



McDonald
Vague

business recovery partners

DML Resources Limited (In Liquidation)

Liquidators' Thirty Eighth Report (for the period from 7 May 2017 to 6 November 2017)

McDonald Vague Limited

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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 eighth 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.

4 DML MALAYSIA

The liquidators and their joint venture partners negotiated a confidential settlement. The liquidators confirm that all instalments of the settlement amount have now been received. There are no instalments remaining. The liquidators have sought advice from Malaysia on the process required to liquidate the Malaysian entity. This process may take up to two years. KPMG are in the process of completing tax returns.

5 DISTRIBUTIONS

The funds received over the period of liquidation have funded distributions to unsecured creditors. Most unsecured creditors received 100 cents in the dollar. The distributions were 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

Unsecured creditors that were in a separate class relating to voidable preference received 89.5 cents in the dollar.

The sixth distribution to unsecured creditors in the voidable preference trust (\$5,895,356) was paid on 30 January 2015 for \$265,291. The seventh distribution to unsecured creditors in the voidable preference trust was paid on 11 March 2016 for \$235,814 (that is 4 cents in the dollar). The creditors of the voidable preference trust received 89.5 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. A final distribution will be paid pro rata to creditors that contributed to the voidable preference trust. Funds however are withheld until it is clear on the costs involved in winding up the entity in Malaysia. The liquidators do not expect that the voidable preference trust creditors will receive 100 cents in the dollar.

6 INVESTIGATIONS and CREDITOR CLAIMS

There is nothing new to report.

7 FUNDS

As at 6 November 2017 the liquidation had approximately \$121,225.

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 a final audit in Malaysia, issue of final tax returns in Malaysia, and then the strike off of the Malaysian entities.

Until such time as clarity is given on the likely costs involved to wind up the Malaysian entities, so that the ultimate shareholder complies with tax and audit obligations in Malaysia, the final distribution to voidable preference creditors will be delayed.

Enquiries have been made of KPMG to assist with the formal strike off process. Enquiries are also with Boardroom Corporate services in Malaysia. We are advised this can take up to two years but we are seeking to fast track that process with approval of the Malaysian Companies Office.

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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PERI M FINNIGAN
LIQUIDATOR

DATED this 20th day of November 2017

Realisations and Distributions

DML Resources Limited (In Liquidation) 7 May 2017 to 6 November 2017

	Cash Received \$
Realisations	
Opening Balance of Funds (per 36 th report)	134,404
Interest Received	975
Total Realisations	\$135,379
Payments	
Liquidators Fees	
Liquidators Fees	9,065
Disbursements	285
Total Liquidators Fees	\$9,350
Other Costs of Liquidation	
Bank Fees	37
Residents Withholding Tax	273
Accounting Fees	2,791
DML Malaysia – DML Minerals	1,690
Total Costs of Liquidation	\$4,791
Total Payments	\$14,141
BALANCE HELD	\$121,238

Note: the above figures are GST exclusive

Realisations and Distributions

DML Resources Limited (In Liquidation) 7 May 1998 to 6 November 2017

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	1,227,385	
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	13,886,766
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	981,987	
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	1,153,699
Total Realisations		\$19,510,633

Payments

Liquidators Fees

Liquidators Fees		3,730,853
Disbursements		209,676
Total Liquidators Fees		\$3,940,529

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		
Debenture	40,099	
Diesel Propulsion	47,477	
DML Pty Limited (In Liquidation)	50,522	
Solid Energy	42,937	
Voidable Transactions	33,523	
General	169,938	2,743,649
Other Professional Fees		
Accounting – DML Minerals	6,222	
Accounting	31,425	
Consulting Fees	41,337	
Computer Support	2,388	
Tax Advice	94,308	175,680
Financial Support to Related Companies		
Financial Support – Cobalt SG Limited	37,952	
DML Resources (Asia) Limited	144,548	
DML Resources (Malaysia) Sdn Bhd	93,147	275,647
Liquidation Operating Costs		
Accident Compensation Corporation Costs	14,856	
Advertising	4,640	
Bank Fees	3,392	
Insurance	21,532	
Printing and Photocopying	36,087	
Storage – Vehicles, Records and Engines	95,451	
Vehicle Expenses and Transportation Costs	15,287	
Wages	7,822	
Sundry	19,942	219,009
Inland Revenue Department		
Fringe Benefit Tax	2,460	
Residents Withholding Tax	73,351	75,811
Total Costs of Liquidation		\$3,489,796

Settlements and Distributions to Creditors	
Applicant Creditor Costs	2,155
Inland Revenue Department – PAYE, GST	1,035
Settlement of Creditors' Claims	830,147
First Distribution to Unsecured Creditors	662,927
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
Seventh Distribution to Unsecured Creditors (Voidable Preference Trust)	229,503
	(Total - 89.5 cents in the \$1.00)
Total Settlements and Distributions to Creditors	\$11,959,070
Total Payments	\$19,389,395
BALANCE HELD	\$121,238

Note: the above figures are GST exclusive