li>– Internal meetings to discuss / review offers received</li> </ul>
	Assets subject to specific charges	<ul style="list-style-type: none"> <li>– Liaising with secured party regarding their security interest</li> </ul>
<b>Creditors</b>  <b>32.2 hours</b> <b>\$11,516.00</b> <b>(excl GST)</b>	Creditor reports	<ul style="list-style-type: none"> <li>– Preparing reports on results of investigation (including statutory reports) and drafting 439A report</li> </ul>
	Dealing with proofs of debt	<ul style="list-style-type: none"> <li>– Receipting and filing proofs of debt when not related to a dividend</li> </ul>
	Meeting of creditors	<ul style="list-style-type: none"> <li>– Preparation of meeting notices, proxies and advertisements</li> </ul>
	Shareholder enquiries	<ul style="list-style-type: none"> <li>– Receiving and responding to shareholder queries regarding the administration</li> </ul>
<b>Investigation</b>		
<b>8.6 hours</b> <b>\$3,026.00</b> <b>(excl GST)</b>	Conducting investigation	<ul style="list-style-type: none"> <li>– Reviewing Company's books and records</li> <li>– Review of specific transactions and funding investigation</li> </ul>
	Correspondence	<ul style="list-style-type: none"> <li>– General correspondence</li> </ul>
<b>Administration</b>  <b>11.2 hours</b> <b>\$5,036.50</b> <b>(excl GST)</b>	Document maintenance / file review / checklist	<ul style="list-style-type: none"> <li>– Filing of documents</li> <li>– File reviews</li> <li>– Updating checklists</li> </ul>
	Bank account administration	<ul style="list-style-type: none"> <li>– Requesting bank statements</li> <li>– Bank account reconciliations</li> </ul>
	ASIC forms	<ul style="list-style-type: none"> <li>– Preparing and lodging ASIC forms</li> <li>– Correspondence with ASIC regarding statutory forms</li> </ul>
	ATO and other statutory reporting	<ul style="list-style-type: none"> <li>– ATO Correspondence</li> </ul>
	Planning / review	<ul style="list-style-type: none"> <li>– Discussions regarding status / strategy of administration</li> </ul>

## Schedule B – Resolution 2

The below table contains more detailed descriptions of the tasks performed within each task area likely to be performed by the Administrators and their staff for the period 1 January 2019 to 21 January 2019, which is the basis of the Resolution 2 claim in section 3.2.2:

Task area	General description	Includes
<b>Assets</b>		
<b>8.8 hours \$4,000 (excl GST)</b>	Sale of business	<ul style="list-style-type: none"> <li>– Liaising with the proponent regarding their DOCA proposal and the structure of the same</li> <li>– Discussing offers with Legal Counsel.</li> </ul>
	Creditor enquiries, requests and directions	<ul style="list-style-type: none"> <li>– Receive and respond to creditor enquiries</li> <li>– Review and prepare correspondence to creditors and their representatives</li> </ul>
<b>Creditors</b>	Creditor reports	<ul style="list-style-type: none"> <li>– Preparing reports on results of investigation (including statutory reports) and convening meetings</li> <li>– General reports to creditors</li> </ul>
	Dealing with proofs of debt	<ul style="list-style-type: none"> <li>– Receipting and filing proofs of debt when not related to a dividend</li> </ul>
<b>8.2 hours \$3,000 (excl GST)</b>	Meeting of creditors	<ul style="list-style-type: none"> <li>– Preparation of meeting notices, proxies and advertisements</li> <li>– Forward notice of meeting to all known creditors</li> <li>– Preparation of meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting.</li> <li>– Preparation and lodgement of minutes of meetings with ASIC</li> </ul>
	Shareholder enquiries	<ul style="list-style-type: none"> <li>– Responding to any shareholder queries</li> </ul>
<b>Investigation</b>		
<b>2.7 hours \$1000 (excl GST)</b>	Conducting investigation	<ul style="list-style-type: none"> <li>– Finalisation of Investigation</li> </ul>
	Correspondence	<ul style="list-style-type: none"> <li>– General correspondence</li> </ul>
<b>Administration</b>	Document maintenance / file review / checklist	<ul style="list-style-type: none"> <li>– Administration reviews</li> <li>– Filing of documents</li> <li>– File reviews</li> <li>– Updating checklists</li> </ul>
	Bank account administration	<ul style="list-style-type: none"> <li>– Requesting bank statements</li> <li>– Bank account reconciliations</li> </ul>
<b>7.6 hours \$2,000 (excl GST)</b>	ASIC forms	<ul style="list-style-type: none"> <li>– Preparing and lodging ASIC forms</li> </ul>
	Planning / review	<ul style="list-style-type: none"> <li>– Discussions regarding status / strategy of administration</li> </ul>

### Schedule C – Resolution 3

The below table contains more detailed descriptions of the tasks performed within each task area performed by the Administrators and their staff for the period from 21 January 2019 to the execution of the DOCA, which is the basis of the Resolution 3 claim in section 3.2.3

Task area	General description	Includes
<b>Assets</b>  <b>13.4 hours</b> <b>\$5,500</b> <b>(excl GST)</b>	Sale of business	– Liaising with the proponent regarding their DOCA proposal and the structure of the same.
	Secured creditor reporting	– Responding to secured creditor's queries and updates to secured creditors
	DOCA Assets	– Liaising with DOCA proponent and lawyers – Internal meetings – Finalising terms of the DOCA and executing the same
<b>Creditors</b>  <b>5.8 hours</b> <b>\$2,000</b> <b>(excl GST)</b>	Creditor enquiries, requests and directions	– Receive and respond to creditor enquiries – Documenting reasons for complying or not complying with requests or directions – Compiling information requested by creditors
	Dealing with proofs of debt	– Receipting and filing proofs of debt when not related to a dividend
	Shareholder enquiries	– Correspondence with shareholders
<b>Administration</b>  <b>6.5 hours</b> <b>\$2,500</b> <b>(excl GST)</b>	Correspondence	– General correspondence
	Document maintenance / file review / checklist	– Administration reviews – Filing of documents – File reviews – Updating checklists
	Bank account administration	– Preparing correspondence opening and closing accounts – Requesting bank statements – Bank account reconciliations – Correspondence with bank regarding specific transfers
	ASIC forms	– Preparing and lodging ASIC forms – Correspondence with ASIC regarding statutory forms
	ATO and other statutory reporting	– Notification of appointment – Preparing BASs – Completing group certificates
	Planning / review	– Discussions regarding status / strategy of administration
	Books and records / storage	– Dealing with records in storage – Sending job files to storage

#### Schedule D – Resolution 4

The below table contains more detailed descriptions of the tasks performed within each task area likely to be performed by the Administrators and their staff for the period from the execution of the DOCA to completion of the DOCA, which is the basis of the Resolution 4 claim in section 3.2.4:

Task area	General description	Includes
<b>Assets</b>  <b>74.8 hours</b> <b>\$30,000</b> <b>(excl GST)</b>	Secured creditor reporting	– Responding to secured creditor's queries and updates to secured creditors
	Sale of Assets	– Implementation and effectuation of DOCA terms – Liaising with DOCA proponent and legal advisors
<b>Creditors</b>  <b>27.2 hours</b> <b>\$10,000</b> <b>(excl GST)</b>	Creditor enquiries	– Receive and follow up creditor enquiries via telephone and email – Maintaining creditor enquiry register – Review and prepare correspondence to creditors and their representatives via facsimile, email and post
	Creditor reports	– Preparing general reports and updates to creditors
	Shareholder enquires	– Correspondence with shareholders – Preparing ASX announcements
<b>Administration</b>  <b>27.2 hours</b> <b>\$10,000</b> <b>(excl GST)</b>	Correspondence	– General correspondence
	Document maintenance / file review / checklist	– First month, then six monthly administration review – Filing of documents – File reviews – Updating checklists
	Bank account administration	– Requesting bank statements – Bank account reconciliations
	ASIC Forms	– Preparing and lodging ASIC forms – Correspondence with ASIC regarding statutory forms
	ATO and other statutory reporting	– Notification of appointment – Preparing BASs – Completing group certificates
	Books and records / storage	– Dealing with records in storage – Sending job files to storage

## Schedule E – Resolution 5

The below table contains more detailed descriptions of the tasks performed within each task area likely to be performed by the Administrators and their staff for the period from the date of execution of the creditors trust to the completion, which is the basis of the Resolution 5 claim in section 3.2.5:

Task area	General description	Includes	
<b>Assets</b>  <b>10.4 hours</b> <b>\$4,000</b> <b>(excl GST)</b>	Secured creditor reporting	– Responding to secured creditor’s queries and updates to secured creditors	
	Sale of Assets	– Receipt of DOCA proceeds and distribution of same	
	Creditors Trust Assets	– Handover of Company to DOCA proponent	
<b>Dividend</b>  <b>5.7 hours</b> <b>\$2,000</b> <b>(excl GST)</b>	Processing proofs of debt	– Preparation of correspondence to potential creditors inviting lodgement of proofs of debt – Receipt of proofs of debt – Maintain proof of debt register – Adjudicating proofs of debt – Request further information from claimants regarding proofs of debt – Preparation of correspondence to claimant advising outcome of adjudication	
	Dividend procedures	– Preparation of correspondence to creditors advising of intention to declare dividend – Advertisement of intention to declare dividend – Obtain clearance from ATO to allow distribution of Company’s assets – Preparation of dividend calculations – Preparation of correspondence to creditors announcing declaration of dividend – Advertise announcement of dividend – Preparation of distribution – Preparation of dividend file – Preparation of payment vouchers to pay dividend – Preparation of correspondence to creditors enclosing payment of dividend	
<b>Administration</b>  <b>11.4 hours</b> <b>\$4,000</b> <b>(excl GST)</b>	Correspondence	– General correspondence	
	Document maintenance / file review / checklist	– First month, then six monthly administration review – Filing of documents – File reviews – Updating checklists	
		Bank account administration	– Requesting bank statements – Bank account reconciliations – Correspondence with bank regarding specific transfers
			ASIC Forms
	ATO and other statutory reporting		
		Books and records / storage	– Dealing with records in storage – Sending job files to storage

## Schedule F – Resolution 6

The below table contains more detailed descriptions of the tasks performed within each task area likely to be performed by the Liquidators and their staff for the period 21 January 2019 to completion of Liquidation, which is the basis of the Resolution 6 claim in section 3.2.6:

Task area	General description	Includes
<b>Assets</b>		
<b>24.5 hours</b> <b>\$10,000</b> <b>(excl GST)</b>	Other assets	<ul style="list-style-type: none"> <li>– Tasks associated with cash at bank</li> <li>– Sale of shares in subsidiary</li> </ul>
	Creditor enquiries, requests and directions	<ul style="list-style-type: none"> <li>– Receive and respond to creditor enquiries</li> <li>– Maintaining creditor request log</li> <li>– Review and prepare correspondence to creditors and their representatives</li> <li>– Documenting creditor requests</li> <li>– Considering reasonableness of creditor requests</li> <li>– Obtaining legal advice on requests</li> <li>– Documenting reasons for complying or not complying with requests or directions</li> <li>– Compiling information requested by creditors</li> </ul>
<b>Creditors</b>  <b>48.5 hours</b> <b>\$20,000</b> <b>(excl GST)</b>	Secured creditor reporting	<ul style="list-style-type: none"> <li>– Preparing reports to secured creditor</li> <li>– Responding to secured creditor's queries</li> </ul>
	Creditor reports	<ul style="list-style-type: none"> <li>– Preparing reports on results of investigation (including statutory reports) and convening meetings</li> <li>– General reports to creditors</li> </ul>
	Dealing with proofs of debt	<ul style="list-style-type: none"> <li>– Receipting and filing proofs of debt when not related to a dividend</li> <li>– Corresponding with ATO regarding proofs of debt when not related to a dividend</li> </ul>
	Meeting of creditors	<ul style="list-style-type: none"> <li>– Preparation of meeting notices, proxies and advertisements</li> <li>– Forward notice of meeting to all known creditors</li> <li>– Preparation of meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting</li> <li>– Preparation and lodgement of minutes of meetings with ASIC</li> <li>– Respond to stakeholder queries and questions immediately following meeting</li> </ul>
	Proposals to creditors	<ul style="list-style-type: none"> <li>– Preparing proposal notices and voting forms</li> </ul>
	Shareholder enquiries	<ul style="list-style-type: none"> <li>– ITAA Section 104-145(1) declarations</li> <li>– Responding to any shareholder queries</li> </ul>

Task area	General description	Includes
<b>Investigation</b>  <b>112.4 hours</b> <b>\$40,000</b> <b>(excl GST)</b>	Conducting investigation	<ul style="list-style-type: none"> <li>– Correspondence with ASIC to receive assistance in obtaining reconstruction of financial statements, Company's books and records and Report as to Affairs</li> <li>– Reviewing Company's books and records</li> <li>– Conducting and summarising statutory searches</li> <li>– Preparation of comparative financial statements</li> <li>– Preparation of deficiency statement</li> <li>– Review of specific transactions and liaising with directors regarding certain transactions</li> <li>– Preparation of investigation file</li> <li>– Lodgement of investigation with ASIC</li> <li>– Preparation and lodgement of supplementary report if required</li> </ul>
	Recoveries (if any)	<ul style="list-style-type: none"> <li>– Internal meetings to discuss potential recoveries</li> <li>– Preparing brief to solicitors</li> <li>– Liaising with solicitors regarding recovery actions</li> <li>– Attending to negotiations</li> <li>– Attending to settlement matters</li> </ul>
	ASIC reporting	<ul style="list-style-type: none"> <li>– Preparing statutory investigation reports</li> <li>– Preparing affidavits seeking non-lodgement assistance</li> <li>– Liaising with ASIC</li> </ul>
<b>Dividend</b>  <b>40.3 hours</b> <b>\$15,000</b> <b>(excl GST)</b>	Processing proofs of debt	<ul style="list-style-type: none"> <li>– Preparation of correspondence to potential creditors inviting lodgement of proofs of debt</li> <li>– Receipt of proofs of debt</li> <li>– Maintain proof of debt register</li> <li>– Adjudicating proofs of debt</li> <li>– Request further information from claimants regarding proofs of debt</li> <li>– Preparation of correspondence to claimant advising outcome of adjudication</li> </ul>
	Dividend procedures	<ul style="list-style-type: none"> <li>– Preparation of correspondence to creditors advising of intention to declare dividend</li> <li>– Advertisement of intention to declare dividend</li> <li>– Obtain clearance from ATO to allow distribution of Company's assets</li> <li>– Preparation of dividend calculations</li> <li>– Preparation of correspondence to creditors announcing declaration of dividend</li> <li>– Advertise announcement of dividend</li> <li>– Preparation of distribution</li> <li>– Preparation of dividend file</li> <li>– Preparation of payment vouchers to pay dividend</li> <li>– Preparation of correspondence to creditors enclosing payment of dividend</li> </ul>

Task area	General description	Includes
<b>Administration</b>  <b>42.9 hours</b> <b>\$15,000</b> <b>(excl GST)</b>	Correspondence	– General correspondence
	Document maintenance / file review / checklist	– Administration reviews
		– Filing of documents
		– File reviews
		– Updating checklists
	Bank account administration	– Requesting bank statements – Bank account reconciliations – Correspondence with bank regarding specific transfers
	ASIC forms	– Preparing and lodging ASIC forms – Correspondence with ASIC regarding statutory forms
	ATO and other statutory reporting	– Preparing BASs
	Finalisation	– Notifying ATO of finalisation – Cancelling ABN / GST registration – Completing checklists – Finalising WIP
	Planning / review	– Discussions regarding status / strategy of administration
	Books and records / storage	– Dealing with records in storage – Sending job files to storage



### Creditor Information Sheet

#### Offences, Recoverable transactions and Insolvent Trading



##### Offences

A summary of offences that may be identified by the administrator:

Section	Offence
180	Failure by officer to exercise a reasonable degree of care and diligence in the exercise of his powers and the discharge of his duties.
181	Failure to act in good faith.
182	Making improper use of position as an officer or employee, to gain, directly or indirectly, an advantage.
183	Making improper use of information acquired by virtue of his position.
184	Reckless or intentional dishonesty in failing to exercise duties in good faith for proper purpose. Use of position or information dishonestly to gain advantage or cause detriment.
206A	Contravening an order against taking part in management of a corporation.
206A, B	Taking part in management of corporation while being an insolvent under an administration.
206A, B	Acting as a director or promoter or taking part in the management of a company within five years after conviction or imprisonment for various offences.
209(3)	Dishonest failure to observe requirements on making loans to directors or related companies.
254T	Paying dividends except out of profits.
286	Failure to keep proper accounting records.
312	Obstruction of auditor.
314-7	Failure to comply with requirements for financial statement preparation.
437C	Performing or exercising a function or power as officer while a company is under administration.
437D(5)	Unauthorised dealing with company's property during administration.
438B(4)	Failure by directors to assist administrator, deliver records and provide information.
438C(5)	Failure to deliver up books and records to administrator.
590	Failure to disclose property, concealed or removed property, concealed a debt due to the company, altered books of the company, fraudulently obtained credit on behalf of the company, material omission from Report as to Affairs or false representation to creditors.

##### Voidable Transactions

###### Preferences

A preference is a transaction such as a payment between the company and one or more of its creditors, in which the creditor receiving the payment is preferred over the general body of creditors. The relevant time period is six months before the commencement of the liquidation. The company must have been insolvent at the time of the transaction, or become insolvent as a result of the transaction.

Where a creditor receives a preferred payment, the payment is voidable as against a liquidator and is liable to be paid back to the liquidator subject to the creditor being able to successfully maintain any of the defences available to the creditor under either the Corporations Act.

###### Uncommercial Transaction

An uncommercial transaction is one that it may be expected that a reasonable person in the company's circumstances would not have entered into having regard to:

- the benefit or detriment to the company;
- the respective benefits to other parties; and
- any other relevant matter.

To be voidable, an uncommercial transaction must have occurred during the two years before the liquidation.

However, if a related entity is a party to the transaction, the time period is four years and if the intention of the transaction is to defeat creditors, the time period is ten years.

##### ARITA

ACN 002 472 362

Level 5, 33 Erskine Street, Sydney NSW 2000 Australia | GPO Box 9985, Sydney NSW 2001  
t +61 2 9290 5700 | f +61 2 9290 2820 | e admin@arita.com.au | arita.com.au

AUSTRALIAN RESTRUCTURING INSOLVENCY & TURNAROUND ASSOCIATION



The company must have been insolvent at the time of the transaction, or become insolvent as a result of the transaction.

#### *Unfair Loan*

A loan is unfair if and only if the interest was extortionate when the loan was made or has since become extortionate. There is no time limit on unfair loans – they only have to have been entered into any time on or before the day when the winding up began.

#### *Arrangements to avoid employee entitlements*

If an employee suffers loss because a person (including a director) enters into an arrangement or transaction to avoid the payment of employee entitlements, the liquidator or the employee may seek to recover compensation from that person. It will only be necessary to satisfy the court that there was a breach on the balance of probabilities. There is no time limit on when the transaction occurred.

#### *Unreasonable payments to directors*

Liquidators have the power to reclaim "unreasonable payments" made to directors by companies prior to liquidation. The provision relates to transactions made to, on behalf of, or for the benefit of, a director or close associate of a director. To fall within the scope of the section, the transaction must have been unreasonable, and have been entered into during the 4 years leading up to a company's liquidation, regardless of its solvency at the time the transaction occurred.

#### *Voidable charges*

Certain charges are voidable by a liquidator:

- Circulating security interest created with six months of the liquidation unless it secures a subsequent advance;
- Unregistered charges; and
- Charges in favour of related parties who attempt to enforce the charge within 6 months of its creation.

#### *Insolvent Trading*

In the following circumstances, directors may be personally liable for insolvent trading by the company:

- a person is a director at the time a company incurs a debt;
- the company is insolvent at the time of incurring the debt or becomes insolvent because of incurring the debt;
- at the time the debt was incurred, there were reasonable grounds to suspect that the company was insolvent;
- the director was aware such grounds for suspicion existed; and
- a reasonable person in a like position would have been so aware.

The law provides that the liquidator, and in certain circumstances the creditor who suffered the loss, may recover from the director, an amount equal to the loss or damage suffered. Similar provisions exist to pursue holding companies for debts incurred by their subsidiaries.

A defence is available under the law where the director can establish:

- there were reasonable grounds to expect that the company was solvent and they actually did so expect;
- they did not take part in management for illness or some other good reason; or,
- they took all reasonable steps to prevent the company incurring the debt.

The proceeds of any recovery for insolvent trading by a liquidator are available for distribution to the unsecured creditors before the secured creditors.

Important note: This information sheet contains a summary of basic information on the topic. It is not a substitute for legal advice. Some provisions of the law referred to may have important exceptions or qualifications. This document may not contain all of the information about the law or the exceptions and qualifications that are relevant to your circumstances.

## F- DOCA Term Sheet

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WOLF MINERALS LIMITED (ADMINISTRATORS APPOINTED) ACN 121 831 472  
("COMPANY")

TERM SHEET FOR PROPOSED DEED OF COMPANY ARRANGEMENT IN RELATION TO  
THE COMPANY

This term sheet contains a summary of the principal terms and conditions of a proposal for a deed of company arrangement ("DOCA") in relation to the Company by the Proponent (defined below).

These terms and conditions are subject to documentation to be agreed between the Company, the administrators of the Company ("Administrators"), the Proponent and the Secured Creditors to effect the DOCA in accordance with the requirements of Part 5.3A of the *Corporations Act 2001* (Cth) ("Act").

Save for clauses 8 to 11 (inclusive) and 44 to 46 (inclusive) which are immediately binding and enforceable on execution of this term sheet, this term sheet is a non-binding indicative document only, circulated for discussion purposes and to assist the Administrators in preparing a report to creditors of the Company in accordance with section 75-225 of the *Insolvency Practice Rules 2016* (Cth).

PARTIES AND BACKGROUND

1. The DOCA proponent is First Guardian Synergy Capital Pty Ltd ACN 619 169 667 and/or a nominee which may be nominated by First Guardian Synergy Capital Pty Ltd at a later stage and prior to the execution of the DOCA ("Proponent").
2. The administrators of the DOCA will be Martin Jones and Ryan Eagle of Ferrier Hodgson ("Deed Administrators").
3. The following parties ("Secured Creditors"):
  - (a) Unicredit Bank AG, London Branch (as Arranger, Senior Lender, Hedging Bank, Issuing Bank, Security Trustee, Account Bank, Facility Agent, UFK Agent and )
  - (b) ING Bank N.V. (as Arranger, Senior Lender, Hedging Bank and Technical Agent)
  - (c) Caterpillar Financial Services (UK) Limited (as Arranger and Senior Lender)
  - (d) Resource Capital Fund VI L.P (as Junior Creditor)
  - (e) Resource Capital Fund V L.P (as Royalty Holder)
  - (f) Wolfram Bergabu und Hütten AG (as Offtaker Guarantor); and
  - (g) Global Tungsten & Powders Corp (as Offtaker Guarantor),are the current secured creditors of the Company pursuant to the post standstill security trust and intercreditor deed originally dated 10 May 2013 as amended and amended and restated from time to time including most recently on around 14 August 2018 between (amongst others) the Company and the Secured Creditors ("STID").
4. The Security Trustee must be instructed by the Majority Creditors (pursuant to and as defined in the STID) to:
  - (a) vote in favour of the DOCA;

- (b) execute the DOCA to:
    - (i) acknowledge that they voted in favour of the DOCA on behalf of the Secured Creditors; and
    - (ii) agree that they and the Secured Creditors are bound by the terms of the DOCA; and
  - (c) execute the Creditors' Trust Deed on Implementation (each as defined below).
5. The DOCA will become effective immediately upon execution by the Company, the Deed Administrators, the Proponent and the Security Trustee.
  6. The DOCA will bind the Company, the Company's shareholders, directors and officers, all creditors of the Company (including the Secured Creditors) and the Proponent.
  7. Subject to Implementation (as defined below) of the DOCA, a creditors' trust will be established and known as the "Wolf Minerals Creditors' Trust" ("**Creditors' Trust**"). The Deed Administrators will be the trustees of the Creditors' Trust ("**Trustees**"). The purpose of the Creditors' Trust is to enable tasks ordinarily undertaken by the Deed Administrators to be performed by the Trustees, in order to facilitate the termination of the DOCA on Implementation. The agreed form trust deed establishing the Creditors' Trust ("**Creditors' Trust Deed**") will be appended to the DOCA.

#### DEPOSIT

8. The Proponent will pay a deposit of \$35,000 ("**Deposit**") to the Administrators on execution of this term sheet.
9. The Deposit will become non-refundable immediately on the creditors of the Company resolving that the Company execute the DOCA pursuant to section 439C of the Act at the second meeting of creditors (which is to be held on or before 21 January 2019). The Deposit will then be paid into the Deed Fund as soon as reasonably practicable after execution of the DOCA, and may be applied by the Deed Administrators in accordance with clause 17 below.
10. In the event that the creditors of the Company do not resolve that the Company execute the DOCA at the second meeting of creditors, the Deposit will be returned to the Proponent within seven days of the date of the second meeting of creditors.
11. The Proponent (or one of its Related Bodies Corporate or Associated Entities, each as defined in the Act) must provide the Administrators with evidence of funding of the Contribution Balance (defined below) in the sum of \$765,000 on execution of this term sheet.

#### CREDITORS

12. The DOCA and Creditors' Trust Deed will recognise and address the following classes of creditors of the Company ("**Deed Creditors**"):
  - (a) the Secured Creditors;
  - (b) eligible employee creditors (as defined in section 9 of the Act); and
  - (c) any other unsecured creditors of the Company.

13. The DOCA and Creditors' Trust Deed will contain the provision required by s444DA of the Act that for the purposes of the application by the Deed Administrators of the property of the Company coming under his control under the DOCA, any eligible employee creditors will be entitled to a priority at least equal to what they would have been entitled if the property were applied in accordance with sections 556, 560 and 561 of the Act.

**CONDITIONS PRECEDENT**

14. Each of the following will be a condition precedent ("**Conditions Precedent**") to Implementation and effectuation of the DOCA:

- (a) the shareholders of the Company providing such approvals ("**Shareholder Approvals**") as may be required pursuant to the Act and/or the ASX Listing Rules for:
  - (i) a consolidation of the existing securities of the Company on a 1 for 250 basis (which will result in the Company having 4,363,521 fully paid ordinary shares ("**Shares**") on issue immediately post-consolidation and prior to the further transactions referred to below) (to be conducted immediately following Implementation) ("**Consolidation**");
  - (ii) an issue of up to 80,000,000 Shares at an issue price of \$0.01 per Share to the Proponent and/or its nominees, together with five free attaching options for each Share issued (on a post-Consolidation basis) exercisable at \$0.01 on or before the date which is four years post their issue (to be conducted immediately following Implementation) ("**Proponent Issue**"); and
  - (iii) an issue of up to 80,000,000 Shares at an issue price of \$0.01 per Share (on a post-Consolidation basis) to sophisticated or professional investors identified or introduced by the Proponent (to be conducted within three months of the shareholder approval);
- (b) execution of the Creditors' Trust Deed by the Company, the Trustees, the Proponent and the Security Trustee (on behalf of the Secured Creditors);
- (c) provision of such consents as may be required to effect the transfer of the Subsidiary Interests (defined below) to the Creditors' Trust (including, without limitation, from the liquidator of Wolf UK (defined below));
- (d) the Secured Creditors agreeing to release all security interests held by the Security Trustee over the Company (including the general security deeds and share mortgages over the shares in Wolf UK) ("**Security**");
- (e) termination of the employment of all employees of the Company, if any, on terms that ensure that there are no liabilities owing to such employees following Implementation;
- (f) cancellation of all employee and performance rights issued by the Company, whether pursuant to the terms of the DOCA or otherwise;
- (g) each other regulatory approval or consent that required to give effect to the DOCA as contemplated by this term sheet, including pursuant to the Company's constitution or the Act, and/or from ASIC or ASX, being provided on an unconditional basis (or with conditions satisfactory to the Deed Administrators and

- the Proponent, each acting reasonably) and remaining in full force and effect and not being withdrawn, suspended or revoked; and
- (h) any other items agreed by the Company, the Trustees, the Proponent and the Security Trustee (on behalf of the Secured Creditors)
15. Where a Condition Precedent is within a party's control, subject to clause 18 below, each party must use its reasonable endeavours to ensure that the relevant condition is met.
16. In relation to Condition Precedent 14(a):
- (a) the Deed Administrators will:
- (i) prepare all materials (including the notice of general meeting and accompanying explanatory memorandum and, subject to clauses 18 and 19, any independent expert's report) required to be provided to shareholders of the Company for the purposes of obtaining the Shareholder Approvals ("**Meeting Materials**");
  - (ii) submit the Meeting Materials to ASIC and ASX as may be required prior to despatch to shareholders; and
  - (iii) liaise with ASIC and ASX as appropriate and use reasonable endeavours to seek approval by ASIC and ASC of the Meeting Materials; and
- (b) the Proponent will:
- (i) promptly provide such information as may be required by the Deed Administrators to prepare the Meeting Materials and respond to any enquiries raised in relation to the Meeting Materials by ASIC or ASX; and
  - (ii) be permitted an opportunity to provide reasonable comments on the Meeting Materials prior to despatch of the Meeting Materials to shareholders of the Company, ASIC or ASX, but the Deed Administrators will be under no obligation to accept any such comments.
17. The Deed Administrators may, prior to Implementation (defined below) apply the Deposit (or part of it) in payment of any remuneration and costs (including, without limitation, legal fees or, if necessary, independent expert's fees) which they may incur in connection with the preparation, lodging and/or dispatch of the Meeting Materials or the convening or holding of the meeting to be held for the purposes of obtaining the Shareholder Approvals ("**Implementation Costs**"). Any part of the Deposit not used for this purpose will remain in the Deed Fund and be applied in accordance with clauses 23 and 24 below.
18. If ASIC determines that an independent expert's report is required to be included with the Meeting Materials, and the Deed Administrators are of the view that the Deposit will be insufficient to pay the Deed Administrators' actual or estimated Implementation Costs (including the preparation of such a report) as a result, the Deed Administrators will be under no obligation to instruct the preparation of an independent expert's report unless and until the Proponent makes a further payment into the Deed Fund in an amount sufficient to ensure that the costs of the independent expert's report will be paid in full, or otherwise indemnifies the Deed Administrators in relation to the costs of the independent expert's report on terms acceptable to the Deed Administrators. Any additional sum paid by the Proponent pursuant to this clause 18 or any indemnity provided pursuant to this clause 18 will be treated as an additional Deposit payment, may be applied by the Deed

Administrators in the same way as clause 17, and will be deducted from the Contribution Balance (defined below).

19. If the Proponent fails to comply with any written request for further funding or indemnification under clause 18 within five business days, the Deed Administrators may convene a meeting of creditors of the Company to consider any variations to the DOCA and/or the future of the Company.
20. If each of the Conditions Precedent has not been satisfied by 30 June 2019 (or such other date as agreed by the parties to the DOCA in writing) ("**Sunset Date**"), the Deed Administrators will convene a meeting of creditors of the Company to consider any variations to the DOCA and/or the future of the Company.

#### **DEED FUND**

21. A fund will be established under the DOCA ("**Deed Fund**") comprising:
  - (a) the Company's cash at bank held by the Administrators or Deed Administrators;
  - (b) a cash payment by the Proponent in the total sum of \$800,000 ("**Contribution**"), comprising:
    - (i) the Deposit (together with any additional amount paid pursuant to clause 18); and
    - (ii) a payment of \$765,000 to be made on Implementation (less any deduction be made pursuant to clause 18) ("**Contribution Balance**");
  - (c) all other assets of the Company, including (without limitation) ("**Subsidiary Interests**"):
    - (i) its shares in Wolf Minerals (UK) Limited (company number 06358670) ("**Wolf UK**");
    - (ii) its shares in Wolf Minerals Finance Pty Ltd (ACN 169 625 450); and
    - (iii) its interest in Wolf Minerals LLP (company number OC393239).

#### **IMPLEMENTATION OF DOCA**

22. Implementation of the transactions contemplated by the DOCA ("**Implementation**") will take place on the day falling five business days after the satisfaction of the last of the Conditions Precedent.
23. On Implementation, the following steps will be taken:
  - (a) the Proponent will pay the Contribution Balance to the Deed Administrators to be placed into the Deed Fund (or as directed by the Deed Administrators);
  - (b) the Security Trustee will provide executed releases of all Security;
  - (c) the Creditors' Trust Deed will be executed by all parties to it and the Creditors' Trust will be established;
  - (d) the remuneration, costs and expenses of the Deed Administrators (in their capacities as Administrators and Deed Administrators) (excluding any amounts



already paid under clauses 17 and 18), and an estimated amount for the Deed Administrators' and Trustees' future remuneration, costs and expenses will be paid by the Deed Administrators from the Deed Fund;

- (e) the balance of (and all assets comprised in) the Deed Fund will be transferred by the Deed Administrators to the fund established under the Creditors' Trust Deed ("**Creditors' Trust Fund**");
  - (f) the Deed Administrators will remove and/or appoint such directors as may be directed by the Proponent;
  - (g) management and control of the Company will revert to the directors;
  - (h) the Consolidation and Proponent Issue will take place;
  - (i) the DOCA will effectuate and terminate;
  - (j) the Deed Administrators will retire and the Company will cease to be subject to the DOCA.
24. Within two business days of Implementation, the balance of the monies standing to the credit of the Deed Fund after the payment in clause 23(d) (and any payments made pursuant to clauses 17 and 18) will be paid by the Trustees to the Security Trustee to be distributed to the Secured Creditors pursuant to the terms of the STID.
25. For the avoidance of doubt, the Company will be responsible for completing and lodging all forms and documents as may be required by ASX or ASIC in connection with the Consolidation and Proponent Issue post-implementation and post-termination of the DOCA.

#### **CREDITORS' TRUST**

26. The balance of the Deed Fund transferred by the Deed Administrators to the Creditors' Trust on Implementation will be held by the Trustees under the terms of the Creditors' Trust Deed.
27. All claims of Deed Creditors against the Company will be extinguished, discharged and released on Implementation and will be transferred to claims against the Creditors' Trust Fund only.
28. After the payment in clause 24 has been made, any further balance of the Creditors' Trust Fund will be applied:
- (a) first, in payment of the remuneration, costs and expenses of the Deed Administrators (in their capacities as Administrators and Deed Administrators) (to the extent not paid on or before Implementation);
  - (b) second, in payment of the Trustees' remuneration, costs and expenses (to the extent not paid from the monies retained on Implementation);
  - (c) third, subject to s561 of the Act, in payment to the Secured Creditors in accordance with the order of priority provided for under the STID;
  - (d) fourth, subject to s561 of the Act, in payment of claims of eligible employee creditors in accordance with the priorities in section 556 of the Act;

- (e) fifth, in payment of claims of all other Deed Creditors on a pari passu basis.
29. In the event that there is a surplus balance after the Deed Creditors have received payment of their claims in full, the surplus will be returned by the Trustees to the Company.
30. Subdivisions A, B, C, D and E of Division 6 of Part 5.6 of the Act (except sections 554A(3) to 554A(8) and 556) apply to claims under the Creditors' Trust Deed as if references to the "liquidator" were references to the "Trustees", references to "winding up" were references to "Creditors' Trust" and with such other modifications as are necessary to give effect to the terms of the DOCA and Creditors' Trust Deed.
31. The Creditors' Trust Fund may be distributed by the Trustees at such time, in such amounts and in such manner as the Trustees in their absolute discretion deem fit subject to the priorities in clause 28.

#### **MORATORIUM**

32. During the period of operation of the DOCA and the Creditors' Trust Deed, no Deed Creditor may make any application or commence or continue any enforcement process in relation to the Company or its property.
33. Deed Creditors must accept their entitlement under the DOCA and Creditors' Trust Deed in full satisfaction and discharge of all debts and claims against the Company.

#### **DEED ADMINISTRATORS' AND TRUSTEES' POWERS**

34. The Deed Administrators will have all necessary powers to administer the DOCA and will be entitled to exercise all rights, privileges, authorities and discretions conferred by the Company's constitution or otherwise by law on the directors, to the exclusion of the directors during the period of the DOCA.
35. Without limiting the generality of the above, the Deed Administrators will have power to appoint and remove directors to or from office. The Proponent will confirm to the Deed Administrators the directors that it requires to be appointed to and removed from office on Implementation.
36. The Trustees will have all necessary powers to administer the Creditors' Trust Fund for the benefit of Deed Creditors.
37. The DOCA and Creditors' Trust Deed will include the usual provisions for assessment and adjudication by the Deed Administrators and Trustees respectively of proofs of debt submitted by Deed Creditors as prescribed by the *Corporations Regulations 2001* (Cth).

#### **REMUNERATION, INDEMNITY AND LIEN**

38. The Deed Administrators and Trustees will be entitled to their remuneration and costs on the basis of time spent by the Deed Administrators and Trustees, their partners and staff, in the performance of services in connection with or in relation to the administration of the Company under Part 5.3A of the Act, the DOCA and the Creditors' Trust, and such time will be charged at the Deed Administrators' standard rates, from time to time, for work of that nature.

39. The Administrators and Deed Administrators (irrespective of whether they are still acting in either capacity) are entitled to be indemnified out of, and will have a first ranking lien over, the assets of the Company, the Deed Fund and the Creditors' Trust Fund for:
- (a) all debts, liabilities, actions, suits, proceedings, accounts, claims, damages, awards and judgments whatsoever arising out of or in any way connected to the administration or deed administration of the Company or their role as Administrators or Deed Administrators and incurred in good faith and without negligence;
  - (b) any debts, liabilities, damages, losses and remuneration to which the statutory indemnity under section 443D of the Act applies;
  - (c) the Administrators' and Deed Administrators' remuneration and costs.
40. The Trustees will have an equivalent indemnity secured over the Creditors' Trust Fund.

#### **TERMINATION**

41. The DOCA will be fully effectuated and will terminate upon each of the implementation steps being completed under clause 23.
42. The Deed Administrators may convene a meeting of creditors of the Company in accordance with the provisions of Division 75 of Schedule 2 (the Insolvency Practice Schedule) to the Act to determine the future of the Company if:
- (a) any of the Conditions Precedent are not satisfied by the Sunset Date; or
  - (b) the Deed Administrators, acting reasonably, determine that it is no longer practicable to implement the DOCA for any reason.
43. The DOCA will terminate and the Company will be wound up upon the happening of any of the following events:
- (a) the Court makes an order terminating the DOCA under section 445D of the Act; or
  - (b) the creditors of the Company pass a resolution terminating the DOCA at a meeting convened in accordance with the provisions of Division 75 of Schedule 2 (the Insolvency Practice Schedule) to the Act.

#### **MISCELLANEOUS**

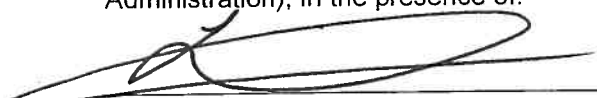
44. This term sheet and any disputes arising out of it are governed by the laws of Western Australia. Each party submits to the non-exclusive jurisdiction of the courts of Western Australia and of any court that may hear appeals from any of those courts, over any proceedings in connection with this term sheet.
45. This term sheet may be executed and exchanged in counterparts. All counterparts, taken together, constitute one instrument. This term sheet is not binding on a party until all executed counterparts have been exchanged. Executed counterparts may be exchanged by email.
46. The Administrators act as agents of the Company. Each party:
- (a) releases the Administrators personally from all present or future liabilities or claims arising out of this term sheet;

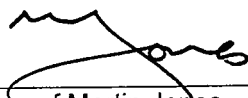
- (b) covenants not to sue the Administrators personally in respect of any liabilities or claims arising out of this term sheet;
- (c) agrees that:
  - (i) the Administrators are not personally liable for any amounts payable pursuant to this deed or for any liability of claim arising out of this deed;
  - (ii) for the purposes of these limitations of the liability of the Administrators, references to the Administrators, where the context so permits, shall include their present and future firm or firms, partners,
  - (iii) these limitations of the liability of the Administrators shall continue notwithstanding the Administrators ceasing to act as the joint and several voluntary administrators of the Company;
  - (iv) these limitations of the liability of the Administrators shall be in addition to, and not in substitution for, any right of indemnity or relief otherwise available to the Administrators.

SIGNING PAGE

Executed by the undersigned parties

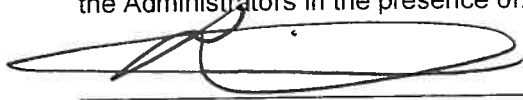
Signed by **Wolf Minerals Limited ACN 121 831 472 (In Administration)** by Martin Jones in his capacity as joint and several administrator of Wolf Minerals Limited (In Administration), in the presence of:


  
Signature of witness

  
Signature of Martin Jones

Tom Birch 28/10/08 St Georges Tg, Perth  
Name and address of witness (print)

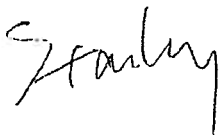
Signed by **Martin Jones** in his capacity as joint and several administrator of Wolf Minerals Limited (In Administration) for and on behalf of the Administrators in the presence of:

  
Signature of witness

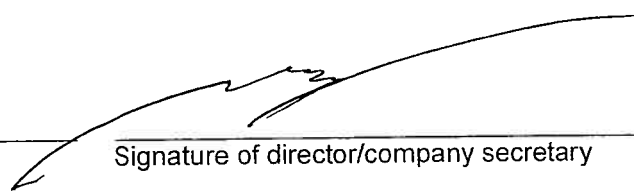
  
Signature of Martin Jones

Tom Birch - 28/10/08 St Georges Tg, Perth  
Name and address of witness (print)

Signed by **First Guardian Synergy Capital Pty Ltd ACN 619 169 667** in accordance with section 127 of the *Corporations Act 2001* (Cth) by:

  
Signature of director

HAO WEN  
Name of director

  
Signature of director/company secretary

WEI LI  
Name of director/company secretary