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AK 340593

DML RESOURCES LIMITED (IN LIQUIDATION) - ("DML")

LIQUIDATORS' FIFTH REPORT

Pursuant to Section 255(2)(d) of the Companies Act 1993

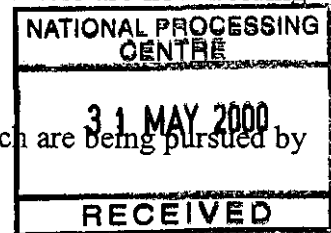
For the period from 7 November 1999 to 6 May 2000

1. PROGRESS OF THE ADMINISTRATION OF THE LIQUIDATION

We are pleased to report on the progress being made in the administration of the liquidation of DML Resources Limited (In Liquidation) ("DML") between November 1999 and May 2000. The liquidators remind creditors that at the commencement of the liquidation (7 May 1998) there were no assets available for the creditors and it appeared that there would be a shortfall to the debentureholder. The liquidators are now holding on call the sum of \$2,418,422.

1.1 Summary of Major Legal Issues

The following is an update of some of the legal issues which are being pursued by the liquidators.



• **Coeur Gold New Zealand Limited (Coeur Gold)**

The arbitration which was lengthy and protracted is now over. The interim award was handed down on 5 May 2000. The Court case has been awaiting this award. We are attempting now to reach an overall settlement. We are optimistic of a satisfactory outcome for DML.

• **Solid Energy North Limited - ("SEN") - (formerly Coal Corp)**

A settlement was achieved with SEN and this matter has now been finalised. We have received \$375,000.

• **Examination of Officers**

The matter of the formal examination of officers was covered in our fourth report. This is to take place approximately end of July 2000.

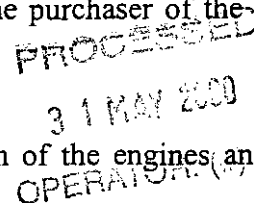
2. REALISATION OF COMPANY ASSETS

2.1 Plant & Machinery

The liquidators still await funds of \$31,175 from the purchaser of the Komatsu trucks.

2.2 Cummins Engines

The liquidators have been successful in selling both of the engines and \$5,000 remains unpaid from the sale of the first engine.



2.3 Debtors

An analysis of the debtors' ledger is as follows:

	Pre Receivership \$	Post Receivership \$	Total \$
Opening Balance (excluding Solid Energy North Limited)	180,714	50,404	231,118
Receipts	20,270	14,739	35,009
Write Offs	160,444	35,665	196,109
Outstanding at 7 November 1999	Nil	Nil	Nil

A full explanation was given in our third report of the major unpaid debtor, Solid Energy North Limited, which had been recorded on the Statement of Affairs as owing DML \$1.6 million.

2.4 Assets / Debts Located Overseas

As advised in our fourth report, the liquidators have resolved outstanding matters in South America and Indonesia which have resulted in funds to the liquidation and the withdrawal of claims in the liquidation. The liquidators have put DML Resources (Asia) Limited, the Hong Kong incorporated subsidiary, into liquidation and have become directors of the Malaysian incorporated subsidiary and its joint venture operation. These procedures will ensure that we control any funds arising in the Hong Kong liquidation and the current arbitration proceedings in Malaysia.

The Malaysia Joint Venture Company has recently finalised the sale of remaining mining equipment in Sarawak. The net proceeds will pass through to DML. Progress had been slow due to the age, condition and type of equipment.

2.5 Taxation Refund

The liquidators are pleased to advise that after examining the books and records of the company they applied for and obtained a taxation refund of \$168,950.

2.6 GST Refund – Pre Liquidation

Claims for GST have now been settled and we have received refunds amounting to \$1,591,755.

2.7 Sundry Receipts

An insurance refund of \$55,696 has been received.

3. CREDITORS CLAIMS

The Statement of Affairs attached to the liquidators' report dated 24 June 1998 shows unsecured creditors totalling \$19,532 million (excluding DML Group creditors of \$8.798 million). To date 432 creditors have claimed \$46,378,886. No further claims are expected.

3.1 Preferential Creditors

As advised previously, all preferential creditors have been paid.

3.2 Unsecured Creditors

There are still some contingency claims, and some claims still requiring detailed investigation. In addition, there are a number of creditor/debtor set off claims which are still to be investigated.

The following is a table of claims received and actioned to date:

	Number	\$
As per Statement of Affairs	650	28,330,000
Claims received to date	432	46,378,886
Claims admitted to date	409	21,690,403
Claims rejected	16	5,144,796
Claims held over	7	19,543,687

The liquidators are still not expecting to be in a position to pay a dividend to unsecured creditors for some time. We again stress, as was stressed in the third and fourth reports, that until the quantum and validity of **all** creditors claims has been determined, the liquidators cannot distribute funds to creditors.

The liquidators have followed up all creditors who were listed on the Statement of Affairs and who have not yet filed a creditor's claim form. We are now satisfied that there are unlikely to any further significant claims. The major differences between the Statement of Affairs and claims received arose because there were eight major claims understated by \$6.5 million and Australian Guarantees of \$7.5 million omitted. In addition, there were thirteen major claims, and all employee redundancy claims omitted.

4. FUNDS

The **attached** cash position as at 28 April 2000 shows the receipt and disposition of funds since the commencement of the liquidation on 7 May 1998.

5. LIQUIDATION COMMITTEE

As advised previously, the creditors appointed the following as members of the liquidation committee:

- Mr Les Geraghty – BP Oil New Zealand Limited
- Mr Michael Ross – Ross Family
- Mr Chris Zambucka – Lawson Zambucka Limited
- Mr Bob Inns – Motor Holdings (Komatsu) Limited
- Mr Ray Urquhart – NZ Engineering Union
- Mr Bruce Mazey – Gough Gough & Hamer Limited

Mr James Marryatt has now replaced Mr Geraghty and Mr Tony Staub of Caspex Corporation Limited has replaced Mr Inns.

The committee have met as required and has been kept informed in writing as the liquidation has progressed. The liquidators wish to thank the members for their assistance during the course of the liquidation.

6. INVESTIGATIONS

A number of matters are being investigated by the liquidators, but it is too early to report on progress and results.

7. COMPLETION

Due to the complexities of this liquidation, it is not possible at this time to advise creditors of an expected date of completion.

Any queries can be directed to Kevin Bromwich or the liquidators at this office.

Yours faithfully
for DML RESOURCES LIMITED
(IN LIQUIDATION)



GRAEME G McDONALD
LIQUIDATOR

DATED this *29th* day of May 2000

GGM/KWB/gck/220
DML/0FifthReport

Number of Company: AK 340593

Name of Company: DML RESOURCES LIMITED (IN LIQUIDATION)

Subject: STATEMENT OF REALISATIONS AND DISTRIBUTIONS

Statement of Realisations and Distributions in the liquidation of the company from 7 May 1998 (being commencement of the liquidation) to 6 May 2000.

CASH HAS BEEN RECEIVED AS FOLLOWS:

Funds from the Receiver		1,114,125
Funds from the Debentureholder		240,000
New Zealand Assets		
- Truck Sales	111,699	
- Plant and Equipment	331,715	
- Office Furniture and Equipment	766	
- Miscellaneous Assets	4,444	
- Debtors	32,774	
	<u> </u>	481,398
Overseas Assets		
- Chile	177,562	
- Indonesia	72,076	
	<u> </u>	249,638
Settlements		
- Auriferous Settlement	100,000	
- Wiri Land	140,000	
- Glencoal Settlement	27,500	
- Solid Energy	375,000	
	<u> </u>	642,500
Miscellaneous		
- GST Refund	1,591,755	
- Interest Received	188,053	
- Legal Costs Recovered	9,797	
- Sundry	1,059	
- Insurance Refund	55,696	
- Income Tax Refund	168,950	
	<u> </u>	2,015,310
TOTAL REALISATIONS		<u><u>\$4,742,971</u></u>

**CASH HAS BEEN PAID AS FOLLOWS:
Costs Charges & Expenses of the Liquidators**

Liquidators' Fees	814,672	
Disbursements	36,166	
	<u> </u>	850,838
Professional Fees:		
- Accounting	15,000	
- Consulting Fees	24,151	
- Computer Support	1,936	
	<u> </u>	41,087
Legal Fees:		
- Coeur Gold (including consultants)	981,748	
- Debenture	39,150	
- Solid Energy	42,937	
- Other	261,682	
	<u> </u>	1,325,517
Liquidation Operating Costs:		
- Accident Compensation Costs	14,856	
- Advertising	2,528	
- Bank Fees	598	
- Fringe Benefit Tax	2,459	
- Insurance	5,211	
- Printing	7,935	
- Storage	11,135	
- Vehicle Expenses	5,534	
- Wages	7,754	
- Sundry	14,185	
	<u> </u>	72,195
Costs of Realising Assets:		
- Truck Transport	9,753	
- Asia	5,784	
	<u> </u>	15,537
Applicant Creditors Costs		2,155
Creditors Meetings		1,220
Settlement Chilean Employees		16,000
		<u> </u>
TOTAL DISTRIBUTIONS		\$2,324,549
		<u> </u>
TOTAL REALISATIONS		4,742,971
LESS TOTAL DISTRIBUTIONS		2,324,549
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BALANCE HELD		\$2,418,422
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Note: The above figures are GST exclusive.


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GRAEME G McDONALD
LIQUIDATOR

Dated this 29th day of May 2000

GGM/KWB/gck/210
DML/OFifthR&D