

Circular to Employees

5 April 2024

Dear Sir/Madam

Abra Mining Pty Limited (Administrators Appointed)
ACN 110 233 577 ('the Company')

INITIAL INFORMATION FOR EMPLOYEES

According to the Company's records, you may be an employee creditor of the Company.

The purpose of this document is to provide you with information about the voluntary administration of the Company and your rights as a creditor.

Notification of Appointment

Richard Tucker and Robert Hutson were appointed Administrators of the Company on 4 April 2024 by a resolution of the Company's directors pursuant to Section 436A of the Corporations Act ('the Act').

Ongoing trading

It is our intention to continue to operate the Company on a business-as-usual basis. You will continue to remain employed by the Company to perform your customary duties and responsibilities in accordance with the terms and conditions of your employment contract, as well as other duties and responsibilities which you may be required to perform by either myself or my fellow Administrator (or our representatives) from time to time.

Accordingly, salary and wage payments will continue to be made in the ordinary course of business. At this stage, the Administrators are not imposing any restrictions on employees using their leave balances. Leave will continue to be granted in the ordinary course (subject to normal approvals).

However, please note we are not personally liable in relation to your employment prior to our appointment as Administrators.

We expressly advise that we have not adopted your contract of employment with the Company in existence as at the date of appointment unless we have formally notified you in writing that we have adopted the contract or a specific liability. Actions in the ordinary course of business, such as payment of wages or salary, promotions, performance reviews, wage or salary reviews are not an adoption of a contract or liability.

We are currently assessing the financial position of the Company and are reviewing various options to ensure the long-term viability of the business.

As a consequence of the appointment, as Administrators, we will take full responsibility for the management operations of the Company and the control of its assets.

Without the express authority of the Administrators (or our representatives), you must not, nor must you permit anyone else to:

1. Place any orders for goods or services
2. Accept delivery of any goods or services, unless they are the subject of a duly authorised order
3. Supply any services to customers or dispatch any goods to customers
4. Enter into any commitments with suppliers or customers
5. Make any compromise or arrangement with any debtor or creditor of the Company, including the allowance of any set-offs
6. Incur any debts or liabilities in the name of the Company or pledge its assets
7. Return any goods to suppliers
8. Make any payments
9. Remove any assets from the Company's custody or control.

Every invoice, order for goods, business letter, or other external document must have the words '(Administrators Appointed)' immediately following the name of the Company.

All assets of the Company must be secured against theft.

All known breaches of the law or regulations (e.g. health, safety, hygiene, fire, etc.) are to be notified to us in writing immediately.

If there are any assets that you claim are owned by you, such as tools, vehicles etc, please notify us prior to removing them from the Company's premises or to arrange collection.

Prior involvement/independence

Our Declaration of Independence, Relevant Relationships and Indemnities ('DIRRI') is enclosed. The DIRRI assists you to understand the status of our independence and who appointed us as Administrators.

Explanation of a voluntary administration

A voluntary administration is a process initiated by the directors of a company when they believe that the company is, or is likely to become, insolvent. This means that the company is unable to pay its debts or is likely to become unable to pay its debts.

A voluntary administration gives a company an opportunity to consider its financial position and its future. Creditors will be given an opportunity to attend meetings and vote on the future of the company.

As Administrators, we act for all creditors. We will now attend to our responsibilities, including:

- Trading the business
- Controlling the assets of the Company
- Running a sale/recapitalisation process of the Company
- Preparing for and holding meetings of creditors

- Investigating the affairs of the Company
- Analysing any offer for a deed of company arrangement that is received
- Reporting and providing opinions about the Company to creditors
- Holding meetings of creditors to make decisions on the future of the Company

What are your rights as a creditor?

Information regarding your rights as a creditor is provided in the information sheet enclosed, being 'Creditors Rights in Voluntary Administration' issued by the Australian Restructuring Insolvency and Turnaround Association ('ARITA'). This includes your right to:

- Make reasonable requests for information
- Give directions to us
- Appoint a reviewing liquidator
- Replace us as voluntary administrator.

What happens to your debt?

All creditors of the Company, including employees, are now creditors in the voluntary administration. Employee claims typically represent any accrued leave balances as at the date of appointment.

It is important to note that a voluntary administration creates restrictions on creditors being able to enforce their rights. You generally cannot enforce your claim, recover your property, enforce your security, commence an action to place the Company into liquidation or act on a personal guarantee.

Unpaid entitlements

The Administrators are currently reviewing the books and records of the Company to determine an estimate of the amount of employee entitlements that are owing to you as at the date of our appointment.

Employees of the Company, other than directors or their related persons, have a statutory priority of payment in respect of outstanding entitlements such as wages, superannuation, annual leave, long service leave, payment in lieu of notice and redundancy. In any event you may be entitled to lodge a claim with the Commonwealth Government Fair Entitlement Guarantee Scheme ('FEG') if the Company is placed in liquidation.

Fair Entitlement Guarantee

If the Company is placed into liquidation at the second meeting of creditors and there are insufficient assets to satisfy outstanding employee entitlements, you may be entitled to a payment under FEG.

FEG is a legislative safety net scheme operated by the Commonwealth Government for employees of insolvent entities that have been placed in liquidation. Under the scheme, you may be able to claim for amounts owing for wages, annual leave, long service leave, payment in lieu of notice and redundancy. Please note that FEG does not cover unpaid employer superannuation contributions and has certain eligibility criteria.

FEG assesses your claim in conjunction with information provided to them by us. Subject to the approval of your claim, FEG will then transfer to you the amount, net of tax, to which you are entitled. General information can be found at [Fair Entitlements Guarantee \(FEG\)](https://www.dewr.gov.au/fair-entitlements-guarantee) at <https://www.dewr.gov.au/fair-entitlements-guarantee>.

The liquidator(s) will advise you in due course if it is appropriate for you to make a claim under the scheme. A claim under the FEG scheme must be made within 12 months of the termination of your employment or the date of the insolvency event (whichever is the latter).

Do you have to do anything?

You should now:

- read this information
- decide whether you are going to attend the first meeting virtually or appoint a proxy to attend on your behalf, and
- complete and return your **Proxy Form** if you are going to appoint someone else to attend on your behalf by 10:00 am AWST on the last business day prior to the meeting, being 15 April 2024.
- register for the first meeting of creditors via the Zoom registration link (https://us02web.zoom.us/webinar/register/WN_CaVELNIIRaKLfjYFtsl1EA)
- complete and return your Proof of Debt Form if you wish. However, we note it will be difficult for employees to determine the amount owing to them at this point in time. Please note the Administrators will be attempting to calculate employee entitlements prior to the first meeting of creditors. We will admit employees for the purpose of voting for the amount owing to you in accordance with the Company's books and records without the need for employees to return a Proof of Debt Form. A further assessment of your entitlements will be made during the administration of the Company, which will be sent to you.

If you do not think you are a creditor, please let us know.

Meeting of creditors

The first meeting of creditors pursuant to Section 436E of the Act will be held virtually on 16 April 2024 at 10:00 am AWST. A Notice of First Meeting of Creditors of Company under Administration is attached. The purpose of this meeting is to determine:

- a. whether to appoint a Committee of Inspection
- b. if so, who are to be the Committee's members.

At this meeting, creditors may also resolve to remove us as Administrators and appoint someone else.

Virtual meeting facilities have been organised for this meeting. Creditors may either listen to the meeting or view and listen to the meeting. Either way, creditors will be able to ask questions and vote on resolutions.

All creditors who wish to attend and vote at the first meeting of creditors must have registered via Zoom link (https://us02web.zoom.us/webinar/register/WN_CaVELNIIRaKLfjYFtsl1EA) and submitted a Proof of Debt Form and Proxy Form (if applicable) by 10:00 am AWST on the last business day prior to the meeting, being 15 April 2024. Send the forms by email to abra-mining@kordamentha.com, or send by mail to KordaMentha at PO Box 3185, East Perth WA 6892. Due to possible delays in the delivery of mail, we recommend email.

The registration link will be circulated shortly. The meeting invitation will only be issued once all required forms have been submitted. The unique meeting invitation link will either be issued to the creditor, or where a creditor has indicated that a proxy is attending on their behalf, to the proxy holder.

Note your name is likely to be visible to other attendees. This information is also required to be included on the attendance register and attached to the minutes, which are lodged with ASIC and are publicly available for a small fee.

Proxies and proofs of debt

To participate in the meeting, you will need to:

- Submit a proof of debt and information to substantiate your claim
- Appoint a person – a ‘proxy’ or person authorised under a power of attorney – to vote on your behalf at the meeting. This will be necessary if you are unable to attend the meeting in person or virtually, or if the creditor is a company.

An appointment of Proxy Form (‘Proxy Form’) and a Proof of Debt or Claim Form (‘Proof of Debt Form’) has been sent via post to all known creditors. If you have not received these documents, you may use the enclosed Proxy Form and Proof of Debt Form. Employees wishing to vote at the meeting, who will not be attending in person, must complete and return the Proxy Form.

You can appoint the chairperson of the meeting or another person as your proxy and direct the chairperson or that person how you wish your vote to be cast. If you choose to do this, the chairperson or that person must cast your vote as directed.

Employees should note that Proof of Debt Forms lodged for this meeting are for voting purposes only but may be used for voting on resolutions by proposals without a meeting and distribution purposes, including in a subsequent external administration of the Company. We will provide you with details of your claim, if required, to enable you to complete the Proof of Debt Form prior to this deadline.

Proxy Forms and Proof of Debt Forms must be received no later than 10:00 am AWST on the last business day prior to the meeting, being 15 April 2024, failing which creditors or their proxies may be excluded from voting at the meeting. They may be mailed to PO Box 3185, East Perth WA 6892, or scanned and emailed abra-mining@kordamentha.com.

General information regarding the conduct of meetings of creditors and the completion of proxy forms and proof of debt forms can be found on our website www.kordamentha.com in the [Creditors section](#).

Section 110D of the Act permits electronic notification to creditors of notices and documents. If you do not have access to the internet, you can request that a copy of the report be mailed to you.

Second meeting of creditors

We will hold a second meeting of creditors in due course. The purpose of that meeting is for creditors to consider our report and vote on the future of the Company. Before that meeting, you will be sent the notice of meeting and a detailed report which includes the options for the Company’s future. We will also give our opinion as to what option we think is in the best interests of creditors.

Committee of Inspection

At this meeting, creditors will consider whether a Committee of Inspection should be appointed. The role of a Committee of Inspection is to consult with the Administrators and receive reports on the conduct of the administration. A Committee of Inspection can also approve the Administrators’ fees.

It is our opinion that a Committee of Inspection would be useful to assist with the conduct of the administration. An information sheet on the role of a Committee of Inspection is enclosed. You should consider whether you would like to act as a member of the Committee of Inspection.

Administrators' remuneration and disbursements

Enclosed is our Initial Remuneration Notice. This document provides you with information about how we will be remunerated for undertaking the administration and how disbursements may be calculated and incurred. Our remuneration is paid from the Company's funds, including realisations from assets or from money paid to us by others, such as the Company's directors. If there is not enough money in the administration, we may not get paid for all the time we spend on the administration. If there is no money in the administration, we will not get paid at all. However, we will still attend to our statutory duties.

Approval of our remuneration for the work that we do in completing the administration and internal disbursements may be sought from the creditors or, in respect of remuneration only, a Committee of Inspection, if one is appointed. If we do seek approval, detailed information will be provided before requesting approval so that the approving parties can understand what tasks we have undertaken and the costs of those tasks. It will also explain what the internal disbursements were for and how they were calculated. Approval may be sought at a meeting of creditors or by resolution by proposal without a meeting (i.e. all the information is sent to you and you send back your response).

Further information available to creditors

ARITA provides information to assist creditors with understanding voluntary administrations and insolvency. This information is available from ARITA's website at www.arita.com.au/creditors.

ASIC also provides information sheets on a range of insolvency topics. These information sheets can be accessed on ASIC's website at www.asic.gov.au/insolvencyinfosheets.

The privacy of your information

We may collect personal information in relation to your employment with the Company either from you, the Company or otherwise in connection to your employment. KordaMentha takes all reasonable steps to protect the personal information we hold about you from misuse and loss and from unauthorised access, modification or disclosure. From time to time, we may need to disclose personal information regarding you to a third party, such as a regulatory body. Except for certain disclosures required by the Act, such disclosures will be made on a confidential basis and, where possible, will require the third party to comply with appropriate privacy obligations.

If you would like to access or change the personal information KordaMentha holds about you, you can contact the contact person detailed in this letter at KordaMentha and request the relevant change or access. To action any change or access request, we will need to verify your identity and comply with our other procedures which are in place to prevent unauthorised access to personal information. If you have a complaint in relation to the privacy of your information, please contact privacy@kordamentha.com. Our privacy policy can be found on the KordaMentha website at www.kordamentha.com/governance/privacy-policy.

Other information

If you have any queries in relation to the above, please contact us at abra-mining@kordamentha.com.

Yours faithfully

A handwritten signature in black ink, appearing to be 'Richard Tucker', with a stylized, flowing script.

Richard Tucker
Administrator

Enc.

Corporations Act 2001

Notice of first meeting of creditors of company under administration

Abra Mining Pty Limited (Administrators Appointed) ACN 110 233 577 ('the Company')

Notice is given that Richard Tucker and Robert Hutson of KordaMentha, Level 44, 108 St Georges Terrace, Perth WA 6000, were appointed Administrators of the Company on 4 April 2024 pursuant to Section 436A of the Corporations Act ('the Act').

Notice is also given that the first meeting of creditors of the Company will be held pursuant to Section 436E of the Act at 10:00 (AWST) on 16 April 2024. This will be a virtual meeting only – no in-person attendance will be allowed. In the minutes, the notional physical location of the virtual meeting will be recorded as Level 44, 108 St Georges Terrace, Perth WA 6000. You must register via the Zoom link provided no later than 10:00 am AWST on the last business day prior to the meeting, being 15 April 2024. The link to register is https://us02web.zoom.us/webinar/register/WN_CaVELNIIIRaKLfjYFtsl1EA.

Agenda

1. The purpose of the meeting is to determine:
 - a. Whether to appoint a Committee of Inspection.
 - b. If so, who are to be the Committee's members.
2. At the meeting, creditors may also, by resolution:
 - a. Remove the Administrators from office.
 - b. Appoint someone else as Administrator(s) of the Company.

Creditors who are a company and wish to vote at a meeting must complete and return a Proxy Form. Creditors who are individuals, such as employees or sole traders, and wish to vote at a meeting only need to complete and return a Proxy Form if they are voting by proxy or having a person represent them at the meeting.

Proxy Forms must be completed and returned by no later than 10:00 am AWST on the last business day prior to the meeting, being 15 April 2024. Send the forms by email to abra-mining@kordamentha.com, or send by mail to KordaMentha at PO Box 3185, East Perth WA 6892. Due to possible delays in the delivery of mail, we recommend email. A Proxy Form is enclosed.

Virtual meeting facilities have been organised for this meeting. Creditors may either listen to the meeting or view and listen to the meeting. Either way, creditors will be able to ask questions and vote on resolutions.

All creditors who wish to attend and vote at the first meeting of creditors must have registered via Zoom link and submitted a Proof of Debt Form and Proxy Form (if applicable) by 10:00 am AWST on the last business day prior to the meeting, being 15 April 2024. Send the forms by email to abra-mining@kordamentha.com, or send by mail to KordaMentha at PO Box 3185, East Perth WA 6892. Due to possible delays in the delivery of mail, we recommend email.

The meeting invitation will only be issued once all required forms have been submitted. The unique meeting invitation link will either be issued to the creditor, or where a creditor has indicated that a proxy is attending on their behalf, to the proxy holder.

Note your name is likely to be visible to other attendees. This information is also required to be included on the attendance register and attached to the minutes, which are lodged with ASIC and are publicly available for a small fee. Section 75-85 of the Insolvency Practice Rules (Corporations) 2016 ('the Rules') sets out the entitlement to vote at meetings of creditors – see Appendix 1 for Section 75-85 of the Rules. To comply with this, a Proof of Debt Form must be lodged. Accordingly, one is enclosed.

Dated: 5 April 2024

A handwritten signature in black ink, appearing to be 'Richard Tucker', with a long horizontal flourish extending to the right.

Richard Tucker
Administrator

KordaMentha
PO Box 3185
East Perth WA 6892

Enc.

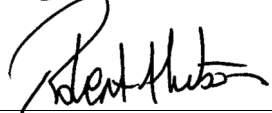
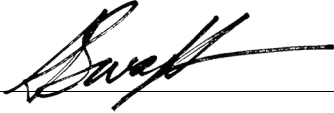
Appendix 1

Section 75-85 of the Insolvency Practice Rules (Corporations) 2016

- (1) A person other than a creditor (or the creditor's proxy or attorney) is not entitled to vote at a meeting of creditors.
- (2) Subject to subsections (3), (4) and (5), each creditor is entitled to vote and has one vote.
- (3) A person is not entitled to vote as a creditor at a meeting of creditors unless:
 - (a) his or her debt or claim has been admitted wholly or in part by the external administrator; or
 - (b) he or she has lodged, with the person presiding at the meeting, or with the person named in the notice convening the meeting as the person who may receive particulars of the debt or claim:
 - (i) those particulars; or
 - (ii) if required—a formal proof of the debt or claim.
- (4) A creditor must not vote in respect of:
 - (a) an unliquidated debt; or
 - (b) a contingent debt; or
 - (c) an unliquidated or a contingent claim; or
 - (d) a debt the value of which is not established;unless a just estimate of its value has been made.
- (5) A creditor must not vote in respect of a debt or a claim on or secured by a bill of exchange, a promissory note or any other negotiable instrument or security held by the creditor unless he or she is willing to do the following:
 - (a) treat the liability to him or her on the instrument or security of a person covered by subsection (6) as a security in his or her hands;
 - (b) estimate its value;
 - (c) for the purposes of voting (but not for the purposes of dividend), to deduct it from his or her debt or claim.
- (6) A person is covered by this subsection if:
 - (a) the person's liability is a debt or a claim on, or secured by, a bill of exchange, a promissory note or any other negotiable instrument or security held by the creditor; and
 - (b) the person is either liable to the company directly, or may be liable to the company on the default of another person with respect to the liability; and
 - (c) the person is not an insolvent under administration or a person against whom a winding up order is in force.

Abra Mining Pty Limited (Administrators Appointed)
ACN 110 233 577

Authorised representatives

Name	Signature	Limit amount
Richard Tucker		No limit
Robert Hutson		No limit
Aaron Swaffield		\$50,000
Brendan Barley		\$50,000

Appointment of Proxy

Abra Mining Pty Limited (Administrators Appointed)
ACN 110 233 577 ('the Company')

1. Insert full name and contact details (please print)

Creditor's name (individual or company)

Name of company contact or director(s)/company secretary

Email address

Telephone number

Address

2. Appointment of a proxy (please complete)

I/We, a creditor of the Company, appoint ☐ {name of proxy} or ☐ the Chairperson, or in his/her absence, ☐ {name of alternative} or ☐ the Chairperson, as my/our proxy, to vote at the meeting of creditors to be held on virtually on 16 April 2024 at 10:00 am AWST or at any adjournment of that meeting.

If your proxy is attending virtually, provide contact details for the meeting invite to be provided to the proxy and a method to contact the proxy in case of technology difficulties.

Email address

Telephone number

3. Voting by your proxy

Option 1: If appointed as a **general proxy**, as he/she determines on my/our behalf. ☐

and/or

Option 2: If appointed as a **special proxy** for some or all resolutions, specify your instructions below (please tick).

Resolution (please specify the particular resolution)	For	Against	Abstain	General Proxy to Vote
That a committee of inspection be appointed in the voluntary administration of the Company.	☐	☐	☐	☐
That in accordance with Section 80-55(3) of Schedule 2 of the Corporations Act, the members of the committee of inspection (or a related entity of those members) are permitted to continue dealing with the Company and its creditors on a business as usual basis during the period of the external administration.	☐	☐	☐	☐
Resolutions proposed at the meeting				☐

4. Signature section (in accordance with Sections 127 or 250D of the Corporations Act 2001)

Signature of individual or person authorised by corporate resolution to represent corporation

Print name:

The common seal was affixed hereto in the presence of:

Director

Director/Company Secretary

Dated

5. Certificate of witness

Please Note: This certificate is to be completed only where the person giving the proxy is blind or incapable of writing. The signature of the creditor is not to be attested 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 before he attached his signature or mark to the instrument.

Signature of witness: _____

6. Return of completed proxy forms

Completed proxy forms are to be received by no later than 10:00 am AWST on the last business day prior to the meeting, being 15 April 2024. They can be sent by email to abra-mining@kordamentha.com, or sent by mail to KordaMentha at PO Box 3185, East Perth WA 6892. Our privacy policy can be found on the KordaMentha website at www.kordamentha.com/governance/privacy-policy.

Form 535 – Formal proof of debt or claim (General form)**Abra Mining Pty Limited (Administrators Appointed)
ACN 110 233 577 ('the Company')**

To: The Administrators of Abra Mining Pty Limited (Administrators Appointed) ('the Company')

1. This is to state that the Company was on Thursday, 4 April 2024, and still is, justly and truly indebted:

To _____
(name of creditor)

Of _____
(address of creditor)

ABN _____

For \$ _____ GST Amount: \$ _____
(amount owed to creditor, include cents, GST inclusive)

Particulars of the debt are:

Date	Consideration	Amount (\$)	Remarks
(insert date when debt arose)	(state how the debt arose and attach supporting invoices and statements of account)	(GST inclusive amount)	(include details of voucher substantiating payment)

(If debt is held due to an assignment of debt, provide evidence of the transfer and the consideration paid for assignment of the debt.)

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
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3. This proof of debt may be used for the purposes of voting at any meeting, a proposal without a meeting or for distribution to creditors unless a further proof of debt is submitted by me.

Execution:

- ☐ 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. (select if applicable)
- ☐ 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. (select if applicable)
- ☐ I am a related creditor of the Company. (select if applicable)

Signature _____

Name _____ Date _____

Address _____

Email _____

Phone _____ Fax _____

Our privacy policy can be found on the KordaMentha website at www.kordamentha.com/governance/privacy-policy.

Corporations Act 2001

Declaration of independence, relevant relationships and indemnities

Abra Mining Pty Limited (Administrators Appointed) ACN 110 233 577 ('the Company')

The purpose of this document is to assist creditors with understanding any relevant relationships that we, the Administrators, have with parties who are closely connected to the Company and any indemnities or upfront payments that have been provided to us. None of the relationships disclosed in this document are such that our independence is affected.

This information is provided so you have trust and confidence in our independence and, if not, you can ask for further explanation or information and can act to remove and replace us if you wish.

This declaration is made in respect of us, Richard Tucker and Robert Hutson, our partners and the KordaMentha Group, including the entities disclosed on the Creditors page on the KordaMentha website: [DIRRI - listing of associated KordaMentha entities](#).

We are Professional Members of the Australian Restructuring Insolvency and Turnaround Association ('ARITA'). We acknowledge that we are bound by the ARITA Code of Professional Practice.

Independence

We have assessed our independence and are not aware of any reasons that would prevent us from accepting this appointment.

There are no other known relevant relationships, including personal, business and professional relationships that should be disclosed beyond those we have disclosed in this document.

Circumstances of appointment

How we were referred this appointment

This appointment was referred to us by the Board of the Company. Richard Tucker is known to two directors of the Board, Mr Byass and Mr Barnes professionally.

We believe that this referral does not result in a conflict of interest or duty because:

- The Directors have not previously referred any insolvency type matters to us or our firm.
- We have not identified any issues in relation to this relationship that would give rise to a conflict in undertaking the external administration of the Company. This relationship has not impeded our independence.

Did we meet with the Company, the directors or their advisers before we were appointed?

☒ Yes ☐ No

We had the following meetings with the Company, its directors, and advisors during the period from 18 March to 4 April 2024 prior to our appointment:

Date	KordaMentha attendees	Company representatives and others in attendance	Purpose of meeting
21 March 2024	Richard Tucker Aaron Swaffield	Board of directors Shareholder advisors Cameron Belyea of Clayton Utz Solicitors Andrew Birch of Vantage Performance	Board meeting to discuss current status of operations, cash flow outlook and recapitalisation efforts.

Date	KordaMentha attendees	Company representatives and others in attendance	Purpose of meeting
25 March 2024	Aaron Swaffield	Board of directors Cameron Belyea of Clayton Utz Solicitors Representatives from Taurus Funds Management Representatives from Byrnecut	Stakeholder meeting to discuss operational performance and efforts to recapitalise the business.
28 March 2024	Richard Tucker Aaron Swaffield	Board of directors Shareholder advisors Cameron Belyea of Clayton Utz Solicitors Andrew Birch of Vantage Performance	Board meeting to discuss the current status of operations, cash flow outlook and recapitalisation efforts. Discussion on immediate funding needs of the Company. Discussion of solvent recapitalisation options.
28 March 2024	Richard Tucker Aaron Swaffield	Board of Directors Cameron Belyea of Clayton Utz Solicitors Representatives from Taurus Funds Management Representatives from Byrnecut	Stakeholder meeting to discuss operational performance and efforts to recapitalise the business. Immediate funding requirements discussed and what would be required from all stakeholders to allow the Company to continue operating with a view to executing a holistic recapitalisation plan.
4 April 2024	Richard Tucker Aaron Swaffield	Board of Directors Shareholder advisers Cameron Belyea, Clayton Utz Solicitors	Board meeting to discuss current financial position, options available to the Company. Resolutions put to appoint Richard Tucker and Robert Hutson as voluntary administrators of the Company.

These meetings were for the purposes of:

- To obtain information to advise on the solvency of the Company and its ongoing efforts to recapitalise its operations.
- To clarify and explain for the Company and directors the various options available to the Company and the nature and consequences of an insolvency appointment.
- To provide consents to act.

There were a number of other interactions with the Company, its advisors, as well as key stakeholders including Taurus Funds Management and Byrnecut, the Company's contract miner, by way of email or phone. These were not substantive and mainly related to understanding the relative positions of each party and whether agreement could be reached to provide ongoing financial support to the Company.

We received \$27,500 (inclusive of GST) in relation to this advice.

We believe that these meetings do not affect our independence for the following reasons:

- The Courts and the ARITA 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 voluntary administrations and any subsequent liquidation.
- The pre-appointment advice will not influence our ability to be able to fully comply with statutory and fiduciary obligations associated with the voluntary administrations of the Company in an objective and impartial manner.

We have not provided any other information or advice to the Company, its directors or its advisors prior to our appointment beyond that outlined in this declaration.

Declaration of relationships

Within the previous two years, we have considered whether we have, or our firm has had a relationship with the following entities:

Entity	Nature of relationship
The Company	☒ Yes ☐ No Prior to our appointment, we were engaged by the Company to assist the Company to undertake an assessment of: • The financial situation of the Company. • The solvency of the Company. • Consequences of insolvency. • Alternative courses of action. The engagement occurred over a period from 18 March 2024 to 4 April 2024. The fee in relation to the this engagement was \$27,500 (inclusive of GST) and was paid by the Company. Reasons why not an impediment or conflict In our opinion, this relationship does not result in a conflict of interest or duty as the work undertaken during the engagement has assisted us in developing an understanding of the Company and activities. Much of the investigatory work done during the engagement is work that would have been done by us in order to be able to report to creditors. The nature of the report provided to the Company is such that it would not be subject to review and challenge during the course of the voluntary administrations and any subsequent. The engagement will not influence our ability to fully comply with the statutory and fiduciary obligations associated with the voluntary administrations and any subsequent liquidation of the Company in an objective and impartial manner.
The directors of the Company	☐ Yes ☒ No
Any associates of the Company	☐ Yes ☒ No
A former insolvency practitioner appointed to the Company	☐ Yes ☒ No
A secured creditor entitled to enforce a security over the whole or substantially the whole of the Company's property	☒ Yes ☐ No Taurus Funds Management has provided funding to the Company. We have made no determination at this time whether the secured creditor is entitled to enforce a security interest in the whole of or substantially the whole of the Company's property. Nature of the relationship KordaMentha has had a relationship with the above secured creditor, due to the nature of KordaMentha's business. This includes business advisory, consulting services and the appointment of KordaMentha's registered liquidators to companies as a formal insolvency appointment (in some cases by the secured creditor), where the secured creditor has provided banking facilities, loan facilities and/or leasing facilities to insolvent companies. Reasons why not an impediment or conflict In our opinion, this relationship does not result in a conflict of interest or duty as KordaMentha has never undertaken any work for the above secured creditor in respect of the Company.

We have also considered whether there are any other relationships that are relevant to creditors in assessing our independence and have not identified any other relationships to disclose.

Indemnities and upfront payments

Indemnities

We have not been indemnified in relation to the voluntary administration, other than any indemnities that we may be entitled to under statute.

Upfront payments

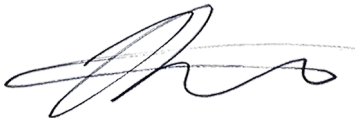
We have not been provided with any upfront payments in relation to the voluntary administration.

General

The assessment of independence has been made based on an evaluation of the significance of any threats to independence and in accordance with the requirements of the relevant legislation and professional standards.

As required under the Corporations Act 2001 and the ARITA Code of Professional Practice, if circumstances change, or new information is identified, we will update this declaration and provide a copy to creditors with our next communication as well as table a copy of any replacement declaration at the next meeting of the Company's creditors. This declaration, along with any replacement declaration, will be lodged with the Australian Securities and Investments Commission as soon as practical.

Dated: 5 April 2024



Richard Tucker
Voluntary Administrator



Robert Hutson
Voluntary Administrator

KordaMentha
Level 44, 108 St. Georges Terrace
Perth WA 6000

Corporations Act 2001

Initial remuneration notice

Abra Mining Pty Limited (Administrators Appointed) ACN 110 233 577 ('the Company')

The purpose of the Initial Remuneration Notice is to provide you with information about how our remuneration for undertaking the voluntary administration will be set and how disbursements may be calculated and incurred.

Remuneration methods

There are four basic methods that may be used to calculate the remuneration of an external administrator. They are:

1. Time based or hourly rates – This is the most common method. The total fee charged is based on the hourly rate charged for each staff member based on their level of experience and multiplied by the number of hours spent by each staff member on each of the tasks performed.
2. Fixed fee – The total fee charged is normally agreed to, and quoted, at the commencement of the administration and is based on the anticipated work through the term of the administration. At times, an insolvency practitioner will finalise an administration for a fixed fee.
3. Percentage – The total fee is based on a percentage rate of a particular variable, such as the gross proceeds of all assets recovered in an administration.
4. Contingency – the fee is structured to be contingent on a particular outcome being achieved.

Remuneration method chosen

Given the nature of this administration, remuneration will be calculated on the basis of an hourly rate charged for each person who carried out the work at the direction of the voluntary administrators multiplied by the number of hours spent by each person on each of the tasks performed as it fairly reflects the necessary work performed and overcomes the difficulty in identifying the scope of the work required, particularly on longer term engagements. It also ensures that creditors are only charged for work that is performed. This method is also chosen as there are a number of tasks that are required to be performed but do not relate to the realisation of assets, for example responding to creditor enquiries, reporting to the Australian Securities and Investments Commission and distributing funds to creditors.

Explanation of the KordaMentha rates

The current rates for our remuneration calculation are set out in the attached appendix together with a general guide showing the qualifications and experience of staff engaged in the administration and the role they take in the administration. These rates are multiplied by the time spent by the applicable staff member in completing tasks relating to the administration as recorded in our time reporting system. The basis of our time reporting system is one of six minute time increments. This allows us to produce a detailed analysis of time spent on each type of task by each individual staff member utilised in the administration. This method provides full accountability to creditors in the method of calculation.

The KordaMentha rates are subject to review and adjustment at 1 July each year to reflect changes in the cost base of the firm and changes in market conditions and rates for comparable insolvency firms. The hourly rates charged encompass the total cost of providing professional services and should not be compared to an hourly wage.

Estimate of total remuneration

Based on the limited information we have at this early stage of the administration, we estimate that this administration will cost approximately \$1.6 to \$1.85 million (excluding GST), funds permitting. The total cost of the administration will vary depending on the complexity and demands of the administration and the work

required to be performed by the voluntary administrators and our staff in respect of issues arising from the administration. Any delays in the administration could also cause the estimate to vary. These variables may have a significant effect on this estimate, however, we are unable to determine at this early stage of the administration what the effect may be.

We did not provide an estimate of the cost of the administration to any party prior to our appointment.

We have not received an upfront payment or indemnity in relation to the voluntary administration.

Please note that if the total remuneration claimed is less than the statutory minimum pursuant to Section 60-15 of Schedule 2 (Insolvency Practice Schedule) of the Corporations Act 2001 (Cth) ('the IPS'), being \$6,127 (exclusive of GST), creditor approval will not be required pursuant to Subsection 60-5(2) of the IPS.

Disbursements

Disbursements are divided into three types:

- Externally provided professional services – these are recovered at cost. An example of an externally provided professional service disbursement is legal fees.
- Externally provided non-professional costs – these are recovered at cost. Examples of externally provided professional service disbursements are travel, accommodation, search fees and lodgement fees.
- Internal disbursements – these are recovered on a reasonable commercial basis. These disbursements are generally charged at cost, though some may be charged at a rate which recoups both variable and fixed costs. Examples of internal disbursements include printing and postage costs, travel allowance and data room hosting.

We are not required to seek creditor approval for disbursements paid to third parties, but must account to creditors. However, we must be satisfied that these disbursements are appropriate, justified and reasonable.

We are required to obtain creditor's consent for the payment of internal disbursements. Creditors will be asked to approve our internal disbursements prior to these disbursements being paid from the administration.

Details of the basis of recovering disbursements are included with the enclosed schedule titled KordaMentha Rates – National – FY2024.

Dated: 5 April 2024



Richard Tucker
Administrator

Appendix A

[KordaMentha](#) National Rates

KordaMentha rates

National

Applicable from 3 July 2023

FY 2024

Classification	\$ per hour*
Principal Appointee/Partner/Executive Director	850
Director	795
Associate Director 1	750
Associate Director 2	695
Manager	650
Senior Executive Analyst	550
Executive Analyst	495
Senior Business Analyst	450
Business Analyst	395
Administration	200

**Exclusive of GST*

KordaMentha disbursement policy

Disbursements incurred from third party suppliers are charged at the cost invoiced except for ASIC charges when only an estimated amount is known or the future storage and destruction of books and records, which is charged at the actual rate at the time of the resolution. KordaMentha does not add any margin to disbursements incurred through third parties. There are no charges for internal KordaMentha disbursements, such as internal photocopy use, telephone calls or facsimiles, except for bulk printing and postage that is performed internally, which are calculated on a variable cost recovery basis.

In relation to any employee allowances, being kilometre allowance and reasonable travel allowance, the rate of the allowance set by KordaMentha is at or below the rate set by the Australian Taxation Office.

If a KordaMentha data room is utilised, the fee will be based on the duration and size of the data room. Certain services provided by Forensic Technology may require the processing of electronically stored information into specialist review platforms. Where these specific Forensic Technology resources are utilised, the fee will be based on units (e.g. number of laptops), size (e.g. per gigabyte) and/or period of time (e.g. period of hosting).

GST is applied to disbursements as required by law.

KordaMentha disbursement internal rates and allowances applicable from 3 July 2023

Description	Charge*
Envelopes	\$0.10 to \$0.62 per envelope (varies due to size)
Printing (internal print runs)	\$0.06 per page
ASIC charges for appointments and notifiable events	These amounts will be charged at the amount disclosed in the schedule at the time of the resolution was passed. The current estimated levy amount is: \$100.00 per appointee or notifiable event
Travel Reimbursement	\$0.60 per kilometre
Meal per diem, etc.	Up to \$92.70 per day per staff member (unless other arrangements made)
Storage and destruction of books and records of the entity and the external administration	Storage - \$3.24 per box per annum Cost of box establishment - \$7.16 per box Destruction - \$6.12 per box
RelativityOne fee	Data hosting \$20.00 per GB per month
	Repository workspace \$10.00 per GB per month
	Cold storage \$5.00 per GB per month
	Data processing \$10.00 per GB
	<i>Note: only one of Data hosting, Repository workspace, Cold storage or Data processing cost will be charged at any one time</i>
Data Room Plan and Fee	Refer to attached table

*Exclusive of GST, reviewed annually on 1 July. Postage is based on standard weight – amounts above that will be at cost.

Data Room Plan and Fee

250 MB Data Plan				1 GB Data Plan				2 GB Data Plan			
	Price per Month (excl GST)	Total Cost (excl GST)	Extra 50 MB, per Month		Price per Month (excl GST)	Total Cost (excl GST)	Extra 100 MB, per Month		Price per Month (excl GST)	Total Cost (excl GST)	Extra 200 MB, per Month
Monthly	\$499.00	\$499.00	\$179.00	Monthly	\$1,299.00	\$1,299.00	\$179.00	Monthly	\$1,799.00	\$1,799.00	\$179.00
3 months	\$424.00	\$1,272.00	\$152.00	3 months	\$1,104.00	\$3,312.00	\$152.00	3 months	\$1,529.00	\$4,587.00	\$152.00
6 months	\$374.00	\$2,244.00	\$134.00	6 months	\$974.00	\$5,844.00	\$134.00	6 months	\$1,349.00	\$8,094.00	\$134.00
12 months	\$299.00	\$3,588.00	\$107.00	12 months	\$779.00	\$9,348.00	\$107.00	12 months	\$1,079.00	\$12,948.00	\$107.00
4 GB Data Plan				5 GB Data Plan				6 GB Data Plan			
	Price per Month (excl GST)	Total Cost (excl GST)	Extra 400 MB, per Month		Price per Month (excl GST)	Total Cost (excl GST)	Extra 400 MB, per Month		Price per Month (excl GST)	Total Cost (excl GST)	Extra 400 MB, per Month
Monthly	\$2,499.00	\$2,499.00	\$179.00	Monthly	\$2,799.00	\$2,799.00	\$179.00	Monthly	\$3,099.00	\$3,099.00	\$179.00
3 months	\$2,124.00	\$6,372.00	\$152.00	3 months	\$2,379.00	\$7,137.00	\$152.00	3 months	\$2,634.00	\$7,902.00	\$152.00
6 months	\$1,874.00	\$11,244.00	\$134.00	6 months	\$2,099.00	\$12,594.00	\$134.00	6 months	\$2,324.00	\$13,944.00	\$134.00
12 months	\$1,499.00	\$17,988.00	\$107.00	12 months	\$1,679.00	\$20,148.00	\$107.00	12 months	\$1,859.00	\$22,308.00	\$107.00
7 GB Data Plan				8 GB Data Plan				9 GB Data Plan			
	Price per Month (excl GST)	Total Cost (excl GST)	Extra 400 MB, per Month		Price per Month (excl GST)	Total Cost (excl GST)	Extra 400 MB, per Month		Price per Month (excl GST)	Total Cost (excl GST)	Extra 400 MB, per Month
Monthly	\$3,349.00	\$3,349.00	\$179.00	Monthly	\$3,449.00	\$3,449.00	\$179.00	Monthly	\$3,549.00	\$3,549.00	\$179.00
3 months	\$2,847.00	\$8,541.00	\$152.00	3 months	\$2,932.00	\$8,796.00	\$152.00	3 months	\$3,017.00	\$9,051.00	\$152.00
6 months	\$2,512.00	\$15,072.00	\$134.00	6 months	\$2,587.00	\$15,522.00	\$134.00	6 months	\$2,662.00	\$15,972.00	\$134.00
12 months	\$2,009.00	\$24,108.00	\$107.00	12 months	\$2,069.00	\$24,828.00	\$107.00	12 months	\$2,129.00	\$25,548.00	\$107.00
10 GB Data Plan				11 GB Data Plan				12 GB Data Plan			
	Price per Month (excl GST)	Total Cost (excl GST)	Extra 400 MB, per Month		Price per Month (excl GST)	Total Cost (excl GST)	Extra 400 MB, per Month		Price per Month (excl GST)	Total Cost (excl GST)	Extra 400 MB, per Month
Monthly	\$3,899.00	\$3,899.00	\$179.00	Monthly	\$4,299.00	\$4,299.00	\$179.00	Monthly	\$4,699.00	\$4,699.00	\$179.00
3 months	\$3,314.00	\$9,942.00	\$152.00	3 months	\$3,654.00	\$10,962.00	\$152.00	3 months	\$3,994.00	\$11,982.00	\$152.00
6 months	\$2,924.00	\$17,544.00	\$134.00	6 months	\$3,224.00	\$19,344.00	\$134.00	6 months	\$3,524.00	\$21,144.00	\$134.00
12 months	\$2,339.00	\$28,068.00	\$107.00	12 months	\$2,579.00	\$30,948.00	\$107.00	12 months	\$2,819.00	\$33,828.00	\$107.00
13 GB Data Plan				14 GB Data Plan				15 GB Data Plan			
	Price per Month (excl GST)	Total Cost (excl GST)	Extra 400 MB, per Month		Price per Month (excl GST)	Total Cost (excl GST)	Extra 400 MB, per Month		Price per Month (excl GST)	Total Cost (excl GST)	Extra 400 MB, per Month
Monthly	\$5,099.00	\$5,099.00	\$179.00	Monthly	\$5,499.00	\$5,499.00	\$179.00	Monthly	\$5,849.00	\$5,849.00	\$179.00
3 months	\$4,334.00	\$13,002.00	\$152.00	3 months	\$4,674.00	\$14,022.00	\$152.00	3 months	\$4,972.00	\$14,916.00	\$152.00
6 months	\$3,824.00	\$22,944.00	\$134.00	6 months	\$4,124.00	\$24,744.00	\$134.00	6 months	\$4,387.00	\$26,322.00	\$134.00
12 months	\$3,059.00	\$36,708.00	\$107.00	12 months	\$3,299.00	\$39,588.00	\$107.00	12 months	\$3,509.00	\$42,108.00	\$107.00

16 GB Data Plan				17 GB Data Plan				18 GB Data Plan			
	Price per Month (excl GST)	Total Cost (excl GST)	Extra 400 MB, per Month		Price per Month (excl GST)	Total Cost (excl GST)	Extra 400 MB, per Month		Price per Month (excl GST)	Total Cost (excl GST)	Extra 400 MB, per Month
Monthly	\$6,249.00	\$6,249.00	\$179.00	Monthly	\$6,649.00	\$6,649.00	\$179.00	Monthly	\$7,049.00	\$7,049.00	\$179.00
3 months	\$5,312.00	\$15,936.00	\$152.00	3 months	\$5,652.00	\$16,956.00	\$152.00	3 months	\$5,992.00	\$17,976.00	\$152.00
6 months	\$4,687.00	\$28,122.00	\$134.00	6 months	\$4,987.00	\$29,922.00	\$134.00	6 months	\$5,287.00	\$31,722.00	\$134.00
12 months	\$3,749.00	\$44,988.00	\$107.00	12 months	\$3,989.00	\$47,868.00	\$107.00	12 months	\$4,229.00	\$50,748.00	\$107.00
19 GB Data Plan				20 GB Data Plan							
	Price per Month (excl GST)	Total Cost (excl GST)	Extra 400 MB, per Month		Price per Month (excl GST)	Total Cost (excl GST)	Extra 400 MB, per Month				
Monthly	\$7,449.00	\$7,449.00	\$179.00	Monthly	\$7,849.00	\$7,849.00	\$179.00				
3 months	\$6,332.00	\$18,996.00	\$152.00	3 months	\$6,672.00	\$20,016.00	\$152.00				
6 months	\$5,587.00	\$33,522.00	\$134.00	6 months	\$5,887.00	\$35,322.00	\$134.00				
12 months	\$4,469.00	\$53,628.00	\$107.00	12 months	\$4,709.00	\$56,508.00	\$107.00				



KordaMentha classifications

Classification	Guide to level of experience
Principal Appointee/Partner/ Executive Director	Registered/Official Liquidator/Trustee, his or her Partners. Specialist skills brought to the administration. Generally in excess of 10 years' experience.
Director	More than eight years' experience and more than three years as a Manager. Answerable to the appointee, but otherwise responsible for all aspects of an administration. Controls staffing and their training.
Associate Director 1	Six to eight years' experience with well developed technical and commercial skills. Will have conduct of minor administrations and experience in control of a small to medium team of staff. Assists with the planning and control of medium to large administrations.
Associate Director 2	Five to seven years' experience with well developed technical and commercial skills. Will have conduct of minor administrations and experience in control of a small to medium team of staff. Assists with the planning and control of medium to large administrations.
Manager	Four to six years' experience. Will have had conduct of minor administrations and experience in control of one to three staff. Assists with the planning control of medium to large administrations.
Senior Executive Analyst	Three to four years' experience. Assists planning and control of small to medium administrations as well as performing some of the more difficult tasks on larger administrations.
Executive Analyst	Two to three years' experience. Required to control the tasks on small administrations and is responsible for assisting tasks on medium to large administrations.
Senior Business Analyst	Graduate with one to two years' experience. Required to assist in day-to-day tasks under supervision of more senior staff.
Business Analyst	Undergraduate or graduate with up to one year experience. Required to assist in day-to-day tasks under supervision of more senior staff.
Administration	Appropriate skills, including books and records management and accounts processing particular to the administration.

Abra Mining Pty Limited (Administrators Appointed)

ACN 110 233 577 ('the Company')

Bank account details update form

Creditor's name:			
Creditor's address:			
ABN:		Email address:	

Option 1: ☐ Use payment details included on invoices attached to the formal proof of debt
(Go to Supporting documentation and signing sections below)

Option 2: ☐ Use payment details provided below:

Bank account details – Australian accounts

Account name:			
BSB:		Account number:	
BPay			
Biller code:		CRN:	

Bank account details – overseas accounts

Account name:			
BIC/SWIFT:		IBAN:	
BSB:		Account number:	
Nominated currency:			
Bank name:			
Bank address:			

Supporting documentation: ☐ Supporting documentation attached (mandatory)

Examples include:

- redacted copy of bank statement clearly identifying individual or company and containing BSB and account number
- redacted copy of invoice on company letterhead containing banking details and ABN

Executed by: (authorised representative of creditor)

Name:		Position:	
Signature:		Date:	

Witnessed by: (authorised representative of creditor)

Name:		Position:	
Signature:		Date:	

Return form to: abra-mining@kordamentha.com

Your information will be cared for in line with our privacy policy, which can be found on the [KordaMentha website](#).

Creditor Rights in Voluntary Administrations

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



Right to request information

Information is communicated to creditors in a voluntary administration through reports and meetings.

In a voluntary administration, two meetings of creditors are automatically held. You should expect to receive reports and notice of these meetings:

- The first meeting is held within 8 business days of the voluntary administrator's appointment. A notice of meeting and other information for this meeting will be issued to all known creditors.
- The second, or decision, meeting is usually held within 6 weeks of the appointment, unless an extension is granted. At this meeting, creditors will get to make a decision about the company's future. Prior to this meeting the voluntary administrator will provide creditors with a notice of the meeting and a detailed report to assist in making your decision.

Important information will be communicated to creditors prior to and during these meetings. Creditors are unable to request additional meetings in a voluntary administration.

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

A voluntary administrator 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 voluntary administrator 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:

- (a) complying with the request would prejudice the interests of one or more creditors or a third party
- (b) the information requested would be privileged from production in legal proceedings
- (c) disclosure would found an action for breach of confidence
- (d) there is not sufficient available property to comply with the request
- (e) the information has already been provided
- (f) the information is required to be provided under law within 20 business days of the request
- (g) the request is vexatious

If a request is not reasonable due to (d), (e) or (f) above, the voluntary administrator must comply if the creditor meets the cost of complying with the request.

Otherwise, a voluntary administrator must inform a creditor if their information request is not reasonable and the reason why.

Right to give directions to voluntary administrator

Creditors, by resolution, may give a voluntary administrator directions in relation to a voluntary administration. A voluntary administrator must have regard to these directions, but they are not required to comply with the directions.

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

An individual creditor cannot provide a direction to a voluntary administrator.

Right to appoint a reviewing liquidator

Creditors, by resolution, may appoint a reviewing liquidator to review a voluntary administrator's remuneration or a cost or expense incurred in a voluntary administration. 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 voluntary administration, in priority to creditor claims.

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

Right to replace voluntary administrator

At the first meeting, creditors have the right to remove a voluntary administrator and appoint another registered liquidator to act as voluntary administrator.

A creditor must ensure that they have a consent from another registered liquidator prior to the first meeting if they wish to seek the removal and replacement of a voluntary administrator.

Creditors also have the opportunity to replace a voluntary administrator at the second meeting of creditors:

- If creditors vote to accept a proposed deed of company arrangement, they can appoint a different registered liquidator as the deed administrator.
- If creditors vote to place the company into liquidation, they can appoint a different registered liquidator as the liquidator.

It is however usual for the voluntary administrator to act as deed administrator or liquidator. It would be expected that additional costs would be incurred by an alternate deed administrator or liquidator to gain the level of knowledge of the voluntary administrator.

Like with the first meeting, a creditor must ensure that they have a consent from another registered liquidator prior to the second meeting if they wish to seek to appoint an alternative registered liquidator as deed administrator or liquidator.

**For more information, go to www.arita.com.au/creditors.
Specific queries about the voluntary administration should be directed to the voluntary administrator's office.**

Information Sheet: Committees of Inspection

You have been elected to be, or are considering standing for the role of, a member of a Committee of Inspection (COI) in either a liquidation, voluntary administration or deed of company arrangement of a company (collectively referred to as an external administration).

This information sheet is to assist you with understanding your rights and responsibilities as a member of a COI.

What is a COI?

A COI is a small group of creditors elected to represent the interests of creditors in the external administration. The COI advises and assists the external administrator and also has the power to approve and request certain things – this is discussed in more detail below.

Membership of the COI is a voluntary, unpaid position.

Who can be elected to a COI?

To be eligible to be appointed as a member of a COI, a person must be:

- A creditor
- A person holding the power of attorney of a creditor
- A person authorised in writing by a creditor; or
- A representative of the Commonwealth where a claim for financial assistance has, or is likely to be, made in relation to unpaid employee entitlements.

If a member of the COI is a company, it can be represented by an individual authorised in writing to act on that creditor's behalf. It also allows the creditor to maintain its representation if a change in the individual is required

A COI usually has between 5 and 7 members, though it can have more, or less, depending on the size of the external administration.

A member of a COI can be appointed by:

- resolution at a meeting of creditors
- an employee or a group of employees owed at least 50% of the entitlements owed to employees of the company
- a large creditor or group of creditors that are owed at least 10% of the value of the creditors' claims,

If an employee or group of employees, or a large creditor or group of creditors, appoints a member to the COI, they cannot vote on the general resolution of creditors to appoint members to the COI. Each of these groups also have the power to remove their appointed member of the COI and appoint someone else.

If you are absent from 5 consecutive meetings of the COI without leave of the COI or you become an insolvent under administration, you are removed from the COI.

What are the roles and powers of a COI?

A COI has the following roles:

- to advise and assist the liquidator, voluntary administrator or deed administrator (collectively referred to as the external administrator)
- to give directions to the external administrator
- to monitor the conduct of the external administration.

In respect of directions, the external administrator is only required to have regard to those directions. If there is a conflict between the directions of the COI and the creditors, the directions of the creditors prevail. If the external administrator chooses not to comply with the directions of the COI, the external administrator must document why.

A COI also has the power to:

- approve remuneration of the external administrator after the external administrator has provided the COI with a Remuneration Approval Report (a detailed report setting out the remuneration for undertaking the external administration)
- approve the use of some of the external administrator's powers in a liquidation (compromise of debts over \$100,000 and entering into contracts over 3 months)
- require the external administrator to convene a meeting of the company's creditors
- request information from the external administrator
- approve the destruction of the books and records of the external administration on the conclusion of the external administration
- with the approval of the external administrator, obtain specialist advice or assistance in relation to the conduct of the external administration
- apply to the Court for the Court to enquire into the external administration.

An external administrator is not required to convene a meeting of creditors if the request by the COI is unreasonable, or provide requested information if the request is unreasonable, not relevant to the administration or would cause the external administrator to breach their duties.

A request to convene a meeting of creditors is unreasonable if:

- it would substantially prejudice the interests of a creditor or third party
- there are insufficient funds in the external administration to cover the cost of the request
- a meeting of creditors dealing with the same matters has already been held or will be held within 15 business days, or
- the request is vexatious.

If a request for a meeting is reasonable, the external administrator must hold a meeting of creditors as soon as reasonably practicable.

A request for information is unreasonable if:

- it would substantially prejudice the interests of a creditor or third party
- the information would be subject to legal professional privilege
- disclosure of the information would be a breach of confidence
- there are insufficient funds in the external administration to cover the cost of the request
- the information has been provided or is required to be provided within 20 business days, or
- the request is vexatious.

If the request for information is not unreasonable, the external administrator must provide the requested information within 5 business days, but the law provides for further time in certain circumstances.

An external administrator must inform the COI if their meeting or information request is not reasonable and the reason why.

How does the COI exercise its powers?

A COI exercises its powers by passing resolutions at meetings of the COI. To pass a resolution, a meeting must be convened and a majority of the members of the COI must be in attendance.

A meeting is convened by the external administrator by giving notice of the meeting to the members of the COI. Meetings of the COI can be convened at short notice. The external administrator must keep minutes of the meeting and lodge them with ASIC within one month of the end of the meeting.

ASIC is entitled to attend any meeting of a COI.

What restrictions are there on COI members?

A member of a COI must not directly or indirectly derive any profit or advantage from the external administration. This includes by purchasing assets of the company or by entering into a transaction with the company or a creditor of the company. This prohibition extends to related entities of the member of the COI and a large creditor(s) that appoints a member to the COI.

Creditors, by resolution at a meeting of creditors, can resolve to allow the transaction. The member of the COI or the large creditor(s) that appoints a member to the COI is not allowed to vote on the resolution.

Where can you get more information?

The Australian Restructuring Insolvency and Turnaround Association (ARITA) provides information to assist creditors with understanding external administrations and insolvency. This information is available from ARITA's website at www.arita.com.au/creditors.

ASIC provides information sheets on a range of insolvency topics. These information sheets can be accessed on ASIC's website at www.asic.gov.au (search "insolvency information sheets").

**For more information, go to www.arita.com.au/creditors.
Specific queries about the liquidation should be directed to the liquidator's office.**