



Administrators' Report to Creditors

Minera Gold Limited (ASX:MIZ) (Administrators Appointed) provides a copy of the attached Report to Creditors prepared by the Administrators pursuant to Section 439A(4)(a) of the Corporations Act 2001.

A further update will be provided to shareholders following the second meeting of creditors convened on Wednesday, 30 September 2015.

ENDS

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22 September 2015

TO CREDITORS

Dear Sir/Madam

**Minera Gold Limited (Administrators Appointed)
ACN 117 790 897 (the Company)**

As you are aware, Martin Jones and I were appointed Joint and Several Voluntary Administrators of the Company on 25 August 2015 pursuant to Section 436A of the Corporations Act 2001 (the Act).

We are now in a position to convene the second meeting of creditors of the Company in order to determine the Company's future.

Please find enclosed the Administrators' Report to Creditors pursuant to Section 439A(4)(a) of the Act, which includes our opinion, with supporting reasons, on each of the following matters:

- Whether it would be in the creditors' interests for the Company to execute a Deed of Company Arrangement (DOCA).
- Whether it would be in the creditors' interests for the Company to be wound up.
- Whether it would be in the creditors' interests for the administration to end.

Teleconference facilities will be made available upon request for those creditors who are unable to attend in person. Please contact this office should you intend on attending the meeting by telephone. We confirm that any costs incurred by you in dialling in to the meeting are not recoverable from the Company or Administrators.

The following documents in respect of the second meeting of creditors of the Company are attached to the report:

Report annexure	Document	Description
A	Notice of meeting of creditors (form 529)	<ul style="list-style-type: none"> • Please note that the meeting is to be held on 30 September 2015 commencing at 3:00pm (AWST). • You should arrive for registration at least 30 minutes prior to the meeting.
B	Appointment of proxy (form 532)	<ul style="list-style-type: none"> • This form enables you to appoint a person to act on your behalf at the meeting. • Proxy forms submitted at the first meeting of creditors are not valid for this meeting.

Affiliated through:
 SYDNEY Zolfo Cooper
 MELBOURNE CARIBBEAN
 ADELAIDE UNITED KINGDOM
 BRISBANE UNITED STATES
 PERTH KLC Kennic Lui & Co.
 KUALA LUMPUR CHINA
 SINGAPORE HONG KONG

Report annexure	Document	Description
C	Formal proof of debt (form 535)	<ul style="list-style-type: none"> A person is not entitled to vote at the meeting unless they provide particulars of the debt or claim to the Administrators before the meeting. If you submitted this form for the purposes of the first meeting of creditors, you do not need to submit another form for this meeting unless you seek to amend your claim. All creditors must furnish full details of their claims, indicating whether they rank as secured, preferential or unsecured, and whether they claim title to any goods supplied to the Company or any lien over goods in their possession which are the property of the Company.
D	Remuneration Approval Request Report	<ul style="list-style-type: none"> Details of time spent by category of staff at the rates applicable for such staff. A summary of the work undertaken by the Administrators and their staff in the administration. A summary of the likely tasks and estimated remuneration of the Deed Administrators and Liquidators, should creditors resolve that the Company execute a DOCA or be wound up.
E	Australian Restructuring, Insolvency and Turnaround Association (ARITA) Creditor Information Sheet	<ul style="list-style-type: none"> Contains information regarding offences, recoverable transactions and insolvent trading, which may be pursued if the Company is placed into liquidation. Creditors should review the ARITA information sheet in conjunction with section 14 of the Administrators report.
F	ASIC Regulatory Guide 82: Deeds of company arrangement involving a creditors' trust	<ul style="list-style-type: none"> Contains information about the use of creditors' trusts in DOCAs and ASIC's interpretation of the administrators' duties and functions in this situation. Creditors should review the ASIC Regulatory Guide in conjunction with section

The proof of debt and proxy forms should be lodged with this office before the meeting and, in any event not later than 4.00pm (AWST) on the day prior to the meeting.

Forms can be sent by facsimile on +618 9214 1400 marked to the attention of Jack Smith or scanned and emailed to Jack.Smith@fh.com.au. However, Corporations Regulation 5.6.36A requires lodgement of the original of the proxy form with the Administrators' office within 72 hours of lodging the faxed / emailed copy.

Should you have any questions regarding the administration or the enclosed report, please do not hesitate to contact Jack Smith of this office.

Yours faithfully
Minera Gold Limited



Darren Weaver
Joint and Several Administrator

Encl.

Minera Gold Limited (Administrators Appointed)

ACN 117 790 897

Report by Administrators

Pursuant to Section 439A of the Corporations Act

22 September 2015

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A	Notice of meeting
B	Appointment of proxy form
C	Proof of debt form
D	Remuneration approval request report
E	ARITA creditor information sheet
F	ASIC Regulatory Guide 82

Glossary of terms

Abbreviation	Description
ACN	Australian Company Number
Act	Corporations Act 2001
Administrators	Darren Weaver and Martin Jones
APAAP	All present and after-acquired property – no exceptions
ARITA	Australian Restructuring, Insolvency & Turnaround Association
ASIC	Australian Securities & Investments Commission
ATO	Australian Taxation Office
Code	ARITA Code of Professional Practice
COC	Committee of Creditors
Company	Minera Gold Limited (Administrators Appointed)
Deloitte	Deloitte Touche Tohmatsu Limited
Directors/Management	Campbell Baird, Angeline Hicks and Ismael Benavides
DIRRI	Declaration of Independence, Relevant Relationships and Indemnities, pursuant to s436DA of the Act and Code.
DOCA	Deed of Company Arrangement
DYC	Derivados Y Concentrados SAC
DYC Entities	Compania Minera Cobrepampa EMpresa Miner Cobrepampa Grupo Cobrepampa Korisumq SAC DYC
ERV	Estimated Realisable Value
FEG	Fair Entitlements Guarantee
First Meeting	First meeting of creditors held on 4 September 2015
FY	Financial year
GPA	Gold Purchase Agreement
HY	Half Year
Mundo Brazil	Mundo Mineracao Limiteda

Abbreviation	Description
Mundo Entities	Mundo Minerals SAC
	Mundo Peru Gold SAC
	Golden Empire
Peruvian Entities	Mundo Entities and DYC Entities
PMSI	Purchase Money Security Interest
PPSA	Personal Property Securities Act 2009 (Cth)
PPSR	Personal Property Securities Register
RATA	Report as to Affairs
Report	This report, prepared pursuant to Section 439A of the Act
ROT	Retention of Title
Second Meeting	Second meeting of creditors to be held pursuant to Section 439A of the Act, where creditors will determine the future of the Company.
SPA	Silver Purchase Agreement

1 Executive summary

1.1 Appointment

On 25 August 2015, the Directors appointed Darren Weaver and Martin Jones as joint and several Administrators of the Company pursuant to Section 436A of the Act.

1.2 Conduct of administration

The Administrators were appointed to the Company on 25 August 2015, pursuant to Section 436A of the Act, through an instrument of appointment executed on that day in accordance with resolutions passed at a meeting of the directors. Immediately following our appointment we took control of the Company. Whilst the Company does not specifically operate in its own right, operations have, to a certain extent, continued in its wholly owned Peruvian subsidiaries, albeit under significant funding constraints.

Given the unfunded nature of the Administration, the Administrators took urgent steps to obtain interim funding to preserve the Company's assets in Peru.

To date we have been unable to obtain specific short term funding, however we have obtained commitments from some of the DOCA proponents to provide funding for specified urgent payments in Peru and to assist with the management and operations of the Peru business while the DOCA is completed.

In the meantime, Peruvian management have continued to manage creditor payments, including overdue wage payments, which is only sustainable in the very short term.

Given the commercial imperative of protecting the assets in-country Peru (and in circumstances where no funds are available to preserve the assets while a comprehensive sale process is undertaken), it has been necessary to pursue an urgent process seeking recapitalisation proposals. In making this decision consideration was given to:

- The additional cost and timeframe of a comprehensive sales process, which given the lack of funding was unable to be funded through the administration.
- The unfunded nature of the external Administration generally.
- The risk of security breaches at the Peruvian operations and a deterioration or loss of the underlying business assets.
- No stakeholder had agreed to provide funding for a comprehensive sales process.
- The commercial decision was supported by several of the large creditors of the Company, including those that had the ability to enforce their security in Peru.

Based upon the above points it was determined that any extended sale process without the appropriate interim funding to support the operations, would most likely result in a scenario whereby the assets deteriorated in value and the creditors with security in Peru would likely take enforcement action, leaving little or no value from Peru to be returned to the Company for the benefit of the Company's creditors.

The sale process has involved engagement with existing interested parties and approaches to parties that ourselves, management or creditors are aware of and are known to have an interest in Peru.

During the administration to date we have received expressions of interest from 18 parties, although, given that the majority of these have not conducted any previous due diligence, only 4 proposals have been received to date.

The sale process has somewhat being complicated by action taken by the Company's former Chairman Alex Losada-Calderon in connection with his role as trustee of the DYC Entities' shares. That is, 100% of the shares of the 5 DYC entities are held on trust for the Company by Alex Losada-Calderon and Jorge De Lama.

On 22 May 2015, Alex Losada-Calderon, TAE Resources Pty Ltd, an entity that provided geological services to the Company and of which Alex Losada-Calderon is the sole director and company secretary, and the Company entered into a Deed of Settlement to resolve a number of disputed matters as between them relating to services provided to the Company.

On 1 September 2015 I received a letter from Chandlers International Lawyers (Chandlers), acting on behalf of JA Hobson & Associates (JAH), asserting that JAH held a security interest in the DYC Shares registered on the Personal Properties Securities Register and that it was intending to enforce this security interest.

JHA alleges that its security interest was granted as security for unpaid legal fees owed to JHA by Alex Losada-Calderon in his capacity as trustee.

I received a further letter from Chandlers on 2 September 2015 which confirmed that whilst their client was proceeding with its intended realisation of the DYC Shares it was prepared to assign its interest in those shares to the Company upon payment of \$60,332.87 to Chandlers being the amount allegedly owed by Dr Losada-Calderon to JHA.

Despite requests, at no time has Chandlers provided any documentary evidence of any purported security interest, save for a copy of the purported PPSR registration search.

On 7 September 2015 the Administrators' solicitors received a letter from Chandlers which enclosed:

- a) A notice to the ASX that JHA had purportedly disposed of the DYC Shares and that the terms of the sale were subject to confidentiality undertakings given by JHA; and
- b) A notice to Alex Losada-Calderon that the DYC Shares had been sold by private treaty the terms of which were confidential and that JHA would account to Alex Losada-Calderon for the proceeds of the sale in due course.

Since this time, we have made several requests for information from Chandlers concerning the alleged sale of the DYC Shares given its potential to impact on efforts to recapitalise the Company. In particular, we have made a number of requests for information regarding:

- a) Documents containing information on the full terms of the alleged sale of the DYC Shares;
- b) Documents evidencing the purported grant of a security interest over the DYC Shares by Dr Losada-Calderon to JHA including the document dated 16 May 2015 by which Dr Losada-Calderon purported to grant JHA a security interest;
- c) Copies of the JHA invoices totalling \$60,332.87 relating to JHA's engagement regarding Dr Losada-Calderon's role as Trustee of the DYC Shares, which JAH relied upon to enforce its purported security over the DYC Shares; and
- d) Documents containing information on the steps taken by JHA in identifying the fair market price and potential purchasers for the DYC Shares.

We strongly dispute that Alex Losada-Calderon had power to grant security over the DYC Shares and have reserved the Company's rights in that regard.

On that basis, we made an application to the Supreme Court of Western Australia on 18 September 2015 to examine Mark Treisman from Chandlers and Phillip Treisman from JHA about the matters referred to above to obtain the required information. Orders were granted on 22 September 2015.

As a result of the actions of parties described above, I have been informed by SilverStream and DCF Capital (who hold pledges over the Peruvian DYC entities' shares to support the repayment of their debt) that they have taken steps to enforce their security over the shares. The effect of this action is that in order for any recapitalisation of the Company to be successful it will require as a condition precedent, the delivery back of those shares to the Company or the DOCA proponent.

1.3 Purpose of report

The purpose of this Report is to table the findings of our investigations of the Company's business, property, affairs and financial circumstances, as well as our opinion on the three options available to creditors in deciding the future of the Company at the Second Meeting.

1.4 Summary of preliminary investigations

The Administrators have concluded on a preliminary basis that:

- The Company may have been insolvent from as early as 30 September 2014 due to, among other reasons, a lack of evidence that convertible notes due to be paid on that date were rolled over and extended.
- Debts incurred after the preliminary date of insolvency total approximately \$3.7M and may, in a liquidation only, result in recoveries of up to \$1M, net of legal and funding costs.
- The Directors are likely to seek to establish defences against my insolvency determination given that the Company was able to secure short term funding and was pursuing three separate recapitalisation proposals up to the date that we were appointed as administrators.
- There was a possible unfair preference payment of \$101,400 that may be recoverable in a liquidation only.
- There are related party transactions that require further consideration, including the amounts invested in Mundo USA Inc totalling \$1.2M, the benefit of which needs to be more closely considered.

The investigations undertaken to date in the Administration are detailed at section 9 of this report.

1.5 DOCA proposals

We have received DOCA proposals from the following parties:

- Talos Mining Pty Ltd (Talos)
- IncaOne Gold Corp. (IncaOne)
- Andina Resources Ltd (Andina)
- Blueknight Corporation Pty Ltd (Blueknight)

The proposals received from Talos and Blueknight are in respect of the recapitalisation of the ASX listed shell. Both proposals contemplate the retention of certain assets in the group, to

assist in complying with the ASX relisting rules, and do not provide for the repayment in full of creditors that hold enforceable security interests in Peru.

While those creditors with a security interest in Peru only vote parri pasu with unsecured creditors on the DOCA proposal, any proposal that does not have the support of those creditors is not capable of being completed as those creditors will have the ability to enforce in Peru and prevent the completion of the DOCA.

For the reasons outlined above we cannot recommend the proposals of Talos and Blueknight to creditors at this stage, however note that their proposals may be capable of implementation at a later date depending on the DOCA proposal approved by creditors and whether the ASX Listed shell remains available to be recapitalised.

1.5.1 IncaOne

The IncaOne proposal effectively contemplates a takeover of the Peruvian entities, with IncaOne acquiring 100% of the equity in those entities in consideration for a combination of cash and/or IncaOne shares. DCF Capital and SilverStream will effectively be repaid in full or their loan agreements observed in exchange for the release of their security over the Peruvian shares and the underlying assets.

Under the IncaOne proposal the ASX listed shell or Mundo Brazil is not part of the proposal and therefore it may be possible to recapitalise the shell at a later date, subject to meeting the ASX relisting rules.

IncaOne have advised that, in the event that the creditors' claims are satisfied entirely upon the issue of IncaOne shares, the DOCA can be completed without the need to raise additional equity. However, if cash consideration is required there will be a need to raise additional equity along with equity to fund the ongoing operations.

No commitment to provide interim funding has been received by IncaOne, however we understand that they may be willing to consider such funding if and when creditors vote in favour of their proposal.

1.5.2 Andina

The Andina proposal seeks to effectively:

- Recapitalise the Company
- Transfers the Torrecillas assets to a separate Andina vehicle
- Amends the (debt) streaming agreements with SilverStream to seek to improve the viability of the San Santiago operation
- Provides a guarantee from Andina to SilverStream in respect of the Peruvian Entities' streaming obligations, in order to further alleviate the financial pressure on San Santiago.
- Provides limited specified funding to assist with managing the Peruvian Entities' funding requirements.
- Proposes interim security, management and operational support at the San Santiago processing plant and Torrecillas while the DOCA is completed.

Andina do not propose to provide any further funding other than the limited specified funding commitments already stated.

1.5.3 DOCA Comparison

A comparison of the DOCAs key commercial features is detailed below:

Key element	IncaOne proposal	Andina Proposal
Commencement date	Upon approval by creditors and execution of a DOCA	Upon approval by creditors and execution of a DOCA
Deed Administrators	Voluntary Administrators	Voluntary Administrators
Parties bound by the DOCA	All creditors	All creditors
Creditor Claims	Remain against the Company	Transferred to a Creditors' Trust
Effective Date for creditor claims	25 August 2015	25 August 2015
Purpose of the DOCA proposal	To acquire the share capital of the Peruvian entities from the ASX listed vehicle.	To recapitalise the whole group, including the ASX listed vehicle.
Management of the Company	Not stated	The existing board (save for Mr Ismael Benavides) resign and a minimum of three new directors nominated by Andina will be appointed. In addition it is proposed that, while the DOCA is implemented, Andina will provide management and operational support in Peru through an Agency Agreement with the relevant subsidiaries.
Monitoring / reporting requirements	N/A	N/A
Moratorium period	To continue through the DOCA	To continue through the DOCA
Proponent Acquires	100% of the Peruvian share capital	45% of the recapitalised ASX listed vehicle
Creditors Excluded from the Deed Fund	DCF Capital SilverStream SESZ	DCF Capital SilverStream SESZ
Deed Fund	US\$600k in cash and/or IncaOne shares	\$250k Post recapitalised Company shares equal to 3 cents/\$ of all creditor claims (~2.43%) Claims against the directors
Participating Creditors	All creditors of the Company other than DCF Capital and SilverStream	All creditors of the Company other than DCF Capital and SilverStream

Key element	IncaOne proposal	Andina Proposal
DCF Capital	Approximately US\$1.86M in cash and IncaOne shares Release security in full	Post recapitalised Company shares totalling \$1.55M (~15.05%) \$650k cash Release security in full
SilverStream SESZ	Approximately US\$1.95M in cash and IncaOne shares Release security in full	100,000,000 MIZ shares (~9.7%) US\$100k Replacement Gold Stream Agreement Amended Silver Stream Agreement
Torrecillas Gold Project	Acquired through share acquisition of Mundo Entities	To be transferred out to an Andina SPV
DYC Entities	Remain within the group	Remain within the group but Andina to guarantee the related Silverstream payable of circa \$2m, alleviating the operational pressure on that group of entities.
Mundo Brazil	Remains with the ASX listed shell	Remains with the group
Dividends and order of distribution	Deed Fund to be distributed in accordance with Section 556	Deed Fund to be distributed in accordance with Section 556
Creditors Trust	Not required.	Required
Meetings	As required	As required
Termination	Any significant milestones not achieved will result in creditors being able to resolve whether to terminate	Any significant milestones not achieved will result in creditors being able to resolve whether to terminate
Capital Raising	Not stated but will be required	At least \$2.75M
Completion	No target date set, however will depend on timing to complete due diligence and raise new capital.	The Completion target is following the completion of the capital raising, which is anticipated to be 13 November 2015.

Key element	IncaOne proposal	Andina Proposal
Interim Funding Support	Will consider in exchange for exclusivity, however remains uncertain.	Interim funding of ~\$189k is to be made available for specific payments and there remains an ability to obtain additional funding once Andina have had the opportunity to assess the funding requirements first hand, however no guarantees have been provided and therefore we cannot confirm whether the Peruvian entities will have sufficient funding available to it during the implementation of the DOCA.
Further Due Diligence Requirements	Environmental, regulatory, legal, physical due diligence requirements with no certainty on timing.	None
Final Condition Precedent	Not stated	Capital Raising of at least \$2.75M

We note that at the date of our appointment there were significant unpaid creditors in Peru of at least approximately US\$4.5M. While management in Peru and DOCA proponents believe that these creditors can be managed (by compromise or arrangement) this will ultimately be reliant on successful commercial negotiations by the preferred DOCA proponent, and even then the capital raising contemplated by both proponents may not be sufficient to repay Peruvian creditors in full. Therefore, creditors need to be mindful of this ongoing commercial risk when considering whether to approve any of the proposals and where they are to receive equity in return.

1.6 Return to creditors

Under the proposed DOCA, creditors are estimated to receive the following dividends by way of cash or equity as appropriate:

Creditors	IncaOne DOCA	Andina DOCA	Liquidation High	Liquidation Low
Employees	100 c/\$	46.7 c/\$ - 60.4 c/\$	100 c/\$	100 c/\$
Unsecured Creditors	1.3 c/\$ - 2.4 c/\$	2.4 c/\$ - 2.6 c/\$	9.4c/\$	-
DCF Capital	100 c/\$	100 c/\$	9.4c/\$	-
SilverStream*	100 c/\$	100 c/\$	9.4c/\$	-

* Taking into account restructured (debt) streaming obligations

The above dividend rates are estimates only. The final rate will be dependent on a number of factors. Please refer to section 10 for further information.

1.7 Administrators' recommendation

We recommend that the DOCA proposal put forward by Andina be accepted and approved by all unsecured creditors (except for priority employee creditors who should reject and vote against the proposal).

We are of the opinion that the DOCA proposal put forward by Andina should be accepted by creditors as it is the only proposal that we are aware of that has the support of DCF Capital and SilverStream therefore is the only DOCA proposal capable of being implemented. Further, while liquidation will provide the opportunity for further investigation and possible liquidation recoveries, the liquidator will be unfunded and will require the support of a litigation funder who will demand a significant portion of any successful proceeds. Litigation is also subject to risk and uncertainty, and will result in time delays through to resolution and returns. Therefore, there remains a risk that returns in a liquidation could be nil whereas the Andina proposal provides for a higher effective return to unsecured creditors albeit requiring creditors to assume an equity position going forward.

The Andina proposal provides for the establishment of a creditors' trust to house potential claims that may exist against former directors and officers, however this will not include typical liquidation claims such as insolvent trading and unfair preferences.

Currently, in our opinion, the Andina proposal provides a better outcome for creditors than the proposal from IncaOne, however we will continue to engage with IncaOne (and any other emerging proponent) up to the date of the Second Meeting and will advise creditors of any improvements to the proposal that may influence their decision.

1.8 Second Meeting

Details of the Second Meeting are as follows:

Second Meeting	Details
Date	30 September 2015
Registration	At least 30 minutes prior to the meeting
Meeting time	3pm AWST
Location	Ferrier Hodgson, Level 28, 108 St Georges Terrace, PERTH WA 6000

Creditors who wish to participate in the Second Meeting must complete and submit the following forms to this office by 4:00pm AWST on 29 September 2015.

Form	Comments
Appointment of proxy (form 532)	<p>Corporate creditors must appoint an individual to act on its behalf.</p> <p>Individuals voting in person are not required to complete this form but must complete this form if a representative is appointed to vote on their behalf.</p> <p>Proxy forms submitted for the First Meeting are not valid for the Second Meeting. A new proxy form must be submitted.</p>

Form	Comments
Proof of debt (form 535)	Creditors must submit documentation to support the amount they have claimed (i.e. unpaid invoices, payslips). Creditors who have already submitted a proof of debt are not required to resubmit a proof of debt form unless the amount claimed has changed.

2 Introduction

2.1 Purpose of appointment and this report

The Administrators were appointed to the Company on 25 August 2015, pursuant to Section 436A of the Act, through an instrument of appointment executed on that day in accordance with resolutions passed at a meeting of the directors. Immediately following our appointment we took control of the Company. Whilst the Company does not specifically operate in its own right, operations have, to a certain extent, continued in its wholly owned Peruvian subsidiaries, albeit under significant funding constraints.

The purpose underlying an administrator's appointment is to allow for independent control and investigation of an insolvent company's affairs. During the administration period, creditors' claims are put on hold. We are required to provide creditors with information and recommendations to assist creditors decide upon the Company's future.

Section 439A(4) of the Act states that the notice (of second meeting) must be accompanied by a copy of:

- (a) *A report by the Administrator about the company's business, property, affairs and financial circumstances; and*
- (b) *A statement setting out the Administrator's opinion about each of the following matters:*
 - *Whether it would be in the creditors' interests for the company to execute a DOCA;*
 - *Whether it would be in the creditors' interest for the administration to end;*
 - *Whether it would be in the creditors' interest for the company to be wound up;*
 - *His or her reasons for those opinions; and*
- (c) *If a DOCA is proposed – a statement setting out details of the proposed deed.*

In the time available, we have undertaken the investigations detailed in section 9 of this report. In conjunction with the DOCA proposals received and an analysis of the potential returns in a liquidation scenario, these investigations have enabled the Administrators to form an opinion about the Company's future. Our opinion is set out in section 11 of this report.

2.2 Basis of report

This report has been prepared primarily from information obtained from the Company's books and records and from discussions with the Directors and management of the Company and its Peruvian subsidiaries. Although the Administrators have conducted preliminary investigations of the affairs of the Company, there may be matters which we are unaware of as an audit of the Company has not been undertaken and detailed investigations are required to identify all potential matters.

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

- ASIC;
- PPSR;
- The Company's books and records;
- Discussions with, and a questionnaire completed by, the Directors;
- Discussions with creditors of the Company; and
- Other public databases.

2.3 Declaration of independence, relevant relationships and indemnities

The Administrators provided a DIRRI to creditors with their first circular to creditors. The DIRRI was also tabled at the First Meeting.

There has been no change in the DIRRI since that time and no matters have come to my attention that requires me to update the DIRRI.

2.4 First Meeting and Committee of Creditors

Creditors attended a first meeting of creditors held on 4 September 2015. No alternative administrators were proposed at that meeting and therefore our appointment as administrators of the Company was confirmed.

At the First Meeting the following creditors were appointed to a COC:

Creditor	Representative
Alignment Capital Pty Ltd	Troy Valentine
Anglo Pacific Group PLC	Kevin Flynn
DCF Capital LLC	Ray Sozzi
Everest Wealth Management AG	Adrian Morger
Mr Seager Rex Harbour and Harbour Foundation	David Hainsworth
SilverStream SEZC	Kyle Floyd

These members represent the major of creditors in the Administration, accounting for approximately 75% of creditors in value.

Each member of the COC has executed a Confidentiality Deed, following which the COC has been kept apprised and consulted with the Administrators in relation to:

- Funding requirements;
- Recapitalisation proposals; and
- Other matters.

The matters discussed at the COC meetings and the resolutions passed by the COC are summarised in the following table.

Meeting date	Matters discussed	Resolution passed
9 September 2015	Recapitalisation proposals received and other matters.	Not applicable.

We propose holding a further meeting of the COC between the date of this report and the Second Meeting.

2.5 Second Meeting of Creditors

Pursuant to Section 439A of the Act, the Second Meeting is convened for Wednesday 30 September 2015 at the offices of Ferrier Hodgson, Level 28, 108 St Georges Terrace, Perth at 3pm AWST.

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

- That the Administration should end and control of the Company revert to its Directors; or,
- That the Company should be wound up; or,
- That the Company execute a DOCA.

The Second Meeting may also be adjourned for a period up to but not exceeding 45 business days.

2.6 Remuneration

At the Second Meeting, we will be seeking approval for our remuneration for the Company as follows:

Period	Amount (ex GST) \$
Voluntary Administration 25 August 2015 to 15 September 2015	242,121.50
Voluntary Administration 16 September 2015 to 30 September 2015	150,000.00
Voluntary Administration 1 October 2015 to execution of the DOCA	30,000.00
DOCA (if applicable) From the date of the execution of the DOCA to the completion of the DOCA	100,000.00
Liquidation (if applicable) From 1 October 2015 to completion	300,000.00

Please refer to our Remuneration Approval Request Report at **Annexure D** for details of the key tasks undertaken throughout the course of the Administration, key tasks expected to be

undertaken dependent on the ultimate decision of creditors and a summary of the receipts and payments to date.

2.7 Non-disclosure of certain information

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

- Commercially sensitive prospective financial information (for example, projections / forecasts)
- Details of offers received during the sale process.

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

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

During consultations with the COC, we have disclosed such information to COC members to ensure that they are fully informed and would be able to consider the offers received from interested parties during the sale process.

All information provided to COC members was disclosed under the strict terms of the undertaking as to confidentiality that each member signed prior to receiving such information.

3 Company information

3.1 Statutory information

3.1.1 Incorporation date and registered office

The Company was incorporated as Mundo Minerals Limited on 9 January 2006 and maintained that name until 10 September 2012, when it was changed to Minera Gold Limited.

The Company's registered office and principal place of business is listed as 45 Vantor Avenue, WEST PERTH WA 6005, although we note that this address relates to a virtual office agreement and the Company actually operated from offices located at Claremont, Perth.

3.1.2 Company officers

The Company's officers over the past 12 months were:

Name	Office held	Date appointed	Date ceased
Angeline Hicks	Director / Company Secretary	8 April 2015	N/A
Campbell Clement Baird	Director	28 May 2015	N/A
Ismael Alberto Benavides	Director	28 May 2015	N/A
Ashley Jon Pattison	Director	27 April 2011	9 July 2015
Brett Lawrence Heath	Director	13 October 2014	28 May 2015
Miguel Cardozo	Director	8 April 2015	27 May 2015
Paul Ryan Welker	Director	15 October 2013	20 May 2015
Alejandro Juan Losada-Calderon	Director	15 October 2013	8 April 2015

The above information was obtained from an ASIC company search. We understand from Management that the cessation date of Alejandro Juan Losada-Calderon is in dispute.

A search of the National Personal Insolvency Index maintained by the Australian Financial Security Authority shows that the above individuals are not bankrupt or subject to a Personal Insolvency Agreement under Part X of the Bankruptcy Act 1966.

3.1.3 Shareholders

A shareholder listing as at the date of our appointment has not been provided to us, however the Company's Annual Report for the period to 31 December 2014 (released to the market on 14 May 2015), discloses the top five (5) ordinary shareholders, option holders and convertible noteholders as at 14 May 2015:

Top 5 Ordinary Shareholders as at 14 May 2015			
No.	Name	Shares held	%
1	Ekirtson Nominees Pty Ltd	144,256,445	4.7%
2	Seager Rex Harbour	137,995,017	4.5%
3	Slade Technologies Pty Ltd (Embrey Family Superfund Ac)	120,109,090	3.9%
4	Citicorp Nominees Pty Ltd	91,033,780	2.9%
5	Mr Bin Lui	62,500,000	2.0%
Total		555,894,332	18.00%

Top 5 Option Holders as at 14 May 2015*			
No.	Name	Options held	%
1	Alignment Capital Pty Ltd	28,714,286	6.6%
2	Seager Rex Harbour (and his associated entities)	28,571,429	6.6%
3	SilverStream SEZC	20,000,000	4.6%
4	Slade Technologies Pty Ltd	17,000,000	3.9%
5	Zenix Nominees Pty Ltd	16,500,000	3.8%
Total		110,785,715	25.50%

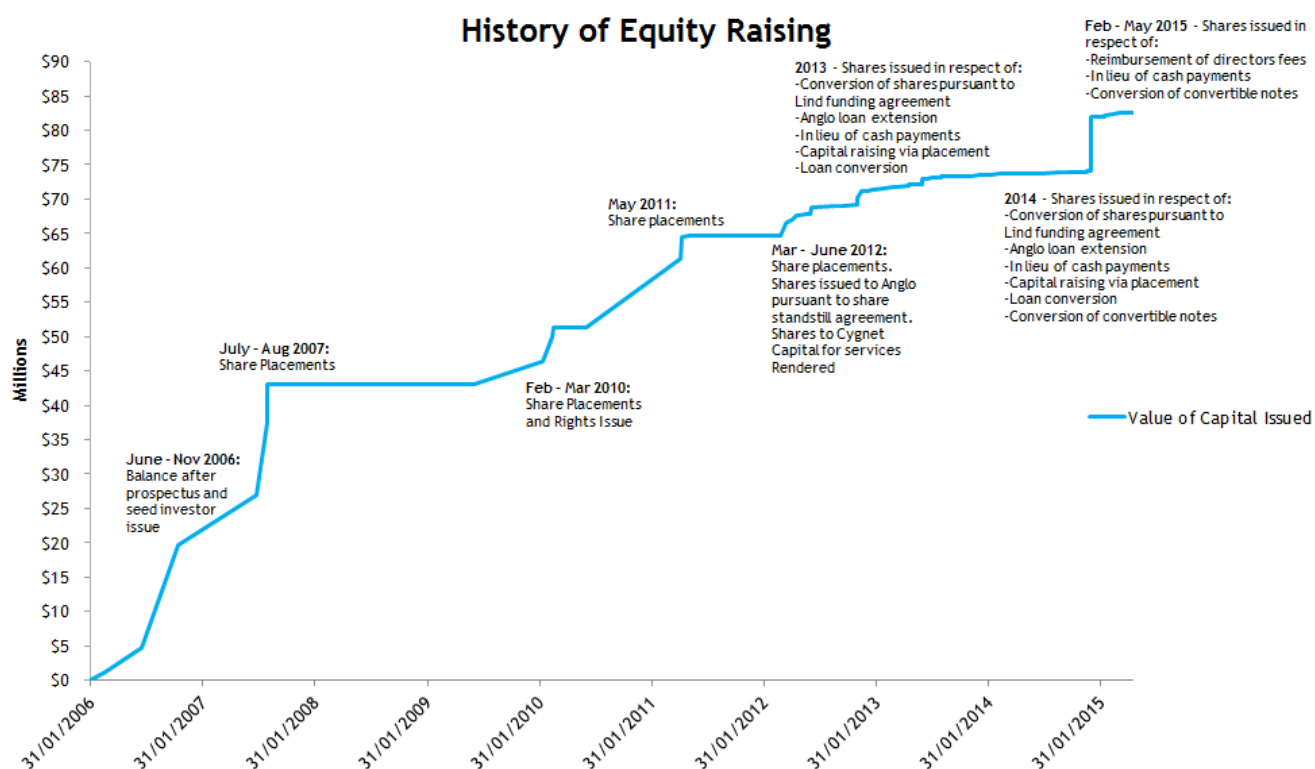
*Exercisable at \$0.012 per share on or before 4 December 2016 (MIZOA)

Top 5 Convertible Noteholders as at 14 May 2015			
No.	Name	Value (\$)	%
1	DCF Capital LLC	2,117,936	34.3%
2	Rex Seager Harbour (and his associated entities)	1,338,202	22.5%
3	Silverstream SEZC	399,921	6.5%
4	Alignment Capital Pty Ltd	312,929	5.1%
5	Mr Bin Lui	221,271	3.6%
Total		4,390,259	72.00%

3.1.4 History of Debt & Equity Raising

The Company raised over \$80M in equity (including converted debt) since its incorporation in 2006. The graph below represents the aggregate share capital of the Company over time, with significant increases represented by the following key events:

- 2006-7 - Acquisition of Mundo Brazil
- 2007 - Acquisition of Torrecillas
- 2010 – 2015 - Closure of Mundo Brazil and development of Torrecillas



In addition to the \$80M of equity, the Company raised \$6.5M of debt during the same period, which was predominantly used to acquire the DYC Entities in September 2014.

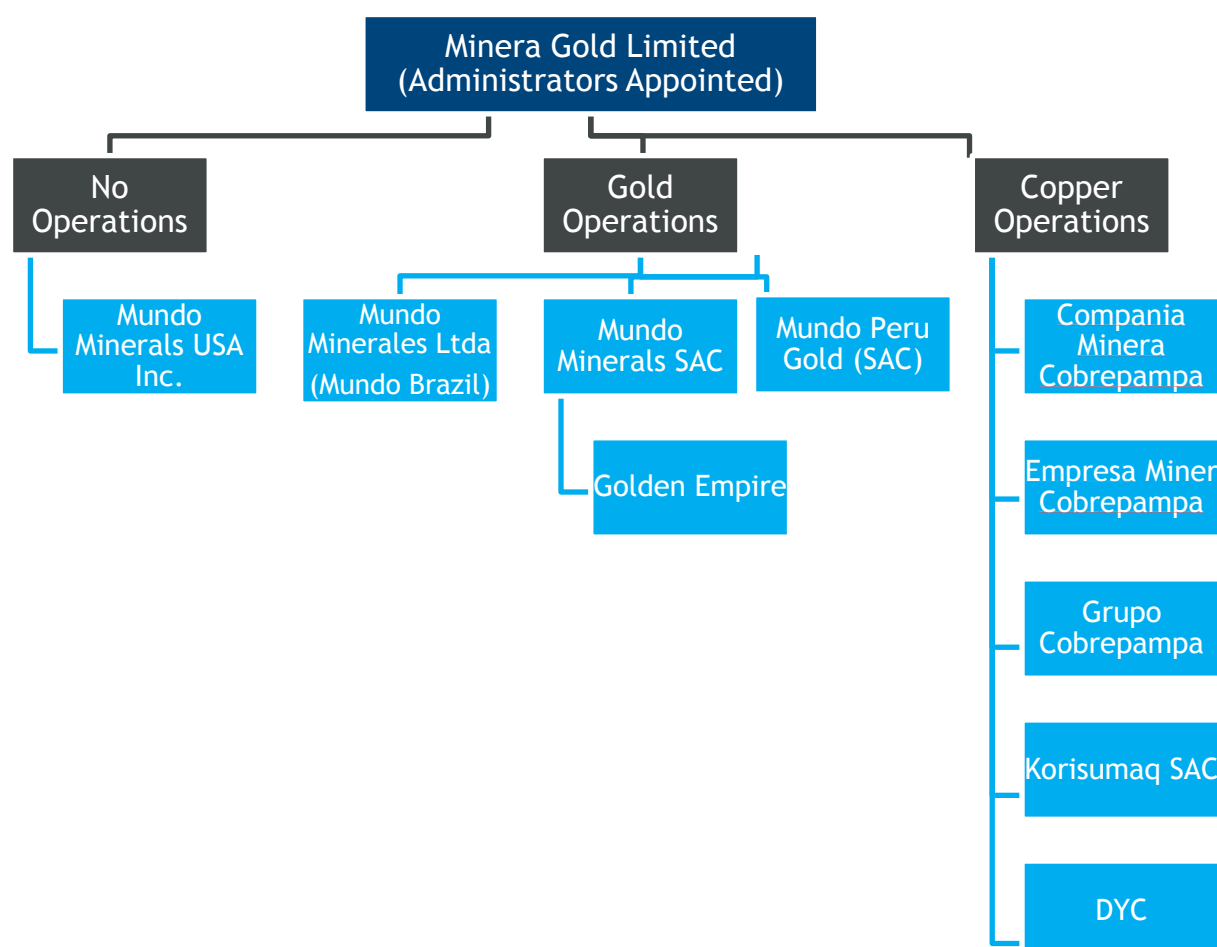
Based on the financial statements of the Company, the overall Source & Application of funding during the Company's incorporation was as follows:

Source	\$M	Application	\$M
Convertible Notes	6.5	Brazil	42.1
Equity	81.4	Mundo Entities (Torrecillas)	19.6
Stream Advances	6.5	DYC Entities	6.1
Loans	2.8	Mundo USA	1.2
Working Capital Use	1.9	Corporate Overheads	15.0
(less) Finance Costs	(15.1)		
Total Sources	84.0	Total Application	84.0

See sections 3.1.5 and 3.2 for further details on the specific projects.

3.1.5 Group structure

The Company acts as a holding company, with all operations being carried out through its wholly owned subsidiaries, as detailed in the below chart:



Due to the laws in Peru regarding the ownership of shares, the shares of the Company's subsidiaries in Peru are held on trust for the benefit of the Company by various individuals, namely Ashley Pattison, Jorge De Lama and Alex Losada-Calderon.

100% of the shares of the 5 DYC entities are held on trust for the Company by Alex Losada-Calderon and Jorge De Lama.

100% of the shares of Mundo Minerales SAC, Golden Empire and Mundo Peru Gold SAC are held on trust for the Company by Ashley Pattison and Jorge De Lama.

The Administrators have sighted the trust documents that verify that the Company is the beneficial owner of the relevant shares.

The key assets/projects of the Company which are situated in the subsidiary entities, both historically and currently, are summarised in the table below:

Asset/Project	Description	Entity
Torrecillas	Gold Project in Peru, including C&M mine and tenement packages	Mundo Peru Gold SAC Golden Empire
San Santiago	Processing Plant and tenements in Peru	DYC Entities
Engenho	Discontinued gold mine in Brazil	Mundo Brazil

3.1.6 Trustee

On 22 May 2015, Alex Losada-Calderon, TAE Resources Pty Ltd, an entity that provided geological services to the Company and of which Alex Losada-Calderon is the sole director and company secretary, and the Company entered into a Deed of Settlement to resolve a number of disputed matters as between them relating to services provided to the Company.

On 1 September 2015 I received a letter from Chandlers International Lawyers (Australia), acting on behalf of JA Hobson & Associates (JAH), asserting that JAH held a security interest in the DYC Shares registered on the Personal Properties Securities Register and that it was intending to enforce this security interest.

JHA alleges that its security interest was granted as security for unpaid legal fees owed to JHA by Alex Losada-Calderon in his capacity as trustee.

I received a further letter from Chandlers on 2 September 2015 which confirmed that whilst their client was proceeding with its intended realisation of the DYC Shares it was prepared to assign its interest in those shares to the Company upon payment of \$60,332.87 to Chandlers being the amount allegedly owed by Dr Losada-Calderon to JHA.

Despite requests, at no time has Chandlers provided any documentary evidence of any purported security interest, save for a copy of the purported PPSR registration search.

On 7 September 2015 the Administrators' solicitors received a letter from Chandlers which enclosed:

- a) A notice to the ASX that JHA had purportedly disposed of the DYC Shares and that the terms of the sale were subject to confidentiality undertakings given by JHA; and
- b) A notice to Alex Losada-Calderon that the DYC Shares had been sold by private treaty the terms of which were confidential and that JHA would account to Alex Losada-Calderon for the proceeds of the sale in due course.

Since this time, we have made several requests for information from Chandlers concerning the alleged sale of the DYC Shares given its potential to impact on efforts to recapitalise the Company. In particular, we have made a number of requests for information regarding:

- a) Documents containing information on the full terms of the alleged sale of the DYC Shares;
- b) Documents evidencing the purported grant of a security interest over the DYC Shares by Dr Losada-Calderon to JHA including the document dated 16 May 2015 by which Dr Losada-Calderon purported to grant JHA a security interest;
- c) Copies of the JHA invoices totalling \$60,332.87 relating to JHA's engagement regarding Dr Losada-Calderon's role as Trustee of the DYC Shares, which JAH relied upon to enforce its purported security over the DYC Shares; and
- d) Documents containing information on the steps taken by JHA in identifying the fair market price and potential purchasers for the DYC Shares.

We strongly dispute that Alex Losada-Calderon had power to grant security over the DYC Shares and have reserved the Company's rights in that regard.

On that basis, we made an application to the Supreme Court of Western Australia on 18 September 2015 to examine Mark Treisman from Chandlers and Phillip Treisman from JHA about the matters referred to above to obtain the required information. Orders were granted on 22 September 2015.

As a result of the actions of parties described above, I have been informed by SilverStream and DCF Capital (who hold pledges over the Peruvian DYC entities' shares to support the repayment of their debt) that they have taken steps to enforce their security over the shares. The effect of this action is that in order for any recapitalisation of the Company to be successful it will require as a condition precedent, the delivery back of those shares to the Company or the DOCA proponent.

3.1.7 Registered security interests

Under the new PPSA legislation that took effect on 30 January 2012, security over property (except land and certain other asset categories) must be registered as a security interest on the PPSR.

Briefly, the concept of fixed and floating charges was replaced under the PPSA by "security interests over non-circulating assets" and "security interests over circulating assets" respectively. In the case of inventory, title to any inventory will require registration as a PMSI on the PPSR. A PMSI is similar to a ROT provision in terms of trade.

Unless a supplier (including a ROT supplier) registers a PMSI as a security interest on the PPSR, the goods under the ROT clause may become property of the Company and amount to a windfall to the Company and its creditors.

The PPSR discloses that one party holds a registered security interest on the PPSR. We understand that the sole security interest relates to financial property (document of title). Details of the security interest holder are set out below:

Security interest holder	Date created	Type of security	Amount \$
Mineralis Limited	10 September 2013	Document of Title (security over Mundo Brazil shares)	920,000

The above security interest was created in relation to a Share Subscription Agreement (the Share Agreement) entered into between Mundo Mineracao Limiteda (Mundo Brazil), the Company and Mineralis Limited on 30 May 2013.

At the date of the Share Agreement, the Company owned 100% of the share capital of Mundo Brazil, which in turn owned the discontinued Engenho gold project in Brazil. We understand that this entity has been subject to Recuperação Judicial, the Brazilian equivalent to the US Chapter 11 process, since December 2011.

Under the terms of the Share Agreement Mineralis Limited was to acquire 60% of the equity interest in Mundo Brazil for a total consideration of \$4.5M to be paid under the following tranches:

Tranches	Tranche Amount \$	The Company Shareholding	Mineralis Limited Shareholding
First Tranche	920,000	75%	25%
Second Tranche	750,000	60%	40%
Third Tranche	1,200,000	49%	51%
Fourth Tranche	1,630,000	40%	60%
Total \$	4,500,000		

On 31 May 2015 Mineralis Limited paid \$920,000 to the Company, following which the Company was obliged to transfer a 25% interest in Mundo Brazil to Mineralis Limited.

A subsequent agreement was entered into whereby a further \$50,000 was provided to the Company, to be extinguished upon completion of the Share Agreement, and accordingly the first tranche was increased to \$970,000.

We understand from management that Brazilian law complications prevented the 25% share transfer to Mineralis Limited to be completed and as a result, the Company and Mineralis entered into separate negotiations to fulfil the Share Agreement.

As that the date of this report we have been unable to determine whether the Company or Mineralis Limited were at fault for the 25% interest in Mundo Brazil not being transferred to Mineralis Limited, however it appears that Mineralis Limited either has the right to 25% of the

Mundo Brazil equity or a claim as an unsecured creditor for \$970k of damages. The position remains subject to review by and proof, and the Company has reserved its rights in full.

3.1.8 Non-registered security interests

In addition to the security interest noted at Section 3.1.6 we are also aware of the following security interests:

Security Holder	Asset	Security
SilverStream	DYC Shares Mundo Peru Gold SAC	Share mortgage in Peru
DCF Capital	DYC Shares	Share mortgage in Peru

Arguably the above security interests should have been registered on the PPSR in Australia given that these assets were owned by an Australian entity, however we note that the relevant share certificates are held by the Public Notary in Peru, that the above parties have registered their interest with the Public Notary in Peru and that the Public Notary has accepted and continues to recognise the above security interests.

3.1.9 Winding up applications

At the date of our appointment, there were no outstanding winding up applications against the Company.

3.2 Company history

The Company was incorporated on 9 January 2006 in Western Australia and was admitted to the Official List of ASX Limited companies on 15 November 2006.

The Company was initially established as an international mining company with the first project acquired being the Engenho project in Brazil in January 2006, followed by the acquisition in July 2006 of its flagship Torrecillas operation in Peru. Both of these projects were developed mines, however both required significant development work before production could recommence.

Following the development of the Engenho project in Brazil, the maiden gold pour was achieved in June 2008. In the meantime, development and testing continued at Torrecillas with only small volumes of ore being mined during this period.

In November 2011 mining ceased at Engenho due to declining grades and tonnage, with significant capital expenditure required to develop further underground operations. Ultimately Mundo Brazil filed for Recuperação Judicial, the Brazilian equivalent to the US Chapter 11 process, in December 2011 through the Courts in Brazil.

The Directors of the Company attempted to sell the interest in the Engenho project, however were unsuccessful and there is considered to be limited value remaining given the capital cost required to restart the project.

Following the cessation of the Brazilian operations, the Company focused on the development of the Torrecillas mine, culminating in an announcement of inferred JORC reserves of 197.2Mt at a grade of 16.1g/t in January 2012.

Despite the positive announcement regarding the Torrecillas mine reserves, the Company continued to record operating losses. In an attempt to reduce the operating cost, a 3 year agreement was entered into in January 2014 to process Torrecillas ore at the local San Santiago processing plant, with the first gold pour under this agreement occurring in August 2014.

In September 2014, the Company acquired the DYC entities that owned the San Santiago processing plant creating a vertically integrated business in Peru, however only 3 months later the Torrecillas mine was placed onto care and maintenance as the business continued to operate at a loss and the Company was unable to continue providing working capital support.

From that point onwards the group focussed on the processing of third party ore at the San Santiago plant while it sought to recapitalise the Company. The Company undertook a number of improvements to the plant, including increasing its production capacity, however the plant continued to return operating losses and the inability to complete the recapitalisation of the Company ultimately led to the appointment of administrators.

The below table provides a chronological overview of the Company's history, including the events leading up to the Administrator's appointment:

Date	Event
24 January 2006	The Company enters into a Heads of Agreement with Sociedad Minera Surex S.A.C. Pursuant to which the Company was granted with an option to acquire 100% of the Torrecillas project.
July 2006	The Company acquired a 100% interest in the Engenho gold project from Anglo Ashanti.
November 2006	The Company successfully lists on the Australian Securities Exchange.
April 2007	The Company exercised its option to acquire the Torrecillas underground mining project from Sociedad Minera Surex for US\$2.25 million plus a royalty of US\$8/oz for production above 90koz.
June 2008	Maiden Engenho gold pour. The gold was delivered to the Anglo Gold Ashanti refinery in Brazil for refining.
September 2008	During the quarter, a small quantity of development ore was mined from the Torrecillas project through ongoing trial mining.
March 2009	Trial mining at Torrecillas continuing as part of the ongoing project evaluation with ore mined from this program continuing to be processed through a nearby toll treatment facility.
31 December 2010	The Torrecillas gold project produces an EBITDA of \$1.27 million before corporate overheads. After all corporate costs, it reported a net operating profit before tax for the period of \$0.64 million. During the year, the Torrecillas project sold 2,345 ounces of gold.

Date	Event
Nov 2011	<p>Engenho underground mine is placed on care and maintenance with the last gold shipment being delivered in early December 2011. Approximately 200 employees are made redundant.</p> <p>The decision was prompted by:</p> <ul style="list-style-type: none"> - Falling production reflecting a decline in both grade and tonnes against the resource model. - Limited resource inventory and requirement to make a substantial investment in an underground drilling program. - Continued delay by the Brazilian authorities to issue the relevant licence to commence construction of the haul road and pre-strip of the open cut mine.
Dec 2011	<p>Following advice from its financial and legal advisors, the Company files for Recuperação Judicial, the Brazilian equivalent to the US Chapter 11 process, through the Courts in Brazil. This process relates solely to the Company's Brazilian owned subsidiary and does not impact the holding company in Australia or its Peruvian operations.</p>
23 January 2012	<p>Following the completion of a 31 hole diamond drilling program of Torrecillas, the Company announced a maiden measured, indicated and inferred JORC source of 197.2Mt at 16.1 g/t for 102Koz Au.</p>
12 March 2012	<p>Flooding at Torrecillas leads to severe damage to the main access and haul road to the mine. The Company advises that it has temporarily suspended underground mining operations at Torrecillas.</p>
13 March 2012	<p>The Company announces that it has in place firm commitments for a new equity issue to raise AU\$3 million. The issue was undertaken with the support of Cygnet Capital and existing shareholders.</p> <p>The Company also announces that it has reached an agreement with Anglo Pacific Group PLC for a standstill in exchange for an upfront repayment of \$500k and further monthly payments totalling \$750k and the issue of an additional 2.5M shares.</p>
11 April 2012	<p>The Company issues an ASX announcement advising that it has signed a conditional binding term sheet to dispose of its Brazilian subsidiary, Mundo Mineraco Ltda.</p>
20 June 2012	<p>The sale of the Company's Brazilian subsidiary, Mundo Mineraco Ltda was not completed within the designated timeframe and the agreement with the proposed purchasers has been terminated.</p>
June 2012	<p>The Company incurred approximately \$700,000 in costs to rehabilitate the Torrecillas mine and replace damaged fixed plant to see the mine fully operational by the end of June 2012.</p>
November 2012	<p>The Company issues an ASX Announcement regarding a new gold discovery at Torrecillas.</p>
1 January 2013	<p>The Company obtains approval from ASIC to change its financial year end date from 30 June to 31 December. This aligns the financial year end of the parent entity with its subsidiaries.</p>
30 May 2013	<p>The Company signed a joint venture agreement on Mundo Mineraco Ltda whereby a new private investor will invest \$4.5 million to earn a 60% equity interest. As of 1 June 2013, the Company was no longer responsible for accounting for this portion of its Brazilian subsidiary.</p>
23 January 2014	<p>The Company signs a 3 year ore processing services agreement at San Santiago plant to significantly reduce costs and increase gold recovery.</p>

Date	Event
8 April 2014	The Company announces that it had entered into a gold streaming deal with Silverstream SEZC, who will pay US\$5 million in four instalments for the right to purchase 10% of the production from Torrecillas. The funding agreement is subject to certain production and cost milestones being achieved.
August 2014	First gold pour at the San Santiago processing plant from ore trucked from the Torrecillas project.
19 September 2014	The Company completes its acquisition of the DYC entities, which owned the San Santiago gold and copper processing plant in Peru and the surrounding copper exploration and mining tenements. Prior to acquisition, the Company had in place a lease agreement for use of the San Santiago processing plant.
December 2014	Mining activities at the Torrecillas gold project are scaled back to care and maintenance. Management considered that third party processing was more economically viable and also ongoing working capital requirements were challenging.
4 December 2014	The Company completed its final share capital raising of \$800K plus \$300k in convertible notes.
31 March 2015	The Company requests its shares be suspended from official quotation, pending release of its statutory accounts.
15 May 2015	Annual Report for the year ended 31 December 2014 is released.
7 July 2015	The Company requests its shares be suspended from official quotation, pending outcome of a strategic review.
9 July 2015	Ashley Pattison ceases as Managing Director and CEO. Remains involved as a part-time consultant.
13 July 2015	Extension of voluntary suspension of the Company's shares.
28 July 2015	Extension of voluntary suspension of the Company's shares.
10 August 2015	Share suspension is lifted.
19 August 2015	Trading Halt.
25 August 2015	Darren Gordon Weaver and Martin Bruce Jones of Ferrier Hodgson appointed as administrators of the Company.

3.3 Decision to appoint Administrators

Following discussions regarding the Company's inability to extend their Directors and Officers insurance, in conjunction with ongoing losses at San Santiago and an inability to complete recapitalisation proposals within sufficient time, the Directors resolved to appoint Administrators and ultimately executed the instrument of appointment on 25 August 2015.

4 Historical financial position

4.1 Books and records

Section 286 of the Act requires a company to keep written financial records that correctly record and explain the company's transactions, financial position and performance and would enable true and fair financial statements to be prepared. The financial records must be

retained for a period of seven years after the transactions covered by the records are completed.

The failure to maintain books and records in accordance with Section 286 provides a rebuttable presumption of insolvency which might be relied upon by a liquidator in an application for compensation for insolvent trading.

The Company's auditors were Deloitte and the most recent audited financial accounts were for the financial year ended 31 December 2014.

Based on my review of the books and records received we are of the opinion that the Company's books and records were maintained in accordance with Section 286 of the Act to the date of our appointment.

4.2 Preparation of financial statements

The Company's management accounts have been prepared up to 24 August 2015. Deloitte audited the financial statements prepared for the year ended 31 December 2014.

4.3 Profit and loss statement and preliminary analysis

4.3.1 Parent Entity

Set out below is a summary of the Company's non-consolidated profit and loss statements for HY12 to YTD15:

\$'000s	Financial Year Ended			
	6 months to 31 December 2012	31 December 2013	31 December 2014	YTD FY15
Revenue	-	-	-	-
Other income	12	5	6	1
Expenses:				
Administration	(223)	(174)	(322)	(191)
Professional/Consulting Fees	(296)	(1,594)	(493)	(506)
Depreciation	(5)	(10)	(2)	(121)
Employment	(317)	(621)	(766)	(484)
Finance	(113)	(709)	(2,751)	(450)
Foreign Exchange	-	(11)	(980)	(439)
Asset Write Downs	-	(1,743)	(4,095)	(24)
Interest	(271)	(426)	(844)	(859)
Investor Relations	(57)	(14)	(278)	(80)
Share Option Expense	(242)	(6)	-	-
Other	(79)	(55)	(151)	(19)
Net Loss	(1,591)	(5,347)	(10,675)	(3,173)

In respect of the above, we make the following comments:

- The 'Administration' category represents costs in respect of office stationery, rental costs, telephone and internet, travel and entertainment expenses.
- The 'Asset Write Downs' category represents costs in respect of audit write-downs of the Company's subsidiaries carrying value.
- The 'Professional/Consulting Fees' category represents costs in respect of audit and accounting fees, legal fees, and other consultancy fees.
- The 'Depreciation' category represents costs in respect of depreciation of the Company's plant and equipment.
- The 'Employment' category includes all employee related costs.
- The 'Finance' costs category includes amounts in respect of fair value accounting adjustments in relation to the Silverstream SPA and GPA, costs related to the issuing of convertible notes, ASX share issue costs, financing fees and share payments due to conversion of convertible notes.
- The 'Foreign Exchange' category represents costs as a result of the AUD conversion of USD denominated convertible notes on issue as at the respective balance dates.
- The 'Interest' category represents costs in respect of interest accrued or paid on loan balances outstanding.

- The 'Investor Relations' category represents costs in respect of marketing and securities law compliance.
- The 'Share Option Expense' category represents costs in respect of the issuance of shares as a result of the exercise of options.
- The 'Other' category represents costs that do not come under any of the above categories including; tenement payments and tax payments.

We also provide below specific commentary in respect of the performance during each of the summarised years:

HY12

- Following the decision in the previous period to place the Brazilian Engenho gold project on care and maintenance, and subsequently the decision for the Company's Brazilian subsidiary, Mundo Mineraco Ltda, to file for Recuperação Judicial, the half year to 31 December 2012 represented a period of relative inactivity.

FY13

- On 1 January 2013, the Company obtained approval from ASIC to change its reporting period from the financial year ended 30 June to 31 December. The rationale behind this was for the parent entity to be in line with the subsidiaries' fiscal periods.
- The increase in losses compared to the prior period is largely as a result of the significant asset write-downs and professional costs incurred, including legal costs relating to the debt restructuring activities in respect of Mundo Brazil of circa \$560k.
- The Consultancy fees noted above were incurred in respect of the restructure of Mundo Brazil as well as various capital raising activities.
- Included in the 'Asset Write-Offs' figure are the write down of intercompany loan receivables, including:
 - Mundo USA: credit card recharges in respect of airfares, entertainment expenses, travel costs, Deloitte USA tax costs, and legal costs. The Directors have advised that as Mundo USA did not have any revenue source, any amounts lent to it by the Company were written off on a half yearly basis.
 - Mundo Brazil: Working capital funding, Deloitte audit costs and costs of a tax review were written off on the basis that no value was attributed to this investment
 - Mineralis Limited: To write off \$100k of a \$200k loan provided to Mineralis Limited on the recommendation of the auditors as detailed further in section 5.1.3.

FY14

- The significant loss recognised in FY14 is largely as a result of a further write down in assets and increased finance costs.
- A write down of \$3.9M in respect of the Peruvian assets is reflective of management's decision to place the Torrecillas gold project on care and maintenance during December 2014.
- The FY14 'Finance Costs' of \$2.75M, includes an amount of \$182k in respect of the fair value accounting adjustment regarding the Silverstream SPA and GPA.

- The balance of 'Finance Costs' relates to costs in respect of issuing convertible notes, ASX share issue costs, financing fees and share payments due to conversion of convertible notes (\$1.48M). It should be noted that approximately \$2M of the finance costs were paid by way of share issue at a discount.
- Interest also continued to grow compared to previous years due to the Company's focus on securing debt facilities, such as the SilverStream agreements and the convertible notes, rather than raising additional equity.

FY15

- The loss in the period up to our appointment continues to reflect a Company that is providing head office support to the operations in Peru, with no return on investment and increasing finance costs as a result of the increase in debt levels.

4.3.2 Consolidated entity

Tabled below is the consolidated comparative profit and loss for the consolidated group.

\$000s	FY12	FY13	FY14	YTD FY15
Revenue	3,895	5,374	2,003	879
Less: Costs of goods sold	(3,366)	(6,799)	(3,588)	(1,673)
Gross profit	529	(1,424)	(1,585)	(795)
Other income	649	101	221	1
Expenses:	-	-	-	-
Administration	(1,121)	(713)	(629)	(229)
Asset Write Offs	1,425	(763)	(3,990)	-
Professional/Consulting Fees	(534)	(1,951)	(720)	(527)
Depreciation	(5)	(10)	(183)	(245)
Employment	(915)	(1,469)	(964)	(705)
Finance	(113)	(709)	(2,751)	(776)
Foreign Exchange	(27)	(67)	(765)	(484)
Interest	(271)	(428)	(981)	(610)
Investor Relations	(57)	(14)	(278)	(80)
Deconsolidation adjustment (Mundo Brazil)	-	5,798	-	-
Share Option Expense	(242)	(6)	-	-
Other	(102)	(172)	(228)	(234)
Net profit/(loss) for the period	(785)	(1,826)	(12,853)	(4,685)

Consistent with the commentary at section 3.2 of this report, the group was not profitable from at least FY13 at either the gross profit or net profit after tax line as it continued to incur significant asset write-offs and was subject to significant finance burdens.

The cost categories above are consistent with those used in the analysis for the parent entity.

In respect of the above, we make the following high level comments:

FY12

- The 'Administration' costs may be further detailed as tabled below:

\$'000s	MIZ	USA	Peru	Brazil	Total
Occupancy	38	69	115	658	880
Travel	127	8	12	-	148
Statutory and ASX	40	-	-	-	40
Share Registry	16	-	-	-	16
Other	2	-	9	26	37
Total	222	78	137	684	1,121

- The significant occupancy costs in respect of Mundo Brazil is likely to have contributed to management's decision to place the Engenho gold project on care and maintenance during this financial year.
- The other significant cost during the period was 'Employment Expense' which can be broken down between entities as tabled below:

MIZ \$'000	USA \$'000	Peru \$'000	Brazil \$'000	Total \$'000
317	165	216	217	915

FY13

- Following the decision to commence insolvency proceedings in respect of Mundo Brazil it was no longer included within the group's consolidated accounts and a deconsolidation adjustment was necessary.
- The gain on deconsolidation of Mundo Brazil is the net effect of the reversal of the intercompany loan due and adjustments to creditor accounts.
- The 'Employment Expense' breakdown between entities is tabled below:

MIZ \$'000	USA \$'000	Peru \$'000	Brazil \$'000	Total \$'000
621	354	319	174	1,469

FY14

- The loss reported in the consolidated accounts is largely reflective of the loss reported in the Company's accounts with the key expenses in the year being the various asset write downs previously discussed..

FY15

- There is no material difference in the breakdown of the loss reported in the consolidated accounts as compared to the Company.

4.4 Balance sheet and preliminary analysis

4.4.1 Parent entity

Set out below is a summary of the non-consolidated Company's balance sheet as at 31 December 2012, 2013, 2014 and as at 25 August 2015.

\$000s	Ref	As at 31 December 2012	As at 31 December 2013	As at 31 December 2014	As at 25 August 2015
Current assets					
Cash and cash equivalents		1,147	266	204	14
Other receivables	(a)	105	182	58	18
Total current assets		1,252	448	262	33
Non-current assets					
Property, plant and equipment		40	40	42	43
Accumulated depreciation		(29)	(39)	(41)	(41)
Investment/Loan - USA	(b)	336	-	-	16
Investment/Loan - Brazil	(c)	459	-	-	-
Investment/Loan - Peru	(d)	13,038	14,709	20,237	21,537
Total non-current assets		13,844	14,711	20,239	21,555
Total assets		15,097	15,159	20,501	21,587
Current liabilities					
Trade and other payables	(e)	(835)	(1,028)	(1,498)	(1,749)
Employee entitlements		(120)	(77)	(98)	(54)
Loans	(f)	(2,237)	(2,565)	(1,666)	(2,432)
Convertible notes	(g)	(100)	(3,179)	(2,327)	(4,516)
Loan from Alignment	(h)	-	-	(130)	(400)
Total current liabilities		(3,291)	(6,849)	(5,719)	(9,151)
Non-current liabilities					
Loan from Everest	(f)	-	-	(186)	-
Convertible note - Lind	(g)	(468)	-	-	-
DCF Capital Convertible Note	(g)	-	-	(1,613)	(2,016)
Silverstream liability	(i)	-	-	(6,712)	(5,948)
Total non-current liabilities		(468)	-	(8,511)	(7,964)
Total liabilities		(3,760)	(6,849)	(14,230)	(17,115)
Net Assets		11,337	8,310	6,271	4,472
Equity					
Issued capital		67,073	68,926	77,396	78,619
Share based payment reserve		2,223	2,503	2,669	2,821
Accumulated losses	(j)	(56,181)	(57,772)	(63,119)	(73,794)
Current year profit / (loss)		(1,591)	(5,347)	(6,780)	(3,174)
Impairment adjustment		-	-	(3,895)	-
Collateral on Lind loan		(188)	-	-	-
Total Equity		11,337	8,310	6,271	4,472

In respect of the above, we make the following comments:

- (a) The breakdown of the current receivables is tabled below.

\$'000	As at 31 December 2012	As at 31 December 2013	As at 31 December 2014	As at 25 August 2015
Trade receivables	37	37	6	3
GST receivable	21	47	46	15
Prepayments	47	98	7	-
Total	105	182	58	18

- (b) Mundo USA is a dormant subsidiary of the Company and based upon our review of the books and records of the Company, we understand that the intercompany loan balances are written off on a regular basis as Mundo USA does not generate any revenue from which to repay any amount. We refer you to section 4.3 for further discussion regarding the write-offs in the Company's profit and loss statement.
- (c) In December 2011, the Brazilian subsidiary entered external administration. Following this decision, various write-offs and adjustments were recorded in the Company's accounts and no further value is attributed to this subsidiary.
- (d) The investment and loans in Peru reflect amounts advanced to Peru to fund:
- The acquisition and development of the Torrecillas project.
 - The acquisition of the DYC entities in 2014.
 - Working capital requirements of the Peruvian entities.

These balances have been subject to annual impairment reviews from the auditors and have resulted in significant historical write downs.

- (e) The trade and payables balance is relatively stable during FY12 and FY13, significantly increasing in FY14 due to the deferral of legal and professional costs.
- (f) The loan balance in FY12 through to FY13 represents a debt facility provided by Anglo Pacific, with new financing being provided From Everest, as summarised below:

	FY12	FY13	FY14	FY15
Anglo Pacific	2,237	2,565	1,666	1,765
Everest	-	-	-	667
Total	2,237	2,565	1,666	2,432

The Company entered into a number of forbearance agreements in respect of repayment of the Anglo Pacific facility.

(g) Convertible notes

The level of convertible note debt grew significantly from 2012, when \$568k was recorded, to the date of our appointment, when approximately \$6.5M was recorded in the balance sheet.

Our review of the Company's books and records confirmed that a number of the convertible noteholders executed subsequent note agreements which effectively "rolled over" their notes and extended their repayment dates for no more than 12 months, keeping them as current liabilities in the financial statements except for in

certain circumstances where noteholders, such as DCF Capital, extended repayment dates by 2 years.

- (h) In June 2015, Alignment Capital, a convertible noteholder of the Company, agreed to provide an unsecured bridging loan of \$400,000 to the Company. The funds were transferred in July 2015.

The contributories to this bridging loan assert that there was an in principle agreement in place with the Company which provided for an immediate 50% uplift on amounts advanced. We are continuing to investigate whether this uplift was approved by the Company and is a valid claim by the contributories.

- (i) In FY14, the Company entered into a Gold Purchase Agreement and Silver Purchase Agreement with Silverstream. During FY14, the Company received US\$3M in respect of the each of the Gold Purchase Agreement and Silver Purchase Agreement. The Silverstream facility was provided for the main purpose of facilitating the Company's exercise of its option to acquire the San Santiago Processing Plant. In consideration, Silverstream was granted security over the shares of the DYC entities, the shares in Mundo Peru Gold SAC and over the specific assets of the Peruvian entities in respect of its performance under each agreement
- (j) The accumulated losses of \$56.2M brought forward on 1 July 2012 represented historical losses on the investments in Brazil and Peru, including \$42.1M written off in respect of Mundo Brazil, and corporate overheads incurred in Australia.

5 Statement by directors

Section 438B of the Act requires the Directors to give an administrator a statement about the Company's business, property, affairs and financial circumstances.

We received the Directors' Statement on 1 September 2015.

In the Statement, the Directors detailed the Company's assets and liabilities at book value and their views on the ERV. The following table summarises the assets and liabilities disclosed in the Directors' Statement:

	Ref	Book Value \$'000	Directors' ERV \$'000	Administrators' ERV High \$'000	Administrators' ERV Low \$'000
Assets					
Cash	5.1.1	14.4	14.4	14.4	14.4
Deposits	5.1.2	3.1	3.1	-	-
Loan	5.1.3	100.0	-	-	-
Sub Total		117.5	17.5	14.4	14.4
Assets subject to specific charge					
Shares in Mundo Brazil	5.1.4	unknown	unknown	unknown	unknown
Less amounts owing to Mineralis Limited	5.1.4	-	-	-	(970.0)
Shares in Peruvian subsidiaries	5.1.4	15,300.0	unknown	Unknown	unknown
Less amounts owing to SilverStream	5.1.4	(5,948.0)	(5,948.0)	(6,488.2)	(6,488.2)
Total Available Assets for Priority Creditors		unknown	unknown	unknown	unknown
Priority Creditors	5.1.5	551.1	551.1	38.8	110.4
Total Available Assets for Unsecured Creditors		unknown	unknown	unknown	unknown
Convertible Noteholder	5.1.6	(6,532.2)	(6,532.2)	(6,140.0)	(6,538.9)
Trade Creditors	5.1.7	(1,589.8)	(1,589.8)	(1,432.7)	(1,715.4)
Shortfall to Secured Creditors	5.1.8	-	(5,948.0)	(7,458.2)	(7,458.2)
Unsecured Loans	5.1.9	(2,831.6)	(2,831.6)	(2,766.9)	(3,028.4)
Unsecured Priority Creditors	5.1.5	-	-	(408.6)	(408.6)
Total creditors		(10,953.6)	(16,901.6)	(18,167.6)	(19,039.1)
Estimated surplus / deficiency		unknown	unknown	unknown	unknown

The Administrators have not audited the Company's records or the book values. The above schedule should not be used to determine the likely return to creditors as a number of realisable values are based on the Company's records and remain subject to the review of the Administrators and, in particular:

- The Administrators are not in a position to confirm (or otherwise) certain asset values as valuations commissioned by the Administrators are commercially sensitive and are not disclosed in this report.
- The value of creditor claims remains subject to change as further claims may be received and require adjudication.
- The table above does not provide for possible trading losses or professional costs associated with the Administration process.

We comment on the Directors' statement as follows:

5.1.1 Cash

The Company operated banking facilities with the NAB, and the balances of the accounts as at 25 August 2015 were:

Bank Account	Amount \$
Business Cheque Account	14,132.04
Business Foreign Exchange Account	93.33
Total	14,225.37

5.1.2 Lease Deposits

A breakdown of lease deposits is detailed below.

Lease Deposit	Amount owing \$	Amount realisable \$
Rental deposit (West Perth)	500.00	-
Rental deposit (Claremont)	2,597.00	-
Total	3,097.00	-

The Administrators do not expect any of the above amounts to be realisable to the Company as each lease agreement has been terminated and it is likely that the deposits will be offset against any damages arising from those terminations.

5.1.3 Loan

The Directors' statement records a receivable from Mineralis Limited in the amount of \$100,000. This amount is supported by the records of the Company, although, at the request of the Company's auditors, the balance was written off in the year ended 31 December 2014 as it was considered unrecoverable.

We understand from management that the receivable relates to a short term loan of \$200,000 provided to Mineralis Limited from the Company to assist with providing short term funding to Mundo Brazil following the execution of the Share Agreement under which Mineralis Ltd was supposed to take a controlling interest in Mundo Brazil.

Mineralis Limited repaid \$100,000 within 30 days, however \$100,000 remains outstanding. In the event that the \$970,000 claim of Mineralis Limited against the Company is proven to be a valid claim then the \$100,000 will be set off against this claim.

The Administrators do not expect to recover this receivable.

5.1.4 Assets Subject to Specific Charge

5.1.4.1 *Mundo Brazil*

The Company historically owned 100% of Mundo Brazil, which owned and operated the Brazilian mining projects. This entity has been subject to Recuperação Judicial, the Brazilian equivalent to the US Chapter 11 process, since December 2011 and is considered to be of no value given the significant capital works required to develop further underground mining operations.

Pursuant to a Share Agreement entered into on 31 May 2013, the Company sought to dispose of 60% of its interest to Mineralis Limited, as detailed further in section 3.1.6.

In accordance with that agreement, the Company granted security to Mineralis Limited over the shares of Mundo Brazil in respect of its performance under the Share Agreement.

Mineralis Limited registered its security interest on the PPSR against the Company on 10 September 2013.

Ultimately the Share Agreement was not completed, however Mineralis Limited advanced \$970k under that agreement and is currently claiming that amount as damages from the Company for a failure to deliver 25% of the share capital in accordance with the Share Agreement.

5.1.4.2 *Peruvian Companies*

The Company holds a 100% interest (through various trust deeds) in nine (9) Peruvian subsidiaries.

A breakdown of the Company's subsidiaries is detailed below:

Gold Operations (Mundo Entities)	Copper Operations (DYC Entities)
Mundo Peru Gold SAC	Compania Minera
Mundo Minerals SAC (Peru)	Cobrepampa
Golden Empire (Peru)	Mepresa Miner Cobrepampa
	Group Cobrepampa
	Korisumaq SAC
	DYC

The Directors' and Administrators' have placed an unknown value on these investments due to the following:

- The market will ultimately determine the value of these investments;
- Inclusion of estimated values may adversely impact the sale process;
- The risk that creditors with securities registered in Peru that may be enforced at any time and would most likely result in no value being returned to the Australian parent.

During 2014, the Company entered into two (2) agreements with SilverStream in respect of a gold purchase agreement and silver purchase agreement.

Pursuant to the agreements, the Company granted SilverStream security in its shares of the DYC entities, the shares in Mundo Peru Gold SAC and over the specific assets of the Peruvian entities in respect of its performance under each agreement

SilverStream did not register its security interest over the shares on the PPSR against the Company, however the existence of recognised security within Peru means that SilverStream would be able to enforce in Peru without any regard to the PPSR registration.

5.1.5 Priority Creditors

A breakdown of the outstanding employee entitlements as at 25 August 2015 as estimated by the directors and in comparison to the Administrators' estimates is detailed below:

\$'000	Book value (Directors' statement)	Administrators' ERV High	Administrators' ERV Low
Unpaid wages	78	16	16
Consultancy Fees	139	-	-
Director Fees	104	-	-
Unpaid superannuation	21	-	-
Annual leave	55	23	23
Redundancy / PILN	154	-	72
Expense Reimbursement	1	-	-
Total	551	39	111

Employee claims are afforded priority of repayment pursuant to Section 556 of the Act, ahead of any return to unsecured creditors.

The Act provides that excluded employees (including Company directors and their spouses) are each restricted to a total maximum priority claim of \$2,000 for unpaid wages and superannuation entitlements and \$1,500 for leave entitlements. Amounts owed to excluded employees that exceed the statutory limits, and all payments owing to them in respect of redundancy and payment in lieu of notice, will rank as an ordinary unsecured claim.

Should a sale be achieved, it may result in the transfer of certain employees and their outstanding entitlements to the successful purchaser.

Based upon our comments above and our review of the employee entitlements advised to us by the Company, we consider it appropriate to reclassify \$409k to rank alongside other unsecured creditors of the Company.

5.1.6 Convertible noteholders

The Directors total of \$6.5M is based on the Company's management accounts as at 31 July 2015.

The Administrators have received claims from noteholders totalling \$5.9M which we understand includes default interest accrued for the period 1 August 2015 to the date of our appointment on some claims.

We note that all noteholders have submitted a claim to date and we continue to assess and review the claims received in respect of the convertible notes.

5.1.7 Trade Creditors

To date, the Administrators have received trade creditor's proofs of debt totalling approximately \$1.05M. The Administrators' estimate of total trade creditor claims of the Company is \$1.7M, being either the claimed amount or RATA.

5.1.8 Shortfall to Secured Creditors

Based on our comments at section 5.1.4, the value of the assets, which secure the amounts owed to secured creditors, is unknown. Accordingly, in a scenario where no recovery or only a partial recovery is made from the secured assets, the balance owed will become unsecured and rank pari passu with all other unsecured creditors.

5.1.9 Unsecured Loans

Unsecured loans represent loans from the following parties:

\$'000	Book value (Directors' statement)	Administrators' ERV High	Administrators' ERV Low
Alignment Capital	400	547	547
Anglo Pacific	1,717	1,717	1,709
Everest Wealth Management	650	718	718
Total	2,767	2,982	2,974

We note that, while none of the above creditors have registered security arrangements in Australia, they have advised us of the following interests against the Brazilian or Peruvian entities:

- **Anglo Pacific** – 4% net smelter return from Mundo Brazil and registered security over the Mudno Brazil assets.
- **Everest** - 0.25% of gross revenues from gold produced at the San Santiago processing plant and security over the Tumi concessions, which are no longer owned by the Mundo Entities, and the ore on the ROM pad and the Gold in Circuit at the San Santiago processing plant.

5.2 Omissions from statements

We have not identified any material omissions from the Directors' statement.

5.3 Explanation for current financial position

The Directors' explanation for the Company's current financial position is as follows:

- Inability to obtain an appropriate level of director and officer insurance cover which impacted on its ability to complete further capital raising with three interested parties.

Our preliminary view is that, in addition to the reasons identified by the Directors, the Company failed because:

- Poor historical performance of flagship gold projects in Brazil and Peru.
- Existing debt burden of the Company.
- Lack of working capital to support alternative Gold and Copper processing strategy.
- Limited options regarding interested parties prepared to raise further capital.

6 Trading by Administrators

6.1 Overview

The Administrators assumed control of the Company upon appointment, including indirectly its Peruvian subsidiaries.

6.2 Trading issues

Given the unfunded nature of the Administration, the Administrators took urgent steps to obtain interim funding to preserve the Company's assets in Peru. This also impacted upon the sale process discussed in section 7 below.

To date we have been unable to obtain specific short term funding, however we have obtained commitments from some of the DOCA proponents to provide funding for specified urgent payments in Peru and to assist with the management and operations of the Peru business while the DOCA is completed.

In the meantime, Peruvian management have continued to manage creditor payments, including overdue wage payments, which is only sustainable in the very short term.

6.3 Summary of receipts and payments

A summary of the Administrators' receipts and payments for the period 25 August 2015 to 15 September 2015 is included at part 9 of the Administrators' Remuneration Approval Request Report attached as **Annexure D**.

7 Sale of business / assets

Given the commercial imperative of protecting the assets in-country Peru (and in circumstances where no funds are available to preserve the assets while a comprehensive sale process is run), it has been necessary to pursue an urgent process seeking recapitalisation proposals. In making this decision consideration was given to:

- The additional cost and timeframe of a comprehensive sales process, which given the lack of funding was unable to be funded through the administration.
- The unfunded nature of the external Administration generally.
- The risk of security breaches at the Peruvian operations and a deterioration or loss of the underlying business assets.
- No stakeholder had agreed to provide funding for a comprehensive sales process.
- The commercial decision was supported by the large creditors of the Company, including those that had the ability to enforce their security in Peru.

Based upon the above points it was determined that any extended sale process without the appropriate interim funding to support the operations, would most likely result in a scenario whereby the assets deteriorated in value and the creditors with security in Peru would likely take enforcement action, leaving little or no value to be returned to the Company for the benefit of the Company's creditors.

The sale process has involved engagement with existing interested parties and approaches to parties that ourselves, management or creditors are aware of and are known to have an interest in Peru.

During the administration to date we have received expressions of interest from 18 parties, although, given that the majority of these have not conducted any previous due diligence, only 4 proposals have been received to date.

8 Proposals for DOCA

8.1 Proposals received

We have received DOCA proposals from the following parties:

- Talos Mining Pty Ltd (Talos)
- IncaOne Gold Corp. (IncaOne)
- Andina Resources Ltd (Andina)
- Blueknight Corporation Pty Ltd (Blueknight)

The proposals received from Talos and Blueknight are in respect of the recapitalisation of the ASX listed shell. Both proposals contemplate the retention of certain assets in the group, to assist in complying with the ASX relisting rules, and do not provide for the repayment in full of creditors that hold enforceable security interests in Peru.

While those creditors with a security interest in Peru only vote parri pasu with unsecured creditors on the DOCA proposal in Australia, any proposal that does not have the support of those creditors is not capable of being completed as those creditors will have the ability to enforce in Peru and prevent the completion of the DOCA.

For the reasons outlined above we cannot recommend the proposals of Talos and Blueknight to creditors at this stage, however note that their proposals may be capable of implementation at a later date depending on the DOCA proposal approved by creditors and whether the ASX Listed shell remains available to be recapitalised.

We consider that the proposed DOCAs comply with section 25.6.6 of the Code.

8.2 Key features of the proposals

8.2.1 IncaOne Proposal

The IncaOne proposal effectively contemplates a takeover of the Peruvian entities, with IncaOne acquiring 100% of the equity in those entities in consideration for a combination of cash and/or IncaOne shares. DCF Capital and SilverStream will effectively be repaid in full or their loan agreements observed in exchange for the release of their security over the Peruvian shares and the underlying assets.

Under the IncaOne proposal the ASX listed shell or Mundo Brazil is not part of the proposal and therefore it may be possible to recapitalise the shell at a later date, subject to meeting the ASX relisting rules.

IncaOne have advised that, in the event that the creditors' claims are satisfied entirely upon the issue of IncaOne shares, the DOCA can be completed without the need to raise additional equity. However, if cash consideration is required there will be a need to raise additional equity along with equity to fund the ongoing operations.

No commitment to provide interim funding has been received by IncaOne, however we understand that they may be willing to consider such funding if and when creditors vote in favour of their proposal.

8.2.2 Andina Proposal

The Andina proposal seeks to effectively:

- Recapitalises the Company
- Transfers the Torrecillas assets to a separate Andina vehicle
- Amends the (debt) streaming agreements with SilverStream to seek to improve the viability of the San Santiago operation
- Provides a guarantee from Andina to SilverStream in respect of the Peruvian Entities' streaming obligations, in order to further alleviate the financial pressure on San Santiago.
- Provides limited specified funding to assist with managing the Peruvian Entities' funding requirements.
- Proposes interim security, management and operational support at the San Santiago processing plant and Torrecillas while the DOCA is completed.

Andina do not propose to provide any further funding other than the limited specified funding commitments already stated.

8.2.3 Comparison of proposals

The remaining two proposed DOCAs include the following key commercial features:

Key element	IncaOne proposal	Andina Proposal
Commencement date	Upon approval by creditors and execution of a DOCA	Upon approval by creditors and execution of a DOCA
Deed Administrators	Voluntary Administrators	Voluntary Administrators
Parties bound by the DOCA	All creditors	All creditors
Creditor Claims	Remain against the Company	Transferred to a Creditors' Trust
Effective Date for creditor claims	25 August 2015	25 August 2015
Purpose of the DOCA proposal	To acquire the share capital of the Peruvian entities from the ASX listed vehicle.	To recapitalise the whole group, including the ASX listed vehicle.

Key element	IncaOne proposal	Andina Proposal
Management of the Company	Not stated	The existing board (save for Mr Ismael Benavides) resign and a minimum of three new directors nominated by Andina will be appointed. In addition it is proposed that, while the DOCA is implemented, Andina will provide management and operational support in Peru through an Agency Agreement with the relevant subsidiaries.
Monitoring / reporting requirements	N/A	N/A
Moratorium period	To continue through the DOCA	To continue through the DOCA
Proponent Acquires	100% of the Peruvian share capital	45% of the recapitalised ASX listed vehicle
Creditors Excluded from the Deed Fund	DCF Capital SilverStream SESZ	DCF Capital SilverStream SESZ
Deed Fund	US\$600k in cash and/or IncaOne shares	\$250k Post recapitalised Company shares equal to 3 cents/\$ of all creditor claims (~2.43%) Claims against the directors
Participating Creditors	All creditors of the Company other than DCF Capital and SilverStream	All creditors of the Company other than DCF Capital and SilverStream
DCF Capital	Approximately US\$1.86M in cash and IncaOne shares Release security in full	Post recapitalised Company shares totalling \$1.55M (~15.05%) \$650k cash Release security in full
SilverStream SESZ	Approximately US\$1.95M in cash and IncaOne shares Release security in full	100,000,000 MIZ shares (~9.7%) US\$100k Replacement Gold Stream Agreement Amended Silver Stream Agreement
Torrecillas Gold Project	Acquired through share acquisition of Mundo Entities	To be transferred out to an Andina SPV

Key element	IncaOne proposal	Andina Proposal
DYC Entities	Remain within the group	Remain within the group but Andina to guarantee the related Silverstream payable of circa \$2m, alleviating the operational pressure on that group of entities.
Mundo Brazil	Remains with the ASX listed shell	Remains with the group
Dividends and order of distribution	Deed Fund to be distributed in accordance with Section 556	Deed Fund to be distributed in accordance with Section 556
Creditors Trust	Not required.	Required
Meetings	As required	As required
Termination	Any significant milestones not achieved will result in creditors being able to resolve whether to terminate	Any significant milestones not achieved will result in creditors being able to resolve whether to terminate
Capital Raising	Not stated but will be required	At least \$2.75M
Completion	No target date set, however will depend on timing to complete due diligence and raise new capital.	The Completion target is following the completion of the capital raising, which is anticipated to be 13 November 2015.
Interim Funding Support	Will consider in exchange for exclusivity, however remains uncertain.	Interim funding of ~\$189k is to be made available for specific payments and there remains an ability to obtain additional funding once Andina have had the opportunity to assess the funding requirements first hand, however no guarantees have been provided and therefore we cannot confirm whether the Peruvian entities will have sufficient funding available to it during the implementation of the DOCA.
Further Due Diligence Requirements	Environmental, regulatory, legal, physical due diligence requirements with no certainty on timing.	None
Final Condition Precedent	Not stated	Capital Raising of at least \$2.75M

We note that at the date of our appointment there were significant unpaid creditors in Peru of at least approximately US\$4.5M. While management in Peru and DOCA proponents believe that these creditors can be managed (by compromise or arrangement) this will ultimately be reliant on successful commercial negotiations by the preferred DOCA proponent, and even

then the capital raising contemplated by both proponents may not be sufficient to repay Peruvian creditors in full. Therefore, creditors need to be mindful of this ongoing commercial risk when considering whether to approve any of the proposals and where they are to receive equity in return.

8.3 Inclusion of a Creditors' Trust

The DOCA proposed by Andina 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. Practically this means that creditors will receive the equity interests noted above and their claims will otherwise be limited to the trust assets. It is important that creditors understand that the Creditors' Trust is a separate legal structure to the corporate entity, Minera Gold Limited, which is presently subject to administration.

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

8.4 Further information for creditors

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

Creditors can obtain further information from the ASIC *Regulatory Guide 82 – Deeds of company arrangement involving Creditors' Trusts*, which is available at www.asic.gov.au.

9 Statutory investigations

9.1 Nature and scope of review

The Act requires an administrator to carry out preliminary investigations into a company's business, property, affairs and financial circumstances.

Investigations centre on transactions entered into by the Company that a liquidator might seek to void or otherwise challenge where the Company is wound up. Investigations allow an administrator to advise creditors what funds might become available to a liquidator such that creditors can properly assess whether to accept a DOCA proposal or resolve to wind up the Company.

Funds recovered would be available to the general body of unsecured creditors including secured creditors but only to the extent of any shortfall incurred after realising their security.

A liquidator may recover funds from each type of transaction detailed in the Circular Information Sheet described in **Annexure E** of this report. A deed administrator does not have recourse to voidable transactions. A liquidator may also recover funds through other avenues; for example, through action seeking compensation for insolvent trading or breach of director duties. In some circumstance however it may be possible for some claims, such as claims arising from a breach of director duties, to be preserved in a DOCA.

An administrator is not obliged to carry out investigations to the same extent as a liquidator. A liquidator may require many months of investigations and may also need to conduct public examinations before forming a concluded view on recovery action. We have investigated matters to the extent possible in the time available.

The Administrators' knowledge of the Company's affairs comes principally from the following sources:

- Discussions with the Directors, their advisors and key staff members.
- The Directors' Statement and questionnaire.
- Management accounts, books and records, board reports and financial statements.
- The Company's internal accounting system.
- Correspondence and discussions with the Company's creditors.
- An indicative valuation of the Company's assets.
- Searches obtained from relevant statutory authorities.
- Records maintained by the ATO.
- Publicly available information.

9.2 The Company's solvency

9.2.1 Overview

A precursor to the recovery of funds by a liquidator through the voiding of certain transactions or through other legal action, such as seeking compensation from directors for insolvency trading, is establishing the company's solvency at a relevant time.

Establishing insolvency is a complex matter due in part to the complexity of corporate transactions and the lack of clear prescriptive legal authority on the proof of insolvency. Notwithstanding, there are two primary tests used in determining a company's solvency, at a particular date, namely:

- Cash flow or commercial test.
- Balance sheet test.

The Courts have widely used the cash flow or commercial test in determining a company's solvency at a particular date.

Section 95A of the Act also contains a definition of solvency. That definition reflects the commercial test in stating that a person is solvent if *"the person is able to pay all the person's debts as and when they become due and payable"*.

However, the commercial test is not the sole determinant of solvency. Determining solvency derives from a proper consideration of a company's financial position in its entirety and in the context of commercial reality. Relevant issues include, but are not limited to the following:

- The degree of illiquidity. A temporary lack of liquidity is not conclusive.
- Regard should be had to:
 - Cash resources.
 - Monies available through asset realisations, borrowings against the security of assets or equity/capital raising.
- All of a company's assets might not be relevant when considering solvency. For example, where a company proposes selling assets which are essential to its business operations, the proceeds of those assets should not be taken into account;
- The voluntary and temporary forbearance by creditors not to enforce payment terms; and

- It is not appropriate to base an assessment of whether a company can meet its liabilities as and when they fall due on the prospect that a company might trade profitably in the future.

In summary, it is a company's inability using such resources as are available to it through the use of its assets, or otherwise, to meet its debts as they fall due, which indicates insolvency.

9.2.2 Preliminary determination

Set out below is a summary of our preliminary investigations and our preliminary determination as to the Company's solvency.

We have summarised below the insolvency indicators adopted by the Courts and the ASIC together with our comments in relation to the Company:

Insolvency indicator	Ref	Date relevant to insolvency
Working capital deficiency	9.2.2.1.1	30 June 2009
Net asset deficiency	9.2.2.1.2	31 October 2014
Inability to extend finance facilities and breaches of covenants	9.2.2.1.3	30 September 2014
Inability to meet other financial commitments / default on finance agreements	9.2.2.1.4	N/A
Profitability / trading losses	9.2.2.2.1	Since incorporation
Cash flow difficulties	9.2.2.2.2	30 September 2014
No access to alternative sources of finance (including equity capital)	9.2.2.2.3	Date of Appointment
Inability to dispose non-core assets	9.2.2.2.4	N/A
Dishonoured payments	9.2.2.2.5	N/A
Overdue Commonwealth and State taxes	9.2.2.2.6	31 March 2014
No forbearance from creditors / legal action threatened or commenced by creditors	9.2.2.2.7	15 July 2015

The above indicators are discussed in further detail below.

9.2.2.1 *Endemic shortage of working capital - balance sheet test*

9.2.2.1.1 Working capital

The working capital position determines whether a company can pay its debts (classified as due within the next 12 months) with its assets (of the same period classification). A positive working capital position is when a company's current assets exceeds its current liabilities.

Based on the financial statements of the Company it appears to have operated with a negative working capital since 2009.

9.2.2.1.2 Net asset position

The annual financial statements and management accounts disclose significant reported net asset positions throughout the Company's history which, on the face of it, indicates that there are sufficient assets to cover its liabilities, however this is largely due to the inclusion of intercompany loans and investments at their book value, with the ultimate value and recovery of these assets being unknown.

We have considered an adjusted net asset position where hypothetically those intercompany receivables were not included in the assessment. This analysis suggests the existence of an adjusted net asset deficiency from 31 October 2014.

9.2.2.1.3 Review of finance facilities

The Company's main sources of finance were from the following:

Category	Latest Date Finance
Alignment Capital	17 July 2015
Anglo Pacific	26 November 2008
Convertible Notes	2 April 2015
Everest Wealth Management	30 November 2014

The main funding source of the Company was the Convertible Notes. Whilst the last funding received from convertible noteholders was on 2 April 2015, the majority of other noteholders continued to agree to waivers and repayment extensions, to the extent that 82% of notes were not repayable until dates beyond the date of our appointment, as summarised below:

Convertible note Original repayment date	Loan balance		New repayment date		Post date of appointment \$'000
	at 30/06/2015 \$'000	30/09/2014 \$'000	31/10/2014 \$'000	30/06/2015 \$'000	
31-October-2014	1,092	199	128	765	-
30-June-2015	1,302	-	-	1,302	-
31-March-2016	1,829	-	-	-	1,829
30-September-2016	1,877	-	-	-	1,877
Unknown	41	-	-	-	41
	6,140	199	128	2,067	5,048

Accordingly, the Company has successfully renegotiated repayment to 30 June 2015 terms for 70% of its convertible note debt facility expiring on 31 October 2014. The Company was unable to renegotiate any extensions for the notes expiring on 30 June 2015, whereas the notes maturing in March and September 2016 did not yet require rolling over.

We also note that Anglo Pacific Pacific had entered into nine (9) separate deeds of variation regarding deferrals of the outstanding balance.

Alignment Capital provided the Company with a \$400k bridging loan, with the final instalment being received on 17 July 2015.

The above demonstrates that the Company had the support of some creditors to extend facilities, repayment dates and obtain some external funding to at least 17 July 2015, although there were some notes that were not able to be extended beyond 30 September 2014 and have been due and payable since that date.

9.2.2.1.4 Finance commitments review

The books and records of the Company do not reveal any relevant finance commitments.

9.2.2.2 Availability of other cash resources – cash flow test

9.2.2.2.1 Profitability

As outlined in section 4.3 of this report, the Company recorded significant losses since its incorporation.

The only source of revenue for the Company was any returns on its investments in Peru and Brazil, which have not transpired to date due to the corresponding losses of the various subsidiaries.

9.2.2.2.2 Cash flow

Following the inability to extend certain convertible notes which expired on 30 September 2014 and 31 October 2014, it appears that the Company's available working capital may have been insufficient to meet liabilities as and when they fell due from as early as that date.

A breakdown of the Company's 30 September 2014 immediate cash resource compared to the amounts due and payable is tabled below:

\$'000	
Cash at Bank	318
Trade payables	(363)
Convertible notes	(199)
Cash flow surplus/(deficiency)	(244)

Had the Company been able to successfully rollover the convertible notes expiring on 30 September 2014, it appears that the Company would have still had a shortfall of \$45k.

9.2.2.2.3 Access to alternative sources of finance

As discussed at section 9.2.2.1.3, the Company had access to a number of finance facilities, the most recent of which was provided to the Company on 17 July 2015.

Immediately prior to the appointment of the Administrators, the Company was in discussions with three parties regarding a potential recapitalisation and sale of the Company. Negotiations had begun with each party, however these were not finalised prior to the appointment of Administrators.

9.2.2.2.4 Disposal of non-core assets

As discussed at section 3.1.6 Company attempted to sell its interest in Mundo Brazil, however was not able to complete this sale.

The Company could potentially have attempted to sell some of the Peruvian tenements to assist with working capital requirements, however, we understand from management that these assets were considered part of the Company's long-term strategy and therefore were not available for sale.

At the same time however the Peruvian Entities had an ongoing requirement for cash funding from its parent that was not able to be provided. If these requirements were included in any assessment of the Australian parent entity's position it would demonstrate a significant deficiency in working capital.

9.2.2.2.5 Dishonoured payments

The books and records of the Company do not reveal any specific evidence of dishonoured payments.

9.2.2.2.6 Overdue Commonwealth and State taxes

The Company's book and records reveal that amounts payable to the ATO were consistently overdue from March 2014 onwards, although the overdue periods from that date ranged from only 2 days to 2 months.

9.2.2.2.7 Creditor forbearances / indulgences

We understand from Management that the Company entered into a forbearance agreement with Jackson McDonald on 15 June 2015, expiring on 15 July 2015 for which it failed to meet the agreed payment terms.

Other than the above, the Company's books and records did not reveal any evidence that creditors were demanding payment on overdue accounts.

9.2.3 Preliminary conclusion as to solvency

In light of the insolvency indicators discussed above, we are of the opinion that the Company may have been insolvent from as early as 30 September 2014. While the Company continued to secure interim external finance up until 17 July 2015 and was pursuing recapitalisation proposals up to the date of our appointment there is no evidence to suggest that the quantum of the interim finance, or terms and timing for implementation of recapitalisation proposals, was sufficient to return the Company to solvency.

As I have noted, the determination of solvency is a complex matter. A liquidator, if appointed, would need to conduct further investigations, and possibly conduct a public examination of relevant parties, to ultimately determine whether or not the Company became insolvent at that time or on an alternative date.

9.3 Potential liquidator recoveries – voidable transactions

A liquidator has the power to void certain transactions which are either not beneficial to, or detrimental to a company. An administrator must identify any transactions that appear to be voidable by a liquidator.

Enclosed at **Annexure E** is a creditor information sheet published by ARITA. This information sheet details the types of transactions which a liquidator can seek to void.

Potential voidable transactions identified during my preliminary review are as follows:

Potential Voidable Transaction	Section	Value \$
Unfair preferences	9.3.1	101,400
Unreasonable director-related transactions	9.3.4	1,200,000
Insolvent Trading	9.4.1	3,700,000

Please note that the above amounts represent gross estimated claims and do not take into account any costs that would need to be incurred recovering the above amounts, including legal fees and finance costs from a litigation funder.

9.3.1 Unfair preferences

A payment to a creditor is preferential if it made at a time when the company is insolvent and it results in the recipient receiving a greater return than they would receive if the payment were set aside and the creditor lodged a claim in the liquidation. The relevant look-back period is 6 months prior to the Administration, save for related party transactions.

Should a liquidator establish any such unfair preference payments, these amounts may be recouped, thereby increasing the funds available to ordinary unsecured creditors. If a creditor disgorges an unfair preference payment to a liquidator, the creditor is entitled to prove for dividend. Therefore, whilst recovering an unfair preference payment increases the pool of funds available to creditors, it also increases total creditor claims.

We are aware of a number of payments made to trade creditors in the pre-administration period, and our preliminary view is that these payments were likely to have been made in the ordinary course of business.

Factors which indicate these payments might be unfair preferences are:

- Payments in response to winding up applications, statutory demands and other pressure from the creditor;
- Repayment plans with the creditor; and
- Significant 'round' figure payments were made to the creditor.

The payments would be protected if the creditor from whom the liquidator seeks to recover:

- Became a party to the transaction in good faith;
- At the time when they became a party:
 - They had no reasonable grounds for suspecting that the Company was insolvent at that time, or would become insolvent;
 - A reasonable person in that person's circumstances would have had no such grounds for so suspecting; and
- Provided valuable consideration under the transaction or has changed their position in reliance on the transaction.

A creditor seeking protection must prove all three elements.

Further, where a creditor received a series of payments as part of a so called 'running account' and their overall indebtedness increases over the same period, the creditors is taken not to have received an unfair preference. This is called 'the running account defence.'

Our preliminary investigations have revealed approximately \$200,000 of creditor settlements that could meet the classifications of a preference payment, however approximately half of that amount was settled by way of share issues.

The remaining amount relates to payments totalling \$101,400. If the date of insolvency is proven to be 30 September 2014, as our preliminary assessment suggests, a liquidator may claim that the payment represented an unfair preference.

9.3.2 Uncommercial transactions

A transaction is an uncommercial transaction if it is made at a time when the company is insolvent and it may be expected that a reasonable person in the company's circumstances would not have entered into the transaction having regard to:

- The benefits or detriment to the company of entering into the transaction; and
- The prospective benefits to other parties to the transaction upon entering into it.

Should a liquidator establish any such uncommercial transactions, those transactions may be set aside thereby increasing the funds available to ordinary unsecured creditors.

We have reviewed a number of contracts the Company held with their major suppliers. Our preliminary investigations do not disclose any transactions of an uncommercial nature which may lead to recoveries by a liquidator in the event that the Company is wound up.

A liquidator must investigate transactions deemed to be uncommercial, having regard to the detriment to the company suffered as a consequence of the transaction in the period two years prior to the date of Administration.

Based on the books and records in my possession I have not identified any transactions which would constitute uncommercial transactions.

9.3.3 Unfair loans

Section 588FD of the Act provides that a loan to a company is unfair if the interest and charges are extortionate. In considering whether interest and charges are extortionate, regard must be had to:

- Risk the lender is exposed to;
- Value of security;
- Term;
- Repayment schedule; and
- Amount of loan.

A liquidator must investigate loans to the company which may be considered unfair due to extortionate interest rates or charges.

Our investigations revealed that the loans entered into by the Company were all made at a time when the Company required capital to continue operating. Given consideration to the timing of each loan and the risk taken by the lender, we do not consider the Company was party to any unfair loans.

9.3.4 Unreasonable director-related transactions

Pursuant to Section 588FDA of the Act, a transaction is an unreasonable director-related transaction of the company if:

- The transaction is a payment, transfer of property, issue of securities or incurring of an obligation by the company;
- Made by the director or a close associate of the director; and
- That a reasonable person in the company's circumstances would not have entered into having regard to the benefit or detriment to the company or other parties.

Should a liquidator establish such transactions, they may be set aside, thereby increasing the funds available to unsecured creditors.

Our preliminary investigations has revealed that \$1.2M of funding was provided to Mundo USA Inc since the date of its incorporation. Based on our understanding there were no operations in the USA, nor was there ever planned to be any operations in the USA and the amounts expended by Mundo USA Inc appear inconsistent with the overall objectives of the Company.

Significant further investigation is required into this entity to determine whether funds will be recoverable from this transaction and therefore at this stage I cannot estimate the amounts that may be recovered.

While unreasonable director-related transactions are only voidable in a liquidation, we would seek to reframe any such claims as a breach of director duties if a DOCA was approved by creditors.

9.3.5 Voidable charges

We have not identified any charges which may be voided by a liquidator.

9.4 Potential liquidator recoveries – insolvent trading

9.4.1 Directors' liability

Section 588G of the Act imposes a positive duty upon company directors to prevent insolvent trading. If a director is found guilty of an offence in contravening Section 588G, the Court may order him or her to pay compensation to the company equal to the amount of loss or damage suffered by its creditors.

The Court may also impose upon the directors one of two types of civil penalty orders, the first can include a fine or an order prohibiting the directors from participating in the management of a company. The second, where there is criminal intent and conviction, a director could also be imposed for up to five years.

This action is not a right that is available to an administrator or a deed administrator. Applications for compensation payable to the company are usually made by a liquidator, or in specified circumstances, a creditor.

The substantive elements of Section 588G are:

- A person must be a director of a company at a time when the company incurs a debt;
- The company must be insolvent at the time or becomes insolvent by incurring the debt; and
- The director must have reasonable grounds for suspecting that the company is insolvent or would become insolvent.

The defences available to directors contained in Section 588H are:

- The directors had reasonable grounds at the time the debt was incurred to expect the company to be solvent and would remain solvent even after the debt was incurred;
- The directors relied on another competent and reliable person to provide information about whether or not the company was insolvent;
- The directors were ill or for some other good reason did not take part in the management of the company; and
- The directors took reasonable steps to prevent the incurring of debt.

A liquidator must form an opinion as to the date of insolvency and determine the debts incurred from that date; thereby quantifying the loss to the company.

The costs of proceeding with an insolvent trading action must be considered.

On the face of our preliminary analysis, the Company may have been trading insolvently from as early as 30 September 2014, the time at which some of the convertible notes were not rolled over and therefore were due for repayment. In the event that a liquidator can prove that the Company had been trading insolvently from that date, the claim against the Directors could be as high as \$3.7M (comprising debt incurred to trade creditors, noteholders and financiers after that date), however I expect that any such claim would vigorously defended on the following grounds:

- The convertible notes were actually rolled over or the repayments waived by some other method not yet identified or reliance by the Directors on the indulgences afforded by those creditors generally.
- The Company was able to source alternative funding.
- The Company was considering three proposals to recapitalise the Company up until the date of our appointment and therefore the Directors had a reasonable expectation that the Company would be pay its creditors.
- Creditors were not agitating for payment or commencing enforcement action.

Further, we note that the legal costs associated with pursuing such claims and the returns required by litigation funders mean that, even if the full \$3.7M is recovered, we would not expect much more than \$1M to be available for distribution to creditors.

9.5 Other potential liquidator recoveries

9.5.1 Compensation for breach of directors duties

Based on our investigations to date, we have not identified any offences the directors may have committed under the provisions of the Act. As noted however our investigations are ongoing as the tight timeframe of the Administration has not enabled us to complete our review in this regard.

We note however that a number of creditors have asserted the existence of potential breaches, although we have not been provided with any specific details to date. Such claims, to the extent that they are proven to be valid, will not necessarily be compromised by a DOCA so long as the DOCA does not specifically exclude such claims.

9.5.2 Arrangements to avoid employee entitlements

Provision contained in Part 5.8A of the Act commenced operation on 30 June 2000 and aim to protect the entitlements of a company's employees from agreements that deliberately defeat the recovery of those entitlements upon insolvency.

Under Section 596AB(1) of the Act, it is an offence for a person to enter into a transaction or relevant agreement with the intention of, or with intentions that include:

- Preventing recovery of employee entitlements; or
- Significantly reducing the amount of employee entitlements recoverable.

Based on our investigations to date, there has been no contravention of Part 5.8A of the Act by any person.

9.6 Other matters arising from investigations

9.6.1 Falsification of books

Pursuant to Section 1307 of the Act, it is an offence for a person to engage in conduct that results in the concealment, destruction, mutilation or falsification of any securities of or belonging to the company or any books affecting or relating to affairs of the company.

If a breach is proven, Part 9.4 of the Act provides for criminal penalties only. Therefore, any breaches of Section 1307 will not result in recovery of funds by a liquidator.

The Administrators' preliminary investigations do not reveal any evidence of falsification of books.

9.6.2 False or misleading statements

Pursuant to Section 1308 of the Act, a company must not advertise or publish a misleading statement regarding the amount of its capital. It is an offence for a person to make or authorise a statement that, to the person's knowledge is false or misleading in a material particular.

The Administrators' preliminary investigations do not reveal any evidence of any false or misleading statements.

9.6.3 False information

Pursuant to Section 1309 of the Act, it is an offence for an officer or employee to make available or give information to a director, auditor, member, debenture holder, or trustee for debenture holders of the company that is to the knowledge of the officer or employee:

- False or misleading in a particular matter; or
- Has omitted from it a matter the omission of which renders the information misleading in a material respect.

The Administrators' preliminary investigations do not reveal any evidence of any false information.

9.7 Summary of potential liquidator recoveries

Set out below is a summary of transactions that a liquidator would investigate further if the Company is placed into liquidation.

Potential recovery item	High \$	Low \$
Unfair preferences	101,400	Nil
Uncommercial transactions	Nil	Nil
Unfair loans	Nil	Nil

Potential recovery item	High \$	Low \$
Unreasonable director-related transactions	1,200,000	Nil
Insolvent Trading	1,000,000	Nil

9.8 Directors' ability to pay a liquidator's claims

At this stage, the Administrators have not made any assessment as to the financial capacity of the Directors to meet any potential actions.

9.9 Reports to the ASIC

Section 438D of the Act requires us to lodge a report with the ASIC should we become aware of:

- Any offences committed by a past or present officer of the Company;
- Evidence that money or property has been misapplied or retained;
- Evidence that a party is guilty of negligence, default, breach of duty or breach of trust in relation to the Company.

At this stage we have not identified any offences that require reporting to the ASIC pursuant to Section 438D of the Act.

10 Return to creditors

10.1 Liquidation

\$000s	ERV High	ERV Low
Available Assets		
Cash at bank	5.8	5.8
Peruvian Interests	-	-
Brazilian Interests	-	-
Antecedent Transactions	2,301.4	-
Sub Total	2,307.2	5.8
Assets subject to specific charge		
Shares in Mundo Brazil	-	-
Less amounts owing to Mineralis Limited	-	(970.0)
Shares in Peruvian subsidiaries	-	-
Less amounts owing to SilverStream	(6,488.2)	(6,488.2)
Total Assets Available to Priority Creditors	2,307.2	5.8
Priority Creditors		
Less: Administrators fees and disbursements	(350.0)	(350.0)
Less: Liquidators fees and disbursements	(300.0)	(300.0)
Less: Priority creditors employee entitlements	(38.8)	(110.4)
Funds available to unsecured creditors	1,618.4	-
Unsecured Creditors	(17,236.4)	(19,149.4)
Estimated surplus / deficiency	(15,618.1)	(19,143.6)

While we state that the return to unsecured creditors is unknown, we expect that in the event of a liquidation, DCF and SilverStream will enforce their security in Peru and no amounts will be returned to the Australian parent from the Peruvian investments to be available to unsecured creditors. Therefore, in liquidation the returns to unsecured creditors will be reliant on liquidation and litigation recoveries, some of which are outlined in this report.

10.2 Proposed DOCAs

10.2.1 IncaOne Proposed DOCA

Under the DOCA proposed by IncaOne, it is estimated that the effective dividend payable to creditors is as follows:

	High \$000s	Low \$000s
DOCA fund – Cash or IncaOne shares (US\$650k converted at 1.39)	903.5	903.5
Less: Administrators' fees and disbursements	(380.0)	(380.0)
Less: Legal and consultancy costs incurred by the Administrator	(100.0)	(150.0)
Less: DOCA fees and disbursements	(100.0)	(100.0)
Less: Employee entitlements	(38.8)	(110.4)
Total priority claims	(618.8)	(740.4)
Funds available to unsecured creditors	284.7	163.1
Unsecured claims	11,719	12,661
Estimated dividend	2.4 cents	1.3 cents

Employee's statutory priority is to be retained, however given that the deed fund is most likely to be satisfied in IncaOne shares only there is likely to be insufficient cash to settle these priority claims.

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

- Changes in the quantum of costs of the DOCA for unforeseen issues;
- Final proving of creditor claims; and
- Compliance with all provisions of the DOCA.

10.2.2 Andina Proposed DOCA

Under the DOCA proposed by Andina, it is estimated that the dividend payable to creditors is as follows:

	High \$000s	Low \$000s
DOCA fund (Cash and Shares)	250.0	250.0
Less: Administrators' fees and disbursements (capped at \$175k)*	(175.0)	(175.0)
Less: Legal and consultancy costs incurred by the Administrator	(100.0)	(150.0)
Less: DOCA fees and disbursements	(100.0)	(100.0)
Less: Employee entitlements	(38.8)	(110.4)
Total priority claims	(413.8)	(535.4)
Funds available to unsecured creditors	-	-
Shares available to unsecured creditors	300.0	300.0
Unsecured claims	11,719	12,661
Estimated dividend	2.6 cents	2.4 cents

* The Administrators will carry over any portion of unpaid fees and costs to be recouped from the Creditors' Trust and litigation recoveries under the DOCA proposal.

Employee's statutory priority is to be retained.

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

- Changes in the quantum of costs of the DOCA for unforeseen issues;
- Final proving of creditor claims; and
- Compliance with all provisions of the DOCA.

We have set out below a comparison of the estimated returns available to creditors under the proposed DOCA and in a liquidation scenario:

Creditors	IncaOne DOCA	Andina DOCA	Liquidation High	Liquidation Low
Employees	100 c/\$	46.7 c/\$ - 60.4 c/\$	100 c/\$	100 c/\$
Unsecured Creditors	1.3 c/\$ - 2.4 c/\$	2.4 c/\$ - 2.6 c/\$	9.4c/\$	-
DCF Capital	100 c/\$	100 c/\$	9.4c/\$	-
SilverStream*	100 c/\$	100 c/\$	9.4c/\$	-

* Taking into account restructured (debt) streaming obligations

10.3 Timing of dividend

Ultimately the timing of dividends will depend on a number of matters, including:

- The timing of Completion.
- The timing of any Capital Raising.
- Any restrictions placed on the distribution of new share capital.
- Adjudication of creditor claims.
- Decision of participating creditors, the Administrators or Creditors' Trust Trustees as to whether to pursue the Directors for any claims.

11 Administrators' opinion

We recommend that the DOCA proposal put forward by Andina be accepted and approved by all unsecured creditors (except for priority employee creditors who should reject and vote against the proposal)

Pursuant to Section 439A(4)(b) of the Act, we are required to provide creditors with a statement setting out our opinion on whether it is in creditors' interests for the:

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

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

11.1 Administration to end

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

11.2 DOCA

We are of the opinion that the DOCA proposal put forward by Andina should be accepted by creditors as it is the only proposal that we are aware of that has the support of DCF Capital and SilverStream therefore is the only DOCA proposal capable of being implemented. Further, while liquidation will provide the opportunity for further investigation and possible liquidation recoveries, the liquidator will be unfunded and will require the support of a litigation funder who will demand a significant portion of any successful proceeds. Litigation is also subject to risk and uncertainty, and will result in time delays through to resolution and returns. Therefore, there remains a risk that returns in a liquidation could be nil whereas the Andina proposal provides for a higher effective return to unsecured creditors albeit requiring creditors to assume an equity position going forward.

The Andina proposal provides for the establishment of a creditors' trust to house potential claims that may exist against former directors and officers, however this will not include typical liquidation claims such as insolvent trading and unfair preferences.

Currently, in our opinion, the Andina proposal provides a better outcome for creditors than the proposal from IncaOne, however we will continue to engage with IncaOne (and any other

emerging proponent) up to the date of the Second Meeting and will advise creditors of any improvements to the proposal that may influence their decision.

11.3 Winding up of the Company

In the absence of a DOCA proposal, it is our opinion that the Company should be placed into liquidation.

A liquidator would be in a position to conduct detailed investigations into the conduct of directors and the financial affairs of the Company. A liquidator will also be empowered to:

- Complete the sale of assets in an orderly manner.
- Assist employees in applying for FEG for the payment of certain employee entitlements that cannot otherwise be funded by the Company.
- Pursue various potential recoveries under the Act.
- Distribute recoveries made in accordance with the priority provisions of the Act.
- Report to the ASIC on the results of investigations into the Company's affairs.

12 Further information and enquiries

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

In the meantime, should you have any queries, please contact to contact Jack Smith of this office on +618 9214 1444.

Dated this 22nd day of September 2015



Darren Weaver
Joint and Several Administrators

A Notice of meeting

Form 529

Notice of Meeting

*Corporations Act 2001
Subregulation 5.6.12(2)*

Minera Gold Limited (Administrators Appointed) (the Company) ACN 117 790 897

NOTICE is given that a meeting of creditors of the Company will be held on 30 September 2015 at 3:00pm (AWST) at Ferrier Hodgson, Level 28, 108 St Georges Terrace, PERTH WA 6000.

Agenda

1. To consider a statement by the Directors about the Company's business, property, affairs and financial circumstances.
2. To consider the circumstances leading to the appointment of the Administrators to the Company, details of the proposed Deed of Company Arrangements and the various options available to creditors.
3. To consider the report of the Administrators.
4. To resolve that:
 - The Company execute a Deed of Company Arrangement; or
 - The Administration should end; or
 - The Company be wound up.
5. If it is resolved that the Company be wound up, consider whether a Committee of Inspection is to be appointed, and if so, the members of that Committee.
6. If it is resolved that the Company be wound up, consider whether, subject to obtaining the approval of the Australian Securities & Investments Commission (ASIC) pursuant to Section 542(4) of the Act, the books and records of the Company and of the Liquidators may be disposed of by the Liquidators 12 months after the dissolution of the Company or earlier at the discretion of ASIC.
7. To fix the remuneration of the Administrators.
8. If it is resolved that the Company execute a Deed of Company Arrangement, to fix the remuneration of the Deed Administrators.
9. If it is resolved that the Company be wound up, to fix the remuneration of the Liquidators
10. Any other business that may be lawfully brought forward.

For a person to be eligible to attend and vote at the meeting on your behalf, a Form 532, Appointment of Proxy, is to be completed and submitted by no later than 4:00pm (AWST) on 29 September 2015, to:

Minera Gold Limited (Administrators Appointed)
c/- Ferrier Hodgson

Tel: +618 9214 1444
Fax: +618 9214 1400
Email: jack.smith@fh.com.au

Note: In accordance with Regulation 5.6.36A of the Corporations Regulations 2001, if a proxy is submitted by facsimile, the original document must be lodged within 72 hours after lodging the faxed copy.

A company may only be represented by proxy or by an attorney appointed pursuant to Corporations Regulations 5.6.28 and 5.6.31 respectively or, by a representative appointed under Section 250D of the Act.

In accordance with Subregulation 5.6.23(1) of the Corporations Regulations, creditors will not be entitled to vote at the meeting unless they have previously lodged particulars of their claim against the Company in accordance with the Corporations Regulations and that claim has been admitted, for voting purposes, wholly or in part.

Dated this 22nd day of September 2015



Darren Weaver
Joint and Several Administrator

B Appointment of proxy form

Form 532 Appointment of Proxy

Corporations Act 2001
Regulation 5.6.29

Minera Gold Limited (Administrators Appointed) (the Company)
ACN 117 790 897

Instructions:

Please complete Sections A, B, C and D and submit in accordance with the Section E.

* Strike out if inapplicable.

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

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

of

(address)

Tel:

Fax:

B. Appointment of Person to Act as Proxy

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

*I / *We, as named in Section A above, a *creditor / *eligible employee creditor / *contributory / *debenture holder / *member of the Company, appoint

(name of person appointed as proxy)

or in his / her absence

(address of person appointed as proxy)

(name of person appointed as alternate proxy)

as *my / *our proxy

(address of person appointed as alternate proxy)

to vote at the second meeting of creditors to be held on 30 September 2015 at 3:00pm (AWST) at Ferrier Hodgson, Level 28, 108 St Georges Terrace, PERTH WA 6000, or at any adjournment of that meeting in accordance with the instructions in Section C below.

C. Voting Instructions

Note: A **general proxy** is entitled to vote on any resolution, subject to Regulation 5.6.33 of the Corporations Regulations 2001, as they see fit at the meeting – tick the “**general proxy**” box.

A **special proxy** is entitled to vote **only** in accordance with your specific instructions – tick the “**special proxy**” box and indicate your specific voting instructions by ticking **one option only for each** resolution for which you wish to give such instructions.

Your proxy may act as both a **special proxy**, in accordance with your instructions in relation to specific resolutions, and as a **general proxy**, in relation to resolutions where you have not issued specific instructions – tick **both** the “**general proxy**” and “**special proxy**” boxes. Your proxy will then be authorised to vote specifically in accordance with your instructions in relation to those resolutions where specific instructions have been given, and generally in relation to resolutions where no specific instructions have been given, and other business of the meeting.

*My / *Our proxy, as named in Section B above, is entitled to act as *my / *our :

general proxy, to vote on *my / *our behalf generally, as *he / *she determines, subject to any specific instructions below, if applicable.

and / or

special proxy, to vote on *my / *our behalf specifically, in accordance with the following special instructions: (for each resolution for which you wish to give specific voting instructions, please tick one option only)

Resolution	For	Against	Abstain
1. That the remuneration of the Administrators, as set out in the Remuneration Approval Request Report dated 22 September 2015, for the period from 25 August 2015 to 15 September 2015 be fixed in the amount of \$242,121.50, plus any applicable GST, and may be paid.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. That the remuneration of the Administrators, as set out in the Remuneration Approval Request Report dated 22 September 2015, for the period from 16 September 2015 to 30 September 2015 be fixed up to a maximum amount of \$150,000.00, plus any applicable GST, but subject to upward revision by resolution of creditors, and that the Administrators be authorised to make periodic payments on account of such accruing remuneration as incurred.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. That the second meeting of creditors of the Company be adjourned for a period not exceeding 45 business days.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. That, pursuant to Section 439C of the Corporations Act 2001 (the Act), the Company execute a Deed of Company Arrangement with <u>Andina Resources Ltd</u> , under Part 5.3A of the Act, in substantially the same form as the proposal statement presented to the meeting.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Resolution	For	Against	Abstain
5. That, pursuant to Section 439C of the Corporations Act 2001 (the Act), the Company execute a Deed of Company Arrangement with <u>Inca One Gold Corp</u> , under Part 5.3A of the Act, in substantially the same form as the proposal statement presented to the meeting.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. That the Administration should end.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. That the Company be wound up.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. That a Committee of Inspection be appointed, the members of which are to be determined by the meeting.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. That, subject to obtaining the approval of the Australian Securities & Investments Commission (ASIC) pursuant to Section 542(4), the books and records of the Company and of the Liquidators be disposed of by the Liquidators 12 months after the dissolution of the Company or earlier at the discretion of ASIC.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. That the remuneration of the Deed Administrators, as set out in the Remuneration Approval Request Report dated 22 September 2015, for the period from 1 October 2015 to the date of execution of the Deed of Company Arrangement to be fixed up to a maximum amount of \$30,000.00, plus any applicable GST, but subject to upward revision by resolution of creditors, and that the Deed Administrators be authorised to make periodic payments on account of such accruing remuneration as incurred.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. That the remuneration of the Deed Administrators, as set out in the Remuneration Approval Request Report dated 22 September 2015, for the period from the date of execution of the Deed of Company Arrangement to completion be fixed up to a maximum amount of \$100,000.00, plus any applicable GST, but subject to upward revision by resolution of creditors, and that the Deed Administrators be authorised to make periodic payments on account of such accruing remuneration as incurred.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Resolution	For	Against	Abstain
<p>12. That the remuneration of the Liquidators, as set out in the Remuneration Approval Request Report dated 22 September 2015, for the period from 1 October 2015 to completion be fixed up to a maximum amount of \$300,000.00, plus any applicable GST, but subject to upward revision by resolution of creditors, or the Committee of Inspection should one be appointed, and that the Liquidators be authorised to make periodic payments on account of such accruing remuneration as incurred.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

D. Signature

Dated:

Signature:

Name / Capacity #:

If an individual, insert full name
 If a sole trader, insert in accordance with the following example: "full name, proprietor"
 If a partnership, insert in accordance with the following example: "full name, partner of the firm named in Section A above"
 If a company, pursuant to Regulations 5.6.28 and 5.6.31 of the Corporations Regulations 2001, it may only be represented by proxy or attorney respectively, or by a representative appointed under Section 250D of the Corporations Act 2001. The document appointing the proxy, attorney or representative must be in executed in accordance with Section 127 of the Corporations Act 2001, in which instance, insert in accordance with the following example: "full name, director / secretary / director/secretary of the company named in Section A above" or under the hand of some officer duly authorised in that capacity, and the fact that the officer is so authorised must be stated in accordance with the following example: "full name, for the company named in Section A above (duly authorised under the seal of the company)" – a copy of authority / power of attorney is to be annexed.

E. Submitting the Proxy

For a person to be eligible to attend and vote at the meeting on your behalf, this form is to be completed and submitted by no later than 4:00pm (AWST) on 29 September 2015, to:

Minera Gold Limited (Administrators Appointed)
 c/- Ferrier Hodgson

Tel: +618 9214 1444
 Fax: +618 9214 1400
 Email: jack.smith@fh.com.au

Note: In accordance with Regulation 5.6.36A of the Corporations Regulations 2001, if a proxy is submitted by facsimile, the original document must be lodged within 72 hours after lodging the faxed copy.

Certificate of Witness (to be completed only in special circumstances – see below)

*This certificate is only to be completed **only if the person giving the proxy is blind or incapable of writing**. The certificate of the creditor, contributory, debenture holder or member must not be witnessed by the person nominated as proxy.*

I

.....
(name of witness)

of

.....
(address of witness)

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

Dated:

.....
Signature:

C Proof of debt form

Form 535 Formal Proof of Debt or Claim (General Form)

*Corporations Act 2001
Regulation 5.6.49(2)*

**Minera Gold Limited (Administrators Appointed) (the Company)
ACN 117 790 897**

Instructions:

Please complete Sections A, B and C and submit to:
Minera Gold Limited (Administrators Appointed)
c/- Ferrier Hodgson

Tel: +618 9214 1444

Fax: 08 9214 1400

Email: jack.smith@fh.com.au

* Strike out if inapplicable.

A. Name and Contact Details of Creditor

(“the Creditor”)

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

of

(address)

Tel:

Fax:

Email:

B. Details of Debt or Claim

To the Administrators of the Company

1. This is to state that the Company was, on 25 August 2015, and still is justly and truly indebted to the Creditor for

dollars

(amount in words)

and

cents (inclusive of GST, if applicable).

Particulars of the debt are:

Date	Consideration ¹	Net \$	GST \$	Total \$	Remarks ²
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- Under "Consideration" state how the debt arose, for example "goods sold and delivered to the company between the dates of", "moneys advanced in respect of the Bill of Exchange".
- Under "Remarks" include details of vouchers substantiating payment.

- To my knowledge or belief the Creditor has not, nor has any person by the Creditor's order, had or received any satisfaction or security for the sum or any part of it, *except for:

(insert particulars of all securities held. If the securities are on the property of the company, assess the value of those securities. If any bills or other negotiable securities are held, indicate "refer attached" above and show them in a schedule in the following form:)

Date	Drawer	Acceptor	Amount \$	Due Date
------	--------	----------	--------------	----------

- *I am employed by the Creditor / *I am the Creditor's agent
*and authorised in writing by the Creditor to make this statement.
I know that the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, remains unpaid and unsatisfied.

C. Signature

Dated: _____

Signature: _____

Name / Capacity #: _____

- # If the Creditor is an individual, insert full name
If the Creditor is a sole trader, insert in accordance with the following example: "full name, proprietor"
If the Creditor is a partnership, insert in accordance with the following example: "full name, partner of the firm named in Section A above"
If the Creditor is a company, insert in accordance with the following example: "full name, director / secretary / director/secretary of the company named in Section A above" or under the hand of some officer duly authorised in that capacity, and the fact that the officer is so authorised must be stated in accordance with the following example: "full name, for the company named in Section A above (duly authorised under the seal of the company)".
Where this form is completed by, for example, a solicitor or accountant of the Creditor, sign this form as the Creditor's authorised agent; where this form is completed by an authorised employee of the Creditor, indicate occupation (eg: credit manager, etc)

D Remuneration approval request report

Corporations Act 2001
Section 449E

Minera Gold Limited (Administrators Appointed) (the Company)
ACN 117 790 897

Remuneration approval request report

1 Declaration

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

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

2 Executive summary

2.1 Summary of remuneration approval sought for the Company

To date, no remuneration has been approved and paid in the administration of the Company. This remuneration report details approval sought for the following fees:

Period	Report reference	Amount (ex GST) \$
Current remuneration approval sought:		
Voluntary administration		
Resolution 1: 25 August 2015 to 15 September 2015	3.1	242,121.50
Resolution 2: 16 September 2015 to 30 September 2015	3.2	150,000.00
Resolution 3: 1 October 2015 to the execution of DOCA	3.3	30,000.00
Total – voluntary administration*		\$422,121.50
Deed of company arrangement (DOCA) (if applicable)		
Resolution 4: Execution of the DOCA to completion*	3.4	100,000.00
Total – deed of company arrangement* (if applicable)		\$100,000.00
Liquidation (if applicable)		
Resolution 5: 1 October 2015 to completion*	3.5	300,000.00
Total – liquidation* (if applicable)		\$300,000.00

* 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.

Please refer to Parts 3 and 4 for full details of the calculation and composition of the remuneration approval sought.

3 Description of work completed / to be completed

3.1 Resolution 1

Company: Minera Gold Limited (Administrators Appointed)
Administration Type: Voluntary Administration
Practitioners: Darren Weaver and Martin Jones of Ferrier Hodgson
Period: 25 August 2015 to 15 September 2015

Task area	General description	Includes
Assets 113.6 hours \$50,411.00 (excl GST)	Sale of business as a going concern	<ul style="list-style-type: none"> • Liaising with interested parties. • Liaising with potential purchasers. • Internal meetings to discuss / review offers received. • Preparation of preliminary information pack for interested parties. • Attending to information requests of interested parties. • Preparation of confidentiality agreements. • Dataroom set up. • Review of indicative proposals received. • Engagement with proponents in respect of their proposals. • Engagement with the COC regarding the proposals received. • Dealing with issues in respect of shareholding of Peruvian subsidiaries.
	Leasing	<ul style="list-style-type: none"> • Reviewing head office lease documents. • Liaising with owners / lessors. • Tasks associated with disclaiming head office lease. • Correspondence with sub-tenant.
Creditors 177.3 hours \$78,110.00 (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. • Correspondence with committee of creditors' members.
	Secured creditor reporting	<ul style="list-style-type: none"> • Preparation of reports to secured creditor. • Responding to secured creditor's queries.
	Creditor reports	<ul style="list-style-type: none"> • Preparation of report on results of investigation, meeting and general reports to creditors.
	Dealing with proofs of debt	<ul style="list-style-type: none"> • Receipting and filing proofs of debt when not related to a dividend. • Entering proof of debt details into accounting system.

Task area	General description	Includes
	First 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. • Attendance at meeting. • Preparation and lodgement of minutes of meetings with ASIC. • Respond to stakeholder queries and questions immediately following meeting.
Employees	Employee enquiries	<ul style="list-style-type: none"> • Receive and follow up employee enquiries via telephone. • Maintain employee enquiry register. • Review and prepare correspondence to employees and their representatives via facsimile, email and post. • Preparation of letters to employees advising of their entitlements and options available.
9.1 hours \$3,426.50 (excl GST)	Calculation of entitlements	<ul style="list-style-type: none"> • Calculating employee entitlements. • Reviewing employee files and Company's books and records. • Liaising with solicitors regarding employee entitlements.
Trade on	Trade-on management	<ul style="list-style-type: none"> • Liaising with management and staff in Peru. • Review of Peru funding requirement.
35.1 hours \$18,272.50 (excl GST)	Budgeting and financial reporting	<ul style="list-style-type: none"> • Preparing forecasts based on management's indicative budget. • Meetings to discuss trading position.
Investigation	Conducting investigation	<ul style="list-style-type: none"> • Collection of Company books and records. • Reviewing Company's books and records. • Review and preparation of Company nature and history. • Conducting and summarising statutory searches. • Preparation of comparative financial statements. • Preparation of deficiency statement. • Review of specific transactions and liaising with directors regarding certain transactions. • Preparation of investigation file.
77.7 hours \$33,283.50 (excl GST)	Examinations	<ul style="list-style-type: none"> • Preparation of brief to solicitor. • Liaising with solicitor(s) regarding potential examinations. • Attending to additional information requests from solicitor.
	Litigation / recoveries	<ul style="list-style-type: none"> • Internal meetings to discuss status of potential litigation. • Preparation of brief to solicitors. • Liaising with solicitors regarding potential

Task area	General description	Includes
Administration 144.5 hours \$58,618.00 (excl GST)		recovery actions.
	Document maintenance / file review / checklist	<ul style="list-style-type: none"> • First month administration reviews. • Filing of documents. • File reviews. • Updating checklists.
	Correspondence	<ul style="list-style-type: none"> • General correspondence.
	Insurance	<ul style="list-style-type: none"> • Identification of potential issues requiring attention of insurance specialists. • Correspondence with insurer regarding initial and ongoing insurance requirements. • Reviewing insurance policies. • Correspondence with previous brokers.
	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.
	ASIC Form 524 and other forms	<ul style="list-style-type: none"> • Preparing and lodging ASIC forms including 505, 524, 911, etc. • Correspondence with ASIC regarding statutory forms.
	ATO and other statutory reporting	<ul style="list-style-type: none"> • Notification of appointment. • Preparing BASs.
	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. 	

3.2 Resolution 2

Company: Minera Gold Limited (Administrators Appointed)
Administration Type: Voluntary Administration
Practitioners: Darren Weaver and Martin Jones of Ferrier Hodgson
Period: 16 September 2015 to 30 September 2015

Task area	General description	Includes
Assets 69.1 hours \$30,358.00 (excl GST)	Sale of business as a going concern	<ul style="list-style-type: none"> Correspondence with interested parties. Distribution of further confidentiality agreements. Providing initial information pack to further interested parties. Determination of issues in respect of Peruvian subsidiaries. Further engagement with proponents and key affected stakeholders.
	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. Correspondence with committee of creditors' members.
Creditors 104.2 hours \$44,667.00 (excl GST)	Secured creditor reporting	<ul style="list-style-type: none"> Preparing reports to secured creditor. Responding to secured creditor's queries.
	Creditor reports	<ul style="list-style-type: none"> Preparing section 439A report, investigation, meeting and general reports to creditors. Preparation of remuneration approval request report.
	Dealing with proofs of debts	<ul style="list-style-type: none"> Receipting and filing proofs of debt when not related to a dividend. 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. Chair and attendance at the second creditors meeting. Preparation and lodgement minutes of meetings with ASIC. Respond to stakeholder queries and questions immediately following meeting.
	Second Meeting of creditors	

Task area	General description	Includes
Employees 5.8 hours \$2,118.00 (excl GST)	Employee enquiries	<ul style="list-style-type: none"> Receive and follow up employee enquiries via telephone. Maintain employee enquiry register. Review and prepare correspondence to employees via email and post. Preparation of letters to employees advising of their entitlements and options available.
Trade on	Trade-on management	<ul style="list-style-type: none"> Liaising with management and staff in Peru.
25.6 hours \$13,054.00 (excl GST)	Budgeting and financial reporting	<ul style="list-style-type: none"> Reviewing Company's budgets and financial statements. Meetings to discuss trading position.
Investigation 49.8 hours \$21,785.00 (excl GST)	Conducting investigation	<ul style="list-style-type: none"> Collection of Company books and records. Reviewing Company's books and records. Review and preparation of Company nature and history. Conducting and summarising statutory searches. Preparation of comparative financial statements. Preparation of deficiency statement. Review of specific transactions and liaising with directors regarding certain transactions. Preparation of 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. Updating checklists.
Administration 93.5 hours \$38,018.00 (excl GST)	Insurance	<ul style="list-style-type: none"> Identification of potential issues requiring attention of insurance specialists Correspondence with insurer regarding ongoing insurance requirements. Reviewing insurance policies. Correspondence with previous brokers. Correspondence with former and current directors regarding insurance cover.
	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.
	ASIC Form 524 and other forms	<ul style="list-style-type: none"> Preparing and lodging ASIC forms including 505, 524, 911, etc. Correspondence with ASIC regarding statutory forms.
	ATO and other statutory reporting	<ul style="list-style-type: none"> Preparing BASs. Completing group certificates.

Task area	General description	Includes
	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.

3.3 Resolution 3

Company: Minera Gold Ltd (Administrators Appointed)
Administration Type: Voluntary Administration
Practitioners: Darren Weaver and Martin Jones of Ferrier Hodgson
Period: 1 October 2015 to Execution of the DOCA

Task area	General description	Includes
Assets 20.5 hours \$9,455.50 (excl GST)	DOCA proposal	<ul style="list-style-type: none"> • Liaising with solicitors and DOCA proponents to execute DOCA. • Finalise DOCA for execution. • Execute DOCA. • Diarise critical dates for completion of conditions precedent. • Assist and manage tasks associated with meeting conditions precedent.
	Creditor / Stakeholder queries	<ul style="list-style-type: none"> • Receive and follow up creditor enquiries via telephone and email. • Liaising with stakeholders regarding position of pre-DOCA contracts. • Maintaining creditor enquiry register. • Review and prepare correspondence to creditors and their representatives via facsimile, email and post.
Creditors 22.5 hours \$9,966.50 (excl GST)	Dealing with proofs of debt	<ul style="list-style-type: none"> • Receipting and filing proofs of debt when not related to a dividend.
	Meeting of creditors	<ul style="list-style-type: none"> • Preparation and lodgement of minutes of meetings with ASIC. • Respond to stakeholder queries and questions immediately following meeting.
Administration 28.8 hours \$10,578.00 (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. • Updating checklists.
	Insurance	<ul style="list-style-type: none"> • Correspondence with insurer regarding ongoing insurance requirements.
	Bank account administration	<ul style="list-style-type: none"> • Requesting bank statements. • Bank account reconciliations. • Correspondence with bank regarding specific transfers.
	ASIC correspondence	<ul style="list-style-type: none"> • Preparing and lodging ASIC forms including 505, 911, etc. • Correspondence with ASIC regarding statutory forms.
	ATO and other statutory reporting	<ul style="list-style-type: none"> • Preparing and lodging BASs.
	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.

3.4 Resolution 4

Company: Minera Gold Ltd (Administrators Appointed)
Administration Type: DOCA
Practitioners: Darren Weaver and Martin Jones of Ferrier Hodgson
Period: Execution of the DOCA to completion

Task area	General description	Includes
Assets 39.0 hours \$17,605.00 (excl GST)	DOCA proposal	<ul style="list-style-type: none"> Internal meetings re progression of DOCA. Diarise critical dates for completion of conditions precedent. Assist and manage tasks associated with meeting conditions precedent. Liaise with DOCA proponents. Further consider potential claims against the Directors.
	Creditor / Stakeholder enquiries	<ul style="list-style-type: none"> Receive and follow up creditor enquiries via telephone and email. Liaising with stakeholders regarding position of pre-DOCA contracts. Maintaining creditor enquiry register. Review and prepare correspondence to creditors and their representatives via facsimile, email and post.
Creditors 59.0 hours \$28,350.00 (excl GST)	Creditor reports	<ul style="list-style-type: none"> Preparing report on results of investigation, meeting and general reports to creditors.
	Dealing with proofs of debt	<ul style="list-style-type: none"> Receipting and filing proofs of debt when not related to a dividend.
	Meeting of creditors	<ul style="list-style-type: none"> Preparation and lodgement of minutes of meetings with ASIC. Respond to stakeholder queries and questions immediately following meeting.
Dividend 70.5 hours \$24,460.00 (excl GST)	Processing proofs of debt	<ul style="list-style-type: none"> Preparation of correspondence to potential creditors inviting lodgement of proofs of debt. Receipting of proofs of debt. Maintain proof of debt register. Adjudicating proofs of debt. Request further information from claimants regarding proofs of debt.

Task area	General description	Includes
	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 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.
	Correspondence	<ul style="list-style-type: none"> • General correspondence.
	Document maintenance / file review / checklist	<ul style="list-style-type: none"> • Six monthly administration reviews. • Filing of documents. • File reviews. • Updating checklists.
	Insurance	<ul style="list-style-type: none"> • Reviewing insurance policies. • Correspondence with insurance broker regarding ongoing insurance requirements. • Correspondence with previous brokers.
Administration	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.
70.4 hours \$29,585.00 (excl GST)	ASIC Form 524 and other forms	<ul style="list-style-type: none"> • Preparing and lodging ASIC forms including 505, 5011, etc. • Correspondence with ASIC regarding statutory forms.
	ATO and other statutory reporting	<ul style="list-style-type: none"> • Notification of appointment. • Preparing and lodging BASs. • General correspondence with the ATO.
	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.

3.5 Resolution 5

Company: Minera Gold Ltd (Administrators Appointed)
Administration Type: Liquidation
Practitioners: Darren Weaver and Martin Jones of Ferrier Hodgson
Period: 1 October 2015 to completion

Task area	General description	Includes
Assets 193.4 hours \$72,567.50 (excl GST)	Sale of mining assets (if possible)	<ul style="list-style-type: none"> • Preparing an information memorandum. • Liaising with valuers, auctioneers and interested parties. • Liaising with potential purchasers • Internal meetings to discuss status and strategy. • Work associated with the preservation of the Peruvian assets.
	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. • Correspondence with committee of creditors' members.
Creditors 118.6 hours \$42,367.50 (excl GST)	Secured creditor reporting	<ul style="list-style-type: none"> • Preparing reports to secured creditor. • Responding to secured creditor's queries.
	Creditor reports	<ul style="list-style-type: none"> • Preparing report on outcome of investigations, meeting and general reports to creditors.
	Dealing with proofs of debt	<ul style="list-style-type: none"> • Receipting and filing proofs of debt when not related to a dividend. • Corresponding with OSR and ATO regarding proofs of debt when not related to a dividend.
	Meeting of creditors	<ul style="list-style-type: none"> • Preparing meeting notices, proxies and advertisements. • Forwarding notice of meeting to all known creditors. • Preparing meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting. • Preparing and lodging minutes of meetings with ASIC. • Responding to stakeholder queries and questions immediately following meeting.

Task area	General description	Includes
Employees	Shareholder enquires	<ul style="list-style-type: none"> • Receive and follow up shareholder enquiries via telephone and email. • Review and prepare correspondence to shareholders and their representatives via facsimile, email and post. • Maintaining shareholder enquiry register.
	Employee enquiries	<ul style="list-style-type: none"> • Receive and follow up employee enquiries via telephone. • Review and prepare correspondence to creditors and their representatives via facsimile, email and post. • Preparation of letters to employees advising of their entitlements and options available. • Receive and prepare correspondence in response to employees' objections to leave entitlements.
	Fair Entitlements Guarantee (FEG)	<ul style="list-style-type: none"> • Correspondence with Department of Education, Employment & Workplace Relations. • Preparing notification spreadsheet. • Preparing FEG quotations. • Preparing FEG distributions.
	Calculation of entitlements	<ul style="list-style-type: none"> • Calculating employee entitlements. • Reviewing employee files and Company's books and records. • Reconciling superannuation accounts • Reviewing awards. • Liaising with solicitors regarding entitlements.
	Employee dividend	<ul style="list-style-type: none"> • Correspondence with employees regarding dividend. • Correspondence with ATO regarding SGC proof of debt. • Calculating dividend rate. • Preparing dividend file. • Advertising dividend notice. • Preparing distribution. • Receipting proofs of debt. • Adjudicating proofs of debt. • Ensuring PAYG is remitted to ATO.
	11.0 hours \$3,945.00 (excl GST)	

Task area	General description	Includes
Investigation 124.1 hours \$43,363 (excl GST)	Conducting investigation	<ul style="list-style-type: none"> • Collection of Company books and records. • Reviewing Company's books and records. • Review and preparation of Company nature and history. • Conducting and summarising statutory searches. • Preparation of comparative financial statements. • Preparation of deficiency statement. • Review of specific transactions and liaising with directors regarding certain transactions. • Preparation of investigation file. • Lodgement of investigation with ASIC. • Preparation and lodgement of supplementary report if required.
	Examinations	<ul style="list-style-type: none"> • Preparing brief to solicitor. • Liaising with solicitor(s) regarding examinations. • Attendance at examination. • Reviewing examination transcripts. • Liaising with solicitor(s) regarding outcome of examinations and further actions available.
	Litigation / recoveries	<ul style="list-style-type: none"> • Internal meetings to discuss status of litigation. • Preparing brief to solicitors. • Liaising with solicitors regarding recovery actions. • Attending to negotiations. • Attending to settlement matters.
	ASIC reporting	<ul style="list-style-type: none"> • Preparing statutory investigation reports. • Preparing affidavits seeking non-lodgement assistance. • Liaising with ASIC.
Dividend 96.8 hours \$37,818.00 (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 proof of debt register. • Adjudicating proofs of debt. • Request further information from claimants regarding proofs of debt.

Task area	General description	Includes	
	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 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. 	
	Correspondence	<ul style="list-style-type: none"> • General correspondence. 	
	Document maintenance / file review / checklist	<ul style="list-style-type: none"> • First month, then six monthly administration reviews. • Filing of documents. • File reviews. • Updating checklists. 	
	Insurance	<ul style="list-style-type: none"> • Identification of potential issues requiring attention of insurance specialists. • Correspondence with insurer regarding ongoing insurance requirements. • Reviewing insurance policies. • Correspondence with previous brokers. 	
Administration	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. 	
	ASIC Form 524 and other forms	<ul style="list-style-type: none"> • Preparing and lodging ASIC forms including 505, 524, 911, etc. • Correspondence with ASIC regarding statutory forms. 	
	ATO and other statutory reporting	<ul style="list-style-type: none"> • Notification of appointment. • Preparing BASs. • Completing group certificates. 	
	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. 	
	269.1 hours \$99,939.00 (excl GST)		

4 Calculation of remuneration

4.1 Resolution 1

Employee	Position	Rate (ex GST) \$/Hr	Total		Task Area											
					Assets		Creditors		Employees		Trade On		Investigation		Administration	
					Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
D Weaver	Partner	595	90.6	53,907.00	16.6	9,877.00	36.8	21,896.00	-	-	16.9	10,055.50	13.3	7,913.50	7.0	4,165.00
M Field	Executive Director	525	0.4	210.00	-	-	-	-	0.4	210.00	-	-	-	-	-	-
W Rushton	Director	510	162.9	83,079.00	47.5	24,225.00	46.4	23,664.00	0.6	306.00	12.3	6,273.00	2.3	1,173.00	53.8	27,438.00
S Arnold	Director	510	15.3	7,803.00	-	-	-	-	-	-	-	-	15.3	7,803.00	-	-
B Orzel	Manager	400	2.5	1,000.00	-	-	-	-	-	-	-	-	-	-	2.5	1,000.00
K Chu	Manager	400	0.8	320.00	0.5	200.00	-	-	-	-	-	-	-	-	0.3	120.00
M Khoo	Assistant Manager	360	84.5	30,420.00	6.5	2,340.00	42.8	15,408.00	0.7	252.00	-	-	16.9	6,084.00	17.6	6,336.00
M Stephens	Assistant Manager	360	0.1	36.00	-	-	-	-	-	-	-	-	-	-	0.1	36.00
D Murchison	Assistant Manager	360	110.3	39,708.00	15.3	5,508.00	32.6	11,736.00	7.3	2,628.00	3.9	1,404.00	24.7	8,892.00	26.5	9,540.00
J Smith	Senior Analyst	305	52.1	15,890.50	26.2	7,991.00	10.2	3,111.00	-	-	-	-	-	-	15.7	4,788.50
W Hulmes	Senior Analyst	305	6.2	1,891.00	-	-	-	-	-	-	-	-	0.4	122.00	5.8	1,769.00
V Willie	Senior Analyst	305	0.1	30.50	-	-	-	-	-	-	-	-	-	-	0.1	30.50
M Flower	Senior Analyst	305	0.1	30.50	-	-	-	-	0.1	30.50	-	-	-	-	-	-
M Gould	Analyst	270	10.6	2,862.00	1.0	270.00	-	-	-	-	2.0	540.00	-	-	7.6	2,052.00
B Levit	Analyst	270	13.5	3,645.00	-	-	8.5	2,295.00	-	-	-	-	4.8	1,296.00	0.2	54.00
W George	Accountant	230	0.3	69.00	-	-	-	-	-	-	-	-	-	-	0.3	69.00
G Caldera	Personal Assistant	180	5.9	1,062.00	-	-	-	-	-	-	-	-	-	-	5.9	1,062.00
A Jamieson	Personal Assistant	180	0.1	18.00	-	-	-	-	-	-	-	-	-	-	0.1	18.00
J Newland	Admin Assistant	140	0.1	14.00	-	-	-	-	-	-	-	-	-	-	0.1	14.00
S Herriman	Admin Assistant	140	0.9	126.00	-	-	-	-	-	-	-	-	-	-	0.9	126.00
Total (excluding GST)			557.30	242,121.50	113.6	50,411.00	177.3	78,110.00	9.1	3,426.50	35.1	18,272.50	77.7	33,283.50	144.5	58,618.00
GST				24,212.15												
Total (including GST)				266,333.65												
Average hourly rate				434.45		443.76		440.55		376.54		520.58		428.36		405.66

4.2 Resolution 2

Position	Rate (ex GST) \$/Hr	Total		Task Area											
				Assets		Creditors		Employees		Trade On		Investigation		Administration	
		Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
Partner	595	66.8	39,746.00	12.2	7,259.00	27.2	16,184.00	-	-	12.4	7,378.00	9.8	5,831.00	5.2	3,094.00
Director	510	87.0	44,370.00	24.0	12,240.00	11.4	5,814.00	0.2	102.00	7.0	3,570.00	12.4	6,324.00	32.0	16,320.00
Assistant Manager	360	135.7	48,852.00	15.5	5,580.00	52.2	18,792.00	5.6	2,016.00	4.8	1,728.00	24.2	8,712.00	33.4	12,024.00
Senior Analyst	305	39.2	11,956.00	16.6	5,063.00	7.4	2,257.00	-	-	-	-	-	-	15.2	4,636.00
Analyst	270	17.8	4,806.00	0.8	216.00	6.0	1,620.00	-	-	1.4	378.00	3.4	918.00	6.2	1,674.00
Personal Assistant	180	1.5	270.00	-	-	-	-	-	-	-	-	-	-	1.5	270.00
Total (excluding GST)		348.00	150,000.00	69.1	30,358.00	104.2	44,667.00	5.8	2,118.00	25.6	13,054.00	49.8	21,785.00	93.5	38,018.00
GST			15,000.00												
Total (including GST)			165,000.00												
Average hourly rate			431.03		439.33		428.67		365.17		509.92		437.45		406.61

4.3 Resolution 3

Position	Rate (ex GST) \$/Hr	Total		Task Area					
				Assets		Creditors		Administration	
		Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
Partner	595	12.3	7,318.50	5.2	3,094.00	5.1	3,034.50	2.0	1,190.00
Director	510	20.0	10,200.00	7.0	3,570.00	7.0	3,570.00	6.0	3,060.00
Manager	400	3.8	1,520.00	1.0	400.00	1.0	400.00	1.8	720.00
Assistant Manager	360	12.0	4,320.00	3.0	1,080.00	3.0	1,080.00	6.0	2,160.00
Senior Analyst	305	14.7	4,483.50	4.3	1,311.50	4.4	1,342.00	6.0	1,830.00
Analyst	270	6.6	1,782.00	-	-	2.0	540.00	4.6	1,242.00
Personal Assistant	180	0.5	90.00	-	-	-	-	0.5	90.00
Accounts Supervisor	180	0.5	90.00	-	-	-	-	0.5	90.00
Admin Supervisor	140	1.4	196.00	-	-	-	-	1.4	196.00
Total (excluding GST)		71.80	30,000.00	20.5	9,455.50	22.5	9,966.50	28.8	10,578.00
GST			3,000.00						
Total (including GST)			33,000.00						
Average hourly rate			417.83		461.24		442.96		367.29

4.4 Resolution 4

Position	Rate (ex GST) \$/Hr	Total		Task Area							
				Assets		Creditors		Dividend		Administration	
		Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
Partner	595	41.0	24,395.00	9.0	5,355.00	16.0	9,520.00	2.0	1,190.00	14.0	8,330.00
Director	510	66.7	34,017.00	12.0	6,120.00	25.0	12,750.00	8.0	4,080.00	21.7	11,067.00
Manager	400	12.7	5,080.00	4.0	1,600.00	5.0	2,000.00	-	-	3.7	1,480.00
Assistant Manager	360	40.0	14,400.00	6.0	2,160.00	4.0	1,440.00	22.0	7,920.00	8.0	2,880.00
Senior Analyst	305	49.0	14,945.00	6.0	1,830.00	6.0	1,830.00	25.0	7,625.00	12.0	3,660.00
Analyst	270	22.5	6,075.00	2.0	540.00	3.0	810.00	13.5	3,645.00	4.0	1,080.00
Personal Assistant	180	1.2	216.00	-	-	-	-	-	-	1.2	216.00
Accounts Supervisor	180	1.5	270.00	-	-	-	-	-	-	1.5	270.00
Admin Supervisor	140	4.3	602.00	-	-	-	-	-	-	4.3	602.00
Total (excluding GST)		238.90	100,000.00	39	17,605.00	59	28,350.00	70.5	24,460.00	70.4	29,585.00
GST			10,000.00								
Total (including GST)			110,000.00								
Average hourly rate			418.59		451.41		480.51		346.95		420.24

4.5 Resolution 5

Position	Rate (ex GST) \$/Hr	Total		Task Area											
				Assets		Creditors		Employees		Investigation		Dividend		Administration	
		Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$	Hrs	\$
Partner	595	80	47,600.00	12.2	7,259.00	9.5	5,652.50	1	595.00	11.4	6,783.00	11.4	6,783.00	34.5	20,527.50
Director	510	120	61,200.00	32.8	16,728.00	13.3	6,783.00	-	-	13.3	6,783.00	17.4	8,874.00	43.2	22,032.00
Manager	400	133	53,200.00	31.4	12,560.00	14.8	5,920.00	5	2,000.00	14.8	5,920.00	19.3	7,720.00	47.7	19,080.00
Assistant Manager	360	130	46,800.00	42.1	15,156.00	23.4	8,424.00	-	-	17.6	6,336.00	14.1	5,076.00	32.8	11,808.00
Senior Analyst	305	120	36,600.00	38.9	11,864.50	21.6	6,588.00	-	-	16.2	4,941.00	13	3,965.00	30.3	9,241.50
Analyst	270	100	27,000.00	18.0	4,860.00	18.0	4,860.00	5	1,350.00	22.9	6,183.00	10.8	2,916.00	25.3	6,831.00
Accountant	230	100	23,000.00	18.0	4,140.00	18.0	4,140.00	-	-	27.9	6,417.00	10.8	2,484.00	25.3	5,819.00
Personal Assistant	180	10	1,800.00	-	-	-	-	-	-	-	-	-	-	10	1,800.00
Admin Supervisor	140	10	1,400.00	-	-	-	-	-	-	-	-	-	-	10	1,400.00
Filing Clerk	140	10	1,400.00	-	-	-	-	-	-	-	-	-	-	10	1,400.00
Total (excluding GST)		813.00	300,000.00	193.4	72,567.50	118.6	42,367.50	11	3,945.00	124.1	43,363.00	96.8	37,818.00	269.1	99,939.00
GST			30,000.00												
Total (including GST)			330,000.00												
Average hourly rate			369.00		375.22		357.23		358.64		349.42		390.68		371.38

5 Statement of remuneration claim

5.1 Resolutions to be put to creditors at the Second Meeting convened for 30 September 2015

At the Second Meeting of creditors convened for 30 September 2015, creditors will be asked to consider the following resolutions:

5.1.1 Voluntary administration period

Resolution 1: 25 August 2015 to 15 September 2015

"That the remuneration of the Administrators, as set out in the Remuneration Approval Request Report dated 22 September 2015, for the period from 25 August 2015 to 15 September 2015 be fixed in the amount of \$242,121.50, plus any applicable GST, and may be paid."

Resolution 2: 16 September 2015 to 30 September 2015 (Second Meeting)

"That the remuneration of the Administrators, as set out in the Remuneration Approval Request Report dated 22 September 2015, for the period from 16 September 2015 to 30 September 2015 be fixed up to a maximum amount of \$150,000.00 plus any applicable GST, but subject to upward revision by resolution of creditors, and that the Administrators be authorised to make periodic payments on account of such accruing remuneration as incurred."

Please note that the above is an estimate only.

Resolution 3: 1 October 2015 to execution of the DOCA (if applicable)

"That the remuneration of the Deed Administrators, as set out in the Remuneration Approval Request Report dated 22 September 2015, for the period 1 October 2015 to execution of the Deed of Company Arrangement be fixed up to a maximum amount of \$30,000.00, plus any applicable GST, but subject to upward revision by resolution of creditors, and that the Deed Administrators be authorised to make periodic 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' remuneration will be sought in the future.

5.1.2 DOCA Period (if applicable)

Resolution 4: Execution of DOCA to completion of the DOCA

"That the remuneration of the Deed Administrators, as set out in the Remuneration Approval Request Report dated 22 September 2015, from the execution of the Deed of Company Arrangement to completion of the Deed of Company Arrangement be fixed up to a maximum amount of \$100,000.00, plus any applicable GST, but subject to upward revision by resolution of creditors, and that the Deed Administrators be authorised to make periodic 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' remuneration will be sought in the future. The above remuneration does not take into account time specifically incurred in respect of any potential litigation which may arise from the DOCA.

5.1.3 Liquidation Period (if applicable)

Resolution 5: 1 October 2015 to completion of the liquidation

“That the remuneration of the Liquidators, as set out in the Remuneration Approval Request Report dated 22 September 2015, for the period from 1 October 2015 to completion of the liquidation be fixed up to a maximum amount of \$300,000.00, plus any applicable GST, but subject to upward revision by resolution of creditors, or the Committee of Inspection should one be appointed, and that the Liquidators be authorised to make periodic payments on account of such accruing remuneration as incurred.”

Please note that the above is an estimate only. If costs exceed the estimate, creditors will be advised accordingly and further approval of the Liquidators' remuneration will be sought in the future. The above remuneration does not take into account time specifically incurred in respect of any potential litigation which may arise during the course of the liquidation.

5.2 Remuneration approved and drawn to date

Creditors have not previously approved any remuneration of the Administrators.

6 Remuneration recoverable from external sources

The 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:

- Externally provided professional services. These are recovered at cost. An example is legal fees.
- Externally provided non-professional costs such as travel, accommodation and search fees. These disbursements are recovered at cost.
- Internal disbursements such as photocopying, printing and postage. These disbursements, if charged to the administration, would generally be charged at cost; 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 (ex GST)
Advertising	At cost
Couriers	At cost
Mileage reimbursement	\$0.76 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
Storage and storage transit	At cost
Telephone calls	At cost

Note: Above rates are applicable for the financial year ending 30 June 2016

7.2 Disbursements paid from the liquidation to Ferrier Hodgson

There have been no disbursements paid from the administration to Ferrier Hodgson to date. Future disbursements provided by Ferrier Hodgson will be charged to the administration on the same basis as the table in Part 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 22 September 2015 which outlines the progress of the administration.

9 Summary of receipts and payments

A summary of receipts and payments for the period 25 August 2015 to 15 September 2015 is set out in the table below:

Receipts and payments	Total \$
Receipts	
Cash at bank	14,132
Total receipts	14,132
Payments	
Employee wages (net)	2,074
Court application fee	2,113
Total payments	4,187
Closing cash at bank	9,946

10 Queries

If you require further information in respect of the above, or have other questions, please contact Jack Smith of this office.

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 this 22nd day of September 2015



Darren Weaver
Joint and Several Administrator

Annexure

E ARITA creditor information sheet

Creditor Information Sheet

Offences, Recoverable transactions and Insolvent Trading



Offences

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

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

Voidable Transactions

Preferences

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

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

Uncommercial Transaction

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

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

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

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

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

Unfair Loan

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

Arrangements to avoid employee entitlements

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

Unreasonable payments to directors

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

Voidable charges

Certain charges are voidable by a liquidator:

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

Insolvent Trading

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

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

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

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

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

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

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

Annexure

F ASIC Regulatory Guide 82



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