

**Queensland Nickel Pty Ltd  
(Administrators Appointed)  
ACN 009 842 068  
(the Company)**

*First Meeting of Creditors  
Friday 29 January 2016*



Presented to Creditors  
of the Company

# Agenda

	<b>Agenda Item</b>
<b>1.</b>	<b>Introduction of Administrators</b>
<b>2.</b>	<b>Procedural Matters</b>
<b>3.</b>	<b>Voluntary Administration Process</b>
<b>4.</b>	<b>Statement by Director</b>
<b>5.</b>	<b>Background to the Administration</b>
<b>6.</b>	<b>Initial Report by Administrators</b>
<b>7.</b>	<b>Extension of Convening Period</b>
<b>8.</b>	<b>Administrators' Remuneration</b>
<b>9.</b>	<b>Questions</b>
<b>10.</b>	<b>Resolutions</b>
<b>11.</b>	<b>Next Steps For Creditors</b>

# 1. Introduction of Administrators

	Who We Are
1.	John Park, Kelly-Anne Trenfield, Stefan Dopking and Quentin Olde were appointed as the Joint and Several Administrators of the Company ( <b>the Administrators</b> ) by a resolution of the Director on 18 January 2016.
2.	John Park and Quentin Olde were also appointed as Joint and Several Administrators of Palmer Aviation Pty Ltd (ACN 158 870 789), a related entity of the Company, on 18 January 2016.
3.	The Administrators are Senior Managing Directors in the Corporate Finance and Restructuring practice of FTI Consulting. We are Chartered Accountants and members of the Australian Restructuring Insolvency and Turnaround Association.
4.	Registered and Official Liquidators with ASIC and the Supreme and Federal Courts.
5.	FTI Consulting is one of the world's leading Insolvency and Restructuring Firms with a track record of delivering major minerals processing and mining services assignments. We are also one of the world's leading forensic investigation firms.
6.	FTI Consulting is a global business advisory firm that offers business services in: <ul style="list-style-type: none"><li>• Corporate finance and restructuring;</li><li>• Economic consulting;</li><li>• Forensic and litigation consulting;</li><li>• Strategic communications; and</li><li>• Technology.</li></ul>

# FTI Consulting: Who We Are

FTI Consulting is a global business advisory firm that employs top-tier professionals from every major financial centre and every corner of the globe dedicated to helping organisations protect and enhance enterprise value in an increasingly complex legal, regulatory and economic environment.



<b>FCN</b> Publicly traded		<b>\$1.7 BLN</b> Market capitalisation	
<b>1982</b> Year founded		<b>80</b> Different disciplines	
<b>4,700+</b> Employees worldwide		<b>16</b> Experts in 16 industry specialties	
<b>440+</b> Senior Managing Directors		<b>80</b> Offices in 80 cities around the globe	
<b>2 Nobel Laureates</b>		<b>47</b> 47 of Global 100 corporations are clients	
<b>10 of 10</b> Advisor to the world's top 10 bank holding companies		<b>94/100</b> Advisor to 94 of the world's top 100 law firms	

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Guangzhou  
Hong Kong  
Shanghai
- India**  
Mumbai  
New Delhi
- Indonesia**  
Jakarta
- Japan**  
Tokyo
- Philippines**  
\*Manila
- Singapore**
- Europe, Middle East, Africa**
- Belgium**  
Brussels
- Denmark**  
Copenhagen
- France**  
Paris
- Germany**  
Berlin  
Frankfurt
- Ireland**  
Dublin
- Qatar**  
Doha
- Netherlands**  
Amsterdam
- Russia**  
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Cape Town  
Johannesburg
- Spain**  
Madrid
- United Arab Emirates**  
Abu Dhabi  
Dubai
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London  
Stirling
- Latin America**
- Argentina**  
Buenos Aires
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São Paulo
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British Virgin Islands  
Cayman Islands
- Colombia**  
Bogotá
- Mexico**  
Mexico City
- Panama**  
Panama City
- North America**
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Calgary  
Toronto  
Vancouver
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Annapolis  
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Denver  
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Pittsburgh  
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Wayne  
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\*independently owned franchisee of FTI Consulting Inc.

# Our Services and Industry Specialisations

Corporate Finance & Restructuring	Economic Consulting	Forensic & Litigation Consulting	Strategic Communications	Technology
<ul style="list-style-type: none"> <li>■ Turnaround &amp; Restructuring                             <ul style="list-style-type: none"> <li>■ Company Advisory</li> <li>■ Interim Management</li> <li>■ Lender Advisory</li> </ul> </li> <li>■ Transaction Advisory                             <ul style="list-style-type: none"> <li>■ Buy and Sell Side</li> <li>■ Private Equity Capital</li> </ul> </li> <li>■ Valuation &amp; Financial Advisory Services</li> <li>■ Business Improvement &amp; Growth                             <ul style="list-style-type: none"> <li>■ Operational Turnaround</li> <li>■ Cost Optimisation</li> <li>■ Revenue Enhancement</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>■ Antitrust &amp; Competition Economics</li> <li>■ Intellectual Property</li> <li>■ International Arbitration</li> <li>■ Labor &amp; Employment</li> <li>■ Public Policy</li> <li>■ Regulated Industries</li> <li>■ Securities Litigation &amp; Risk Management</li> </ul>	<ul style="list-style-type: none"> <li>■ Compliance, Monitoring &amp; Receivership</li> <li>■ Dispute Advisory Services</li> <li>■ Financial &amp; Enterprise Data Analytics</li> <li>■ Forensic Accounting &amp; Advisory Services</li> <li>■ Global Risk &amp; Investigations Practice</li> <li>■ Intellectual Property</li> <li>■ Trial Services</li> </ul>	<ul style="list-style-type: none"> <li>■ Corporate Communications</li> <li>■ Creative Engagement</li> <li>■ Financial Communications</li> <li>■ Public Affairs</li> <li>■ Strategy Consulting &amp; Research</li> </ul>	<ul style="list-style-type: none"> <li>■ Computer Forensics &amp; Investigations</li> <li>■ Discovery Consulting</li> <li>■ E-discovery Software &amp; Services</li> <li>■ Managed Review</li> <li>■ Predictive Discovery</li> </ul>

## Industry Specialisations



# FTI Consulting Global Mining Case Studies

Significant Global Mining Expertise

## North America

- Mineral Park Inc. (Canada)
- Nord Resources (Arizona USA)
- ASARCO LLC (Canada)
- Great Basin Gold (Nevada USA, South Africa)
- Project NT, Australian ASX listed gold miner (Canada)
- Pen Coal Company (USA)
- Patriot Coal Corporation (West Virginia & Missouri USA)
- Clearwater Natural Resources (Kentucky USA)
- Emissions Solutions Inc (New York, USA)
- Aurora Gold Project, Guyana Goldfields Inc, (Atlanta, USA)
- Transaction Advisory Services, precious metals & minerals (Philadelphia, USA)
- Transaction Advisory Services to the aluminium materials industry (Chicago, USA)

## South America

- Grupo Mexico (Mexico, Peru, and USA)
- Carparthian Gold (Brazil)
- Minproc Overseas Projects Pty Ltd (Chile, Uruguay)
- Tamaya Resources Limited (Chile, Portugal, Armenia, Australia)
- South American Ferro Metals (Brazil)

## EMEA & Africa

- Great Basin Gold (Nevada USA, South Africa)
- Forbes and Manhattan Coal Corp. (South African)
  - Political risk investigation for a mining company considering entering Sudan
    - RCF (Africa)
- Grupo Alfonso Gallardo SAU (Madrid, Spain)

## Asia

- Gold and copper mine (Philippines)
- Philippines' oldest operating gold mine (Philippines)
  - West Perth based gold miner (Asia)
- West Perth based gold/silver/copper miner (Australia, Indonesia)
- Project Asia, Australian listed gold miner (Asia)
- Project Thor, Euro 7 Investment (Hong Kong, Singapore)

## Australia

- Kagara Limited (Australia)
  - Allstate Explorations Limited (Australia)
  - Australia Pacific Energy (New Zealand)
- Project Zn, Australia ASX listed lead-zinc miner (Australia)
- Project Nickel, Australian ASX listed nickel miner (Australian)
- Aston Metals Limited & Aston Metals (Qld) Limited
  - Australian Kaolin NL (Australia)
  - Hendricks Resources Ltd, (Australia)
    - Premier Coal Limited (Australia)

Recognized as having the **Deepest Capabilities** in **Investigations**

by *Kennedy Consulting*, 2015

Former **prosecutors, law enforcement officials and regulators, and intelligence officers**, among others

Former **AFP, ASIC, FBI Agents**

**175**  
**Combined years of experience in Australia**

**Most professionals**

by firm named to

**Who's Who Legal**

List of Commercial Arbitration Expert Witnesses for four consecutive years (2011-2014)

Retained in the **largest reported Ponzi scheme** in **U.S. history (MADOFF Investigation)**

**Integrated Skills:**  
Accountants  
Investigators Forensic  
Technology  
Data analytics

**Behind the global headlines**

**Breakthrough in Enron Scandal**

**Receiver Recovers More Than \$200M for Defrauded Investors and Secures Withdrawal of \$1.3 Billion in Claims**

**High profile matters in Australia**

HIH Amcor Telstra  
Trio Capital Big 4 Banks  
James Hardy

## 2. Procedural Matters

	<b>Matter</b>
<b>1.</b>	<b>Introduction</b>
<b>2.</b>	<b>Nature of Meeting</b>
<b>3.</b>	<b>Quorum</b>
<b>4.</b>	<b>Notice Convening Meeting</b>
<b>5.</b>	<b>Time and Place of Meeting</b>
<b>6.</b>	<b>DIRRI</b>
<b>7.</b>	<b>Entitlement to Vote</b>
<b>8.</b>	<b>Adjudication of Proofs of Debt for Voting</b>



### 3. Voluntary Administration Process

#### Objectives of Voluntary Administration

Objective	
Maximise the chance of a company, or as much as possible of its business, continuing in existence.	
OR	
If that is not possible, results in a better return for the company's creditors than would result from an immediate winding up.	
Decide the future of the Company	<ul style="list-style-type: none"> <li>• Company executes DOCA</li> <li>• Adjourn meeting</li> <li>• Company is wound up</li> <li>• Administration ends</li> </ul>

#### Voluntary Administration Process

Process
Director's powers suspended
Moratorium on creditors' claims
Breathing space to enable the Administrators to explore alternatives and recommend the best way forward
Administrators are independent and required to investigate the Company's affairs
Administrators are required to hold the first meeting of creditors within 8 business days
Administrators issue a 2 <sup>nd</sup> Report to Creditors within 20 business days summarising options and recommendations
The report is tabled and Creditors decide the Company's future at a second meeting (the latest date for the meeting to be held is 23 February 2016 subject to the convening period being extended by court application)

### 3. Voluntary Administration Process

#### Note

- The Administrators have necessarily relied upon the Company's records to date
- Limited opportunity to verify information
- The Administrators do not warrant the accuracy of the information presented today
- A broad overview only is provided at this stage based on initial investigations
- Further investigations will be conducted by the Administrators in preparing the next report to creditors

#### Key Dates

Date	Events
18 January 2016	Appointment of John Park, Kelly-Anne Trenfield, Stefan Dopking and Quentin Olde as Voluntary Administrators of the Company
29 January 2016	First Meeting of Creditors
16 February 2016*	End of convening period
23 February 2016*	Latest Date for the Second Meeting of Creditors to be Held

\*Administrators are considering making an application to Court to extend the convening period for a period of up to eight (8) weeks



## 4. Statement By Director

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### **Clive Mensink – Explanatory Statement for Voluntary Administration**

## 5. Background of Queensland Nickel

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### **Background**

- The Company was registered on 13 April 1970.
- The Company operates the Palmer Nickel and Cobalt Refinery which is located 25 kilometres north-west of Townsville.
- The current Director, Mr Clive Mensink, was appointed on 16 February 2015.
- The Company currently employs over 550 staff.
- The QN Group's annual turnover for FY 2015 was approximately \$670 million (Source: *FY15 Audited financial statements of the QN Group*).
- Administrators appointed on 18 January 2016 and are continuing to trade the Refinery.
- The Administrators intend to consult widely with stakeholders on any restructuring proposal, or undertaking an orderly wind down of the business.
- Urgent financial assessment is continuing.
- The Company has approximately 1,500 creditors (being secured, priority and unsecured).
- The Company has 126 registered security interest holders.

## 5. Background to the Administration

### Material Events Leading up to Appointment

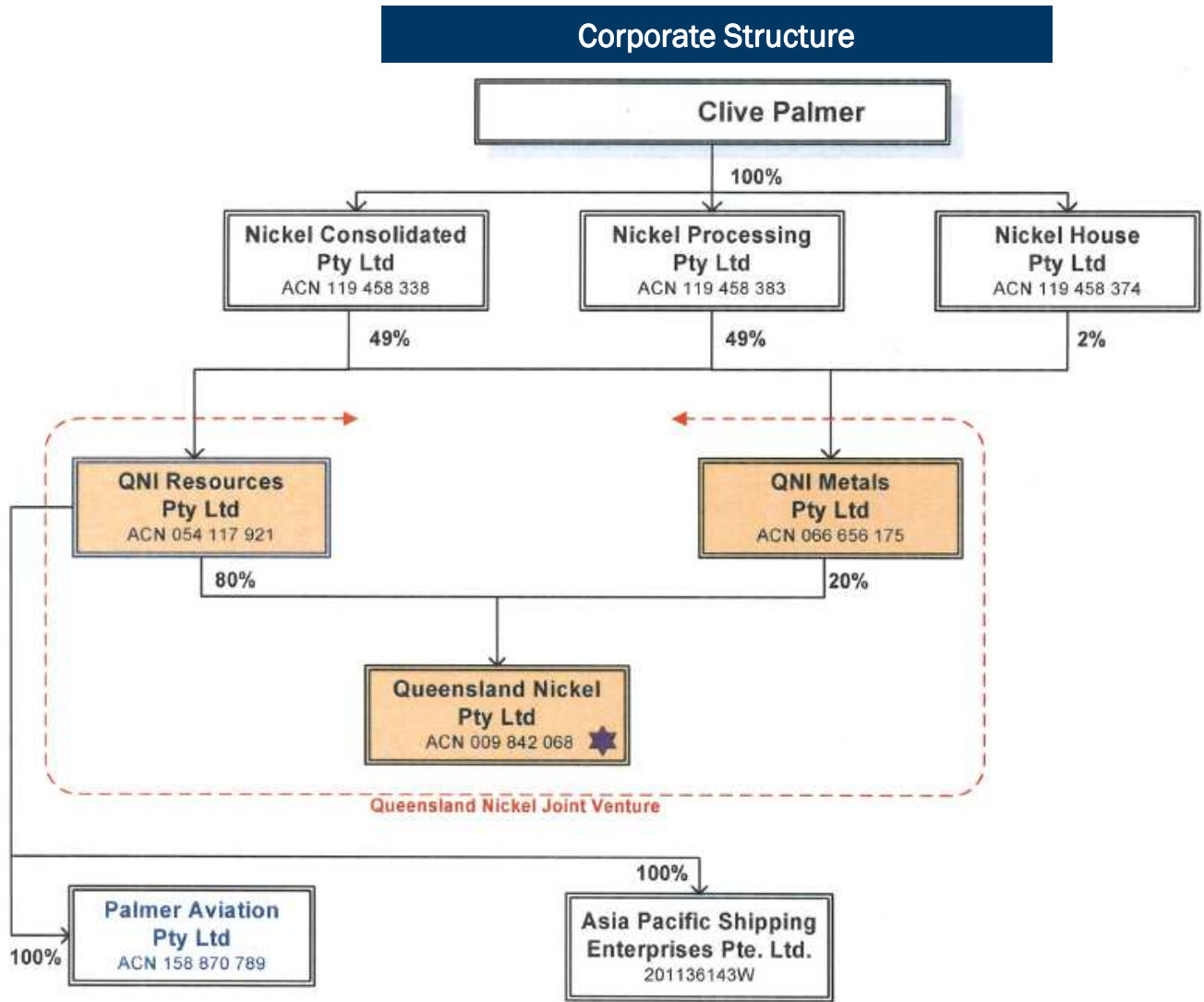
Dates	Events
November 1974	The Yabulu Nickel Refinery commissioned and becomes operational after the completion of the Greenvale to Yabulu railway line.
1974 to 1992	Mining commences at Greenvale and nickel ore is transported to the Refinery for processing.
April 1986 to Present Day	Ore imported from mines in New Caledonia, Indonesia and Philippines.
1996	The cobalt plant is built at the Yabulu Refinery.
1997	The Refinery is purchased by South African owned Billiton.
2001	BHP and Billiton merge. The Refinery becomes a wholly owned BHP Billiton asset.
31 July 2009	Clive Palmer purchases Queensland Nickel Pty Ltd and the Refinery.
15 October 2015	Clive Palmer contacted FTI Consulting to source possible funding to assist refinery
3 January 2016 to 17 January 2016	Meetings held between FTI Consulting and the Director, Senior Company Executives and Clive Palmer regarding the general financial position, affairs and operations of the Company and the Voluntary Administration process.
18 January 2016	Director resolves to place the Company into Voluntary Administration.

## 6. Initial Report by Administrators

### Corporate Statutory Information

<b>ACN</b>	009 842 068
<b>Registered Office</b>	1 Greenvale Street YABULU QLD 4818
<b>Principal Place of Business</b>	1 Greenvale Street YABULU QLD 4818
<b>Director</b>	Clive Mensink
<b>Secretary</b>	Clive Mensink
<b>Security Interest Holders</b>	126 different Security Interests
<b>Shareholders</b>	QNI Resources Pty Ltd – 160 fully paid Class A shares QNI Metals Pty Ltd – 40 fully paid Class B Shares

# 6. Initial Report by Administrators





## 6. Initial Report by Administrators

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### **Preliminary Estimated Position at Appointment**

- The Director is still in the process of finalising the Report as to Affairs.
- The Company did not produce separate financials, only consolidated financials for the QN Group.
- The Administrators will construct a balance sheet and profit and loss statement once the necessary information has been updated.
- The Company is several months in arrears for processing financial accounts.
- At this stage, an Asset & Liability position of the Company cannot be provided other than unsecured are expected to be between \$70M and \$80M (excluding employee entitlements) but could go higher.



## 6. Initial Report by Administrators

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### Investigations

- Dedicated Forensic & Litigation Consulting team are investigating a number of matters, including:
  - Statutory investigations, including insolvent trading against the Director and any shadow director;
  - The ownership of Queensland Nickel and Palmer Aviation assets;
  - Loans and transactions with related parties;
  - Significant value donations and gifts;
  - Understand the implications of alleged shadow directors (including the 'Terry Smith' alias).
- Forensic IT experts are currently preserving electronic data.
- These investigations are required so that the Administrators may better advise creditors at the Second Meeting of Creditors. The ability to claw-back any of the above is dependent on Liquidators being appointed.
- We encourage anyone with information or suspicions to email [Qldnickel@fticonsulting.com](mailto:Qldnickel@fticonsulting.com). We have to date received some information, and every lead will be investigated by the dedicated investigations team. Confidentiality and your anonymity is our top priority when we receive such leads.
- Importantly, Queensland Nickel employees are not breaching their employment agreements or placing their entitlements at risk by providing the Administrators with evidence extracted from the Company's information systems.

## 6. Initial Report by Administrators

### Employee Entitlements

Employee Entitlements	
Summary	Amount (\$)
Annual Leave	7,211,583
Long Service Leave	9,499,635
Third Party Deductions / Salary Sacrifice	275,823
Redundancy/Payment In Lieu of Notice	12,525,561
Superannuation	1,322,252
<b>Total Employee Entitlements owing as at 18 January 2016</b>	<b>30,834,854</b>

- Above figures are estimated and are subject to change once further calculations are made.
- Approximately \$16M of this figure represents entitlements owed to former employees.
- All wages will be paid in ordinary course by the Administrators.
- Employees have a priority claim for their entitlements.
- Priority of employees' claims would need to be incorporated in any proposed Deed of Company Arrangement.
- Fair Entitlement Guarantee (**FEG**) scheme available **if the Company goes into Liquidation**.
- FEG covers Annual Leave, Long Service Leave, Pay In Lieu of Notice and Redundancy, subject to FEG salary cap limits. FEG does not cover outstanding superannuation.
- Superannuation outstanding from December 2015.
- Both current and former employees have been issued correspondence regarding their calculated entitlements.

## 6. Initial Report by Administrators

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### **Fair Entitlements Guarantee (FEG)**

The Australian Government provides financial assistance to cover certain unpaid employment entitlements to eligible employees who lose their job due to the liquidation of their employer.

#### **You may be able to claim:**

- unpaid wages - up to 13 weeks
- unpaid annual leave and long service leave
- payment in lieu of notice - up to five weeks
- redundancy pay - up to four weeks per full year of service
- Note - unpaid Superannuation Guarantee Contributions cannot be claimed through FEG

#### **You may be eligible for FEG assistance if:**

- you have lodged an effective claim within 12 months (of the later of the date you lost your job or the date of the liquidation of your former employer)
- you have lost your job due to, or less than six months before, your employer's liquidation
- you were an Australian citizen or the holder of a permanent visa or special category visa that allows you to stay and work in Australia at the time your employment ended

#### **You will not be eligible if, for example:**

- you were a contractor
- you were a director of the Company or a relative of the Director of the Company within 12 months before Liquidation
- you do not meet all of the conditions of eligibility set out in the Fair Entitlements Guarantee Act 2012



## 6. Initial Report by Administrators

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### **Preliminary observations as to possible reasons for appointment of Administrators**

- Nickel prices are at a 10 year low.
- Limited cash available to pay ongoing trading losses.
- The Administrators will also undertake further investigations in preparing our Second Report to Creditors pursuant to Section 439A of the Act.
- For FY 16, the Company forecasts to produce approximately 60 million pounds of nickel at a C1 cash loss of USD \$0.50 per pound (inclusive of a credit for cobalt sales). Based on this, the Company would incur a C1 cash loss of approximately USD \$30 million. The forecast net loss after tax in AUD would be materially higher than the above noted C1 cash loss after items such as depreciation, corporate overheads and foreign exchange adjustments are taken into consideration.



## 6. Initial Report by Administrators

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### **Securities Held by Waratah Coal & China First**

## 6. Initial Report by Administrators

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### **Other Nickel Mine Closures**

- Recent closures in Western Australian Nickel Mines:
  - Panoramic Resources - Savannah Operation
  - Mincor Resources - Kambalda Nickel Operation
  
- Together the closures have resulted in over 90 job losses, with many more expected (over 200) as operations wind down
  
- Both mines preparing to put operations on 'care & maintenance' for the foreseeable future
  
- Closures are a result of the weak and uncertain nickel price
  
- Operations at both mines may re-start if the nickel price improves
  
- Panoramic Resources also closed its Lanfranchi operations in WA last year.



## 6. Initial Report by Administrators

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### **Key Strategy of the Administrators**

- Communicate appointment to key stakeholders (employees, creditors, customers) and engage with each to determine how to best address interests.
- Assume control of assets and business including identifying keys risks, stabilising operations and implementation of trading controls over expenditure, cash transactions & payroll.
- Review business operations including ability to implement operational improvements, cost savings and rationalisation including assessment of current management.
- Determine current financial position including forecast trading and asset/liability position.
- Identify surplus assets and commence realisation.
- Conduct investigations in order to deliver detailed report to creditors setting out recommendation for future of the Company.

## 6. Initial Report by Administrators

### Actions to Date and Current Status

Matter	Action
General	<ul style="list-style-type: none"><li>• Regular meetings with the Queensland Nickel management to discuss operation of Refinery Plant</li><li>• Obtained information and commenced investigations</li></ul>
Trading	<ul style="list-style-type: none"><li>• Determined to continue trading</li><li>• Attendance on site by Administrator and staff</li><li>• Held regular meetings with management &amp; key employees to discuss &amp; obtain understanding of Refinery operations</li><li>• Communicated and met with key suppliers to ensure ongoing trade</li><li>• Met with State Government officials regarding appointment and continued operation of Refinery</li><li>• Conducted an initial investigation into trading profitability and daily cash flow position of the Refinery</li><li>• Assessed stock piles on hand</li><li>• Ongoing assessment of possible business improvement options</li></ul>
Creditors/Stakeholders	<ul style="list-style-type: none"><li>• Advised of appointment and First Meeting of Creditors</li><li>• Enquiries from creditors</li><li>• Prepared for First Meeting of Creditors</li><li>• Notified security interest holders of appointment and requested details of debts</li></ul>



## 6. Initial Report by Administrators

### Actions to Date and Current Status

Matter	Action
Employees	<ul style="list-style-type: none"><li>• Communicated appointment to all employees (current and former) and key service providers such as superannuation and leases</li><li>• Received employee enquiries</li><li>• Met with all employees to discuss appointment and employee (current and former) position</li><li>• Conducted meetings with employee representatives including unions and combined Government Rapid Response Team</li><li>• Review, calculation and advise current and former employees of their entitlements</li></ul>
Compliance	<ul style="list-style-type: none"><li>• Filed Notification of Appointment and First Creditors Meeting with ASIC</li><li>• Notified the Australian Taxation Office of Appointment</li><li>• Notified Director of his statutory duties and requested completion of the Report as to Affairs</li></ul>



## 6. Initial Report by Administrators

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### **Trading Update**

- Refinery to continue to trade under control of Administrators.

### **Challenges in order to continue Operations**

- Cash flow – which is affected by decreasing Nickel prices and fluctuating US dollar & Oil prices
- Accessing additional Ore supply
- Continued support from critical trade suppliers and negotiating terms of trade
- Environmental compliance (including capital expenditure to address risks/areas of concern)
- OH&S compliance (including capital expenditure to address risks/areas of concern)



## 6. Initial Report by Administrators

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### **Voluntary Administration Outcomes for Creditors**

- The Company executes a Deed of Company Arrangement (restructuring proposal); or
- The Administration Ends (The Company is returned back to the control of the Director); or
- The Company be wound up (Liquidation).

## 6. Initial Report by Administrators

### Administrators' Key Next Steps

Issue	Next Steps
Administrators' Plan	<ul style="list-style-type: none"> <li>• Continue assessment of financial position and ongoing trading requirements</li> <li>• Liaise with the Director/stakeholders regarding the possibility of a DoCA being proposed</li> <li>• Liaise with interested parties/other key stakeholders for investment</li> </ul>
Trading	<ul style="list-style-type: none"> <li>• Continue to trade, subject to ongoing review</li> <li>• Assess and identify any opportunities for improvement OR</li> <li>• Develop and implement wind down of business</li> </ul>
Investigations	<ul style="list-style-type: none"> <li>• Insolvent trading</li> <li>• Voidable Transactions</li> <li>• Contraventions of the Corporations Act 2001 (“Act”)</li> </ul>
Reporting to Creditors	<ul style="list-style-type: none"> <li>• Reports in accordance with the Act</li> </ul>
Committee of Creditors (if appointed)	<ul style="list-style-type: none"> <li>• Report to and liaise as to issues and findings</li> </ul>
Section 439A Report to Creditors	<ul style="list-style-type: none"> <li>• Key findings</li> <li>• Options available for Creditors consideration</li> <li>• Recommendation on the future of the Company</li> </ul>

## 6. Initial Report by Administrators

### Administrators' Key Next Steps

Issue	Next Steps
Second Meeting of Creditors	<ul style="list-style-type: none"><li>• To be convened, report tabled, options discussed, future resolved as to:<ul style="list-style-type: none"><li>i. Administration ends</li><li>ii. Deed of Company Arrangement</li><li>iii. Liquidation</li></ul></li></ul> <p>Alternatively, creditors may resolve to adjourn the second meeting for a period not exceeding 45 business days.</p>

## 7. Extension of Convening Period

<b>Extension of Convening Period</b>	<p>The Administrators are considering making an application to Court to extend the statutory convening period of the second meeting.</p> <ul style="list-style-type: none"><li>• Period to convene Second Meeting of Creditors normally 20 business days from appointment.</li><li>• The Administrators may seek an extension of the convening period from Court for the following inter alia reasons:<ol style="list-style-type: none"><li>i. To complete thorough investigations. A number of areas have been identified for further investigation and will need to be addressed in our Second Report to Creditors (Section 439A).</li><li>ii. To better assess trading, possible rationalisation of assets, and any other options.</li><li>iii. To ensure that the moratorium on enforcement by secured creditors remains in place while a restructuring proposal is assessed.</li></ol></li></ul> <p>Likely extension period to be sought is sixty (60) days.</p>

## 8. Remuneration

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### **Process for approval of remuneration**

- The Administrators are entitled to receive remuneration determined:
  - a) By agreement between the Administrator and the Committee of Creditors (if any); or
  - b) By resolution of the Company's creditors; or
  - c) By the Court.
  
- Administrators will seek payment of remuneration based on time incurred by relevant staff members and hourly rates (as included in first circular).
  
- Administrators propose to have Committee of Creditors (if appointed) or Creditors agree remuneration on an on-going basis. If no Committee of Creditors is appointed, the Administrators will seek approval for remuneration at the Second Meeting of Creditors.
  
- Required to provide:
  - a) Information to make informed decision;
  - b) Summary of description of major tasks; and
  - c) Costs associated with each major task.



## 9. Questions

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### **Creditor Questions or Comments?**

#### **Protocol**

- Please raise hand to ask questions and await Chair to acknowledge.
- Obtain a microphone
- Advise individual name and name of creditor (if acting as proxy).
- Please keep questions relevant to all creditors.



## 10. Resolutions

Resolution	Comments
<b>Appointment of Committee of Creditors</b>	<ul style="list-style-type: none"> <li>• Administrators consult with Committee</li> <li>• Sounding board for Administrators</li> <li>• Committee cannot give directions to Administrators</li> <li>• Qualification of Committee Member:               <ol style="list-style-type: none"> <li>a) Creditor</li> <li>b) Officer/Employee of corporate Creditor</li> <li>c) Authorised in writing by Creditor</li> <li>d) Ideally representation of all creditor classes:                   <ul style="list-style-type: none"> <li>• Employee</li> <li>• Regional Creditor</li> <li>• Small Creditor</li> <li>• Large Creditor</li> </ul> </li> <li>e) Ideally odd number and no more than nine (9) Creditors</li> </ol> </li> </ul> <p>Committee members are requested to remain behind after the meeting for a brief catch-up.</p>
<b>Alternative Administrator</b>	Consent to Act required



## 10. Resolutions

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### **Resolution 1**

*"That Queensland Nickel Pty. Ltd. (Administrators Appointed) appoint a Committee of Creditors. The Committee shall consist of the following persons:*

# 11. Next Steps For Creditors

## Next Steps for Creditors

### Step

Interim report(s) to Committee of Creditors will be provided (if appointed)

Creditors to be advised if convening period extended

Receive and consider Report to Creditors advising of Second Meeting of Creditors

Attend Second Meeting of Creditors

Decide the future of the Company, being either:

- Company executes DOCA
- Company is wound up
- Administration ends
- Adjourn meeting

## Our Contact Details

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Method	Detail
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