

Our Ref: Perth 465922.0002/001/JU

5 June 2019

Initial Information for Creditors and Suppliers

Gascoyne Resources Ltd ACN 139 522 900
Gascoyne Resources (WA) Pty Ltd ACN 139 823 822
Dalgaranga Operations Pty Ltd ACN 616 858 550
GNT Resources Pty Ltd ACN 159 772 077
Egerton Exploration Pty Ltd ACN 163 614 551
Dalgaranga Exploration Pty Ltd ACN 623 055 550
Gascoyne (Ops Management) Pty Ltd ACN 619 342 979
(All Administrators Appointed) (Together “the Companies”)

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

Appointment of Voluntary Administrators

I advise that Michael Joseph Patrick Ryan, Kathryn Guinivere Warwick and I, Ian Charles Francis, were appointed Joint and Several Voluntary Administrators (“**Administrators**”) of the Companies on 2 June 2019 by the Board of Directors pursuant to section 436A of the *Corporations Act 2001*.

A copy of our Declaration of Independence, Relevant Relationships and Indemnities (“**DIRRI**”) is attached. The DIRRI assists you to understand any relevant relationships that we have, and any indemnities or upfront payments that have been provided to us. We have considered each relationship and it is our opinion that none of the relationships disclosed in the DIRRI result in a conflict of interest or duty or affects our independence.

Voluntary Administration

Voluntary administration is a process under the law which allows companies unable to pay their debts, or likely to become unable to pay their debts to appoint an independent, qualified person (called a voluntary administrator) to take control of the company and its operations. This process allows breathing space to work out the best outcome for all stakeholders and involves the voluntary administrators calling creditors’ meetings over the following 20 business days at which creditors decide the future of the Companies. The creditors will determine if the Companies:

- a) Be returned to the director(s);
- b) Be placed into liquidation; or
- c) Enter into a Deed of Company Arrangement.

According to the Companies' records, you may be a creditor of one or more of the Companies.

What Happens to your Debt?

All creditors of the Companies are now creditors in the voluntary administration. As a creditor, you have certain rights, although your debt will be dealt with in the voluntary administration. Further information regarding your rights as a creditor is enclosed with this circular.

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. Please refer to *"Important statements for all creditors and suppliers"* attached.

If you have leased the company property, have a retention of title claim or hold a Personal Property Security in relation to the company, please contact my staff as soon as possible. Please refer to *"Requirements for parties with security interests and other claims"* attached for further information.

Operations and Trading

The Administrators have taken control of the Companies' operations and requested the directors to prepare a report on the Companies' business, property, affairs and financial circumstances.

We are continuing to operate the Companies' business on a "business as usual" basis with a view to running a sale campaign in conjunction with a potential equity raise or restructure of the Companies via a Deed of Company Arrangement. It is our current view that this will provide an optimum return to all creditors of the Companies. Your continued cooperation and support is essential to achieving a restructure and we thank you in advance for your support.

If you are a supplier or employee, you should have received a separate communication titled *"Circular for Suppliers"* on how this appointment impacts your ongoing dealings with the Company, a copy of which is attached. Please also refer to *"Important statements for all creditors and suppliers"* attached.

Meetings of Creditors

As voluntary administrator, we are required to hold two meetings of creditors.

First Meeting of Creditors

When a company enters into voluntary administration, the Administrators are required to convene a first meeting of creditors within eight (8) business days after the commencement of the voluntary administration.

The First Meeting of the Creditors will be held at **11.30am AWST on Thursday, 13 June 2019 at the Karri Room, Parmelia Hilton Perth, 14 Mill Street, Perth WA 6000.**

In this regard, please find enclosed the following documents:

- a) Notice of First Meeting of Creditors of the Company under Administration;
- b) Appointment of Proxy Form; and
- c) Form 535 - Formal Proof of Debt or Claim Form.

If you intend to appoint another person to act on your behalf at the meeting, or you are a corporate creditor, you are required to complete and return the enclosed proxy form appointing your representative to Gascoyne_Enquiries@fticonsulting.com or by fax to (08) 9321 8544 **no later than 4:00pm AWST on Wednesday, 12 June 2019.**

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

Creditors are required to lodge proofs of debt **no later than 4:00pm AWST on Wednesday, 12 June 2019**, failing which they may be excluded from voting at the meeting. A Form 535 - Formal Proof of Debt or Claim Form is attached for this purpose. Formal Proofs of Debt may be sent to FTI Consulting, Gascoyne_Enquiries@fticonsulting.com or faxed to 08 9321 8544.

General information regarding the conduct of meetings of creditors and the completion of proxy forms and proof of debt forms is enclosed and can also be found on our website at <http://www.fticonsulting-asia.com/creditors>.

Statutory notices and advertisements about the Companies will be published on ASIC's Published Notices website at www.insolvencynotices.asic.gov.au.

Second Meeting of Creditors

A second meeting of creditors will be held, at which creditors will vote on the future of each of the Companies. Details of that meeting and a Report to Creditors on the Companies' business, property, affairs and financial circumstances will be sent to you in due course.

Costs of the Voluntary Administration Process

Attached to this circular is our Initial Remuneration Notice, which provides you with information about how we propose to be paid for undertaking the voluntary administration.

We will seek approval of our remuneration at the second meeting of creditors. We will provide you with further information regarding our remuneration before that meeting, detailing the tasks that we have attended to will be required to attend to, and the costs of those tasks.

If you have any information that you think may help with the administration of the Companies, the restructure or help the Administrators with the investigations into the Companies' affairs, please contact us. Our details are attached – please refer to *“Administrators' background and contact details.”*



Ian Francis
Joint and Several Administrator

Encs

Notices and Attachments Included in this Circular

The Administration will be conducted on the basis of the information contained in the following notices and attachments:

- **Administrators' background and contact details;**
- **Important statements for all creditors and suppliers;**
- **Information for Suppliers** – This includes an outline of the Administrators' trading procedures as well as the specimen signatures of the Administrators and their authorised persons;
- **Requirements for parties with security interests and other claims;**
- **Details and notices for the First Meeting of Creditors:**
 - Notice of First Meeting of Creditors of the Companies under Administration;
 - Appointment of Proxy Form;
 - Form 535 - Formal Proof of Debt or Claim Form (for voting purposes); and
 - Guidance notes for completing proxy and proof of debt or claim forms.
- **Independence and Remuneration Disclosures:**
 - Declaration of Independence, Relevant Relationships and Indemnities;
 - Initial advice to creditors – basis of remuneration; and
 - FTI Consulting Standard Rate schedule.
- **Information sheets about your rights and the voluntary administration process:**
 - Information regarding your rights as a creditor;
 - Information sheet called "Insolvency information for directors, employees, creditors and shareholders"; and
 - Additional information sheets on the administration process can be obtained at www.asic.gov.au (search for "insolvency information sheets") or www.arita.com.au/creditors.

Administrators' Background and Contact Details

About us

Michael Ryan, Ian Francis and Kathryn Warwick are Senior Managing Directors at FTI Consulting (Australia) Pty Ltd. They are Registered Liquidators and also Professional Members of the Australian Restructuring Insolvency and Turnaround Association.

FTI Consulting specialises in corporate finance and restructuring and is part of FTI Consulting, Inc. a global business advisory firm dedicated to helping organisations protect and enhance enterprise value. You can find out more at <http://www.fticonsulting-asia.com>.

Creditor enquiries – First Meeting of Creditors and general matters

For queries about the forthcoming meeting or the administration generally, please contact Damon Brankstone by one of the following methods:

Telephone: (08) 9321 8533
Email: Gascoyne_Enquiries@fticonsulting.com
Post: PO Box Z5486
St Georges Terrace
PERTH WA 6831
Facsimile: (08) 9321 8544

Important Statement for All Creditors and Suppliers

No adoption of any contracts or assumption of liabilities of the Companies by the Administrators

The Administrators are not personally adopting, and will not adopt, any agreement or contract that you may have with the Companies. The Administrators will not be liable for any liability of the Companies under any agreement or contract with you.

Any payments made by the Administrators for any goods or services does not constitute, nor in any way imply, adoption of any contract or an assumption of any liability of the Companies by the Administrators.

Existing debts and claims cannot be paid by Administrators

The Administrators cannot pay any creditor's debts or claims that arise from circumstances or arrangements that were in place with the Companies before the Administrators' appointment. Payment of these amounts will depend on the outcome of the administration.

No set-off against pre-appointment debts or claims

Any amounts due from you to the Companies must not under any circumstances be set-off against amounts due from the Companies to you.

Protection of the Companies' property and general restrictions on third party rights during the Administration

Without leave of the Court, or the Administrators' written consent:

- A proceeding in a court against the Companies or in relation to any of its property cannot be begun or proceeded with;
- Except for perishable property – owners, lessors and creditors with security interests in the Companies' property, cannot enforce their security interest, sell any such property they hold, and are not entitled to take possession or otherwise recover such property; and
- No enforcement process in relation to property of the Companies can be begun or proceeded with.

See sections 440B to 440F of the Corporations Act 2001 for further details.

4 June 2019

Gascoyne Resources Ltd ACN 139 522 900
Gascoyne Resources (WA) Pty Ltd ACN 139 823 822
Dalgaranga Operations Pty Ltd ACN 616 858 550
GNT Resources Pty Ltd ACN 159 772 077
Egerton Exploration Pty Ltd ACN 163 614 551
Dalgaranga Exploration Pty Ltd ACN 623 055 550
Gascoyne (Ops Management) Pty Ltd ACN 619 342 979
(All Administrators Appointed) (Together “the Companies”)

Information for Suppliers

I advise that Michael Joseph Patrick Ryan, Kathryn Guinivere Warwick and I, Ian Charles Francis, were appointed Joint and Several Voluntary Administrators (“**Administrators**”) of the Companies on the evening of 2 June 2019 by the Board of Directors pursuant to section 436A of the *Corporations Act 2001*. We have entered into possession and now have control of the assets of the Companies.

Existing Accounts for Goods Supplied to the Companies

If you were supplying goods or services to the Companies up to and including 2 June 2019 would you please:

1. Close your suppliers’ account(s) with the Companies effective from 2 June 2019 and forward a statement to the Administrators showing the full amount owing by the Companies as at that date; and
2. Notify us in writing immediately if you are claiming security interest(s) registered on the Personal Properties Securities Register over goods previously supplied by you to the Companies.

New Accounts for Goods and Services Supplied to the Companies Under Administration

If you are supplying goods to the Companies from 2 June 2019, please note the following:

1. Please open a new account styled “[*Company Name*] (Administrators Appointed)” for goods supplied and services rendered from 3 June 2019 onwards.
2. All accounts should continue to be sent to your existing contacts and addressed to “[*Company Name*] (Administrators Appointed)” until further notice.
3. Any purchases made or liabilities incurred by us as Administrators rank in priority for payment above other creditors and will be paid in accordance with your usual terms of trade.

4. Please accept future requests by us for goods or services to be supplied to the Companies only if they are authorised in writing or email by one of the persons whose specimen signatures appear below.

Person	Authority	Specimen Signature
Michael Ryan	All Purchases	
Ian Francis	All Purchases	
Kathryn Warwick	All Purchases	
Andrew Bantock	All Purchases	
Matthew Chivers	All Purchases	
Nathan Stubing	All Purchases	
Andrew Clowes	All Purchases	
Jonah Un	All Purchases	

5. **We note that the Administrators are not personally adopting, and will not adopt, any agreement or contract that you may have with the Companies.** The Administrators will not be liable for any liability of the Companies under any agreement or contract with you.
6. Any payments made by the Administrators for any goods or services does not constitute, nor in any way imply, adoption of any contract or an assumption of any liability of the Companies by the Administrators.

Other Matters

Further details, including the first creditors meeting and instructions for lodging claims in the administrations, will be provide in a separate circular this week.

For more information generally, we have attached an ASIC information sheet for creditors. Additional information sheets can be obtained at www.asic.gov.au (search for “insolvency information sheets”).

Finally, we confirm we are committed to working with you and all other stakeholders to find the best outcome for the Companies and to ensure that minimal disruption arises from our appointment as Administrators of the Companies. However, we recognise that the new arrangements may create a degree of change to your dealings with the Companies and as such we thank you for your assistance and understanding.

If you have any questions about the contents of this letter please contact either Damon Brankstone or Jonah Un by email at damon.brankstone@fticonsulting.com or jonah.un@fticonsulting.com or by phone number on (08) 9321 8533.



Ian Francis
Joint and Several Administrator

Enc



ASIC
Australian Securities &
Investments Commission

Voluntary administration: A guide for creditors

If a company is in financial difficulty, it can be put into voluntary administration.

This information sheet (INFO 74) provides general information for unsecured creditors of companies in voluntary administration. It covers:

- [who is a creditor](#)
- [the purpose of voluntary administration](#)
- [the voluntary administrator's role](#)
- [effect of appointment](#)
- [voluntary administrator's liability](#)
- [creditors' meetings](#)
- [voting at a creditors' meeting](#)
- [company returned to directors](#)
- [liquidation](#)
- [deed of company arrangement](#)
- [approval of administrator's fees](#)
- [proposals to creditors without a meeting](#)
- [committee of inspection](#)
- [directors and voluntary administration](#)
- [other creditor rights](#)
- [queries and complaints](#)

Who is a creditor?

You are a creditor of a company if the company owes you money. Usually, a creditor is owed money because they have provided goods or services, or made loans to the company.

A retail customer of a company in voluntary administration may also be a creditor if they have partly or fully paid for goods or services that they have not received.

An employee owed money for unpaid wages and other entitlements is a creditor.

A person who may be owed money by the company if a certain event occurs (e.g. if they succeed in a legal claim against the company) is also a creditor, and is sometimes referred to as a 'contingent' creditor.

There are generally two categories of creditor - secured and unsecured:

- A secured creditor is someone who holds a security interest, such as a mortgage, in some or all of the company's assets, to secure a debt owed by the company. Lenders usually require a security interest in company assets when they provide a loan. Security interests over personal property other than land are registered on the Personal Property Securities Register (PPSR) if the creditor wants to ensure their security interest is enforceable and accorded priority in an insolvency. You can search the PPSR to find out if anyone holds a security interest (other than a mortgage over land) in the company's assets.

- An unsecured creditor is a creditor who does not hold a security interest in the company's assets.

Employees are a special class of unsecured creditors. Their outstanding entitlements are usually paid in priority to the claims of other unsecured creditors. If you are an employee, see [Information Sheet 75 Voluntary administration: A guide for employees](#) (INFO 75).

All references in this information sheet to 'creditors' relate to unsecured creditors unless otherwise stated.

The purpose of voluntary administration

Voluntary administration is designed to resolve a company's future direction quickly (the below table summarises the process). An independent and suitably qualified person (the voluntary administrator) takes full control of the company to try to work out a way to save either the company or its business.

If it isn't possible to save the company or its business, the aim is to administer the affairs of the company in a way that results in a better return to creditors than they would have received if the company had instead been placed straight into liquidation. A mechanism for achieving these aims is a deed of company arrangement.

A voluntary administrator is usually appointed by a company's directors, after they decide that the company is insolvent or likely to become insolvent. Less commonly, a voluntary administrator may be appointed by a liquidator, provisional liquidator, or a secured creditor.

The voluntary administration process

Step	What happens
Appointment of voluntary administrator	<p>A decision to appoint a voluntary administrator for a company can be made by:</p> <ul style="list-style-type: none"> • the directors (by resolution of the board and in writing) • a secured creditor (with a security interest in all or substantially all of the company's property), or • a liquidator (or provisional liquidator). <p>Voluntary administration begins on the appointment of the voluntary administrator.</p>
First meeting of creditors	<p>The voluntary administrator must hold the first meeting of creditors within eight business days of being appointed, unless the court allows an extension of time.</p> <p>At least five business days notice of the meeting must be given to creditors.</p> <p>Creditors can vote at this meeting to:</p> <ul style="list-style-type: none"> • replace the administrator, and/or • create a committee of inspection.
Voluntary administrator's investigation and report	<p>The voluntary administrator must investigate the company's affairs and report to creditors on alternatives.</p>

Step	What happens
Second meeting of creditors – meeting to decide company's future	<p>The voluntary administrator must hold the meeting to decide the company's future within 25 business days of being appointed (or 30 business days if the appointment is around Christmas or Easter), unless the court allows an extension of time.</p> <p>At least five business days notice of the meeting must be given to creditors.</p> <p>Creditors can decide at this meeting to:</p> <ul style="list-style-type: none"> • return the company to the control of the directors • accept a deed of company arrangement (the deed must be signed by the company within 15 business days following the meeting, unless the court allows an extension of time), or • put the company into liquidation (this happens immediately, and the administrator becomes the liquidator).

A company in voluntary administration may also be in receivership: see [Information Sheet 54 Receivership: A guide for creditors](#) (INFO 54).

The voluntary administrator's role

After taking control of the company, the voluntary administrator investigates and reports to creditors on the company's business, property, affairs and financial circumstances, and on the three options available to creditors. These are:

- end the voluntary administration and return the company to the directors' control
- approve a deed of company arrangement through which the company will pay all or part of its debts and then be free of those debts
- wind up the company and appoint a liquidator.

The voluntary administrator must give an opinion on each option and recommend which option is in the best interests of creditors.

In doing so, the voluntary administrator tries to work out the best solution to the company's problems, assesses any proposals put forward by others for the company's future, and compares the possible outcomes of the proposals with the likely outcome in a liquidation.

A creditors' meeting is usually held about five weeks after the company goes into voluntary administration to decide on the best option for the company's future. In complex administrations, this meeting may be held later if the court consents.

The voluntary administrator has all the powers of the company and its directors. This includes the power to sell or close down the company's business or sell individual assets in the lead up to the creditors' decision on the company's future.

Another responsibility of the voluntary administrator is to report to ASIC on possible offences by people involved with the company.

At the end of their administration, the voluntary administrator must lodge a detailed account of receipts and payments (known as the 'end of administration return'). A copy of this account of receipts and payments may be obtained by searching the [ASIC registers](#) and paying the relevant fee.

Although the voluntary administrator may be appointed by the directors, they must act fairly and impartially.

Effect of appointment

The effect of the appointment of a voluntary administrator is to provide the company with breathing space while the company's future is resolved. While the company is in voluntary administration:

- unsecured creditors can't begin, continue or enforce their claims against the company without the administrator's consent or the court's permission
- owners of property (other than perishable property) used or occupied by the company, or people who lease such property to the company, can't recover their property
- except in limited circumstances, secured creditors can't enforce their security interest in the company's assets
- a court application to put the company in liquidation can't be commenced
- a creditor holding a personal guarantee from the company's director or other person can't act under the personal guarantee without the court's consent.

Voluntary administrator's liability

Any debts that arise from the voluntary administrator purchasing goods or services, or hiring, leasing, using or occupying property, are paid from the available assets of the company as costs of the voluntary administration. If there are insufficient funds available from asset sales to pay these costs, the voluntary administrator is personally liable for the shortfall. To have the benefit of this debt protection as a provider of goods or services to a company in voluntary administration, you should ensure you receive a purchase order authorised in the manner advised by the voluntary administrator.

The voluntary administrator must also decide whether to continue to use or occupy property owned by another party that is held or occupied by the company at the time of their appointment.

Within five business days after their appointment, the voluntary administrator must notify the owner of property whether they intend to continue to occupy or use the property and, if they do not intend to continue to occupy or use the property, the location of that property (if known). If the voluntary administrator decides to continue to occupy or use the property, they will be personally liable for any rent or amounts payable arising after the end of the five business days.

Creditors' meetings

Two meetings of creditors must be held during the voluntary administration.

First creditors' meeting

The voluntary administrator must hold the first creditors' meeting within eight business days after the voluntary administration begins.

At least five business days before the meeting, the voluntary administrator must notify as many creditors as practical in writing and advertise the meeting. The advertisement must appear on [ASIC's published notices website](#).

The voluntary administrator must send to creditors, with the notice of meeting, declarations about any relationships they may have, or indemnities they have been given, to allow creditors to consider the voluntary administrator's independence and make an informed decision about whether to replace them with another voluntary administrator of the creditors' choice.

The purpose of the first meeting is for creditors to decide two questions:

- whether they want to form a committee of inspection, and, if so, who will be on the committee
- whether they want the existing voluntary administrator to be removed and replaced by a voluntary administrator of their choice.

A committee of inspection may be formed to assist and advise the voluntary administrator. The committee of inspection also monitors the conduct of the voluntary administration, may approve certain steps in the administration and may give directions to the voluntary administrator. The voluntary administrator must have regard to, but is not always required to comply with, such directions.

A creditor who wishes to nominate an alternative voluntary administrator at the first meeting must approach a registered liquidator before the meeting and get a written consent from that person that they would be prepared to act as voluntary administrator. The proposed alternative administrator should give to the meeting declarations about any relationships

they may have or indemnities they have been given. The voluntary administrator will only be replaced if the resolution to replace them is passed by the creditors at the meeting.

To be eligible to vote at this meeting, you must lodge details of your debt or claim with the voluntary administrator (discussed further below).

This meeting can be chaired by either the voluntary administrator or one of their senior staff.

Second creditors' meeting (to decide the company's future)

After investigating the affairs of the company and forming an opinion on each of the three options available to creditors (outlined above), including an opinion as to which option is in the best interests of creditors, the administrator must call a second creditors' meeting. At this meeting, creditors are given the opportunity to decide the company's future.

This meeting is usually held about five weeks after the company goes into voluntary administration (six weeks if the appointment is around Christmas or Easter).

However, in complex voluntary administrations, often more time is needed for the voluntary administrator to be in a position to report to creditors. In these circumstances, the court can approve an extension of time to hold the meeting.

The voluntary administrator must chair this meeting.

In preparation for the second meeting, the voluntary administrator must send creditors the following documents at least five business days before the meeting:

- a notice of meeting
- the voluntary administrator's report
- the voluntary administrator's statement.

These will be accompanied by:

- a claim form (usually a 'proof of debt' form)
- a proxy voting form.

The meeting must also be advertised on [ASIC's published notices website](#).

Either or both the first and second creditors' meeting may be held using telephone or videoconferencing facilities.

Voluntary administrator's report

You should read the voluntary administrator's report before you attend the second meeting or decide whether you want to appoint someone else to vote on your behalf at that meeting. This report must give sufficient information to explain the company's business, property, affairs and financial circumstances, to enable you to make an informed decision about the company's future.

The report should also provide an analysis of any proposals for the future of the company, including the possible outcomes, as well as a comparable estimate of what would be available for creditors in a liquidation.

Voluntary administrator's statement

The voluntary administrator's statement must include the voluntary administrator's opinion, with reasons, on each of the options available to creditors, as well as an opinion on which option the voluntary administrator believes is in the best interests of creditors. As noted above, the options are:

- end the voluntary administration and return the company to the directors' control
- approve a deed of company arrangement (if one is proposed)
- wind up the company and appoint a liquidator.

The voluntary administrator's statement must also include such other information known to the voluntary administrator that will allow you to make an informed decision about each of the options above.

The statement must also advise whether there are any voidable transactions (such as unfair preferences, unfair loans, insolvent trading, etc.) where money or property may be recoverable by a liquidator, if one were appointed.

If there are proposals for a deed of company arrangement, the voluntary administrator must provide creditors with a statement giving enough details of each proposal to enable creditors to make an informed decision. The types of proposals allowed in a deed of company arrangement are very flexible.

Typically, a proposal will provide for the company to pay all or part of its debts, possibly over time, and then be free of those debts. It will often provide for the company to continue trading. How these things will happen varies from case to case, as the terms allowed in a deed of company arrangement are also very flexible. The contents of a deed of company arrangement are discussed below.

You should insist on being provided with as much information about the terms of the proposed deed as possible before the creditors' meeting. The minimum contents of a deed of company arrangement, discussed below, provide a guide on the information you might request if it hasn't already been provided.

You should also contact the voluntary administrator before the meeting if you believe the voluntary administrator's report or statement do not contain sufficient information to enable you to make a decision about the company's future.

Voting at a creditors' meeting

To vote at any creditors' meeting you must lodge details of your debt or claim with the voluntary administrator. Usually, the voluntary administrator will provide you with a form called a 'proof of debt' to be completed and returned before the meeting.

The chairperson of the meeting decides whether or not to accept the debt or claim for voting purposes. The chairperson may decide that a creditor does not have a valid claim. In this case, they may not allow the creditor to vote at all. If the chairperson is in doubt whether to accept the debt or claim, they must mark the vote as objected to and allow the creditor to vote subject to the vote being declared invalid if the objection is sustained. This decision is only for voting purposes. It is not relevant to whether a creditor will receive a dividend.

An appeal against a decision by the chairperson to accept or reject a proof of debt or claim for voting purposes may be made to the court within 10 business days after the decision.

A secured creditor is entitled to vote for the full amount of their debt without having to deduct the value of their security interest.

Voting by proxy

You may appoint an individual as proxy to attend and vote at a meeting on your behalf. Creditors who are companies will have to nominate a person as proxy so that they can participate in the meeting. This is done using a form sent out with the notice of meeting. The completed proxy form must be provided to the voluntary administrator before the meeting.

An electronic form of proxy may be used if the liquidator allows electronic lodgement, provided there is a way to authenticate the appointment of the proxy (e.g. by scanning and emailing a signature or using a digital signature).

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

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

Manner of voting

A vote on any resolution put to a creditors' meeting may be taken by creditors stating aloud their agreement or disagreement, or by a more formal voting procedure called a 'poll'.

If voting is by verbally signalling agreement, the resolution is passed if a majority of those present indicate agreement. It is up to the chairperson to decide if this majority has been reached.

After the vote, the chairperson must tell those present whether the resolution has been passed or lost. If the chairperson is unable to determine the outcome of a resolution on verbal agreement, they may decide to conduct a poll.

Alternatively, a poll can be demanded by the person presiding at the meeting or by a person participating and entitled to vote at the meeting. If a poll is demanded, it must be taken immediately.

The chairperson will determine how this poll is taken.

If you intend to demand that a poll be taken, you must do so before, or as soon as, the chairperson has declared the result of a vote taken by voices.

When a poll is conducted, a resolution is passed if both:

- more than half the number of creditors who are voting (in person or by proxy) vote in favour of the resolution
- those creditors who are owed more than half of the total debt owed to creditors at the meeting vote in favour of the resolution.

This is referred to as a 'majority in number and value'. If a majority in both number and value is not reached under a poll (often referred to as a deadlock), the chairperson has a casting vote.

Chairperson's casting vote

When a poll is taken and there is a deadlock, the chairperson may use their casting vote (except for resolutions to approve their remuneration) either in favour of or against the resolution. Where the resolution relates to their removal as voluntary administrator, the chairperson may only exercise the casting vote in favour of their removal. The chairperson may also decide not to use their casting vote, in which case the deadlocked resolution is not passed.

The chairperson must inform the meeting, and include in the written minutes of meeting that are lodged with ASIC, of the reasons why they exercised their casting vote in a particular way or why they chose not to use their casting vote.

If you are dissatisfied with how the chairperson exercised their casting vote or failed to use their casting vote, you may, in specified circumstances, apply to the court for a review of the chairperson's decision. The court may vary or set aside the resolution or order that the resolution is taken to have been passed.

Votes of related creditors

If directors and shareholders, their spouses and relatives and other entities controlled by them are creditors of the company, they are entitled to attend and vote at creditors' meetings, including the meeting to decide the company's future.

If a resolution is passed or defeated based on the votes of these related creditors and you are dissatisfied with the outcome, you may, in specified circumstances, apply to the court for the resolution to be set aside and/or for a fresh resolution to be voted on without related creditors being entitled to vote. Certain criteria must be met before the court will make such an order (e.g. the original result of the vote being against the interests of all or a class of creditors).

Deciding how to vote at the second meeting

How you vote at the meeting on the three possible options, including any competing proposals for a deed of company arrangement, is a commercial decision based on your assessment of the company and its future prospects, and your personal circumstances. The information provided by the voluntary administrator, including opinions expressed, will assist you. However, you are not obliged to accept the administrator's recommendation.

If you do not consider that you have been given enough information to decide how to vote, and particularly whether to vote for any deed proposal, you can ask for a resolution to be put to creditors that the meeting be adjourned (up to a maximum of 45 business days in total) and for the administrator to provide more information. You must make this request before a vote on the company's future. This resolution must be passed for the adjournment to take place.

Creditors also have the right, when a deed of company arrangement is proposed and considered at the meeting, to negotiate specific requirements into the terms of the deed – including, for example, how the deed administrator is to report to them on the progress of the deed.

Any request to vary the deed proposal to include such requirements should be made before the deed proposal is voted on.

Minutes of meeting

The chairperson must prepare minutes of each meeting and a record of those who were present at each meeting.

The minutes must be lodged with ASIC within 10 business days of the meeting. A copy of the minutes of meeting may be obtained by searching the [ASIC registers](#) and paying the relevant fee.

Company returned to directors

If the company is returned to the directors, they will be responsible for ensuring that the company pays its outstanding debts as they fall due. It is only in very rare circumstances that creditors will resolve to return the company to the control of its directors.

Liquidation

If creditors resolve that the company go into liquidation, the voluntary administrator becomes the liquidator unless creditors vote at the second meeting to appoint a different liquidator of their choice. The liquidation proceeds as a creditors' voluntary liquidation with any payments of dividends to creditors made in the order set out in the *Corporations Act 2001* (Corporations Act). To find out more, see [Information Sheet 45 Liquidation: A guide for creditors](#) (INFO 45).

Deed of company arrangement

If creditors vote for a proposal that the company enter a deed of company arrangement, the company must sign the deed within 15 business days of the creditors' meeting, unless the court allows a longer time. If this doesn't happen, the company will automatically go into liquidation, with the voluntary administrator becoming the liquidator.

The deed of company arrangement binds all unsecured creditors, even if they voted against the proposal. It also binds owners of property, those who lease property to the company and secured creditors, if they voted in favour of the deed. In certain circumstances, the court can also order that these people are bound by the deed even if they didn't vote for it. The deed of company arrangement does not prevent a creditor who holds a personal guarantee from the company's director or another person taking action under the personal guarantee to be repaid their debt.

Contents of the deed

Whatever the nature of the deed of company arrangement, it must contain certain information, including:

- the name of the deed administrator
- the property that will be used to pay creditors
- the debts covered by the deed and the extent to which those debts are released
- the order in which the available funds will be paid to creditors (the deed of company arrangement must ensure that employees have a priority in payment of outstanding employee entitlements unless the eligible employees agree by a majority in both number and value to vary this priority)
- the nature and duration of any suspension of rights against the company
- the conditions (if any) for the deed to come into operation
- the conditions (if any) for the deed to continue in operation
- the circumstances in which the deed terminates.

There are also certain terms that will be automatically included in the deed, unless the deed says they will not apply. These are called the 'prescribed provisions'. They include such matters as the powers of the deed administrator, termination of the deed and the appointment of a committee of creditors (called a 'committee of inspection').

The voluntary administrator's report should tell you which prescribed provisions are proposed to be excluded or varied, and, if varied, how.

Monitoring the deed

It is the role of the deed administrator to ensure the company (or others who have made commitments under the deed) carries through these commitments. The extent of the deed administrator's ongoing role will be set out in the deed.

Creditors can also play a role in monitoring the deed. If you are concerned that the obligations of the company (or others) under the deed are not being met, you should take this up promptly with the deed administrator. Matters that may give rise for concern include deadlines for payments or other actions promised under the deed being missed.

Creditors also have the right when a deed of company arrangement is proposed and considered at the second meeting to negotiate consequences of failure to meet such deadlines into the terms of the deed. Any request to vary the deed proposal to include such consequences should be made before the deed proposal is voted on.

A director must notify the deed administrator if they become aware that there has been, or is likely to be, a material contravention of the deed. In addition, the deed administrator must give notice to creditors as soon as practicable after becoming aware of the material contravention or if there is likely to be a material contravention of the deed.

A deed administrator must lodge with ASIC a detailed list of their receipts and payments (known as the annual administration return) annually on the anniversary of their appointment and at the end of their administration. A copy of the receipts and payments may be obtained by searching the [ASIC registers](#) and paying the relevant fee.

Note: If the deed of company arrangement commenced prior to 1 September 2017, the deed administrator will continue to lodge the six-monthly [Form 524 Presentation of accounts and statement](#) until the six-month period ending on the first anniversary of their appointment date. Thereafter, they will lodge the annual administration return.

Varying the deed

The deed administrator can call a creditors' meeting at any time to consider a proposed variation to the deed. The proposed resolutions must be set out in the notice of meeting sent to creditors.

The deed administrator must also call a meeting to consider a resolution to vary the deed if:

- the committee of inspection directs it (where there is a committee of inspection)
- creditors pass a resolution requiring the deed administrator call a meeting
- at least 25% in value of creditors direct the deed administrator to do so in writing
- less than 25% but more than 10% in value of creditors direct the deed administrator to do so in writing and they provide security for the cost of holding the meeting.

The deed administrator is not required to comply with a direction by the committee of inspection or creditors to call a meeting if that direction is not reasonable.

If the deed administrator considers the direction is not reasonable, they must notify the person or body that gave the direction and set out the reasons why it is not reasonable. In this circumstance, the deed administrator may still convene a meeting to consider varying the deed if the person or body who gave the direction agree to pay the costs of calling and holding the meeting.

Payment of dividends under a deed

The order in which creditor claims are paid depends on the terms of the deed. Sometimes the deed proposal is for creditor claims to be paid in the same priority as in a liquidation. Other times, a different priority is proposed.

The deed must ensure employee entitlements are paid in priority to other unsecured creditors unless eligible employees have agreed to vary their priority.

Before you decide how to vote at the creditors' meeting, make sure you understand how the deed will affect the priority of payment of your debt or claim.

You may wish to seek independent legal advice if the deed proposes a different priority to that in a liquidation, or if creditors approve such a deed.

Establishing your claim under a deed

How debts or claims are dealt with under a deed of company arrangement depends on the deed's terms. Sometimes the deed incorporates the Corporations Act provisions for dealing with debts or claims in a liquidation.

Before any dividend is paid to you for your debt or claim, you will need to give the deed administrator sufficient information to prove your debt. You may be required to complete a claim form (this is called a 'proof of debt' in a liquidation). You should attach copies of any relevant invoices or other supporting documents to the claim form, as your debt or claim may be rejected if there is insufficient evidence to support it.

If a creditor is a company, the claim form should be signed by a person authorised by the company to do so.

When submitting a claim, you may ask the deed administrator to acknowledge receipt of your claim and advise if any further information is needed.

If the deed administrator rejects your claim after you have taken the above steps, first contact the deed administrator. You may also wish to seek your own legal advice. This should be done promptly. Depending on the terms of the deed, you may have a limited time in which to take legal action to challenge the decision.

If you have a query about the timing of the payment, discuss this with the deed administrator.

How a deed comes to an end

A deed may come to an end because the obligations under the deed have all been fulfilled and the creditors have been paid. Alternatively, the deed may set out certain conditions where the deed will automatically terminate.

The deed may also provide that the company will go into liquidation if the deed terminates due to these conditions being met.

Another way for the deed to end is if the deed administrator calls a meeting of creditors (either on their own initiative or at the direction of creditors or the committee of inspection if one has been formed), and creditors vote to end the deed. This may occur because there has been a breach of the deed or it appears unlikely that the terms of the deed can be fulfilled.

At the same time, creditors may be asked to vote to put the company into liquidation.

The deed may also be terminated if a creditor, the company, ASIC or any other interested person applies to the court and the court is satisfied that:

- creditors were provided false and misleading information on which the decision to accept the deed proposal was made
- the voluntary administrator's report left out information that was material to the decision to accept the deed proposal
- the deed cannot proceed without undue delay or injustice
- the deed is unfair or discriminatory to the interests of one or more creditors or against the interests of creditors as a whole.

If the court terminates the deed as a result of such an application, the company automatically goes into liquidation.

Approval of administrator's fees

Both a voluntary administrator and deed administrator are entitled to be paid for the work they perform. Generally, their fees will be paid from available assets, before any payments are made to creditors. They may have also arranged for a third party to pay any shortfall in their fees if there aren't enough assets.

The fees cannot be paid until the amount has been approved by creditors, a committee of inspection or the court. Creditors, the voluntary administrator/deed administrator or ASIC can ask the court to review the amount of fees

approved. Alternatively, the voluntary administrator or deed administrator may put a proposal to creditors to approve their fees without holding a meeting.

If you are asked to approve fees, either at a general meeting of creditors or at a meeting of a committee of inspection, the voluntary administrator or deed administrator must give you, at the same time as the notice of the meeting, a report that contains sufficient information for you to assess whether the fees claimed are reasonable. This report should be in simple language and set out:

- a summary description of the major tasks performed or likely to be performed
- the costs of completing those tasks and how those costs were calculated
- the periods when funds will be drawn to pay the fees
- the estimated total amount, or range of amounts, of total fees
- an explanation of the likely impact the fees will have on any dividends to creditors
- such other information that will assist in assessing the reasonableness of the fees claimed.

If you are in any doubt about how the fees were calculated, ask for more information.

Apart from fees, the voluntary administrator and deed administrator are entitled to reimbursement for out-of-pocket expenses that have arisen in carrying out their administration. This reimbursement may require creditor, committee of inspection or court approval.

For further information, see [Information Sheet 85 Approving fees: A guide for creditors](#) (INFO 85).

Proposals to creditors without a meeting

Instead of convening a creditors' meeting, the voluntary administrator or deed administrator can put proposals to creditors by giving notice in writing.

This notice must be given to each creditor who would be entitled to receive notice of a meeting and:

- include a statement of the reasons for the proposal and the likely impact the proposal will have on creditors
- invite the creditor to either:
 - vote 'yes' or 'no' for the proposal
 - object to the proposal being resolved without a meeting
- specify a reasonable time for creditors' replies to be received by the administrator.

To vote on the proposal, a creditor must lodge details of their debt or claim with the administrator and complete the voting documents provided by the administrator.

Creditors can vote 'yes' or 'no' on the proposal and/or object to the proposal being resolved without a creditors' meeting. You should return your response to the administrator within the time specified in the notice, which must be at least 15 business days after the notice is given to creditors.

A resolution is passed if the majority of creditors in number and value who responded to the notice voted 'yes' and if not more than 25% in value of the creditors who responded objected to the proposal being resolved without a creditors' meeting.

The administrator should provide creditors enough information to allow them to make an informed decision about the proposal. A creditor should contact the administrator to obtain further information if they think it necessary for them to make a decision.

The administrator must lodge with ASIC a statement about the outcome of the proposal. A copy of the outcome of the proposal may be obtained by searching the [ASIC registers](#) and paying the relevant fee.

Committee of inspection

A committee of inspection may be formed to assist and advise the voluntary administrator or deed administrator. The committee of inspection also monitors the conduct of the voluntary administrator or deed administrator, may approve

certain steps in the voluntary administration or deed administration and may give directions to the voluntary administrator or deed administrator. The voluntary administrator or deed administrator must have regard to, but is not always required to comply with, such directions.

In a voluntary administration, the committee may be formed at the first creditors' meeting.

All creditors are entitled to stand for committee membership. Members appointed to the committee of inspection represent the interests of all creditors.

If a creditor is a company, the creditor can nominate, in writing, an individual to represent it on the committee.

A person can be appointed as a member of the committee of inspection:

- by resolution of creditors
- by a creditor or group of creditors owed at least 10% of the value of creditors' claims
- by an employee or group of employees owed at least 50% in value of outstanding employee entitlements.

A member of the committee of inspection must not directly or indirectly derive any profit or advantage from the external administration of the company.

A committee of inspection has various powers and functions, including to:

- approve the remuneration of the voluntary administrator or deed administrator
- direct the voluntary administrator or deed administrator to convene a meeting of creditors
- request the voluntary administrator or deed administrator to give information, provide a report or produce a document
- obtain specialist advice or assistance (with the prior approval of the voluntary administrator, deed administrator or the court) that the committee considers desirable relating to the conduct of the voluntary administration or the deed administration.

The external administrator or deed administrator is not required to comply with a direction to convene a meeting or give information if that request is not reasonable.

A committee of inspection can determine its own procedures and exercises its powers through resolutions passed at meetings of the committee. A resolution is passed by a majority in number of its members present at a meeting. The committee of inspection can only act if a majority of its members attend.

Minutes of meetings of the committee of inspection must be prepared and lodged with ASIC.

ASIC is entitled to attend a meeting of the committee of inspection.

Directors and voluntary administration

Directors cannot use their powers while the company is in voluntary administration. They must help the voluntary administrator, including providing the company's books and records, and a report about the company's business, property, affairs and financial circumstances, as well as any further information about these that the voluntary administrator reasonably requires.

If the company goes from voluntary administration into a deed of company arrangement, the directors' powers depend on the deed's terms. When the deed is completed, the directors regain full control, unless the deed provides for the company to go into liquidation on completion.

If the company goes from voluntary administration or a deed of company arrangement into liquidation, the directors cannot use their powers. If creditors resolve that the voluntary administration should end, control of the company goes back to the directors.

Other creditor rights

Request for information

Creditors can, by resolution passed at a meeting of creditors or individually, request the voluntary administrator or deed administrator to give information, provide a report or produce a document.

The voluntary administrator or deed administrator must comply with this request if:

- the information, report or document is relevant to the administration
- the voluntary administrator or deed administrator would not breach their duty if they comply with the request
- the request is reasonable.

If the voluntary administrator or deed administrator, acting in good faith, believes it is not reasonable to comply with the request they must notify the requesting party and set out their reason for believing the request is not reasonable.

The voluntary administrator or deed administrator may consider the request not reasonable if, for example, complying with the request would substantially prejudice the interests of one or more creditors, the information would otherwise be privileged from production in legal proceedings or if the administration does not have sufficient funds to pay the cost of complying with the request.

If there are insufficient funds, the voluntary administrator or deed administrator may decide to comply with the request if the requesting party agrees to pay the cost of providing the information.

Appoint a reviewing liquidator

Creditors can resolve to appoint a reviewing liquidator to carry out a review into fees and/or costs incurred by the voluntary administrator or deed administrator. In addition, one or more creditors with the agreement of the voluntary administrator or deed administrator may appoint a reviewing liquidator.

Note: A creditor can also apply to ASIC in the approved form for it to appoint a reviewing liquidator (see Form 5605 *Application for ASIC to appoint a reviewing liquidator*).

This review is limited to:

- remuneration approved within the six months before the reviewing liquidator is appointed
- costs or expenses incurred during the 12-month period before the reviewing liquidator is appointed (unless the voluntary administrator or deed administrator agrees to a longer period).

The reviewing liquidator must be a registered liquidator. A creditor who wishes to appoint a reviewing liquidator must approach a registered liquidator to get a written consent from that person that they would be prepared to act as reviewing liquidator. The person must also make a written declaration about any relationships they or their firm may have that might affect their independence to act as reviewing liquidator.

The voluntary administrator or deed administrator, and their staff, must cooperate with the reviewing liquidator.

If creditors pass a resolution to appoint a reviewing liquidator, the reviewing liquidator's costs form part of the expenses of the external administration of the company. If one or more creditors appoint the reviewing liquidator with the consent of the voluntary administrator or deed administrator without passing a resolution, the reviewing liquidator's costs are borne by the creditor(s) appointing the reviewing liquidator.

Queries and complaints

You should first raise any queries or complaints with the voluntary administrator or deed administrator. If this fails to resolve your concerns, including any concerns about their conduct, you can lodge a report of misconduct with ASIC – see [How to complain](#).

Lodging your report of misconduct online ensures the quickest response from ASIC to your concerns.

ASIC usually does not become involved in matters of a voluntary administrator's or deed administrator's commercial judgement.

Reports of misconduct against companies and their officers can also be made to ASIC.

If you cannot report misconduct to ASIC online, you can contact us on 1300 300 630.

Where can I get more information?

For an explanation of terms used in this information sheet, see [Information Sheet 41 *Insolvency: A glossary of terms*](#) (INFO 41). For more on external administration, see the related information sheets listed in [Information Sheet 39 *Insolvency information for directors, employees, creditors and shareholders*](#) (INFO 39).

Further information is available from the [Australian Restructuring Insolvency & Turnaround Association \(ARITA\) website](#). The ARITA website also contains the [ARITA Code of Professional Practice for Insolvency Practitioners](#).

Important notice

Please note that this information sheet is a summary giving you basic information about a particular topic. It does not cover the whole of the relevant law regarding that topic, and it is not a substitute for professional advice. You should also note that because this information sheet avoids legal language wherever possible, it might include some generalisations about the application of the law. Some provisions of the law referred to have exceptions or important qualifications. In most cases your particular circumstances must be taken into account when determining how the law applies to you.

This is **Information Sheet 74 (INFO 74)** updated on 1 September 2017. Information sheets provide concise guidance on a specific process or compliance issue or an overview of detailed guidance.

Last updated: 01/09/2017 07:51

Requirements for Parties with Security Interests and Other Claims

Parties who are required to contact us

Please contact Damon Brankstone on (08) 9321 8533 as soon as possible if you:

- Have supplied any goods or collateral to the Companies and you have registered a security interest in such property on the Personal Property Security Register (“PPSR”);
- Are otherwise claiming security or proprietary rights in any asset or property owned by or in possession of the Companies;
- Lease or hire goods or property to the Companies;
- Are claiming a lien over property of the Companies; and/or
- Have commenced legal proceedings against the Companies.

We have written to all parties who have registered a security interest on the PPSR.

Parties with PMSI, retention of title and consignment claims over property

Parties with these claims are requested as soon as possible to:

1. Give us details of the items supplied to the Companies (including any features by which that property is able to be identified, for example - serial number/s) and which remain unpaid for; and
2. Provide details of your registration on the PPSR with all relevant supporting documents.

General statement

The Administrators will consider the information and details provided to them in support of any claims. Where a claim is valid and not disputed, the Administrators will comply with their obligations at law. This should not be interpreted as, in any way, limiting or restricting the rights of the Administrators or the Companies, whose rights are expressly reserved.

Please note the Administrators may require payment of their reasonable expenses and remuneration incurred in the identification, preservation and distribution of property to secured parties, purchasers and/or other persons that the property belongs to. This also includes circumstances where property (such as inventory, for example) is made available for collection.

Affected parties should seek their own advice as applicable and as they deem appropriate.

Details and Notices for the First Meeting of Creditors

- **Notice of the First Meeting of Creditors of Company under Administration**

The agenda for the meeting is set out in the notice. Please arrive at the meeting venue at least 15 minutes before the scheduled commencement time in order to sign-in.

Telephone facilities are available for those creditors wishing to attend by telephone. Please refer to the meeting notice which has been posted on the Australian Securities and Investments Commission's Published Notices website for details of the telephone facilities.

- **Appointment of Proxy Form**

This form should be completed if you intend to appoint another person to act on your behalf at the meeting, or if you are a corporate creditor.

- **Form 535 - Formal Proof of Debt or Claim Form**

This form allows you to tell us what you are owed by the relevant company. You must send us a completed form if you wish to vote for the value of your debt at the meeting.

Return to: FTI Consulting
PO Box Z5486
St Georges Terrace
PERTH WA 6831

Email: Gascoyne_Enquiries@fticonsulting.com

Fax: (08) 9321 8544

**Gascoyne Resources Ltd ACN 139 522 900
Gascoyne Resources (WA) Pty Ltd ACN 139 823 822
Dalgara Operations Pty Ltd ACN 616 858 550
GNT Resources Pty Ltd ACN 159 772 077
Egerton Exploration Pty Ltd ACN 163 614 551
Dalgara Exploration Pty Ltd ACN 623 055 550
Gascoyne (Ops Management) Pty Ltd ACN 619 342 979
(All Administrators Appointed) (Together “the Companies”)**

Notice of First Meeting of Creditors of the Companies Under Administration

1. On 2 June 2019, the Companies, under section 436A of the *Corporations Act 2001*, appointed Michael Joseph Patrick Ryan, Kathryn Guinivere Warwick and Ian Charles Francis of FTI Consulting as Joint and Several Administrators of the Companies.
2. Notice is now given that a first concurrent meeting of the creditors of the Companies will be held at 11.30am AWST on Thursday, 13 June 2019 at the Karri Room, Parmelia Hilton Perth, 14 Mill Street, Perth WA 6000.
3. The purpose of the meeting is to determine:
 - (a) Whether to appoint a committee of inspection; and
 - (b) If so, who are to be the committee's members.
4. At the meeting, creditors may also, by resolution:
 - (a) Remove the administrator(s) from office; and
 - (b) Appoint someone else as administrator(s) of the Companies.

Dated this 5th day of June 2019



.....
Ian Francis
Joint and Several Administrator

Appointment of Proxy Form

I/We (name).....

of (address).....

a creditor of

appoint (add name and address of proxy)

.....

or in his/her absence (add alternate proxy)

as my/our general proxy **OR** special proxy to vote at the meeting of creditors to be held at 11.30am AWST on Thursday, 14 June 2019 at the Karri Room, Parmelia Hilton Perth, 14 Mill Street, Perth WA 6000 or at any adjournment of that meeting.

Voting instructions - for special proxy only	For	Against	Abstain
Resolution			
1. To appoint a committee of inspection.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. To remove the Administrators and appoint someone else as administrator(s) of the above company.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Dated:

.....
Name and signature of authorised person

.....
Name and signature of authorised person

Certificate of Witness – only complete if the person given the proxy is blind or incapable of writing.

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.

Dated: Signature of witness:

Description: Place of residence:

Guidance Notes for Completing Proxy and Proof of Debt or Claim Forms

Appointment of Proxy Form

A person can appoint another person to attend the meeting on their behalf by completing the Appointment of Proxy Form.

If the creditor is a company or a firm, a person needs to be appointed to represent the company.

This representative needs to be appointed by completing the Form of Proxy in accordance with section 127 of the *Corporations Act 2001* (“Act”). Alternatively, the appointed person must be authorised to act as a representative for the company per section 250D of the Act.

The Appointment of Proxy form is valid only for the meeting indicated (or any adjournment).

You may appoint either a general proxy (a person who may vote at their discretion on motions at the meeting) or a special proxy (who must vote according to your directions). If you appoint a special proxy, you should indicate on the form what directions you have given. In many instances, there will be a box or section on the proxy form where you can mark how you want your proxy to vote for you.

If you are unable to attend the meeting and you do not have a representative who can attend on your behalf, you may if you wish appoint the Chairperson of the Meeting as your proxy. The Chairperson can be appointed as a general proxy or a special proxy. This is entirely your choice.

Form 535 - Formal Proof of Debt or Claim Form

The proof of debt submitted during an Administration is used for voting purposes at any meetings of creditors and also to help establish the overall level of creditor claims in the administration.

Admission of your proof for voting purposes does not mean that the Administrator has agreed with your proof for the purpose of making a dividend distribution.

You should include a description of how your debt/claim arose, whether you are claiming a security interest in property and if you have any guarantees and indemnities for the debt. If you need more space, you can attach any additional details you wish to include – just make sure that you mention this on the form so we know what you’ve attached and how many pages.

You should provide supporting documents that substantiate what you are owed by the relevant company. This may include things like account statements, unpaid invoices and their corresponding purchase orders, PPSR registration, agreements/terms of trade, contracts, lease or hire agreements, court order or judgment, guarantee or loan document, emails/other correspondence with the relevant company.

If you need help in completing the forms or if you are uncertain what information you should attach, please email or telephone the nominated FTI Consulting contact person.

DECLARATION OF INDEPENDENCE, RELEVANT RELATIONSHIPS, AND INDEMNITIES (“DIRRI”)

GASCOYNE RESOURCES LTD ACN 139 522 900
GASCOYNE RESOURCES (WA) PTY LTD ACN 139 823 822
DALGARANGA OPERATIONS PTY LTD ACN 616 858 550
GNT RESOURCES PTY LTD ACN 159 772 077
EGERTON EXPLORATION PTY LTD ACN 163 614 551
DALGARANGA EXPLORATION PTY LTD ACN 623 055 550
GASCOYNE (OPS MANAGEMENT) PTY. LTD. ACN 619 342 979
(ALL ADMINISTRATORS APPOINTED)
(TOGETHER “GCY GROUP” OR “COMPANIES”)

The Corporations Act 2001 (Cth) and professional standards require Practitioners appointed to an insolvent entity make declarations as to:

- A. their independence generally;
- B. relationships, including
 - i. the circumstances of the appointment;
 - ii. any relationships with the Companies and others within the previous 24 months;
 - iii. any prior professional services for the Companies 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 us, Michael Joseph Patrick Ryan, Ian Charles Francis, and Kathryn Guinivere Warwick, our fellow Senior Managing Directors and Managing Directors, FTI Consulting (Australia) Pty Ltd (“**FTI Consulting**” or “**Firm**”) and associated entities.

A. INDEPENDENCE

We, Michael Joseph Patrick Ryan, Ian Charles Francis, and Kathryn Guinivere Warwick of FTI Consulting have undertaken a proper assessment of the risks to our independence prior to accepting the appointment as Joint and Several Administrators (“**Administrators**”) of the Companies in accordance with the law and applicable professional standards.

This assessment identified no real or potential risks to our independence. We are not aware of any reasons that would prevent us from accepting this appointment.

B. DECLARATION OF RELATIONSHIPS

i. Circumstances of appointment

On 25 October 2018, Rodney (Mike) Joyce, Director of Gascoyne Resources Limited, approached Andrew Bantock, a Senior Managing Director of FTI Consulting, following a referral from Allion Legal.

Andrew Bantock, Ian Francis, both Senior Managing Directors of FTI Consulting and James Tranter, a Managing Director of FTI Consulting, met with Rodney (Mike) Joyce on 25 October 2018 to discuss the resignation of two (2) directors of Gascoyne Resources Limited and whether the Company required:

- (a) Investor relations or public relations assistance; and
- (b) Interim finance function assistance as the incumbent Chief Financial Officer, Michael (Mike) Ball, was to transition to interim Chief Executive Officer.

Andrew Bantock and Rodney (Mike) Joyce held a subsequent telephone discussion on 29 October 2018 as a follow on to the matters discussed in the initial meeting on 25 October 2018. No formal advice or work was conducted by FTI Consulting with respect to the above discussions.

During the period 8 November 2018 to 23 February 2019, FTI Consulting held 12 meetings with various directors and employees of the Companies and their advisors with respect to a limited scope review of GCY Group's financial position and a rebuild of their financial model by FTI Consulting. The engagement is detailed further in section (B)(ii) and details of each meeting held are disclosed in Appendix 1.

On 18 March 2019, FTI Consulting provided GCY Group with a document titled "Overview of the VA Process Paper" which provided:

- (a) A general overview of the voluntary administration process;
- (b) How a voluntary administration differs from a receivership appointment;
- (c) How a voluntary administration may be utilised to affect a restructure in GCY Group's circumstances; and
- (d) Implications for creditors and shareholders in a voluntary administration scenario.

Subsequently, on 29 May 2019, Michael Ryan a Senior Managing Director of FTI Consulting and Matthew Chivers, a Managing Director of FTI Consulting, attended a meeting with Richard Hay, Chief Executive Officer of GCY Group, and Michael (Mike) Ball, Chief Financial Officer of GCY Group. The purpose of the meeting was to:

- (a) Discuss GCY Group's recent operating performance, cash flow and financial position;
- (b) Having regard to GCY Group's financial position, explain the various forms of insolvency appointments, potential options available to GCY Group, and the consequences of the various types of insolvency appointments; and
- (c) To outline the process following an insolvency appointment.

We did not receive any remuneration with respect to the meeting held on 29 May 2019.

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

- (a) Allion Legal has not to our knowledge previously referred insolvency-related or other work to FTI Consulting;
- (b) FTI Consulting is not reliant upon referrals from Allion Legal, who are one of a considerable number of firms, organisations and persons who may refer work to, or seek advice from, FTI Consulting. This engagement is not financially significant to FTI Consulting and the receiving or otherwise of other referrals from Allion Legal is not material to FTI Consulting;
- (c) Work referrals arising from networks of business professionals, advisors and other persons are normal and accepted arrangements, and do not inherently impact on us discharging our statutory duties and obligations with independence and impartiality;
- (d) There are no conditions on the conduct or outcome of this administration arising from the referral, including no fees/commissions, agreements for work in the administration, or other benefits; and
- (e) FTI Consulting has not previously undertaken an engagement in relation to the GCY Group either on referral from Allion Legal or otherwise.

ii. Prior professional services to GCY Group

On 6 November 2018, we were engaged by GCY Group to provide assistance in assessing GCY Group's financial position. The engagement included:

- (a) A review GCY Group's current financial position and the turnaround plan developed by management;
- (b) A review of GCY Group's economic modelling / cashflow forecasting systems and tools; and
- (c) A rebuild of GCY Group's financial model to reflect the transitioning in GCY Group's operations from mine exploration/development only to include the mining operations at the Dalgara mine.

We commenced work on 8 November 2018. Our work involved:

- (a) Between the period 8 November 2018 to 19 January 2019, we completed a rebuild of GCY Group's financial model as referred to above. Mike Ball advised the model was not implemented by GCY Group prior to the appointment of the Administrators; and
- (b) On 19 December 2018, we provided our findings in a report delivered to David John of Herbert Smith Freehills ("**HSF**") in his capacity as GCY Group's legal advisor. Our report provided an overview of GCY Group's financial position and a review of a turnaround plan developed by GCY Group management.

Independent to our report, the Board of Directors ("**Board**") of GCY Group sought legal advice from David John with respect to whether Safe Harbour protections available under the *Corporations Act, 2001 (Cth)* were available to the Board.

We did not provide any advice with respect to whether GCY Group should enter Safe Harbour.

On 23 February 2019, Michael Ryan met with Sally-Anne Layman (at the time, Chairperson of the Board) and advised that FTI Consulting had completed its work and would attend to final matters to close the file.

We received remuneration and disbursements totalling \$163,615.36 (excluding GST) for our work pursuant to the Firm's engagement letter dated 6 November 2018.

In April 2019, GCY Group embarked on an equity raising process seeking \$24.5 million. We understand GCY Group raised \$5.4 million in equity and during this time negotiated a restructure of its facilities with project financiers and a major supplier. FTI Consulting had no involvement in this process nor did the Firm provide any advice in relation to these matters.

In our opinion, our pre-appointment engagement with the GCY Group does not affect our independence for the following reasons:

- (a) our dealings with GCY Group were focused on providing a review of GCY Group's financial position, overview of management's turnaround plan, and a rebuild of GCY Group's financial model which was not adopted by GCY Group with respect to operating the Dalgara mine. The nature of this work would not be subject to review and challenge during the course of the voluntary administration;
- (b) the Courts and relevant professional bodies 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;
- (c) no advice has been given to the directors in their capacity as directors of the Companies, or in relation to their personal circumstances, and we remain independent of them; and
- (d) the nature of the work we undertook will not influence our ability to be able to fully comply with the statutory and fiduciary obligations associated with the Voluntary Administration of GCY Group in an objective and impartial manner.

Other than detailed above, neither we, nor our Firm, have provided any professional services to GCY Group, its directors, employees or advisors in the previous 24 months.

iii. *Relevant Relationships (excluding Professional Services to the Insolvent)*

We or a member of our Firm, have, or have had within the preceding 24 months, a relationship with:

Name	Nature of relationship	Reasons
Commonwealth Bank of Australia Ltd (“CBA”) and National Bank of Australia Ltd (“NAB”)	<p>CBA and NAB provide funding facilities to the GCY Group and have been granted security in the form of General Security Agreements by certain Companies within the GCY Group (refer table below).</p> <p>FTI Consulting has had relationships with the CBA and NAB by virtue of the nature of its business. FTI Consulting undertakes corporate recovery and advisory work from time to time on instructions from each of CBA and NAB.</p>	<p>We believe that this relationship does not result in a conflict of interest or duty because:</p> <ul style="list-style-type: none"> ▪ Each professional engagement undertaken for either of CBA or NAB in relation to a particular entity or group of entities is conducted on an entirely separate basis, which has no bearing on this appointment; ▪ These engagements are only commenced after full regard is given to potential conflicts of interest in relation to all interested stakeholders; and ▪ FTI Consulting has not undertaken an engagement for either of CBA or NAB with respect to the Companies. <p>Given these factors, our independence in acting as Voluntary Administrators of GCY Group has not been affected.</p>

Tabled below are creditors that hold an All Present and After Acquired Property (“**ALLPAAP**”) registration against the relevant company, registered on the Personal Properties Securities Register:

Company	ACN	Creditors - ALLPAAP Registrations
Gascoyne Resources Limited	139 522 900	NAB, CBA & Fleetco Rentals Pty Ltd
Gascoyne Resources (WA) Pty Ltd	139 823 822	NAB
Dalgaranga Operations Pty Ltd	616 858 550	Nil
GNT Resources Pty Ltd	159 772 077	NAB & NRW Pty Ltd
Egerton Exploration Pty Ltd	163 614 551	Nil
Dalgaranga Exploration Pty Ltd	623 055 550	Nil
Gascoyne (Ops Management) Pty. Ltd.	619 342 979	Nil

iv. No other relevant relationships to disclose

Neither we, nor any member or associate of FTI Consulting, have identified any other relevant relationships, including personal, business and professional relationships, from the previous 24 months with the GCY Group, an associate of GCY Group, a former insolvency practitioner appointed to the GCY Group, or any person or entity that has security over the whole or substantially whole of the GCY Group’s property that should be disclosed.

C. APPOINTMENT OF VOLUNTARY ADMINISTRATORS

On 2 June 2019, Michael Joseph Patrick Ryan, Ian Charles Francis, and Kathryn Guinivere Warwick of FTI Consulting, were appointed as joint and several Administrators of the Companies within the GCY Group.

D. INDEMNITIES AND UP-FRONT PAYMENTS

We have not been indemnified in relation to this administration, other than any indemnities that we may be entitled to under statute and we have not received any up-front payments in respect of our remuneration or disbursements.

E. APPOINTMENTS TO MEMBERS OF A CORPORATE GROUP

As specified on page one of this DIRRI, we have been appointed as Voluntary Administrators of the Companies.

We have obligations with respect to each of the Companies in the GCY Group over which we have been appointed (as defined by Section 435A of the Corporations Act 2001) individually and not to the GCY Group as a whole. Notwithstanding this, we are of the view that the appointment to all companies within the GCY Group will have significant benefits to the conduct of the Voluntary Administrations, particularly as this will offer cost-savings and enable an accurate as possible view to be obtained of the activities and financial position of GCY Group as a whole.

We are aware that there are inter-company transactions between the companies in the GCY Group but at this time are not aware of any potential conflicts of interest between the companies in the GCY Group arising from our appointments. If it becomes apparent that pre-appointment dealings between the companies within the GCY Group may give rise to a conflict which may impact the outcome for creditors of each company within the Group, we undertake to disclose any such conflicts to the creditors and as appropriate, seek Court directions as to the means of resolving the potential conflict.

Dated: 5 June 2019



Michael Joseph Patrick Ryan



Ian Charles Francis



Kathryn Guinivere Warwick

NOTES:

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

2. Any relationships, indemnities or up-front payments disclosed in the DIRRI must not be such that the Practitioners are no longer independent. The purpose of the disclosures in the DIRRI is to disclose relationships that, while they do not result in the Practitioners having a conflict of interest or duty, ensure that creditors are aware of those relationships and understand why the Practitioners nevertheless remains independent.

Appendix 1 – Meetings between FTI Consulting staff and GCY Group representatives / other third parties

Meeting Date	FTI Attendees	External Attendees	Agenda / Purpose / Discussion
25/10/18	Andrew Bantock, Ian Francis, James Tranter	Rodney (Mike) Joyce	Discuss: 1) Resignation of directors; 2) Investor relations or public relations assistance; and 3) Interim finance function assistance
29/10/2018	Andrew Bantock	Rodney (Mike) Joyce	Follow up telephone discussion after meeting on 25 October 2018.
08/11/18	Michael Ryan and Thomas Foo	Mike Ball	Introduction and general background discussion
15/11/18	Michael Ryan and Thomas Foo	Mike Ball	Initial discussion of draft financial model and financial position for GCY Group.
26/11/18	Michael Ryan	Mike Ball Sally-Anne Layman David John (Herbert Smith Freehills (HSF))	The engagement of HSF as Safe Harbour Advisors.
4/12/18	Matthew Chivers, Thomas Foo	Mike Ball	Initial discussion on draft financial model and assumptions
12/12/18	Matthew Chivers, Thomas Foo	Mike Ball	Discuss draft FTI Consulting report and draft financial model assumptions
19/12/18 11/01/19 15/01/19	Mike Ryan, Matthew Chivers, Thomas Foo	Mike Ball	Discuss draft financial model
17/01/19	Matthew Chivers	Mike Ball Tye Gerrard (Macquarie Capital) Joel Turco (Macquarie Capital)	Discuss draft financial model
19/02/19	Matthew Chivers	Mike Ball	General update discussion regarding GCY Group
23/02/19	Michael Ryan	Sally-Anne Layman	Discuss closing out engagement.
29/05/19	Michael Ryan and Matthew Chivers	Richard Hay Mike Ball	Discuss GCY Group operating performance, cash flow and implications of various insolvency appointment types on various stakeholders.

GCY Group Attendees (position held at the date of meeting)

Name	Position / Title Held	Representing
Sally-Anne Layman	Non-Executive Chairperson and Director of multiple companies within GCY Group.	GCY Group Board of Directors
Rodney (Mike) Joyce	Non-Executive Chairperson and Director of multiple companies within GCY Group.	GCY Group Board of Directors
Richard Hay	Chief Executive Officer of GCY Group	GCY Group
Michael (Mike) Ball	Chief Financial Officer of GCY Group	GCY Group

Initial Advice to Creditors – Basis of Administrators' Remuneration

Remuneration Methods

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

Time based / hourly rates

This is the most common method. The total fee charged is based on the hourly rate charged for each person who carried out the work multiplied by the number of hours spent by each person on each of the tasks performed.

Fixed fee

The total fee charged is normally quoted at the commencement of the voluntary administration and is the total cost for the voluntary administration. Sometimes a practitioner will finalise a voluntary administration for a fixed fee.

Percentage

The total fee charged is based on a percentage of a particular variable, such as the gross proceeds of assets realisations.

Contingency

The practitioner's fee is structured to be contingent on a particular outcome being achieved.

Method Proposed

We propose that our remuneration is calculated on a time basis. We believe this method is appropriate as it ensures that only the actual work performed is charged for. There are also various tasks required to be completed which do not involve the realisation of assets, such as reporting to ASIC, undertaking investigations, corresponding with creditors and answering their queries, and completing other statutory tasks required by law.

Estimate of Remuneration for the Voluntary Administration

We estimate our remuneration for undertaking the administration will be approximately \$1m-\$2m (excluding GST), subject to the following variables which may have a significant effect on this estimate and that we are unable to determine until the voluntary administration has commenced:

- The full scope and extent of necessary work (from experience, unforeseen matters typically arise and may require us to perform additional work beyond that currently anticipated);
- The date of the second meeting of creditors, at which time creditors will vote on the future of the Companies.

Approved remuneration may exceed this amount and can be paid from the assets of the voluntary administration after approval by creditors or the Court.

Explanation of Hourly Rates

The rates for our remuneration calculation are attached together with a general guide showing the qualifications and experience of staff that will be engaged in the voluntary administration and the role they take in the voluntary administration. The hourly rates charged encompass the total cost of providing professional services and should not be compared to an hourly wage.

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 such as travel, accommodation and search fees - these are recovered at cost.
- Internal disbursements such as photocopying, printing and postage. These disbursements, if charged to the voluntary administration, would generally be charged at cost; though some expenses such as telephone calls, photocopying and printing may be charged at a rate which recoups both variable and fixed costs.

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 creditors' consent for the payment of internal disbursements not charged at cost, prior to these disbursements being paid from the administration. These disbursements typically include photocopying, printing and facsimile costs.

Details of the basis of recovering internal disbursements in this voluntary administration are provided below. Full details of any actual costs incurred will be provided with future reporting.

Nature of Disbursement	Rate (excluding GST)
Advertising and search fees	At cost
Couriers and deliveries	At cost
Postage	At cost
Printing and photocopying	Not charged
Facsimile	Not charged
Staff travel – mileage	Cents per km method (per ATO rates)
Other staff travel/out of pockets	At cost
Storage of records (including boxes)	At cost

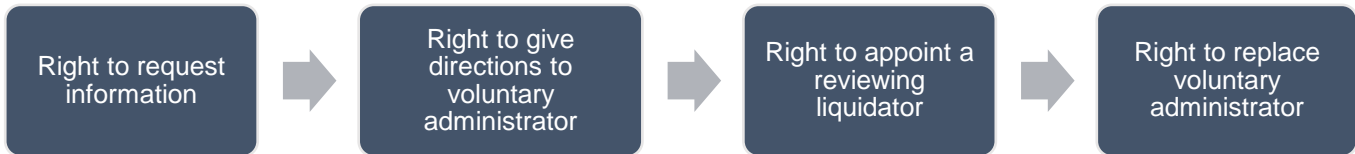
**FTI Consulting CF&R Standard Rates effective 1 May 2019
(excluding GST)**

Typical classification	Standard Rates \$/hour	General guide to classifications
Senior Managing Director	695	Registered Liquidator and/or Trustee, with specialist skills and extensive experience in all forms of insolvency administrations. Alternatively, has proven leadership experience in business or industry, bringing specialist expertise and knowledge to the administration.
Managing Director	625	Specialist skills brought to the administration. Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee. May also be a Registered Liquidator and/or Trustee. Alternatively, has extensive leadership/senior management experience in business or industry.
Senior Director	575	Extensive experience in managing large, complex engagements at a very senior level over many years. Can deputise for the appointee, where required. May also be a Registered Liquidator and/or Trustee or have experience sufficient to support an application to become registered. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications.
Director	515	Significant experience across all types of administrations. Strong technical and commercial skills. Has primary conduct of small to large administrations, controlling a team of professionals. Answerable to the appointee, but otherwise responsible for all aspects of the administration. Alternatively, has significant senior management experience in business or industry, with specialist skills and/or qualifications.
Senior Consultant 2	465	Typically an Australian Restructuring Insolvency & Turnaround Association professional member. Well developed technical and commercial skills. Has experience in complex matters and has conduct of small to medium administrations, supervising a small team of professionals. Assists planning and control of medium to larger administrations.
Senior Consultant 1	400	Assists with the planning and control of small to medium-sized administrations. May have the conduct of simpler administrations. Can supervise staff. Has experience performing more difficult tasks on larger administrations.
Consultant 2	375	Typically Institute of Chartered Accountants in Australia qualified chartered accountant (or similar). Required to control the tasks on small administrations and is responsible for assisting with tasks on medium to large-sized administrations.
Consultant 1	335	Qualified accountant with several years' experience. Required to assist with day-to-day tasks under the supervision of senior staff.
Associate 2	320	Typically a qualified accountant. Required to assist with day-to-day tasks under the supervision of senior staff.
Associate 1	300	Typically a university graduate. Required to assist with day-to-day tasks under the supervision of senior staff.
Junior Associate	195	Undergraduate in the latter stage of their university degree.
Administration 2	205	Well developed administrative skills with significant experience supporting professional staff, including superior knowledge of software packages, personal assistance work and/or office management. May also have appropriate bookkeeping, accounting support services or similar skills.
Junior Accountant	155	Undergraduate in the early stage of their university degree.

The FTI Consulting Standard Rates above apply to the Corporate Finance & Restructuring practice and are subject to periodical review.

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.**



ASIC
Australian Securities &
Investments Commission

Insolvency information for directors, employees, creditors and shareholders

This information sheet (INFO 39) lists ASIC's information sheets for directors, employees, creditors and shareholders affected by a company's insolvency.

We have produced these with endorsement from the Australian Restructuring Insolvency & Turnaround Association (ARITA).

The information sheets give a basic understanding of the three most common company insolvency procedures – liquidation, voluntary administration and receivership – as well as the independence requirements for external administrators and approving external administrator remuneration. There is also a glossary of commonly used insolvency terms.

List of information sheets

- [INFO 41](#) Insolvency: A glossary of terms
- [INFO 42](#) Insolvency: A guide for directors
- [INFO 43](#) Insolvency: A guide for shareholders
- [INFO 45](#) Liquidation: A guide for creditors
- [INFO 46](#) Liquidation: A guide for employees
- [INFO 54](#) Receivership: A guide for creditors
- [INFO 55](#) Receivership: A guide for employees
- [INFO 74](#) Voluntary administration: A guide for creditors
- [INFO 75](#) Voluntary administration: A guide for employees
- [INFO 84](#) Independence of external administrators: A guide for creditors
- [INFO 85](#) Approving fees: A guide for creditors

Where can I get more information?

Further information is available from the [ARITA website](#). The ARITA website also contains the [ARITA Code of Professional Practice for Insolvency Practitioners](#).

This is **Information Sheet 39 (INFO 39)** updated on 1 September 2017. Information sheets provide concise guidance on a specific process or compliance issue or an overview of detailed guidance.