

19 June 2023

ASX/NSX Announcements

The Manager

**249D shareholder feedback and proposed liquidator letter**

Since Benjamin Hornigold Ltd (BHD) announced receipt, on 9 June 2023, of Dawney & Co Ltd's (DWY) requisition to wind up the company, we have received several queries and comments from BHD shareholders. In the interest of keeping all BHD shareholders continually informed we would like to address the primary concerns publicly.

1. *The liquidator might not value the outstanding debt recovery claims and as such shareholders may not participate in potential uplift in future recoveries.*

DWY has sought confirmation from the nominated liquidator, Mark Pearce of Pearce & Heers regarding his role if appointed, in assessing and taking appropriate steps in relation to the debt recovery claims. Mr Pearce is an experienced liquidator and recovery specialist and intends to fully explore the potential recoveries. We strongly believe the appointment of an independent specialist to assess the reality of recoveries removes the possibility of ego creeping into decision making. Please see letter from Mr Pearce attached.

2. *The liquidator will "fire-sale" assets, impairing net asset value per share.*

DWY has sought confirmation from Mr Pearce, that the investment portfolio would be unwound in a sensible and orderly manner to preserve BHD's NTA as best as possible to maximise the return to shareholders, after liabilities. Please see letter from Mr Pearce attached.

3. *Asset managers and LIC's are discounted on the listed market with "many trading well below NTA".*

To us, this seemed more like a generic (even scripted) response to activism. However, as shareholders of BHD, we are concerned with BHD's performance, not others. Closing the discount to NTA is well within the board's power. An announcement and commitment from the board for an orderly wind down of the investment portfolio and return of capital, we believe, would see an immediate, positive market response, with the discount tightening toward the return date.

4. *There is potential material upside in debt recovery claims.*

This has been the position of the board for the past 3 years. Not only does the market (buying/selling shareholders) not ascribe any value to these, but it has substantially discounted the tangible value of the underlying portfolio. Further, if additional information has come to light to justify the board continuing its efforts at the shareholders' expense, we trust the board and BHD's auditor will pay particular attention to this increased certainty of recovery in the FY23 accounts.

Given the above feedback and the importance shareholders place on costs, we have today written to the board asking them to consider restructuring their remuneration to better align themselves with shareholder outcomes. We believe engaging with shareholders to improve the operating cost base of the Company would demonstrate good faith as well as enhance shareholder returns.

We encourage all BHD shareholders with further queries/comments to contact us.

DWY will continue to be an interested and engaged shareholder until the discount to NTA is closed.

This announcement was authorised by the board of Dawney & Co Ltd.

15 June 2023

Dawney & Co Ltd  
PO Box 141  
HAMILTON CENTRAL QLD 4007

Dear Sir / Madam,

**BENJAMIN HORNIGOLD LTD ACN 614 854 045 (“the Company”)**

I confirm that I have provided a consent to act as liquidator for the purposes of a Members' Voluntary Winding Up of the Company.

The role of a liquidator appointed to the Company would include:

1. Taking control of and realising the Company's assets.
2. Conducting investigations in relation to the Company's assets and financial affairs, including an assessment of what steps to take in respect of any potential recovery claims which may result in funds being realised.

A liquidator has a duty to act in the best interests of the Company and its stakeholders. The major stakeholders in a Members' Voluntary Winding Up of the Company would be the shareholders who stand to receive the surplus funds available to be distributed to them in the liquidation. Accordingly, in undertaking the above tasks, a liquidator would act commercially and take appropriate steps to seek to maximise the return to shareholders in the liquidation.

If appointed as liquidator of the Company, I will act commercially and in the best interests of the Company and stakeholders in:

1. Realising the Company's investments and other assets. I note that the Company's investment portfolio may contain illiquid securities which could take some time to realise in order to maximise the funds available to be distributed to shareholders.
2. Investigating and if warranted, pursuing debt recovery claims available to the Company to seek to maximise the funds available to be distributed to shareholders.

Should you wish to discuss any issues don't hesitate to contact me.

Yours faithfully



**MARK PEARCE**  
**Chartered Accountant, Liquidator**  
**& Bankruptcy Trustee**