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DML RESOURCES LIMITED (IN LIQUIDATION) – (“DML”)

LIQUIDATORS’ SIXTH REPORT

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

For the period from 7 May 2000 to 6 November 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 May 2000 and November 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 \$4,781,162.

1.1 Summary of Major Legal Issues

The following is an update of some of the legal issues.

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

We are pleased to report that the Court and Arbitration claims involving Coeur Gold and Viking Mining have now been fully settled and the agreed settlement sum was \$2,805,629 including GST. DML was required to set-off a small cross claim (that claim was also reduced by reason of the Arbitration outcome) so the net proceeds which have been paid to DML are \$2,440,640 plus GST on part of the settlement only (\$189,065).

• **Examination of Officers**

Since our last report, the liquidators’ counsel has examined Mr Bolton and Mr Walbridge in the High Court. Counsel and the liquidators are now factoring the various explanations of certain transactions/issues offered by the two directors into our consideration of what action (if any) will be taken. A final decision will be made in the near future.

• **Voidable Transactions**

As indicated in previous reports, we have been investigating a number of issues. One of these is voidable transactions under S292 of the Companies Act 1993. We expect that a number of creditors will receive correspondence from us on this subject before the next report. Because of the size of the liquidation it may take a little longer to work through all of the issues with all creditors involved.

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2. REALISATION OF COMPANY ASSETS

2.1 Plant & Machinery

The liquidators have now received funds from the purchaser of the Komatsu trucks.

2.2 Cummins Engines

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

2.3 Debtors

An analysis of the debtors' ledger is repeated from the fifth report:

	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 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 DML Resources (Malaysia) Sdn Bhd 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 Malaysian joint venture company has recently finalised the sale of remaining mining equipment in Sarawak. DML is a 50% shareholder in this joint venture company.

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 creditors have claimed \$47,378,886 (including DML Group creditors). Of this \$5,599,165 has been rejected and five claims totalling \$20,089,318 are still under review. 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 that 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	47,378,886
Claims admitted to date (in full or in part)	402	21,690,403
Claims rejected (in full or in part)	25	5,599,165
Claims held over	5	20,089,318

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, fourth and fifth 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 be 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 7 November 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 duly authorised representatives of the following companies.

- BP Oil New Zealand Limited – Mr James Marryatt
- Ross Family – Mr Michael Ross
- Lawson Zambucka Limited – Mr Chris Zambucka
- Caspex Corporation Limited – Mr Tony Staub
- NZ Engineering Union – Mr Ray Urquhart
- Gough Gough & Hamer Limited – Mr Bruce Mazey

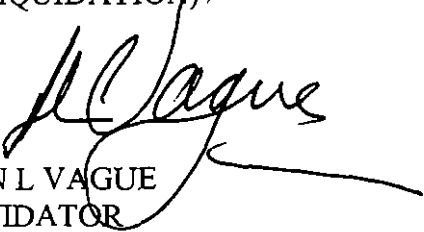
The committee have met as required and has been kept informed in writing as the liquidation has progressed. The liquidators wish to thank the members for their assistance during the course of this complex liquidation.

6. COMPLETION

Due to the complexities of this liquidation and the number of unresolved issues 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)



JOHN L VAGUE
LIQUIDATOR

DATED this 1st day of December 2000

JLV/KWB/gck/220
DML/0SixthReport

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 November 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	129,200	
- Plant and Equipment	342,150	
- Office Furniture and Equipment	766	
- Miscellaneous Assets	4,444	
- Debtors	32,774	
	<u> </u>	509,334
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	
- Coeur Gold (excluding GST)	2,440,640	
	<u> </u>	3,083,140
Miscellaneous		
- GST Refunds (net)	1,713,454	
- Interest Received	271,104	
- Legal Costs Recovered	9,797	
- Sundry	1,059	
- Insurance Refund	55,696	
- Income Tax Refund	168,950	
	<u> </u>	2,220,060
TOTAL REALISATIONS		<u><u>\$7,416,297</u></u>

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

Liquidators' Fees	975,287	
Disbursements	44,896	
		<u>1,020,183</u>

Professional Fees:

- Accounting	15,000	
- Consulting Fees	24,151	
- Computer Support	2,388	
		<u>41,539</u>

Legal Fees:

- Coeur Gold (including consultants)	1,082,329	
- Debenture	39,150	
- Solid Energy	42,937	
- Other	300,064	
		<u>1,465,080</u>

Liquidation Operating Costs:

- Accident Compensation Costs	14,856	
- Advertising	2,528	
- Bank Fees	709	
- Fringe Benefit Tax	2,459	
- Insurance	12,211	
- Printing	3,340	
- Storage	12,045	
- Vehicle Expenses	5,534	
- Wages	7,822	
- Sundry	11,917	
		<u>73,421</u>

Costs of Realising Assets:

- Truck Transport	9,753	
- Asia	5,784	
		<u>15,537</u>

Applicant Creditors Costs

Creditors Meetings	2,155
Settlement Chilean Employees	1,220
	<u>16,000</u>

TOTAL DISTRIBUTIONS**\$2,635,135****TOTAL REALISATIONS****7,416,297****LESS TOTAL DISTRIBUTIONS****2,635,135****BALANCE HELD****\$4,781,162**

Note: The above figures are GST exclusive.



 JOHN L. VAGUE
 LIQUIDATOR

Dated this *1st* day of December 2000