



SHERIDANS
CHARTERED ACCOUNTANTS

TALOS MINING PTY LTD

(In Liquidation)
ACN 161 558 158

Report to Creditors

Section 70-40
Insolvency Practice Rules (Corporations) 2016

4 March 2022

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Enclosures

- (i) Proof of Debt or Claim form

1. Introduction

- 1.1 I refer to my appointment as Liquidator of the company on 9 December 2021 and to my Initial information for creditors dated 22 December 2021.
- 1.2 The purpose of this report is to provide creditors with an update on the progress of the liquidation in accordance with Section 70-40 of the Insolvency Practice Rules (Corporations) 2016, and to advise creditors of the likelihood of a dividend being paid in the liquidation.

2. Receipts and payments

- 2.1 The following is a summary of receipts and payments in the liquidation to date:

	\$
Receipts	
Contribution	10,000.00
Payments	
Bank charges	15.40
Liquidator's fees	8,181.82
Liquidator disbursements:	
Advertisements	64.00
ASIC levy	177.00
Postage	8.80
RP Data	105.00
Searches	40.14
Stationary	10.18
Telephone	5.00
GST (net)	850.69
	9,453.03
Cash at bank as at 4 March 2022	541.97

3. Assets

- 3.1 The company's director, Mr Russell Moran, gave an estimate in his Report on Company Activities and Property ("ROCAP") of potential realisations. Set out below is a comparison of this estimate with the Liquidator's estimate and actual realisations to date.

	Ref	ROCAP estimate \$	Liquidator's estimate \$	Liquidator's realisations to date \$
Cash at bank	3.2	Nil	25.83	Nil
Loan receivable	3.3	Nil	Unknown	Nil
Shares	3.4	-	Unknown	Nil
		Nil	Unknown	Nil

3.2 Cash at bank

- 3.2.1 I have been advised that the company's sole bank account held a balance of \$25.83 as at the date of my appointment.
- 3.2.2 The account is to be closed and the balance will be remitted to the liquidation.

3. Assets (cont.)

3.3 *Loan receivables*

3.3.1 The director's ROCAP listed one debtor of the company.

3.3.2 I am currently in the process of investigating amount(s) owed to the company and determining whether any amounts are realisable.

3.4 *Shares*

3.4.1 No shares were disclosed on the director's ROCAP.

3.4.2 I have since been advised that the company has a current shareholding.

3.4.3 I am in the process of obtaining further details regarding the shares held by the company, the value of the shares, and determining whether it is commercial to realise the shares.

4. Secured creditors

4.1 The company did not have any secured creditors at the date of liquidation.

5. Priority creditors

5.1 To date, I have not identified any priority creditors of the company.

5.2 If you were an employee of the company at the date of liquidation, or you have previously been employed by the company, you may be a creditor of the company for any or all of the following debts: outstanding wages, annual leave, long service leave, pay in lieu of notice, redundancy and/or superannuation.

5.3 If you are owed accrued entitlements, you may be eligible for assistance under the Federal Government's Fair Entitlements Guarantee Act 2012 ("FEG"). For further information regarding FEG, please call the FEG hotline: 1300 135 040 or go to the website: www.employment.gov.au/fair-entitlements-guarantee-feg. **Former employees have only 12 months from the date of liquidation to lodge a FEG claim and FEG has no discretion to extend this time.**

5.4 Please find enclosed a Proof of Debt or Claim form to enable any priority creditors who have not already done so to lodge their claim against the company. Note that any FEG claim must be lodged separately with FEG.

6. Unsecured creditors

6.1 According to the director's ROCAP, the company had four unsecured creditors, whose claims totalled \$1,439,189.05.

6.2 On the basis of current information, I estimate that the total amount owed to unsecured creditors is the similar figure of \$1,439,188.24.

6. Unsecured creditors (cont.)

- 6.3 From information obtained to date, it appears that all of the company's unsecured creditors are related parties, being Mr Moran, Minco Holdings Pty Ltd (In Liquidation), Ms Fiona Paterson and Natres Services Pty Ltd.
- 6.4 Please find enclosed a Proof of Debt or Claim form to enable any unsecured creditors who have not already done so to lodge their claim against the company.

7. Dividend

- 7.1 The likelihood that a dividend will be paid to creditors will be affected by a number of factors including:
- (i) The size and complexity of the administration.
 - (ii) The amount of assets realisable and the costs of realising those assets.
 - (iii) The statutory priority of certain claims and costs.
 - (iv) The value of various classes of claims including secured, priority and unsecured creditor claims.
 - (v) The volume of enquiries by creditors and other stakeholders.
- 7.2 It is unlikely that a dividend will be paid to any class of creditor.
- 7.3 If a dividend is payable, creditors will be contacted prior to payment of the dividend and will be asked to lodge a Proof of Debt. This will formalise creditors' claims against the company.

8. Reasons for the company's failure

- 8.1 The company's business ceased on or around 9 December 2021, being the date of liquidation.
- 8.2 From my preliminary inquiries and limited information provided to me to date (see Section 9 below), I consider that the reasons for the company's failure are likely to be as follows:
- (i) Unrealisable loans receivable; and
 - (ii) The director's pending bankruptcy.

9. Inquiries undertaken to date

- 9.1 The following inquiries have been made to date:
- (i) Undertaking searches including a company search, PPSR search, vehicle search, director search and property search.
 - (ii) Contacting the Sheriff's Office to determine whether any recovery action has been undertaken on behalf of creditors.
 - (iii) Contacting the Child Support Agency and Workcover WA to determine the company's outstanding liabilities.

9. Inquiries undertaken to date (cont.)

- (iv) Contacting the Office of State Revenue and the Australian Taxation Office (“ATO”) to determine the company’s outstanding tax-related liabilities.
- (v) Requesting that the ATO provide me with access to the company’s taxation records via the Business Portal.
- (vi) Reviewing the company’s financial statements and draft accounts to determine whether there are any unaccounted for assets and/or liabilities.
- (vii) Reviewing the director’s Report on Company Activities and Property.
- (viii) General inquiries of the company’s director regarding assets and liabilities.
- (ix) Sending an initial notice to creditors, encouraging creditors to submit their claim against the company.
- (x) Enquiries with various share registries regarding the company’s share trading history.

10. Further inquiries that may need to be undertaken

10.1 I note that the following further inquiries may need to be undertaken:

- (i) Review of the company’s books and records.
- (ii) An investigation into the company’s affairs and the conduct of its officers.
- (iii) Determining whether there are any possible recovery actions (see Section 11 below).
- (iv) Lodging a report with ASIC detailing my investigation findings.
- (v) General inquiries of the company’s director regarding assets and liabilities.
- (vi) Obtaining further information regarding the company’s current shareholding and determining whether it is commercial to realise shares.

10.2 If creditors are aware of a particular matter that requires investigation, please contact this office immediately.

11. Possible recovery actions

11.1 I have not yet determined any possible recovery actions but note that the most common recovery actions available to a liquidator are as follows:

- (i) Insolvent trading.
- (ii) Unfair preferences.
- (iii) Uncommercial transactions.
- (iv) Unfair loans.
- (v) Unreasonable director-related transactions.

12. What happens next?

- 12.1 I will proceed with the liquidation, including:
- (i) Realising the remaining assets.
 - (ii) Recovering any further available property.
 - (iii) Completing my investigations into the company's affairs.
 - (iv) Completing my reporting to the corporate insolvency regulator, ASIC.
- 12.2 I may write to creditors again with further information on the progress of the liquidation.

13. More information

- 13.1 Creditors can access information which may be of assistance on the following websites:
- (i) Sheridans at www.sheridansac.com.au/downloads/
 - (ii) ARITA at www.arita.com.au/creditors
 - (iii) ASIC at www.asic.gov.au (search for "insolvency information sheets")

If you wish to discuss the above matters, please contact David Blanchett or Shaun Carrington of this office.

Yours faithfully



JENNIFER E. LOW
Liquidator of
Talos Mining Pty Ltd

TALOS MINING PTY LTD
ACN 161 558 158
(In Liquidation) ("the company")

PROOF OF DEBT OR CLAIM

This is to state that the company was on 9 December 2021 and still is justly and truly indebted to _____ for:

\$ _____ and _____ cents

Date	Consideration (how the debt arose)	Amount \$	Remarks (include details of voucher substantiating payment)

To my knowledge or belief the creditor has not, nor has any person by the creditor's order, had or received any satisfaction or security for the sum or any part of it except for the following: *(insert particulars of all securities held. If the securities are on the property of the company, assess the value of those securities. If any bills or other negotiable securities are held, show them in a schedule in the following form).*

Date	Drawer	Acceptor	Amount \$	Due date

I am employed by the creditor and authorised in writing by the creditor to make this statement. I know that the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, remains unpaid and unsatisfied. ①

I am the creditor's agent authorised in writing to make this statement in writing. I know that the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, remains unpaid and unsatisfied. ①

① *Delete both if this proof is made by the creditor personally. Otherwise, strike out or leave, as appropriate.*

Please ensure this proof is signed for completion, before lodgement.

Date: _____

Signature: _____

Name: _____

Occupation: _____

Creditor's address: _____

I nominate to receive electronic notification of notices or documents in accordance with Section 600G of the Corporations Act 2001 at the following email address:
