

Report to Creditors

under Insolvency Practice Rule 70-40

Paramount Mining Corporation Ltd (In Liquidation)

ACN 102 426 175

22 February 2018

Peter Krejci
Liquidator

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



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1 EXECUTIVE SUMMARY

As you are aware, I was appointed Voluntary Administrator of Paramount Mining Corporation Ltd (“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, I had identified a debtor claim against a related party, Paramindo Singapore Pte Ltd (“PSL”) for \$328K. A demand was issued to PSL for repayment, however PSL have disputed the debt is owed to the Company and instead lodged a claim against the Company for \$334K. Based on the information available to date, I am of the opinion that the debtor claim against PSL is valid and the creditor claim has been discharged.

In this regard, I have engaged Hall & Wilcox to issue a further demand to PSL for repayment of \$328K. I intend to pursue this debt on a commercial basis, which may require commencing proceedings in Australia and Singapore.

In the alternate, if the debtor claim against PSL is not recoverable, a claim could be pursued against the Directors and officers of the Company at the time of the loans advanced to PSL, being Mr Mohammed Munshi, Mr Guy Anderson, Mr John Arbuckle, Mr Garry Taylor and Mr Lionel Liew.

My investigations to date have not identified any other 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 estimated return to creditors is dependent on successful recovery of the abovementioned debtor claim against PSL or, in the alternate, breach of duty claim against the relevant Directors and officers. Based on current estimates, this may result in a return to Unsecured Creditors of up to 76 cents in the dollar, depending on the treatment of subordinated creditors. If unsecured and subordinated creditors have equal ranking, then the return may be up to 32 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 Second Report dated 14 November 2017 and note that there has been no changes to same.

2 UPDATE ON PROGRESS OF THE LIQUIDATION

2.1 DEBTOR CLAIM – PARAMINDO SINGAPORE PTE LTD

As detailed in my Second Report, I identified a debtor claim against PSL totalling \$328K in respect of loans advanced to PSL for the purpose of funding working capital, in particular legal expenses for the Indonesia project and operating expenses of the Singapore office. These payments were made from August 2016 to September 2017, following the de-merger of PSL from the Company in May 2016.

A demand was issued to PSL in respect of this debtor claim and PSL has disputed the debt is owed to the Company. Instead, PSL has alleged that it is actually a creditor of the Company for \$334K in respect of loans advanced to the Company from November 2015 to November 2016.

Prior to the de-merger, the Company’s management accounts showed a receivable loan from PSL and a liability to PSL, which were both reduced to zero following the de-merger. As such, the loans to PSL were fresh advances following the de-merger. Based on the information available to me and discussions with the Directors, I have determined that PSL is not a creditor of the Company, but remains an outstanding debtor.

In this regard, I have engaged my solicitors to issue a further demand to PSL. It is my intention to continue to pursue this debt on a commercial basis, which may require commencing proceedings in Australia and Singapore. In the alternate, if this debt is not recoverable, I may have a claim against the Directors and officers at the time of the payments to PSL. I refer creditors to Section 2.2.3 of this Report for further commentary.

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 Voidable Transactions – De-merger of PSL

The de-merger of PSL in May 2016 resulted in the loss of the Company’s major asset at the time, being an equity investment in the Indonesia project. However, considering that the Company was solvent at the time and the transaction was approved by shareholders of the Company, I have determined that there did not appear to be any voidable transaction claim and/or breach of duty claim as a result of this transaction.

2.2.2 Insolvent Trading Claim

I refer to my Second Report to Creditors and note that my preliminary assessment has determined that the Directors allowed the Company to continue to trade whilst insolvent from at 30 June 2016. Such an insolvent trading claim could be worth up to \$523K, including subordinated creditors. However after considering the set-off claims which may be permitted against an insolvent trading claim, including unpaid consultants and directors' fees, the value of the claim is reduced to nil. Accordingly, I believe it would be uncommercial to pursue an insolvent trading claim against the Directors.

2.2.3 Breach of Duty Claim

As discussed above, the Company advanced loans to PSL totalling \$328K, when the Company no longer had any equity interest in PSL. As such, these loans do not appear to have any commercial purpose for the Company.

Accordingly, if the loans to PSL are unrecoverable, a claim could be brought against the Directors and officers of the Company at the time of the loans advanced to PSL, being Mr Mohammed Munshi (Director), Mr Guy Anderson (Director), Mr John Arbuckle (Director), Mr Garry Taylor (Secretary) and Mr Lionel Liew (Secretary).

Creditors will be kept apprised of any major developments in due course.

2.2.4 Report to ASIC

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 in their questionnaires 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 factors 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.

Paramount Mining Corporation Limited (In Liquidation) Summary of Directors' Report As To Affairs dated 1 November 2017				
	Report Ref.	Book Value as at 18/10/2017 (\$)	Directors' ERV (per RATA) (\$)	Liquidator's ERV (\$)
Assets				
Cash and Cash Equivalents	4.1.1	174,710	208,731	207,418
Related Party Loans:				
Paramindo Singapore Pte Limited	4.1.2.1	328,061	-	328,061
Prosperity Resources Limited	4.1.2.2	3,227	-	TBA
Plant and Equipment (WDV)	4.1.3	16,250	20,000	21,175
Other Assets	4.1.4	1,509	-	-
Total Assets		523,757	228,731	556,654
Liabilities				
Priority Creditors	4.2.1	-	-	-
Secured Creditors	4.2.2	-	-	-
Unsecured Creditors	4.2.3	454,647	442,009	442,404
Contingent Liabilities	4.2.4	617,076	617,076	615,000
Total Liabilities		1,071,723	1,059,085	1,057,404
Net Asset/(Deficiency)		(547,966)	(830,354)	(500,749)

4.1 ASSETS

4.1.1 Cash and Cash Equivalents

The RATA indicated that the Company held cash at bank totalling \$208K. I have recovered a balance of \$207K, which was held on appointment.

4.1.2 Related Party Loans

4.1.2.1 Paramindo Singapore Pte Limited

The Company's records indicate a related party loan owed by PSL totalling \$328K. The RATA attributed an estimated realisable value of nil to the debt. The loan was made to fund legal expenses for the GRP and Singapore office operating expenses. Please refer to Section 2.1 of the Report for further commentary on this aspect.

4.1.2.2 Prosperity Resources Limited

The Company's records indicate a related party loan of \$3K owed by a related entity, Prosperity Resources Ltd ("PSP"), to which I was also appointed as Liquidator on 22 November 2017. The management accounts of PSP suggest that \$251K is due and payable to the Company, however the Directors of PSP have disputed the debt. I have not been provided any documentation to support this dispute. Notwithstanding this, this debt will be subject to a formal adjudication process in the event there is a dividend from PSP. It appears likely there will be a dividend from PSP, however the timing and quantum of same is uncertain at this stage. The estimated dividend from PSP is between 2 and 10 cents in the dollar.

4.1.3 Plant and Equipment

Creditors may recall that the Company was the registered owner of a Toyota Hilux. After obtaining an independent valuation to assess the value of the motor vehicle, I instructed Perth auctioneers to realise same by way of an online auction. I advise that in late November 2017, the motor vehicle was sold for \$21K, before realisation costs.

4.1.4 Other Assets

There has been no change since my Second Report, which detailed that there were prepaid insurance premiums for various policies and no refunds will be available.

4.2 LIABILITIES

4.2.1 Priority Creditors

As mentioned in my Second Report, the Company ceased to trade in FY2016 shortly after the PSL de-merger. As such, the Company did not employ any staff on my appointment. Regardless, if any former employees have a claim against the Company, they are invited to lodge a claim with this office and also the Department of Employment in respect of the Fair Entitlement Guarantee Scheme.

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 estimated Unsecured Creditors being owed \$442K. I refer creditors to my Second Report for further particulars regarding Unsecured Creditor claims. Below is a breakdown:

Unsecured Creditors	RATA Amount (\$)	ERV Amount (\$)
Trade Creditors	78,384	81,279
Related Party Creditors	363,625	361,125
Total Estimated Unsecured Creditors	442,009	442,404

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

Based on the PODs received to date and available records, subordinated creditors are owed circa \$615K, subject to further enquiries and adjudication of claims. Below is a breakdown:

Contingent Liabilities	RATA Amount (\$)	ERV Amount (\$)
Ginkgo Inc	325,000	-
Bond Ventures Inc	262,076	-
Talex Nominees	30,000	30,000
MBSN Investments Limited	-	325,000
Uranbileg Dashzeveg	-	260,000
Total Estimated Contingent Liabilities	617,076	615,000

I make the following comments:

- The debt of Ginkgo Inc was assigned to MBSN Investments Limited on 2 November 2017, in consideration for shares in Gobi Coal & Energy Limited.
- The debt of Bond Ventures Inc was assigned to Uranbileg Dashzeveg on 2 November 2017, in consideration for shares in Gobi Coal & Energy Limited.
- Uranbileg Dashzeveg and MBSN Investments Limited have lodged respective claims for the assignment of the subordinated debts from Bond Ventures Inc and Ginkgo Inc.

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.

The quantum of the return to creditors will be dependent on the recovery of the debtor claim against PSL or, in the alternate, a breach of duty claim against the Directors and officers of the Company. Please note these figures are estimates only, and the actual results may vary materially.

In summary, I estimate returns to creditors as follows:

- Unsecured Creditors between 9 to 76 cents in the dollar, or
- If the subordinated creditor claims have equal ranking with Unsecured Creditors, then Unsecured Creditors between 4 and 32 cents in the dollar.

The timing of a dividend from the Company will depend on the abovementioned recovery, and is unknown at this stage. 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	90,000	89,819
Liquidation	85,000	13,927
	175,000	103,745

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:

- Consider and pursue recovery actions against relevant parties:
 - Undertake investigation of various claims identified; and
 - Pursue claims, likely via litigation.
- 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 likely to require recovery actions, it is likely this matter will be completed within one (1) year to eighteen (18) months.

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

PARAMOUNT MINING CORPORATION LTD (IN LIQUIDATION)

A handwritten signature in black ink, appearing to read 'P. Krejci', with a stylized flourish at the end.

PETER KREJCI

Liquidator

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**Paramount Mining
Corporation Ltd
(In Liquidation)**

ACN 102 426 175

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

FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)
PARAMOUNT MINING CORPORATION LTD (IN LIQUIDATION)
ACN 102 426 175 ("THE COMPANY")

To the Liquidator of Paramount Mining Corporation Ltd (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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BRI Ferrier

**Paramount Mining
Corporation Ltd
(In Liquidation)**

ACN 102 426 175

**Annexure "2"
Estimated Outcome Statement**

Paramount Mining Corporation Limited
(In Liquidation)
Estimated Outcome Statement

	Optimistic Scenario Amount (\$)	Pessimistic Scenario Amount (\$)
Asset		
Cash at Bank	207,418	207,418
Debtors:	-	-
PSL *	328,061	-
PSP	25,187	5,037
Motor Vehicle	19,250	19,250
Voidable Recovery*	-	-
Insolvent Trading Claim	-	-
Total Recoveries	579,916	231,705
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)	(28,299)	(28,299)
Administrator's Disbursements	(500)	(500)
Liquidator's Remuneration	(85,000)	(65,000)
Liquidator's Disbursements	(3,000)	(3,000)
Motor Vehicle Realisation Costs	(1,043)	(1,043)
Legal Costs *	(60,000)	(30,000)
Total Costs of External Administration	(239,361)	(189,361)
Estimated Funds Available for Unsecured Creditors	340,555	42,345
Unsecured Creditors		
Trade Creditors	(81,278)	(81,278)
Related Party Creditors	(361,125)	(361,125)
Total Unsecured Creditor Claims	(442,403)	(442,403)
Estimated Funds Available for Subordinated Creditors	Nil	Nil
Subordinated Creditors		
MBSN Investments Limited^	(325,000)	(325,000)
Uranbileg Dashzeveg^	(260,000)	(260,000)
Talex Nominees	(30,000)	(30,000)
Total Subordinated Creditor Claims	(615,000)	(615,000)

Potential Rate of Return to Creditors	Cents in the Dollar	
Estimated Return to Unsecured Creditors	76.98	9.57
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 Uranbileg Dashzeveg.

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BRI Ferrier

**Paramount Mining
Corporation Ltd
(In Liquidation)**

ACN 102 426 175

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

**Paramount Mining Corporation Ltd
(In Liquidation)**

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

RECEIPTS	Total (AUD)
Cash at Bank	207,418.49
Plant & Equipment	19,250.00
GST Payable	1,925.00
	<hr/>
	228,593.49
	<hr/>
PAYMENTS	
Agents/Valuers Fees (1)	80.00
Bank Charges	3.70
Commission Paid	962.50
Liquidators Remuneration	13,926.50
Administrator's Remuneration	89,818.73
Administrator's Expenses	468.96
GST Receivable	10,525.67
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	115,786.06
Balances in Hand	112,807.43
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	228,593.49
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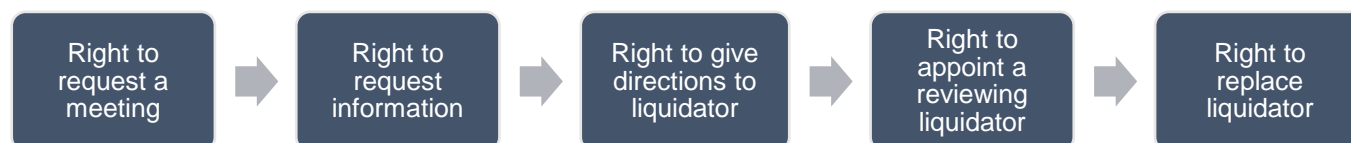
**Paramount Mining
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**Annexure "4"
ARITA Information Sheet – Creditor
Rights in Liquidation**

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.

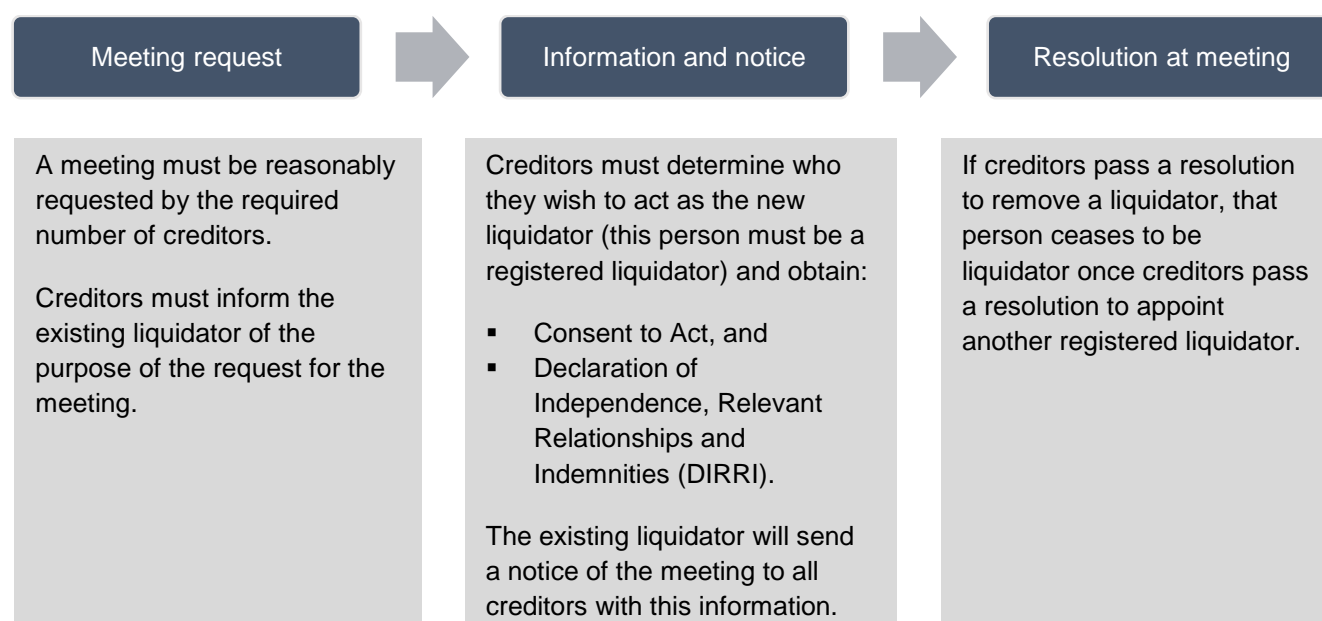
The cost of the reviewing liquidator is paid from the assets of the liquidation, in priority to creditor claims.

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

The logo for BRI Ferrier, featuring the text "BRI Ferrier" in white on a dark grey rectangular background. A green triangle is positioned at the bottom right corner of the rectangle.

BRI Ferrier

**Paramount Mining
Corporation Ltd
(In Liquidation)**

ACN 102 426 175

**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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BRI Ferrier

**Paramount Mining
Corporation Ltd
(In Liquidation)**

ACN 102 426 175

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

**PARAMOUNT MINING CORPORATION LTD
(IN LIQUIDATION)
ACN 102 426 175 ("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 Paramount Mining Corporation Ltd 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