



Chartered Accountant

15 July 2013

TO THE CREDITOR AS ADDRESSED

Central Mining & Contracting Pty Ltd (Administrator Appointed) ACN: 113 050 678
As Trustee for the Smith Family Trust
("the Company")

Part 2 of 2

Summary of Preferential Payment Investigations

I advise creditors that additional payments to creditors, in accordance with the payment plan entered into by the Company prior to my appointment, may also be viewed as preferential in nature, and in addition to the above amounts, I anticipate that preferential payments may total as much at \$750,000.

Having said that, creditors may have defences to an action commenced by a Liquidator if one is to be appointed at the upcoming meeting of creditors.

The costs involved in recovery of the preferential payments needs to be considered; both the costs of the Liquidator and his legal representation.

Accordingly, I estimate that \$200,000 may be recovered by a Liquidator in relation to preferential payments.

The timing of recoveries also needs to be considered as this will delay the dividend payment process.

Please refer to section 6 below for further details of the impact of potential preferential payment recoveries versus the DOCA proposal scenario.

Uncommercial transactions (Section 588FB) – *these are transactions entered into that a “reasonable person” would not have entered into after taking into account the benefits to the Company, the detriment to the Company and the benefits to other parties involved in the transaction.*

My investigations have not indicated the presence of any uncommercial transactions.

Insolvent transactions (Section 588FC) – *these are unfair preferences or uncommercial transactions entered into when the Company was insolvent or becomes insolvent as a result of entering into the transaction. Only unfair preferences occurring within six months of the commencement of the liquidation (“the relation back day”) Section 588FE(2), and Uncommercial Transactions occurring within two years of the relation back day (Section 588FE(3)) can be recovered.*

As noted above, insolvent transactions in addition to those noted above, may exist. Further investigations are required if a Liquidator is appointed at the upcoming meeting of creditors.

Unfair loans to a company (Section 588FD) – *these are loans made to the company where interest and other charges on the loan were extortionate. These transactions can be recovered regardless of when they were entered into as long as they were entered into on or before the winding up begins.*

My investigations have not revealed any unfair loans.

Related party transactions (Section 588FE (4)) – *these are insolvent transaction (i.e. unfair preferences or uncommercial transactions) made to a related entity within a period of four years prior to the relation back day.*

My investigations have not revealed any related party transactions.

Transactions entered into for the purpose of defrauding Creditors (Section 588FE (5)) – *these are insolvent transactions entered into for the purpose of defeating, delaying or interfering with the rights of creditors and were entered into within a period of 10 years prior to the relation back day.*

My investigations have not revealed any such transactions.

Floating charge created within six months (Section 588FJ) – *where a floating charge is granted by the Company within six months of the relation back day, the charge is void against the liquidator unless valuable consideration was given or the Company was solvent at the time of granting of the charge.*

My search of the PPSR database has revealed there were no circulating security interests registered against the Company within six months of the relation back day (the date of my appointment as Administrator).

3.3 Insolvent trading

Information about possible insolvent trading is relevant to creditors when making a decision about the future of a Company as Directors of a Company may generally only be sued for insolvent trading if the company is in Liquidation.

As with the voidable transaction analysis above, creditors have to assess the advantages to them of a DOCA (which cannot include proceeds from insolvent trading actions or recovery of preferential payments), compared to the likely return in a Liquidation, which could include the proceeds of any successful insolvent trading action.

For general information about insolvent trading, please refer to the attached information sheet.

Directors' duty to prevent insolvent trading (Section 588G) – a Director of a Company has a duty to prevent a Company from incurring a debt when the Company is insolvent or there are reasonable grounds to suspect that the company is or would become insolvent.

A Director would fail to fulfil that duty if the Director was aware of the grounds for suspecting the Company is or would become insolvent or a reasonable person in a like position would be aware of such grounds.

The defences available to the Director are as follows;

- (i) The Director had reasonable grounds to expect, and did expect, that the Company was solvent and would remain so; or
- (ii) The Director had reasonable grounds to believe, and did believe, that a competent and reliable person was providing adequate information to the Director and based on that information the Director expected the Company to be solvent and to remain so; or
- (iii) The Director did not take part in the management of the company at the time due to illness or other good reason; or
- (iv) The Director took reasonable steps to prevent the Company from incurring the debt.

I have formed the preliminary view that the Director has traded whilst insolvent because at the time transactions were entered, there were reasonable grounds to believe the Company may not have been able to pay its debts as and when they fell due.

Given the significant level of debt owed to the Australian Taxation Office and large amounts and ageing of debts owed to a number of trade creditors, it would appear that the Director may have been trading whilst insolvent from at least October 2012 or probably earlier.

Insolvent trading is a matter that would be pursued by a Liquidator if the Company is placed into Liquidation at the upcoming meeting of creditors.

The recovery made from the Director for the benefit of creditors is dependent on the substance of the Director. In other words, if the Director does not possess any meaningful personal assets, there is little chance of making a material recovery from the Director with respect to an insolvent trading claim.

As noted below in section 3.4, my searches and investigations have revealed that the Director has one residential property registered jointly in his name. This property is currently registered as 'subject to dealings'.

A Liquidator would also need to consider the costs of bankrupting the Director, which may total as much as \$10,000.

My inquiries to date have revealed that the Director has personally guaranteed a number of Company creditors, therefore an insolvent trading claim initiated by a Liquidator would rank alongside the claims of other creditors.

Given the above, I do not anticipate there being any meaningful commercial recovery to be made from the Director in relation to an insolvent trading claim if the Company is placed into Liquidation.

3.4 Director's Personal Financial Position and Security Provided

The Director may have provided some creditors a personal guarantee for goods and services supplied.

I advise that until the Company is no longer in Administration, pursuant to Section 440J of the Act, these personal guarantees cannot be enforced.

My searches conducted to date indicate the Director has one mortgaged residential property listed jointly in his name; however, I note that this property is 'subject to dealings'.

4 Effect of Appointment on Employees

Employees are advised that if a DOCA is accepted by creditors and executed by the Company, all statutory entitlements will be paid in full.

The timing of a return to former employees will be dependent on asset realisations; however it is anticipated that all entitlements will be paid before the end of September 2013.

Unpaid superannuation, which is a priority entitlement, is anticipated to be paid in full before the end of July 2013.

If the Company is placed into Liquidation, employee entitlements are afforded a priority over other Company debts (see section 5 below). Therefore, given the asset position of the Company, entitlements will be paid in full from the asset realisations in the same period as disclosed above.

In the event that there are insufficient assets to pay a dividend to employees, a Federal Government scheme known as the Fair Entitlements Guarantee (FEG) can be utilised for all eligible employees to recover unpaid entitlements.

Employees are advised however that FEG does not cover unpaid superannuation. Having said that, as noted above, unpaid superannuation is likely to be paid in full before the end of July 2013.

5 Proposal for a Deed of Company Arrangement

A third party, Multiplant Holdings has proposed that the Company enter a DOCA.

A copy of the DOCA proposal is included at the end of this report at **Appendix B**.

In simple terms, Multiplant's proposal is as follows:

- If the DOCA is accepted by creditors, the Deed Administrator would proceed to realise all of the Company's assets as if the Company were in Liquidation (except for the ability to pursue preferential payments made to creditors and insolvent trading recovery actions - which are only available for a Liquidator to pursue);
- Multiplant Holdings will contribute \$500,000 to the Company for the benefit of its creditors (in addition to asset realisations) on the condition that Multiplant Holdings and the Director (in his capacity as Director of the Company, or any other entity) receive a joint venture contract on or before 30 September 2013;
- If a joint venture contract is not awarded to Multiplant Holdings and the Director, the Company would be placed into Liquidation;
- The DOCA will include terms that prevent the Company from incurring credit until the DOCA is fully effectuated.

6 Estimated Return from a Winding Up

The Act specifies that pursuant to Section 556, if there are funds left over after the payment of the costs of the Administration/Liquidation, the Administrator/Liquidator will pay these to creditors as a dividend. Generally, the order in which funds are distributed are as follows:

1. Costs and expenses of the Administration/DOCA/Liquidation, including Administrator's/Deed Administrator's/Liquidator's approved fees;
2. Outstanding employee wages and superannuation (equal ranking);
3. Outstanding employee leave of absence payments including annual leave, sick leave (if applicable) and long service leave;
4. Employee retrenchment pay (redundancy payments or pay in lieu of notice as the case may be); and
5. Ordinary unsecured creditors.

Each category is paid in full before the next category is paid. If there are insufficient funds to pay a category in full, the available funds are paid on a pro-rata basis. The next category or categories will Not be paid anything.

Further to section 4 above, given the asset position of the Company and the costs involved with the Administration and likely DOCA, I anticipate that priority creditors (former employees) can expect to be paid in full before the end of September 2013.

In relation to unsecured creditors, I set out below the estimated return under a Liquidation and DOCA scenario. This information has been extracted from section 2.6 above:

Liquidation versus DOCA Return to Unsecured Creditors		
	Liquidation	DOCA
Estimated Available for Unsecured Creditors	2,147,430	2,147,430
DOCA Contribution	-	500,000
Preferential Payment Recoveries – Liquidation Only	200,000	
Estimated Funds Available for Distribution	2,347,430	2,647,430
 <u>Unsecured Creditors</u>		
Trade Creditors	7,500,000	7,500,000
Australian Taxation Office	2,200,000	2,200,000
Payroll Tax	400,000	400,000
 <u>Contingent Liabilities</u>		
Leases Premises	170,000	170,000
Shortfall on Financed Plant & Equipment	350,000	350,000
 UNSECURED CREDITORS ESTIMATED TO PROVE	10,820,000	10,620,000
 PRELIMINARY ESTIMATE DIVIDEND TO UNSECURED CREDITORS (SUBJECT TO COSTS, ASSET REALISATIONS AND FINAL CLAIMS ADMITTED) – CENTS IN THE DOLLAR	0.217	0.249
 NET OF ESTIMATED COSTS	Say 0.05 to 0.15	Say 0.10 to 0.20

If this position changes, I will advise creditors via future circulars.

7 Administrator's Recommendation

The following options are available to creditors to decide pursuant to Section 439C of the Corporations Act 2001:

- The Company execute a DOCA; or
- The administration should end; or
- The business of the meeting be adjourned for a period not exceeding 45 business days; or
- The Company be wound up.

I am obliged to give my opinion on the matters noted below. My recommendation considered the following matters:

- The assets and liabilities position of the Company;
- The potential to recover funds in relation to *prima facie* preferential payments and insolvent trading;
- The fact that a DOCA has been proposed;
- The timing of asset realisations in both a DOCA and Liquidation scenario.

Whether it would be in the creditors' interest for the Company to execute a Deed of Company Arrangement

I believe that the DOCA proposal as outlined above is in the best interests of creditors and I therefore recommend this option.

The reasons for my recommendation are as follows:

- If the DOCA is accepted by creditors and executed by the Company, I, as the Deed Administrator would proceed to realise the Company's assets (i.e. plant and equipment, debtor/retention amounts) as if the Company were in Liquidation (except for my ability to pursue preferential payment and insolvent trading claims);
- If Multiplant and the Director receive a joint venture contract on or before 30 September 2013 in accordance with the proposal attached, an additional \$500,000 will be contributed for the benefit of creditors;
- If Multiplant and the Director are unable to attain a joint venture contract on or before 30 September 2013, the Company will automatically be placed into Liquidation and I, then acting as the Liquidator would proceed with the winding up of the Company, remembering that as noted above, asset realisations will have been underway for some eight to ten weeks. As the Liquidator, I would also then be in a position to pursue preferential payment and insolvent trading claims.

The DOCA will provide greater certainty of a return to creditors, whilst also maximising the return to creditors.

I believe there is little downside in creditors accepting the DOCA proposed by Multiplant.

Whether it would be in creditors' best interest for the Administration to end

It is my opinion that it is not in creditors' best interest for the Administration to end.

Should creditors resolve that the Administration be terminated, the Company will be placed into a similar position to that existing prior to the appointment of the Administrator. Control of the Company will revert to the Director and creditors will have the option to petition to wind up the Company at their own expense.

Given the above, I do not recommend this option.

Whether it would be in creditors' interests for the meeting to be adjourned for a period of up to 45 business days

At the time of writing this report, I do not believe it would be in creditor's best interests to adjourn the meeting.

This would only achieve a positive outcome if the Director believed there was the probability of obtaining funds by some other means. At the time of writing this report, this option did not seem probable. I therefore do not recommend this option.

Whether it would be in the creditors' interest for the Company to be wound up

In my opinion, a liquidation of the Company would not be in the best interests of creditors, as the DOCA proposal is likely to provide greater certainty of a return to creditors in a quicker time frame when compared with a Liquidation.

Whilst a Liquidator would be able to pursue certain voidable transactions, as noted above, a recovery in relation to insolvent trading is unlikely due to the Director's estimated personal asset and liability position.

Preferential payments may be pursued; however, creditors may have valid defences to recovery actions.

Furthermore, the costs of the Liquidator and necessary legal representation will need to be considered before commencing recovery actions, along with the time frame under which a recovery may be achieved.

If preferential payment recovery actions are challenged, it is reasonably foreseeable that a legal process could take several months.

8 Other Material Information

Related Entities' Relationship Debts

My investigation of the Company's accounting records and claims received has revealed the following:

Funds owed <u>by</u> the Company <u>to</u> :	Relationship to	Amount - \$	Nature of Debt	Relevant Dates
Mr Charles Smith	Director	10,000	Wages and leave	2006 – present

Please note that in accordance with Section 556 of the Act, the Director is capped in the amount of unpaid wages, superannuation and leave entitlements he may receive when a dividend is paid.

Other Personal Roles Held

My searches of the ASIC corporate database have revealed that the Director is not listed as either a Director, Secretary or Shareholder in any other private companies.

9 Remuneration

Estimated Administrator's Costs

HLB Mann Judd (Insolvency WA) is an independent, Professional Services firm specialising in Corporate Recovery. Kim Wallman has been involved full time in the insolvency industry for the past 26 years.

When creditors meet on 23 July 2013, I will ask for approval to be paid remuneration for services rendered in the Administration of the Company and Deed of Company Arrangement or Liquidation of the Company.

Given that the creditors may resolve to either approve the DOCA or resolve that the Company be placed into Liquidation, I set out below the resolutions that will be tabled under each scenario:

Administrator's Past Fees

"That the remuneration of the Administrator for the period 20 June 2013 to 10 July 2013, calculated at hourly rates detailed in the report to creditors of 15 July 2013, is determined in the sum of \$54,950.00, which excludes GST and expenses".

DOCA Scenario

Prospective Fees from 11 July 2013 to Date of DOCA Execution if Accepted by Creditors (Approx 3 weeks). (Annexure A pgs 3-4)

"That the remuneration of the Administrator from 11 July 2013 to Date of DOCA Execution if Accepted by Creditors (No later than 13 August 2013) is determined at a sum equal to the cost of time spent by the Deed Administrator and his partners and staff, calculated at the hourly rates as details in the report to creditors of 15 July 2013, to a capped amount of \$59,700.00, exclusive of GST and expenses, and that the Deed Administrator can draw the remuneration on a monthly basis or as required."

Prospective Fees from the date of DOCA Execution to the date when DOCA is fully effectuated. (Annexure A pgs 5-6)

"That the remuneration of the Deed Administrator from the date of DOCA Execution to the date when DOCA is fully effectuated is determined at a sum equal to the cost of time spent by the Deed Administrator and his partners and staff, calculated at the hourly rates as details in the report to creditors of 15 July 2013, to a capped amount of \$104,090.00, exclusive of GST and expenses, and that the Deed Administrator can draw the remuneration on a monthly basis or as required."

Liquidation Scenario

Prospective Fees from 11 July 2013 to 23 July 2013. (Annexure A pgs 7-8)

"That the remuneration of the Administrator from 11 July 2013 to 23 July 2013 is determined at a sum equal to the cost of time spent by the Administrator and his partners and staff, calculated at the hourly rates as details in the report to creditors of 15 July 2013, to a capped amount of \$37,875.00, exclusive of GST and expenses, and that the Administrator can draw the remuneration on a monthly basis or as required."

Prospective Fees from 24 July 2013 to the Conclusion of the Liquidation. (Annexure A pgs 9-10)

"That the remuneration of the Liquidator 24 July 2013 to the conclusion of the Liquidation is determined at a sum equal to the cost of time spent by the Liquidator and his partners and staff, calculated at the hourly rates as details in the report to creditors of 15 July 2013, to a capped amount of \$123,085.00, exclusive of GST and expenses, and that the Liquidator can draw the remuneration on a monthly basis or as required."

The total costs of the Administration/DOCA/Liquidation of the Company will vary depending on the work required to be performed by the Administrator/Deed Administrator/Liquidator, his partners and staff in respect of issues arising from the administration of the Company.

In respect to the Administrator's/Deed Administrator's/Liquidator's remuneration, I advise that my firm charges professional fees on the basis of time spent by the Principal Appointee and staff at rates reflecting their level of experience.

Additional details concerning the approval of the Administrator's remuneration are specified in the enclosed Remuneration Report.

10 Meeting Details and Voting Instructions

The meeting date is Tuesday, 23 July 2013 at 10:00am. A copy of the Notice of Meeting, Appointment of Proxy form and Statement of Claim form are attached to this report.

Voting

Each resolution put to a vote at a meeting of creditors must be decided on the voices (numbers) (i.e. all those in favour say "aye" and all those against, say "nay").

Please note however that a poll can be demanded, before or on the declaration of the result of the voices (Regulation 5.6.19). A poll is simply a recording of the votes in writing (both numbers and value). The result of a poll overrides the result of a vote on the voices.

In a deadlock, the Chairperson may exercise his or her casting vote for, or against, the resolution (Regulation 5.6.21(4)).

Form 532 – Appointment of Proxy

Please read below to ensure that you are entitled to cast your vote at the meeting of creditors.

- a) A Form 532, Appointment of Proxy ("Proxy") is enclosed for your attention. A creditor may use this form to appoint a natural person over the age of 18 as his or her proxy to attend and vote at the meeting.
- b) A new Proxy form is required for each meeting of creditors. This means that even if you lodged a Proxy with the Administrator/Chairperson at a previous meeting, a new Proxy will be required for this meeting if you wish to cast your vote. The only exception is where a meeting is adjourned, in which case it is the same meeting being held on a different date.

Type of Creditor	Person Attending Meeting	Proxy Required?
Natural Person (i.e. Joe Bloggs)	Joe Bloggs	No
	Person other than Joe Bloggs	Yes
Business (i.e. Joe Bloggs trading as ABC)	Joe Bloggs	No
	Person other than Joe Bloggs	Yes
Partnership	Joe Bloggs – Partner	No
	Person other than a Partner	Yes
Company (i.e. XYZ Pty Ltd trading as ABC)	Any person	Yes

- c) To assist you with determining whether you will be required to complete this form for the meeting, please refer to the table above.
- d) When appointing a person as your proxy, you may choose:
 - i) General Proxy – which gives the proxy discretion as to how he or she votes; or
 - ii) Special Proxy – which specifies the manner in which the proxy is to vote on a particular motion, and the proxy is not entitled to vote on the resolution except as specified on the form.
- e) For creditors that are companies, please note that the Proxy does not need to have the company seal affixed however, the Proxy must be signed by (Section 127):
 - i) Two (2) directors of the company;
 - ii) A director and a company secretary of the company;
 - iii) For a proprietary company that has a sole director who is also the company secretary – that director. In this event, the director must write next to their signature the words "I am the sole director and sole secretary of the company".

If you are uncertain as to whether you are required to complete a Proxy form or would like some assistance with completing your Proxy, please contact this office prior to attending the meeting. It is requested that your Proxy be lodged with the Administrator not less than one (1) business day before the meeting.

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

Please read below to ensure that you are entitled to cast your vote at the meeting of creditors.

- a) A Form 535, Formal Proof of Debt or Claim (General Form) ("Proof") is enclosed for your attention. Please note that a person is not entitled to vote at the meeting unless this form is lodged with the Administrator or the Chairperson.
- b) A Proof is not specific to a meeting of creditors. Therefore, if you have lodged a Proof previously in this administration, no further Proof is required for this meeting. If you are unsure as to whether you have lodged a Proof, please do not hesitate to contact this office.
- c) Supporting Documentation:
 - i) Please attach copies of invoices, statements and other documentation to substantiate your claim.
 - ii) If you have a claim for unpaid employee entitlements, please attach a worksheet showing how the entitlements have been calculated.
 - iii) If someone disputes your claim at the meeting, having supporting documentation will assist the Chairperson in admitting your claim for the full amount for which you are entitled to vote.
 - iv) If you attached documentation to substantiate your claim now, you will not encounter problems in the future (i.e. lost archived records) in the event that a dividend is paid.

If you would like assistance with completing your Proof, please contact this office prior to attending the meeting of creditors. It is requested that your Proof be lodged with the Administrator not less than one (1) business day before this meeting.

Yours faithfully,



Kim Wallman – Administrator

Central Mining & Contracting Pty Ltd (Administrator Appointed) ACN 113 050 678

INSERT INFORMATION SHEET FOR CREDITORS FOR 439A REPORT

FORM 535

Corporations Act 2001
Sub-regulation 5.6.49(2)

**FORMAL PROOF OF DEBT OR CLAIM
(GENERAL FORM)**

To the Administrator of Central Mining & Contracting Pty Ltd ACN 113 050 678
(Administrator Appointed)

1. This is to state that the company was on 20 June 2013 and still is, justly and truly indebted to:
-

In the sum of _____ (INSERT AMOUNT OWED)

Is the above amount subject to GST Yes / No (CIRCLE)

Amount of GST included in the above amount _____

Date	Consideration (state how the debt arose)	Amount (\$)	Remarks (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 satisfaction or security for the sum or any part of it except for the following (insert particulars of all securities held. If the securities are on the property of the company, assess the value of those securities. If any bills or other negotiable securities are held, show them in a schedule in the following form).

Date	Drawer	Acceptor	Amount \$	Due Date

3. 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, remains unpaid and unsatisfied.

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

*Do not complete if this proof is made by the creditor personally

Date:

.....
Signature:
Name:
Address:

Ph:

FORM 532
CORPORATIONS ACT

ACN: 113 050 678

Appointment of Proxy

Regulation 5.6.29

*I / *We of

.....
(If a firm, strike out "I" and set out the full name of the firm)

(insert address)

.....a creditor of Central Mining & Contracting Pty
Ltd ACN: 113 050 678, appoint

.....or, in his or her absence

.....
(Insert name, address and description of the person appointed)

as *my /*our *general / *special proxy to vote at the meeting of creditors to be held on 23 July 2013 at 10:00am, or at any adjournment of that meeting:

My / Our special proxy shall "vote for" / "vote against" the following resolutions:-

"that the Company execute a Deed of Company Arrangement" (**recommended**)

*** For / * Against**

"that the Administration ends" (**not recommended**)

*** For / * Against**

"the meeting be adjourned for a period of up 45 business days" (**not recommended**)

*** For / * Against**

"that the Company be wound up" (**not recommended**)

*** For / * Against**

"That the remuneration of the Administrator for the period 20 June 2013 to 10 July 2013, calculated at hourly rates detailed in the report to creditors of 15 July 2013, is determined in the sum of \$54,950.00, which excludes GST and expenses".

*** For / * Against**

If you are voting in favour of the Company executing a Deed of Company Arrangement, please consider the following resolutions:

"That the remuneration of the Administrator from 11 July 2013 to Date of DOCA Execution if Accepted by Creditors (No later than 13 August 2013) is determined at a sum equal to the cost of time spent by the Deed Administrator and his partners and staff, calculated at the hourly rates as details in the report to creditors of 15 July 2013, to a capped amount of \$59,700.00, exclusive of GST and expenses, and that the Deed Administrator can draw the remuneration on a monthly basis or as required."

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"That the remuneration of the Deed Administrator from the date of DOCA Execution to the date when DOCA is fully effectuated is determined at a sum equal to the cost of time spent by the Deed Administrator and his partners and

staff, calculated at the hourly rates as details in the report to creditors of 15 July 2013, to a capped amount of \$104,090.00, exclusive of GST and expenses, and that the Deed Administrator can draw the remuneration on a monthly basis or as required."

***For / * Against**

In the event that the Company is wound up (placed into Liquidation), please consider the following resolutions:

"That the remuneration of the Administrator from 11 July 2013 to 23 July 2013 is determined at a sum equal to the cost of time spent by the Administrator and his partners and staff, calculated at the hourly rates as details in the report to creditors of 15 July 2013, to a capped amount of \$37,875.00, exclusive of GST and expenses, and that the Administrator can draw the remuneration on a monthly basis or as required."

*
For
/
*
Against

"That the remuneration of the Liquidator 24 July 2013 to the conclusion of the Liquidation is determined at a sum equal to the cost of time spent by the Liquidator and his partners and staff, calculated at the hourly rates as details in the report to creditors of 15 July 2013, to a capped amount of \$123,085.00, exclusive of GST and expenses, and that the Liquidator can draw the remuneration on a monthly basis or as required."

*** For / * Against**

"If the Company is placed into Liquidation and subject to approval from ASIC (and nine months after the final meeting) the books and records of the Company be disposed of after the dissolution of the Company"

*** For / * Against**

Dated this day of July 2013

Signature

Name:

Phone:

NOTES: * *strike out if inapplicable*

- (1) WHERE THE PROXY IS BEING GIVEN BY A CORPORATION the proxy should be executed either:-
 - (i) under seal, or
 - (ii) under the hand of a duly authorised officer,
- (2) WHERE THE PROXY IS BEING GIVEN BY A FIRM the full names of each partner and the business name, if any, of the firm should be shown. This proxy should be signed by a partner.
- (3) PLEASE RETURN THIS PROXY, duly completed, to HLB Mann Judd (Insolvency WA), PO Box 622 West Perth WA 6872 **not later than 5.00 pm on the day before the meeting.**

Certificate of Witness

(This certificate is to be completed only if the person giving the proxy is blind or incapable of writing. The signature of the creditor must not be witnessed by the person nominated as proxy.)

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 or her before he or she signed or marked the instrument.

Dated this day of 2013

Signature of Witness:

Voting by proxy

You may appoint a proxy to attend and vote at a meeting on your behalf. A proxy can be any person who is at least 18 years old.

Creditors who are companies will have to nominate a person as proxy so that they can participate in the meeting. This is done using the Appointment of Proxy form attached.

The completed proxy form must be provided to the Administrator before the meeting. You can fax email a scanned copy of the proxy form to the Administrator, provided there is a way to authenticate the appointment of the proxy (e.g. by scanning and emailing a signature or using a digital signature).

You can specify on the proxy form how the proxy is to vote on a particular resolution and the proxy must vote in accordance with that instruction. This is called a 'special proxy'. Alternatively, you can leave it to the proxy to decide how to vote on each of the resolutions put before the meeting. This is called a 'general proxy'.

You can appoint the Chairperson to represent you either through a special or general proxy. The Administrator or one of their partners or employees must not use a general proxy to vote in favour of a resolution approving payment of the Administrator's/Liquidator's fees.