



Investmet Limited (In Liquidation)
ACN 125 585 935
(Investmet)

Statutory Report to Creditors

We refer to our initial information for creditors dated 11 March 2020 in which we advised you of our appointment as liquidator and your rights as a creditor in the liquidation.

The purpose of this report is to:

- provide you with an update on the progress of the liquidation; and
- advise you of the likelihood of a dividend being paid in the liquidation.

We will also be requesting that you consider our detailed remuneration approval report and consider a resolution to approve our remuneration.

1. Update on the progress of the liquidation

1.1 Background

Investmet Limited is an unlisted public company which was incorporated on 24 May 2007 and operated as a finance entity for a number of subsidiaries and entities related to its former director, Mr Michael Fotios (**Former Director**) and other members of the Fotios family.

The current directors of Investmet are Mr Alan Still and Mr George Fotios (**Directors**). We understand that Investmet has circa 20 shareholders, with related entities and associates holding in excess of 60% of Investmet's equity.

The Directors advise that Investmet's failure was due to the voluntary administration of Eastern Goldfields Ltd (**EGS**) (subsequently re-named Ora Banda Mining Ltd) on 29 November 2018. EGS was a related party to Investmet by way of the Former Director's directorships, large intercompany loan balance and shareholdings. The Administration of EGS resulted in:

- significant impairment of a material loan owing to Investmet by EGS;
- significant dilution of Investment's shareholding in EGS; and
- crystallisation of material claims against Investmet for debts of EGS which Investmet had guaranteed.

On 11 September 2019, Pit N Portal Mining Services Pty Ltd (**Pit-n-Portal**) began proceedings against Investmet in relation to unpaid debts (**Petitioning Creditor**). On 19 February 2020, the Court ordered that Investmet be placed into liquidation and that Rob Brauer and Rob Kirman be appointed liquidators (**Liquidators**).

1.2 Delta Resource Management Pty Ltd and DOCA proposal

Delta Resource Management Pty Ltd (**Delta**) is a related party to Investmet by way of common directors and associations with the Former Director. Delta is also (prima facie) a first ranking secured creditor (refer section 2.2.2).

Shortly after our appointment, Delta wrote to the Liquidators seeking an undertaking from the Liquidators not to deal with Investmet's assets (on the basis that it considers itself a secured creditor) and envisaged a DOCA proposal being provided which would require the Liquidators to appoint voluntary administrators.

The Liquidators have to date agreed to provide this undertaking in respect of asset realisations and, on 1 April 2020, received the outline of a DOCA proposal from Delta (**DOCA Proposal**).

Prior to the Liquidators exercising their power to appoint an administrator under section 436B of the *Corporations Act 2001 (Act)* such that creditors can vote on whether to accept any DOCA proposal, it is appropriate that the Liquidators are first satisfied that doing so is appropriate, both as officers of the Court and, in particular, whether it would represent the best interests of creditors as well as likely have the requisite creditor support.



Accordingly, the Liquidators completed an analysis of the DOCA Proposal which included an estimated range of potential returns available to creditors as against a continuation of the liquidation. Upon sharing this analysis with Delta, Delta withdrew its DOCA Proposal but has indicated a revised proposal may be submitted.

As at the date of this report, the Liquidators are continuing discussions with Delta to ascertain whether a further proposal is likely, absent which the Liquidators will continue the liquidation in the normal course and seek to commence asset realisations.

2 Assets and liabilities

The Directors are required to complete a Report on Company Activities and Property (**ROCAP**), setting out an assessment of Investmet's asset and liability position and causes of failure. Each of the Directors and the Former Director submitted ROCAP's on and around 16 March 2020, which are the same in all material respects.

The Liquidators have also obtained Investmet's books and records, including MYOB management accounts (**MYOB**) and physical books and records such as creditor, debtor and other asset information.

Investmet's asset and liability position is summarised and discussed in sections 2.1 and 2.2 below based on the ROCAP's received and the books and records obtained by the Liquidators.

2.1 Assets

The book value of Investmet's assets at the time it entered liquidation were \$45.1 million. However, the Directors' estimated realisable value (**Directors' ERV**) of its assets is much lower at \$5.7 million, due primarily to ASX listed shares not having been revalued to market price since 30 June 2018 (where the underlying value of the shares has declined considerably) and loans to related parties not being recoverable.

The below table summarises Investmet's assets, which are discussed in more detail at sections 2.1.1 to 2.1.7:

Investmet Limited (In Liquidation) - Assets			
\$000	Reference	Book Value	Directors' ERV
Cash	2.1.1	44.8	30.4
Debtors	2.1.2	139.6	126.2
Loans	2.1.3	14,253.8	2,152.6
ASX Listed Shares	2.1.4	21,267.7	3,023.5
Unlisted Shares	2.1.5	8,583.2	353.6
Options	2.1.6	787.7	-
Other	2.1.7	10.8	10.8
Total		45,087.7	5,697.2

By agreement with Delta as the purported secured creditor (refer section 1.2 above), the Liquidators have not commenced realisation of Investmet's assets whilst Delta considers submitting a further DOCA proposal. However, in the intervening period the Liquidators have undertaken the preparation work required so that the assets can be sold relatively quickly if required, such as verifying all stock holdings, obtaining stock certificates, obtaining proposals from stock brokers to execute on-market sales, and registered expressions of interest for any off-market transactions.

2.1.1 Cash

Investmet maintained a trading bank account with National Australia Bank (**nab**) which held a balance of \$30,236.66 and a 'dormant' account with Commonwealth Bank of Australia (**CBA**) with a nominal balance of \$75.42. Both accounts were closed and the balances transferred to a liquidation bank account.

The variance between the Book Value of cash and actual cash balance is due to a small number of recent transactions which had not been processed in Investmet accounts at the time of liquidation.



2.1.2 Debtors

Investmet's records disclose invoices due from related parties with a book value of c. \$139,600. The Directors consider two of these debts are fully collectible, however, the third is not as it recently entered liquidation.

Investmet Limited (In Liquidation) - Debtors		
\$000	Book Value	Directors' ERV
Murchison Copper Mines Pty Ltd	33.2	33.2
Scorpion Minerals Limited	93.0	93.0
Target Energy (In Liquidation)	13.4	-
Total	139.6	126.2

2.1.3 Loans

Consistent with its role as intra-group financier, Investmet made a number of loans to related and closely associated entities. The book value of these loans is \$14.3 million, however, the Directors estimate a much lower value of \$2.2 million is realisable as detailed below:

Investmet Limited (In Liquidation) - Debtors		
\$000	Book Value	Directors' ERV
ASX Listed		
Horseshoe Metals Ltd (HOR)	581.0	581.0
Eastern Goldfields Limited (OBM)	10,361.5	821.7
Scorpion Minerals Limited (SCN)	116.1	299.2
Redbank Copper Limited (RCP)	447.2	450.8
Subtotal	11,505.8	2,152.6
Others		
Apollo Group	323.6	-
Alan Still	106.3	-
Crixus	5.0	-
Karl George	50.0	-
Lithium International Ltd	29.6	-
Others	15.0	-
Whitestone Minerals (In Liquidation)	1,417.6	-
Target Energy (In Liquidation)	418.9	-
Mulgara Minerals Ltd (de-registered)	8.7	-
Radon Resources Limited (de-registered)	145.9	-
Whotune Pty Ltd (de-registered)	-	-
Whotune Music Group Limited (de-registered)	227.5	-
Subtotal	2,748.0	-
Total	14,253.8	2,152.6

The Liquidators note the following:

- The vast majority (\$10.4 million) of the loans due to Investmet is owed by EGS. EGS entered voluntary administration on 29 November 2018 and subsequently executed a DOCA under which a dividend of \$983,891 is payable to Investmet in respect of the loan account. The Liquidators are liaising with the EGS's Administrators regarding this dividend, however, it has not yet been released due to a potential competing



claim from the ATO which had issued a garnishee notice to EGS prior to the appointment of voluntary administrators.

- \$1.1 million is recorded as due from ASX listed entities, which the Directors estimate will realise \$1.3 million. Due to the undertaking provided to Delta, the Liquidators have not yet commenced collection of these loans or assessed recoverability or the counterparties' financial capacity to pay.
- Circa \$529,000 is recorded as due by related parties such as Apollo Group, Alan Still, Crixus, Karl George and Lithium International, which the Directors advise are non-collectible. As above, the Liquidators have not yet commenced collection efforts for these monies and accordingly cannot comment on recoverability.
- The balance of monies due (circa \$2.2 million) is due from entities that are in liquidation or have been de-registered. The Directors estimate no recoveries from these amounts. The Liquidators note that the liquidator of one debtor (Target Energy) has advised a small dividend may be paid to unsecured creditors in due course.

2.1.4 ASX listed shares

Investmet holds shares in a number of ASX listed entities, which range from small parcels of shares to larger strategic stakes (i.e. greater than 15%).

The book value of this portfolio exceeds \$21.2 million, however, this valuation is based on market prices as at 30 June 2018, being when Investmet last prepared annual accounts. The market value of most shareholdings have declined considerably in the intervening period and accordingly, the Directors' ERV and current market value are significantly lower than book value as detailed below:

Investmet Limited (In Liquidation) - ASX Listed Shares					
\$000	Shares (#)	Price [^]	Book Value	Directors' ERV	Market Value
Auris Minerals (AUR)	59,913,594	\$0.016	4,074.1	719.0	958.6
Oklo Resources (OKU)	699,783	\$0.300	260.7	105.0	209.9
Redbank Copper (RCP)	14,117,117	\$0.019	437.2	268.2	268.2
Scorpion Minerals (SCN)	31,092,735	\$0.018	853.0	466.4	559.7
Indiana Resources Ltd (IDA)	17,710,727	\$0.023	1,104.7	354.2	407.3
Horseshoe (HOR)	9,654,589	\$0.012	164.6	115.9	115.9
Hipo Resources (HIP)	11,450,000	\$0.014	1,016.0	171.8	160.3
Liontown Resources (LTR)	250,000	\$0.110	6.0	21.5	27.5
Ora Banda Limited (OBM)	8,050,000	\$0.200	13,211.9	801.7	1,610.0
Adjust. on shares no longer owned	-	-	139.4	-	-
Total	152,938,545		21,267.7	3,023.5	4,317.4

[^] As at 15 May 2020

Whilst ASX shareholdings are generally liquid assets, the Liquidators note that equities in certain holdings have been suspended from trading for some time (i.e. Redbank Copper and Horseshoe) and/or Investmet's holding represents many months of current trading volumes (i.e. Auris Minerals, Scorpion Minerals and Indiana Resources) which may impact liquidity and the amount realisable from these holdings.

2.1.5 Unlisted shares

Investmet also holds a number of shareholdings in unlisted entities with a book value in excess of \$8.6 million. However, the majority of these investments are in liquidation and therefore the Directors' estimate only \$353,600 will be realised as shown overleaf:



Investmet Limited (In Liquidation) - Unlisted Shares

	Shares (#)	Price	Book Value	Directors' ERV	Market Value
Fairway Energy Ltd	172,792	n/a	172.8	172.8	n/a
Lithium International	1	n/a	0.001	-	n/a
Altus Renewables	723,252	n/a	180.8	180.8	n/a
Target Energy (In Liquidation)	61,103,334	n/a	8,229.6	-	n/a
Whitestone (In Liquidation)	1	n/a	0.001	-	n/a
Whotune Music Group (de-registered)	13,500,001	n/a	0.001	-	n/a
Radon Resources (de-registered)	3	n/a	0.003	-	n/a
Total	75,499,384		8,583.2	353.6	n/a

2.1.6 Options

Investmet holds options in several ASX listed entities, however the options themselves are not listed. Whilst the options are carried at a book value of \$787,700, the Directors do not anticipate any amounts will be realised. This is consistent with the Liquidators' preliminary investigations which indicate the exercise price of the options is significantly higher than the current market value of the underlying securities.

Investmet Limited (In Liquidation) - Options

\$000	Options (#)	\$/Option	Book Value	Directors' ERV	Market Value
Auris Minerals (AUR)	Unknown	n/a	18.5	-	n/a
Ora Banda Limited (OBM)	583,334	n/a	723.0	-	n/a
Hipo Resources (HIP)	Unknown	n/a	46.2	-	n/a
Scorpion Minerals (SCN)	11,250,000	n/a	-	-	n/a
Total	11,833,334		787.7	-	n/a

2.1.7 Other assets

Other assets relate to a \$10,800 investment by Investmet in an offshore payment services business. The Directors consider this investment is fully recoverable, however, the Liquidators enquiries in this respect are continuing.

2.2 Liabilities

The book value of Investmet's liabilities are circa \$29.5 million, however, the Directors advise actual liabilities may exceed \$38.1 million, as detailed below and discussed in further detail in sections 2.2.1 to 2.2.6.

Investmet Limited (In Liquidation) - Liabilities Summary

\$000	Reference	Book Value	Directors' ERV
Petitioning Creditors Costs	2.2.1	-	-
Secured Creditors	2.2.2	(650.0)	(825.0)
Trade Creditors	2.2.3	(916.7)	(902.3)
Loans Payable	2.2.4	(13,447.7)	(13,456.3)
ATO	2.2.5	(14,472.8)	(16,883.2)
Guarantee Debt	2.2.6	-	(6,000.0)
Total		(29,487.3)	(38,066.8)

2.2.1 Petitioning creditor costs

Although not recorded in Investmet's accounts or the Directors' RATA's, Pit-n-Portal's costs in petitioning the winding up were circa \$30,000. Pursuant to section 556(1)(b) of the Act, these costs enjoy priority status in the liquidation and will be paid ahead of other creditors' claims. The balance of Pit-n-Portal's debt will rank as an



unsecured creditor and be paid pro rata with other unsecured creditors' claims. Pit-n-Portal's debt was assigned to Barver Plant Services Pty Ltd subsequent to our appointment.

2.2.2 Secured creditor

Delta has claimed a security interest in all of Investmet's assets and undertakings which arises under a general security agreement executed in respect of a loan facility provided by Delta to Investmet to pay a settlement with an unsecured creditor in November 2019. The total value of the loan facility was \$850,000, however, it appears that only \$650,000 had been advanced at the date of liquidation.

The Liquidators are yet to conclude on the validity of Delta's security position considering the circumstances in which it was granted (i.e. at a time when Investmet was likely insolvent). However, we note that:

- both the loan and security arrangements have been documented via professionally drafted legal documents;
- the legal documents appear to have been appropriately executed by all parties; and
- the security interest appears to have been appropriately registered on the Personal Property Securities Register.

Should it be determined that the security is valid, subject to various other priorities under the Act, Delta will be entitled to the first circa \$650,000 of assets realised, after payment of the petitioning creditors costs and other priority claims.

2.2.3 Trade creditors

Investmet's balance sheet records trade creditors of \$916,700 which largely accords with the Directors' estimates. Of this amount, \$600,000 is owing to related parties (including Delta, which is distinct from its secured and unsecured loans to Investmet) as follows:

Investmet Limited (In Liquidation) - Trade Creditors		
\$000	Book Value	Directors' ERV
Delta	(443.3)	(443.3)
Squire Patton Boggs	(252.6)	(252.6)
Readhead Legal Pty Ltd	(66.0)	(66.0)
Whitestone Minerals Pty Ltd	(55.2)	(55.2)
Alan Stil	(35.0)	(35.0)
Other (circa 10)	(64.7)	(50.3)
Total	(916.7)	(902.3)

The Liquidators have not yet called for formal proofs of debt from creditors and accordingly, this amount may increase once they do so. Further, all claims remain subject to review and adjudication by the Liquidators.

2.2.4 Loans payable

Investmet's balance sheet discloses loans payable of \$13.4 million to four related parties as detailed below:

Investmet Limited (In Liquidation) - Loans		
\$000	Book Value	Directors' ERV
Azurite	(11,121.2)	(11,121.2)
Delta (net of secured claim)	(1,680.0)	(1,749.1)
B Moore	(586.0)	(586.0)
Michael Fotios Family Trust	(60.5)	-
Total	(13,447.7)	(13,456.3)

The majority of the monies (\$11.1 million) are due to Azurite Corporation Pty Ltd (**Azurite**), which is an entity owned by Mr Fotios which relates to advances to, and payments on behalf of, Investmet under an undocumented loan



agreement, totalling \$9.6 million plus purported \$1.4 million of interest. The vast majority of this funding was paid directly to or immediately 'on-lent' to EGS. The Liquidators' preliminary review of the relevant documentation suggests that the loan is valid.

The other loan accounts relate to transactions over many years including (i) direct cash advances from/to Investmet, (ii) cash advances to other related entities via an Investmet funding agreement (similar to with Azurite), and (iii) dividend and share transactions.

2.2.5 Australian Taxation Office

Investmet's books and records disclose a debt due to the ATO of \$14.4 million. The Directors estimate this debt may exceed \$16.8 million and Court filings by the ATO (submitted in support of the winding up application) indicate the final claim may exceed \$17.2 million. This debt includes an underlying tax debt of circa \$8.7 million for FY14 through to FY18, with the balance relating to interest and penalties subsequently levied by the ATO.

2.2.6 Guarantee debts

In addition to the direct funding provided by Investmet to EGS, Investmet also guaranteed material debts which had been incurred by EGS. This includes \$6.0 million due by EGS to Pit-n-Portal, potentially \$5.0 million due to GR Engineering Services Limited (**GRES**) and \$2.7 million due to Ralmana Pty Ltd. As these debts were contingent they are not reflected in Investmet's accounts and only the Pit-n-Portal debt is reflected in the Directors' RATA.

As a result of the voluntary administration of EGS, these contingent claims against Investmet crystallised and hence creditors began pursuing claims against Investmet directly. These actions resulted in:

- Settlement of the Ralmana debt in November 2019. The structure of this settlement gave rise to Delta's security interest;
- Settlement being agreed in principle, but not completing, with GRES and therefore the guarantee amount of \$5.0 million potentially outstanding; and
- Pit-n-Portal successfully petitioning for the winding up of Investmet with an amount owing of \$6.0 million.

3 Investigations

The Liquidators have obtained books and records in relation to the affairs of Investmet, which includes a copy of the MYOB file, electronic records (such as the file server data, physical debtor and creditor information) and commenced preliminary investigations into the cause of Investmet's failure, conduct leading up to the liquidation, and potential liquidator recovery actions.

Whilst these investigations are at the preliminary stage only and are subject to legal advice, the Liquidators provide the following general update.

3.1 Insolvent trading

Before a Court will order that a person pay compensation in respect of insolvent trading, a liquidator must establish that:

- the person was a director of the company at the time the company incurred the debts that are the subject of the claim;
- the company was insolvent at that time the debts were incurred or became insolvent by incurring the debt;
- at that time, there were reasonable grounds for suspecting that the company was insolvent or would become insolvent by incurring the debt; and
- the debt subject of the claim was wholly or partly unsecured and the creditors to whom the debts are owed have suffered loss and damage.

The Liquidators' preliminary view is that Investmet likely became insolvent on 23 July 2018 when Eastern Goldfields Ltd (**EGS**) entered a trading halt from which it did not emerge before voluntary administrators were appointed. EGS



represented Investmet's most substantial liquid asset (by reason of Investmet's substantial shareholding in, and the significant debts due from, EGS).

On this basis, Investmet likely traded once insolvent from this time onwards. Based on our current understanding and subject to legal advice, the quantum of any such claim may be between nil and \$5.0 million. We are yet to consider the capacity of the Directors to meet such a claim, but note that Mr Michael Fotios is currently bankrupt.

3.2 *Voidable transactions*

The types of voidable transactions which the Liquidators of Investmet will investigate include:

- Unfair preference claims: transactions between Investmet and its creditors, resulting in an unsecured creditor receiving a greater amount than it would have received in a winding up. These transactions must have occurred when Investmet was insolvent or have caused Investmet to become insolvent;
- Uncommercial transactions: being transactions which a reasonable person in the place of Investmet would not have entered into, taking into account the benefits and the detriment to Investmet the respective benefits to the other parties involved and any other related matters. These transactions must have occurred when Investmet was insolvent or have caused Investmet to become insolvent;
- Unfair loans: being a loan agreement where the interest or charges are considered to be extortionate. Unfair loans made to Investmet at any time prior to the Administrators' appointment may potentially be overturned by the Liquidators, whether or not Investmet was insolvent when the loan was entered into (or any time thereafter); and
- Unreasonable director-related transactions: being transactions made to or on behalf or for the benefit of the Director, or a close associate, which a reasonable person in the place of Investmet would not have entered into, taking into account the benefits and the detriment to Investmet, the respective benefits to the other parties involved and any other related matters and whether or not Investmet was insolvent when the transaction was entered into (or subsequently became insolvent).

Based on our preliminary investigations, which are not yet complete, we note the following transactions:

- On 12 November 2019, Investmet and Delta entered into a settlement agreement with a creditor, which resulted in that creditor receiving between \$650,000 and \$825,000. Prima facie, this transaction satisfies the criteria for an unfair preferential payment.
- Transactions with five additional creditors of between \$10,000 and \$110,000 (circa \$215,000 in total) which occurred during the relation back period may also be preferential in nature.
- Investmet maintained intra-group loan accounts with a number Group entities. The value of these loans and the quantum of transactions that passed through them are significant (many millions of dollars) and some of the underlying transactions appear highly complex. We consider some of these may potentially constitute unreasonable director related transactions, recoverable over an extended relation back period (four years), regardless of whether Investmet was insolvent at the time.

Absent a further DOCA proposal being received which the Liquidators consider has sufficient merit to present a credible alternative to creditors, establishing the existence of voidable transactions and pursuing recovery actions (where commercially viable to do so) will become a key focus on the liquidation moving forward.

4 **Likelihood of a dividend**

A number of factors affect the likelihood and quantum of a dividend being paid to unsecured creditors, including:

- whether Delta's DOCA proposal is progressed;
- the size and complexity of the liquidation;
- the amount of assets realisable and the costs of realising those assets;
- the statutory priority of certain claims and costs;



- the extent of any liquidator recovery actions and the costs of pursuing those claims;
- the value of various classes of claims including secured, priority and unsecured creditor claims, and
- the volume of enquiries by creditors and other stakeholders.

The Liquidators' preliminary assessment of the estimated return to creditors in a liquidation is attached at Annexure 1, which suggests a range of between 4.9 cents and 13.4 cents in the dollar for unsecured creditors. This range excludes any liquidator recoveries (e.g. from an insolvent trading claim and / or voidable transaction recoveries).

Based on the preliminary investigations undertaken by the Liquidators to date, as outlined in section 3 above, and subject to legal advice, the potential net recoveries of these claims may be between nil and \$5.0 million (and may be higher). If net recoveries of this amount were successful, this would result in an additional return to unsecured creditors of up to circa 12.1 cents in the dollar.

There are a number of uncertainties which may materially alter the ultimate return, including:

- whether a DOCA proposal is received and the costs of the Liquidators or voluntary administrators undertaking the necessary work for it to be presented at a meeting of creditors;
- the outcome of any recovery actions by the Liquidators, which require significant further work to be able to value accurately; and
- asset realisation amounts, noting share price volatility and uncertainty of loan recoverability.

The Liquidators are unable to comment on the timing of any dividend payment at present, which is dependent on all of the above factors.

Prior to a dividend being paid, you will be contacted and, if you have not already done so, you will be asked to lodge a proof of debt. This formalises the record of your claim in the liquidation and is used to determine all claims against Investmet. The Liquidators will write to creditors separately in this regard.

5 **Cost of the liquidation**

We enclose a detailed report on our remuneration, called a Remuneration Approval Report.

We propose to have our remuneration approved by a proposal without a meeting.

To vote on the proposal, you must return the enclosed voting form to our office by post, fax or email by 9 June 2020. You must also include a completed proof of debt and information to substantiate your claim. A proof of debt form is enclosed, together with guidance notes to assist you when you complete it.

We also enclose an Australian Restructuring Insolvency and Turnaround (**ARITA**) information sheet on passing resolutions without a meeting.

In accordance with our enclosed Remuneration Approval Report, we are seeking retrospective approval of our fees to 15 May 2020 of \$186,866. We are unable to estimate the total remuneration for the Liquidation at this time.

An information sheet on approving remuneration of an external administrator is provided for your information.

6 **Receipts and payments**

With the exception of the initial transfer of cash at bank on appointment to the liquidation account of \$30,312.08 and minor bank charges, there have been no other receipts or payments.

7 **What happens next?**

We will proceed with the liquidation, which will include (where relevant):

- considering the merits of any subsequent DOCA proposal received;
- realising shares and options;
- recovering accounts receivable and loans;



- completing our investigations into Investmet's affairs;
- if identified, pursuing any viable claims for statutory recovery actions; and
- completing our reporting to the corporate insolvency regulator, the Australian Securities and Investments Commission (**ASIC**).

If we receive a request for a meeting that complies with the guidelines set out in the initial information provided to you, we will hold a meeting of creditors.

We may write to you again with further information on the progress of the liquidation.

We expect to have completed this liquidation within 1 year.

8 **Where can you get more information?**

You can access information which may assist you on the following websites:

- ARITA at www.arita.com.au/creditors.
- ASIC at www.asic.gov.au (search for "insolvency information sheets").

If you have any queries, please contact Amber Andre on (08) 6363 7665. For further information about this engagement, please refer to the website www.mcgrathnicol.com/creditors.

Dated: 18 May 2020

A handwritten signature in blue ink, appearing to read 'R Brauer'.

Rob Brauer
Liquidator

Enclosures:

- 1 Estimated Return Creditors (excluding liquidator recoveries)
- 2 Remuneration Approval Report
- 3 ARITA Information Sheet – Approving remuneration of an external administrator
- 4 Notice of Proposal to Creditors
- 5 ARITA Information Sheet – Proposals without meeting
- 6 Proof of Debt (Form 535)
- 7 Proof of Debt Guidance Notes
- 8 ARITA Information Sheet – Offences, Recoverable Transactions & Insolvent Trading



Estimated Return to Creditors

Investmet Limited (In Liquidation) - Estimated realisable value					
\$'000	Section	Book Value	ROCAP	Liquidators' ERV	
				Low	High
Assets					
Cash	2.1.1	44.8	30.4	30.2	30.2
Debtors	2.1.2	139.6	126.2	12.6	65.8
Loans Receivable	2.1.3	14,253.8	2,152.6	114.4	1,745.7
Listed Shares	2.1.4	21,267.7	3,023.5	2,934.9	4,317.4
Unlisted Shares	2.1.5	8,583.2	353.6	176.8	353.6
Unlisted Options	2.1.6	787.7	-	-	unknown
Other	2.1.7	10.8	10.8	-	-
Indicative Liquidator recoveries	3	-----not applicable----		-----unknown-----	
Total assets		45,087.7	5,697.2	3,268.9	6,512.7
Costs					
Direct costs of realisation (estimate)	-	-----not applicable----		(54.2)	(75.1)
Liquidators' fees (actual to 15 May 2020)	-	-----not applicable----		(186.9)	(186.9)
Liquidators' fees (future)	-	-----not applicable----		-----unknown-----	
Legal Fees (estimate)	-	-----not applicable----		(84.0)	(64.0)
Total costs		-	-	(325.0)	(325.9)
Funds available to creditors with priority		45,087.7	5,697.2	2,943.9	6,186.8
Petitioning creditors costs	2.2.1	-----not applicable----		(30.0)	(30.0)
Delta Resources	2.2.2	(650.0)	(825.0)	(825.0)	(650.0)
Funds available for unsecured creditors		44,437.7	4,872.2	2,088.9	5,506.8
Unsecured creditors:					
Trade creditors	2.2.3	(916.7)	(902.3)	(1,008.4)	(916.7)
Loans Payable	2.2.4	(13,447.7)	(13,456.3)	(12,101.7)	(11,967.9)
ATO	2.2.5	(14,472.8)	(16,883.2)	(17,336.6)	(17,336.6)
Guarantee Debt	2.2.6	-	(6,000.0)	(12,100.0)	(11,000.0)
Total unsecured creditors		(28,837.3)	(37,241.8)	(42,546.7)	(41,221.2)
Rate - unsecured creditor (c/\$)				4.9	13.4

Note: The above analysis excludes any proceeds for successful liquidator recovery action (i.e. for insolvent trading and/or voidable transactions) which may result in an additional 12.1 cents in the dollar.