

1 October 2015

Dear Sir / Madam

NOTICE OF APPOINTMENT OF ADMINISTRATOR AND FIRST MEETING OF CREDITORS

Australian Mining Construction Operations Pty Ltd (Administrator Appointed)

ACN: 118 908 311

Generally known as "AMCO"
("the Company")

I write to advise that I, Kim Wallman, was appointed as the Administrator of the Company on 30 September 2015 pursuant to section 436A of the *Corporations Act 2001* ("the Act").

I am now in control of the Company's assets and operations. I advise that the Company ceased trading on 23 September 2015 as a result of the termination of a contract for works being conducted at the Roy Hill rail and port iron ore project in Western Australia's Pilbara region.

As a result of my appointment as Administrator, all powers of the officers of the Company cease. I have entered into control of all the assets of the Company. The debts of the Company are "frozen" as at the date of my appointment.

I am unable to make any payment against them nor are the creditors entitled to take any recovery proceedings in respect of the debt owed to them whilst the Administration is in progress.

I am currently assessing the financial position of the Company. The Company's Directors have been requested to prepare a statement regarding the Company's business, property, affairs and financial circumstances as at the date of my appointment.

I raise below the following matters regarding the Administration.

1. First Meeting of Creditors

You are advised that a meeting of creditors has been arranged for Friday, 9 October 2015 at 10.00am at the offices of HLB Mann Judd (Insolvency WA), Ground Floor, 15 Rheola Street, West Perth WA.

The purpose of the meeting is to provide creditors with an update in relation to the conduct of the Administration and to provide creditors with the opportunity to:

- Appoint a Committee of Creditors and if so, who are to be the members of the committee; and
- Appoint an alternative Administrator, if deemed to be appropriate.

Accordingly, I enclose the following documents:

- Notice of Meeting (Form 529);
- Formal Proof of Debt form (Form 535); and
- Appointment of Proxy Form (Form 532).

If you intend to attend the first meeting of creditors, please submit the enclosed Formal Proof of Debt form and Appointment of Proxy form (if applicable) to this office before the meeting and in any event, **before 4.00pm on Thursday, 8 October 2015.**

Completed forms can be sent via facsimile to 08 9321 0429 marked to the attention of Mrs Samantha Morgan or scanned and emailed to smorgan@hlbinsol.com.au.

Creditors are advised that the meeting commences at 10.00am sharp, therefore please arrive 15 minutes prior to the meeting for registration purposes.

2. Declaration by the Administrator

Pursuant to sections 436DA(2) and (3) of the Act and the Australian Reconstructing Insolvency & Turnaround Association ("ARITA") Code of Professional Practice, I enclose my Declaration of Independence, Relevant Relationships and Indemnities ("DIRRI").

3. Administrator's Background

HLB Mann Judd (Insolvency WA) is an independent, professional services firm specialising in corporate recovery.

I, Kim Wallman, am a Registered Liquidator, Official Liquidator and Chartered Accountant.

I am the Principal of HLB Mann Judd (Insolvency WA) and I have over 30 years of experience in the insolvency industry.

4. Trading

As noted above, the Company has ceased trading. I advise that I do not intend to re-commence trading the Company during the administration period.

No set off will be allowed for any amount or sum due to creditors prior to 30 September 2015 in dealings subsequent to the date of Administration.

Trading Accounts

The Act provides that the Administrator is liable for debts arising for services rendered, goods bought, or property hired, leased, used or occupied during the Administration period.

Please note that I will not be accepting liability for good purchased or services rendered without:

- A purchase order, signed and authorised by one of more of the authorised signatories set out in the attached list accompanying this circular; and
- A tax invoice.

Though unlikely, you may be contacted by my office in the coming days if I should require your services during the Administration period.

Consignment Stock and Retention of Title

If you have supplied the Company with consignment stock, or if you believe your stock may be subject to a Retention of Title clause, please contact my office as soon as possible.

To substantiate your claim, please provide a copy of the relevant executed contract or trade credit application, including reference to the terms and conditions in question, copies of outstanding invoices (again including reference to the relevant terms and conditions) and a copy of the Personal Property Securities Register ("PPSR") registration against the Company (if applicable).

You will also need to demonstrate how you can specifically identify goods as having been supplied by you and whether you can distinguish which of those goods have been paid for and which have not.

Contracts

I hereby expressly refrain from personally adopting any of the Company's contracts that were in force as at the date of my appointment. All contracts are currently under review and I will advise the status of contracts as soon as practicable.

Property Used but not Owned by the Company

Pursuant to section 443B of the Act, the Administrator's liability for leasing agreements and hire purchase agreements does not commence until five business days after the Administrator's appointment.

Furthermore, pursuant to section 440C of the Act, the lessor or owner of property in the Company's control is not entitled to take possession of such property without leave of the Court or the Administrator's written consent whilst the Administration is on foot.

I will write separately to known lease and hire purchase creditors regarding such assets. Please contact my office if you do not receive this correspondence.

5. Legal Proceedings

As a result of my appointment as the Administrator, all Court actions against the Company are stayed. You are not able to commence or continue with any proceeding against the Company without my written consent or the leave of the Court.

6. Report to Creditors and Second Meeting of Creditors

I will prepare and circulate a report pursuant to section 439A of the Act which will include details about the Company and its financial position, potential offences and a statement regarding the future direction of the Company.

I expect to issue this report on 15 October 2015.

The second meeting of creditors will be held on or before Friday, 23 October 2015. In the interim I will undertake a more detailed examination of the Company's affairs and financial circumstances prior to this second meeting of creditors in order that an opinion can be formed as to:

- Whether it is in the interest of creditors to consider executing a Deed of Company Arrangement;
- Whether it is in the interest of the creditors that the Company be wound up; or
- Whether the Administration should be ended.

As you would appreciate, this will encompass considering the commercial viability of any proposal that the Directors may wish to place before the creditors and whether there are any other benefits such as preferential payments or other transactions that need to be examined.

7. Administrator's Remuneration

In respect to the Administrator's remuneration, I advise that HLB Mann Judd (Insolvency WA) charges professional fees on the basis of time spent by the principal appointee and staff at rates reflecting their level of experience. I have enclosed a statement regarding why the hourly rate basis for calculating remuneration has been chosen.

The current rate schedule is attached to this letter. At this stage it is estimated fees will total \$20,000 (excluding GST and excluding expenses) to the first meeting of creditors. The total costs of the Administration will vary depending on the work required to be performed by the Administrator and staff in respect of issues arising from the Administration.

I will provide creditors with my remuneration report pursuant to section 449E of the Act with the report referred to in point 6 above.

An information sheet regarding the approval of the remuneration of external administrators can be obtained from the ARITA (www.arita.com.au) or from this office.

8. Electronic Notification

In accordance with section 600G of the Act, you may elect to receive future correspondence from the Administrator via email. If you wish to do so, please contact Mrs Samantha Morgan of my office via email to smorgan@hlbinsol.com.au.

Please advise the full name of the creditor in question and the email address to where future correspondence should be sent.

For your information, I have enclosed a copy of the Australian Securities & Investment Commission listing of insolvency information sheets.

If you have any queries, please liaise with the contact set out on the first page of this letter.

Yours sincerely

A handwritten signature in black ink that reads "Kim Wallman". The signature is written in a cursive, flowing style.

Kim Wallman – Administrator of
Australian Mining Construction Operations Pty Ltd (Administrator Appointed)
ACN: 118 908 311

CORPORATIONS ACT 2001
("the Act")

FORM 529A
Sub-regulations 5.6.12(2)

NOTICE OF FIRST MEETING OF CREDITORS

Australian Mining Construction Operations Pty Ltd (Administrator Appointed)
ACN: 118 908 311
Generally known as "AMCO"
("the Company")

On 30 September 2015, the Company under section 436A of the Act appointed Kimberley Stuart Wallman of HLB Mann Judd (Insolvency WA), Ground Floor, 15 Rheola Street, West Perth WA as the Administrator of the Company.

Notice is given that a meeting of creditors of the Company will be held on Friday, 9 October 2015 at 10.00am at Ground Floor, 15 Rheola Street, West Perth WA.

Please note that you should arrive 15 minutes prior to the meeting for registration purposes.

The purpose of the meeting is for creditors to determine:

1. Whether to appoint a committee of creditors, and if so, who are to be its members;
2. By resolution of the creditors, whether to remove the Administrator from office and appoint someone else as the Administrator of the Company; and
3. Any other relevant business.

Dated 1 October 2015



Kim Wallman – Administrator of
Australian Mining Construction Operations Pty Ltd (Administrator Appointed)
ACN: 118 908 311

**Declaration of Independence, Relevant Relationships and Indemnities
("DIRRI")**

**Australian Mining Construction Operations Pty Ltd (Administrator Appointed)
ACN: 118 908 311
Generally known as "AMCO"
("the Company")**

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

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

This declaration is made in respect of myself and my firm, HLB Mann Judd (Insolvency WA).

A. Independence

I, Kimberley Stuart Wallman, Chartered Accountant, have undertaken a proper assessment of the risks to my independence prior to accepting the appointment as Administrator of the Company in accordance with the law and applicable professional standards. This assessment identified no real or potential risks to my independence. I am not aware of any reasons that would prevent me from accepting this appointment.

B. Declaration of Relationships

i. Circumstances of appointment

This appointment was referred to me by Mr Llew Eynon of LG Accounting Solutions in Osborne Park, Western Australia. Mr Eynon's firm acts as the taxation accounting firm for the Company. The reasons I believe that this relationship does not result in me having a conflict of interest or duty are:

- Whilst Mr Eynon has previously referred insolvency type matters to my firm, referrals from solicitors, business advisors and accountants are commonplace and do not impact on my independence in carrying out my duties as Administrator; and
- There are no understandings or requirements that work in the Administration will be given to the referrer and the referral does not contain or is conditional upon giving or receiving of any commissions, inducements or benefits.

I had four (4) meetings with the Directors of the Company on the dates set out below for the purposes of discussing the insolvency options available to the Company in light of restricted cash flows associated with the contract works being conducted at the Roy Hill rail and port iron ore project:

- 18 September 2015
- 21 September 2015
- 22 September 2015
- 30 September 2015 (date of my appointment)

I also participated in several phone conversations with the Directors of the Company between 18 September 2015 and the date of my appointment for the purposes of arranging the above meetings and to receive updates on matters that were addressed at the meetings.

I received no remuneration for these prior dealings with the Company.

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

- The Courts and the Australian Restructuring Insolvency & Turnaround Association's Code of Professional Practice specifically recognise the need for practitioners to provide advice on the insolvency process and the options available and do not consider that such advice results in a conflict or is an impediment to accepting the appointment;
- The nature of the advice provided to the Company is such that it would not be subject to review and challenge during the course of the administration; and
- The pre-appointment advice will not influence my ability to be able to fully comply with the statutory and fiduciary obligations associated with the Administration of the Company in an objective and impartial manner.

I have provided no other information or advice to the Company, its Directors or advisors prior to my appointment beyond that outlined in this DIRRI.

ii. Relevant Relationships (excluding Professional Services to the Insolvent)

Neither I, nor my firm, have, or have had within the preceding 24 months, any relationships with the Company, an associate of the Company, a former insolvency practitioner appointed to the Company or any person or entity that has a security over the whole or substantially whole of the Company's property.

iii. Prior Professional services to the Insolvent

Neither I, nor my firm, have provided any professional services to the company in the previous 24 months.

iv. No other relevant relationships to disclose

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

C. Indemnities and up-front payments

I have not been indemnified in relation to this Administration, other than any indemnities that I may be entitled to under statute.

Dated 1 October 2015



Kim Wallman – Administrator of
Australian Mining Construction Operations Pty Ltd (Administrator Appointed)
ACN: 118 908 311

Note:

1. If circumstances change, or new information is identified, I am required under the *Corporations Act 2001* and the ARITA Code of Professional Practice to update this Declaration and provide a copy to creditors with my/our next communication as well as table a copy of any replacement declaration at the next meeting of the insolvent's creditors.
2. Any relationships, indemnities or up-front payments disclosed in the DIRRI must not be such that the Practitioner is no longer independent. The purpose of components B and C of the DIRRI is to disclose relationships that, while they do not result in the Practitioner having a conflict of interest or duty, ensure that creditors are aware of those relationships and understand why the Practitioner nevertheless remains independent.

STATEMENT REGARDING REMUNERATION

Australian Mining Construction Operations Pty Ltd (Administrator Appointed)
ACN: 118 908 311
Generally known as "AMCO"
("the Company")

A. REMUNERATION METHODS

There are four methods that can be used to calculate remuneration charged by an insolvency practitioner.

These are:

Time based/hourly rates

This is the most common method used. The total fees charged is based on the hourly rate charged by each person who carries out the work, multiplied by the number of hours spent by each person on each work task performed.

Fixed fee

The total fee charged is normally quoted at the start of the appointment and is the total cost for the administration. Sometimes an insolvency practitioner will finalise an administration for a fixed fee.

Percentage

The total fee charged is based on a particular variable such as the total gross proceed from asset realisations.

Contingency

The insolvency practitioner's fee is contingent on achieving a particular outcome/s.

B. METHOD CHOSEN

Time based remuneration is appropriate for this administration because:

- It ensures creditors are only charged for work performed in the conduct of the administration;
- I am required to perform tasks unrelated to asset realisations; therefore fees solely based on asset realisations would be impractical;
- I am unable to provide a reliable estimate of the total remuneration required to complete all tasks in the administration.

C. FEE ESTIMATE

As noted above, at this stage it is estimated fees will total \$20,000 (excluding GST and excluding expenses) to the first meeting of creditors. The total costs of the Administration will vary depending on the work required to be performed by the Administrator and staff in respect of issues arising from the Administration.

Dated 1 October 2015



Kim Wallman – Administrator of
Australian Mining Construction Operations Pty Ltd (Administrator Appointed)
ACN: 118 908 311

HLB Mann Judd (Insolvency WA)

Schedule of charge out rates for the 2015/16 financial year

Classification	Details of classification	Charge out rate / hour (excl of GST)
Appointee	30+ years' experience, registered liquidator and registered trustee. Significant experience on a range of administrations and a very deep understanding of insolvency legislation and issues.	\$484
Senior consultant	Generally, 20+ years' experience. University degree, member of the ICAA and ARITA, deep understanding of insolvency legislation and issues.	\$479- \$442
Consultant	Brings specific, high-level experience to insolvency or other appointments.	\$359
Senior Manager	Generally, 10+ years' experience with at least 2 years' as manager, very strong understanding of insolvency legislation and issues.	\$338
Manager	Generally, 5+ years' experience. University degree, member of the ICAA or completing the ICAA's CA program, member of ARITA or completing the ARITA IEP program, or has relevant experience. Strong understanding of insolvency legislation and issues.	\$291
Supervisor	Generally, 4-5 years' experience. University degree, member of the ICAA or completing the ICAA's CA program, member of ARITA or completing the ARITA IEP program, or has relevant experience. Strong understanding of insolvency legislation and issues.	\$259
Senior	Generally, 2-4 years' experience. University degree, member of the ICAA or completing the ICAA's CA program. Sound knowledge of relevant insolvency legislation and issues.	\$228
Intermediate	Generally, 1-3 years' experience, has completed or substantially completed a university degree or has relevant experience, takes direction from senior staff in completing administrative tasks.	\$176
Secretary	Appropriate skills for tasks required.	\$159 - \$176
Office Assistant	Appropriate skills for tasks required.	\$100 - \$133



ASIC

Australian Securities & Investments Commission

Insolvency information for directors, employees, creditors and shareholders

ASIC has 11 insolvency information sheets to assist you if you're affected by a company's insolvency and have little or no knowledge of what's involved.

These plain language information sheets give directors, employees, creditors and shareholders a basic understanding of the three most common company insolvency procedures—liquidation, voluntary administration and receivership. There is an information sheet on the independence of external administrators and one that explains the process for approving the fees of external administrators. A glossary of commonly used insolvency terms is also provided.

The Insolvency Practitioners Association (IPA), the leading professional organisation in Australia for insolvency practitioners, endorses these publications and encourages its members to make their availability known to affected people.

List of information sheets

- INFO 41 *Insolvency: a glossary of terms*
- INFO 74 *Voluntary administration: a guide for creditors*
- INFO 75 *Voluntary administration: a guide for employees*
- 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 43 *Insolvency: a guide for shareholders*
- INFO 42 *Insolvency: a guide for directors*
- INFO 84 *Independence of external administrators: a guide for creditors*
- INFO 85 *Approving fees: a guide for creditors*

Getting copies of the information sheets

To get copies of the information sheets, visit ASIC's website at www.asic.gov.au/insolvencyinfosheets. The information sheets are also available from the IPA website at www.ipaa.com.au. The IPA website also contains the IPA's Code of Professional Practice for Insolvency Professionals, which applies to IPA members.

Important note: The information sheets contain a summary of basic information on the topic. It is not a substitute for legal advice. Some provisions of the law referred to may have important exceptions or qualifications. These documents may not contain all of the information about the law or the exceptions and qualifications that are relevant to your circumstances. You will need a qualified professional adviser to take into account your particular circumstances and to tell you how the law applies to you.

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

To the Administrator of Australian Mining Construction Operations Pty Ltd (Administrator Appointed)
 ACN 118 908 311

INSTRUCTIONS

1. Insert name of creditor here.
2. Insert creditor's ABN here or "N/A" if not applicable.
3. Insert debt amount here (inclusive of GST).
4. Insert GST component of claim here.
5. Show here details of goods and services were provided to the Company and remain unpaid for.
6. Do not complete unless you are a secured creditor.
7. Do not complete this section unless you act for an employee.
8. Do not complete this section unless you act for an employee.
9. Insert date here
10. Sign here

This is to state that the Company was on 30 September 2015 and still is, justly and truly indebted to:

Creditor / company name:

ABN:

(1)	(2)
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In the amount of:

GST in claim:

(3) \$	(4) \$
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TO ENSURE THE VALIDITY OF YOUR CLAIM, PLEASE ATTACH APPROPRIATE DOCUMENTATION TO SUBSTANTIATE YOUR CLAIM. PLEASE SEE OVERLEAF FOR FURTHER INFORMATION.

Particulars of the debt(s) are (5):

Date/s	Consideration (e.g. goods supplied / services rendered)	Amount	Remarks

(6) 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 as an attachment to this form).

(7) 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.

(8) 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.

DATED (9) this _____ day of _____ 2015

Signature: (10)

Phone:

Name:

Fax:

Occupation:

Email:

Postal address:

FOR OFFICE USE ONLY

Dividend Expectations:	<i>Priority only</i>	<i>Unsecured Creditors</i>	<i>Unascertained</i>	<i>No Class</i>
Priority: \$	Unsecured: \$	Total Admitted: \$		
Rejected: \$	Comments:			
Signed	Appointee:	File Manager:		

NOTES TO THE PROOF OF DEBT OR CLAIM FORM

1. Failure to provide an Australian Business Number or notice that one is not applicable will result in 48.5% of any dividend being withheld and remitted to the Australian Taxation Office.
2. To enable to adjudication of your claim, it is required that you submit together with your Proof of Debt or Claim form. It should be noted that failure to provide substantiating documentation may result in your claim being rejected.

Generally, a **statement of account and corresponding invoices** is requested. However, if it is impractical to submit correspondence invoices (e.g. if the sheer quantum of invoices makes postage impractical) a statement of account is requested as a minimum in the first instance.

Should a statement of account or invoices not be available, other documentation may be provided such as a purchase order or other substantiating voucher. The Administrator / Liquidator may contact you to then discuss your documentation and anything else that may be available to assist in his / her adjudication process.

DIRECTIONS FOR ANNEXURE

1. Where the space provided for a particular purpose is insufficient to contain all the required information in relation to a particular item, that information shall be set out in an annexure.
2. An annexure to form shall have an identifying mark and be endorsed with the words:-

This is the annexure of pages marked referred to in the (insert description of form)

signed by me and dated

.....
Signature(s) Name of Signatory IN BLOCK LETTERS

3. The pages in the annexure shall be numbered consecutively.
4. Where a document, copy of a document or other matter is annexed to a form, reference made in the form to the annexure shall be by its identifying mark, the number of pages in it, and a brief description of the nature of the document and its contents.

A reference to an annexure includes a document, copy of a document or any other matter accompanying, attached to or annexed to a form.

APPOINTMENT OF PROXY

STEP 1

Appoint a proxy to vote on your behalf

You can appoint any person over the age of 18 (Option 1) **OR** the Chairperson (Option 2) to represent you either through a special or general proxy.

IMPORTANT PLEASE READ

You can specify on the proxy form how the proxy is to vote on a particular resolution, which the proxy must comply with. This is called a *'special proxy'*. Alternatively, you can allow the proxy to exercise his/her discretion as to how to vote on each of the resolutions put before the meeting. This is called a *'general proxy'*.

The Administrator (or his or her nominee) must not use a general proxy to vote in favour of a resolution approving payment of the Administrator's / Liquidator's remuneration.

**I / We
(Full name
of creditor)**

of
(Address)

being a creditor of Australian Mining Construction Operations Pty Ltd (Administrator Appointed), entitled to attend and vote at the Meeting of Creditors to be held on Friday, 9 October 2015 at 10.00am, hereby appoint:

OPTION 1

Appointee
(Full name and address)

as my / our / general / special proxy.

OPTION 2

OR

the Chairperson of the Meeting of Creditors as my / our general / special proxy.

STEP 2

Sign *This section must be completed*

Name of
authorised
representative:

Date ____ / ____ / _____ Phone: _____ Email: _____

PLEASE RETURN THIS PROXY, duly completed, to Samantha Morgan via email to smorgan@hlbinsol.com.au or via facsimile to 08 9321 0429, or via post to PO Box 622 West Perth WA 6872. Please note that proxy forms received after 5.00 pm on the day before the meeting may not be accepted.

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 2015

Signature of Witness:

Address: