

Report to Creditors

under Insolvency Practice Rule 70-40

Prosperity Resources Limited (In Liquidation)

ACN 103 280 235

22 February 2018

Peter Krejci
Liquidator

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PROSPERITY

BRI Ferrier

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1 EXECUTIVE SUMMARY

As you are aware, I was appointed Voluntary Administrator of Prosperity Resources Limited (“the Company”) on 18 October 2017 pursuant to Section 436A of the Corporations Act 2001 (“the Act”). I was subsequently appointed Liquidator at the Second Meeting of Creditors held on 22 November 2017.

This report has been prepared in accordance the Rule 70-40 of the Insolvency Practice Rules (Corporations). I provide hereunder a summary of the conduct of the liquidation over the past 3 months.

As you may recall, the Company’s only major asset is a commercial property located at 5 Leichhardt Street, Tennant Creek NT (“the Property”). During my appointments, I have attempted to realise the Property by way of private treaty, however at this stage, I have not received a suitable offer. In the interim, I am continuing to receive monthly rental income from the current tenant of the Property.

It is my intention to continue with the sale on a private treaty basis until the end of February 2018 and if no further offers are received, commence marketing the Property for sale by way of public auction, to be conducted in late March/April 2018.

My investigations to date have not identified any voidable transaction recoveries and/or insolvent trading claim available for the benefit of creditors.

I have lodged a report with ASIC pursuant to Section 533(1) of the Act based on my investigations to date. This report to ASIC is a legislative requirement in Liquidations where potential offences and breaches of the Act by Directors and Officers of the Company have been identified and/or the estimated return to Unsecured Creditors is less than fifty (50) cents in the dollar. The report is confidential and is not be available to creditors. I am awaiting ASIC’s response at this time.

The sale of the Property will determine the quantum and timing of any return to creditors. Depending on the outcome of the sale, which based on current estimates, may result in a return to Priority (employee) Creditors of up to 100 cents in the dollar and Unsecured Creditors of up to 10 cents in the dollar. Creditors will be kept informed of developments in the Liquidation in future reports.

1.1 PREVIOUS REPORTS TO CREDITORS

This report should be read in conjunction with my previous Second Report to Creditors dated 14 November 2017 (“Second Report”). Information in the Second Report will not be repeated unless required.

1.2 PREVIOUS MEETINGS OF CREDITORS

I advise that the last meeting of creditors held was the Second Meeting of Creditors on 22 November 2017. Minutes of this meeting have been lodged with ASIC.

1.3 DECLARATION OF INDEPENDENCE, RELEVANT RELATIONSHIPS AND INDEMNITIES

I refer to the Declaration of Independence, Relevant Relationships and Indemnities (“DIRRI”) enclosed in my First Report dated 20 October 2017 and note that there has been no changes to same.

2 UPDATE ON PROGRESS OF THE LIQUIDATION

2.1 SALE OF THE PROPERTY

As detailed in my Second Report, the Company's only major asset is the Property located at 5 Leichhardt Street, Tennant Creek NT, which has been on the market for sale since November 2015 with Elders Real Estate (Alice Springs) ("Elders"). During my appointment, I have continued with the engagement of Elders to market the Property for sale by way of private treaty. In the interim, I have continued to receive monthly rental income from the current tenant of the Property.

In early December 2017, I was advised that the former Director, Mr Mohammed Munshi, was purporting to hold security over the Property in respect of the loans advanced to the Company. However, the Company's records do not reflect any such security interest and Mr Munshi has failed to produce any further documentation to evidence same, following my request.

As such, the only encumbrance on the Property relates to outstanding council rates owing to Barkley Shire Council, who have lodged a formal claim for \$18K. However, I understand that interest and rates continue to accrue and will be paid in priority from the sale proceeds from the Property.

However, the local market conditions and time of the year have not been favourable for a sale. I understand that certain interest was expressed in the Property, however only one (1) offer was received, which has not been accepted or rejected to date, as it was below the recent valuation obtained.

Accordingly, based on the above and having taken advice, it is my intention to continue marketing for sale by way of private treaty until the end of February 2018 and if no viable offers are received, I will proceed to market the Property for sale by way of public auction, to be conducted in late March/April 2018.

As you may recall, the sale of the Property may attract GST and Capital Gains Tax liabilities. The likelihood of any return to creditors will be dependent on the outcome of the sale and the subsequent costs and taxes assessable.

2.2 INVESTIGATIONS UNDERTAKEN

In my role as Administrator, I conducted preliminary investigations into the affairs of the Company to ascertain whether there were any transactions that appeared to be voidable, or other causes of action available whereby money, property or other benefits may be recoverable by a liquidator.

I have not obtained any further Company records/documentation which would change the outcome of my investigations conducted during the Administration. Below is a summary of the voidable and other recoveries that were identified (where further detail can be obtained from the Second Report):

2.2.1 Insolvent Trading Claim

I refer to my Second Report to Creditors and note that my preliminary assessment determined that the Directors allowed the Company to continue to trade whilst insolvent from at least 31 December 2016. However, considering the debts owing to external creditors decreased from \$147K to \$114K at appointment, there does not appear to be any loss suffered by external creditors and accordingly, I do not believe there is an insolvent trading claim against the current or former Directors.

2.2.2 Voidable Transactions – Disposal of Prospindo Singapore Shares

My investigations identified the Company sold its equity investment in the Indonesian project to extinguish a significant liability owing to Resource Global Finance Ltd. As the Company had experienced considerable difficulties with the Indonesian project and the sale had been approved by shareholders, I ultimately determined that there did not appear to be any voidable transaction claim and/or breach of duty claim as a result of this transaction.

2.2.3 Report to ASIC

I have completed my investigations into the Company's affairs and conduct of its officers. I have submitted a report of my findings to ASIC pursuant to Section 533(1) of the Act. This report to ASIC is a legislative requirement in Liquidations where potential offences and breaches of the Act by Directors and Officers of the Company have been identified and/or the estimated return to Unsecured Creditors is less than fifty (50) cents in the dollar. The report is confidential and not available to creditors.

At this stage, I have not yet received a response from ASIC.

3 LIQUIDATOR'S OPINION AS TO WHAT HAPPENED TO THE BUSINESS

The Directors advised that the Company's failure was due to the following:

- Loss of shareholder support following breakdown of informal forbearance arrangements and incarceration of Mr Munshi;
- Breakdown in negotiations for Tanzania project;
- Significant fine imposed by ASIC for failure to lodge annual reports; and
- Delisting from the ASX.

Whilst I agree with the above statement, I also attribute the following to the Company's failure:

- The management, operations and ability to raise capital was overly reliant on Mr Munshi, which caused major disruption following his incarceration; and
- The Company's historical lack of success in locating viable resources that could be brought into production.

4 FINANCIAL POSITION OF THE COMPANY

Below is an updated analysis of the company's current financial position, incorporating the Directors' statement about the Company's business, property, affairs and financial position ("RATA") and my enquiries to date.

Prosperity Resources Limited (In Liquidation) Summary of RATA by Directors dated 1 November 2017				
		Book Value	Directors' ERV	Liquidator's
	Report	as at	(per RATA)	ERV
	Reference	18/10/2017	(per RATA)	ERV
		(\$)	(\$)	(\$)
Assets				
Cash and Cash Equivalents	4.1.1	19,445	18,944	18,616
Debtors	4.1.2	619	-	1,704
Related Party Loans	4.1.3	-	-	-
Plant and Equipment (WDV)	4.1.4	-	-	-
Interest in Land	4.1.5	68,983	Withheld	400,000 *
Other Assets	4.1.6	4,075	-	-
Total Assets		93,122	18,944	420,320
Liabilities				
Priority Creditors	4.2.1	9,593	9,593	9,593
Secured Creditors	4.2.2	-	-	-
Unsecured Creditors	4.2.3	1,524,464	874,981	906,866
Contingent Liabilities	4.2.4	249,646	252,872	251,872
Total Liabilities		1,783,703	1,137,446	1,168,331
Net Asset Deficiency		(1,690,581)	(1,118,502)	(748,012)

* The value attributed to the Property is the current list price and may not reflect the market or recoverable value.

4.1 ASSETS

4.1.1 Cash and Cash Equivalents

On appointment, the Company held cash at bank of \$18K, which was recovered into the Administrator's bank account. I have subsequently recovered a further \$485 from the closure of the Company's USD Bankwest account.

4.1.2 Sundry Debtors

The debtor relates to rental income receivable on the Property, in which an amount of \$1,704 was paid into the Company's bank account held with Bankwest. This account has now been closed and the credit balance recovered into the Liquidator's bank account.

4.1.3 Related Party Loans

I note there has been no change since my Second Report, which detailed that the related party loans related to the exploration costs of various projects, totalling \$23M. These loans were subsequently written off as the projects were determined unsuccessful in producing any viable resources.

4.1.4 Plant and Equipment

Creditors may recall that the Company had some minor plant and equipment stored at the residential property of the former Director. There has been no change since my Second Report, where I determined there was no commercial value in respect of the plant and equipment.

4.1.5 Interest in Land

As mentioned, the Company holds a commercial property located at 5 Leichhardt Street, Tennant Creek NT, which has been on the market for sale for some time prior to my appointment. I refer to creditors to my commentary in Section 2.1 of this Report for an update on the progress of the sale of the Property.

4.1.6 Other Assets

There has been no change since my Second Report, which detailed that there were prepaid insurance premiums of \$1,203 and a GST refund of \$2,872 in respect of the September 2017 quarter. Only the GST refund may be recoverable if the Activity Statement is lodged, which is only required in the event there is a dividend to Unsecured Creditors.

4.2 LIABILITIES

4.2.1 Priority Creditors

As mentioned in my Second Report, Priority (employee) Creditor claims against the Company are circa \$9K, in respect of outstanding superannuation and annual leave entitlements.

The Department of Employment's Fair Entitlement Guarantee Scheme ("FEG") is available in the liquidation. To date, I am not aware of any FEG claims lodged by former employees of the Company.

4.2.2 Secured Creditors

There are no known secured creditors.

4.2.3 Unsecured Creditors

I note that there have not been any significant changes since my Second Report, with Unsecured Creditors being owed \$908K. I refer creditors to my Second Report for further particulars regarding Unsecured Creditor claims. A breakdown is as follows:

	Amount (\$)
Unsecured Creditors	
Trade Creditors	113,302
Related Party Creditors	793,564
Total	<u>906,866</u>

I encourage any creditors who have not already done so, to lodge their creditor claims with this office. In this regard, please complete the Formal Proof of Debt form, attached as **Annexure "1"**, and return same together with documentary evidence to support your claim.

4.2.4 Contingent Liabilities

As detailed in my Second Report, contingent liabilities were disclosed as follows:

Contingent Liabilities	Amount (\$)
Property Bond	-
Paramount Mining Corporation Ltd	251,872
Australian Securities and Investments Commission	112,000
Total	<u>363,872</u>

I refer creditors to my Second Report for further particulars regarding the contingent liabilities for the Property Bond and Paramount Mining Corporation Ltd, as there have been no changes since my Second Report.

Creditors may recall that the ASIC had commenced criminal proceedings against the Company for failing to lodge financial reports. Initially, the ASIC advised they intended to continue with the prosecution at the hearing set down for 24 November 2017. However, following the Second Meeting where the Company was placed into Liquidation, the ASIC have discontinued the prosecution. Accordingly, I am not aware of any fines ordered against the Company in respect of these proceedings. Notwithstanding this, as previously mentioned in my Second Report, these fines are unlikely to be provable debts in the Liquidation.

5 THE LIKELIHOOD OF A DIVIDEND BEING PAID IN THE LIQUIDATION

Attached as **Annexure "2"** is an analysis of the estimated returns that may be available to creditors in the Liquidation. I note that there has not been any significant changes since the Second Report.

Any returns to creditors are dependent on the timing and quantum recovered from the sale of the Property. Please note these figures are estimates only, and the actual results may vary materially.

In summary, I estimate returns to creditors as follows:

- Priority (employee) Creditors for 100 cents in the dollar. As the Company is in Liquidation, employees are able to make FEG claims in respect of their unpaid entitlements, other than superannuation.
- Unsecured Creditors between 2 to 10 cents in the dollar.

The timing of a dividend from the Company is dependent on the sale of the Property. Creditors will be kept apprised in future reports.

6 RECEIPTS AND PAYMENTS

Attached as **Annexure "3"** is a summary of my receipts and payments during the Liquidation period 22 November 2017 to 22 February 2018.

The Liquidator is required to lodge a statement of account annually during the Liquidation. This will be due after November 2018.

I have previously lodged a statement of account with ASIC for the Voluntary Administration period.

7 REMUNERATION

At the Second Meeting of Creditors held on 22 November 2017, creditors approved my remuneration in respect of the Voluntary Administration and Liquidation. A breakdown is as follows:

Period	Remuneration Approval Sought (\$)	Remuneration Drawn (\$)
Voluntary Administration	75,000	-
Liquidation	70,000	10,277
	145,000	10,277

At this stage, I do not intend to seek any further approval from creditors in respect of my remuneration.

8 TASKS REQUIRED IN THE LIQUIDATION

As detailed above, I anticipate that the following matters will be dealt with during the Liquidation moving forward:

- ▲ Attend to the sale of the Property:
 - Consider any offers received;
 - Liaise with Elders to discuss the appropriate sales strategy;
 - Consider marketing for sale by auction; and
 - Execute sale contracts/documents.
- ▲ Assist FEG with Priority (employee) Creditor claims;
- ▲ Complete further investigations to ASIC, or any other regulatory bodies, if required;
- ▲ Pay dividend to Creditors, subject to available funds;
- ▲ Correspondence with creditors and employees;
- ▲ Statutory lodgements; and
- ▲ Finalisation.

As this liquidation is dependent on the sale of the Property, it is likely this matter will be completed within the next six (6) months to one (1) year.

9 CREDITORS' RIGHTS

Pursuant to Clauses 70-40, 70-45, 75-15, 85-5, 90-24 and 90-35 of the Insolvency Practice Schedule (Corporations) and Rule 70-30 of the Insolvency Practice Rules (Corporations) 2016, I am required to give certain information to creditors as to their rights in the administration.

Accordingly, I attach as **Annexure "4"** further information regarding 'Creditor Rights in Liquidations'.

10 FURTHER INFORMATION

I attached as **Annexure "5"** an ASIC information sheet entitled "Insolvency information for directors, practitioners, employees, creditors and investors". This publication provides basic information about the different types of external administrations, including Liquidation, and reference to further sources of information available on the ASIC website at www.asic.gov.au.

Please note that I am not required to publish notices in the print media. ASIC maintains an online notices page for external administrators to publish notices in respect of the Company. Creditors are encouraged to visit <https://insolvencynotices.asic.gov.au> throughout the liquidation to view any notices which may be published by the Liquidator in respect of the Company. These notices include:

- notices relating to appointments
- notices of meetings of creditors
- notices calling for proofs of debt and intention to declare dividends

If you would prefer to receive communications (including any Notice of Meeting) from me by email or by facsimile, please return the enclosed "Request to Receive Electronic Communications" to my office attached as **Annexure "6"**.

11 QUERIES

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

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

Yours faithfully

PROSPERITY RESOURCES LIMITED (IN LIQUIDATION)



PETER KREJCI

Liquidator

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**Prosperity Resources Limited
(In Liquidation)**

ACN 103 280 235

**Annexure "1"
Form 535: Formal Proof of Debt**

**FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)
PROSPERITY RESOURCES LIMITED (IN LIQUIDATION)
ACN 103 280 235 ("THE COMPANY")**

To the Liquidator of Prosperity Resources Limited (In Liquidation):

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 andcents.

Particulars of the debt are:

Date	Consideration ⁽³⁾ state how the debt arose	Amount \$	GST included \$	Remarks ⁽⁴⁾ include details of voucher substantiating payment

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⁾

OR

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 2018

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.

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**Prosperity Resources Limited
(In Liquidation)**

ACN 103 280 235

**Annexure "2"
Estimated Outcome Statement**

**Prosperity Resources Limited
(In Liquidation)
Estimated Outcome Statement**

	Optimistic Scenario Amount (\$)	Pessimistic Scenario Amount (\$)
Asset		
Cash at Bank	18,130	18,130
Tennant Creek Property (incl. GST)	400,000	250,000
<u>Less: Sale of Property Costs (excl. GST)</u>		
Valuers Fees	(2,500)	(2,500)
Agent's Marketing Costs	(600)	(600)
Agent's Commission (3%)	(12,000)	(7,500)
Conveyancing Costs	(5,000)	(5,000)
Council Rates	(20,000)	(20,000)
Estimated GST Liability	(36,364)	(22,727)
Estimated CGT Liability	(65,220)	(20,584)
Total Sale of Property Costs	<u>(141,684)</u>	<u>(78,912)</u>
Rental income (Assuming property held to Feb 2018)	4,000	4,000
Net Recoveries	<u>280,446</u>	<u>193,218</u>
Less: Costs of External Administration (Excl. GST)		
Administrator's Remuneration from 18 October 2017 to 10 November 2017	(51,571)	(51,571)
Administrator's Remuneration from 11 November 2017 to 22 November 2017 (estimate)	(23,430)	(50,000)
Administrator's Disbursements	(1,000)	(1,000)
Liquidator's Remuneration	(70,000)	(50,000)
Liquidator's Disbursements	(3,000)	(3,000)
Total Costs of External Administration	<u>(149,000)</u>	<u>(155,571)</u>
Estimated Funds Available for Priority Creditors	<u>131,446</u>	<u>37,648</u>
Priority Creditors		
Superannuation	(8,137)	(8,137)
Annual Leave	(1,456)	(1,456)
Total Priority Claims	<u>(9,593)</u>	<u>(9,593)</u>
Estimated Funds Available for Unsecured Creditors	<u>121,853</u>	<u>28,055</u>
Unsecured Creditors		
Trade Creditors	(95,434)	(95,434)
Related Party Creditors	(793,564)	(793,564)
Contingent Liabilities	(251,872)	(251,872)
Net Participating Unsecured Creditors	<u>(1,140,870)</u>	<u>(1,140,870)</u>
Potential Rate of Return to Creditors		
	Cents in Dollar	
Priority Creditors	100.00	100.00
Unsecured Creditors	10.68	2.46

*This amount is for illustrative purposes only and is not reflective of current market or recoverable value.

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**Prosperity Resources Limited
(In Liquidation)**

ACN 103 280 235

**Annexure "3"
Summary of Liquidator's Receipts
and Payments**

**Prosperity Resources Limited
(In Liquidation)**

**Liquidator's Summary of Receipts and Payments
To 22 February 2018**

RECEIPTS	Total (AUD)
Cash at Bank	15,861.93
Bank Interest	11.93
Rent Received - Commercial	5,890.91
Rent Received - Commercial (NO GST)	1,920.00
ATO Interest	0.51
GST Payable	589.09
GST Clearing Account	250.00
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	24,524.37
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PAYMENTS	
Bank Charges	40.75
Insurance of Assets	2,206.91
Liquidators Remuneration	10,276.50
Stamp Duty	176.76
GST Receivable	1,248.34
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	13,949.26
Balances in Hand	10,575.11
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	24,524.37
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**Prosperity Resources Limited
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**Annexure "4"
ARITA Information Sheet – Creditor
Rights in Liquidation**

Creditor Rights in Liquidations

As a creditor, you have rights to request meetings and information or take certain actions:



Right to request a meeting

In liquidations, no meetings of creditors are held automatically. However, creditors with claims of a certain value can request in writing that the liquidator hold a meeting of creditors.

A meeting may be requested in the first 20 business days in a creditors' voluntary liquidation by $\geq 5\%$ of the value of the debts held by known creditors who are not a related entity of the company.

Otherwise, meetings can be requested at any other time or in a court liquidation by:

- $> 10\%$ but $< 25\%$ of the known value of creditors on the condition that those creditors provide security for the cost of holding the meeting
- $\geq 25\%$ of the known value of creditors
- creditors by resolution, or
- a Committee of Inspection (this is a smaller group of creditors elected by, and to represent, all the creditors).

If a request complies with these requirements and is 'reasonable', the liquidator must hold a meeting of creditors as soon as reasonably practicable.

Right to request information

Liquidators will communicate important information with creditors as required in a liquidation. In addition to the initial notice, you should receive, at a minimum, a report within the first three months on the likelihood of a dividend being paid.

Additionally, creditors have the right to request information at any time. A liquidator must provide a creditor with the requested information if their request is 'reasonable', the information is relevant to the liquidation, and the provision of the information would not cause the liquidator to breach their duties.

A liquidator must provide this information to a creditor within 5 business days of receiving the request, unless a longer period is agreed. If, due to the nature of the information requested, the liquidator requires more time to comply with the request, they can extend the period by notifying the creditor in writing.

Requests must be reasonable.

They are not reasonable if:

Both meetings and information:

- (a) complying with the request would prejudice the interests of one or more creditors or a third party
- (b) there is not sufficient available property to comply with the request
- (c) the request is vexatious

Meeting requests only:

- (d) a meeting of creditors dealing with the same matters has been held, or will be held within 15 business days

Information requests only:

- (e) the information requested would be privileged from production in legal proceedings
- (f) disclosure would found an action for breach of confidence
- (g) the information has already been provided
- (h) the information is required to be provided under law within 20 business days of the request

If a request is not reasonable due to (b), (d), (g) or (h) above, the liquidator must comply with the request if the creditor meets the cost of complying with the request.

Otherwise, a liquidator must inform a creditor if their meeting or information request is not reasonable and the reason why.

Right to give directions to liquidator

Creditors, by resolution, may give a liquidator directions in relation to a liquidation. A liquidator must have regard to these directions, but is not required to comply with the directions.

If a liquidator chooses not to comply with a direction given by a resolution of the creditors, they must document their reasons.

An individual creditor cannot provide a direction to a liquidator.

Right to appoint a reviewing liquidator

Creditors, by resolution, may appoint a reviewing liquidator to review a liquidator's remuneration or a cost or expense incurred in a liquidation. The review is limited to:

- remuneration approved within the six months prior to the appointment of the reviewing liquidator, and
- expenses incurred in the 12 months prior to the appointment of the reviewing liquidator.

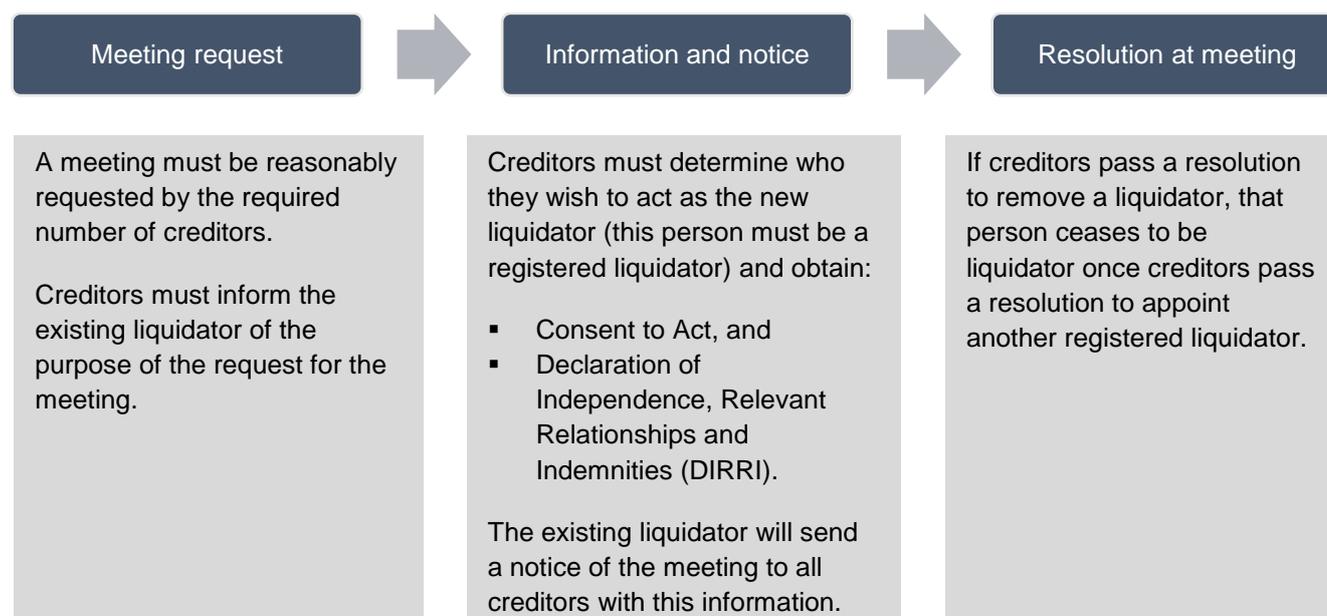
The cost of the reviewing liquidator is paid from the assets of the liquidation, in priority to creditor claims.

An individual creditor can appoint a reviewing liquidator with the liquidator's consent, however the cost of this reviewing liquidator must be met personally by the creditor making the appointment.

Right to replace liquidator

Creditors, by resolution, have the right to remove a liquidator and appoint another registered liquidator.

For this to happen, there are certain requirements that must be complied with:



For more information, go to www.arita.com.au/creditors

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BRI Ferrier

**Prosperity Resources Limited
(In Liquidation)**

ACN 103 280 235

**Annexure "5"
ASIC Information Sheet**



ASIC

Australian Securities & Investments Commission

Insolvency information for directors, employees, creditors and shareholders

This information sheet (INFO 39) lists ASIC's information sheets for directors, employees, creditors and shareholders affected by a company's insolvency.

We have produced these with endorsement from the Australian Restructuring Insolvency & Turnaround Association (ARITA).

The information sheets give a basic understanding of the three most common company insolvency procedures – liquidation, voluntary administration and receivership – as well as the independence requirements for external administrators and approving external administrator remuneration. There is also a glossary of commonly used insolvency terms.

List of information sheets

- [INFO 41](#) Insolvency: A glossary of terms
- [INFO 42](#) Insolvency: A guide for directors
- [INFO 43](#) Insolvency: A guide for shareholders
- [INFO 45](#) Liquidation: A guide for creditors
- [INFO 46](#) Liquidation: A guide for employees
- [INFO 54](#) Receivership: A guide for creditors
- [INFO 55](#) Receivership: A guide for employees
- [INFO 74](#) Voluntary administration: A guide for creditors
- [INFO 75](#) Voluntary administration: A guide for employees
- [INFO 84](#) Independence of external administrators: A guide for creditors
- [INFO 85](#) Approving fees: A guide for creditors

Where can I get more information?

Further information is available from the [ARITA website](#). The ARITA website also contains the [ARITA Code of Professional Practice for Insolvency Practitioners](#).

This is **Information Sheet 39 (INFO 39)** updated on 1 September 2017. Information sheets provide concise guidance on a specific process or compliance issue or an overview of detailed guidance.

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**Prosperity Resources Limited
(In Liquidation)**

ACN 103 280 235

**Annexure "6"
Request to Receive Electronic
Communication**

**PROSPERITY RESOURCES LIMITED
(IN LIQUIDATION)
ACN 103 280 235 ("THE COMPANY")**

**Corporations Act 2001 Section 600G
Insolvency Practice Rules (Corporations) – 75-10**

**CREDITOR'S APPROVAL TO THE USE OF EMAIL BY THE EXTERNAL ADMINISTRATOR WHEN GIVING OR
SENDING CERTAIN NOTICES UNDER SECTION 600G
OF THE CORPORATIONS ACT 2001**

Should you wish to receive notices and documents relating to the Liquidation of Prosperity Resources Limited by email, please complete this form and return it to Ms Katherine La at the address set out below.

I/We authorise the Liquidator on behalf of the Company and his or her employees and agents to send and give notices and documents where such notices and documents may be sent by email to me using the email address provided below.

Signature:	
Creditor name:	
Creditor address:	
Contact name:	
Position:	
Email Address:	
Contact number:	

Return to: BRI FERRIER (NSW) PTY LTD

Via Email: kla@brifnsw.com.au

Via Post: Level 30, Australia Square, 264 George Street, Sydney NSW 2000