

DML Resources Limited (In Liquidation)

Liquidators' Thirty Fourth Report For the period from 7 May 2015 to 6 November 2015

1 PROGRESS OF THE ADMINISTRATION OF THE LIQUIDATION

On 7 May 1998, DML Resources Limited ("the company") was placed in liquidation by the High Court at Auckland.

Pursuant to Section 255(2)(d) of the Companies Act 1993 ("the Act"), the liquidators herewith report on the progress of the liquidation. This thirty fourth report should be read in conjunction with the liquidators' previous reports. This report is being filed with the Registrar of Companies only, and is also on our website.

We attach below a statement of receipts and payments for the last six months and also for the period of the liquidation.

2 RESTRICTIONS

This report has been prepared in accordance with section 255(2)(d) of the Act. Whilst all care and attention has been taken in compiling this report, we do not accept any liability whatsoever to any party as a result of the circulation, publication, reproduction or use of this report.

We reserve the right (but are under no obligation) to review and, if we consider necessary, revise this report in respect of any information existing at the date of this report which becomes known to us after that date.

3 CONDUCT OF THE LIQUIDATION DURING THE PRECEDING SIX MONTHS

Asset Realisations

3.1 All assets of DML have been realised other than the ongoing recovery from Malaysia detailed in section 4 of this report.

4 DML MALAYSIA

The liquidators and their joint venture partners have negotiated a confidential settlement of the outstanding legal proceedings. The liquidators confirm that seven instalments of the settlement amount have been received. There are two instalments remaining. The next instalment is due in January 2016 and the last instalment is due to be paid in July 2016.

The funds received to date have funded the recent further distributions to unsecured creditors. Most unsecured creditors have as a result received 100 cents in the dollar. The distributions have been paid as follows:

| | | |
|-----------------------|-----------|--------------|
| • First Distribution | 5 cents | \$662,627 |
| • Second Distribution | 60 cents | \$7,869,675 |
| • Third Distribution | 29 cents | \$1,311,613 |
| • Fourth Distribution | 3 cents | \$393,361 |
| • Fifth Distribution | 3 cents | \$393,361 |
| | 100 cents | \$10,630,637 |

As described in detail below, those unsecured creditors that were in a separate class relating to voidable preference are now entitled to future distributions until they have also received 100 cents in the dollar.

5 DISTRIBUTIONS

The sixth distribution to unsecured creditors in the voidable preference trust (\$5,895,356). A sum was paid to those creditors on 30 January 2015 for \$265,291. This equated to 85.5 cents in the dollar.

The Act requires that all unsecured creditors have to be paid 100 cents in the dollar before interest can be paid on amounts claimed. Future distributions will from now on be paid pro rata to those remaining creditors that contributed to the voidable preference trust. The liquidators however do not expect that those remaining creditors will receive 100 cents in the dollar so all future distributions will be paid to the creditors within the voidable preference trust.

We advise that the purpose of the Voidable Preference Trust is now over.

6 INVESTIGATIONS and CREDITOR CLAIMS

There is nothing new to report.

7 FUNDS

As at 6 November 2014 the liquidation had approximately \$176,286.

We **attach** below a statement of receipts and payments for the last six months.

8 ESTIMATED DATE OF COMPLETION

The completion of this liquidation is dependent upon conclusion of the settlement with the Malaysian joint venture company. This is expected to be within the next six months.

The last settlement payment from Malaysia is due in July 2016 and then the Malaysian entity can be wound up and finalisation can commence.

9 CONTACT DETAILS

Enquiries should be directed to Boris van Delden on DDI (09) 306 3342 or by email to bvandelden@mvp.co.nz.

The Liquidators can be contacted at:

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52 Swanson Street
Auckland 1010

P O Box 6092
Wellesley Street
Auckland 1141



BORIS VAN DELDEN
LIQUIDATOR

DATED this 7th day of April 2016

Realisations and Distributions

DML Resources Limited (In Liquidation) 7 May 2015 to 6 November 2015

| | Cash Received \$ |
|--|------------------------|
| Realisations | |
| Opening Balance of Funds (per 32 nd report) | 20,876 |
| Settlement with DML MRP | 168,091 |
| Interest Received | 1,994 |
| Total Realisations | \$190,961 |
| Payments | |
| Liquidators Fees | |
| Liquidators Fees | 6,461 |
| Disbursements | 4,388 |
| Total Liquidators Fees | \$10,849 |
| Other Costs of Liquidation | |
| Legal Fees - DML Malaysia | 2,979 |
| Bank Fees | 37 |
| Residents Withholding Tax | 558 |
| Accounting Fees | 252 |
| Total Costs of Liquidation | \$3,826 |
| Total Payments | \$14,675 |
| BALANCE HELD | \$176,286 |

Note: the above figures are GST exclusive

Realisations and Distributions

DML Resources Limited (In Liquidation) 7 May 1998 to 6 November 2015

| Realisations | | Cash Received \$ |
|--|-----------|------------------------|
| Funds from Receiver | 1,114,159 | |
| Funds from Debentureholder | 240,000 | 1,354,159 |
| New Zealand Assets | | |
| Debtors | 32,791 | |
| Plant and Equipment | 342,150 | |
| Truck Sales | 129,200 | |
| Sundry Assets | 5,424 | 509,565 |
| Overseas Assets | | |
| Chile | 177,563 | |
| Hong Kong | 84,286 | |
| Indonesia | 72,077 | 333,926 |
| Settlements | | |
| Settlement with DML MRP | 924,931 | |
| Intercompany Loan Repayment | 665,102 | |
| Settlement – Action against Director | 7,850,000 | |
| Auriferous Settlement | 100,000 | |
| Coeur Gold (Excluding GST) | 2,440,641 | |
| Diesel Propulsion/Wiri Land | 140,000 | |
| DML Pty Australia Dividend | 1,061,138 | |
| Glencoal Settlement | 27,500 | |
| Solid Energy | 375,000 | 13,584,312 |
| Refunds from Inland Revenue Department | | |
| Pre-Liquidation GST Refunds | 1,774,228 | |
| Residents Withholding Tax Refund | 106,829 | |
| Income Tax Refund | 390,859 | |
| DML Minerals GST Refund | 602 | 2,272,518 |
| Miscellaneous | | |
| Insurance Refund | 55,696 | |
| Interest Received | 976,770 | |
| Legal Costs Recovered | 14,412 | |
| Sale of Shares | 27,293 | |
| Sundry | 14,004 | |
| Recovery of Financial Support to Cobalt SG Limited | 26,953 | |
| DML Voidable Trust Funds | 33,354 | 1,148,482 |
| Total Realisations | | \$19,202,962 |

Payments

Liquidators Fees

| | | |
|------------------|--|-----------|
| Liquidators Fees | | 3,654,847 |
| Disbursements | | 212,450 |

| | | |
|-------------------------------|--|--------------------|
| Total Liquidators Fees | | \$3,867,297 |
|-------------------------------|--|--------------------|

Other Costs of Liquidation

Legal Fees

| | | |
|------------------------------------|-----------|-----------|
| Actions against Directors | 1,098,598 | |
| Auriferous | 32,059 | |
| Chile Funds | 27,958 | |
| China Receivables | 83,471 | |
| Coeur Gold (Including Consultants) | 1,071,431 | |
| Creditor Claims | 45,636 | |
| Debenture | 40,099 | |
| Diesel Propulsion | 47,477 | |
| DML Pty Limited (In Liquidation) | 30,419 | |
| Solid Energy | 42,937 | |
| Voidable Transactions | 33,523 | |
| General | 169,144 | 2,722,752 |

Other Professional Fees

| | | |
|---|---------|---------|
| Accounting – DML Minerals | 4,240 | |
| Accounting | 19,820 | |
| Consulting Fees | 41,337 | |
| Computer Support | 2,388 | |
| Tax Advice | 94,308 | 162,093 |
| Financial Support to Related Companies | | |
| Financial Support – Cobalt SG Limited | 37,952 | |
| DML Resources (Asia) Limited | 144,548 | |
| DML Resources (Malaysia) Sdn Bhd | 75,983 | 258,483 |

Liquidation Operating Costs

| | | |
|---|--------|---------|
| Accident Compensation Corporation Costs | 14,856 | |
| Advertising | 4,640 | |
| Bank Fees | 3,199 | |
| Insurance | 21,532 | |
| Printing and Photocopying | 29,705 | |
| Storage – Vehicles, Records and Engines | 95,451 | |
| Vehicle Expenses and Transportation Costs | 15,287 | |
| Wages | 7,822 | |
| Sundry | 19,942 | 212,434 |

Inland Revenue Department

| | | |
|---------------------------|--------|--------|
| Fringe Benefit Tax | 2,460 | |
| Residents Withholding Tax | 71,890 | 74,350 |

| | | |
|-----------------------------------|--|--------------------|
| Total Costs of Liquidation | | \$3,430,112 |
|-----------------------------------|--|--------------------|

Settlements and Distributions to Creditors

| | | |
|---|-----------|---------------------|
| Applicant Creditor Costs ors | 2,155 | |
| Inland Revenue Department – PAYE, GST | 1,035 | |
| Settlement of Creditors' Claims | 830,147 | |
| First Distribution to Unsecured Creditors | 662,627 | |
| Second Distribution to Unsecured Creditors | 7,869,675 | |
| Third Distribution to Unsecured Creditors | 1,311,613 | |
| Fourth Distribution to Unsecured Creditors | 393,362 | |
| Fifth Distribution to Unsecured Creditors | 393,362 | |
| Sixth Distribution to Unsecured Creditors (Voidable Preference Trust) | 265,291 | |
| (85.5 cent in the \$1.00) | | |
| Total Settlements and Distributions to Creditors | | \$11,729,267 |
| <hr/> | | |
| Total Payments | | \$19,026,676 |
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| BALANCE HELD | | \$176,286 |

Note: the above figures are GST exclusive