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**DML RESOURCES LIMITED (IN LIQUIDATION)
LIQUIDATORS' SEVENTEENTH REPORT TO CREDITORS
for the period from 7 November 2005 to 6 May 2006
(pursuant to section 255(2)(d) of the Companies Act 1993)**

1. PROGRESS OF THE ADMINISTRATION OF THE LIQUIDATION

- 1.1 The liquidators are again pleased to report to creditors on the progress made in the administration of the liquidation of DML Resources Limited (In Liquidation) ("DML") during the period 7 November 2005 to 6 May 2006.
- 1.2 All assets of DML have been realised other than the possible recovery from Malaysia detailed in section 4 of this report.
- 1.3 The liquidators have paid 75 cents in the dollar to admitted unsecured creditors. (Refer Notes 3 and 4 to the attached statement of realisations and distributions).

2. CREDITORS' CLAIMS

As reported previously all creditor claims have been reviewed and have been either settled, accepted, rejected or withdrawn by the creditor. Creditors' claims total \$13.09 million.

3. FINANCIAL POSITION

Attached is the current statement of realisations and distributions since the commencement of the liquidation. Funds held by the liquidators total \$160,941.

4. DML MALAYSIA

The ongoing litigation between the Malaysian joint venture company, 50% owned by DML interests, and the Malaysian contractor relating to a coal mining contract terminated in 1998 continues in the Malaysian court system. Recent decisions by the Malaysian High Court were in favour of the DML joint venture company. However, the other party has already advised that they are likely to appeal. The liquidators are advised that an appeal would likely delay resolution of this matter for a further two years or more. There are still concerns regarding the recoverability from the other party of any award. The liquidators continue to monitor this matter with their joint venture partners and the Malaysian lawyers.


5. COMPLETION

The completion of this liquidation is dependent upon conclusion of the litigation affecting the Malaysian joint venture company detailed in the preceding section of this report.

Creditors are advised that this report and all previous reports are available on our website www.mvp.co.nz. Any enquiries can be directed to the liquidators at this office.

Yours faithfully
for DML RESOURCES LIMITED (IN LIQUIDATION)


GRAEME G McDONALD
LIQUIDATOR

JOHN L VAGUE 
LIQUIDATOR

Dated this 12th day of May 2006

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DML RESOURCES LIMITED (IN LIQUIDATION)

**LIQUIDATORS' STATEMENT OF REALISATIONS AND DISTRIBUTIONS
FOR PERIOD 7 MAY 1998 TO 6 MAY 2006**

CASH HAS BEEN RECEIVED AS FOLLOWS:	\$	\$
Funds received from receivers/debentureholders:		
Funds from Receivers	1,114,159	
Funds from Debentureholder	240,000	
	<hr/>	1,354,159
New Zealand Assets:		
Debtors	32,791	
Plant and Equipment	342,150	
Truck Sales	129,200	
Sundry Assets	5,423	
	<hr/>	509,564
Overseas Assets:		
Chile	177,563	
Hong Kong	84,286	
Indonesia	72,076	
	<hr/>	333,925
Settlements:		
Action against Directors	7,850,000	
Auriferous	100,000	
Coeur Gold	2,440,641	
Diesel Propulsion/Wiri Land	140,000	
Dividend - DML Pty Australia Limited (In Liquidation)	1,061,138	
Glencol	27,500	
Solid Energy	375,000	
	<hr/>	11,994,279
Refunds from Inland Revenue Department:		
Goods and Services Tax	2,775,434	
Income Tax	390,187	
Resident Withholding Tax	105,706	
	<hr/>	3,271,327
Miscellaneous:		
Insurance Refund	55,696	
Interest Received	914,979	
Legal Costs Recovered	14,412	
Sale of Shares	27,293	
Sundry Income	14,004	
	<hr/>	1,026,384
TOTAL REALISATIONS		<hr/> \$18,489,638 <hr/>

CASH HAS BEEN PAID AS FOLLOWS:**Liquidators' fees and disbursements:**

Liquidators' Fees	3,181,246	
Disbursements	117,293	
	<hr/>	3,298,539

Legal Fees:

Actions against Directors	1,206,243	
Auriferous	32,058	
Chile	27,958	
Coeur Gold (including consultants)	1,071,431	
Creditors Claims	45,636	
Debenture	40,099	
Diesel Propulsion/Wiri land	47,477	
DML Pty Limited (In Liquidation)	30,418	
Glencoal	3,021	
Solid Energy	42,937	
Voidable Transactions	32,973	
General	124,484	
	<hr/>	2,704,735

Other Professional Fees:

Accounting	772	
Consulting	14,568	
Computer Support	2,388	
Tax Advice	86,361	
	<hr/>	104,089

Financial Support to related companies:

Cobalt SG Limited (In Liquidation)	37,952	
DML Resources (Asia) Limited	130,325	
DML Resources (Malaysia) Sdn Bhd (see Note 2)	113,733	
	<hr/>	282,010

Liquidation Operating Costs:

Accident Compensation Corporation	14,856	
Advertising	4,640	
Bank Fees	2,180	
Insurance	21,532	
Printing and Photocopying – action against directors	29,575	
Storage – company records and assets	81,657	
Vehicle Expenses and transportation	15,287	
Wages	7,822	
Sundry	14,308	
	<hr/>	191,857

Inland Revenue Department:

Fringe Benefit Tax	2,460	
Goods and Services Tax	1,002,135	
Resident Withholding Tax	65,621	
	<hr/>	1,070,216

Settlements and distributions to creditors: (see notes 3 and 4)

Preferential: Applicant Creditor's Costs	2,155	
Preferential: Inland Revenue Department PAYE and GST	1,035	
Settlement of Creditors' Claims	830,147	
First Distribution to Unsecured Creditors (5 cents in the dollar)	662,627	
Second Distribution to Unsecured Creditors (60 cents in the dollar)	7,869,675	
Third Distribution to Unsecured Creditors (10 cents in the dollar)	1,311,612	
	<hr/>	10,677,251

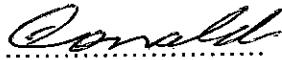
TOTAL DISTRIBUTIONS

\$18,328,697

TOTAL REALISATIONS	18,489,638
LESS TOTAL DISTRIBUTIONS	18,328,697
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BALANC HELD	\$160,941
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BALANCE REPRESENTED BY:	
ASB Bank Limited – Current Account	156
ASB Bank Limited – Investment Funds	2,973
National Bank of New Zealand Limited – On Call	157,812
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TOTAL	\$160,941
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Notes:

1. The above amounts are GST exclusive.
2. An amount of \$50,000 of the financial support to DML Resources (Malaysia) Sdn Bhd is retained in New Zealand on interest bearing term deposit as support to the Malaysian subsidiary.
3. In addition to the distributions to creditors shown in the above statement payment has also been made from the Voidable Preference Trust to those creditors entitled to the funds held in that trust.
4. Creditors entitled to the Voidable Preference Trust funds had claims in the liquidation totalling \$7,216,692. The total payment to these creditors in May 2005 from the trust funds was \$1,371,171 (i.e. 19 cents in the dollar).



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GRAEME G McDONALD
LIQUIDATOR

Dated this 12th day of May 2006