

16 August 2021

**HERON RESOURCES LIMITED ACN 068 263 098  
AND ITS SUBSIDIARIES AS LISTED IN SCHEDULE 1  
(TOGETHER "THE GROUP")  
(ALL ADMINISTRATORS APPOINTED)**

Dear creditors

I refer to my appointment as administrator of Heron Resources Limited (administrators appointed) and its subsidiaries (together, the "Group") on 16 July 2021.

I also refer to my circular sent to you on 12 August 2021 ("Circular"), and, for ease of reference, adopt defined terms from the Circular.

**UPDATE ON COURT APPLICATION**

As foreshadowed in the Circular, on Thursday 12 August 2021 the Administrators filed an application with the Supreme Court of NSW seeking the "funding approval orders" and "convening period extension orders", together with other administrative and facilitative orders.

On Friday 13 August 2021, the application was heard by his Honour Justice Black and orders were made by his Honour in the form originally sought by the Administrators, together with an additional order sought by the Administrators that AUD\$1,009,718 be paid into a separate bank account for the purpose of meeting priority employee entitlements.

**Attached** for your reference is a sealed copy of the orders made by his Honour. I confirm that this circular constitutes notice to creditors in accordance with order 12.

**FTI Consulting (Australia) Pty Limited**

ABN 49 160 397 811 | ACN 160 397 811 | AFSL Authorised Representative # 001269325

Level 22, Gateway | 1 Macquarie Place | Sydney NSW 2000 | Australia

Postal Address | PO Box R367 | Sydney NSW 1225 | Australia

+61 2 8247 8000 telephone | +61 2 8247 8099 fax | [fticonsulting.com](http://fticonsulting.com)

*Liability limited by a scheme approved under Professional Standards Legislation.*

If you have any questions about the orders, the administration, or any aspect of the Group's operations, please contact Jonathan Hayim on (02) 8247 8000 or by email at [Jonathan.Hayim@fticonsulting.com](mailto:Jonathan.Hayim@fticonsulting.com).

Yours faithfully

A handwritten signature in black ink, appearing to read 'D McGrath', written in a cursive style.

David McGrath

Joint and Several Administrator

**SCHEDULE 1**  
**SCHEDULE OF COMPANIES**

| Company Name                                              | ACN         |
|-----------------------------------------------------------|-------------|
| Heron Resources Limited (Administrators Appointed)        | 068 263 098 |
| Hampton Nickel Pty Limited (Administrators Appointed)     | 100 180 498 |
| Ochre Resources Pty Limited (Administrators Appointed)    | 112 833 351 |
| Tarago Exploration Pty Ltd (Administrators Appointed)     | 115 529 112 |
| Tarago Operations Pty Ltd (Administrators Appointed)      | 127 810 413 |
| Woodlawn Mine Holdings Pty Ltd (Administrators Appointed) | 612 657 164 |



Issued: 13 August 2021 2:09 PM

## JUDGMENT/ORDER

### COURT DETAILS

|             |                               |
|-------------|-------------------------------|
| Court       | Supreme Court of NSW          |
| Division    | Equity                        |
| List        | Corporations Registrar's List |
| Registry    | Supreme Court Sydney          |
| Case number | 2021/00230300                 |

### TITLE OF PROCEEDINGS

|                      |                                                                                                                           |
|----------------------|---------------------------------------------------------------------------------------------------------------------------|
| First Plaintiff      | Christopher Clarke Hill (in his capacity as joint and several administrator of Heron Resources Limited (admin appt) & Ors |
| Second Plaintiff     | David Peter McGrath (in his capacity as joint and several administrator of Heron Resources Limited (admin appt) & Ors     |
| Number of Plaintiffs | 3                                                                                                                         |
| First                |                                                                                                                           |

### DATE OF JUDGMENT/ORDER

|                    |                |
|--------------------|----------------|
| Date made or given | 13 August 2021 |
| Date entered       | 13 August 2021 |

### TERMS OF JUDGMENT/ORDER

#### VERDICT, ORDER OR DIRECTION:

Hearing of Originating Process filed 12 August 2021.

Ex tempore judgment delivered on administrators' application.

Black J makes orders in accordance with the Short Minutes of Order initialled by him and placed in the file.

#### THE COURT ORDERS THAT:

##### Extension of Convening Period

1 Pursuant to section 439A(6) of the Act, the convening period within which the plaintiffs must convene the second meeting of creditors of Heron Resources Limited ACN 068 263 098 (administrators appointed) (Heron Resources) and each of the companies listed in Schedule 1 (Heron Subsidiaries), (each a Company, and together with Heron Resources, the Companies) pursuant to section 439A of the Corporations Act 2001 (Cth) (Act) (Second Meeting) be extended from 16 August 2021 to 16 November 2021.

2 Pursuant to section 447A(1) of the Act, Part 5.3A of the Act is to operate such that the Second Meeting may be held at any time during, or within five business days after the end of, the convening period as extended by paragraph 1 above, notwithstanding the provisions of section 439A(2) of the Act.

#### Funding Agreement

3 Pursuant to section 90-15 of the Insolvency Practice Schedule (Corporations) set out in Schedule 2 of the Act (IPS), the plaintiffs (in their capacity as administrators of Tarago Operations Pty Ltd ACN 127 810 413 (administrators appointed) (Tarago)) are justified in causing Tarago to borrow loan monies not exceeding the sum of US\$3.55 million from OMF Fund II (H) Ltd (Funder) pursuant to the funding agreement substantially in the form of Exhibit 1 (Affidavit) (Funding Agreement).

4 Pursuant to section 447A(1) of the Act, Part 5.3A of the Act is to operate so that if the indemnity of the plaintiffs (in their capacity as administrators of Tarago) under section 443D of the Act out of the property of Tarago is insufficient to satisfy any debt or liability incurred by the plaintiffs (in their capacity as administrators of Tarago) in respect of the Funding Agreement, then the plaintiffs will not be personally liable to repay any such debt or liability to the extent of that insufficiency.

5 Pursuant to section 447A(1) of the Act, Part 5.3A of the Act is to operate so that the indemnity of the plaintiffs (in their capacity as administrators of Tarago) under section 443D of the Act out of the property of Tarago is to cover all debts and liabilities incurred by Tarago in respect of the Funding Agreement.

#### Intercompany Loan Agreement

6 Pursuant to section 447A(1) of the Act, Part 5.3A of the Act is to operate so that if the indemnity of the plaintiffs (in their capacity as administrators of each Company) under section 443D of the Act out of the property of each Company is insufficient to satisfy any debt or liability incurred by the plaintiffs (in their capacity as administrators of each Company) in respect of the intercompany loan agreement substantially in the form of Exhibit 2 (Intercompany Loan Agreement), then the plaintiffs will not be personally liable to repay any such debt or liability to the extent of that insufficiency.

7 Pursuant to section 447A(1) of the Act, Part 5.3A of the Act is to operate so that the indemnity of the plaintiffs (in their capacity as administrators of each Company) under section 443D of the Act out of the property of each Company is to cover all debts and liabilities incurred by each Company in respect of the Intercompany Loan Agreement.

#### COI

8 Subject to Orders 9 and 10 below, pursuant to sections 80-55(5)(b) and 90-15 of the IPS, leave be granted to the Funder and National Pump & Energy Pty Ltd (NPE), which are members of the committee of inspection of Tarago (Committee), to derive a profit or advantage from the external administration of each of the Companies.

9 No leave be granted for the Funder or NPE to receive any gift or remuneration from the external administration of any of the Companies by reason of their position as a member of the Committee.

10 Pursuant to section 447A of the Act and section 90-15 of the IPS, the plaintiffs are to:

- (a) keep a schedule noting each agreement entered into by the plaintiffs on behalf of any of the Companies with the Funder or NPE or any related entity of the Funder or NPE (Agreements with Committee Members);
- (b) provide an update to the Committee, at each meeting of the Committee, as to each of the Agreements with Committee Members that the plaintiffs have entered into on behalf of any of the Companies; and
- (c) include, as a section in a report to creditors of the Companies pursuant to section 75-225 of the Insolvency Practice Rules (Corporations) 2016 (Cth) (IPR), a list of the Agreements with Committee Members and a summary of the key terms of each such agreement.

#### Liberty to apply

11 Liberty to apply on 3 business days' notice for an order discharging or varying any of Orders 1 to 7 above is granted to the following:

- (a) any person who can demonstrate sufficient interest (including any creditor of the Companies) for the purpose of modifying or discharging Orders 1 to 7 above; and  
(b) the plaintiffs, for the purpose of seeking any further extension of the convening period.

#### Service and Notices

12 The plaintiffs, within five business days of the making these orders, are to take all reasonable steps to give notice of the orders to the Companies' creditors (including the persons claiming to be creditors), by means of a circular:

- (a) to be sent by email to creditors for whom the plaintiffs have a current email address; and  
(b) to be sent by ordinary post to creditors for whom the plaintiffs lack a current email address but have postal address.

13 Pursuant to section 447A(1) of the Act, Part 5.3A of the Act is to operate such that the requirement on the plaintiffs to issue notices under sections 75-225(1) and 75-15 of the IPR be modified such that notice of the Second Meeting will be validly given to any creditors by, not less than five business days prior to the date of the proposed meeting:

- (a) giving such notice electronically by email sent to the email address of any creditor (including persons claiming to be creditors) of the Companies for whom or which the plaintiffs hold an email address;  
(b) sending such notice to the postal address or facsimile number, or otherwise as provided for by the Act or the IPR, to any creditors not being a creditor referred to in sub-paragraph (a) and for whom or which the plaintiffs are aware of a postal address or facsimile number; and  
(c) causing such notice to be published in The Insolvency Notices website located at: <https://insolvencynotices.asic.gov.au/>.

#### Other

14 The plaintiffs are to transfer AUD\$1,009,718 of the Companies' funds into a separate bank account to be held for the purpose of meeting priority employee entitlements, which funds are not to be used for any other purpose without an order or direction of the Court.

15 The plaintiffs' costs of and incidental to this application be costs and expenses in the administration of each of the Companies and be paid out of the assets of each of the Companies.

16 These orders be entered forthwith.

#### SEAL AND SIGNATURE



|           |                     |
|-----------|---------------------|
| Signature | Chris D'Aeth        |
| Capacity  | Principal Registrar |
| Date      | 13 August 2021      |

If this document was issued by means of the Electronic Case Management System (ECM), pursuant to Part 3 of the Uniform Civil Procedure Rules (UCPR), this document is taken to have been signed if the person's name is printed where his or her signature would otherwise appear.

## **FURTHER DETAILS ABOUT Plaintiff(s)**

### **First Plaintiff**

Name Christopher Clarke Hill (in his capacity as joint and several administrator of Heron Resources Limited (admin appt) & Ors  
Address C/- King & Wood Mallesons Level 61  
1 Farrer Place  
SYDNEY NSW 2000  
Telephone  
Fax  
E-mail  
Client reference

### **Second Plaintiff**

Name David Peter McGrath (in his capacity as joint and several administrator of Heron Resources Limited (admin appt) & Ors  
Address C/- King & Wood Mallesons Level 61  
1 Farrer Place  
SYDNEY NSW 2000  
Telephone  
Fax  
E-mail  
Client reference

### **Third Plaintiff**

Name Michael Joseph Ryan (in his capacity as joint and several administrator of Heron Resources Limited (admin appt) & Ors  
Address C/- King & Wood Mallesons Level 61  
1 Farrer Place  
SYDNEY NSW 2000  
Telephone  
Fax  
E-mail  
Client reference

### **Legal representative for plaintiffs**

Name Timothy Michael Klineberg  
Practicing certificate number 38255  
Address Governor Phillip Tower Level 61  
1 Farrer Place  
SYDNEY NSW 2000  
DX address  
Telephone 02 9296 2493  
Fax  
Email tim.klineberg@au.kwm.com  
Electronic service address tim.klineberg@au.kwm.com

## **FURTHER DETAILS ABOUT (s)**

## **ATTACHMENTS TO ORDERS**

(Schedule 1 - Orders 13.8.21.pdf)

[attach.]

**SCHEDULE 1**

|   | <b>Name</b>                                               | <b>ACN</b>  |
|---|-----------------------------------------------------------|-------------|
| 1 | Hampton Nickel Pty Ltd (administrators appointed)         | 100 180 498 |
| 2 | Ochre Resources Pty Limited (administrators appointed)    | 112 833 351 |
| 3 | Tarago Exploration Pty Ltd (administrators appointed)     | 115 529 112 |
| 4 | Tarago Operations Pty Ltd (administrators appointed)      | 127 810 413 |
| 5 | Woodlawn Mine Holdings Pty Ltd (administrators appointed) | 612 657 164 |