
Australian Abrasive Minerals Pty Ltd (Subject to Deed of Company Arrangement)

ACN 118 292 756 ('AAM')

Australian Industrial Minerals Limited (In Liquidation) (Receivers and Managers Appointed)

ACN 623 197 142 ('AIM')

(together 'the Companies')

Sixth stakeholder update | 6 March 2020 – 25 March 2020

The purpose of this update is to ensure all stakeholders of the Companies are kept informed on the progress of the administration of the Companies. This sixth update to stakeholders should be read in conjunction with the first, second, third, fourth and fifth updates provided to all known stakeholders of the Companies on 4 December 2019, 16 January 2020, 3 February 2020, 24 February 2020 and 6 March 2020.

This update provides details of the AAM deed of company arrangement ('DOCA') and the AIM liquidation.

Australian Industrial Minerals Limited (In Liquidation) (Receivers and Managers Appointed)

At the second meeting of creditors of AIM, held on 4 March 2020, creditors voted in favour of placing AIM into liquidation. Accordingly, we are now working on meeting the statutory requirements of the liquidation including the preparation of a report to creditors, due within three months of our appointment. Unless material changes occur over this period, this report will mostly refer to matters contained in the Report by Administrators released on 26 February 2020.

In addition to the preparation of the report, we will now progress with the payment of a dividend to priority (employee) creditors of AIM including liaising with the Fair Entitlements Guarantee Recovery Program ('FEG') for any shortfall.

As noted in the fifth update to stakeholders, on 3 March 2020 Todd Gammel and Barry Taylor of HLB Mann Judd ('Receivers') were appointed as Receivers and Managers to certain assets of AIM by the secured creditor, Remagen Capital ('Remagen'). We are liaising with the Receivers in order to further investigate and pursue the potential claims available to AIM that were raised in the Report by Administrators. In this regard we are still waiting on confirmation from the Receivers as to which claims they intend on reviewing and take carriage of going forward.

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At the second meeting of creditors, held on 4 March 2020, creditors voted in favour of the DOCA proposed by Remagen. As such, the Administrators and Remagen had 15 business days to execute the DOCA and should that time have lapsed, AAM would have been placed into liquidation.

On 24 March 2020 AAM and Remagen executed the DOCA. Upon execution of the DOCA, operational control of AAM passed to Remagen, including the operations at the Harts Range Mine and the Mineral Separation Plant. If you currently have a trading account open with AAM for the administration period, this should be closed, and a new account should be opened after consultation with Remagen. All ongoing trading and general enquiries should be directed to the below contact:

Name: Carlo Lucci

Phone: (02) 8011 1547

Email: carlo.lucci@remagen.com.au

The Deed Administrators will now commence a dividend process to distribute the deed fund pursuant to Section 556 of the Corporations Act. The estimated dividend to priority (employee) creditors under the DOCA is 100c/\$. The estimated dividend to all other creditors, including unsecured creditors under the DOCA is nil.

Timing of the dividend to priority (employee) creditors of AAM is now dependent on the receipt of the deed contribution from Remagen. We will write to all employees in relation to the dividend process shortly.

Should you have any questions in relation to this update or the administrations, please contact Michael Barrington-Smith of this office on (02) 8257 3078 or by email at mbarringtonsmith@kordamentha.com.

