

Second Report to Creditors
Under Insolvency Practice Rules
(Corporations) 75-225

Paramount Mining Corporation Limited
(Administrator Appointed)

ACN 102 426 175

14 November 2017

Peter Krejci
Administrator

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Company Glossary	
Abbreviation	Definition
PES	Paramindo Energi Singapore Pte Ltd
PM Ghana	Paramount Mining Ghana Limited
PMI	Paramount Mining Indonesia Pty Ltd
PMI Energy	Paramount Mining (Indonesia) Energy Pty Ltd
PMSA	Paramount Mining South Africa (Pty) Ltd
PSL	Paramindo Singapore Pte Ltd
PSP	Prosperity Resources Limited (Administrator Appointed)
PT CKP	PT Cikondang Kencana Prima
PT Para	PT Paramindo
PT Para Energi	PT Paramindo Energi
PT PCP	PT Paramindo Cipta Persanda
PT PCPE	PT Paramindo Cipta Persanda Energi
The Company	Paramount Mining Corporation Limited (Administrator Appointed)
Collectively known as "the Group"	

1 EXECUTIVE SUMMARY

On 18 October 2017, I, Peter Paul Krejci, of BRI Ferrier (NSW) Pty Ltd, Level 30, Australia Square, 264 George Street, Sydney NSW 2000, was appointed Administrator of Prosperity Resources Limited (“the Company”). The appointment was effected pursuant to Section 436A of the Corporations Act 2001 (“the Act”) by a resolution of the Company’s Directors, Mr Guy Anderson, Mr John Sebastian Hempel and Garry Taylor (“the Directors”). I was also appointed Administrator of PSP, a related entity, on the same day.

Pursuant to Section 439A of the Act, I have convened the Second Meeting of Creditors to be held on 22 November 2017 at 1pm AEST (local time in Sydney, NSW) at the office of BRI Ferrier (NSW) Pty Limited, Level 30, Australia Square, 264 George Street, Sydney NSW 2000. Please find attached as **Annexure “2”** the Notice of Meeting of Creditors for your information.

I summarise below my observations of the Company’s affairs, my preliminary investigations and the potential outcomes for creditors from this Administration process.

The Company was incorporated on 7 October 2002 and successfully listed on the Australian Stock Exchange (“ASX”) in February 2004. The Company is the parent entity of the Paramount Mining Corporation Group (“the Group”) which controlled several entities, domiciled in Australia and overseas, which are listed in Section 2.1 of this Report.

Led by former Director and Chief Executive Officer, Maureen Mugeridge, the Company focused on the exploration of diamonds with over 30 tenement interests in Australia, South Africa and Ghana from FY2004 to FY2008. Diamond activities were limited to exploration and yielded minimal production.

In September 2008, Mr Mohammed Munshi took control of the Group as its Chairman and was subsequently appointed CEO following Ms Mugeridge’s death in October 2010. Under his leadership, the Company shifted its focus to a number of Indonesian coal and gold interests. However, I understand that the projects incurred large losses and no production in the period FY2009 and FY2011.

In August 2011, the Group obtained a controlling interest in Gunung Rosa Project (“GRP”) in West Java which was a site with gold, silver and base metal deposits. The Group’s due diligence confirmed significant mineralisation and the Group obtained the necessary mining permits to progress to production. I understand that the Group encountered difficulties raising the necessary capital whilst GRP was held with the existing Group structure, and listed on the ASX.

In March 2016, the Company’s shareholders approved a series of transactions that caused the GRP activities to be divested from the existing Group, known as the de-merger. The transaction involved an in-specie distribution 1-for-1 to the Company’s shareholders at the time. It was hoped that the transaction would maximise the GRP’s funding prospects, so that it could progress to production in due course.

After the de-merger, the reduced Group did not have any active assets or investments, nor any material liabilities to external parties. The GRP was then held by Paramindo Singapore Pte Limited (“PSL”).

In January 2017, it was contemplated, but not executed, that a reverse takeover (“RTO”) would be entered into with Gobi Coal and Energy Limited (“GCE”). The objective appears to have been for GCE to obtain the listed shell of the business and for re-listing on the ASX. I note that the Company had already

been suspended from the ASX since March 2015. However, Mr Munshi, a Director of the Company and GCE, was incarcerated in Mongolia in July 2017 for fraud charges. Mr Munshi's imprisonment and unexpected difficulties in re-listing on the ASX caused the RTO transaction to fall through.

On 5 October 2017, the board met to discuss the financial position of the Company. By this stage, the Company had ceased trading, Mr Munshi was imprisoned and unable to assist and it did not have sufficient assets to discharge known liabilities. Accordingly, the Directors resolved to place the Company into Administration shortly thereafter.

On appointment, the Company held \$207K in cash at bank, a motor vehicle, and loans owed by PSL and PSP of \$328K and \$251K, respectively. I note PSL received loans of \$328K over recent months which cannot be explained, as this was after the de-merger, where the Company did not hold any equity interests. I have issued a demand for this loan to PSL and intend to pursue same if appointed Liquidator, and funds are available.

My preliminary investigations indicate that, if not repaid, that the PSL loan could be pursued as a voidable transaction or breach of duty claim as it does not appear to be for any commercial purpose, being after the de-merger. I did not identify any other voidable transactions that could be pursued in a liquidation scenario.

The creditor claims against the Company are in the order of \$1.1M. This includes approximately \$617K for claims related to the subscription of the Company shares which were never issued and which are considered to be subordinated claims under Section 563A of the Act. Subordinated claims rank for payment after unsecured creditors are paid in full.

My enquiries indicate that the Company became insolvent on or around 30 June 2016, however, there is no insolvent trading claim of commercial value to pursue. Accordingly, it is not my intention to pursue any insolvent trading claims should the Company be wound up and I am appointed liquidator.

I note that I have not received a proposal for a Deed of Company Arrangement ("DOCA") from the Directors or any other party. I note that Mr Munshi had indicated that he wanted to propose a DOCA, however nothing has been forthcoming, possibly as a result of his current incarceration in Mongolia. I understand that Mr Munshi is appealing his conviction which, if successful, may mean a DOCA proposal is forthcoming. I will keep creditors informed.

As Administrator, it is incumbent on me to consider the options available to Creditors and make recommendations in respect of the future of the Company. The Company appears to be insolvent and therefore I do not recommend that the Administration should end. As there has been no proposal for a DOCA, I am unable to recommend that creditors resolve that the Company execute a DOCA.

My enquiries indicate that unsecured creditors may receive a distribution in a liquidation (there are no Priority or Secured Creditors). Accordingly, subject to successful asset realisations and/or voidable transactions identified to date, should the Company be wound up, unsecured creditors would receive a distribution of between 8 and 77 cents in the dollar, however there is not anticipated to be a return to subordinated creditors. If my treatment of subordinated claims is incorrect and unsecured and subordinated creditors rank equally, then the return may be between 3 and 31 cents in the dollar.

Based on the information available to me, I recommend that creditors resolve to place the Company into Liquidation so that the assets can be realised and a proper investigation of their affairs can be conducted.

1.1 FIRST MEETING OF CREDITORS

The First Meeting of Creditors was held on 30 October 2017. At that meeting, my appointment as Administrator of the Company was confirmed. No Committee of Inspection was formed as no nominations were received in the meeting.

1.2 PURPOSE OF REPORT

The objective of Part 5.3A of the Act is to provide for the business, property and affairs of an insolvent (or likely to become insolvent) company to be administered in a way that maximises the chances of the company, or as much as possible of its business, continuing in existence, or, if this is not possible, results in a better return for the company's creditors than would result from an immediate winding up of the company.

Section 438A of the Act requires that, as soon as practicable, the Administrator must investigate the Company's business, property, affairs and financial circumstances and form an 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' interests for the Administration to end; and
- Whether it would be in the Creditors' interests for the Company to be wound up.

1.3 DISCLAIMER

This Report and the statements made herein are based upon available books and records, information provided by the Company's Directors, Management, Advisors and from my own enquiries. Whilst I have no reason to doubt the accuracy of the information provided or contained herein, I reserve the right to alter my opinions or conclusions should the underlying data prove to be inaccurate or materially change after the date of this Report.

In considering the options available to Creditors and in formulating my recommendations, I have necessarily made forecasts and estimates of asset realisations and the ultimate quantum of Creditors' claims against the Company where appropriate. These forecasts and estimates may change as asset realisations progress and as Creditors' claims are made and adjudicated upon. Whilst the forecasts and estimates are the Administrator's best assessment in the circumstances, Creditors should note that the Company's ultimate deficiency, and therefore the outcome for Creditors could differ from the information provided in this Report.

Neither the Administrator nor any member or employee of BRI Ferrier accepts responsibility in any way whatsoever to any person in respect of any errors in this Report arising from incorrect information provided to me, or necessary forecasts, estimates and assessments made for the purposes of these Reports.

Should any Creditor have material information in relation to the Company's affairs which they consider may impact on my investigation or Reports, please forward the details to my office as soon as possible.

1.4 DECLARATION OF INDEPENDENCE, RELEVANT RELATIONSHIPS AND INDEMNITIES

A Declaration of Independence, Relevant Relationships and Indemnities ("DIRRI") pursuant to Section 436DA of the Act was enclosed in the First Report to Creditors dated 20 October 2017 ("the First Report"). The DIRRI records that the Administrator undertook a proper assessment of the risks to his independence prior to accepting the appointment.

However, a revised DIRRI was lodged with the Australian Securities and Investments Commission on 24 October 2017 and tabled at the First Meeting of Creditors on 30 October 2017. The revised DIRRI included amendments to minor typographical errors in the initial DIRRI which incorrectly made references PSP instead of the Company. Attached as **Annexure "1"** is a copy of the revised DIRRI dated 24 October 2017.

2 STATUTORY INFORMATION

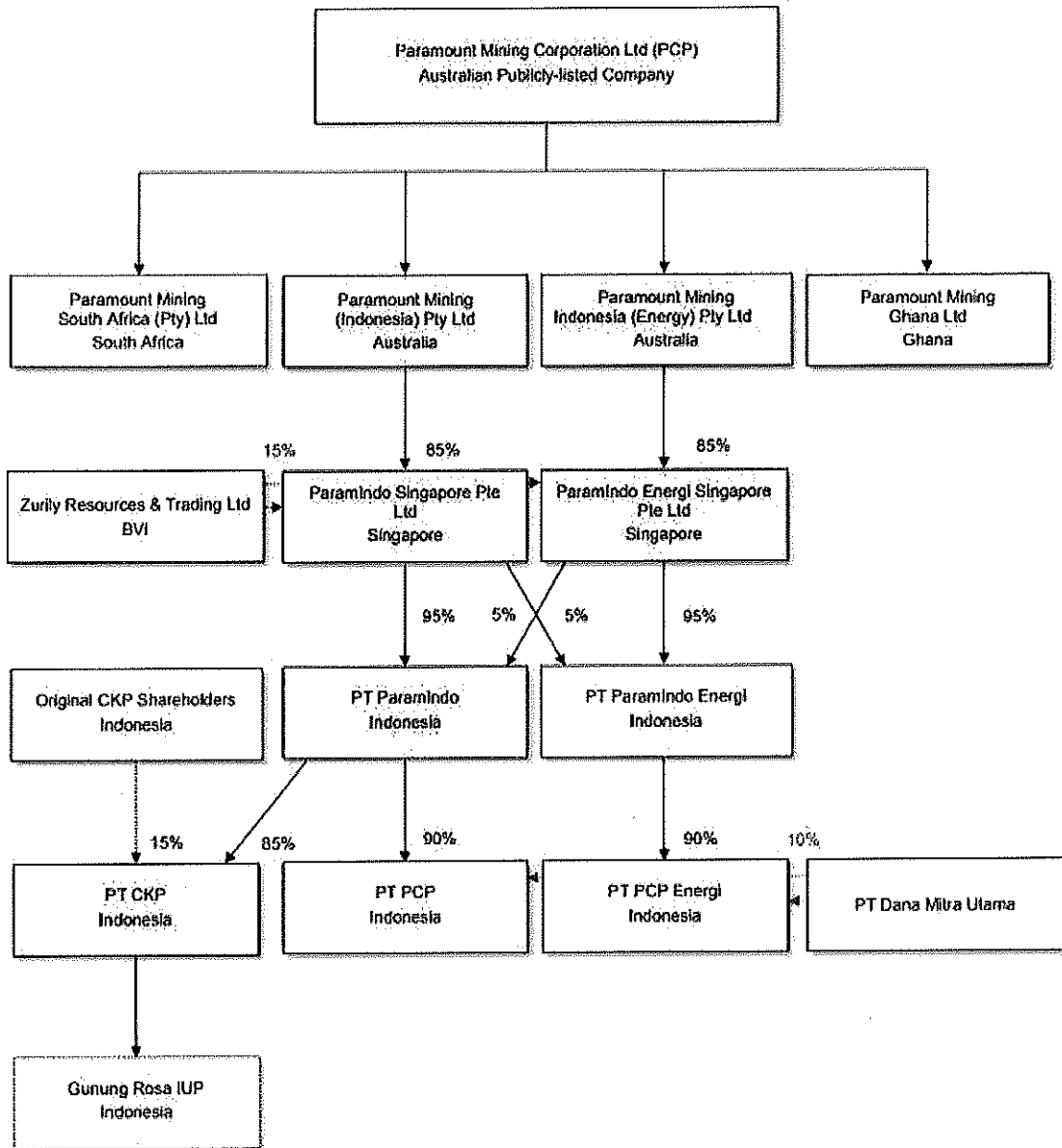
The following is a summary of statutory and business details obtained from the ASIC database, the Personal Property Securities Register ("PPSR") database, and the Company's records:

2.1 GROUP STRUCTURE

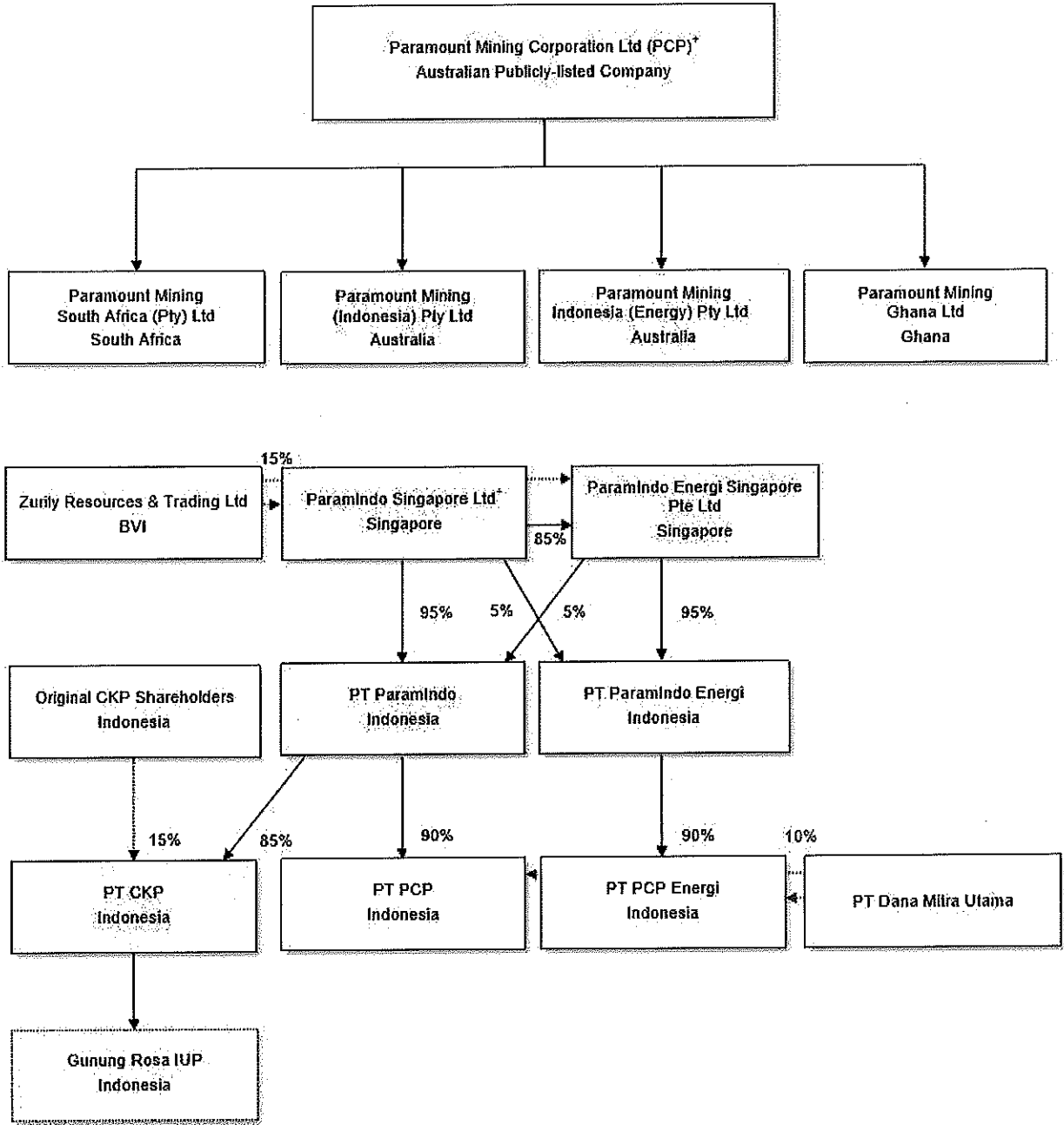
The Directors provided to me with a Group structure for before and after the PSL de-merger which are provided below.

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2.1.1 Pre De-Merger (Up to May 2016)



2.1.2 Post De-Merger (June 2016 onwards)



*Figure 1: Post-Demerger Corporate Structure. Percentages represent proportion of issued shares held in the respective child entity; voting power is proportional to ownership. Ownership is 100% unless otherwise stated. *Shareholders in Paramount Mining Corporation Ltd at 24 May 2016 received shares in Paramindo Singapore Ltd on a 1-for-1 basis.*

2.2 COMPANY DETAILS

Company Name	Paramount Mining Corporation Ltd
Incorporation Date	7/10/2002
A.B.N	73 102 426 175
A.C.N	102 426 175
Registered Office	Kings Park Business & Secretarial Services 44 Kings Park Road West Perth WA 6872
Principal Place of Business	44 Kings Park Road West Perth WA 6005

2.3 OFFICEHOLDERS

Name	Position	Start Date	Cease Date
Guy Anderson	Director	19/09/2008	Current
John Sebastian Taylor	Director	30/06/2017	Current
Garry David Taylor	Director	22/09/2017	Current
Mohammed Ibrahim Munshi	Director	19/09/2008	19/07/2017
John Phillip Arbuckle	Director	18/10/2011	30/06/2017
Peter James Bacchus	Director	2/01/2013	31/12/2015
Daniel Aviron Poller	Director	1/07/2014	5/10/2015
Mufti Habriansyah	Director	1/12/2010	29/05/2015
Terence Neil Holohan	Director	17/10/2011	30/05/2014
Trevor Benson	Director	4/08/2011	18/10/2011
Sean Delaney	Director	15/10/2009	1/12/2010
Maureen Tatiana Muggeridge	Director	7/10/2002	1/12/2010
Charles Edward English Devenish	Director	7/10/2002	7/10/2009
Abraham Johannes Adriaan Janse	Director	7/10/2002	19/09/2008
Steven Cole	Director	18/12/2007	13/05/2008
Steven Cole	Director	13/08/2007	16/08/2007
Lionel Kok Peng Liew	Secretary	6/04/2011	Current
Garry David Taylor	Secretary	22/10/2007	Current
Maureen Tatiana Muggeridge	Secretary	7/10/2002	19/12/2007
Grant Jonathan Mooney	Secretary	19/09/2003	22/10/2007

2.4 SHARE STRUCTURE AND SHAREHOLDERS

A search of ASIC's register indicates that the Company had 607,976,605 fully paid up ordinary shares on issue which appears to be outdated. The Directors have provided a share register that indicates that as at the date of appointment there were 722,499,105 paid up ordinary shares on issue to 452 shareholders.

According to the document, the top 12 shareholders by volume are below:

Top 12 Shareholders	
Name	Units
HSBC Custody Nominees <Australia>	325,214,447
R & K Global Finance Ltd	123,806,566
Citicorp Nominees	47,689,557
ABN Amro Clearing Sydney Nominees	44,218,161
Baz International Inc	28,943,826
Zurily Resources & Trading Limited	25,000,000
Surina Investments Limited	23,000,000
Hana Capital Limited	10,300,000
GID Consulting Services Ltd	7,281,500
Zafum Holdings Ltd	6,000,000
Mr Frederic Durr	5,000,000
MBSN Investments Ltd	5,000,000

2.5 CURRENT REGISTERED SECURITY INTERESTS

A search of the PPSR indicates the following registered charges:

Registration Number	Start Date	Collateral	Secured Party
201112211511190	30/01/2012	Commercial Property - All present and after acquired property	Resource Global Finance Limited
201112300061040	30/01/2012	Commercial Property - All present and after acquired property	Zurily Resources And Trading Pty Ltd
201411130029608	13/11/2014	Commercial Property - All present and after acquired property	Bungarra Resources Limited

I note the following:

- ✦ Resource Global Finance Limited (“RGF”) was the major creditor of PSP whose claim was released in full in exchange for PSP shares in December 2016. The records and my enquiries indicate RGF is not a creditor of this Company, nor have I received a claim from RGF in the Administration.
- ✦ I was advised by the Directors that claims owed to Zurily Resources and Trading Pty Limited (“Zurily”) and Bungarra Resources Limited (“Bungarra”) was entirely novated to PSL following the de-merger in May 2016 and that they have no further claims against the Company.

2.6 OUTSTANDING WINDING UP APPLICATIONS

There are no outstanding winding up applications against the Company.

2.7 RELATED ENTITIES

Directorship searches have been undertaken for each of the following current or recently resigned officeholders:

- ✦ Garry Taylor (Current Director and Secretary)
- ✦ Jon Sebastian Hempel (Current Director)
- ✦ Guy Anderson (Current Director)

- ✦ Lionel Liew (Current Secretary)
- ✦ Mohammed Munshi (recently resigned former Director)
- ✦ John Arbuckle (recently resigned former Director)

Attached as **Annexure "3"** is a summary of my searches.

3 COMPANY HISTORY AND EVENTS LEADING UP TO ADMINISTRATION

The following information has been obtained from the Company's Directors, Management, Advisors, the Company records provided to me and my own enquiries:

- ✦ The Company was incorporated on 7 October 2002 and successfully listed on the ASX in February 2004.
- ✦ The Company operated as a parent entity to various subsidiaries, focused on mineral exploration and development in Australia, South Africa, Ghana and Indonesia. The basis for the structure was that each subsidiary entity held the mining tenements required for each project, whilst the Company (as the parent entity) raised capital from shareholders/investors and advanced funds for all expenditure on the various projects.
- ✦ From incorporation to FY2008, the Company was led by founding director Ms Maureen Muggeridge who had a background in diamond exploration. The Group accordingly, focused primarily on diamonds, obtaining interests in over 30 tenements in regions across Australia, South Africa and Ghana.
- ✦ On 20 July 2007, the Company entered into an option agreement with Peakstar Diamonds (Pty) Limited ("Peakstar") in relation to diamond interests on the Peakstar Project in Free State, South Africa. The Company advanced loans of approximately \$335K to Peakstar under the agreement. However, a dispute arose with Peakstar and the Company sought legal recovery of the debt. The dispute was ongoing for several years until 2016 when the recovery was discontinued.
- ✦ The Company had little success from its diamond mining activities and incurred trading losses of approximately \$3.42M up to FY2008. During this period, the global financial crisis caused a significant reduction in investment demand in diamond exploration.
- ✦ On or around September 2008, Mr Munshi was appointed Chairman. The Group shifted its focus to precious metals and coal exploration in Indonesia. The Group undertook a gradual divestment of its diamond interests.
- ✦ In October 2009, PT Para obtained a controlling interest in the Gunung Jalang Project ("GJP") located in Indonesia as a gold exploration initiative. However, production was ultimately not possible as it covered environmentally protected areas of Indonesia. The Group withdrew from the GJP in FY2012.
- ✦ Ms Muggeridge passed away in October 2010 and Mr Munshi took primary control of the affairs.

- ✦ During FY2011, the Group entered into a number of joint ventures with unrelated parties in respect of prospective Indonesian coal projects. However, no viable resources and production resulted from these relationships.
- ✦ During the FY2009 to FY2012, the Group incurred trading losses amounting to \$10.5M and recorded a deficiency in net assets on a consolidated basis by FY2012.
- ✦ In July 2011, PT Para acquired an 85% interest in the GRP which was an established site which had deposits of gold, silver and base metals.

In FY2012, drilling tests were undertaken indicating that the GRP held 634,000 ounces of gold with significant silver and base metals credits. Various heli-mag and ground-mag tests were also completed.

In 2013, the Group obtained the necessary permits required to progress the GRP to production following an environmental assessment that was conducted during the year.

In FY2013, new foreign ownership regulations were introduced in Indonesia that made fund raising difficult for the Group. In response, the Group prepared a proposal that would ensure that the GRP was transferred out of the Group so that it could attract funding to enable it to proceed to production and maximise the prospects of return to its shareholders at the time. The proposal was given in-principal approval by shareholders in November 2014.

- ✦ On 17 March 2015, trading of the Company's shares were suspended on the ASX due to failure to lodge half yearly reports. It remained suspended until it was delisted from the ASX in August 2016.
- ✦ At a meeting of shareholders held on 21 March 2016, shareholders approved a series of transactions that resulted in PSL becoming the new owner of the GRP and PSL de-merged from the Group such that the Company no longer had any equity or financial interest in the GRP or PSL. The Company's equity interests in PSL were distributed in-specie 1-for-1 to the existing shareholders of the Company at the time. Please refer to Section 2.1 for the Group structure pre and post de-merger.
- ✦ The de-merger concluded the Company's involvement in the GRP which spanned the period FY2012 to FY2016 where the Company incurred over \$13.98M in trading losses.
- ✦ The de-merger left the Company with minimal assets and mainly related party creditors totalling \$569K by the end of FY2016, and a reported net asset deficiency as at FY2016.
- ✦ On 20 August 2016, the Company was de-listed from the ASX Official List due to non-payment of annual listing fee.
- ✦ On 30 January 2017, the Company entered into a Term Sheet for GCE to complete a RTO of the ASX Listed shell with the objective of recapitalising and relisting the Company. The Term Sheet would provide the Company with funding to seek future projects and attract further funding.
- ✦ In March FY2017, the Company received funds of approximately \$617K from Ginkgo Incorporated ("Ginkgo"), Bond Ventures and Tallex Nominees under a subscription agreement to fund the RTO

transaction. I understand that this capital raising was negotiated by Mr Munshi, however the shares in the Company were never issued, and these parties are now subordinated creditors (under Section 563A of the Act) for the funds paid to the Company. I note that it appears the Ginkgo and Bond Ventures claims were assigned to MBSN Investments Limited ("MBSN") and Uranbilig Dashzeveg on 27 October 2017.

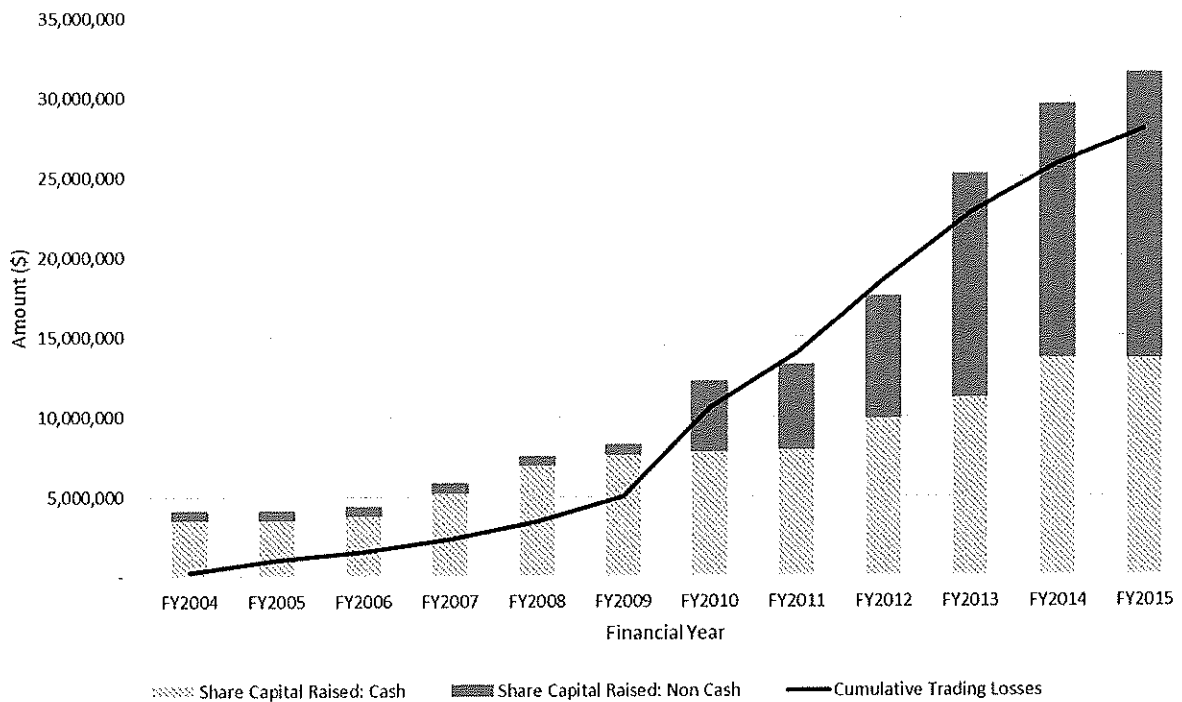
- ✦ On 19 July 2017, Mr Munshi was convicted for fraud and imprisoned in Mongolia. Mr Munshi was removed as a Director of the Company the same day. Mr Munshi was the Company's primary promoter and responsible for seeking new opportunities. Mr Munshi was also the Director of GCE and an integral party to the RTO pending transaction. His incarceration left the Company unable to attract new business, obtain fresh capital and/or complete the pending RTO.
- ✦ On 22 August 2017, the Company received notice from GCE it had withdrawn from the RTO apparently due to difficulties from relisting the Company's shares and Mr Munshi's imprisonment.
- ✦ The Company effectively attempted to recover some value for the corporate shell however, due to the ASX de-listing and necessary compliance obligations for re-listing same, it is evident that there is no value attributed to the corporate shell.
- ✦ Between 11 July 2016 and 3 September 2017, the Company advanced loans totalling \$328K to PSL after the de-merger. This loan is being pursued and is discussed later in this report by way of recoveries.
- ✦ On 4 October 2017, a board meeting was held to discuss the financial position of the Company and its possible options available. Shortly after, I was approached to consider acting as Administrator of the Company.
- ✦ By the date of my appointment on 18 October 2017, the Company was not trading, the RTO had been abandoned and Mr Munshi was imprisoned in Mongolia with no ability to help the business turnaround or raise essential capital.

3.1 TRADING LOSSES

Due to the nature of the business, being mineral exploration, substantial costs are generally incurred up front, before they are recovered only if a viable resource is located. The Group incurred substantial losses on projects over numerous years, which appear to have been funded by share capital raised as needed.

I have sought to analyse the losses and capital over time, based on the available financial reports which were prepared on a consolidated basis for the Group. My analysis indicates that the Group's trading losses of \$27.94M were funded by capital raised totalling \$31.47M from FY2004 to FY2015.

Paramount Mining Corporation Limited (Administrator Appointed)
 Year on Year Analysis of Consolidated Group Capital Raising vs Trading Losses
 from FY2004 to FY2015



It appears that the capital raised was only partially in cash, to the extent of \$13.61M. However, from FY2010, the Group had to increasingly rely on non-cash equity to fund its ongoing trading losses through to FY2015, such as converting debt to equity, made equity based payments for remuneration to senior management in lieu of cash and issued shares to discharge interest costs on long term loans and fees for loan extensions. This is not unusual for exploration operations such as this, especially in tightening capital markets.

It is difficult to attribute the historical losses to particular projects over time. Regardless, to the extent identifiable from the financial statements, I have summarised below the capital raised and losses by exploration and initiative over the years:

Period	Major Focus	Capital Raised Amount (\$)	Trading Losses Amount (\$)
FY2004 to FY2008	Diamond Exploration	7,459,576	3,420,607
FY2009 to FY2011	GJP, Coal	5,739,890	10,535,310
FY2012 to FY2015	GRP	18,267,882	13,986,267
	Total	31,467,348	27,942,184

4 REASONS FOR FAILURE

I received questionnaires from the Directors, who attributed the reasons for failure to the following:

- Inability to finalise GCE transaction which would otherwise provide funding to the Group.

- ✦ The incarceration of Mr Munshi, the Company primary fund raiser and seeker of new opportunities.
- ✦ Inability to obtain new project after divesting the GRP in 2016.
- ✦ Delisting from the ASX.

Whilst I agree with the above comments, my enquiries indicate the following additional reasons for failure:

- ✦ The management, operations and ability to raise capital was overly reliant on Mr Munshi, which caused major disruption following his incarceration;
- ✦ The Company's historical lack of success in locating viable resources that could be brought into production;
- ✦ Undercapitalisation which led to the loss of the GRP, the Company's most promising project since incorporation; and
- ✦ Suspension from the ASX as a result of non-compliance which restricted its ability to re-list in the future and attract funding.

5 CONDUCT OF THE ADMINISTRATION

As discussed earlier, the Company ceased work on the GRP, its only major project in FY2016 following the disposal of the GRP and de-merger of PSL. From June 2016, the Company was seeking further opportunities, however as no new ventures had commenced, it was not trading in any material manner by the time of my appointment.

During my appointment, I have focused on the following major tasks:

- ✦ Communicated with shareholders and creditors;
- ✦ Instructed the bank to pay the balance of the cash at bank into the Administrator's account;
- ✦ Investigated and issued demand to PSL for the repayment of unpaid loan account;
- ✦ Recovered the Company's motor vehicle and took steps to have it sold;
- ✦ Considered Section 563A issues with regards to the subordinated creditor claims;
- ✦ Instructed staff at BRI Ferrier's Perth office to recover and list the Company books and records;
- ✦ Explored with Mr Munshi and the Directors whether a DOCA proposal may be formulated for creditors' consideration; and
- ✦ Conducted investigations of the affairs of the Company, in particular the projects undertaken and financial results of each over time.

6 HISTORICAL FINANCIAL INFORMATION

As the Company operated the business as a parent entity with various subsidiary entities, the Company prepared consolidated financial statements for the Group for FY2004 to FY2015. However, the consolidated financial statements do not provide sufficient detail for the Company's affairs separately, and therefore my analysis has used the Company's available Management Accounts for the period after FY2015.

6.1 BALANCE SHEETS

I have prepared a comparative analysis of the consolidated Group's balance sheets from FY2014 to FY2015 and the Company's Management Accounts Balance Sheets from 30 June 2016 to 18 October 2017 attached as **Annexure "4"**.

I make the following comments on the balance sheets:-

- ✦ Deferred Exploration Costs are the capitalised exploration costs, predominantly related to the GRP. These assets were novated to PSL as a result of the de-merger in May 2016, which was approved by shareholders.
- ✦ The Group's financial liabilities related to loans that used to fund the GRP. These liabilities were novated to PSL as part of the de-merger in May 2016.
- ✦ The de-merger occurred in FY2016 which left the Company with minimal assets and mainly related party creditors reporting a deficiency in net assets.
- ✦ PSL is a debtor for \$328K in relation to loans advanced after the de-merger.
- ✦ PSP is a debtor for \$3K. In FY2016, the loan payable from PSP for \$251K was provisioned and the loan receivable reduced to \$3K. However, PSP's management accounts indicates that \$251K is still payable to the Company. There does not appear to be any basis for this provision, other than PSP may not have had the capacity to repay in full.
- ✦ The Company recorded equity interests in PMI and PMI Energy on appointment. I have been advised that PMI is wound up and PMI Energy is in the process of being wound up. I have received balance sheets indicating that PMI and PMI Energy hold no assets. The Company also had interests in PMSA and PM Ghana on appointment which appears to also hold no value. Accordingly, my view is that there is no value attributed to the equity interests in all 4 subsidiaries.
- ✦ The Share Placement Suspense account relates to the funds advanced by Ginkgo, Bond Ventures and Talax Nominees pursuant to share Subscription Agreements for the purchase of Company shares, which were never issued. The payments were to fund the GCE transaction which did not complete. These transactions have been classified as subordinated creditors pursuant to Section 563A of the Act.

6.2 PROFIT AND LOSS STATEMENTS

I have prepared a comparative analysis of the consolidated Group's balance sheets from FY2014 to FY2015 and the Company's Management Accounts Profit and Loss Statement from 30 June 2016 to 18 October 2017 attached as **Annexure "4"**.

I make the following comments:

- The Group did not generate any revenue from its mining operations and incurred losses in FY2014 and FY2015. This was the period where the progress on the GRP stalled prior to the de-merger in FY2016.
- The foreign currency gain appears to be an accounting entry as a result of the de-merger which are largely set-off in the same period.
- Other than consulting and director's fees and some financing costs, the trading effectively ceased in May 2016 following the de-merger.

7 CURRENT FINANCIAL POSITION

Contained in this section is my analysis of the current financial position of the Company, with regard to the Directors' statement about the Company's business, property, affairs and financial position ("RATA") and my enquiries to date.

Paramount Mining Corporation Ltd (Administrator Appointed) Summary of Director's RATA				
	Report Ref.	Book Value as at 18/10/2017 (\$)	Directors' ERV (per RATA) (\$)	Administrator's ERV as at 18/10/2017 (\$)
Assets				
Cash at Bank	7.1.1	174,710	208,731	207,448
Debtors				
Paramindo Singapore Pte Limited	7.1.2.1	328,061	-	328,061
Prosperity Resources Limited	7.1.2.2	3,227	-	TBA
Plant and Equipment (WDV)	7.1.3	16,250	20,000	TBA
Other Assets	7.1.4	1,509	-	-
Subsidiaries	7.1.5	-	-	-
Total Assets		<u>523,757</u>	<u>228,731</u>	<u>535,509</u>
Liabilities				
Priority Creditors	7.2.1	-	-	-
Secured Creditors	7.2.2	-	-	-
Unsecured Creditors				
Trade Creditors	7.2.3.1	204,148	78,381	78,381
Related Parties	7.2.3.3	250,500	363,625	363,625
Subordinated Creditors				
Ginkgo Inc		325,000	325,000	325,000
Bond Ventures Inc		262,076	262,076	262,076
Talex Nominees		30,000	30,000	30,000
Total Liabilities		<u>1,071,724</u>	<u>1,059,082</u>	<u>1,059,082</u>
Net Asset Deficiency		<u>(547,967)</u>	<u>(830,351)</u>	<u>(523,573)</u>

Each asset and liability category is discussed below: -

7.1 ASSETS

7.1.1 Cash on Hand / Cash at bank

On appointment, the Company held cash at bank of \$207K. I have requested that the bank forward me the funds immediately after my appointment, however they have yet to be recovered. However, I expect to receive the entire balance of the funds imminently.

7.1.2 Debtors

7.1.2.1 *Paramindo Singapore Pte Ltd*

As noted above, the Company advanced loans totalling \$328K to PSL after it was de-merged from the Group. The Directors described the purpose of the loans was for “working capital purposes, in particular legal expenses for the GRP and Singapore office operating expenses”. The records indicate that the payments were made from 11 August 2016 to 3 September 2017.

I have issued a demand to PSL for the repayment of the debt. I have yet to receive payment or a response regarding the non-payment of the debt. My enquiries indicate that there is no reason why the entire value of the debt should not be repaid.

Should the Company be wound up I will pursue the debt on a commercial basis where litigation may be required.

I note that there does not appear to be a valid commercial reason for the loans to PSL post de-merger. As such, if the loan is not repaid, it may be pursued against the officers who allowed the loans to be made, either as a voidable transactions or a breach of duty claim. Refer to Section 8.8.1.1

7.1.2.2 *Prosperity Resources Limited*

The RATA indicates that PSP is a debtor for \$3K.

As noted above, PSP’s management accounts indicates that \$251K is still payable to the Company. There does not appear to be any reason for the provision by the Company. However, the Directors of PSP appear to dispute the nature of the debt. Further, investigations will be required, in particular, if a dividend becomes available from PSP.

7.1.3 Plant and Equipment

The RATA indicates that the Company held an unencumbered Toyota Hilux with a book value of \$16K. The Director attributed a realisable value of \$20K to the motor vehicle.

I conducted a search of the Department of Transport WA which confirms that the Company owns the vehicle, which was in the possession of family members of Mr Munshi.

I have obtained an independent valuation of the vehicle, which confirms that it is saleable. I have secured the vehicle and instructed Perth auctioneers to sell it by way of public auction.

7.1.4 Other Assets

The Company paid insurance premiums for various policies in advance, which had not yet expired. I understand that no refunds are available.

7.1.5 Subsidiaries

I refer to Section 2.1.2 and note that the Company held interests in 4 subsidiaries from the de-merger to appointment. I provide below a summary of the estimated realisable value of each investment:

7.1.5.1 *Paramount Mining (Indonesia) Pty Limited*

I received the balance sheets for FY2016 of PMI which has a net asset deficiency of \$3. Furthermore, I am advised that PMI is wound up. There is no value in the investment and no realisations will be made from the investment.

7.1.5.2 *Paramount Mining Indonesia (Energy) Pty Ltd*

I received the balance sheets for FY2016 of PMI Energy which has a net asset deficiency of \$20. Furthermore, I am advised that the Directors have resolved to wind up PMI Energy. There is no value in the investment and no realisations will be made from the investment.

7.1.5.3 *Paramount Mining South Africa (Pty) Ltd*

I received the balance sheets for FY2016 of PMSA which has a net asset deficiency of \$8,418,236. The Directors believe that it may not be registered. There is no value in the investment and no realisations will be made from the investment.

7.1.5.4 *Paramount Mining Ghana Ltd*

I have not received the balance sheets for FY2016 of PMG. However, the Directors believe that it may not be registered. It is my view that there is no value in the investment and no realisations will be made from the investment.

7.2 LIABILITIES

7.2.1 Priority Creditors

The Company ceased to trade in FY2016 after the PSL de-merger. As such, the Company did not employ any staff on my appointment. However, if any former employees have a claim against the Company there are invited to lodge a claim with this office.

If the Company is wound up and there are insufficient funds to pay outstanding entitlements, employees may be eligible to lodge a claim with the Department of Employment's Fair Entitlement Guarantee Scheme ("FEG") for their outstanding entitlements. Please see below for further comment.

In accordance with Section 52 of the Superannuation Guarantee (Administration) Act 1992 any claim received from the ATO in relation to these amounts has a priority equal to the debts referred to in section 556(1)(e) of the Act in the event that a distribution is made, i.e. it is treated as a priority equal to wages.

7.2.1.1 Fair Entitlements Guarantee ("FEG")

In a liquidation, employees are eligible to apply to the Federal Government, which has established a safety net scheme known as FEG, for payment of their outstanding entitlements. FEG is administered by the Department of Employment for eligible employees who have been terminated as a result of their employer's insolvency and are owed entitlements.

In order for an employee to be eligible to claim outstanding entitlements under FEG:

- ✦ The employee must be an Australian citizen or permanent resident (contact FEG for further details); and
- ✦ The end of their employment must be due to the insolvency of the employer; or have occurred less than 6 months before the appointment of an insolvency practitioner; or occurred on or after the appointment of an insolvency practitioner.

Employees may submit claims in respect of the following entitlements, provided they are entitled to claim under their respective industrial instrument, contract of employment or by any other means:

- ✦ Up to thirteen weeks unpaid wages for the period ending at the earlier of the date on which employment ended or the appointment of an insolvency practitioner;
- ✦ Unpaid annual leave and long service leave;
- ✦ Up to a maximum of five weeks unpaid payment in lieu of notice;
- ✦ Up to a maximum of four weeks redundancy entitlement for each completed year of service.

In calculating employee entitlements payable under the scheme, the maximum annual wage applies.

FEG will not cover:

- ✦ Outstanding superannuation entitlements;
- ✦ Entitlements such as rostered days off unless the relevant legislation, award, statutory agreement or written contract of employment provides they are payable upon termination of employment; and
- ✦ Employee entitlements of the Directors and related party Creditors.

Please note that FEG will only assess claims if the Company is placed into Liquidation.

Should you wish to obtain further information, FEG may be contacted reached on 1300 135 040. Alternatively, you may visit their website at:

<https://employment.gov.au/fair-entitlements-guarantee-feg>

7.2.2 Secured Creditor

A search of the PPSA register indicates that there are no creditors with a general security agreement interest over the assets of the Company.

7.2.3 Unsecured Creditors

Based on the records and proofs of debt received to date, the Unsecured Creditors may be owed up to \$442K, subject to further enquiries and adjudication of claims. Below is a breakdown:

Unsecured Creditors	Amount (\$)
Trade Creditors	78,381
Related Party Creditors	363,625
Total Unsecured Creditors	442,006

My comments are as follows:

7.2.3.1 Trade Creditors

Based on the proofs received to date and available records, Trade Creditors may be owed around \$78K made up of fees owed to regulators and professional advisors. If and when I formally call for proofs of debts to be submitted, the actual claims may vary from this estimate. Should creditors wish to lodge a claim, please complete and return the attached proof of debt form, together with supporting documentation.

7.2.3.2 Australian Taxation Office

The ATO has advised there is no liability presently owed by the Company, however there are a few lodgements outstanding, in particular, the Income Tax Returns for FY2017 and period ended 18 October 2017 and Business Activity Statements for the August, 2017, September 2017, quarter ended September 2017.

Given the Company's significant losses from previous financial years and that the Company had ceased to trade in FY2016, I do not anticipate there would be a significant liability owing to the ATO.

7.2.3.3 Related Party Creditors

Related Party creditors are owed \$363K. A summary of those creditors are below:

Related Party Creditors	Amount (\$)
Dashzeveg Uranbilig	48,000
Guy Anderson	92,500
John Arbuckle	85,000
Peter Bacchus	40,000
New Englad Corp Services	9,625
Mohammed Munshi	52,500
Mufti Habriansyah	36,000
Total Related Party Creditors	363,625

The majority of these claims relate to consultants' fees and the remuneration of current and former Directors of the Company.

7.2.4 Subordinated Creditors

The following parties entered into subscription agreements for the purchase of shares in the Company that were never issued.

Subordinated Creditors	Amount (\$)
Ginkgo Inc	325,000
Bond Ventures Inc	262,075
Talex Nominees	30,000
Total Subordinated Creditors	617,075

Pursuant to Section 563A of the Act, claims relating to the purchase of company shares are subordinated claims. As such, these parties will only receive a distribution after all unsecured creditor claims have been paid in full. If this is correct, then these creditors will not receive any distribution in a winding up. However, if my assessment is incorrect, they will rank equally with unsecured creditors for any return.

As noted above, Ginkgo and Bond Ventures appear to have assigned their claim to MBSN and Uranbilig Dashzeveg. Assuming the assignment is valid, a subrogated subordinated claim may be available.

7.3 EXPLANATION OF DEFICIENCY

I estimate that the net deficiency for creditors may be in the order of \$524K, before the costs of the administration. However, when bringing to bear the loss on share capital, the deficiency dramatically increases to \$21.6M. Attached as **Annexure "5"** is the Deficiency Statement.

I summarise below the key aspect of the deficiency for creditors. You will note that the deficiency is predominantly represented by trading losses incurred on the various projects.

Summary of Deficiency Statement	Amount (\$)
Accumulated Trading Losses to Date	
Accumulated Losses as at 30 June 2016	21,642,677
Current Profit as at 30 June 2017	(9,206)
Current Loss as at 18 October 2017	34,640
Estimated Loss on Realisation of Assets	(11,752)
Increase in Creditor Claims not Disclosed in Balance Sheet	(12,639)
Estimated Total Deficiency of Assets to Meet Liabilities	21,643,721

8 PRELIMINARY INVESTIGATIONS

8.1 OVERVIEW

During the course of the Administration, I have conducted investigations into the affairs of the Company to ascertain whether there are any transactions that appear to be voidable, or other causes of action available whereby money, property or other benefits may be recoverable by a liquidator pursuant to Part 5.7B of the Act, in the event that creditors resolve to wind up the Company. Creditors should be aware

that an Administrator does not have the power to recover voidable transactions or take action for insolvent trading.

8.2 INVESTIGATION CONSTRAINTS

The Act sets out a strict timeline for the reporting of Administrator's investigations of an insolvent company's affairs prior to the second meeting of Creditors.

As such, my investigations into the Company's affairs are preliminary at this stage. The interim findings discussed below are based on the available records reviewed and under time constraints. A Liquidator would conduct more detailed investigations, provided that necessary funding is available.

8.3 BOOKS AND RECORDS

Section 286 of the Act provides that:

"A company, registered scheme or disclosing entity must keep written financial records that:

- (a) correctly record and explain its transactions and financial position and performance; and
- (b) would enable true and fair financial statements to be prepared and audited."

The failure to maintain books and records in accordance with Section 286 of the Act may allow a Liquidator to presume the company was insolvent throughout the period the books were not maintained (Section 588E of the Act).

My preliminary view is that the Company has kept sufficient books and records to meet the requirements of Section 286 of the Act.

8.4 RISK OF LITIGATION ACTION GENERALLY

Part 5.7B of the Act gives liquidators (but not administrators) the right to commence certain legal proceedings to recover money, property or other benefits for the benefit of the Unsecured Creditors of a company.

Creditors should note that recovery actions:

- ✦ have the potential to increase the pool of funds available to Creditors;
- ✦ are usually expensive, lengthy and have unpredictable outcomes;
- ✦ should not be commenced unless defendants have the financial resources to satisfy any judgement; and
- ✦ must be funded out of the Company's existing assets or, where such assets do not exist, by Creditors or by external litigation funders (who are likely to require a significant share of the proceeds of any judgement as a condition of funding the litigation).

8.5 INSOLVENCY & INSOLVENT TRADING (SECTION 588G)

The *Corporations Act 2001* prohibits Insolvent Trading and provides that Directors can be required to compensate Creditors for losses they suffer because of Insolvent Trading by making a payment to a Liquidator of the Company. I have considered the prospects of such a claim, as it is one that is only available if creditors decide that the Company should be placed into Liquidation, and so may be relevant to the decisions Creditors take at their forthcoming Meeting.

8.5.1 What is Insolvent Trading?

Insolvent Trading is the incurring of a debt or liability at a time when the Company is insolvent and when the Director(s) have reasonable grounds to suspect, or a person in their position would have suspected, that the Company was insolvent.

If such a debt or liability is incurred, a Court may require the Directors to pay an amount of compensation to a Liquidator of the Company equal to the loss suffered by creditors. In determining that loss, it is necessary to have regard to any amount that may be recovered from the Company's assets or from the recovery of other claims such as Unfair Preferences.

Recovery for Insolvent Trading is only available in a Liquidation. A claim may be brought by a Liquidator, or, if, but only if, the Liquidator declines to pursue a claim, by one or more Creditors.

A Liquidator pursuing a claim must:

- demonstrate Insolvency
- show that the Director(s) suspected, or should have suspected, insolvency
- show that a debt or liability was incurred
- show the debt or liability has not been paid, so that the creditor has suffered loss.

A Director accused of Insolvent Trading can answer a claim by showing that:

- the Director had reasonable grounds to believe the debt would be paid; and/or
- the Director relied on information from another reliable person to believe the debt would be paid; and/or
- the Director did everything he or she could to avoid the incurring of the debt; and/or
- the Director was not participating in the management of the Company for some good reason, such as illness; and/or
- the Director was acting honestly and reasonably and, notwithstanding that a debt or liability was incurred that will be unpaid, he or she should be excused from liability.

Litigation in respect of Insolvent Trading is carried out in the ordinary civil courts. This means that the costs of pursuit of a claim are borne by the Liquidator, who uses the Company's assets and may enter into a form of borrowing called "litigation funding" to do so, or may ask creditors to make a voluntary contribution to the pursuit of a claim.

If a claim is successful some of the costs, but not all of them, may also be ordered to be paid by the Directors. If the Liquidator fails in some or all of the claim, he or she may be ordered to pay some or all of the costs incurred by the Directors in defending the claim. Because of this, in practice Liquidators can only pursue claims where they have funds available to meet both their own and the Defendants' costs, or they have the benefit of "insurance" against costs provided either by creditors or a commercial litigation funder.

If the Company has no assets and neither a litigation funder nor creditors are willing to fund the litigation, no claim can be pursued. Litigation in respect of Insolvent Trading can be expensive, slow and risky. The Liquidator, funder and creditors are exposed to the risk that if the Directors are found liable, they may be unable to meet the judgment against them.

Where a Company is a subsidiary of another Company, a claim can also be brought against the holding Company.

8.5.2 Insolvency

One important element of liability for Insolvent Trading is if, and when, the Company became insolvent.

Section 95A of the *Corporations Act* defines solvency as follows:

"95A(1) [when person is solvent] A person is solvent if, and only if, the person is able to pay all the person's debts, as and when they become due and payable.

95A(2) [insolvent person not solvent] A person who is not solvent is insolvent".

Under Australian law, the test of insolvency is a "cashflow" test: it is focussed on whether, in commercial reality, a company is able to meet its liabilities as and when they fall due for payment. The forensic assessment of insolvency, and preparation of a case on insolvency, involves a thorough, and costly, examination of the Company's business, its market, its relationships with its customers, lenders, suppliers, owners and with regulators. Where a Company has had expectations of support from related parties, that support is a factor that has to be considered in the context of insolvency.

In elaborating on the cashflow test of insolvency, the Courts have provided extensive commentary on the subject to determining insolvency. One of the leading authorities is the judgment of the Victorian Supreme Court in *ASIC -v- Plymin*, in which Justice Mandie, relying on Expert Evidence, identified the following 14 indicators of insolvency:

- ✦ Continuing Losses;
- ✦ Liquidity ratios below 1;
- ✦ Overdue Commonwealth and State taxes;
- ✦ Poor relationship with present Bank, including inability to borrow further funds;
- ✦ No access to alternative finance;
- ✦ Inability to raise further equity capital;
- ✦ Suppliers placing company on COD, or otherwise demanding special payments before resuming supply;

- Creditors unpaid outside trading terms;
- Issuing of post-dated cheques;
- Dishonoured cheques;
- Special arrangements with selected creditors;
- Solicitors' letters, summons(es), judgements or warrants issued against the company;
- Payments to creditors of rounded sums which are not reconcilable to specific invoices;
- Inability to produce timely and accurate financial information to display the company's trading performance and financial position, and make reliable forecasts.

Comprehensive forensic insolvency assessment requires the review of each of these indicators, as well as the Company's business, to answer the question "was it able to pay its debts as and when they fell due".

As part of reporting to you about Insolvent Trading I am required to form a preliminary view about when the Company became insolvent. My opinion is necessarily formed summarily: a forensic analysis of insolvency would be more thorough, more expensive and slower than the Voluntary Administration process ordinarily permits. I have set out my views below.

8.5.3 Directors' Knowledge

As well as insolvency, a Liquidator must also show when the Directors suspected, or ought to have suspected, that the Company was insolvent. If a claim is brought, this will normally involve the comprehensive review of company records to show when the Directors first learnt of circumstances that could indicate insolvency. That review is typically thorough and expensive. Again, for the purpose of reporting to you I am required to make a summary assessment of when suspicions were or should have been formed. I have set out my views in this respect below as well.

8.5.4 Loss

Only losses *incurred* at or after the time of insolvency can form the basis of a claim, although all unpaid unsecured creditors are entitled to share in any recovery after costs. A debt or liability is "incurred" when the last event that could have avoided the liability arising occurs. For example, taking delivery will normally be the time at which a debt for the supply of goods is incurred.

Liabilities that have fallen due, but which were not freshly incurred during the period of insolvency cannot form the basis for a claim. Such liabilities commonly include ongoing contracts of employment, long term leases and hire-purchase arrangements, guarantees, loans and long term supply and construction contracts.

8.5.5 Litigation and Funding

As noted above, if a Company does not have significant assets, a Liquidator contemplating bringing a claim for Insolvent Trading will only be able to pursue a claim if either Creditors or a commercial Litigation Funder is willing to fund the Liquidator's Legal and Accounting Costs and meet any costs the Liquidator may be liable to pay if the claim is unsuccessful.

Funding of this sort can be arranged as follows:

- ▲ A creditor or creditors may contribute funds for additional investigations and litigation. Such creditors need to indemnify the Liquidator against any adverse costs orders should the litigation prove unsuccessful. However, should the litigation be ultimately successful, creditors who have funded the litigation may apply to the court to have their claim met in priority to other creditors not participating in the funding arrangement; and/or
- ▲ The Liquidator may request funding from an independent, specialist litigation funding firm. Generally, the litigation funder is compensated for its risk by receiving a share of up to 30 - 40% from any recoveries arising out of the litigation, where there is usually a minimal return (being a multiple of the risk) also required by the funder. Litigation funding is expensive in this regard, and therefore only feasible where the possible recoveries are significant.

8.5.6 Legal controversy

There are two controversial areas of insolvency law that bear on the Company. These are:

- ▲ Set-off. Traditionally courts have not allowed set-off of claims such as those for Insolvent Trading. However, in modern cases the Courts have been more generous to parties owing money to an insolvent Company. They have said they would allow the setting off of claims by parties liable to make payments to Liquidators of amounts owed to them by the insolvent Company. This matter remains an unresolved issue at law.
- ▲ Financial Support. Until 1993, the test of insolvency in Australia required that a Company be able to meet its liabilities *from its own monies*. This requirement was removed in 1993. Subsequently, the Courts have held that the provision of “financial support” by a related party can be a basis on which a Company is solvent when, without that support, it would clearly be insolvent. Where solvency is disputed, the Court’s inquiry needs to extend to the nature and extent of that support. This remains a controversial issue in insolvency law.

8.6 ASSESSMENT OF INSOLVENCY

My assessment has been based on the information available to me from the Company’s records, from information provided by the Directors, the Company’s management and Creditors and on the basis of separate investigations of the Company’s affairs. As noted above, this assessment has been undertaken on a summary basis. If the Company is placed into Liquidation and litigation were contemplated, I would need to undertake a more thorough and rigorous assessment. I would also need to obtain legal advice and conduct public examinations of the relevant parties.

It is my view that the Company was insolvent from at least 30 June 2016 following the de-merger of PSL and the disposal of its largest remaining asset, the GRP.

The reasons for my assessment are as follows:

- ▲ I have analysed the working capital analysis based on the Group’s consolidated accounts from FY2014 to FY2015 and the Company’s individual management accounts from FY2016 to 18 October 2017. Below is a summary of the Working Capital.

	Working Capital Analysis				
	Consolidated		Parent Entity		
	FY2014	FY2015	FY2016	FY2017	Period Ended
	Amount (\$)	Amount (\$)	Amount (\$)	Amount (\$)	18 October
					2017
					Amount (\$)
Current Assets					
Cash at Bank	13,554	58,762	9,010	261,809	174,710
Trade and Other Receivables	61,508	88,397	-	325,045	328,061
Other Current Assets	35,966	26,223	14,033	15,444	1,507
Total Current Assets	111,028	173,382	23,043	602,298	507,505
Less: Current Liabilities					
Trade Creditors	Excluded	Excluded	179,102	196,330	190,344
Other Creditors	Excluded	Excluded	13,800	13,804	13,800
ATO	38,122	39,506	-	-	-
Share Placement Suspense	-	-	-	617,076	617,076
Other Financial Liabilities	-	-	4	32,916	4
Total Current Liabilities	38,122	39,506	192,905	860,126	821,223
Working Capital Surplus/(Deficiency)	72,906	133,876	(169,863)	(257,828)	(313,718)

Note: I was advised that related party creditors provided forbearance on their claims, which predominantly made up Trade Creditors and Other Creditors in FY2014 and FY2015. Accordingly, I have excluded these amounts from the analysis. If this is incorrect, then the Group was likely insolvent from at least FY2014.

- ✦ The above indicates there was a working capital surplus in FY2014 and FY2015 and a working capital deficiency from FY2016 to appointment. This indicates it was cash flow insolvent from 30 June 2016 to the date of my appointment.

In addition, I also note the following factors that supports the assessment for 30 June 2016 as the date of insolvency.

- ✦ From FY2009 to FY2015, the audited reports indicated uncertainty as to whether the Group and the Company could continue as a going concern. However, with the benefit of hindsight until FY2015 the Company was able to attract sufficient funding to continue its exploration activities.
- ✦ In FY2014, the Group had reached significant milestones in the GRP. In particular, testing confirmed significant mineral deposits in the GRP and the Group obtained all the necessary production permits. Due to the promising results, the Group enjoyed substantial cash flow relief from creditors as summarised below:
 - Long term creditors granted extensions on loans due in FY2014 to 31 December 2014;
 - Agreement by creditors to convert loan balances to equity; and
 - Related party creditors forbearing on their claims in respect of their unpaid remuneration.
- ✦ In FY2015, lenders continued to provide financial support by granting further loan extension of the loans and conversions of debt to equity to ensure the Company held sufficient funds to cash flow continued mining activities of the GRP.
- ✦ However, in FY2016, the Group effectively ceased to trade after it finalised the disposal of GRP and concluded the de-merger of the GRP's new owner, PSL from the Group. This left the Company

effectively as only a shell company after novating all its assets and liabilities to PSL. Without the GRP the Company could not reasonably expect to attract any further funding to fund its working capital shortfall.

- Mr Munshi was considered to be the major promotor and driving force of the Company and its capital raising efforts. Following his incarceration in July 2017, the Company was limited in its ability to raise further capital and seek other projects.
- The Company contemplated a RTO with the GCE, however due to difficulties with the re-listing of suspended shares and Mr Munshi's incarceration, the RTO was unable to be completed.

Having considered these issues, it is my view that the Company was insolvent from at least 30 June 2016 when it ceased to trade, disposed of the GRP and there was uncertainty as to whether it could discharge the known creditor claims.

8.6.1 Potential Amount of Claim

I have estimated, on a preliminary basis the value of an insolvent trading claim based on the insolvency date of 30 June 2016.

It is possible, although unlikely, that an insolvent trading claim could be valued up to \$523K which is the estimated deficiency to all creditors (including subordinated creditors) on appointment. However, having regard to the related party claims which may be permitted a set off against the possible insolvent trading claim, in particular, unpaid consultants and directors' fees and the subrogated subordinated creditor claims, the value of the claim would be reduced to nil.

Accordingly, my preliminary view is that it would be uncommercial to pursue the Directors (those appointed at the relevant time and who allowed the business to trade whilst insolvent) for insolvent trading on the basis that it would likely be defended and there would not be a recovery for creditors.

As such, I do not intend to pursue any current or former Directors for insolvent trading should the Company be wound up and I was appointed.

8.7 VOIDABLE TRANSACTIONS

Voidable transactions include transactions such as unfair preferences, uncommercial transactions, unfair loans, unreasonable director related transactions and circulating security interests created within six months before the relation-back day, which is the date of the appointment of the Administrators.

These transactions usually relate to the period six (6) months prior to the date of my appointment; however in certain circumstances, this period can be extended to four (4) years in relation to transactions with related entities and up to ten (10) years in relation if the transactions were entered into with related parties with the intention of fraud.

ARITA has issued a creditor information sheet "Offences, Recoverable Transactions and Insolvent Trading" providing further information about voidable transactions. This information sheet is attached as **Annexure "9"**.

The transactions identified, if determined to be voidable, may be recoverable under the following provisions:

8.7.1 Disposal of GRP and PSL De-Merger

Consideration was given to whether the disposal of the GRP and the PSL de-merger in May 2016 would give rise to a voidable recovery or breach of duty type claim as the Company. The Company appears to have been solvent at the time of the transaction and was ultimately approved by the shareholders of the Company.

I am not aware of any unrelated creditors who pre-date the-de-merger and therefore could be said to have suffered a loss.

Therefore, I do not believe any voidable and/ or breach of duty claim would result from the transaction.

8.7.2 Voidable Transaction Provisions

The transactions identified, if determined to be voidable, may be recoverable under the following provisions:

8.7.2.1 Unreasonable Director Related Transactions (S588FDA)

A transaction is an unreasonable Director-related transaction of the Company if:

- The transaction is a payment, a conveyance, transfer or disposition of property, the issue of securities, or incurring of an obligation to make a payment, disposition or issue by the Company.
- The transaction is to a Director or close associate of the Director or for their benefit.
- A reasonable person in the Company's circumstances would not have entered into the transaction having regard to the benefit or detriment to the Company or other parties involved in the transaction.
- The transaction was entered into during the four (4) years leading to my appointment.

Accordingly, I have not identified any unreasonable director related transactions that may be pursued in a winding up.

8.7.2.2 Unfair Preferences

An unfair preference results when the Company and a creditor are parties to a transaction and the creditor receives more than it would receive if the transaction is set aside and the creditor proved for the debt in the winding up. If it is ultimately determined that certain payments are potentially recoverable as unfair preferences, it would be necessary to establish:

- that the Company was insolvent at the time the payments were made; and
- that the recipient had reasonable grounds to suspect that the Company was insolvent at that time or would become insolvent as a result of the payment.

The clawback provisions available to the liquidator relate only to payments to unrelated parties made within six (6) months from the date of the appointment known as the Relation Back Period (“RBP”).

I have not identified any unfair preferences that would be pursued in a winding up.

8.7.2.3 Unfair Loans (S588FD)

A loan is unfair if it is made to a Company at extortionate interest rates or the charges in relation to the loan are extortionate. In considering whether interest and charges are extortionate, regard must be had to the following:

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

Accordingly, there is no claim for unfair loans.

8.7.2.4 Uncommercial Transactions (S588FB)

A transaction is considered uncommercial 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.

As such, I do not believe that the transaction was an uncommercial transaction that could be pursued in a liquidation scenario.

8.7.2.5 Discharge of Related Party Debts (S588FH)

A transaction is considered to have discharged a related party’s debt if funds from the Company are used to pay that Creditor which has had the effect of discharging, to the extent of a particular amount, a liability (whether under a guarantee or otherwise) of a related entity the Company.

My preliminary investigations indicate that the Company had not discharged any related party claims.

8.7.2.6 Circulating Security Interests Created Within Six Months before the Relation-Back Day (S588FJ)

A circulating security interest in property of the company created within six (6) months before the relation-back day may be void against a liquidator. However, circulating security interests that are created within this period for consideration paid at or after the date of creation remains valid.

My preliminary investigations have not identified any voidable security interests.

8.8 OTHER CLAIMS

8.8.1 Breach of Duty Claims

8.8.1.1 *Loan to Paramindo Singapore Pte Limited*

As previously discussed, the Company advanced \$328K to PSL between 11 July 2016 and 3 September 2017. The Directors have advised that the purpose of the loan was for “working capital purposes, in particular legal expenses for the GRP and Singapore office operating expenses”.

The loans were advanced after the de-merger had taken place, such that the Company no longer had any equity interest in PSL, rather it was the ultimate shareholders that now held a financial interest in PSL, by way of the 1-for-1 in-specie distribution. As such, this loan, if not repaid, does not have a commercial purpose for the creditors of the Company.

It is my preliminary view that a claim could be brought against the officers that allowed the loans to be advanced, if it is not repaid by PSL. My enquiries indicate that the officers of the Company at the time were Mr Munshi (Director), Mr Guy Anderson (Director), Mr John Arbuckle (Director), Mr Garry Taylor (Secretary) and Mr Lionel Liew (Secretary). I note that it has been represented to me that Mr Munshi was the controlling mind and a major shareholder of both the Company and PSL.

I again confirm that I have issued the demand for this debtor from PSL, however to date I have not yet received payment or documentation disputing the debt. In a winding up, I intend to pursue this claim, on a commercial basis and subject to funding.

Further investigations will be required in a Liquidation.

8.9 REPORT TO ASIC

I intend to lodge a confidential report to ASIC pursuant to section 438D of the Act, in respect of my preliminary investigations and any potential offences identified. This report will be lodged shortly.

Should the Company be wound up, a liquidator is required to complete an investigation into the Company’s affairs and, if offences are identified, or if the Company is unable to pay its Creditors more than 50 cents in the dollar, lodge a report with ASIC pursuant to Section 533 of the Act.

9 ESTIMATED RETURN TO CREDITORS

Set out below is an analysis of the estimated returns that may be available to creditors under the proposed DOCA as compared to a Liquidation scenario. Please note these figures are estimates only, and the actual results may vary materially.

Paramount Mining Corporation Limited (Administrator Appointed) Estimated Outcome Statement		
	Optimistic Scenario Amount (\$)	Pessimistic Scenario Amount (\$)
Asset		
Cash at Bank	207,448	207,448
Debtors:	-	-
PSL*	328,061	-
PSP	25,731	5,515
Motor Vehicle	18,000	15,000
Voidable Recovery*	-	-
Insolvent Trading Claim	-	-
Total Recoveries	579,240	227,963
Less: Costs of External Administration (Excl. GST)		
Administrator's Remuneration from 18 October 2017 to 10 November 2017	(61,520)	(61,520)
Administrator's Remuneration from 11 November 2017 to 22 November 2017 (estimate)	(28,481)	(28,481)
Administrator's Disbursements	(1,500)	(1,500)
Liquidator's Remuneration	(85,000)	(65,000)
Liquidator's Disbursements	(3,000)	(3,000)
Motor Vehicle Realisation Costs	(900)	(750)
Legal Costs *	(60,000)	(30,000)
Total Costs of External Administration	(240,400)	(190,250)
Estimated Funds Available for Unsecured Creditors	338,840	37,713
Unsecured Creditors		
Trade Creditors	(78,391)	(78,391)
Related Party Creditors	(363,625)	(363,625)
Total Unsecured Creditor Claims	(442,016)	(442,016)
Estimated Funds Available for Subordinated Creditors	Nil	Nil
Subordinated Creditors		
Ginkgo Incorporated [^]	(325,000)	(325,000)
Bond Ventures Incorporated [^]	(262,076)	(262,076)
Talex Nominees	(30,000)	(30,000)
Total Subordinated Creditor Claims	(617,076)	(617,076)
Potential Rate of Return to Creditors		
	Cents in the Dollar	
Estimated Return to Unsecured Creditors	76.66	8.53
Estimated Return to Subordinated Creditors	Nil	Nil
Notes		
* This is the estimated legal costs in obtaining default judgement and enforcement against PSL. However, if the claim is contested or the recovery is pursued as a voidable recovery, then the legal costs would be far greater.		
[^] Ginkgo and Bond Ventures claims have been assigned to MBSN and Uranbilig Dashzeveg.		

10 RECOMMENDATION OF ADMINISTRATOR

Pursuant to Section 439A(4)(b) of the Act, the Administrator is required to make a statement setting out the Administrator's opinion about each of the following matters and provide his reasons for those opinions:

- Whether it would be in the Creditors' interests for the Company to execute a DOCA;
- Whether it would be in the Creditors' interests for the administration to end;
- Whether it would be in the Creditors' interests for the Company to be wound up.

I set out below my opinions as to each of these options:

10.1 DEED OF COMPANY ARRANGEMENT

I have not received any proposal for a DOCA from the Directors or any other party. Accordingly, there is no DOCA proposal for creditors to consider.

I do not recommend creditors resolve that the Company execute a DOCA.

10.2 ADMINISTRATION TO END

Creditors may resolve that the Administration of the Company should end and that control of the Company should be handed back to its Directors.

The Company is clearly insolvent and if the administration was to end, the Company would be placed in a similar position to that existing prior to my appointment as Administrator.

I do not recommend that the Administration end on the basis that the Company is clearly insolvent.

10.3 LIQUIDATION

Should Creditors decide to wind up the Company, the Administration would revert to a Creditors Voluntary Liquidation and the Administrator would become the Liquidator, unless creditors resolved to appoint an alternative Liquidator.

One of the roles of the Liquidator would be to complete investigations into the reasons for the Company's failure and to identify any causes of action or voidable transaction recoveries against any entity or individual. The Liquidator is also required to report his findings to ASIC in the event that offences are uncovered.

On the basis that the Company is insolvent and that no DOCA has been submitted for Creditors' consideration, I recommend that Creditors resolve to wind up the Company at the forthcoming Second Meeting of Creditors.

11 ADMINISTRATOR'S RECEIPTS AND PAYMENTS

There have been no receipts and payments in the Administration to date.

Despite numerous requests, ANZ have yet to pay into the Administrator's account the balance of the Company's pre-appointment cash at bank balance. Regardless of the delays, I expect to receive the funds soon.

12 ADMINISTRATOR'S / LIQUIDATOR'S REMUNERATION

In compliance with the Australian Restructuring, Insolvency and Turnaround Association's ("ARITA") Code of Professional Practice and the requirements of the Act, I am required to provide detailed information in respect of my remuneration. I attach my Remuneration Report as **Annexure "6"** which details the major tasks that have been and will be conducted in this administration. My remuneration is calculated on the time spent by staff at hourly rates used by BRI Ferrier, as detailed in my Remuneration Matrix. This document is contained within the Remuneration Report. In addition, a schedule of hourly rates are attached as **Annexure "7"**.

To date, my remuneration has been calculated on this "Time-Cost" basis, and I propose that it continue to be calculated on this basis. The Time-Cost method for calculating remuneration reflects the cost to my firm of the work undertaken, rather than a measure of the assets realised. In my view, the Time-Cost method is the preferable basis for calculating remuneration in an engagement such as this.

For Creditors' information, ASIC and ARITA information sheets (**Annexure "8"**) that relate to specific circumstances once an insolvency practitioner is appointed to a Company and approval of remuneration can be found at the following websites:

- <http://www.asic.gov.au/insolvencyinfosheets>
- <http://www.arita.com.au/insolvency-you/insolvency-explained/insolvency-fact-sheet>

12.1 VOLUNTARY ADMINISTRATION PERIOD

Creditors will be asked to approve the Administrators' remuneration at the Second Meeting of Creditors for the costs incurred.

Please refer to the Remuneration Approval Request Report, attached as **Annexure "6"** for further details.

12.2 LIQUIDATION PERIOD

If the Company is placed into liquidation at the Second Meeting of Creditors, I will be appointed Liquidator of the Company, unless creditors resolve to appoint an alternate Liquidator. I note that I have not received an alternate consent to act as Liquidator.

On the basis that I am to be appointed Liquidator, I will also seek approval for my estimated remuneration in conducting the Liquidation. The attached remuneration report details an estimate of the costs likely to be incurred in a liquidation scenario. It is an estimate only and may change depending on matters which occur during the course of the liquidation.

Please refer to the Remuneration Approval Request Report, attached as **Annexure "6"** for further details.

13 SECOND MEETING OF CREDITORS

The Second Meeting of Creditors will be held on 22 November 2017 at 1pm AEST (Sydney time). The formal Notice of Meeting is attached as **Annexure "2"** for your reference.

The purpose of the Second Meeting of Creditors is to enable Creditors to consider the Administrator's Report pursuant to section 439A of the Corporations Act and to determine the Company's future.

To participate as a Creditor and/or eligible employee Creditor, you should:

- Provide us with a Proof of Debt detailing your claim to be a Creditor and/or eligible employee Creditor. Proofs of Debt are enclosed as **Annexure "10"**. If you have previously provided a proof of debt and wish to supplement it, you may do so. Otherwise, Creditors whose proofs were accepted for voting at the First Meeting are not required to be re-lodged for the Second Meeting of Creditors.
- Creditors may attend and vote in person, by proxy or by attorney. The appointment of a proxy, copies of which is attached as **Annexure "11"**, must be in accordance with Form 532. It is necessary for all Creditors to submit new proxies for these meeting. Persons attending on behalf of a corporate entity are required to have a proxy signed on behalf of that entity.
- A specific proxy can be lodged showing approval or rejection of each proposal. Creditors, in lodging specific proxies, need to be mindful that their intended voting patterns can become academic or "contradictory" where the outcome of an earlier vote (in the order of proceedings) is determined in a way which could influence or change their intended voting. Proxy forms or facsimiles thereof must be lodged at my office by 4.00 pm one (1) business day prior to the meeting.
- Where a facsimile copy of a proxy is sent, the original must be lodged with my office within seventy-two hours after receipt of the facsimile. An attorney of a Creditor must show the instrument by which he or she is appointed to the Chairperson prior to commencement of the meeting.

14 QUERIES

The BRI Ferrier staff member responsible for this matter is as follows:

- BRI Contact: Katherine La
- Phone: (02) 8263 2300
- Email: kla@brifnsw.com.au
- Mailing: GPO Box 7079, Sydney NSW 2001
- Facsimile: (02) 8263 2399

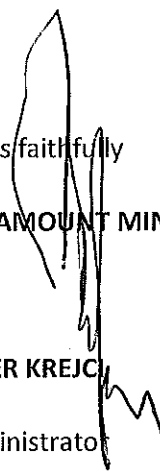
Please contact Ms Katherine La from my office if you have any queries in relation to the Administration or the forthcoming meeting.

Yours faithfully

PARAMOUNT MINING CORPORATION PTY LIMITED (ADMINISTRATOR APPOINTED)

PETER KREJC

Administrator



The logo for BRI Ferrier, featuring the text "BRI Ferrier" in white on a dark rectangular background with a diagonal line on the right side.

BRI Ferrier

**Paramount Mining
Corporation Ltd
(Administrator Appointed)
ACN 102 426 175**

**Annexure "1"
Updated Declaration of
Independence, Relevant
Relationships and Indemnities**

Declaration of Independence, Relevant
Relationships and Indemnities

PARAMOUNT MINING CORPORATION LTD

(ADMINISTRATOR APPOINTED)

ACN 102 426 175

24 October 2017

Peter Krejci
Voluntary Administrator

BRI Ferrier (NSW) Pty Ltd ABN 97 128 947 848

Level 30

Australia Square

264 George Street, Sydney NSW 2000

GPO Box 7079, Sydney NSW 2001

Phone (02) 8263 2300

Facsimile (02) 8263 2399

Email: info@brifnsw.com.au

Website: www.briferrier.com.au

BRI Ferrier

This document requires the Practitioner/s appointed to an insolvent entity to make declarations as to:

- A. their independence generally;
- B. relationships, including
 - i the circumstances of the appointment;
 - ii any relationships with the Paramount Mining Corporation Ltd and others within the previous 24 months;
 - iii any prior professional services for the Paramount Mining Corporation Ltd within the previous 24 months;
 - iv. that there are no other relationships to declare; and
- C. any indemnities given, or up-front payments made, to the Practitioner.

This declaration is made in respect of myself, my partners and BRI Ferrier (NSW) Pty Ltd.

A. INDEPENDENCE

I, Peter Krejci, of BRI Ferrier (NSW) Pty Ltd have undertaken a proper assessment of the risks to my independence prior to accepting the appointment as Administrator of Paramount Mining Corporation Ltd ("the Company") in accordance with the law and applicable professional standards. This assessment identified no real or potential risks to my independence. I am not aware of any reasons that would prevent me from accepting this appointment.

B. DECLARATION OF RELATIONSHIPS

I. CIRCUMSTANCES OF APPOINTMENT

This appointment was referred to me by Stephen Hall of Forsyths Chartered Accountants ("Forsyths"), the Company's external accountant. I believe that this referral does not result in a conflict of interest or duty because:

- ✦ I have not been referred other matters from Forsyths prior to my appointment to this Company.
- ✦ In the past, Forsyths have referred other matters to my former partner, Martin Green, which were unrelated to the Company.
- ✦ I have not received or paid any benefit to Forsyths with respect to these referrals.

I had discussions with one of the Company's Directors, John Sebastian Hempel, in October 2017 as detailed below:

- ✦ On 10 October 2017, I had a telephone conversation with John Sebastian Hempel to discuss the Company's background and financial position. I also had email correspondence with John Sebastian Hempel to discuss the financial position of the Company and the options available to the Company, in particular, the voluntary administration process.

- On 11 October 2017, I had a telephone conversation with John Sebastian Hempel to discuss the registered security interests over the Company and my potential appointment.
- On 13 October 2017, my office sent pro-forma appointment documents to John Sebastian Hempel.
- On 17 October 2017 and 18 October, I received email correspondence from John Sebastian Hempel regarding the registered security interests.

My staff and I received no remuneration for the abovementioned meetings and/or advice.

In my opinion, the above do not affect my independence for the following reasons:

- The Courts and the Australian Restructuring Insolvency and Turnaround Association's ("ARITA") Code of Professional Practice ("COPP") specifically recognise the need for practitioners to provide advice on the Insolvency practice and the options available and do not consider that such advice results in a conflict or is an impediment to accepting the appointment.
- The nature of the advice provided to the Company is such that it would not be subject to review and challenge during the course of the Voluntary Administration.
- The pre-appointment advice will not influence my ability to be able to fully comply with the statutory and fiduciary obligations associated with the Voluntary Administration of the Company in an objective and impartial manner.
- I summarised the insolvency remedies available to the Company, but did not provide advice to the Directors about the possible or likely outcomes of any of those remedies; and

The Directors obtained their own advice regarding the financial position of the Company.

I have provided no other information or advice to the Company and/or Directors prior to my appointment beyond that outlined in this declaration.

II. RELEVANT RELATIONSHIPS (EXCLUDING PROFESSIONAL SERVICES TO THE INSOLVENT)

I, or a member of my firm, have, or have had within the preceding 24 months, a relationship with:

Name	Nature of relationship	Reasons why no conflict of interest or duty
The Australian Taxation Office ("ATO")/ Federal Commissioner of Taxation	Principals and Directors of BRI Ferrier around Australia, were, until its expiration at the end of 2014, members of a panel of Official Liquidators established by the ATO and accepted appointments by Australian Courts initiated by the Federal Commissioner. These Official Liquidators have undertaken to the ATO to	The ATO is a sophisticated statutory creditor and is administratively bound to act as a Model Litigant. In our experience the ATO does not seek to exert improper pressure on insolvency practitioners in connection with the discharge of their duties to creditors generally.

Name	Nature of relationship	Reasons why no conflict of interest or duty
	<p>accept appointments as Liquidator appointed by a Court under the Corporations Act where the ATO is the applicant creditor, whether the company has assets or not.</p> <p>BRI Ferrier is likely to seek inclusion in any comparable panel should one be established in future.</p>	<p>Membership of the panel was not conditional upon any preference or benefit being conferred upon the ATO.</p>
<p>Forsyths Chartered Accountants</p>	<p>I have not been referred other matters from Forsyths prior to my appointment to this Company.</p> <p>Forsyths previously referred other matters to another former partner in my firm.</p>	<p>These matters were referred to my firm on an irregular basis.</p> <p>I have not received or paid any benefit to Forsyths with respect of these referrals.</p> <p>Our previous dealings with Forsyths will not impact the performance of my duties on this appointment.</p>
<p>Prosperity Resources Limited ("Prosperity")</p>	<p>I was appointed as Voluntary Administrator of Prosperity on the same day as my appointment as Voluntary Administrator of the Company.</p>	<p>I believe that this relationship does not result in a conflict or interest of duty because:</p> <ul style="list-style-type: none"> ➤ The Company and Prosperity operated similar businesses separately, with common Directors. ➤ I am aware there are loans between the Company and Prosperity, however this is common for related entities. ➤ At the time of my appointment, I was not aware of any conflicts of interests between Prosperity and the Company. Should such a conflict arise, I will keep creditors informed and take appropriate action to resolve the conflict. ➤ Appointment to group and/or related parties are allowed under the COPP and should generate efficiencies in conducting the appointment.

There are no other prior professional or personal relationships that should be disclosed.

III. PRIOR PROFESSIONAL SERVICES TO THE INSOLVENT

Neither I, nor my firm, have provided any professional services to Paramount Mining Corporation Ltd in the previous 24 months, other than those outlined herein.

IV. NO OTHER RELEVANT RELATIONSHIPS TO DISCLOSE

There are no other known relevant relationships, including personal, business and professional relationships, from the previous 24 months with Paramount Mining Corporation Ltd, an associate of Paramount Mining Corporation Ltd, a former insolvency practitioner appointed to Paramount Mining Corporation Ltd or any person or entity that has a valid and enforceable security interest on the whole or substantially whole of company's property that should be disclosed.

C. INDEMNITIES AND UP-FRONT PAYMENTS

I have not been indemnified in relation to this administration, other than any indemnities that I may be entitled to under statute and I have not received any up-front payments in respect of my remuneration or disbursements.

Dated: 24th October 2017

.....
PETER KREJCI
ADMINISTRATOR

Note:

1 If circumstances change, or new information is identified, I am/we are required under the Corporations Act 2001 and the ARITA Code of Professional Practice to update this Declaration and provide a copy to creditors with my next communication as well as table a copy of any replacement declaration at the next meeting of the insolvent's creditors.

2 Pursuant to Section 506A(5) of the Corporations Act 2001 I am required to make a replacement declaration of relevant relationships if:-

- (a) The declaration becomes out-of-date; or
- (b) The Liquidator becomes aware of an error in the declaration.

I am also required to table a copy of any replacement declaration at the next meeting of the company's creditors.

3 Any relationships, indemnities or up-front payments disclosed in the DIRRI must not be such that the Practitioner is no longer independent. The purpose of components B and C of the DIRRI is to disclose relationships that, while they do not result in the Practitioner having a conflict of interest or duty, ensure that creditors are aware of those relationships and understand why the Practitioner nevertheless remains independent.

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BRI Ferrier

**Paramount Mining
Corporation Ltd
(Administrator Appointed)
ACN 102 426 175**

**Annexure "2"
Notice of Meeting**

FORM 529

CORPORATIONS ACT 2001

Section 439A

Insolvency Practice Rules (Corporations)

75-10, 75-15 & 75-20

NOTICE OF SECOND MEETING OF CREDITORS

PARAMOUNT MINING CORPORATION LIMITED

(ADMINISTRATOR APPOINTED)

ACN 102 426 175

NOTICE is given that a Meeting of the Creditors of the Company will be held at the offices of BRI Ferrier (NSW) Pty Ltd, Level 30, Australia Square, 264 George Street, Sydney NSW 2000 on 22 November 2017 at 1:00pm AEST.

A G E N D A

1. To receive the Report of the Administrator and receive questions from creditors.
2. To fix the remuneration of the Administrator.
3. For Creditors to resolve:
 - a. That the Company execute a Deed of Company Arrangement; or
 - b. That the administration should end; or
 - c. That the Company be wound up.
4. If Creditors resolve to wind up the Company:
 - a. To consider the appointment of an alternate Liquidator(s);
 - b. To consider approving the remuneration of the Liquidator; and
 - c. To consider the early destruction of the Company books and records.
5. To consider the appointment of a Committee of Inspection.
6. To consider any other business that may be lawfully brought forward.

Proxies to be used at the meeting should be lodged at the office of the Administrator by 2:00pm AEST on the business day prior to the meeting. A creditor can only be represented by proxy or by an attorney pursuant to Insolvency Practice Rules (Corporations) (IPR) 75-150 & 75-155 or, if a body corporate, by a representative appointed pursuant to Section 250D of the Corporations Act 2001.


Teleconference facilities

Creditors wishing to attend by telephone are advised to contact Ms Katherine La of this office by 4:00pm AEST two (2) business days prior to the meeting.

Creditor wishing to participate in the meeting by telephone must return to the convenor of the meeting not later than two (2) business days before the day of the meeting, a written statement setting out the name of the person and of the proxy or attorney, (if any), an address to which notices to the person, proxy or attorney may be sent, a telephone number at which the person, proxy or attorney may be contacted and any facsimile number to which notices to the person, proxy or attorney may be sent. A person, or the proxy or attorney of a person who participates in the meeting by telephone, must pay any costs incurred in participating and is not entitled to be reimbursed for those costs from the assets of the Company.

In accordance with IPR 75-85, creditors will not be entitled to vote at this meeting unless they have previously lodged particulars of their claim against the Company with the Administrators and their claim has been admitted for voting purposes wholly or in part by the Administrator.

DATED this 14th day of November 2017.



PETER KREJCI
VOLUNTARY ADMINISTRATOR

BRI FERRIER (NSW) PTY LTD
Level 30
Australia Square
264 George Street
Sydney NSW 2000

The logo for BRI Ferrier, featuring the text "BRI Ferrier" in white on a dark rectangular background with a diagonal split.

**Paramount Mining
Corporation Ltd
(Administrator Appointed)
ACN 102 426 175**

**Annexure "3"
Related Party Entities**

Related Party Entities

Garry Taylor

Company	A.C.N.	Position	Appointment Date	Cessation Date
Paramount Mining Corporation Ltd	102 426 175	Director	22/09/2017	Current
Paramount Mining Corporation Ltd	102 426 175	Secretary	22/10/2007	Current
Prosperity Resources Indonesia (Energy) Pty Ltd	146 134 849	Secretary	2/09/2010	Current
Prosperity Resources Limited	103 280 235	Secretary	29/04/2009	Current
Jumbo Graphite Resources (Tanzania) Pty Ltd	104 170 425	Secretary	29/04/2009	Current
Prosperity Resources (MT Gibson) Pty Ltd	104 170 354	Secretary	29/04/2009	Current
Prosperity Resources (Tenant Creek) Pty Ltd	122 235 643	Secretary	29/04/2009	Current
Prosperity Resources (Indonesia) Pty Ltd	137 239 082	Secretary	24/08/2010	15/10/2017
Brearley Custodians Pty Ltd	118 912 217	Director & Secretary	19/06/2009	10/06/2016
Paramount Mining (Indonesia) Pty Ltd	138 034 492	Secretary	1/07/2009	25/03/2011
Paramount Mining Indonesia (Energy) Pty Ltd	140 633 021	Secretary	18/11/2009	25/03/2011
Newcol Holdings Limited	112 382 886	Secretary	15/05/2007	3/09/2007

John Sebastian Hempel

Company	A.C.N.	Position	Appointment Date	Cessation Date
Australian Agricultural Partnerships Pty Ltd	162 007 098	Director & Secretary	8/07/2013	Current
Benson Global Pty Ltd	101 696 315	Secretary	10/12/2012	Current
Carpentaria Cattle Company Pty Ltd	600 933 300	Director	3/09/2014	Current
Conchita Nominees Pty Ltd	100 477 950	Director & Secretary	8/05/2002	Current
New England Corporate Services Pty Ltd	166 787 480	Director	15/11/2013	Current
New England Corporate Services Pty Ltd	166 787 480	Secretary	15/11/2013	Current
Paramount Mining Corporation Ltd	102 426 175	Director	30/06/2017	Current
Prosperity Resources Limited	103 280 235	Director	21/07/2008	Current
The Armidale School	141 108 241	Director	14/12/2009	Current
Scandium Holding Company Pty Ltd	109 748 772	Secretary	13/08/2013	31/03/2015
Scandium 2.1 Pty Ltd	008 755 155	Secretary	13/08/2013	31/03/2015
Syerston Scandium Pty Ltd	078 239 059	Secretary	13/08/2013	31/03/2015
Uranium Development Pty Ltd	136 736 813	Secretary	13/08/2013	31/03/2015
Une Health Pty Ltd	161 262 933	Secretary	10/09/2013	24/02/2015
Fitzroy River Corporation Ltd	075 760 655	Director	1/09/2009	30/06/2014
Fitzroy River Corporation Ltd	075 760 655	Secretary	13/08/2012	13/04/2014
The Armidale School	141 108 241	Secretary	14/12/2009	21/02/2012
Greenwich Transaction Services Proprietary Limited	124 054 753	Director	6/02/2008	26/07/2010
Emesco Agents Pty Ltd	000 405 265	Secretary	29/05/2003	11/01/2008

Guy Anderson

Company	A.C.N.	Position	Appointment Date	Cessation Date
Paramount Mining Corporation Ltd	102 426 175	Director	19/09/2008	Current
Prosperity Resources Limited	103 280 235	Director	7/09/2017	Current
Scandium Holding Company Pty Ltd	109 748 772	Director	20/03/2007	31/03/2015
Scandium 2.1 Pty Ltd	008 755 155	Director	20/03/2007	31/03/2015
Syerston Scandium Pty Ltd	078 239 059	Director	20/03/2007	31/03/2015
Uranium Development Pty Ltd	136 736 813	Director	23/04/2009	31/03/2015

Lionel Liew

Company	A.C.N.	Position	Appointment Date	Cessation Date
Gobi Coal & Energy Pty Ltd	616 044 298	Director	22/11/2016	Current
Momble Pty Ltd	165 379 288	Director	19/08/2013	Current
Paramount Mining Corporation Ltd	102 426 175	Secretary	6/04/2011	Current
Prosperity Resources Limited	103 280 235	Secretary	6/04/2011	Current
Dragonrabbit Pty Ltd	602 598 274	Director	30/10/2014	Current
Savire Holdings Pty Ltd	109 883 310	Director & Secretary	5/07/2004	30/10/2011

Mohammed Munshi

Company	A.C.N.	Position	Appointment Date	Cessation Date
Paramount Mining Indonesia (Energy) Pty Ltd	140 633 021	Director	18/11/2009	Current
Paramount Mining Corporation Ltd	102 426 175	Director	19/09/2008	19/07/2017
Prosperity Resources Limited	103 280 235	Director	6/03/2007	19/07/2017
Paramount Mining (Indonesia) Pty Ltd	138 034 492	Director	8/10/2010	27/11/2016
Tabora Limited	107 045 983	Director	1/02/2007	29/08/2008
Scandium Holding Company Pty Ltd	109 748 772	Director	28/06/2004	20/03/2007
Scandium21 Pty Ltd	008 755 155	Director	20/07/2004	20/03/2007
Syerston Scandium Pty Ltd	078 239 059	Director	20/07/2004	20/03/2007
Scandium Holding Company Pty Ltd	109 748 772	Secretary	28/06/2004	15/02/2007
Scandium21 Pty Ltd	008 755 155	Secretary	20/07/2004	15/02/2007
Syerston Scandium Pty Ltd	078 239 059	Secretary	20/07/2004	15/02/2007
Chinova Resources Pty Ltd	107 689 878	Director & Secretary	20/01/2004	31/01/2007
Chinova Resources Cloncurry Mines Pty Ltd	106 255 216	Director & Secretary	11/01/2005	6/06/2006
Pearlfarms Limited	008 889 281	Director	28/12/2000	29/12/2004
KH Custodians Pty Ltd	089 830 080	Director	20/07/2000	29/01/2003
Kings Reef Mining NL	073 700 295	Director	6/11/2001	12/04/2002
Sustainability Pty Ltd	093 725 118	Director	20/07/2000	5/12/2001
Signature Technology Pty Ltd	091 264 265	Director	29/02/2000	24/07/2000
NEO Resources Limited	007 708 429	Director	13/05/1997	27/10/1997
Mountain Nominees Pty Ltd	068 897 727	Director	4/04/1995	30/10/1995

John Arbuckle

Company	A.C.N.	Position	Appointment Date	Cessation Date
Aicg Development Pty Ltd	162 008 246	Secretary	18/01/2013	Current
Bio-Phil Energy Limited	116 332 168	Director	22/09/2005	Current
Bio-Phil Energy Limited	116 332 168	Secretary	22/09/2005	Current
Canaccord Capital (Australia) Pty Ltd	115 994 048	Director	29/08/2005	Current
Canaccord Capital (Australia) Pty Ltd	115 994 048	Secretary	29/08/2005	Current
Dna Capital Pty Ltd	127 480 826	Director & Secretary	11/09/2007	Current
Hiam Pty Ltd	166 911 262	Director	29/08/2014	Current
Jumbo Graphite Resources (Tanzania) Pty Ltd	104 170 425	Director	15/02/2008	Current
Paramount Mining Indonesia (Energy) Pty Ltd	140 633 021	Director	2/11/2011	Current
Petro Australis Limited	148 997 586	Secretary	23/08/2012	Current
Petro Australis Myanmar Pty Ltd	159 403 620	Secretary	15/11/2012	Current
Prosperity Resources (Mt Gibson) Pty Ltd	104 170 354	Director	15/02/2008	Current
Prosperity Resources (Tennant Creek) Pty Ltd	122 235 643	Director	14/02/2008	Current

John Arbuckle (continued)

Company	A.C.N.	Position	Appointment Date	Cessation Date
Prosperity Resources (Tennant Creek) Pty Ltd	122 235 643	Secretary	3/11/2015	Current
Prosperity Resources Indonesia (Energy) Pty Ltd	146 134 849	Director	2/09/2010	Current
Sablet Pty Ltd	135 827 717	Director	7/07/2015	Current
Prosperity Resources (Indonesia) Pty Ltd	137 239 082	Director	21/05/2009	15/10/2017
Lolivet Pty Ltd	161 298 255	Director	6/07/2015	8/08/2017
Prosperity Resources Limited	103 280 235	Director	9/09/2006	14/07/2017
Paramount Mining Corporation Ltd	102 426 175	Director	18/10/2011	30/06/2017
Paramount Mining (Indonesia) Pty Ltd	138 034 492	Director	2/11/2011	27/11/2016
Auvex Manganese Ltd	141 568 390	Director	26/10/2010	12/06/2016
Auvex Manganese Ltd	141 568 390	Secretary	5/07/2013	12/06/2016
Atc Alloys Ltd	118 738 999	Director	16/12/2015	31/03/2016
Atc Alloys Ltd	118 739 999	Secretary	23/12/2015	31/03/2016
Bighill Resources Limited	095 566 804	Director	16/12/2015	31/03/2016
Bighill Resources Limited	095 566 804	Secretary	23/12/2015	31/03/2016
Alianza Minerals Pty Ltd	154 157 598	Secretary	1/05/2012	1/08/2015
Gold Valley Corporation Pty Ltd	169 595 484	Secretary	16/05/2014	8/04/2015
Silk Road Wines Pty Ltd	162 772 885	Secretary	11/03/2013	8/04/2015
Hawkstone Mining Limited	008 720 223	Director	15/11/2013	5/12/2014
Hawkstone Mining Limited	008 720 223	Secretary	20/12/2013	5/12/2014
Tanga Resources Limited	141 940 230	Secretary	15/05/2010	3/10/2014
Minroz Pty Ltd	161 572 238	Secretary	10/12/2012	13/01/2014
International Development Concepts Limited	117 911 857	Director & Secretary	13/01/2006	24/03/2013
Emars Mining Pty Ltd	134 496 432	Secretary	9/12/2008	28/04/2012
Alchemy Resources (Murchison) Pty Ltd	124 455 465	Director	16/03/2007	25/11/2011
Alchemy Resources Limited	124 444 122	Director	16/03/2007	25/11/2011
Alchemy Resources (Three Rivers) Pty Ltd	131 301 409	Director	27/05/2008	25/11/2011
Goldtribe Corporation Pty Ltd	134 176 006	Director	13/07/2009	25/11/2011
Auvex Resources Pty Ltd	129 087 832	Director	20/01/2010	2/08/2011
Silkfield Holdings Pty Ltd	139 185 443	Secretary	25/09/2009	16/02/2011
Alchemy Resources (Murchison) Pty Ltd	124 455 465	Secretary	16/03/2007	15/02/2011
Alchemy Resources (Three Rivers) Pty Ltd	131 301 409	Secretary	27/05/2008	15/02/2011
Goldtribe Corporation Pty Ltd	134 176 006	Secretary	13/07/2009	15/02/2011
Alchemy Resources Limited	124 444 122	Secretary	16/03/2007	1/12/2010
Calima Energy Limited	117 227 086	Secretary	21/11/2005	9/03/2010
Rialto Energy (Ghana) Pty Ltd	127 137 508	Secretary	20/08/2007	9/03/2010
Carpathian Resources Limited	080 273 703	Director	17/03/2008	28/08/2008
Carpathian Resources Limited	080 273 703	Secretary	14/05/2007	28/08/2008
Ostridge Resources Limited	121 491 138	Director & Secretary	30/08/2006	30/07/2008
Pelican Energy Limited	121 493 650	Director & Secretary	30/08/2006	30/07/2008
Sardine Resources Limited	119 486 163	Director & Secretary	1/05/2006	30/07/2008
Southern Orion Energy Limited	121 491 129	Director & Secretary	30/08/2006	30/07/2008
Westwind Capital Pty Ltd	107 994 703	Director & Secretary	24/10/2005	15/07/2008
Segue Resources Limited	112 609 846	Secretary	18/07/2005	2/04/2008
Segue (Pardoo) Limited	008 957 462	Director & Secretary	12/09/2006	31/03/2008
Segue Resources Limited	112 609 846	Director	3/04/2006	31/03/2008
Mt Gould Minerals Pty Ltd	118 341 147	Director & Secretary	15/03/2006	29/08/2007
Weld Range Iron Ore Pty Ltd	118 340 686	Director & Secretary	15/03/2006	29/08/2007
Brimstone Resources Ltd	116 221 848	Director & Secretary	13/09/2005	28/08/2007
Michaelmas Holdings Pty Ltd	118 292 701	Director & Secretary	16/03/2006	17/08/2007
Prosperity Resources Limited	103 280 235	Secretary	20/10/2006	7/03/2007
333D Limited	118 159 881	Secretary	2/02/2005	31/01/2007

John Arbuckle (continued)

Company	A.C.N.	Position	Appointment Date	Cessation Date
Black Sheep Brewing Pty Ltd	119 504 808	Director & Secretary	2/05/2006	31/01/2007
Mad Monk Pty Ltd	119 504 817	Director & Secretary	2/05/2006	31/01/2007
333D Limited	118 159 881	Director	2/02/2006	26/09/2006
Calima Energy Limited	117 227 086	Director	21/11/2005	16/02/2006
Extension Hill Pty Ltd	067 128 938	Secretary	31/01/2005	1/07/2005
Geraldton Bulk Handling Pty Ltd	100 105 388	Secretary	31/12/2004	1/07/2005
Mount Gibson Iron Limited	008 670 817	Secretary	21/07/2004	1/07/2005
Mount Gibson Mining Limited	074 575 885	Secretary	31/12/2004	1/07/2005
Whrk Pty Ltd	098 602 343	Secretary	31/12/2004	1/07/2005
Maybach Consulting Pty Ltd	115 045 988	Director & Secretary	30/06/2005	30/06/2005
Counter Intelligence Australia Pty Ltd	087 846 491	Secretary	29/05/2000	11/05/2001
Eftnet Global Management Pty Ltd	092 134 337	Secretary	29/05/2000	11/05/2001
Eftnet Payment Support Pty Ltd	082 687 741	Secretary	29/05/2000	11/05/2001
Financial Business Intelligence Pty Ltd	092 134 202	Secretary	29/05/2000	11/05/2001
Programmed Electrical Technologies Ltd	089 479 676	Secretary	29/05/2000	11/05/2001
Smarter Card Pty Ltd	092 367 274	Secretary	11/09/2000	11/05/2001
Technology Rental Group Pty Ltd	087 846 482	Secretary	29/05/2000	11/05/2001
13 Paid Pty Ltd	090 780 591	Secretary	29/05/2000	11/05/2001
Virtual Learning Pty Ltd	084 557 513	Secretary	24/09/1999	21/01/2000

The logo for BRI Ferrier, featuring the text "BRI Ferrier" in white on a dark rectangular background with a diagonal line on the right side.

BRI Ferrier

**Paramount Mining
Corporation Ltd
(Administrator Appointed)
ACN 102 426 175**

**Annexure "4"
Comparative Financial Statements**

**Paramount Mining Corporation Limited
(Administrator Appointed)
Comparative Balance Sheets**

Assets	Consolidated		Parent Entity Only		Period Ended
	FY2014 Amount (\$)	FY2015 Amount (\$)	FY2016 Amount (\$)	FY2017 Amount (\$)	18 October 2017 Amount (\$)
Current Assets					
Cash at Bank	13,554	58,762	9,010	261,809	174,710
Trade and Other Receivables	-	-	-	-	-
Paramindo Singapore Pte Limited	-	-	-	321,818	328,061
Prosperity Resources Limited (Administrator Appointed)	-	-	-	3,227	3,227
Other	61,508	88,397	-	-	-
Other Current Assets	35,966	26,223	14,033	15,444	1,507
Total Current Assets	111,028	173,382	23,043	602,298	507,505
Non Current Assets					
Trade and Other Receivables	17,327	17,723	-	-	-
Deferred Exploration Costs	8,712,905	10,439,245	-	-	-
Other Financial Assets	-	-	2	2	2
Property, Plant and Equipment	11,072	7,589	24,328	17,500	16,250
Total Non Current Assets	8,741,304	10,464,557	24,330	17,502	16,252
Total Assets	8,852,332	10,637,939	47,373	619,800	523,757
Liabilities					
Current Liabilities					
Account Payable					
Provision for Employee Benefits	41,185	35,140	-	-	-
Trade Creditors	547,892	844,095	179,102	196,330	190,344
Accrued Consultancy Fees	-	-	187,000	48,000	48,000
Accrued Directors' Fees	-	-	190,000	225,000	202,500
Accrued Borrowing Costs	983,952	154,286	-	-	-
ATO	38,122	39,506	-	-	-
Other	591,406	343,527	13,800	13,804	13,800
Total Accounts Payable	2,202,557	1,416,554	569,901	483,134	454,644
Financial Liabilities					
Zurily Resources and Trading Pte Ltd	126,425	988,296	-	-	-
Cape Gannet Ltd	162,081	-	-	-	-
Bungarra Resources	739,740	906,510	-	-	-
R & K Global Finance Ltd	120,488	611,690	-	-	-
Brooklyn International	159,313	-	-	-	-
Mo Munshi	-	28,233	-	-	-
Share Placement Suspense	-	-	-	617,076	617,076
Other Financial Liabilities	-	-	4	32,916	4
Total Financial Liabilities	1,308,047	2,534,729	4	649,992	617,079
Total Current Liabilities	3,510,604	3,951,283	569,905	1,133,126	1,071,723
Total Liabilities	3,510,604	3,951,283	569,905	1,133,126	1,071,723
Net Assets	5,341,728	6,686,656	(522,532)	(513,326)	(547,966)
Equity					
Issued & Paid Up Capital	29,488,510	31,467,348	33,861,428	33,861,428	33,861,428
Option Reserve	2,332,456	4,094,038	1,379,960	1,379,960	1,379,960
Less: Cost of Issue	-	-	(1,118,226)	(1,118,226)	(1,118,226)
Performance Rights Reserve	-	-	974,578	974,578	974,578
Retained Earnings	(25,773,920)	(27,942,184)	(20,580,743)	(21,642,677)	(21,633,471)
Current Year Earnings	-	-	(1,061,934)	9,206	(34,640)
Demerger Account	-	-	(13,977,595)	(13,977,595)	(13,977,595)
Non-Controlling Interest	(705,318)	(932,526)	-	-	-
Total Equity	5,341,728	6,686,656	(522,532)	(513,326)	(547,966)

**Paramount Mining Corporation Limited
(Administrator Appointed)
Comparative Profit and Loss Statements**

	Consolidated		Parent Entity only		
	FY2014 Amount (\$)	FY2015 Amount (\$)	FY2016 Amount (\$)	FY2017 Amount (\$)	Period Ended 18 October 2017 Amount (\$)
Income					
Gain on Foreign Currency Translation			779,228		
Other	90,211	42	15,175	(113)	
Total Income	90,211	42	794,403	(113)	-
Less: Expenses					
Employee Benefits Expense	973,419	679,812			
Exploration Expense	144,690	-			
Consultants Fees Expense	-	-	816,635	(125,200)	-
Directors' Fees Expense	-	-	120,000	95,000	16,250
Loss in Foreign Currency Translation	231,618	(1,421,759)	355,054	-	4,298
Borrowing Costs	983,952	430,334	214,901	-	
Other	1,116,300	1,136,827	349,747	20,881	18,209
Total Expenses	3,449,979	825,298	1,856,337	(9,319)	38,757
Net Profit	(3,359,768)	(825,256)	(1,061,934)	9,206	(38,757)

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**Paramount Mining
Corporation Ltd
(Administrator Appointed)
ACN 102 426 175**

**Annexure "5"
Deficiency Statement**

Paramount Mining Corporation Ltd (Administrator Appointed) Summary of RATA by Directors				
	Book Value as at 18/10/2017 (\$)	Directors' ERV (per RATA) (\$)	Administrator's ERV as at 18/10/2017 (\$)	Estimated Deficiency (\$)
Assets				
Cash at Bank	174,710	208,731	207,448	
Debtors				
Paramindo Singapore Pte Limited	328,061	-	328,061	
Prosperity Resources Limited	3,227	-	TBA	
Plant and Equipment (WDV)	16,250	20,000	TBA	
Other Assets	1,509	-	-	
Total Assets	523,757	228,731	535,509	
Liabilities				
Priority Creditors	-	-	-	
Secured Creditors	-	-	-	
Unsecured Creditors				
Trade Creditors	204,147	78,384	78,384	
ATO	-	-	-	
Related Parties	250,500	363,625	363,625	
Contingent Liabilities				
Ginkgo Inc	325,000	325,000	325,000	
Bond Ventures Inc	262,076	262,076	262,076	
Talex Nominees	30,000	30,000	30,000	
Total Liabilities	1,071,723	1,059,085	1,059,084	
Net Asset Deficiency	(547,966)	(830,354)	(523,575)	523,575

Paramount Mining Corporation Ltd (Administrator Appointed) Deficiency Statement				
		Amount(\$)	Amount(\$)	
Deficiency of Assets to Liabilities				523,575
Add: Loss of Share Capital		21,120,145		
Estimated Total Deficiency				21,643,720
These losses are represented by:				
a) Accumulated Losses				
Accumulated Losses as at 30 June 2016		21,642,677		
Current Profit as at 30 June 2017		(9,206)		
Current Loss as at 18 October 2017		34,640		
				21,668,111
b) Estimated Loss on Realisation of Assets				
	Book Value as at 18/10/2017 (\$)	Administrator's ERV as at 18/10/2017 (\$)	Loss on Realisation (\$)	
Assets				
Cash at Bank	174,710	207,448	32,738	
Debtors				
Paramindo Singapore Pte Limited	328,061	328,061	-	
Prosperity Resources Limited	3,227	TBA	(3,227)	
Plant and Equipment (WDV)	16,250	TBA	(16,250)	
Other Assets	1,509	-	(1,509)	
Total Assets	523,757	535,509	11,752	(11,752)
c) Increase in Creditor Claims not Disclosed in Balance Sheet				
	Book Value as at 18/10/2017 (\$)	Administrator's ERV as at 18/10/2017 (\$)	Unreported Liabilities (\$)	
Liabilities				
Priority Creditors	-	-	-	
Secured Creditors	-	-	-	
Unsecured Creditors				
Trade Creditors	204,147	78,384	(125,764)	
ATO	-	-	-	
Related Parties	250,500	363,625	113,125	
Subordinated Creditors				
Ginkgo Inc	325,000	325,000	-	
Bond Ventures Inc	262,076	262,076	-	
Talex Nominees	30,000	30,000	-	
Total Liabilities	1,071,723	1,059,084	(12,639)	(12,639)
Difference				(0)
Deficiency as Above				21,643,721

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BRI Ferrier

**Paramount Mining
Corporation Ltd
(Administrator Appointed)
ACN 102 426 175**

**Annexure "6"
Remuneration Approval Report**

Remuneration Approval Report

**Paramount Mining Corporation Limited
(Administrator Appointed)**

A.C.N. 102 426 175

14 November 2017

**Peter Krejci
Voluntary Administrator**

BRI Ferrier (NSW) Pty Ltd ABN 97 128 947 848
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1 DECLARATION

I, Peter Krejci, of Bri Ferrier (NSW) Pty Ltd have undertaken a proper assessment of this remuneration claim for my appointment as Voluntary Administrator of Paramount Mining Corporation Limited (Administrator Appointed) in accordance with the law and applicable professional standards. I am satisfied that the remuneration claimed is in respect of necessary work, properly performed, or to be properly performed, in the conduct of the Administration.

2 EXECUTIVE SUMMARY

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

Period	Report Reference	Amount (\$, ex GST)
Resolution [1]: <i>Administrator's remuneration for the period 18 October 2017 to 10 November 2017</i>	[3.1]	\$61,519.50
Resolution [2]: <i>Administrator's remuneration for the period 11 November 2017 to the Conclusion of the Administration</i>	[5.1]	\$28,480.50
Sub-total:		\$90,000.00
 		
<u>If the Creditors resolve to wind up the Company:</u>		
Resolution [3]: <i>Liquidator's remuneration for the period 22 November 2017 to the conclusion of the Liquidation</i>	[6]	\$85,000.00
Sub-total:		\$85,000.00

Please refer to report section references detailed above for full details of the calculation and composition of the remuneration approval sought.

I note that the current remuneration approval sought is better than the estimate of costs provided in the Initial Remuneration Notice dated 20 October 2017.

3 DESCRIPTION OF WORK COMPLETED / TO BE COMPLETED IN VOLUNTARY ADMINISTRATION

The tables below provide a summary of the work completed / to be completed by me and my staff in the Administration.

Company	Paramount Mining Corporation Limited	Period From	18/10/2017	To	10/11/2017
Practitioner	Peter Krejci	Firm	BRI FERRIER (NSW) PTY LTD		
Administration Type	Voluntary Administration				

3.1 REMUNERATION FOR THE PERIOD 18 OCTOBER 2017 TO 10 NOVEMBER 2017

Task Area	General Descriptions	Includes
Assets 10.10 Hours \$4,301.50	Cash at Bank	Liaising with ANZ regarding the transfer of funds
	Motor Vehicle	Preparing and issuing correspondence to the Department of Transport WA Liaising with Directors regarding location of the Toyota Hilux motor vehicle and estimated realisable value Liaising with Sue Munshi regarding repossession of the vehicle and dispute over its ownership Tasks associated with securing and collecting of the vehicle
	Debtors	Reviewing and assessing debtors ledger Preparation of and issuance of written notice to Paramindo Singapore, regarding demand for payment Conducting statutory and web searches of debtor Perusal of loan documentation

Task Area	General Descriptions	Includes
Creditors 34.00 Hours \$16,050.50	Creditor Enquiries	Corresponding with interested parties regarding potential DOCA Maintaining creditor enquiry register Review and prepare correspondence to creditors and their representatives by facsimile, email and post Discussion with creditors regarding dealings with the Company
	Retention of Title / Purchase Money Security Interest Claims	Search and review of the PPSR Notifying PMSI creditors identified from PPSR register
	Creditor reports	Preparing and issuing First Report to Creditors regarding notification of appointment and convening First Meeting of Creditors Preparing and issuing Second Report to Creditors detailing investigations and convening Second Meeting of Creditors
	First Meeting of Creditors	Preparation of meeting notices, proxies and advertisements Sending 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, Presentation and draft minutes of meeting. Preparation and lodgement of minutes of meetings with ASIC Responding to stakeholder queries and questions immediately following meeting
	Second Meeting of Creditors	Preparation of meeting notices, proxies and advertisements
	Dealing with proofs of debt	Receipting and filing Proofs when not related to a dividend Liaising with solicitors regarding the adjudication of creditor claims for meeting purposes only

Task Area	General Descriptions	Includes
Investigation 61.30 Hours \$28,551.00	Shareholder enquires	Preparing initial correspondences to shareholders regarding notification of appointment Reviewing claims from contingent shareholders Reviewing ASX listing and related announcements
	Conducting investigation	Collection of company books and records Reviewing company's books and records Reviewing group structure and trading history Summarising group structure and subsidiary entities Preparation of narrative of business nature and history Conducting and summarising statutory searches Perusal of consolidated annual reports Perusal of MYOB records i.e. management accounts and general ledgers Preparation of comparative financial statements Preparation of deficiency statement Performing an unrelated and related creditor preference analysis Preparation of capital and loss schedule Performing working capital analysis Review of specific transactions and liaising with directors regarding certain transactions Preparation of investigation file Investigating other potential voidable transactions Investigating other potential insolvent trading claim Internal meetings regarding the above matters
Administration 39.70 Hours \$12,616.50	Correspondence	All other correspondence not discussed above
	Document maintenance/file review/checklist	filing of documents File reviews Updating checklists
	Insurance	Identification of potential issues requiring attention of insurance specialists Correspondence with insurer regarding initial insurance requirements Reviewing insurance policies Correspondence with previous brokers

Task Area	General Descriptions	Includes
	Bank account administration	Preparing correspondence opening and closing accounts Requesting bank statements Bank account reconciliations Correspondence with bank regarding specific transfers
	ASIC Form 524 and other forms	Preparing and lodging ASIC forms including 505, 531, 507 etc.
	ATO and other statutory reporting	Notification of appointment
	Planning / Review	Discussions regarding status of administration Correspondence with Directors and staff regarding administration process
TOTAL 145.10 Hours \$61,519.50 (Excl. GST)		

4 CALCULATION OF REMUNERATION

Paramount Mining Corporation Limited (Administrators Appointed)
Summary of Administrator's Remuneration
For the Period 18 October 2017 to 10 November 2017

Staff Classification	Name	Office	Charge Rate per Hour		Assets		Creditors		Investigation		Administration		Total	
			\$	Hour	Hrs	\$	Hrs	\$	Hrs	Hrs	\$	Hrs	\$	Hrs
Appointee	Peter Krejci	NSW	650.00		0.00		2.0	1,300.00	9.1	5,915.00	4.2	2,730.00	15.3	9,945.00
Director	John Keenan	NSW	540.00		2,052.00		9.7	5,238.00	7.4	3,996.00	3.5	1,890.00	24.4	13,176.00
Director	Peter Sheppard	NSW	540.00		0.00		1.0	540.00	0.00	0.00		0.00	1.0	540.00
Supervisor	Nicholas Wong	NSW	500.00		450.00		6.8	3,400.00	24.3	12,150.00	2.0	1,000.00	34.0	17,000.00
Supervisor	Katherine La	NSW	400.00		920.00		13.2	5,280.00	10.4	4,160.00	4.3	1,720.00	30.2	12,080.00
Senior 1	Kira Yu	NSW	340.00		0.00			0.00	0.5	170.00		0.00	0.5	170.00
Accountant 2	Matthew Fraser	WA	290.00		812.00			0.00	0.00	0.00	0.1	29.00	2.9	841.00
Senior 2	Costa Kambouroglou	NSW	275.00		0.00			0.00	0.00	0.00	0.4	110.00	0.4	110.00
Intermediate 1	Jonathan Carter	WA	230.00		0.00			0.00	0.00	0.00	2.5	29.00	2.5	29.00
Intermediate 1	William Grassicks	WA	230.00		0.00			0.00	0.00	0.00	2.5	575.00	2.5	575.00
Intermediate 2	Thomas Bodeil	NSW	225.00		67.50		1.3	292.50	9.6	2,160.00	15.8	3,555.00	27.0	6,075.00
Intermediate 2	Xiaoyan Lin	NSW	225.00		0.00			0.00	0.00	0.00	4.1	922.50	4.1	922.50
Senior Administration	Sonia Stelmach	NSW	210.00		0.00			0.00	0.00	0.00	0.2	42.00	0.2	42.00
Receptionist	Carmelle Mabalhin	NSW	140.00		0.00			0.00	0.00	0.00	0.1	14.00	0.1	14.00
Total					<u>10.1</u>	<u>4,301.50</u>	<u>34.0</u>	<u>16,050.50</u>	<u>61.3</u>	<u>28,551.00</u>	<u>39.7</u>	<u>12,616.50</u>	<u>145.1</u>	<u>61,519.50</u>
Average rate per hour					<u>425.89</u>		<u>472.07</u>		<u>465.76</u>			<u>317.80</u>		<u>423.98</u>
														Total (incl GST)
														<u>6,151.95</u>
														<u>\$67,671.45</u>

5 DESCRIPTION OF WORK TO BE COMPLETED IN VOLUNTARY ADMINISTRATION

The tables below provide a summary of the work to be completed by me and my staff in the Administration.

Company	Paramount Mining Corporation Limited	Period From	11/11/2017	To	Conclusion
Practitioner	Peter Krejci	Firm	BRI FERRIER (NSW) PTY LTD		
Administration Type	Voluntary Administration				

5.1 REMUNERATION FOR THE PERIOD 11 NOVEMBER 2017 TO THE CONCLUSION OF THE ADMINISTRATION

Task Area	General Descriptions	Includes
Assets 9.50 Hours \$4,330.00	Cash at Bank	Liaising with ANZ regarding the transfer of funds
	Motor Vehicle	Liaising with Directors regarding the sale of the Toyota Hilux motor vehicle Liaising with Sue Munshi regarding repossession of the vehicle and dispute over its ownership Tasks associated with securing and collecting of the vehicle
	Debtors	Reviewing and assessing debtors ledger Liaising with Paramindo Singapore regarding debtor claim Further perusal of loan documentation
Creditors 28.40 Hours	Creditor Enquiries	Maintaining creditor enquiry register Review and prepare correspondence to creditors and their representatives by facsimile, email and post

Task Area	General Descriptions	Includes
<p>\$13,405.50</p>		<p>Discussion with creditors regarding dealings with the Company</p>
	<p>Creditor reports</p>	<p>Further preparation and issuance of Second Report to Creditors detailing investigations and convening Second Meeting of Creditors</p>
	<p>Second Meeting of Creditors</p>	<p>Preparation of meeting notices, proxies and advertisements Sending Notice to all known creditors Preparation of meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting, Second Report to Creditors, advertisement of meeting and draft minutes of meeting. Preparation and lodgement of minutes of meetings with ASIC Responding to stakeholder queries and queries immediately following meeting</p>
	<p>Dealing with proofs of debt</p>	<p>Receipting and filing Proofs when not related to a dividend Adjudication of creditor claims for meeting purposes</p>
	<p>Shareholder enquires</p>	<p>Responding to shareholder queries Reviewing ASX listing and related announcements</p>

Task Area	General Descriptions	Includes
Investigation 20.00 Hours \$9,155.00	Conducting investigation	Collection of company books and records Reviewing company's books and records Preparation of narrative of business nature and history Summarising statutory searches Further perusal of consolidated annual reports Further perusal of MYOB records i.e. management accounts and general ledgers Perusal of comparative financial statements and identification historical trading behaviours Perusal of deficiency statement and identification of reasons for the Company's failure Performing an unrelated and related creditor preference analysis Perusal of capital and loss schedule Performing adjusted working capital analysis Review of specific transactions and liaising with directors regarding certain transactions Preparation of investigation file Investigating other potential voidable transactions Investigating other potential insolvent trading claim Internal meetings regarding the above matters
Administration 9.00 Hours \$1,590.00	Correspondence	All other correspondence not discussed above
	Document maintenance/file review/checklist	Filing of documents File reviews Updating checklists
	Planning / Review	Discussions regarding status of administration Correspondence with Directors and staff regarding administration process
TOTAL 66.90 Hours \$28,480.50 (Excl. GST)		

6 LIQUIDATOR'S REMUNERATION FOR THE PERIOD 22 NOVEMBER 2017 TO CONCLUSION

Company	Paramount Mining Corporation Limited	Period From	22/11/2017	To	Conclusion
Practitioner	Peter Krejci	Firm	BRI FERRIER (NSW) PTY LTD		
Administration Type	Creditors' Voluntary Liquidation				

At the forthcoming meeting, Creditors may resolve to place the Company into Liquidation and to appoint Peter Krejci as Liquidator of same. The Liquidator will seek the approval of Creditors to be paid remuneration for services rendered in the Liquidation from the date of the resolution being passed to the completion of the Liquidation. A summary of the expected major tasks and costs relating to the professional services for this period is set out below.

Task Area	General Descriptions	Includes
Assets 46.00 Hours \$21,000.00	Motor Vehicle	Liaising with Directors regarding the sale of the Toyota Hilux motor vehicle Liaising with Sue Munshi regarding repossession of the vehicle and dispute over its ownership Tasks associated with repossession and collection of the motor vehicle Liaising with valuers, auctioneers and interested parties Tasks associated with the sale of the motor vehicle
	Debtors	Liaising with Paramindo Singapore regarding debtor claim Issuing further demands to debtors where appropriate Liaising with solicitors regarding recovery action, if necessary
Creditors	Creditor Enquiries	Receive and follow up creditor enquiries by telephone Maintaining creditor enquiry register

Task Area	General Descriptions	Includes
40.00 Hours \$17,500.00		Review and prepare correspondence to creditors and their representatives by facsimile, email and post
	Creditor reports	Preparing Report to Creditors, investigation, meeting and general reports to creditors
	Meeting of Creditors	Preparation of meeting notices, proxies and advertisements Sending 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, Presentation and draft minutes of meeting. Preparation and lodgement of minutes of meetings with ASIC Responding to stakeholder queries and questions immediately following meeting
	Dealing with proofs of debt	Receipting and filing Proofs when not related to a dividend Adjudication of creditor claims for meeting purposes
	Shareholder enquires	Responding to shareholder queries Reviewing ASX listing and related announcements
Dividend 35.00 Hours \$16,500.00	Processing proofs of debt	Preparation of correspondence to potential creditors inviting lodgement of Proofs Receipt of Proofs Maintain Proofs of Debt register Adjudicating Proofs of Debt Request further information from claimants regarding Proofs Preparation of correspondence to claimant advising outcome of adjudication
	Dividend procedures	Preparation of correspondence to creditors advising of intention to declare dividend

Task Area	General Descriptions	Includes
		Advertisement of intention to declare dividend Obtain clearance from ATO to allow distribution of company's assets Preparation of dividend calculation Preparation of correspondence to creditors announcing declaration of dividend Advertise announcement of dividend Preparation of distribution Preparation of dividend file Preparation of payment vouchers to pay dividend Preparation of correspondence to creditors enclosing payment of dividend
Investigation 55.00 Hours \$25,000.00	Conducting investigation	Collection of company books and records Reviewing company's books and records Preparation of narrative of business nature and history Summarising statutory searches Further perusal of consolidated annual reports Further perusal of MYOB records i.e. management accounts and general ledgers Perusal of comparative financial statements and identification historical trading behaviours Perusal of deficiency statement and identification of reasons for the Company's failure Performing an unrelated and related creditor preference analysis Perusal of capital and loss schedule Performing a reconciliation of the Company's cash flow over time, including funds raised and expenses paid Performing adjusted working capital analysis Review of specific transactions and liaising with directors regarding certain transactions Preparation of investigation file Investigating other potential voidable transactions Investigating other potential insolvent trading claim Internal meetings regarding the above matters
	Correspondence	All other correspondence not discussed above

Task Area	General Descriptions	Includes
Administration 22.00 Hours \$5,000.00	Document maintenance/file review/checklist	First month, then six monthly administration review Filing of documents File reviews Updating checklists
	Insurance	Correspondence with insurer regarding ongoing insurance requirements
	Bank account administration	Bank account reconciliations
	ASIC Form 524 and other forms	Preparing and lodging ASIC forms including 505, 524 etc. Correspondence with ASIC regarding statutory forms
	ATO and other statutory reporting	Preparing BASs
	Finalisation	Notifying ATO of finalisation Cancelling ABN / GST / PAYG registration Completing checklists Finalising WIP
	Planning / Review	Discussions regarding status of administration Correspondence with Directors and staff regarding administration process
	Books and records / storage	Dealing with records in storage Sending job files to storage
TOTAL 198.00 Hours \$85,000.00 (Excl. GST)		

7 STATEMENT OF REMUNERATION CLAIM

By Resolution, I will be seeking approval from the Creditors for the following resolutions:

Resolution 1: Administrator's Remuneration for the period 18 October 2017 to 10 November 2017

"That the remuneration of the Administrator, his partners and staff for the period 18 October 2017 to 10 November 2017, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrator's Second Report to Creditors dated 14 November 2017, be fixed and approved at \$61,519.50 (plus GST), and that the Voluntary Administrator be authorised to draw that amount."

Resolution 2: Administrator's Remuneration for the period 11 November 2017 to the Conclusion of the Administration

"That the remuneration of the Administrator, his partners and staff for the period 11 November 2017 to the Conclusion of the Administration, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrator's Second Report to Creditors dated 14 November 2017, be fixed and approved at \$28,480.50 (plus GST), and that the Voluntary Administrator be authorised to draw that amount as and when incurred."

If the Company is wound up:

Resolution 6: Liquidator's Remuneration for the period 22 November 2017 to Conclusion

"That the remuneration of the Liquidator, his partners and staff for the period 22 November 2017 to the conclusion of the Liquidation, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrator's Second Report to Creditors dated 14 November 2017, and approved to an interim cap of \$85,000.00 (plus GST), and that the Liquidator be authorised to draw that amount as and when incurred."

At this time, I do not anticipate seeking approval for any further remuneration other than as set out in this report. Should further issues arise as a result of my investigations and I wish to seek further remuneration then I will be required to convene a meeting of the creditors and present a report detailing the remuneration sought and explaining the additional work that was necessarily performed.

8 REMUNERATION RECOVERABLE FROM EXTERNAL SOURCES

I advise that to date, I have not recovered any remuneration from external sources.

9 DISBURSEMENTS

Disbursements are divided into three types:

- Externally provided professional services - these are recovered at cost. An example of an externally provided service disbursement is legal fees.
- Externally provided non-professional costs such as travel, accommodation and search fees. These are recovered at cost.

- Internal disbursements such as photocopying, printing and postage. These disbursements, if charged to the Administration, would generally charge 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 recovery of these costs must be on a reasonable commercial basis.

I have undertaken a proper assessment of disbursements claimed for the Company, in accordance with the law and applicable professional standards. I am satisfied that the disbursements claimed are necessary and proper.

To date, I have incurred the following disbursements:-

Disbursements	Basis	Total (excl. GST)
Externally provided professional services		
Legal costs (Hall & Wilcox)	At cost	\$2,500.00
Externally provided non-professional services		
ASIC Statutory Advertising	At cost	\$5.00
Internal disbursements		
Photocopying	\$0.25 per page	\$353.75
Postage	At cost	\$110.21
Total		\$2,968.96

I advise that to date, I have not been paid any disbursements incurred during this Administration by my Firm.

I am required to seek creditor approval for internal disbursements where there could be a profit or advantage. Accordingly, I will be seeking approval from creditors for the following resolution:

Resolution 7: Voluntary Administrator's Internal Disbursements for the period 18 October 2017 to the Conclusion of the Administration

"That the Voluntary Administrator be allowed internal disbursements at the rates of charge annexed to the Voluntary Administrator's Remuneration Approval Report dated 14 November 2017, up to an amount of \$1,500.00 (plus GST) and that the Voluntary Administrator be authorised to draw that amount as accrued."

Resolution 8: Liquidator's Internal Disbursements for the period 22 November 2017 to Conclusion:

"That the Liquidator be allowed internal disbursements at the rates of charge annexed to the Voluntary Administrator's Remuneration Approval Report dated 14 November 2017, up to an amount of \$3,000.00 (plus GST) and that the Liquidator be authorised to draw that amount as accrued."

Future disbursements provided by my Firm will be charged to the administration on the following basis:

Internal Disbursements	Rate (Excl. GST) (\$)
Photocopying/Printing	\$0.25 per page
Facsimile	\$0.25 per page
Postage	At cost
Staff vehicle use	In accordance with ATO mileage allowances

10 SUMMARY OF RECEIPTS AND PAYMENTS

Attached to the report is a summary of the receipts and payments in the administration to date.

11 QUERIES & INFORMATION SHEET

The above information is provided to assist creditors with the appropriateness of the remuneration claims that are being made.

Creditors should contact the Liquidator’s office to seek further information concerning the remuneration claimed if they so require.

The Australian Restructuring, Insolvency and Turnaround Association (“ARITA”) has produced a document entitled “Creditors Information Sheet: Approving Remuneration in External Administrations” which can be downloaded from the ARITA website, www.arita.com.au, or can be obtained from this office.

BRI Ferrier

**Paramount Mining
Corporation Ltd
(Administrator Appointed)
ACN 102 426 175**

**Annexure "7"
Advice to Creditors About
Remuneration**

ADVICE TO CREDITORS ABOUT REMUNERATION

Insolvency Practice Schedule (Corporations) 70-50

Insolvency Practice Rules (Corporations) 70-35

REMUNERATION METHOD

There are four methods for calculation of remuneration that can be used to calculate the remuneration of an Insolvency Practitioner. They are:

▲ Time based / hourly rates or “Time Cost”

This is the most common method. It provides for remuneration to be charged at an hourly rate for each person working on the matter. The hourly rate charged will reflect the level of experience each person has.

▲ Fixed Fee

The total remuneration for the administration is quoted at commencement of the appointment and is the total charge for the administration. Sometimes a practitioner will finalise an administration for a fixed fee.

▲ Percentage

The remuneration for the appointment is based on a percentage of a particular variable, such as the gross proceeds of asset realisations.

▲ Contingency

The total remuneration for the matter is structured to be contingent on a particular outcome being achieved.

METHOD CHOSEN

BRI Ferrier normally charges to use a Time Cost basis, because:

- ▲ It is often difficult to estimate accurately the likely cost of undertaking an appointment, as appointments differ in unforeseeable ways as to their factual or legal complexity;
- ▲ The Time Cost method reflects the opportunity cost to BRI Ferrier of the use of staff on a particular engagement
- ▲ The Time Cost method reflects the extent of work undertaken, reflecting in turn the nature of the appointment
- ▲ The Time Cost method can be applied equally to all aspects of an appointment, while percentage or contingent remuneration normally only reflect parts of an appointment, such as the recovery of assets. Our duties include activities, such as reporting to creditors and ASIC, that do not directly yield asset recovery, while contributing to the overall return to creditors.

BRI Ferrier reviews its hourly rates every twelve months. The hourly rates quoted above remain current until 30 June 2018. At this time BRI Ferrier may increase the hourly rates charged for work performed past that date. If hourly rates are increased, we will seek their approval.

EXPLANATION OF HOURLY RATES

The rates applicable are set out in the table on the following page together with a general guide to the qualifications and experience of staff engaged in administration and the role they undertake in the administration. The hourly rates charged encompass the total cost of providing professional services and are not comparable to an hourly wage rate.

As staff from both our New South Wales ("NSW") and Western Australian ("WA") offices have been engaged in the administration, the hourly rates for both offices are set out on the following page and staff from each office will charge at their applicable hourly rate.

Title	Description	NSW Hourly Rate (ex GST)	WA Hourly Rate FY2017 (ex GST)	WA Hourly Rate FY2018 (ex GST)
Appointee	An Official Liquidator and/or Registered Trustee. A senior accountant with over 10 years' experience who brings specialist skills and experience to the appointment. Leads the team carrying out the appointment.	\$650	\$600	\$630
Principal	A Registered or Official Liquidator. A senior accountant with over 10 years' experience. Leads the team carrying out and controls all aspects of an appointment.	\$620	\$550	\$575
Director	An accountant with more than 10 years' experience. May be an Official or Registered Liquidator. Fully qualified and able to control all aspects of an appointment. May have specialist industry knowledge or skills. Assists with all facets of appointment.	\$540	\$500	\$525
Senior Manager	An accountant with more than 7 years' experience. Qualified and answerable to the Team Leader. Self-sufficient in completing and planning all aspects of large appointments.	\$500	\$475	\$495
Manager	An accountant with at least 6 years' experience. Typically qualified with well-developed technical and commercial skills. Controls and plans all aspects of medium to larger appointments, reporting to the Team Leader.	\$480	\$450	\$470
Supervisor	An accountant with more than 4 years' experience. Typically qualified with sound knowledge of insolvency principles and developing commercial skill. Assists to plan and control specific tasks on medium to larger appointments. Often undertaking post qualification study specialising in Insolvency and Reconstruction.	\$400	\$400	\$420
Senior 1	An accountant with more than 2 years' experience. Typically a graduate undertaking study leading to professional qualification as a Chartered Accountant or CPA.. Able to complete work on appointments with limited supervision.	\$340	\$320	\$330
Senior 2	An accountant with less than 2 years' experience. Typically a graduate who has commenced study leading to professional qualifications. Able to complete many tasks on medium to large appointments under supervision.	\$275	\$280	\$290
Intermediate 1	An accountant with less than 2 years' experience. Typically a graduate and commencing study for qualifications. Able to complete multiple tasks on smaller to medium appointments under supervision.	\$250	\$230	\$240
Intermediate 2	An accountant with less than 1 year's experience. A trainee undertaking degree with an accountancy major. Assists in the appointment under supervision.	\$225	\$180	\$185
Senior Administration	Appropriately skilled and undertakes support activities including but not limited to treasury, word processing and other administrative, clerical and secretarial tasks.	\$210	\$180	\$185
Junior Administration	Appropriately skilled and undertakes support activities including but not limited to treasury, word processing and other administrative, clerical and secretarial tasks.	\$150	\$150	\$155

DISBURSEMENTS

Disbursements are divided into three types:

- Externally provided professional services - these are recovered at cost. An example of an externally provided service disbursement is legal fees.
- Externally provided non-professional costs such as travel, accommodation and search fees. These 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 recovery of these costs must be on a reasonable commercial basis.

I am not required to seek creditor approval for disbursements paid to third parties, but must account to creditors. However, I must be satisfied that these disbursements are appropriate, justified and reasonable.

I am required to obtain creditor's consent for the payment of internal disbursements. Creditors will be asked to approve my internal disbursements prior to these disbursements being paid from the administration.

Details of the basis of recovering internal disbursements in this administration are provided below:

➤ NSW Office

Internal Disbursements	Rate (Excl. GST) (\$)
Printing / Photocopying	\$0.25 per page
Facsimile	\$0.25 per page
Staff vehicle use	In accordance with ATO mileage allowances

➤ WA Office

Internal Disbursements	Rate (Excl. GST) (\$)
Printing / Photocopying	\$0.65 per page
Scanning	\$0.10 per page
Facsimile	\$1.00 per page
Stationery	\$10.00 per file
Staff vehicle use	As per ATO prescribed rate

BRI Ferrier

**Paramount Mining
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ACN 102 426 175**

**Annexure "8"
ASIC Information Sheet**



ASIC

Australian Securities & Investments Commission

Insolvency

Resources on insolvency for directors, practitioners, employees, creditors and investors

An insolvent company is one that is unable to pay its debts when they fall due for payment.

The three most common corporate insolvency procedures are voluntary administration, liquidation and receivership. The personal insolvency procedures that apply to a person, not a company, are bankruptcy and personal insolvency agreements. For more information on these personal insolvency procedures refer to the [Australian Financial Security Authority \(AFSA\)](#).

ASIC has a number of [insolvency information sheets](#) to assist you if you're affected by a company's insolvency and have little or no knowledge of what's involved.

To track insolvency trends in Australia, ASIC publishes monthly [statistics](#) on both the number of companies entering external administration for the first time and the number of insolvency appointments recorded in that period.

You can search and browse insolvency and deregistration notices on the ASIC-sponsored [published notices website](#).

More in this section

- › For directors What to do if your company is in financial difficulty and your role during external administration.
- › For creditors Your rights as a creditor when a company is in external administration.
- › For employees What are your options if your employer is in financial trouble, your rights in external administration, Fair Entitlements Guarantee (FEG)/General Employee Entitlements and Redundancy Scheme (GEERS).
- › For investors How does external administration affect you if you have invested in debentures or a managed investment scheme.
- › For shareholders How does external administration affect shareholders?
- › For liquidators How to register as a liquidator. Your ongoing obligations, including reporting, how to lodge documents.

Related links

- [Types of insolvency](#)
- [Bankruptcy and personal insolvency agreements – AFSA website](#)
- [Insolvency information sheets](#)
- [Insolvency terms](#)
- [Latest insolvency statistics](#)
- [Regulatory index – insolvency](#)
- [Published notices website](#)

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**Paramount Mining
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**Annexure "g"
ARITA Information Sheet**

Creditor Information Sheet

Offences, Recoverable Transactions and Insolvent Trading



Offences

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

180	Failure by company officers to exercise a reasonable degree of care and diligence in the exercise of their powers and the discharge of their duties.
181	Failure to act in good faith.
182	Making improper use of their position as an officer or employee, to gain, directly or indirectly, an advantage.
183	Making improper use of information acquired by virtue of the officer's position.
184	Reckless or intentional dishonesty in failing to exercise duties in good faith for a proper purpose. Use of position or information dishonestly to gain advantage or cause detriment. This can be a criminal offence.
198G	Performing or exercising a function or power as an officer while a company is under administration.
206A	Contravening a court order against taking part in the management of a corporation.
206A, B	Taking part in the management of corporation while being an insolvent, for example, while bankrupt.
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 an auditor.
314-7	Failure to comply with requirements for the preparation of financial statements.
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 the 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.

Recoverable Transactions

Preferences

A preference is a transaction, such as a payment by the company to a creditor, in which the creditor receiving the payment is preferred over the general body of creditors. The relevant period for the payment commences six months before the commencement of the liquidation. The company must have been insolvent at the time of the transaction, or become insolvent because of the transaction.

Where a creditor receives a preference, 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 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 period is four years and if the intention of the transaction is to defeat creditors, the period is ten years.

The company must have been insolvent at the time of the transaction, or become insolvent because 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 must be entered into before 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 payments made to or on behalf of a director or close associate of a director. 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 over company property are voidable by a liquidator:

- circulating security interest created within six months of the liquidation, unless it secures a subsequent advance;
- unregistered security interests;
- security interests in favour of related parties who attempt to enforce the security within six 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 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.

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BRI Ferrier

**Paramount Mining
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**Annexure "10"
Form 535: Formal Proof of Debt**

FORM 535
CORPORATIONS ACT 2001

Subregulation 5.6.49(2)

FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)
PARAMOUNT MINING CORPORATION LTD
(ADMINISTRATOR APPOINTED)
ACN 102 426 175

To the Administrator of Paramount Mining Corporation Ltd (Administrator Appointed)

1. This is to state that the company was, on 18 October 2017 ⁽¹⁾ and still is, justly and truly indebted to⁽²⁾ (full name):

.....
('Creditor')

.....
of (full address)

for \$ dollars and cents.

Particulars of the debt are:

Date	Consideration ⁽³⁾ <small>state how the debt arose</small>	Amount \$	GST Included \$	Remarks ⁽⁴⁾ <small>include details of vouchers substantiating payment</small>

2. To my knowledge or belief the creditor has not, nor has any person by the creditor's order, had or received any manner of satisfaction or security for the sum or any part of it except for the following:

Insert particulars of all securities held. Where the securities are on the property of the company, assess the value of those securities. If any bills or other negotiable securities are held, specify them in a schedule in the following form:

Date	Drawer	Acceptor	Amount \$ c	Due Date

I am not a related creditor of the Company ⁽⁵⁾

I am a related creditor of the Company ⁽⁵⁾
relationship:

3A.^{(6)*} I am employed by the creditor 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, still remains unpaid and unsatisfied.

3B.^{(6)*} I am the creditor's agent authorised to make this statement in writing. I know that the debt was incurred and for the consideration stated and that the debt, to the best of my knowledge and belief, still remains unpaid and unsatisfied.

DATED this day of 2017

Signature of Signatory

NAME IN BLOCK LETTERS

Occupation

Address

See Directions overleaf for the completion of this form

OFFICE USE ONLY

POD No:		ADMIT (Voting / Dividend) - Ordinary	\$
Date Received:	/ /	ADMIT (Voting / Dividend) - Preferential	\$
Entered into CORE IPS:		Reject (Voting / Dividend)	\$
Amount per CRA/RATA	\$	Object or H/Over for Consideration	\$
Reason for Admitting / Rejection			
PREP BY/AUTHORISED		TOTAL PROOF	\$
DATE AUTHORISED	/ /		

Proof of Debt Form Directions

* Strike out whichever is inapplicable.

- (1) Insert date of Court Order in winding up by the Court, or date of resolution to wind up, if a voluntary winding up.
- (2) Insert full name and address (including ABN) of the creditor and, if applicable, the creditor's partners. If prepared by an employee or agent of the creditor, also insert a description of the occupation of the creditor.
- (3) 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".
- (4) Under "Remarks" include details of vouchers substantiating payment.
- (5) Related Party / Entity: Director, relative of Director, related company, beneficiary of a related trust.
- (6) If the Creditor is a natural person and this proof is made by the Creditor personally. In other cases, if, for example, you are the director of a corporate Creditor or the solicitor or accountant of the Creditor, you sign this form as the Creditor's authorised agent (delete item 3A). If you are an authorised employee of the Creditor (credit manager etc), delete item 3B.

Annexures

- A. If space provided for a particular purpose in a form is insufficient to contain all the required information in relation to a particular item, the information must be set out in an annexure.
- B. An annexure to a form must:
 - (a) have an identifying mark;
 - (b) and be endorsed with the words:
 - i) "This is the annexure of *(insert number of pages)* pages marked *(insert an identifying mark)* referred to in the *(insert description of form)* signed by me/us and dated *(insert date of signing)*;
and
 - (c) be signed by each person signing the form to which the document is annexed.
- C. The pages in an annexure must be numbered consecutively.
- D. If a form has a document annexed the following particulars of the annexure must be written on the form:
 - (a) the identifying mark; and
 - (b) the number of pages.
- E. A reference to an annexure includes a document that is with a form.

The logo for BRI Ferrier, featuring the text "BRI Ferrier" in white on a dark rectangular background with a diagonal split.

**Paramount Mining
Corporation Ltd
(Administrator Appointed)
ACN 102 426 175**

**Annexure "11"
Proxy Form**

APPOINTMENT OF PROXY

PARAMOUNT MINING CORPORATION LTD
(ADMINISTRATOR APPOINTED)
ACN 102 426 175 ("the Company")

*I/*We⁽¹⁾.....of.....
.....a creditor of Paramount Mining Corporation Ltd,
appoint⁽²⁾..... or in his or her absence
..... as *my/our general/special proxy to vote at the Second
Meeting of Creditors of the Company to be held on Wednesday, 22 November 2017 at 1:00pm AEST, or at any
adjournment of that meeting.

Please mark any boxes with an

Proxy Type: General Special

	For	Against	Abstain
<p>Resolution 1: <i>"That the remuneration of the Administrator, his partners and staff for the period 18 October 2017 to 10 November 2017, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrator's Second Report to Creditors dated 14 November 2017, be fixed and approved at \$61,519.50 (plus GST), and that the Voluntary Administrator be authorised to draw that amount."</i></p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Resolution 2: <i>"That the remuneration of the Administrator, his partners and staff for the period 11 November 2017 to the Conclusion of the Administration, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrator's Second Report to Creditors dated 14 November 2017, be fixed and approved at \$28,480.50 (plus GST), and that the Voluntary Administrator be authorised to draw that amount as and when incurred."</i></p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Resolution 3: <i>"That the Company execute a Deed of Company Arrangement."</i></p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Resolution 4: <i>"That the Voluntary Administration should end."</i></p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<p>Resolution 5: <i>"That the Company be wound up."</i></p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Resolution 6 – If creditors resolve to wind up the Company: <i>"That the remuneration of the Liquidator, his partners and staff for the period 22 November 2017 to the conclusion of the Liquidation, be calculated on a time basis in accordance with the rates of charge annexed to the Voluntary Administrator's Second Report to Creditors dated 14 November 2017, and approved to an interim cap of \$85,000.00 (plus GST), and that the Liquidator be authorised to draw that amount as and when incurred."</i></p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Resolution 7: <i>"That the Voluntary Administrator be allowed internal disbursements at the rates of charge annexed to the Voluntary Administrator's Remuneration Approval Report dated 14 November 2017, up to an amount of \$1,500.00 (plus GST) and that the Voluntary Administrator be authorised to draw that amount as accrued."</i></p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Resolution 8: <i>"That the Liquidator be allowed internal disbursements at the rates of charge annexed to the Voluntary Administrator's Remuneration Approval Report dated 14 November 2017, up to an amount of \$3,000.00 (plus GST) and that the Liquidator be authorised to draw that amount as accrued."</i></p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Resolution 9 – If creditors resolve to wind up the Company: <i>"That subject to the consent of the Australian Securities & Investment Commission, the Liquidator be approved to destroy the books and records of the Company at any time after the dissolution of the Company."</i></p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

INSTRUCTIONS FOR COMPLETING:

- * Strike out if inapplicable.
- (1) Insert name and address. If a firm, strike out "I" and set out the full name of the firm.
- (2) Insert the name, address and description of the person appointed.

DATED thisday of 2017

 Signature

Proxies should be returned to the offices of BRI Ferrier (NSW) Pty Ltd by 2.00pm AEST one (1) business day prior to the meeting by:

Email: Kla@brifnsw.com.au, or Fax: (02) 8263 2399, or Post: GPO Box 7079 SYDNEY NSW 2001

CERTIFICATE OF WITNESS – (This certificate is to be completed only if the person giving the proxy is blind or incapable of writing)
I,of.....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 before he attached his signature or mark to the instrument.

DATED thisday of 2017

Signature of Witness:

Description:

Place of Residence:
