

10 March 2015

Noble Mineral Resources Limited (Subject to Deed of Company Arrangement)

Noble Mineral Resources Limited (Subject to Deed of Company Arrangement) (ASX:NMG) provides a copy of the attached Report to Creditors prepared by the Deed Administrators, pursuant to Section 445F of the Corporations Act 2001.

A further update will be provided to shareholders following the meeting of creditors to be held on 16 March 2015.



Martin Jones
Joint and Several Deed Administrator

ENDS

**Noble Mineral Resources Limited
(Subject to Deed of Company Arrangement)
ACN 124 893 465**

**Deed Administrators' Report pursuant to
Section 445F of the Corporations Act 2001**

5 March 2015

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Glossary of terms

Abbreviation	Description
\$	Australian Dollar
US\$	US Dollar
ABN	Australian Business Number
ACN	Australian Company Number
Act	The Corporations Act 2001
Administrators	Martin Jones, Darren Weaver and Ben Johnson of Ferrier Hodgson
ANZ	Australia and New Zealand Banking Group Limited ABN 11 005 357 522
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
ATO	Australian Taxation Office
BBY	BBY Limited ABN 80 006 707 777
BoAG	Bank of Africa Ghana
Board	Board of Directors of Noble Mineral Resources Limited (Subject to Deed of Company Arrangement)
CAL	CAL Bank Limited
CBA	The Commonwealth Bank of Australia
Company/NMRL	Noble Mineral Resources Limited (Subject to Deed of Company Arrangement)
Court	The Supreme Court of Western Australia
DAMS	Drilling & Mining Services Limited
Deed Administrators	Martin Jones, Darren Weaver and Ben Johnson of Ferrier Hodgson
DIRRI/Declaration	Declaration of Independence, Relevant Relationships and Indemnities
DOCA	Deed of Company Arrangement
GRA	Ghana Revenue Authority
IPA	Insolvency Practitioners Association of Australia
ITSA	Insolvency and Trustee Service Australia
JVA	Joint Venture Agreement
LIBOR	London Interbank Offered Rate
MinCom	Ghanaian Minerals Commission
NGBL	Noble Gold Bibiani Limited
NMGL	Noble Mining Ghana Limited
NMRGL	Noble Mineral Resources Ghana Limited
Noble Group	NMRL and its subsidiaries
Noteholders	The holders of the unsecured convertible notes issued by NMRL in the amount of AU\$85M plus interest
PL	Prospecting Licence
Resolute	Resolute Mining Limited ACN 097 088 689
Rothschild	Rothschild Australia Limited ABN 61 008 591 768
SGC	Superannuation Guarantee Charge
SoA	Scheme of Arrangement
Trustee	Australian Executor Trustees Limited as trustee for the Noble Mineral Resources Limited Notes Trust
VAT	Value Added Tax

Listing of annexures

Annexure A	DOCA Term Sheet
Annexure B	ASIC guide to DOCA's involving a creditors' trust
Annexure C	Deed Administrators' Remuneration Request Approval Report

1. Executive summary

This report should be read in conjunction with the Administrators' previous report to creditors dated 15 November 2013.

Darren Weaver, Ben Johnson and I were appointed Administrators of the Company on Thursday, 12 September 2013, pursuant to Section 436A of the Act.

At the meeting of creditors held on 26 November 2013, creditors passed a resolution requiring the Company to execute a Deed of Company Arrangement (DOCA) pursuant to Part 5.3A of the Act encompassing the provisions set down in my report to creditors dated 15 November 2013. The Administrators executed the DOCA on 26 November 2013.

The purpose of the DOCA executed on 26 November 2013 was to:

- provide a greater return to the Company's creditors than would be available in liquidation.
- avoid the costs of liquidation.
- cause the Company to be released from all claims.
- provide a mechanism to support the proposed Scheme of Arrangement of the Company's Ghanaian Subsidiaries.

The meetings of creditors in respect of the proposed SoA were held on 25 March 2014 in Accra, Ghana. The employees and creditors of each company participating in the SoA approved the SoA resolutions.

Following the meeting of creditors, I moved immediately to assist the Corporate Registrar in the appointment of an 'Independent Reporter' to assess the fairness of the SoA, as is required under the Ghana Companies Act 1963 (Act 179). The Reporter concluded that the SoA was fair and his conclusion was filed with the High Court of Ghana, to be considered at the second substantive hearing.

The second substantive hearing for the SoA was held at the High Court of Ghana on 15 May 2014. At that hearing the Judge approved the SoA, subject to the satisfaction of the remaining conditions precedent.

The remaining conditions precedent were completed by 17 June 2014 and the SoA became effective on this date. As a result of this event, Resolute took ownership of Noble Mining Ghana Limited, Noble Gold Bibiani Limited (now Mensin Gold Bibiani Limited) and Drilling and Mining Services Limited.

Following the above, the Company's assets now predominately consist of its investment in Noble Mineral Resources Ghana Limited, through which certain exploration tenements in Ghana are owned, and the ASX listed corporate shell.

The Ghanaian directors and I have continued to liaise with the Ghanaian Minerals Commission (MinCom) regarding the renewal of the exploration tenements, the mechanism to perfect registration and generally keeping MinCom fully apprised of the recapitalisation process for NMRL.

The Ghanaian directors and I remain confident, based on discussions and meetings with MinCom, that the renewal of these exploration tenements will be granted to a financially capable owner either through a recapitalisation of NMRL or as an asset sale. The directors and I have concluded that the safest mechanism to preserve value is by way of the recapitalisation of NMRL in the first instance, so that it can be demonstrated that NMRL is either no longer in external administration or has an agreement in place to recapitalise NMRL, subject to the exploration tenements being renewed.

An expression of interest campaign was run by me in relation to the sale of the exploration tenements and the recapitalisation of the Company's listed shell. Given the uncertainty around the renewal process for the exploration tenements, none of the proposals received were for an acquisition of the exploration tenements, making it difficult to dispose of these assets outside of the recapitalisation process.

The recommended offer, as outlined in this report, provides the following high-level key benefits to creditors:

- Highest cash consideration, and therefore highest returns to creditors.
- Non-refundable deposit.
- The costs associated with bringing the financial statements up to date to be met by the proponent of the offer, therefore not diluting the amounts available to creditors, as would be in the case of Proposal Two.
- A further payment to unsecured creditors other than Rothschild, further increasing their returns.
- Ability for Rothschild to provide advisory services to the Company, with an option to acquire up to 30% interest in NMRGL, therefore providing Rothschild with the opportunity to extract further value from the NMRGL assets, albeit with the risk that Rothschild will incur further internal costs with no guarantee of any further returns.

A copy of the DOCA variation proposal from the proponent, Pager Partners, for the recapitalisation of the Company is detailed in full at **Annexure A**.

I estimate that the return to unsecured creditors under the above proposal and in a liquidation scenario to be as follows:

	DOCA	Liquidation
Dividend Rate	Cents in \$	Cents in \$
Other Creditors	6.8	-
Rothschild	4.4	-

	DOCA	Liquidation
Dividend Return	\$	\$
Other Creditors	13,918	-
Rothschild	208,780	-

In order for creditors to consider and vote on the offer received, a meeting of creditors has been convened pursuant to section 445F of the Act to be held on **Monday, 16 March 2015** at the offices of Ferrier Hodgson, Level 28, 108 St George's Terrace, Perth at 10:00am.

Conference call facilities will be available for those creditors who are unable to attend in person.

At the meeting, the options available to creditors are to resolve that:

- (a) That the Company execute a variation to the DOCA, as proposed by Pager Partners; or
- (b) That the Company terminate the existing DOCA and the Company be wound up.

If creditors are not satisfied with the DOCA proposal and do not wish for the Company to be wound up at this stage, there is an opportunity for the meeting to be adjourned for a short period of time while the future of the Company is considered further.

I caution, however, that any further delays may jeopardise the tenement renewal process and therefore the ability to recapitalise the Company.

It is the Deed Administrators' opinion that creditors should resolve that the Company enter into the variation to the DOCA proposed by Pager Partners, as it provides for a greater return to creditors than liquidation.

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2. Introduction

2.1 DOCA executed on 26 November 2013

At the meeting of creditors held on 26 November 2013, creditors passed a resolution requiring the Company to execute a Deed of Company Arrangement (DOCA) pursuant to Part 5.3A of the Act, encompassing the provisions set down in my report to creditors dated 15 November 2013. The Administrators executed the DOCA on 26 November 2013.

The purpose of the DOCA executed on 26 November 2013 was to:

- provide a greater return to the Company's creditors than would be available in liquidation.
- avoid the costs of liquidation.
- cause the Company to be released from all claims.
- provide a mechanism to support the proposed Scheme of Arrangement of the Company's Ghanaian Subsidiaries.

2.2 Purpose of report

Section 445F of the Act provides that a DOCA may be varied by a resolution passed at a meeting of the company's creditors convened under section 445F of the Act, but only if the variation is not materially different from a proposed variation set out in the notice of meeting.

This report is provided to creditors in order that they can consider the proposal for a DOCA variation that has been received from Pager Partners. Creditors will be called upon at the forthcoming meeting of creditors to consider the resolutions to determine the future of the Company, and in particular whether:

- (a) the Company execute a variation to the DOCA as proposed by Pager Partners; or
- (b) the Company terminate the existing DOCA and the Company be wound up.

If creditors are not satisfied with the DOCA proposal and do not wish for the Company to be wound up at this stage, there is an opportunity for the meeting to be adjourned for a short period of time, while the future of the Company is considered further.

I caution, however, that any further delays may jeopardise the tenement renewal process and therefore the ability to recapitalise the Company.

2.3 Non-disclosure of certain information

I recognise the need to provide creditors with complete disclosure of all necessary information relating to the Company. However, independent valuations of certain assets that were commissioned are commercially sensitive, particularly in light of the interests of potential purchasers of those assets, and in the event the Company was wound up and new purchasers are sought. Accordingly, such information has not been disclosed in this report.

2.4 Declaration of independence, relevant relationships and indemnities

The Administrators provided a Declaration of Independence, Relevant Relationships and Indemnities (Declaration) to creditors with their first circular to creditors and tabled an updated Declaration at the first creditors' meeting on 24 September 2013.

No further matters have come to my attention that would require me to update the Declaration.

3. Update on matters from 13 November 2013 report.

3.1 Scheme of Arrangement

The meetings of creditors in respect of the proposed SoA were held on 25 March 2014 in Accra, Ghana. The employees and creditors of each company participating in the SoA approved the SoA resolutions.

Following the meeting of creditors, I moved immediately to assist the Corporate Registrar in the appointment of an 'Independent Reporter' to assess the fairness of the SoA, as is required under the Ghana Companies Act 1963 (Act 179). The Reporter concluded that the SoA was fair and his conclusion was filed with the High Court of Ghana, to be considered at the second substantive hearing.

The second substantive hearing for the SoA was held at the High Court of Ghana on 15 May 2014. At that hearing the Judge approved the SoA, subject to the satisfaction of the remaining conditions precedent.

The remaining conditions precedent were completed by 17 June 2014 and the SoA became effective on this date. As a result of this event, Resolute took ownership of Noble Mining Ghana Limited, Noble Gold Bibiani Limited (now Mensin Gold Bibiani Limited) and Drilling and Mining Services Limited.

Following the above, the Company's assets now predominately consist of its investment in Noble Mineral Resources Ghana Limited, through which certain exploration tenements in Ghana are owned, and the ASX listed corporate shell.

3.2 Trading

The Administrators assumed control over the Company's business upon appointment. Following the execution of the DOCA between the Company and Resolute, Resolute assumed responsibility for the ongoing funding of the Company's business, to the extent that it related to NGBL, NMGL and DAMS, from 1 December 2013.

3.3 Summary of receipts and payments

A summary of the Deed Administrators' receipts and payments for the period 26 November 2013 to 28 February 2015 is included within Part B of the Deed Administrators' Remuneration Report attached at **Annexure C**.

3.4 Exploration Tenements

The Ghanaian directors and I have continued to liaise with the Ghanaian Minerals Commission (MinCom) regarding the renewal of the exploration tenements, the mechanism to perfect registration and generally keeping MinCom fully apprised of the recapitalisation process for NMRL.

The Ghanaian directors and I remain confident, based on discussions and meetings with MinCom, that the renewal of these exploration tenements will be granted to a financially capable owner either through a recapitalisation of NMRL or as an asset sale. The directors and I have concluded that the safest mechanism to preserve value is by way of a recapitalisation of NMRL in the first instance, so that it can be demonstrated that NMRL is either no longer in external administration or has an agreement in place to recapitalise NMRL, subject to the being renewed.

3.5 Mining Equipment

Grays and Iron Planet were engaged to conduct a global marketplace sales campaign and auction sale of the plant and equipment owned by the Noble Group on 1 June 2014.

Grays and Iron Planet attended the Bibiani mine site between 20 August 2014 and 22 August 2014 whereby a thorough inspection and valuation of all equipment was carried out.

The global marketplace sales campaign commenced following the SoA becoming operative and the auction was concluded on 3 September 2014.

The outcome of the sales campaign regarding the NMRGL assets is provided below.

	Sold Price (US\$)
Plant & Equipment	30,668
Total	30,668
Less:	
Realisation Costs	(1,600)
Net Assets Sold	29,068

The proceeds have been used to fund the holding costs and costs associated with the NMRGL tenement renewal process.

3.6 Employees

Employee entitlements of NMRL continued to accrue for those employees retained during the DOCA period and were paid to employees upon termination. All employees have now been terminated and all entitlements paid.

3.7 Creditors

3.7.1 Unsecured Creditors

On 21 February 2014, I declared a dividend to admitted unsecured creditors of the Company at a rate of 4 cents in the dollar.

BBY Limited claimed an amount of \$825,000 in respect of a contractual dispute regarding payment of management and capital raising fees. Following consultation with my solicitors, I rejected BBY's claim in full and there has been no appeal from my determination.

3.7.2 Contingent Creditors

Following the completion of the restructure under the original DOCA and also the SoA, the following creditors no longer have a claim against the Company.

Creditor	\$'000
BoAG	4,994
CAL Bank	7,664
Convertible Note Holders	88,643
Total	101,301

Pursuant to clause 9.3 of the DOCA, an amount in respect of the dividend to BoAG and CAL Bank were set aside pending the outcome of the SoA. Following the completion of certain of the transactions contemplated by that DOCA and the SoA in accordance with clause 9.3 of the DOCA, the amounts set aside were paid to the convertible notes holders.

4. Statutory Investigations

My preliminary investigations concluded that there were no likely recoveries that had been identified for the benefit of unsecured creditors. It was also noted that an Administrator or Deed Administrator will not usually carry out investigations to the same extent as a liquidator.

A Liquidator may require months of investigations and conduct public examinations before forming a concluded view on recovery action. I have investigated matters to the extent possible given the limited funds available to do so.

An Administrator or Deed Administrator does not have recourse to the voidable transaction provisions that are specific to a Liquidator as outlined in my Administrators' Report dated 13 November 2014.

My preliminary conclusion from those investigations was that, subject to further investigations that may be concluded by any Liquidator of the Company, there is unlikely to be any significant recoveries available to unsecured creditors.

5. Proposal for a variation to the DOCA.

5.1 Offers Received

An expression of interest campaign was run by me in relation to the sale of the exploration tenements and the recapitalisation of the Company's listed shell.

I table below a summary of the offers received from that process:

Offer	Pager Partners	Proposal Two	Proposal Three
Cash - Recapitalisation \$	505,000	500,000	200,000
Cash - Exploration Tenements \$	Nil	Nil	Nil
Non Refundable Deposit \$	10,000	-	-
Required Assets	Listing and sufficient assets for ASX	Listing and sufficient assets for ASX	Listing and CTP
Cost of DOCA and Creditors Trust to be met by	Pager Partners	Proposal Two	Proposal Three
Cost of bringing financial statements up to date to be met by	Pager Partners	Cash Consideration	Proposal Three
Current Shares	666,397,952	666,397,952	666,397,952
Shares Post Recap	13,327,959	6,663,980	22,213,265
Dilution of existing shareholders	50:1	100:1	30:1
Total Shares Post Recap	313,000,000	306,663,980	215,000,000
Specific creditor consideration			
Creditors (exc Rothschild) \$	5,000	-	-
Rothschild	Advisory mandate for up to 30% interest in NMRGL (holder of the exploration licences)	-	-

I note that a fourth party also expressed an interest in the recapitalisation of the Company, however, they did not wish to provide an indicative offer until the tenement renewal process was resolved.

Having regard to the comments from the NMRGL directors, I took the view that the recapitalisation proponent will need to be responsible for negotiating the tenement renewal process (i.e. together with the directors of NMRGL), as it will be necessary to satisfy MinCom that NMRGL is a financially capable owner, in order to achieve the tenement renewal. Accordingly, it is not possible to complete the tenement renewals prior to the recapitalisation, and therefore I have been unable to pursue this fourth offer further.

In the valuation report provided to me by Argonaut, Cape Three Points (CTP) was valued between \$0.8 and \$1.7M. However, I note that during the expression of interest campaign run by me I did not receive any offers that attributed any value to CTP.

I make the following comments in respect of the above table:

- Given the uncertainty around the renewal process of the exploration tenements, none of the proposals received were for an acquisition of the exploration tenements, making it difficult to dispose of these assets outside of the recapitalisation process.
- It is proposed that Rothschild will enter an advisory mandate with NMRL for an option to acquire up to 30% equity interest in NMRGL, (which holds the exploration licences). Given that interested parties have not attributed any value to these assets, and the underlying risk that the tenement renewals may not be approved, there is no guarantee that Rothschild will receive a return from this proposal. In that regard, should no further amounts become available to Rothschild under the advisory mandate, they will effectively receive a lower return than other unsecured creditors, as the proposal provides for a further amount to be made available to all creditors other than Rothschild.

5.2 Recommended Offer

Based on the details included at Section 5.1 above I consider the proposal from Pager Partners to be the best proposal for creditors, as it provides the following key benefits to creditors when compared to the other proposals:

- Highest cash consideration and therefore highest returns to creditors.
- Non-refundable deposit.
- The costs associated with bringing the financial statements up to date to be met by Pager Partners, therefore not diluting the amounts available to creditors, as would be in the case of Proposal Two.
- A further payment to unsecured creditors other than Rothschild, further increasing their returns.
- Ability for Rothschild to provide advisory services to the Company, with an option to acquire up to 30% interest in NMRGL, therefore providing Rothschild with the opportunity to extract further value from the NMRGL assets, albeit with the risk that Rothschild will incur further internal costs with no guarantee of any further returns.

A copy of the DOCA variation proposal from Pager Partners for the recapitalisation of the Company is detailed in full at **Annexure A**.

5.3 Key Terms of the Recommended Offer

I draw your attention to the following key terms:

- An amount of \$500,000 will be deposited into a fund held pursuant to a creditors' trust deed for distribution to unsecured creditors in return for creditors releasing all claims against the Company and participating as creditors of the Company's Creditors' Trust, at which time the Company will be contemporaneously removed from Administration.
- The fund is to be applied in order of priority pursuant to section 556 of the Corporations Act being towards Deed Administrators costs, Creditors' Trust costs and then to other unsecured creditors.
- The Deed Administrators would act as the Trustee for the Creditors' Trust.
- There will be an additional \$5,000 available to distribute to Other Creditors.
- The DOCA will incorporate Schedule 8A of the Corporations Regulations except paragraphs 3 (c), 10 and 11.
- The intercompany loans owed to NMRL and NMRGL from DAMS and NGBL, which were subordinated pursuant to clause 2.1 of the Subordination Deed, are to be assigned to Resolute (Bibiani) Limited. These loans were supposed to be assigned upon the Scheme of Arrangement becoming effective as part of the broader Bibiani sale transaction, and this assignment is required to fully effect that transaction.
- It is anticipated that the shareholders' meeting will be held approximately 8 to 12 weeks from the date of the execution of the DOCA. Upon satisfaction of the last condition precedent (most likely being shareholders' approval at the meeting) Pager Partners will pay the balance of \$505,000 to the Deed Administrators.
- Based on the timing above, it is anticipated that the recapitalisation will be completed by 30 June 2015 and funds will become available to creditors in July 2015.

The proposal is subject to the following general conditions precedent:

- All liabilities and long term commitments of the Company being released and compromised via a DOCA. It shall be a term of the DOCA that it is wholly effectuated and the appointment of the Deed Administrator terminates contemporaneously with the payment of the Company of the Cash Consideration to the Deed Administrator.
- The secured creditors, if any, agree to release all security of Noble.
- All creditors are bound by the DOCA. All creditors will be required to provide in accordance with the terms of the DOCA and Creditors Trust and no creditor shall have a right to claim payment against the Company (for the avoidance of doubt, the DOCA shall clearly state that the claims of all creditors shall be released and that all creditors shall only have an entitlement to prove in the Creditors Trust and not against the Company).
- All subsidiaries of the Company shall be excised from the Company and dealt with by the Deed Administrators in accordance with the DOCA (unless otherwise required by the Syndicate).
- Termination of the employment of all employees of the Company, if any, at no cost to the Company post the DOCA.
- ASX providing written confirmation to the Company that it will lift the suspension on the trading of the securities of the Company with the need to re-comply with chapters 1 and 2 of the Listing Rules of finalising the DOCA.
- All secured creditors, if any, voting in favour of the Proposal at a meeting of creditors convened for that purpose or otherwise agreeing to be bound by the Proposal.
- The Syndicate being satisfied that all convertible notes on issue, if any, are simply debt obligations and holders of such convertible notes being required to provide as creditors in accordance with the terms of the DOCA and Creditors Trust and no convertible noteholder

shall have a right to claim payment against the Company or convert to equity after the termination of the DOCA.

- All employee options, if any, being cancelled or consolidated.
- The receipt of shareholder approval of this offer at a meeting of shareholders which is expected to be held within 8 to 10 weeks from the date of executing the DOCA, subject to the Deed Administrator having the power to extend the meeting date if the Syndicate makes a request for such an extension. For this purpose, the Syndicate shall prepare the required shareholder meeting materials and will submit these materials to the ASX, the ASIC and the Deed Administrator for approval prior to dispatch. The Syndicate shall bear its own costs in relation to the preparation of these meeting materials which sums shall be reimbursed by the Company in the event that the Proposals are approved and the Company is reinstated to trading on the ASX.
- The intercompany loans owed to the Company by its subsidiaries, which were subordinated pursuant to clause 2.1 of the Subordination Deed, will be assigned to Resolute (Bibiani) Limited.

5.4 Inclusion of a Creditors' Trust

As set out above, the proposed DOCA requires the utilisation of a creditors trust. This is a mechanism used to accelerate a company's exit from administration, and will result in control of the Company returning to new directors immediately upon effectuation of the DOCA and execution of the creditors trust deed. It is important that creditors understand that the Creditors' Trust is a separate legal structure to the corporate entity, Noble Mineral Resources Limited, which is presently subject to administration.

We have enclosed at **Annexure B** ASIC's guide on DOCA's involving creditors' trusts, which provides a detailed explanation for creditors as to the operation of a creditors' trust.

5.5 ASX Submission

Following discussions with me, Pager Partners submitted its recapitalisation proposal for the Company to the ASX on 17 February 2015 and on 18 February 2015 the ASX advised that, subject to satisfying the normal relisting requirements, the Company's securities would be reinstated to official quotation

6. Options available to creditors and Dividend Estimates

6.1 Options available

The options available to creditors at the forthcoming meeting of creditors are to resolve that:

- (c) That the Company execute a variation to the DOCA as proposed by Pager Partners; or
- (d) That the Company terminate the existing DOCA and the Company be wound up.

If creditors are not satisfied with the DOCA proposal and do not wish for the Company to be wound up at this stage, there is an opportunity for the meeting to be adjourned for a short period of time while the future of the Company is considered further.

I caution, however, that any further delays may jeopardise the tenement renewal process and therefore the ability to recapitalise the Company.

6.2 Dividend estimates for creditors

Statement of Position	Notes	DOCA \$	Liquidation \$
Amounts available to all creditors			
Assets			
Cash at Bank	1	Nil	Nil
Liquidator Recoveries	2	Nil	Nil
Intercompany Loan - NMRGL	3	Nil	Nil
Recapitalisation Cash Consideration		500,000	Nil
Total Available Assets		500,000	Nil
Liabilities			
Recapitalisation holding costs	4	(19,614)	(19,614)
Deed Administrators' Fees to 28/02/2015	5	(195,000)	(195,000)
Deed Administrators' Fees to 13/03/15	5	(10,000)	(10,000)
Deed Administrators' / Trustees' Future Fees (est.)	5	(20,000)	-
Deed Administrators' Disbursements to 13/03/15 (est.)	6	(3,500)	(3,500)
Deed Administrators' / Trustees' Future Disbursements (est.)	6	(1,500)	Nil
Liquidators' Fees (est.)	7	-	(300,000)
Liquidators' Future Disbursements (est.)	8	-	(10,000)
Solicitors Fees (est.)	9	(10,000)	(30,000)
ASX Listing Fees	10	(25,000)	(25,000)
Total Liabilities		(284,614)	(593,114)
Available to Unsecured Creditors		215,386	(593,114)
Other Creditors		204,670	204,670
Rothschild		4,745,000	4,745,000
Estimated dividend to All Creditors (Cents in \$)		4.40	Nil
Additional amount available to Other Creditors	11	5,000	-
Additional dividend to Other Creditors (Cent in the \$)	11	2.40	-
Rothschild advisory mandate	12	TBD	
Additional dividend to Rothschild	12	TBD	
Dividend Rate			
		Cents in \$	Cents in \$
Other Creditors		6.8	-
Rothschild		4.4	-
Dividend Return			
		\$	\$
Other Creditors		13,918	-
Rothschild		208,780	-

I make the following comments in respect of the above table:

1. Cash at Bank

I do not anticipate there being any cash at bank available for distribution to creditors based on the funds held at the date of this report and the anticipated expenditure as detailed below.

	\$
Cash at bank on 4 March 2015 as per Receipts and Payments included in Annexure C	144,135
Less anticipated costs:	
Uncleared dividend	2,708
Outstanding Scheme professional costs (est.)	37,379
Unpaid expense claims (est.)	4,000
Unpaid head office costs	11,075
Bank charges and storage costs (est.)	1,280
VAT on NMRGL asset sale to be remitted to GRA	3,808
NMRGL holding/preservation costs (est.)	93,500
Provision for unknown costs (est.)	10,000
Total	163,749
Deficit	(19,614)

The NMRGL holding/preservation costs have been estimated by the Ghanaian directors. The estimate includes \$27K relating to tenement renewal costs and \$66.5K (being \$9.5K per month for the period 1 December 2014 to 30 June 2015) relating to tenement maintenance costs. I confirm that maintenance costs have been paid up to 30 November 2014. The estimate is subject to change, particularly should there be any delay in completing the recapitalisation.

I note that the holding costs would still need to be incurred in a liquidation, if an attempt were made to extract value from NMRGL.

Please note the above amounts are estimates only. I will account to creditors for the actual receipts and payments, via ASIC, to the date of completion, and should a surplus arise from the cash at bank, this surplus will be distributed to creditors.

2. Liquidator Recoveries

Based on my limited investigations conducted as Voluntary Administrator, I do not anticipate that there would be any recoveries if the Company was placed into liquidation. However, I will be unable to confirm the position until a full investigation is undertaken.

3. Intercompany Loan

Any return from NMGRGL is dependent on the ultimate realisable value of the exploration tenements and plant and equipment, less any holding, renewal and realisation costs. Based on the recapitalisation proposals received, no value has been attributed to the exploration tenements, due to the uncertainty around the tenement renewal process.

Similarly, in the event that the Company is liquidated, it is considered unlikely that the exploration tenements will be renewed (ie if NMRGL's parent company is not solvent) and therefore no amounts would be realised.

I also confirm that the plant and equipment held by NMRGL was sold, as detailed in Section 3.5, in order to fund holding costs required to be incurred during the expression of interest campaign.

Accordingly, it is estimated that there will be no recovery to the Company of the intercompany loan.

4. Deed Administrators' Fees

The Deed Administrators' / Trustees' future fees are an estimate only and are subject to upward or downward revision depending on the actual time spent. A breakdown of the time spent and of the estimate is provided at **Annexure C**.

5. Deed Administrators' Disbursements

The Deed Administrators disbursements have been estimated at \$3,500 to 15 March 2015. The Deed Administrators' / Trustees' future disbursements have been estimated at \$1,500. These represents costs associated with printing, postage and telephone.

6. Liquidators' Fees

The Liquidators' fees are an estimate only and are subject to upward or downward revision depending on the actual time spent. A breakdown of the estimate is provided at **Annexure C**.

7. Liquidators' Disbursements

The Liquidators' disbursements have been estimated at \$10,000. This represents costs associated with printing, postage and telephone.

8. Solicitors' Fees

Solicitors' fees are an estimate only and subject to upward or downward revision depending on the actual time spent.

9. ASX Listing Fees

ASX Listing fees were paid by me on 26 August 2014 in order to preserve the recapitalisation option and are required to be reimbursed in either scenario.

10. Additional Amount Available to Other Creditors

Pager Partner's offer includes a further payment of \$5,000 to be made available to all creditors other than Rothschild. In a DOCA scenario, it is estimated that Other Creditors (as defined in the DOCA variation proposal) will receive an additional 2.4 cents in the dollar return on their claims.

11. Additional Amounts Available to Rothschild

As detailed above, the DOCA proposal contemplates that Rothschild will enter an advisory mandate with NMRL for an option to acquire up to 30% equity interest in NMRGL, which holds the exploration licences. Given that interested parties have not attributed any value to these assets and the underlying risk that the tenement renewals are not approved, there is no guarantee that Rothschild will receive a return from this proposal. Accordingly, I have valued the additional amounts available to Rothschild at nil.

6.3 Variation to the DOCA

In accordance with my analysis at section 6.2, I have estimated;

- the dividend for Other Creditors under the DOCA variation proposal to be approximately 6.8 cents in the dollar on creditors' claims; and
- the dividend to Rothschild to be approximately 4.4 cents in the dollar, prior to any potential value that Rothschild may extract from the proposed advisory mandate.

6.4 Winding up of the Company

If the Company was to be placed into liquidation, the Deed Administrators would become the Liquidators and the DOCA variation proposal would fall away. The Liquidators would be required to complete their statutory investigations (the extent of those investigations would be determined by available funding), recover available assets and, if funds become available, distribute those monies in accordance with the Act.

As Administrator, I completed my preliminary investigations into the affairs of the Company as previously reported. My preliminary investigations did not reveal any evidence of potential recoveries that might be able to be successfully pursued by a liquidator.

Given the above, and the analysis completed at Section 6.2 of this report, it is likely that a liquidation of the Company would provide no return to unsecured creditors and shareholders.

[Having regard to the work already undertaken, the costs of winding up the Company's affairs are estimated to be \$300,000, although these could be higher

7. Deed Administrators' opinion

The DOCA variation proposal from Pager Partners provides a cash consideration of \$505,000 that is not otherwise available in a liquidation scenario.

I estimate that the return to unsecured creditors is as follows:

Dividend Rate	DOCA Cents in \$	Liquidation Cents in \$
Other Creditors	6.8	-
Rothschild	4.4	-

Dividend Return	DOCA \$	Liquidation \$
Other Creditors	13,918	-
Rothschild	208,780	-

As the above table demonstrates, the DOCA variation proposal provides for a greater return than liquidation. Under a liquidation scenario, unsecured creditors are likely to receive a nil return due to the lack of available realisations and the likelihood that the renewal of exploration tenement licences will be unsuccessful.

Based upon the reasons set out in this report, in circumstances where the returns to creditors are likely to be higher under the revised DOCA than in a liquidation, the Deed Administrators' consider that it is in the best interests of creditors to resolve that the Company should execute the variation to the DOCA as proposed by Pager Partners.

It is my opinion that creditors should resolve that the Company enter into the Pager Partners proposed variation of the DOCA.

8. Deed Administrators' remuneration report

I enclose the Deed Administrators' Remuneration Report at **Annexure C**. At the meeting of creditors, I intend seeking approval of the remuneration set out in the remuneration report. Details of disbursements incurred are also included in the remuneration report.

9. Further queries

The Deed Administrators will advise creditors in writing, if practicable, of any new matters that comes to their attention after the dispatch of this report that, in their view, is material to creditors deliberations.

In the meantime, should creditors have any queries, please do not hesitate to contact Dawn Murchison of this office on (08) 9214 1444.

DATED this 5th March 2015.



Martin Jones

Joint and Several Deed Administrator

ANNEXURE

A DOCA Term Sheet

Noble Mineral Resources Limited ACN 124 893 465

(Subject to Deed of Company Arrangement)

(“Noble” or “the Company”)

SUMMARY DOCA PROPOSAL TO RECAPITALISE

NOBLE MINERAL RESOURCES LIMITED

1. The Syndicate headed by Pager Partners Corporate Advisory Pty Limited (or its nominee) proposes to arrange the injection of approximately **\$1,876,875** cash into Noble in return for shares representing approximately 95.7% of the Company;
2. Immediately following the satisfaction of the last of the conditions precedent (being, most likely, shareholder approval of the Syndicate’s Proposal at the shareholder’s meeting), the Syndicate will arrange a loan of funds to Noble and arrange for Noble to immediately pay out to the Deed Administrator **\$505,000** in return for creditors releasing all claims against the Company and participating as creditors of the Noble Creditors’ Trust, at which time Noble will be contemporaneously removed from Administration. The Syndicate requires the use of a Creditors’ Trust to adjudicate and pay out creditors’ claims;
3. After payment of **\$505,000** to the Deed Administrator and before costs of the Proposal, Noble will have \$1,371,875 in working capital;
4. The Syndicate will loan the Company the funds to pay for the costs of the drafting of the varied Deed of Company Arrangement, Creditors Trust Deed, Shareholder’s Meeting and Shareholder Notices;
5. The Syndicate proposes to undertake a consolidation of the existing shares on issue and will issue new shares and options to raise the \$1,876,875. **It should be noted that this Proposal is not conditional on the capital raising;**
6. The Syndicate requires certain assets within Noble to remain in the Noble listed entity (or agreed subsidiary) as part of the recapitalisation, to be agreed between the Syndicate and the Deed Administrator (other than those assets specifically excluded by the Syndicate prior to effectuating the DOCA);
7. It is proposed that a shareholders’ meeting be held to consider this Proposal within approximately 8 to 10 weeks from the date of executing the DOCA. The \$505,000 (less the deposit) will be paid to the Deed Administrator after the shareholder’s meeting;
8. This proposal is subject to creditor and shareholder approval and the ASX confirming in writing that Noble will not need to re-comply with Chapters 1 & 2 of the Listing Rules;
9. The Syndicate will pay a \$10,000 deposit upon executing the DOCA.

10. Rothschild to enter into an advisory mandate with the Company as outlined in clause 2 of the Detailed DOCA Proposal below.

The above is a Summary DOCA Proposal only and as a consequence, it should not be relied upon in substitution for our Syndicate's Detailed DOCA Proposal below.

Noble Mineral Resources Limited ACN 124 893 465
(Subject to Deed of Company Arrangement) (“Noble” or “the Company”)

DETAILED DOCA PROPOSAL TO RECAPITALISE
NOBLE MINERAL RESOURCES LIMITED

DATED 19 February 2015

GENERAL TERMS OF RECAPITALISATION

A syndicate headed by Pager Partners Corporate Advisory Pty Limited (**Syndicate**) (or its nominee) offers to recapitalise Noble Mineral Resources Limited (**“Noble” or “the Company”**). This proposal will require the creditors of the Company to vary the existing Deed of Company Arrangement (**DOCA**) and enter into a Creditors Trust Deed (**Trust Deed**).

We understand that the equity capital of Noble as set out in the Appendix 5B dated 30 June 2013 is as follows:

- a. 666,397,952 fully paid ordinary shares;
- b. No employee options to acquire fully paid ordinary shares, which would otherwise be assumed to cancel or be subject to consolidation at the completion of this offer;
- c. 28,985,539 listed options and 53,536,731 unlisted options with various exercise prices and different expiry dates, which will otherwise cancel out or be subject to consolidation;
- d. No options for convertible notes, which would otherwise be considered debt with no rights to equity for the purpose of this offer; and
- e. No Convertible Notes on issue, as advised by the Deed Administrator, which would otherwise be considered debt with no rights to equity for the purposes of this offer.

The DOCA for Noble must provide for or contemplate or facilitate the following (**Proposal**):

- 1 The Syndicate requires, as part of this offer, all of the unencumbered assets of Noble including all of the Company’s remaining assets including but not limited to Noble’s interest in the exploration licenses listed in Annexure A of this proposal (**Ghanaian Gold Concessions**), registered business names, intellectual property, goodwill, domain names, websites, customer/supplier lists, any remaining contracts (where agreed by the Syndicate), and all other assets to operate the business (**Noble Business**) be retained by Noble, or transferred to Noble (or a newly created subsidiary) from its subsidiaries. The Noble Business must remain as an

unencumbered asset of the Company to enable the Company to be reinstated to trading on the Australian Securities Exchange Limited (**ASX**).

- 2 The consideration for control of Noble and 100% of the Noble Business is an aggregate amount of **\$505,000** in cash, including the Deposit referred to in clause 3 below, (**Cash Consideration**), to be paid to the Deed Administrator for the benefit of the Creditors Trust (the **Syndicate Offer**) so that immediately following the satisfaction of the last of the conditions precedent (being, most likely, shareholder approval of this Proposal, in its entirety):
 - (i) the Syndicate shall pay to the Deed Administrator the Cash Consideration in full and final satisfaction of the Syndicate Offer;
 - (ii) the DOCA shall terminate by performance and those assets of Noble which are not part of the Noble Business assets shall be dealt with in accordance with the DOCA; and
 - (iii) any Noble Business assets shall be transferred (if required by the Syndicate) from the subsidiaries into the Noble listed entity (or a newly created subsidiary) as is necessary.

Of the \$505,000 Cash Consideration, \$500,000 is to form the General DOCA Pool ("GDP") and the additional \$5,000 will form the Specific Creditor Pool ("SCP") for all creditors other than Rothschild to participate in. The GDP and SCP will be distributed in accordance with Section 556 of the Corporations Act.

Rothschild agree not to participate in the SCP, in exchange for Noble entering into an advisory mandate with Rothschild, whereby Rothschild will provide advisory services to Noble in exchange for a fee or an interest in Noble's wholly-owned subsidiary Noble Mineral Resources Ghana Limited ("NMRGL")..

3. The Syndicate will pay a non-refundable \$10,000 deposit (**Deposit**) upon executing the DOCA (post creditor approval at the creditor's meeting). However, if, for any reason, the Company is recapitalised under another proponent's DOCA proposal, then the Deed Administrator shall repay to the Syndicate the entire Deposit from the proceeds of that other proponent's DOCA proposal; or from the realisations of any of the assets required under this proposal, in priority to any other payments and immediately after the receipt of those proceeds.
- 4 The Noble Business is to be retained by Noble, and must be unencumbered and all other liabilities and obligations of Noble be released pursuant to the terms of the DOCA.
- 5 The existing share structure of the Company, including listed and unlisted options that are not cancelled, shall be subject to a 50:1 consolidation prior to issuing the securities under this Proposal.

- 6 Subject to creditors approving this Proposal, if requested by the Syndicate, the Deed Administrator shall request the existing directors and officers of Noble to resign and if this does not occur then remove all existing directors and officers and appoint the Syndicate's nominees and the DOCA shall give express powers to the Deed Administrator to do this. It is acknowledged that the Deed Administrator shall be able to limit the powers of any Syndicate nominated directors whilst the DOCA operates.
- 7 The Syndicate proposes to raise new equity in the Company by way of placements on the following basis:
- (a) an amount of **\$375,000** from the Syndicate (or its nominees) is to be provided in exchange for 150 million Shares at issue prices to be determined by the Syndicate;
 - (b) a general placement of up to 150 million Shares at 1c each to raise up to **\$1,500,000**. This placement will be on a best endeavours basis and may be underwritten, subject to certain conditions; and
 - (c) an amount of \$1,875 from the Syndicate is to be provided in exchange for 75,000,000 Options, each to acquire one Share, at an exercise price of 1 cent each on or before 30 June 2018.

Please note that the proposed structure above may vary at the Syndicate's discretion (subject to ASX and/or shareholder approval), including the right to take over-subscriptions.

- 8 The proposal for the Noble Business is for the Company to retain and exploit its interest in this business in the ordinary course and to exploit complementary and any other business opportunities.
- 9 In addition to the Cash Consideration referred to above, under the DOCA, the Company shall transfer to the Creditors Trust for the benefit of the Noble creditors any cash at bank, its rights in its sundry debtors, and any other assets not required by the Syndicate as part of the Noble Business. It should be noted that the intercompany loans owed to Noble by its subsidiaries, which were subordinated pursuant to clause 2.1 of the Subordination Deed, will be assigned to Resolute (Bibiani) Limited.
- 10 Immediately following the satisfaction or waiver of the last of the conditions precedent specified in clause 16 below, being, most likely, shareholder approval of the Syndicate's proposal at the shareholder's meeting, the Deed Administrator will facilitate all necessary transfers and assignments to the Creditors Trust, including payments totalling **\$505,000** and the DOCA will then terminate by performance.
- 11 If shareholders do not approve the Syndicate's proposal at the shareholder's meeting, the DOCA will terminate and the Company shall be placed in liquidation.

- 12 If shareholders approve the Syndicate's proposal at the shareholder's meeting and the other conditions precedent are satisfied, the \$505,000 paid by the Syndicate to the Creditors Trust will, after the termination of the DOCA, be repaid to the Syndicate in cash or through the issue of shares (referred to at point 7 above) in the Company.
- 13 The control of the Company shall remain with the Deed Administrator until the DOCA is terminated.
- 14 The prescribed provisions in schedule 8A of the Corporations Regulations will be incorporated in the DOCA, save for regulations 3(c), 10 and 11.
- 15 The Syndicate will be entitled to change the name of Noble, the constitution of Noble and the auditor of Noble, if required, and the Syndicate acknowledges that such a change is subject to shareholder approval.
- 16 The Proposal is subject to the following general conditions precedent:
 - (a) all liabilities and long term commitments of Noble being released and compromised via a DOCA. It shall be a term of the DOCA that it is wholly effectuated and the appointment of the Deed Administrator terminates contemporaneously with the payment by the Company of the Cash Consideration to the Deed Administrator.
 - (b) the secured creditors, if any, agree to release all security over Noble;
 - (c) all creditors are bound by the DOCA. All creditors will be required to prove in accordance with the terms of the DOCA and Creditors Trust and no creditor shall have a right to claim payment against the Company (for the avoidance of doubt, the DOCA shall clearly state that the claims of all creditors shall be released and that all creditors shall only have an entitlement to prove in the Creditors Trust and not against the Company).
 - (d) all subsidiaries of Noble shall be excised from Noble and dealt with by the Deed Administrator in accordance with the DOCA (unless otherwise required by the Syndicate).
 - (e) termination of the employment of all employees of Noble, if any, at no cost to the Company post the DOCA.
 - (f) ASX providing written confirmation to Noble that it will lift the suspension on the trading of the securities of the Company without the need to re-comply with chapters 1 and 2 of the Listing Rules on finalising the DOCA.
 - (g) all secured creditors, if any, voting in favour of this Proposal at a meeting of creditors convened for that purpose or otherwise agreeing to be bound by this Proposal.
 - (h) the Syndicate being satisfied that all convertible notes on issue, if any, are simply debt obligations and the holders of such convertible notes being required to prove as creditors in accordance with the terms of the DOCA and

Creditors Trust and no convertible noteholder shall have a right to claim payment against the Company or convert to equity after the termination of the DOCA.

- (i) all employee options, if any, being cancelled or consolidated.
 - (j) the receipt of shareholder approval of this offer at a meeting of shareholders which is expected to be held within 8 to 10 weeks from the date of executing the DOCA, subject to the Deed Administrator having the power to extend the meeting date if the Syndicate makes a request for such an extension. For this purpose, the Syndicate shall prepare the required shareholder meeting materials and will submit these materials to ASX, the ASIC and the Deed Administrator for approval prior to dispatch. The Syndicate shall bear its own costs in relation to the preparation of these meeting materials which sums shall be reimbursed by the Company in the event that the Proposals are approved and the Company is reinstated to trading on the ASX.
 - (k) the intercompany loans owed to Noble by its subsidiaries, which were subordinated pursuant to clause 2.1 of the Subordination Deed, will be assigned to Resolute (Bibiani) Limited.
- 17 During the DOCA period, a transfer of shares in the Company, any alteration in the status of members or issue of shares shall be void except so far as the Court otherwise orders, or alternatively if agreed in writing between the Deed Administrator and the Syndicate.
- 18 The contents of this Proposal are strictly confidential and must not be disclosed to any parties with the exception of the Deed Administrators and their staff and advisers, and in the Deed Administrator's report to creditors, without the Syndicate's prior consent.



Signed for and on behalf of Pager Partners Corporate Advisory Pty Ltd

Annexure A

Exploration licenses remaining in Noble Group post DOCA effectuation

Licence Name	Licence Type	Min Com ref No.	Area (Sq. Km)	Name Licence is held under	%age Noble	Licence Expiry date
CTP – North	Prospecting Licence	PL2/33	31.9	Noble Mineral Resources Ghana Ltd	100	30.11..2012
CTP – South (with Nakroba)	Prospecting Licence	PL2/*	52.9	Noble Mineral Resources Ghana Ltd	100	28.08.2013

Details as advised by the Directors of NRMGL Confirmation that these 2 gold concessions were not part of the original DOCA proposal are as per section 3 of the Resolute DOCA proposal in Annexure 1 of the 439A report to creditors (p60)

SYNDICATE EXPERIENCE

Jonathan Pager

Jonathan Pager has over 20 years experience as a management consultant across a wide range of industries in Australia and overseas and is currently Managing Director of a boutique consultancy, Pager Partners Business Consultants and Pager Partners Corporate Advisory. He has a Masters of Economics and qualified as a chartered accountant with Deloitte where he commenced his career. Jonathan is currently a director of Montech Holdings Limited and INT Corporation Limited, and was previously a director of Rhype Limited, Prospect Resources Limited and PLD Corporation Limited, being companies that he previously recapitalised. Jonathan was also involved in the recapitalisation of various other companies listed on the ASX.

Michael Pollak

Michael Pollak holds a bachelor of Commerce, is a chartered accountant and has an MBA in strategy from the Australian Graduate School of Management. Michael commenced his career at PricewaterhouseCoopers 15 years ago. Michael has gained valuable experience in both Sydney and London in general management, audit, insolvency, corporate advisory and strategy across a wide range of industries, including financial services, professional services, retail, mining, technology and manufacturing. Michael is currently a director of Montech Holdings Limited and HJB Corporation Limited, and was previously a director of Rhype Limited, Disruptive Investment Group Limited, Prospect Resources Limited and PLD Corporation Limited, being companies that he previously recapitalised. Michael was also involved in the recapitalisation of various other companies listed on the ASX

Other Syndicate Members

Details of other members of the Syndicate with experience in capital markets, ASX recapitalisations and the mining sector will be made available at a later stage.

PRIOR RECAPITALISATIONS OF OUR SYNDICATE– ASX CODES

1. MKY (now CUU)
2. GSF (now YOW)
3. TVN (now MOU)
4. TPL (now ACJ)
5. PLD
6. FRR (now RHP)
7. PSC
8. DGI (now ICT)
9. ABQ (now DVI)
10. INT
11. MOQ
12. HJB
13. BGD
14. UCW (currently recapitalising)

ANNEXURE

B ASIC guide to DOCA's involving a creditors' trust



ASIC

Australian Securities & Investments Commission

REGULATORY GUIDE 82

External administration: Deeds of company arrangement involving a creditors' trust

**A guide for registered liquidators
appointed under Part 5.3A**

May 2005

Important note

This guide is limited to certain conduct issues for registered liquidators appointed under Part 5.3A as a voluntary administrator or deed administrator (administrator), where a proposed deed of company arrangement (DCA) or proposed variation of a DCA (collectively, a DCA proposal) involves a creditors' trust. It is not intended to be comprehensive and does not describe ASIC's views about how administrators, or all registered liquidators, should perform all their relevant duties and functions.

This guide does not constitute legal advice. Registered liquidators should seek their own advice to confirm how the law applies to them. It is the responsibility of each registered liquidator to identify the precise nature of their obligations from time to time under the Corporations Act, the Corporations Regulations and the general law, and to determine what they must do to perform adequately and properly all their duties and functions.

What this guide is about

1 This guide is for registered liquidators appointed under Part 5.3A of the *Corporations Act 2001* (Act) as a voluntary administrator or deed administrator (administrator).

2 It explains:

- (a) our interpretation of administrators' obligations under s439A, 445F, 1292(2) and the general law where they are considering a proposed deed of company arrangement (DCA) or a proposed variation of a DCA (collectively, a DCA proposal) involving a creditors' trust; and
- (b) in particular, the information that we consider is material to creditors and should therefore be disclosed when a DCA proposal involves a creditors' trust.

Why has ASIC issued this guide?

3 The use of creditors' trusts in DCAs is a relatively recent practice that appears to be increasing. We have issued this guide to outline our current views on this practice and indicate our interpretation of adequate and proper performance by administrators of their duties and functions in this situation.

4 We are concerned that administrators appear not to be aware of or are not properly considering all the relevant issues raised by the use of a creditors' trust. As a result, they may:

- (a) submit to creditors a DCA proposal that involves a creditors' trust without properly considering whether such an arrangement is appropriate in the company's circumstances; and/or
- (b) fail to disclose all the material information about the creditors' trust and its implications to enable creditors to consider the advantages and disadvantages of this type of arrangement for them; and/or
- (c) make an inappropriate recommendation about the DCA proposal.

5 We consider that DCA proposals should not involve creditors' trusts unless administrators have adequately considered the appropriateness of using a creditors' trust in the particular case, and the advantages and disadvantages for the company, the creditors and the administrator.

6 DCAs involving a creditors' trust create special risks for creditors. Further, using a creditors' trust in a DCA in some cases may be an abuse of the Part 5.3A process or be otherwise contrary to the public interest. As a result, our view is that while the use of a creditors' trust in a DCA may occasionally be justified by the circumstances of a particular company, indiscriminate use of creditors' trusts in DCAs is not appropriate.

Why follow this guide?

7 This guide indicates how we think administrators will perform their obligations where a DCA proposal involves a creditors' trust, if they are adequately and properly performing all their duties and functions.

8 We will generally consider that an administrator has not complied with all their obligations under the Act and the general law if an administrator asks creditors to vote on a DCA proposal involving a creditors' trust and the administrator has not followed this guide in a material respect.

9 In such cases, we may:

- (a) make an application to the court for the relevant DCA to be terminated or avoided; and/or
- (b) seek specific orders against the administrator under s445D, 445G, 447A, 447E(1) and/or 1321 as appropriate.

10 In addition or alternatively, if we consider that the administrator has not adequately and properly performed their duties or functions as a registered liquidator (or is otherwise not fit and proper to remain a registered liquidator), we may make an application to the Companies Auditors and Liquidators Disciplinary Board (CALDB) under s1292(2) for cancellation or suspension of the administrator's status as a registered liquidator. The CALDB may also impose other sanctions under s1292(9).

11 Where a s439A report or s445F notice referring to a DCA proposal involving a creditors' trust has already been sent to creditors but the relevant creditors' meeting has not been held before publication of this guide, administrators should give creditors as much additional information referred to this guide as it is reasonably practicable for the administrator to provide in the time between publication of this guide and the creditors' meeting.

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Section 1: DCAs and creditors' trusts

What is a creditors' trust?

1.1 A creditors' trust in a DCA is a mechanism used to accelerate a company's exit from external administration. To date, it has been used most commonly (but not exclusively) in connection with the rehabilitation of public companies listed on Australian Stock Exchange Ltd (ASX). In some cases, this leads to a 'backdoor' listing.

1.2 Typically, under the terms of the DCA and one or more interconnected deeds, a trust entity is created and the company's obligations to some or all of the creditors bound by the DCA are compromised and transferred to the trust. Those creditors become beneficiaries of the trust. Occasionally, there may be separate creditors' trusts for employee and non-employee creditors, or for secured and unsecured creditors.

1.3 The company and/or third parties promise to make one or more payments (or transfer other property) to the trustee in satisfaction of the creditors' claims against the company. In return, the creditors' rights against the company are extinguished.

1.4 The trustee of the new trust becomes solely responsible to the former creditors (now beneficiaries) for:

- (a) ensuring that the company and/or other third parties perform their payment and other obligations to the trustee;
- (b) determining how much each of the former creditors is entitled to receive from the trust; and
- (c) in due course, making any distribution to those former creditors.

1.5 Usually, the DCA is 'effectuated' (and terminates) after the creditors' claims against the company have been removed in this way. In most cases, the DCA terminates immediately upon creation of the trust, which usually occurs when or shortly after the DCA is executed.

1.6 When the DCA terminates, the company ceases to be externally administered, the directors regain full control of the company and the company is no longer required to use the notification 'subject to deed of company arrangement' on its public documents as otherwise would be required by s450E(2) of the Act.

What are the special risks for creditors?

1.7 We consider that there are different and additional risks for creditors where a DCA proposal involves a creditors' trust. The significance of the risks in a particular case will depend on the quality of the information the administrator provides to creditors and the actual terms of the DCA, trust deed and any other related documentation.

1.8 The key additional risks are that:

- (a) under the DCA proposal, the DCA may be 'effectuated' and creditors' rights against the company extinguished before:
 - (i) the amount available for distribution to creditors of the company/beneficiaries of the trust has been ascertained; or
 - (ii) the trust fund has been received in full by the trustee; or
 - (iii) creditors of the company/beneficiaries of the trust have received any payment from either the deed administrator or the trustee;
- (b) creditors may have less (or no) legal rights if the DCA proposal is not fully complied with by all relevant parties; and
- (c) creditors may agree to the DCA proposal without being aware (or fully appreciating the implications) of these matters.

1.9 The following factors increase the severity of these risks:

- (a) creditors' lack of knowledge and inexperience;

Note: The use of a creditors' trust in a DCA will be beyond the reasonable contemplation or experience of most creditors bound by the DCA. Creditors (particularly unsecured creditors) of an insolvent company usually have limited knowledge of (or previous experience with) corporate insolvency laws and processes. Any previous experience is likely to be with the Act and ASIC as the relevant regulator, and they will generally expect their claims against the company and their dealings with the external administrator to be governed by the Act. Many creditors will have no or limited knowledge of trust law.

- (b) inadequate disclosure by administrators of material information about the DCA proposal;
- (c) the additional complexity of the legal and documentary arrangements needed to support the use of a creditors' trust under a DCA;
- (d) the trustee's identity, skills, remuneration and insurance arrangements;
- (e) non-uniformity of the State and Territory Trustee Acts governing trusts and trustees;
- (f) differences in the ways trustees and registered liquidators are regulated and supervised, particularly by ASIC and the courts;
- (g) potential difficulties for ASIC and creditors (as beneficiaries of the trust) in monitoring and enforcing proper conduct by the trustee; and

- (h) legal uncertainties and other issues for ASIC, creditors bound by the DCA or other persons in challenging a DCA that has already terminated.

What are the obligations of administrators?

1.10 Administrators have an overriding obligation to perform adequately and properly their duties and functions: s1292(2). This includes ensuring that the interests of creditors are adequately protected. Where a DCA proposal is concerned, we consider that an administrator who is fulfilling this obligation will:

- (a) evaluate the proposal before submitting it to creditors (see paragraphs 1.11–1.14);
- (b) disclose all material information about the proposal to creditors (see paragraphs 1.15–1.18); and
- (c) express an opinion about the proposal that adequately protects the interests of creditors (see paragraphs 1.19–1.22).

Evaluating the proposal

1.11 Before submitting any DCA proposal to creditors, administrators should consider whether there is a proposal suitable for submission. For example, it will rarely be appropriate for an administrator to submit to creditors a DCA proposal where the administrator does not have sufficient concrete details to comply with all their disclosure obligations: see paragraphs 1.15–1.18.

1.12 Where the DCA proposal involves a creditors' trust, administrators should specifically consider whether such a mechanism is appropriate in the company's circumstances. We think this includes considering whether the DCA proposal (if accepted) may be an abuse of Part 5.3A or otherwise contrary to the public interest. If so, it may be appropriate for the administrator to seek directions from the court before submitting the DCA proposal to creditors.

1.13 It has been asserted to ASIC that s435A (particularly paragraph (a)) always justifies the use of creditors' trusts in DCAs.

Note: Section 435A states that the object of Part 5.3A is for the business, property and affairs of an insolvent company to be administered in a way that:

- (a) maximises the chances of the company, or as much as possible of its business, continuing in existence; or
- (b) if that is not possible, results in a better return for the company's creditors and members than would result from an immediate winding up of the company.

1.14 In our view, s435A does not justify in a DCA every kind of mechanism that would produce one of the outcomes referred to in that

section. We consider that any mechanism intended to achieve one of those outcomes should only be included in a DCA if it is:

- (a) in the interests of creditors as a whole;
- (b) in accordance with the purpose and policy of Part 5.3A; and
- (c) consistent with the public interest.

Note 1: We consider, for example, that it is likely to be an abuse of Part 5.3A or otherwise contrary to the public interest for a DCA to involve a creditors' trust where:

- (a) there is no proper and compelling legal or commercial reason why the continued existence of the company or its business could not be achieved under a DCA that does not involve a creditors' trust. This includes cases where the underlying reason for using a creditors' trust is to circumvent the effect of s450E(2); or
- (b) the DCA proposal contemplates that the company would or could (after the DCA has been effectuated in accordance with its terms) continue in existence in an insolvent financial condition. See *Report No. 45, General Insolvency Inquiry*, Australia Law Reform Commission, 1988 (the Harmer Report), vol 1, page 62–3.

Note 2: See also *Sydney Land Corp P/L v Kalon P/L* (1998) 26 ACSR 427 at 430; *Young v Sherman* (2002) 170 FLR 86; *Bovis Lend Lease P/L v Wily* (2003) 45 ACSR 612; *Blacktown City Council v Macarthur Telecommunications P/L* (2004) 47 ACSR 391.

Disclosing material information

1.15 Section 439A(4) and reg 5.3A.02 set out matters that a voluntary administrator must include in the documents that accompany the notice of the second meeting of creditors. It has been held that a s439A report must contain all information that is material to the creditors' decision, including material details of what a proposed DCA will contain.

Note: See *M&S Butler Investments Pty Ltd v Granny May's Franchising Pty Ltd* (1997) 24 ACSR 695; *Commissioner of Taxation v Comcorp Australia Ltd* (1996) 70 FCR 356; 21 ACSR 590.

1.16 We consider that deed administrators have an implied obligation to include similar matters in the documents that accompany a s445F notice where a DCA variation is proposed.

1.17 Section 445D reinforces the disclosure obligations of administrators by providing that the court may terminate a DCA if (*inter alia*) information that is material to the creditors' decision to approve the proposed DCA was omitted or was false or misleading.

1.18 When submitting to creditors a DCA proposal that involves a creditors' trust, administrators should disclose all the information that is material to the creditors' decision about whether to accept the particular risks associated with such a proposal. In Section 2 of this guide, we set out the information we think is material to that decision.

Expressing an opinion that protects creditors' interests

1.19 Administrators have an obligation to provide creditors with a statement setting out (*inter alia*) the administrator's opinion about whether it would be in the creditors' interests for the company to execute a proposed DCA or DCA variation and the reasons for that opinion: see s439A(4)(b) and paragraph 1.16 of this guide.

1.20 Where a DCA proposal involves a creditors' trust, we consider that administrators fulfilling this obligation will discuss the advantages and disadvantages for creditors of the proposed creditors' trust when making their recommendation.

1.21 We also consider that the obligation to ensure the interests of creditors are adequately protected means that there are some circumstances where an administrator should not recommend that creditors approve a DCA proposal involving a creditors' trust.

1.22 Examples of such circumstances include where:

- (a) the proposed value of the creditors' trust fund cannot be reasonably estimated at the time the proposal will be voted on by the creditors. We consider that in such a case, the amount that may become available to the creditors as beneficiaries of the trust will be so speculative that it will never be in the creditors' interests for the company to execute a DCA which terminates almost immediately their status and rights as creditors;

Note: DCAs that do *not* involve a creditors' trust may in some cases propose a return to creditors that could be described as speculative. However, in those cases, the interests of creditors are different because the creditors' status as creditors (and their rights against the company under Part 5.3A) will not be prematurely extinguished as may occur where a creditors' trust is used.

- (b) there is reason for concern about whether the trustee will receive all of the trust fund, or at least adequate and enforceable security for the trust fund, before the DCA terminates and the creditors' rights (as creditors) against the company are extinguished. This is because it will rarely be in the creditors' interests to place on them (and the trustee) all the risks of failure of the trust if there is future non-performance of obligations undertaken under the DCA by the company or a third party;

Note: See also *Kalon v Sydney Land Corp P/L* (1998) 26 ACSR 593 upholding *Sydney Land Corp P/L v Kalon P/L* (1998) 26 ACSR 427.

- (c) the DCA or trust deed provisions will permit the trustee (or any replacement trustee) of the creditors' trust to be a person who does not have the necessary skills and experience or is otherwise unsuitable to be the trustee. The risk to creditors from an unsuitable trustee is severe. In our view, the interests of creditors are likely to be adequately

protected if the trustee of the creditors' trust must be a registered liquidator, but will *never* be adequately protected if the trustee will or could be the company to which the administrator is appointed;

Note: This does not imply that the trustee should always be the same person as the deed administrator; the trustee could be another registered liquidator.

- (d) there is reason for concern about whether the proposed trustee will have adequate civil liability insurance for their conduct as trustee of the creditors' trust;
- (e) the DCA and/or the trust deed will not provide processes and rights that are at least as favourable to the beneficiaries as the processes for and rights of creditors under the Act;
- (f) concrete details about the proposed structure and terms of the DCA and trust deed cannot be provided. Because of the additional complexity of creditors' trust arrangements, we do not consider that a broad outline of the proposed DCA and proposed creditors' trust deed is sufficient. In practical terms, we think it is unlikely that administrators will be able to satisfy their disclosure obligations to creditors unless a draft DCA and a draft trust deed have been prepared.

Note: See also *Kirwan v Cresvale Far East Ltd (in liq)* [2002] NSWCA 395 at [382] per Young CJ; (2003) 44 ACSR 21; *Commissioner of Taxation v Comcorp Australia Ltd* (1996) 70 FCR 356 at 389; 21 ACSR 590 at 624.

'Holding' DCAs and 'self-executing' creditors' trusts

1.23 We are aware that creditors (particularly of large companies) have been asked to approve so-called 'holding' DCAs. These holding DCAs are typically used as a means of providing more time for a voluntary administrator (or the directors or third parties) to develop proposals for restructuring or otherwise resuscitating the company, thereby avoiding the need for the voluntary administrator to seek an extension from the court of the convening period for the second creditors' meeting under s439A. Typically, holding DCAs do not contain any concrete provisions on the future of the company or any immediate benefits for creditors.

1.24 In our view, administrators should not submit to creditors a proposal for a holding DCA where the terms of the holding DCA would permit subsequent creation of a creditors' trust and effectuation of the DCA without the need to first obtain express creditor approval of the creditors' trust by means of a formal variation of the DCA. We consider that before a creditors' trust is created, creditors should be given specific information as indicated in this guide.

1.25 Where a holding DCA is proposed, we consider that its terms should:

- (a) exclude an open-ended or very lengthy period to formulate a concrete proposal for continuing the company or its business; and

Note: An open-ended or very lengthy period magnifies the potential remuneration of the deed administrator with little or no tangible benefit for creditors. It therefore raises significant conflict of interest issues, as well as issues about whether the holding DCA is in the interests of the creditors as a whole or infringes the purpose and policy of Part 5.3A.

- (b) include a program for interim reporting to creditors on steps taken and results obtained by the deed administrator, so that creditors can monitor the deed administrator's efforts.

Section 2: Disclosing material information

What is material information?

2.1 In this section of the guide, we set out what we think is material information where a DCA proposal involves a creditors' trust. In a particular case, there may also be other material information that should be disclosed.

Note: Parts of this section may also be relevant to DCAs that do not involve a creditors' trust.

2.2 Administrators have an obligation to give creditors information that will enable them to:

- (a) understand a DCA proposal; and
- (b) appreciate the legal and practical implications for them of authorising the company to execute the proposed DCA (or DCA variation).

The information should be set out in the s439A report (or explanation that accompanies the s445F notice of meeting) as simply, clearly and succinctly as possible in the circumstances.

2.3 Where the DCA proposal involves a creditors' trust, we consider this obligation means that information should be provided which enables creditors to understand the actual and potential implications and specific risks for them of the proposed creditors' trust arrangements. Creditors should be able to make a realistic and informed assessment of the proposal and whether they should approve it (including, but not limited to, whether they are likely to receive a better return under the particular DCA proposal, under a DCA that does not involve a creditors' trust, or under a winding up).

2.4 Much of the information that we think should be provided to creditors will describe the administrator's understanding of the law. Therefore, we consider that administrators should base such information on legal advice received by them that is applicable to the particular DCA proposal.

2.5 Because of the additional complexity involved in a DCA proposal involving a creditors' trust, we consider that creditors should be given adequate opportunity to obtain (if they wish) professional advice about the proposal, its implications and risks before they vote on the proposal. This may affect the appropriate period of notice of a meeting, the need for an extension of the convening period, or the need for an adjournment of the meeting.

2.6 Where a DCA (or DCA variation) involving a creditors' trust is approved and executed, we expect administrators to lodge with ASIC, in addition to the DCA (or DCA variation):

- (a) a copy of the creditors' trust deed; and
- (b) any other associated document (such as an 'implementation deed') that is referred to in the DCA or is otherwise necessary to support the creditors' trust arrangements.

This is because ASIC, creditors and the public can only properly understand the DCA if they understand the associated arrangements.

Table 1: Information for creditors

Reasons	The reasons why the DCA proposal involves a creditors' trust (see paragraphs 2.7–2.9)
Key events	The anticipated sequence of key events if the DCA proposal is approved, and the implications for creditors (see paragraphs 2.10–2.11)
Return	The anticipated return to creditors/beneficiaries (see paragraph 2.12)
Trustee particulars	The identity, skills, experience and insurance of the proposed trustee (see paragraphs 2.13–2.14)
Remuneration	The proposed remuneration and expenses of the deed administrator and trustee (see paragraph 2.15–2.16)
Indemnities	Details of any indemnities for fees or liabilities (see paragraph 2.17)
Powers	The differences between the powers of a deed administrator under the Act and the trustee under the DCA proposal (see paragraph 2.18–2.19)
Claims	How creditors' claims will be dealt with under the DCA proposal and in what priority (see paragraphs 2.20–2.21)
Other creditor/beneficiary differences	A comparison of the protections and rights of creditors under the Act and of beneficiaries under the DCA proposal (see paragraphs 2.22–2.24)
GEERS	Any effect on employee entitlements under GEERS (see paragraph 2.25)
Compliance opinion	An opinion on the capability of the company (and relevant third parties) to comply with obligations to the trustee (see paragraph 2.26)
Solvency statement	The basis for an opinion that the company will be solvent at the date of effectuation of the DCA (see paragraph 2.27)
Tax (company/trust)	Details of the taxation and stamp duty implications for the company and the trust (see paragraph 2.28)
Tax (creditor/beneficiary)	Potential differences in taxation implications for creditors and beneficiaries (see paragraph 2.29)
Other	Any other material aspects or implications (see paragraph 2.30)

Reasons

2.7 Administrators should provide an explanation of the reasons why the DCA proposal involves a creditors' trust, instead of a DCA where creditors' claims and rights would be dealt with directly under the DCA and the Act.

2.8 We expect this explanation to include identification of any legal or commercial reasons, and a discussion of why it is considered to be in the interests of creditors as a whole to use the proposed creditors' trust.

2.9 If one of the stated reasons is to enable listing of the company or re-quotation of the company's financial products on a financial market such as ASX, details should also be provided of:

- (a) the market operator's requirements for listing or re-quotation and how it is proposed that the company would meet those requirements; and
- (b) how and why listing or re-quotation would be in the interests of the creditors (as opposed to the directors, shareholders or some other party).

Key events

2.10 Administrators should explain the anticipated sequence and relative timing for each of the following key events if the DCA proposal is approved, and the implications of each event for creditors:

- (a) execution of the DCA;
- (b) creation of the creditors' trust;
- (c) termination of the DCA;
- (d) receipt of the creditors' trust fund by the trustee; and
- (e) distribution to creditors/beneficiaries.

2.11 The explanation of implications should include the nature of the legal relationship of the creditors to the company after each event (and specifically, when they would cease to be creditors), and what will happen if any of these events, or their timing, does not eventuate as anticipated.

Return to creditors

2.12 Administrators should provide information about the anticipated return to creditors/beneficiaries under the DCA proposal including:

- (a) the anticipated date(s) when the trust fund will be received by the trustee and from which sources;
- (b) the anticipated value of the total trust fund and of the portion that would be available for distribution to beneficiaries, with an explanation of any difference in those values;

Note: See also paragraph 1.22(a) of this guide.

- (c) the anticipated date(s) for distribution by the trustee to the beneficiaries;
- (d) the anticipated rate(s) of distribution by the trustee;
- (e) risks to creditors/beneficiaries associated with any delay in receipt of the trust fund by the trustee, or in distribution by the trustee to the beneficiaries; and
- (f) the potential return to creditors if the DCA proposal did not involve a creditors' trust.

Note: We consider that the information in this paragraph should be linked to information provided about remuneration, expenses, taxation etc so that creditors are able to identify and weigh up the additional overall costs involved because of the creditors' trust and any potential increase in the distribution to them, against the likelihood of, and any delay in, receiving that distribution.

Trustee particulars

2.13 Administrators should provide information about the proposed trustee, including:

- (a) why that trustee is proposed and is considered appropriate, with details of their qualifications, skills and relevant experience to perform the duties and functions they will have as trustee of the creditors' trust;

Note: See also paragraph 1.22(c) of this guide.

- (b) whether the DCA proposal requires the trustee (and any replacement trustee) of the creditors' trust to be the deed administrator or other person registered by ASIC under Part 9.2 as a liquidator;
- (c) whether ASIC or any other government regulator will have supervisory powers over conduct by the proposed trustee in that capacity, and if so, the nature of those powers;

Note: Administrators should note our view that ASIC and the CALDB have certain supervisory powers under Part 9.2 over conduct by the trustee where the DCA and trust deed provide that the trustee is a registered liquidator.

- (d) whether the proposed trustee would have any potential conflict of interests when acting as trustee and if so, the nature of the conflict and how it would be managed; and
- (e) whether the proposed trustee has civil liability insurance (including professional indemnity and fidelity) that will cover conduct by them in their capacity as trustee of the proposed trust, and the nature and aggregate value of any such insurance.

Note: See also paragraphs 1.22(d) and 2.14 of this guide.

2.14 If the proposed trustee is a registered liquidator, administrators should note that:

- (a) where the registered liquidator has provided a performance bond as security for the purposes of s1284, that bond will not cover conduct by the registered liquidator in the capacity of trustee of a creditors' trust. The registered liquidator would need insurance covering conduct as a trustee; and
- (b) where the registered liquidator is relying on insurance to satisfy s1284 under Policy Statement 33 *Security deposits* [PS 33], it will be necessary to confirm whether that policy covers conduct by the registered liquidator in the capacity of trustee. If not, additional insurance would be needed.

Remuneration and expenses

2.15 Administrators should provide details of the remuneration and anticipated expenses of the deed administrator and proposed trustee, and a comparison of the remuneration process for the deed administrator and the trustee.

2.16 The information should cover:

- (a) how and when the deed administrator and trustee would be paid and at what rates;
- (b) the effect of the fees and expenses of each of the deed administrator and trustee on the anticipated distribution to beneficiaries of the trust (see also paragraph 2.12 of this guide). This includes identifying any additional fees and expenses involved because of the use of a creditors' trust (such as through duplication of activity); and
- (c) the rights that beneficiaries would have to approve and/or challenge fees charged by the trustee (including what law and courts would decide those rights), compared with the rights they would have as creditors of a company subject to a DCA.

Note: See also paragraph 1.22(e) of this guide.

Indemnities

2.17 Administrators should provide the details and implications for creditors/beneficiaries of any indemnity for fees or liabilities that has been (or will be) provided to the deed administrator or trustee, including the relationship between the indemnifier, the company, the deed administrator and the trustee. This includes any indemnity or lien in favour of the deed administrator or trustee over the assets of the company or over the trust fund under the proposed terms of the DCA or trust deed.

Powers

2.18 Administrators should explain the differences between the powers of a deed administrator under the Act and the powers the trustee would have under the proposed trust deed and the relevant State or Territory Trustee Act.

2.19 This includes identification of any likely deficiencies in the powers of the trustee to perform the functions envisaged under the proposed trust deed, and which may lead to applications to court (and associated costs) by the trustee that would not be necessary for a deed administrator.

Claims

2.20 Administrators should explain how creditors' claims against the company will be dealt with under the DCA proposal and in what priority. This includes whether the value of those claims will be determined by the deed administrator or by the trustee. If by the trustee, there should be an explanation of what the process of determination will be and confirmation that the trustee will have unrestricted and free access to all the books and records of the company necessary to determine claims.

2.21 If unsecured creditors' priorities (as beneficiaries of the trust) will not follow the priorities set out in s556, the nature of and reasons for the divergence from s556 should be explained. If the claims adjudication processes by the trustee and the associated rights of beneficiaries would differ from the processes and rights under the Act for creditors' claims, the differences and their implications for beneficiaries should also be explained.

Note: See also paragraph 1.22(e) of this guide.

Other creditor/beneficiary differences

2.22 Administrators should provide a comparison of the protections and rights that creditors would have under the Act as creditors of a company subject to a DCA, and the protections and rights they would have as beneficiaries of the proposed trust.

2.23 In relation to creditors, we expect this comparison to include explanation of the ability of a creditor to:

- (a) challenge decisions, actions or omissions by a deed administrator, including decisions about the value of their claim against the company;
- (b) be informed (including through reports to creditors, meetings of creditors, and lodgement of statements of receipts and payments with ASIC, where these are required) about the progress of the external administration;

- (c) require a deed administrator to call a meeting of creditors to put a resolution to vary or terminate a DCA;
- (d) apply to the court for the DCA to be varied, terminated or avoided; and
- (e) complain to ASIC about conduct by the deed administrator.

2.24 In relation to beneficiaries of the proposed trust, we expect this comparison to include explanation of:

- (a) the law that would govern interpretation of the trust deed and the trustee's powers and duties;
- (b) how beneficiaries, individually and collectively, would be able to monitor and enforce compliance by the trustee, the company and any relevant third parties with the terms of the DCA, the trust deed and any 'implementation deed' or other document setting out obligations connected with the creditors' trust. This includes the rights that beneficiaries would have (and against whom) if any part of the trust fund is not paid to the trustee in accordance with the proposed DCA, trust deed or other aspect of the arrangements;
- (c) the rights that a beneficiary would have to challenge decisions, actions or omissions by the trustee, including decisions about the value of their entitlement to a distribution out of the trust fund;
- (d) how, when and by whom the terms of the trust deed could be varied, including the rights that a beneficiary would have to call, or require the trustee to call, a meeting of beneficiaries to vary or terminate the trust deed; and
- (e) how, and to which supervisory body, a beneficiary could complain about decisions or other conduct by the trustee.

GEERS

2.25 Administrators should disclose the effect (if any) for employee creditors of becoming a beneficiary of a creditors' trust on their rights under the General Employee Entitlements and Redundancy Scheme (GEERS), or on the Commonwealth Government's rights of subrogation under GEERS.

Compliance opinion

2.26 Administrators should state:

- (a) the inquiries they have made about the capability (including financial capability) of the company and any relevant third party to comply with their obligations under the DCA proposal;
- (b) the information they have received in response to those inquiries; and

- (c) based on this information, their opinion on whether the company (and any relevant third party) is capable of complying and is likely to comply with its obligations to the trustee, if the DCA proposal is approved by creditors.

Note: See also paragraph 1.22(b) of this guide.

Solvency statement

2.27 Administrators should state the basis on which they have formed the opinion that the company will be solvent at the date of effectuation of the DCA, if the DCA is wholly effectuated on the terms proposed.

Note: An administrator who has not formed or cannot form this opinion should re-evaluate the proposal. See paragraph 1.14 of this guide.

Taxation etc (company and trust)

2.28 Administrators should provide details of the taxation (including capital gains tax), stamp duty and other financial implications for the company and for the trust of:

- (a) establishing the trust;

Note: Administrators are reminded that trusts are entities that are subject to Australian Business Number (ABN) registration requirements and to Australian income tax legislation.

- (b) transferring to the trust the company's liabilities to its creditors and, where applicable, other property of the company;
- (c) where applicable, realising trust assets; and
- (d) distributing trust assets to the beneficiaries.

This should include explanation of how these costs will impact on the anticipated return to creditors/beneficiaries (see also paragraph 2.12 of this guide).

Taxation (creditor/beneficiary)

2.29 Administrators should provide a statement in general terms about the potential taxation implications for a creditor of receiving distributions (in their capacity as beneficiary) from a trust rather than payment from the company in their capacity as creditors, with a statement advising creditors to seek professional advice about their individual taxation circumstances.

Other

2.30 Administrators should provide information about any other material aspects or implications of the particular DCA proposal, such as:

- (a) whether an Australian financial services (AFS) licence or authorisation would be needed by the trustee and if so, the financial and other implications for creditors/beneficiaries;

Note: Administrators should note that the automatic AFS licensing exemptions available to external administrators under s911A(2)(f) may not apply to registered liquidators acting as trustee of a creditors' trust.

- (b) if the DCA proposal involves preservation of the corporate shell, any independent opinion about the estimated value of the corporate shell;
- (c) if the DCA proposal involves a proposed equity raising and reorganisation of the company's share capital, information about what this would involve (including costs and the implications of those costs for the return to creditors/beneficiaries), and the implications of relevant fundraising or takeover laws.

Key terms

In this guide, these terms have the following meanings:

ABN Has the same meaning as in s9

Act *Corporations Act 2001* (Cth), including regulations made for the purposes of the Act

administrator Has the same meaning as in s9

Note: It therefore includes deed administrators and voluntary administrators

AFS licence An Australian financial services licence under Part 7.6

ASIC Australian Securities and Investments Commission

ASX Australian Stock Exchange Ltd

CALDB Companies Auditors and Liquidators Disciplinary Board

DCA A deed of company arrangement

DCA proposal A proposed DCA or proposed variation of a DCA

deed administrator An administrator of a DCA

GEERS The General Employee Entitlements and Redundancy Scheme

Part 9.2 (for example) A part of the Act (in this example, numbered 9.2)

reg 9.2.01 (for example) A regulation in the *Corporations Regulations 2001* (in this example, numbered 9.2.01)

registered liquidator A person registered by ASIC under s1282(2)

s1282 (for example) A section of the Act (in this example, numbered 1282)

voluntary administrator An administrator of a company but not of a DCA

ANNEXURE

C Administrators' Remuneration Report

*Corporations Act 2001
Section 449E*

**Noble Mineral Resources Limited
(Subject to Deed of Company Arrangement) (the Company)
ACN 124 893 465**

Remuneration Approval Request Report

1 Declaration

Martin Jones, Darren Weaver and Ben Johnson of Ferrier Hodgson, have undertaken a proper assessment of this remuneration claim for our appointment as Deed 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

To date, remuneration in the amount of \$777,666 (ex GST) has been approved by creditors and paid as an expense of the administration.

This remuneration report details approval sought for the following fees:

Period	Report Reference	Amount (ex GST)
Past remuneration approved:		
Voluntary Administration		
12 September 2013 – 31 October 2013	4.1	285,666
1 November 2013 – 26 November 2013 (being actual WIP incurred during the period in the sum of \$502,666 which was approved by all creditors and drawn in full)		217,000
Deed of Company Arrangement		
26 November 2013 to completion of the DOCA		275,000
Total past remuneration approved		777,666
Current remuneration approval sought:		
Current Deed of Company Arrangement		
<i>Resolution 1:</i>		
26 November 2013 to 28 February 2015 (being actual WIP incurred during the period in the sum of \$470,000 less fees already approved and drawn of \$275,000)	4.2	195,000
<i>Resolution 2:</i>		
1 March 2015 to 15 March 2015 (being the estimated Deed Administrators fees incurred in the period between the 5 March 2015 and the date of the meeting)	4.3	10,000
Deed of Company Arrangement Variation (if applicable)		
<i>Resolution 3*:</i>		
16 March 2015 to completion of DOCA / Creditors' Trust (If the Deed of Company Arrangement is varied under the terms proposed in the Deed Administrators' Report dated 5 March 2015)	4.4	20,000

Period	Report Reference	Amount (ex GST)
Liquidation (if applicable)		
Resolution 5*: 16 March 2015 to completion of the Liquidation (If the Company is wound up)	4.6	300,000
* Approval for the future remuneration sought is based on an estimate of the work necessary to the completion of the administration. Should additional work be necessary beyond what is contemplated, further approval may be sought from creditors.		

3 Schedule of Hourly Rates & General Guide to Staff Experience

Title	FY2013/14 Rate (\$)	FY2014/15 Rate (\$)	Experience
Partner / Appointee	595	595	The Partner/Appointee is a registered liquidator and member of the ICAA and, generally, the IPA, bringing specialist skills to the administration or insolvency task. For specific experience and other details of the appointee/s, please visit our website at www.ferrierhodgson.com
Director / Specialist	495	510	Generally, minimum of 12 years' experience at least 2 years of which is to be at Manager level. University degree; member of the ICAA and, generally, the IPA, with deep knowledge and lengthy experience in relevant insolvency legislation and issues.
Senior Manager	455	465	Generally, more than 7 years' experience with at least 2 years as a Manager. University degree; member of the ICAA and, generally, the IPA; very strong knowledge of relevant insolvency legislation and issues.
Manager	385	400	Generally, 5-7 years chartered accounting or insolvency management experience. University degree; member of the ICAA and generally, the IPA; sound knowledge of relevant insolvency legislation and issues.
Assistant Manager	345	360	Generally, 4-6 years chartered accounting or insolvency management experience. University degree; member of the ICAA; completing IPAA Insolvency Education Program. Good knowledge of relevant insolvency legislation and issues.
Senior Analyst	295	305	Generally, 2-4 years chartered accounting or insolvency management experience. University degree; completing the ICAA's CA program. Good knowledge of basic insolvency legislation and issues.
Analyst	265	270	Generally, 2-3 years chartered accounting or insolvency management experience. University degree, ICAA's CA program commenced.
Accountant	225	230	0 to 2 years' experience. Has completed or substantially

Title	FY2013/14 Rate (\$)	FY2014/15 Rate (\$)	Experience
			completed a degree in finance/accounting. Under supervision, takes direction from senior staff in completing administrative tasks.
Junior Accountant	140	150	0 – 1 years' experience. Undertaking a degree part-time in finance/accounting. Under supervision, takes directions from senior staff in completing administrative tasks.
Personal/ Team Assistant	180	180	Appropriate skills including machine usage.
Administration Supervisor/Assistant	115	140	Completed schooling and plans to undertake further studies. Required to assist in administration and day to day field work under the supervision of more senior staff.

Notes:

1. The hourly rates are exclusive of GST.
2. The guide to staff experience is intended only as a general guide to the qualifications and experience of our staff engaged in the administration. Staff may be engaged under a classification that we consider appropriate for their experience.
3. Time is recorded and charged in six-minute increments.
4. Rates are subject to change from time to time. Creditor approval will be sought prior to the application of any new rates to this administration.
5. The hourly rates reflect the total cost of providing professional services and should **not** be compared to an hourly rate. See Part B1 for details of disbursements.

Part 4.1: Description of work completed

Company: Noble Mineral Resources Limited (Subject to Deed of Company Arrangement)
Administration Type: Voluntary Administration
Practitioners: Martin Jones, Darren Weaver and Ben Johnson of Ferrier Hodgson
Period: 12 September 2013 to 26 November 2013

<i>Task Area</i>	<i>General Description</i>	<i>Includes</i>
Assets 47.7 hours \$25,291 (excl GST)	Sale of mining assets	<ul style="list-style-type: none"> • Liaised with independent advisers regarding mining assets in Ghana. • Internal discussions and meetings in respect of planning and preparation. • Work associated with the preservation of the Ghanaian assets.
	Scheme of Arrangement	<ul style="list-style-type: none"> • Pursued the Scheme of Arrangement proposed by the Company prior to our appointment.
	Plant and equipment	<ul style="list-style-type: none"> • Reviewed asset listings. • Liaised with independent advisers regarding plant and equipment in Ghana.
	Other assets	<ul style="list-style-type: none"> • Obtained indicative valuations on the assets. • Liaised with various stakeholders in Ghana to ensure assets and the restructuring options preserved. • Tasks associated with realising other assets.
Creditors 273.7 hours \$98,457 (excl GST)	Creditor enquiries	<ul style="list-style-type: none"> • Received and followed up creditor enquiries via telephone and email. • Liaised with various stakeholders in Ghana to ensure assets and restructuring options preserved. • Reviewed and prepared correspondence to creditors and their representatives via facsimile, email and post. • Maintained a creditor enquiry register.
	Creditor reports	<ul style="list-style-type: none"> • Prepared initial circular to creditors. • Prepared section 439A report. • Arrange distribution of various creditor reports. • Review draft DOCA proposal.
	Committee of Creditors	<ul style="list-style-type: none"> • Prepared committee meeting notices. • Distributed notice to committee members. • Prepared committee meeting documents, including agenda, reports and draft minutes of meeting. • Prepared for and attended three committee meetings. • Lodged minutes with the Australian Securities and Investments Commission.
	Dealing with proofs of debt	<ul style="list-style-type: none"> • Receipted and filed proofs of debt when not related to a dividend. • Corresponded with OSR and ATO regarding proofs of debt when not related to a dividend.
	Meeting of creditors	<ul style="list-style-type: none"> • Prepared meeting notices, proxies and advertisements. • Distributed notice of meeting to all known creditors / stakeholders.

<i>Task Area</i>	<i>General Description</i>	<i>Includes</i>
Employees 43.4 hours \$16,971 (excl GST)		<ul style="list-style-type: none"> • Prepared meeting documents, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and drafted minutes of meeting. • Prepared for and attended the meeting of creditors and the meetings of the committee of creditors. • Work associated with extending convening period. • Lodged minutes with the Australian Securities and Investments Commission.
	Shareholder enquiries	<ul style="list-style-type: none"> • Received and followed up shareholder enquiries via telephone and email. • Reviewed and prepared correspondence to shareholders and their representatives via facsimile, email and post. • Maintained shareholder enquiry register.
	Deed of Company Arrangement	<ul style="list-style-type: none"> • Liaised with DOCA proponent. • Liaised with solicitor regarding DOCA term sheet.
	Employee enquiries	<ul style="list-style-type: none"> • Received and followed up employee enquiries via telephone. • Reviewed and prepared correspondence to employees and their representatives via facsimile, email and post.
	Calculation of entitlements	<ul style="list-style-type: none"> • Calculated employee entitlements in Australia. • Calculated employee entitlements in Ghana. • Reviewed employee files and Company's books and records. • Reconciled superannuation accounts. • Reviewed contracts. • Liaised with solicitors regarding contract entitlements and termination obligations.
	Other employee issues	<ul style="list-style-type: none"> • Reviewed and processed payroll payments. • Corresponded with employee union in Ghana.
	Trade-on management	<ul style="list-style-type: none"> • Liaised with suppliers, management and staff. • Attendance on and daily calls to Ghana. • Authorised purchase orders. • Maintained purchase order registry. • Prepared and authorised receipt vouchers. • Prepared and authorised payment vouchers. • Authorised and facilitated payment of wages. • Monitored and ongoing review of operations. • Liaised with superannuation funds regarding contributions. • Liaised with OSR regarding payroll tax. • Various issues associated with the preservation of the Ghanaian assets, including attendance in Ghana to meet with key stakeholders.
Trade On 404.0 hours \$186,881 (excl GST)	Processing receipts and payments	<ul style="list-style-type: none"> • Entered receipts and payments into accounting system.
	Budgeting and financial reporting	<ul style="list-style-type: none"> • Reviewed Company's budgets and financial statements.

<i>Task Area</i>	<i>General Description</i>	<i>Includes</i>
Investigation 78.3 hours \$19,629 (excl GST)		<ul style="list-style-type: none"> • Prepared budgets. • Prepared financial reports. • Prepared and monitoring cash flows. • Held meetings to discuss trading position.
	Conducting investigation	<ul style="list-style-type: none"> • Collected Company books and records. • Reviewed Company's books and records. • Reviewed Company nature and history. • Conducted and summarised statutory searches. • Prepared comparative financial statements. • Reviewed specific transactions and liaising with directors regarding certain transactions. • Liaised with directors regarding certain transactions. • Completed initial statutory investigations. • Prepared investigation file.
	Correspondence	<ul style="list-style-type: none"> • General correspondence.
	Document maintenance / file review / checklist	<ul style="list-style-type: none"> • Filing of documents. • File reviews. • Updated checklists.
Administration 381.2 hours \$155,437 (excl GST)	Insurance	<ul style="list-style-type: none"> • Identified potential issues requiring attention of insurance specialists. • Corresponded with insurance broker regarding initial and ongoing insurance requirements. • Reviewed insurance policies. • Secured appropriate insurance for the administration.
	Bank account administration	<ul style="list-style-type: none"> • Prepared correspondence opening and closing accounts. • Coordinated online banking capability. • Requested bank statements. • Bank account reconciliations. • Corresponded with bank regarding international transfers.
	Planning / review	<ul style="list-style-type: none"> • Discussions regarding status / strategy of administration.
	ASIC Form 524 and other forms	<ul style="list-style-type: none"> • Prepared and lodged ASIC forms including 505, 524, 5011, etc.
	ATO and other statutory reporting	<ul style="list-style-type: none"> • Notification of appointment to ATO.
	Other	<ul style="list-style-type: none"> • Work associated with reporting relief. • Work associated with Scheme of Arrangement.

Calculation of remuneration

12 September 2013 to 26 November 2013

Employee	Position	Av. Charge Rate \$	Total		Assets		Creditors		Employees		Trade On		Investigation		Administration	
			Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$
Martin Jones	Partner / Appointee	594	261.3	155,317	23.4	13,923	14.3	8,509	6.3	3,749	72.0	42,840	-	-	145.3	86,296
Ben Johnson	Partner / Appointee	595	4.1	2,439	-	-	-	-	-	-	-	-	-	-	4.1	2,439
Darren Weaver	Partner / Appointee	595	1.0	596	-	-	-	-	-	-	0.1	60	-	-	0.9	536
Wayne Rushton	Director / Specialist	494	406.7	201,049	21.0	10,395	84.5	41,827	16.5	8,167	243.3	120,167	0.4	198	41.0	20,295
Sean Powell	Director / Specialist	495	0.8	396	-	-	-	-	-	-	-	-	-	-	0.8	396
Gordon Smith	Manager	385	6.0	2,308	-	-	2.5	960	-	-	3.5	1,348	-	-	-	-
Dawn Murchison	Senior Analyst	295	258.2	76,082	3.3	973	118.8	34,961	5.6	1,652	39.3	11,593	24.3	7,168	66.9	19,735
Caitlin Smith	Senior Analyst	235	18.1	4,237	-	-	18.1	4,237	-	-	-	-	-	-	-	-
Ashleigh Weaver	Analyst	265	2.1	557	-	-	-	-	-	-	2.1	557	-	-	-	-
Melanie Khoo	Senior Analyst	295	10.5	3,099	-	-	-	-	-	-	6.9	2,036	2.9	856	0.7	207
Jack Smith	Accountant	224	0.5	112	-	-	-	-	-	-	-	-	-	-	0.5	112
William Hulmes	Analyst	265	1.3	345	-	-	0.2	53	0.7	186	-	-	-	-	0.4	106
Michael Flower	Analyst	265	0.8	212	-	-	-	-	-	-	-	-	-	-	0.8	212
Shaun Foley	Accountant	225	194.6	43,752	-	-	35.3	7,910	14.1	3,172	36.8	8,280	40.6	9,135	67.8	15,255
Kieran Harding	Accountant	225	21.7	4,875	-	-	-	-	-	-	-	-	10.1	2,272	11.6	2,603
Nirav Shah	Accountant	225	1.0	224	-	-	-	-	0.2	45	-	-	-	-	0.8	179
Jason Soo	Accountant	225	0.1	22	-	-	-	-	-	-	-	-	-	-	0.1	22
Genevieve Caldera	Personal / Team Assistant	180	1.5	270	-	-	-	-	-	-	-	-	-	-	1.5	270
Jacqui Titlestad	Personal / Team Assistant	180	34.6	6,220	-	-	-	-	-	-	-	-	-	-	34.6	6,220
Melissa Kroon	Personal / Team Assistant	180	2.2	396	-	-	-	-	-	-	-	-	-	-	2.2	396
Amy Jamieson	Accounts Supervisor	180	0.3	54	-	-	-	-	-	-	-	-	-	-	0.3	54
Talia Newland	Administration Supervisor	115	0.6	69	-	-	-	-	-	-	-	-	-	-	0.6	69
Mitchell Seward	Administration Supervisor	115	0.3	35	-	-	-	-	-	-	-	-	-	-	0.3	35
Total			1,228.3	502,666	47.7	25,291	273.7	98,457	43.4	16,971	404.0	186,881	78.3	19,629	381.2	155,437
GST				50,267		2,529		9,846		1,697		18,688		1,963		15,544
TOTAL (incl. GST)				552,933		27,820		108,303		18,668		205,569		21,592		170,981
Average hourly rate				409		530		360		391		463		251		408

Part 4.2: Description of work completed

Resolution 1

Company: Noble Mineral Resources Limited (Subject to Deed of Company Arrangement)
Administration Type: Deed of Company Arrangement
Practitioners: Martin Jones, Darren Weaver and Ben Johnson of Ferrier Hodgson
Period: 26 November 2013 to 28 February 2015

Task Area	General Description	Includes
Assets 694.2 hours \$262,045 (excl GST)	Debtor	<ul style="list-style-type: none"> Correspondence with debtor in respect of outstanding amounts to be repaid. Considered settlement offers received and liaised with the debtor. Negotiated and agreed upon a settlement sum to be paid.
	Recapitalisation	<ul style="list-style-type: none"> Sought proposals from interested parties. Liaised with solicitors in respect of offers received. Provide dataroom information to those interested parties. Attended telephone meetings with interested parties in respect of offers received. Considered and reviewed offers received. Liaised with Noble Mineral Resources Ghana Limited directors and the Ghanaian government in respect of tenement renewals.
	Scheme of Arrangement	<ul style="list-style-type: none"> Various meetings with Ghanaian solicitors regarding the implementation of the Scheme of Arrangement. Drafted Scheme Booklet. Travelled to Ghana to promote and negotiate the Scheme of Arrangement. Preparation and attendance at creditors' presentations in Ghana. Engaged with all key stakeholders in Ghana regarding the Scheme of Arrangement, including GMU, Minister, MinCom. Preparation for and attendance at Scheme Meetings. Post Scheme Meeting enquiries from creditors. Preparation and lodgement of minutes of Scheme Meeting. Review of Fairness Report. Reported to Court following Scheme Meeting. Reported to creditors following the final decision by the Court. Requested proofs of debt from creditors who did not attend the Scheme Meeting. Adjudicated claims received in relation to the Scheme. Prepared rejection letters, declaration letters and other correspondence to creditors. Corresponded with Scheme creditors via facsimile, email or telephone. Received claims from creditors. Maintained register of Scheme creditors and their dividend payments. Paid dividend.

Task Area	General Description	Includes
	Dataroom	<ul style="list-style-type: none"> Dataroom maintenance. Responded to dataroom requests. Updated information on dataroom with site updates.
Creditors 166.2 hours \$60,369 (excl GST)	Creditor enquiries	<ul style="list-style-type: none"> Received and followed up creditor enquiries via telephone. Reviewed and prepared correspondence to creditors and their representatives via facsimile, email and post. Maintained creditor enquiry register.
	Meeting of creditors	<ul style="list-style-type: none"> Prepared and lodged minutes of meetings with ASIC.
Employees 163.5 hours \$53,057 (excl GST)	Employee enquiries	<ul style="list-style-type: none"> Received and followed up employee enquiries via telephone. Prepared and reviewed correspondence to employees via email and post. Prepared separation certificates. Attended to employee contractual dispute. Engaged special counsel to provide resolution of contractual dispute. Maintained employee details.
	Employee Management	<ul style="list-style-type: none"> Prepared letters of termination and calculated post-appointment entitlements. Prepared employee related lodgements and returns e.g. payroll tax.
	Employee Claims	<ul style="list-style-type: none"> Corresponded with employees regarding dividend. Calculated employee entitlements. Calculated withholding tax amounts. Liaised with superannuation funds regarding contributions, termination of employees employment.
	Other employee issues	<ul style="list-style-type: none"> Corresponded with the ATO regarding Superannuation Guarantee Charge. Attended to other employee related matters.
Trade-on 49.4 hours \$23,683 (excl GST)	Trade-on management	<ul style="list-style-type: none"> Management of site during care and maintenance period and prior to implementation of Scheme of Arrangement. Liaised with suppliers and staff onsite. Authorised purchase orders. Maintained purchase order registry.
	Processing receipts and payments	<ul style="list-style-type: none"> Reviewed and entered receipts and payments into accounting system.
Dividend 37.1 hours \$11,893 (excl GST)	Processing proofs of debt	<ul style="list-style-type: none"> Calculated dividend payments to unsecured creditor. Calculated dividend payments to employees. Attended to queries from creditors. Maintained register of dividend payments. Declared dividend. Calculation of tax deductions and remit to the ATO. Paid dividend. Correspondence and payment of any dividends due to superannuation funds.
Administration 200.5 hours \$57,419 (excl GST)	Correspondence	<ul style="list-style-type: none"> General correspondence.
	General administration	<ul style="list-style-type: none"> Updated Ferrier Hodgson website.
	Document maintenance / file review / checklist	<ul style="list-style-type: none"> Filing of documents. File reviews. Updated checklists.
	Bank account administration	<ul style="list-style-type: none"> Prepared correspondence regarding accounts. Requested bank statements. Bank account reconciliations. Corresponded with bank regarding specific transfers.

Task Area	General Description	Includes
	ASIC Form 524 and other forms	<ul style="list-style-type: none"> Prepared and lodged ASIC forms including 505, 5011 and 524. Corresponded with ASIC regarding statutory forms.
	ATO and other statutory reporting	<ul style="list-style-type: none"> Prepared Business Activity Statements including reconciliation for accruals to cash basis reporting. Attended to audit enquiries from the ATO.
Investigations 3.0 hours \$1,534 (excl GST)	Forensic requirements	<ul style="list-style-type: none"> Performed forensic backup of the server. Secured site data.

Resolution 1: 26 November 2013 to 28 February 2015[illegible]

Employee	Position	Av. Charge Rate	Total		Assets		Creditors		Dividend		Employees		Trade On		Investigation		Administration	
		\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$
Jacob Newland	Administration Supervisor	125	4.2	524	-	-	-	-	-	-	-	-	0.5	58	-	-	3.7	466
Talia Newland	Administration Supervisor	120	1.4	169	0.7	81	-	-	-	-	-	-	-	-	-	-	0.7	88
Mitchell Seward	Administration Supervisor	115	1.6	184	1.0	115	-	-	-	-	-	-	-	-	-	-	0.6	69
Sarah Smith	Administration Supervisor	115	0.5	58	0.5	58	-	-	-	-	-	-	-	-	-	-	-	-
Total			1,313.9	470,000	694.2	262,045	166.2	60,369	37.1	11,893	163.5	53,057	49.4	23,683	3.0	1,534	200.5	57,419
GST				47,000		26,205		6,037		1,189		5,306		2,368		153		5,742
TOTAL (incl. GST)				517,000		288,250		66,406		13,082		58,363		26,051		1,687		63,161
Average hourly rate				358		377		363		321		325		479		511		286

Part 4.3: Description of work completed/to be completed

Resolution 2

Company: Noble Mineral Resources Limited (Subject to Deed of Company Arrangement)
Administration Type: Deed of Company Arrangement
Practitioners: Martin Jones, Darren Weaver and Ben Johnson of Ferrier Hodgson
Period: 1 March 2015 to 15 March 2015

Task Area	General Description	Includes
Assets 8.0 hours \$3,650 (excl GST)	Recapitalisation	<ul style="list-style-type: none"> ▪ Liaise with solicitor in respect of DOCA Term Sheet and Recapitalisation Proponent. ▪ Liaise with Noble Mineral Resources Ghana Limited directors. ▪ Liaise with Ghanaian government regarding tenement renewals.
	Creditor enquiries	<ul style="list-style-type: none"> ▪ Receive and follow up creditor enquiries via telephone. ▪ Review and prepare correspondence to creditors and their representatives via facsimile, email and post. ▪ Maintaining creditor enquiry register.
Creditors 14.0 hours \$5,185 (excl GST)	Creditor reports	<ul style="list-style-type: none"> ▪ Preparation of Report to Creditors in respect of variation to DOCA.
	Meeting of creditors	<ul style="list-style-type: none"> ▪ Preparation of meeting notices, proxies and advertisements. ▪ Forward notice of meeting to all known creditors. ▪ 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. ▪ Convene Meeting of Creditors to present variation of DOCA proposal.
Administration 4.0 hours \$1,165 (excl GST)	Correspondence	<ul style="list-style-type: none"> ▪ General correspondence.
	Document maintenance / file review / checklist	<ul style="list-style-type: none"> ▪ Filing of documents. ▪ File reviews. ▪ Updating checklists.
	Bank account administration	<ul style="list-style-type: none"> ▪ Requesting bank statements. ▪ Bank account reconciliations. ▪ Correspondence with bank regarding accounts.

Calculation of remuneration

Resolution 2: 1 March 2015 – 15 March 2015

Position	Charge Rate \$	Total Hours	\$	Assets Hours	\$	Creditors Hours	\$	Administration Hours	\$
Partner	595	3.0	1,785	2.0	1,190	1.0	595	-	-
Director	510	5.2	2,652	2.0	1,020	3.2	1,632	-	-
Assistant Manager	360	9.8	3,528	4.0	1,440	3.8	1,368	2.0	720
Analyst	265	7.0	1,855	-	-	6.0	1,590	1.0	265
Personal Assistant	180	1.0	180	-	-	-	-	1.0	180
Total		26.0	10,000	8.0	3,650	14.0	5,185	4.0	1,165
GST			1,000		365		519		117
TOTAL (incl. GST)			11,000		4,015		5,704		1,282
<i>Average hourly rate</i>			385		456		370		291

Part 4.4: Description of work to be completed

Resolution 3

Company: Noble Mineral Resources Limited (Subject to Deed of Company Arrangement)
Administration Type: Deed of Company Arrangement / Creditors' Trust
Practitioners: Martin Jones, Darren Weaver and Ben Johnson of Ferrier Hodgson
Period: 16 March 2015 to completion of the DOCA / Creditors' Trust

Task Area	General Description	Includes
Assets 18.2 hours \$7,468 (excl GST)	Recapitalisation	<ul style="list-style-type: none"> ▪ Liaise with solicitors and Recapitalisation Proponent in respect Final DOCA, Creditors Trust and Side Deed, as required. ▪ Liaise with Noble Mineral Resources Ghana Limited directors. ▪ Liaise with Ghanaian government regarding tenement renewals. ▪ Liaise with and assist Recapitalisation Proponent until Recapitalisation is complete.
	Creditor enquiries	<ul style="list-style-type: none"> ▪ Receive and follow up creditor enquiries via telephone. ▪ Review and prepare correspondence to creditors and their representatives via facsimile, email and post. ▪ Maintaining creditor enquiry register. ▪ Correspondence with committee of inspection members.
	Creditor reports	<ul style="list-style-type: none"> ▪ Preparing general reports and updates to creditors where required.
Creditors 8.0 hours \$3,055 (excl GST)	Meeting of creditors	<ul style="list-style-type: none"> ▪ Preparation and lodgement minutes of meetings with ASIC. ▪ Respond to stakeholder queries and questions immediately following meeting. ▪ Reporting to creditors once DOCA has been executed.
	Meeting of shareholders	<ul style="list-style-type: none"> ▪ Facilitate meeting of shareholders. ▪ Attend to queries from shareholders.
	Correspondence	<ul style="list-style-type: none"> ▪ General correspondence.
Dividend 14.7 hours \$5,532 (excl GST)	Processing proofs of debt	<ul style="list-style-type: none"> ▪ Preparation of correspondence to potential creditors inviting lodgement of proofs of debt. ▪ Receipt of proofs of debt. ▪ Maintain and adjudication of proof of debt register. ▪ Request further information from claimants regarding proofs of debt. ▪ Preparation of correspondence to claimant advising outcome of adjudication.
	Dividend procedures	<ul style="list-style-type: none"> ▪ 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

Task Area	General Description	Includes
Administration 11.5 hours \$3,945 (excl GST)		announcing declaration of dividend. ▪ Advertise announcement of dividend. ▪ Preparation of dividend file. ▪ Preparation of payment vouchers to pay dividend. ▪ Preparation of correspondence to creditors enclosing payment of dividend.
	Document maintenance / file review / checklist	▪ 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 Form 524 and other forms	▪ Preparing and lodging ASIC forms including 505, 5011 and 524. ▪ Correspondence with ASIC regarding statutory forms.
	ATO and other statutory reporting	▪ Preparing Business Activity Statements. ▪ Completing PAYG Payment Summaries.
	Finalisation	▪ Notifying ATO of finalisation. ▪ Cancelling ABN / GST / PAYG registration. ▪ Completing checklists.
	Books and records / storage	▪ Dealing with records in storage. ▪ Sending job files to storage.

Calculation of remuneration

Resolution 3: 16 March 2015 to completion of the DOCA / Creditors' Trust

Position	Charge Rate	Total		Assets		Creditors		Dividend		Administration	
	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$
Partner	595	5.0	2,975	2.0	1,190	1.0	595	1.0	595	1.0	595
Director	510	11.2	5,712	5.0	2,550	1.5	765	3.2	1,632	1.5	765
Assistant Manager	360	19.0	6,840	8.0	2,880	2.5	900	5.5	1,980	3.0	1,080
Analyst	265	16.2	4,293	3.2	848	3.0	795	5.0	1,325	5.0	1,325
Personal Assistant	180	1.0	180	-	-	-	-	-	-	1.0	180
Total		52.4	20,000	18.2	7,468	8.0	3,055	14.7	5,532	11.5	3,945
GST			2,000		747		306		553		395
TOTAL (incl. GST)			22,000		8,215		3,361		6,085		4,340
<i>Average hourly rate</i>			382		410		382		376		343

Part 4.6: Description of work to be completed

Resolution 5 Liquidation (if applicable)

Company: Noble Mineral Resources Limited (Subject to Deed of Company Arrangement)
Administration Type: Deed of Company Arrangement
Practitioners: Martin Jones, Darren Weaver and Ben Johnson of Ferrier Hodgson
Period: 16 March 2015 to completion of Liquidation

<i>Task Area</i>	<i>General Description</i>	<i>Includes</i>
Assets	Sale of investment	<ul style="list-style-type: none"> • Work associated with the realisation of the exploration tenements.
63.6 hours \$25,027 (excl GST)		
	ASIC reporting	<ul style="list-style-type: none"> • Preparing statutory investigation reports, including section 533 Report • Preparing affidavits seeking non-lodgement assistance • Liaising with ASIC
	Conducting investigation	<ul style="list-style-type: none"> • Collection of Company books and records • Detailed review of Company's books and records and key events • Conducting and summarising statutory searches • Review and preparation of Company nature and history. • Preparation of comparative financial statements • Preparation of deficiency statement • Review of specific transactions and liaising with directors regarding certain transactions • Liaising with directors regarding certain transactions • Preparation of investigation file
Investigation		
393.3 hours \$149,208 (excl GST)		
	Creditor enquiries	<ul style="list-style-type: none"> • 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
Creditors		
235.0 hours \$89,905 (excl GST)		
	Creditor reports	<ul style="list-style-type: none"> • Preparing general reports and updates to creditors
	Dealing with proofs of debt	<ul style="list-style-type: none"> • Receipting and filing proofs of debt when not

<i>Task Area</i>	<i>General Description</i>	<i>Includes</i>
Administration 98.0 hours \$35,860 (excl GST)	Meeting of creditors	<ul style="list-style-type: none"> related to a dividend Corresponding with OSR and ATO regarding proofs of debt when not related to a dividend Preparation meeting notices, proxies and advertisements Forward notice of meeting to all known creditors / stakeholders 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. Preparation and lodgement minutes of meetings with ASIC Respond to stakeholder queries and questions immediately following meeting
	ASIC Form 524 and other forms	<ul style="list-style-type: none"> Preparing and lodging ASIC forms including 5211, etc. Correspondence with ASIC regarding statutory forms
	ATO and other statutory reporting	<ul style="list-style-type: none"> Notification of appointment Preparing Business Activity Statements Completing group certificates
	Bank account administration	<ul style="list-style-type: none"> Preparing correspondence opening and closing accounts Requesting bank statements Bank account reconciliations Correspondence with bank regarding specific transfers
	Finalisation	<ul style="list-style-type: none"> Notifying ATO of finalisation Cancelling ABN / GST / PAYG registration Completing checklists Finalising WIP
	Planning / review	<ul style="list-style-type: none"> Discussions regarding status / strategy of administration
	Books and records / storage	<ul style="list-style-type: none"> Dealing with records in storage Sending job files to storage

Calculation of remuneration

Resolution 5: 16 March 2015 to completion of Liquidation

Position	Charge Rate \$	Total Hours	\$	Assets Hours	\$	Investigation Hours	\$	Creditors Hours	\$	Administration Hours	\$
Partner	595	87.6	52,122	10.6	6,307	42.0	24,990	25.0	14,875	10.0	5,950
Director	510	162.0	82,620	12.0	6,120	75.0	38,250	55.0	28,050	20.0	10,200
Assistant Manager	360	243.3	87,588	19.0	6,840	131.3	47,268	69.0	24,840	24.0	8,640
Analyst	270	269.0	72,630	20.0	5,400	140.0	37,800	74.0	19,980	35.0	9,450
Personal Assistant	180	28.0	5,040	2.0	360	5.0	900	12.0	2,160	9.0	1,620
Total		789.9	300,000	63.6	25,027	393.3	149,208	235.0	89,905	98.0	35,860
GST			30,000		2,503		14,921		8,991		3,586
TOTAL (incl. GST)			330,000		27,530		164,129		98,896		39,446
<i>Average hourly rate</i>			380		394		379		383		366

5 Statement of Remuneration claim

5.1 Resolutions to be put to creditors at the meeting convened for 16 March 2015

At the meeting of creditors convened for 16 March 2015, will be asked to consider the following resolutions:

Resolution 1:

“That the further remuneration of the Deed Administrators, as set out in the Remuneration Request Approval Report dated 5 March 2015, for the period from 26 November 2013 to 28 February 2015 fixed in the amount of \$195,000, plus any applicable GST, be approved.”

(\$275,000 previously paid, \$195,000 remains outstanding)

Resolution 2

“That a provision for the Deed Administrators’ future remuneration for the period 1 March 2015 to 15 March 2015 in the amount of \$10,000 plus any applicable GST as set out in the Administrators’ report dated 5 March 2015 be approved, but subject to upward or downward adjustment by resolution of creditors.”

Please note that the above is an estimate only. If costs exceed the estimate, creditors will be advised accordingly and further approval of the Deed Administrators remuneration will be sought in the future.

Resolution 3

“If the resolution to vary the DOCA Proposal is approved, that a provision for the Deed Administrators’ or Trustees’ future remuneration in the amount of \$20,000 plus any applicable GST for the period from 16 March 2015 to completion of the DOCA as set out in the Deed Administrators’ remuneration report dated 5 March 2015 be approved, but subject to upward revision by resolution of creditors, and that the Deed Administrators or Trustees be authorised to make monthly payments on account of such accruing remuneration as incurred.”

Please note that the above is an estimate only. If costs exceed the estimate, creditors will be advised accordingly and further approval of the Deed Administrators’ or Trustees’ remuneration will be sought in the future.

Resolution 4

“If the resolution is approved placing the Company into Liquidation, that a provision for the Liquidators’ remuneration in the amount of \$300,000 plus any applicable GST for the period from 16 March 2015 to completion of the Liquidation as set out in the Deed Administrators remuneration report dated 5 March 2015, be approved but subject to upward revision by resolution of creditors, and that the Liquidators be authorized to make monthly payments on

account of such accruing remuneration as incurred and to increase the applicable hourly rates for each staff “title” by up to 5% per annum reviewable at 1 July each year.”

Please note that the above is an estimate only. If costs exceed the estimate, creditors will be advised accordingly and further approval of the Liquidators’ remuneration will be sought in the future.

5.2 Remuneration approved and drawn to date

The Deed Administrators’ remuneration approved and drawn to date is as follows:

Period	Amount Approved	Amount Drawn
26 November 2013 to completion of the DOCA	\$275,000	\$275,000

6 Remuneration recoverable from external sources

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

7 Disbursements

7.1 Types of disbursements

Disbursements are divided into three types: **A, B1, B2**.

- A** Disbursements are all externally provided professional services. These are recovered at cost. An example of an “A” disbursement is legal fees.
- B1** Disbursements are externally provided non-professional costs such as travel, accommodation and search fees. “B1” disbursements are recovered at cost.

- B2** Disbursements are internally provided non-professional costs such as photocopying, printing and postage. "B2" disbursements, if charged to the Administration, would generally be charged at cost; though some expenses such as telephone calls, photocopying and printing may be charged at a rate which recoups both variable and fixed costs. The relevant rates are set out below.

Disbursement Type	Charges (excl GST)
Advertising	At cost
Couriers	At cost
Mileage Reimbursement	\$0.67 per kilometre
Photocopying (colour)	\$0.50 per page
Photocopying (mono)	\$0.20 per page
Photocopying (outsourced)	At cost
Printing (colour)	\$0.50 per page
Printing (mono)	\$0.20 per page
Printing (outsourced)	At cost
Postage	At cost
Searches	At cost
Stationery	At cost
Storage and Storage Transit	At cost
Telephone Calls	At cost

Note: Above rates are applicable for the financial year ending 30 June 2015

7.2 Disbursements paid from the administration to Ferrier Hodgson

The following disbursements have been paid from the administration to Ferrier Hodgson for the period from 26 November 2013 to 28 February 2015.

Disbursements	Charges (Excluding GST) \$
Accommodation	26,534.46
Advertising	211.00
Australian Securities and Investments Commission Fees	211.00
Bank Charges	6.27
Document Storage	52.35
Hire Of Meeting Room	10,007.04
Photocopy Charges	7.40
Postage Charges	137.91
Printing Costs	3,402.50
Telephone Calls	4,477.29
Travel Costs	86,553.46
Total	131,600.68

In relation to disbursements paid from the administration to Ferrier Hodgson for the period from 26 November 2013 to 28 February 2015, we advise the following:

- We have undertaken a proper assessment of disbursements claimed for the Company, in accordance with the law and applicable professional standards. We are satisfied that the disbursements claimed are necessary and proper.
- Where amounts have been paid to Ferrier Hodgson for externally provided services and costs, those payments are in reimbursement of costs previously paid by Ferrier Hodgson, either due to a lack of funds in the administration at the time the payment was due, or the direct invoicing of Ferrier Hodgson by the supplier.
- All of the transactions in the above table appear in the summary of receipts and payments at Part 9 as Appointee disbursements. Where payments to third parties are paid directly from the administration bank account, they are included in the summary of receipts and payments at Part 9
- Creditor approval for the payment of disbursements is not required. However, the Deed Administrators must account to creditors. Creditors have the right to question the incurring of disbursements and can challenge disbursements in court.
- Future disbursements provided by Ferrier Hodgson will be charged to the administration on the same basis as the table in Part 7.1

8 Report on progress of the administration

The Remuneration Approval Request Report must be read in conjunction with the report to creditors dated 5 March 2015 which outlines the progress of the administration.

9 Summary of receipts and payments

A summary of receipts and payments for the period 26 November 2013 to 28 February 2015 is set out in the table below:

Australian Dollars	AUD \$'000s
Opening Cash at Bank	8,639
Receipts	
Bank Interest	67
GST Refund	203
Maturity of Security Bond	50
Proceeds from Sale of Office Equipment	3
Reimbursement of Funding Costs from Resolute	46
Reimbursement of Pre-Appointment Funds held on Trust	2
Reimbursement of Workers Compensation	5
Total Receipts	9,015
Payments	
Appointee Disbursements	(167)
Appointee Remuneration	(855)
Bank Charges	(2)
Consulting Fees	(118)
Contingent Creditor Distribution	(261)
Dividend Distribution	(3,745)
Dividend Distribution on Employee Entitlements	(837)
GST Paid	(1)
Insurance Costs	(168)
Legal Fees	
Ghanaian Legal Fees	(280)
Australian Legal Fees	(810)
Head Office Operating Costs (incl. Electricity, IT Services, Travel)	(70)
PAYG Paid on Wages and Priority and Employee Distributions	(455)
Payroll Costs	(527)
Payroll Tax	(50)
Rent & Rates	(14)
Statutory Charges	(2)
Superannuation	(57)
Transfers to USD Account	(398)
Ghanaian Utilities & Services Costs prior to Resolute assuming funding responsibility	(76)
Total Payments	(8,892)
Closing Australian Cash Balance	123

US Dollars	USD \$'000s
Opening cash at bank	10
Receipts	
Pre-Appointment Debtor Recoveries	51
Ghanaian Asset Sale Funds	1,223
Transfers from AUD Account	338
Total Receipts	1,622
Payments	
Legal Fees	(25)
Expense Account of Ghanaian Asset Sale Funds	(59)
Distribution of Ghanaian Asset Sale Funds	(1,147)
Insurance	(31)
Ghanaian Utilities & Services Costs prior to Resolute assuming funding responsibility	(342)
Total Payments	(1,605)
Closing US Cash Balance	16

Closing Cash Balance	USD \$'000s	AUD \$'000s
Closing AUD Bank Account		123
Closing USD Bank Account (converted)	16	21
Total		144

I note that the asset sale funds relate to a sale process run for plant and equipment located in Ghana and owned by Drilling and Mining Services Limited, Noble Gold Bibiani Limited, Bank of Africa Ghana and Noble Mineral Resources Ghana Limited. The process was commenced prior to the Scheme of Arrangement becoming effective and those entities no longer under our control as a result of the Scheme of Arrangement requested that we complete the process on their behalf. I confirm that no costs associated with this process have been incurred by the Company since the Scheme of Arrangement became effective.

10 Queries

If you require further information in respect of the above, or have other queries, please contact Jack Smith of this office on (08) 9214 1444.

11 Information available

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.

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.

Dated: 5 March 2015

A handwritten signature in black ink, appearing to read 'Martin Jones', with a large, stylized loop at the end.

Martin Jones

Joint and Several Deed Administrator
Noble Mineral Resources Limited