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D Musulin

18 February 2009

WINDIMURRA VANADIUM LIMITED
(Administrators Appointed) (Receivers and Managers Appointed)
ACN 009 131 533
("the Company")

CIRCULAR TO EMPLOYEES

ADELAIDE
BRISBANE
MELBOURNE
SYDNEY
HONG KONG
JAKARTA
KUALA LUMPUR
MANILA
MUMBAI
SINGAPORE
TOKYOaffiliated through
Kroll Worldwide
UNITED STATES
UNITED KINGDOM

We refer to our circular to creditors dated 18 February 2009, a copy of which accompanies this circular.

In our circular, we advised that we would write separately to employee creditors regarding the appointment of Martin Jones, Andrew Saker and I as the Company's Administrators.

Enclosed is an information sheet published by the Australian Securities and Investments Commission, which provides general advice to employees whose employer is in voluntary administration.

This circular is to advise you about the status of your employment by the Company.

A. Employment During the Administration

We are examining the Company's trading and financial position with a view to assessing its future viability. Once determined, we will advise you of our intentions regarding ongoing trading.

In the interim, your employment by the Company continues on the same terms and conditions that existed at the time of our appointment. Your wages and other entitlements that accrue after our appointment are an expense of the Administration and payment will be made in the normal course.

As a consequence of the appointment, the Administrators assume responsibility for the Company's management and the control of its assets. Without the written authority of the Administrators, you must not, nor must you permit anyone else to:

1. Place any orders for goods or services, unless they have been duly authorised by the Administrators or others as notified in our circular to creditors;
2. Accept delivery of any goods or services, unless they are the subject of a duly



authorised order;

3. Supply any services to customers or dispatch any goods to customers;
4. Enter into any commitments with suppliers or customers;
5. Make any compromise or arrangement with any debtor or creditor of the Company, including the allowance of any set-offs;
6. Incur any debts or liabilities in the name of the Company or pledge its assets;
7. Return any goods to suppliers;
8. Make any payments; and
9. Remove any of the Company's assets from the Company's custody or control.

All monies received must be forwarded to Ferrier Hodgson or paid into the bank account we have opened named "Windimurra Vanadium Limited (Administrators Appointed)".

Every invoice, order for goods, business letter, or similar document must have the words "Administrators Appointed" along with "Receivers and Managers Appointed" immediately following the name of the Company.

All Company assets must be secured against theft.

We must be notified in writing immediately of all known or potential breaches of the law or regulations (eg health, safety, hygiene, fire, etc).

Representative of the Employees

We request that to avoid business interruption that the employee creditors select one of their number to attend the meetings of creditors, including the meeting to be held on 3 March 2009, and if a Committee of Creditors is to be formed, to have that representative nominate for the Committee. The employees can exercise a vote at creditors' meetings by providing their representative with a completed proxy form in favour of the representative. The minutes of the meetings of the creditors and the Committee of Creditors are public documents that can be readily made available to all employees.



B. Your Employee Entitlements at the Date of Appointment

As an employee, you have a statutory priority of payment for outstanding entitlements such as wages, superannuation contributions payable by the Company, holiday pay and long service leave. Directors and other related persons also have a statutory priority of payment for these entitlements, however their priority is subject to a statutory 'cap' of \$2,000 for wages and superannuation contributions and \$1,500 for holiday pay and long service leave entitlements. An employee's priority ranks after the Administrator's costs and remuneration but ahead of ordinary unsecured creditors.

To assist in determining any employee claim you might have, we ask that you complete the enclosed 'Statement of Claim' form detailing your outstanding entitlements at the date of our appointment and return it to our office as soon as practicable, together with copies of all documentation that will assist with the adjudication of your claim, for example, any written contract of employment, the first group certificate issued to you by the Company and your last pay advice.

As part of our role, the Administrators will report to the creditors within 25 business days of appointment on a number of matters including the assessment of the financial position of the Company.

The enclosed ASIC/IPAA information sheet provides information concerning the government's *General Employee Entitlements and Redundancy Scheme* ("GEERS"). Please note that the GEERS does not apply in a voluntary administration.

However, if the Company proceeds to liquidation, you might have standing to submit an application and be compensated for unpaid entitlements under the GEERS. For further information regarding the GEERS, including your eligibility, please contact the Department of Workplace and Employment Relations on 1300 135 040 or GEERS@dewr.com.au or visit its website at www.workplace.gov.au.

For further information concerning the Voluntary Administration process generally and Ferrier Hodgson, you may wish to visit our website at www.ferrierhodgson.com.

Should you have any queries in relation to this matter, please do not hesitate to contact me, or in my absence, either Dario Musulin or Lauren McCann of this office.

A handwritten signature in black ink that reads "D Weaver".

DARREN WEAVER
Joint and Several Administrator of
Windimurra Vanadium Limited

Encl

WINDIMURRA VANADIUM LIMITED
(Administrators Appointed) (Receivers and Managers Appointed)
ACN 009 131 533

CLAIM OF EMPLOYEE

NAME: _____

ADDRESS: _____

TELEPHONE NUMBER: _____

POSITION: _____

NAME OF AWARD or AWA: _____

PERIOD OF EMPLOYMENT: / / to / /

AMOUNT OF CLAIM/DEBT: Wages and salaries for
the period from / / to / / \$

Superannuation _____

Unused annual leave days _____

Long service leave _____

Other (provide details) _____

Total \$

CURRENT WAGE (GROSS): \$ per week/fortnight/month

FURTHER DETAILS OF CLAIM: _____

Please return to: Dario Musulin or Lauren McCann
Ferrier Hodgson
Level 26 BankWest Tower
108 St Georges Terrace
PERTH WA 6000

OFFICE USE ONLY	
POD No:	Ordinary: \$
Date Received	Preferential: \$
Entered IPS:	Rejected: \$
RATA Amount: \$	Held Over: \$



ASIC

Australian Securities & Investments Commission

INFORMATION SHEET 75

Voluntary administration: a guide for employees

If a company is in financial difficulty, it can be put into voluntary administration.

This information sheet provides general information for employees of companies in voluntary administration. Employees should also read ASIC's information sheet INFO 74 *Voluntary administration: a guide for creditors*.

Who is an employee?

You are likely to be classified as an employee if you are:

- engaged by a company under an award, Certified Agreement, Australian Workplace Agreement, or a contract of employment, and
- paid a salary, wages or commission.

Contractors are not employees. They are ordinary unsecured creditors of the company.

If you are an employee who is owed money for unpaid wages, superannuation, annual leave, sick leave, long service leave, retrenchment pay or other benefits, you are a creditor of the company. You may be entitled to some or all of what you are owed in priority to the company's other creditors.

The purpose of voluntary administration

Voluntary administration is designed to resolve a company's future direction quickly. An independent and suitably qualified person (the voluntary administrator) takes full control of the company to try to work out a way to save either the company or its business.

If it isn't possible to save the company or its business, the aim is to administer the affairs of the company in a way that results in a better return to creditors than they would have received if the company had instead been placed straight into liquidation. A mechanism for achieving these aims is a deed of company arrangement.

A voluntary administrator is usually appointed by a company's directors, after they decide that the company is insolvent or likely to become insolvent. Less commonly, a voluntary administrator may be appointed by a liquidator, provisional liquidator, or a secured creditor.

A secured creditor is someone who has a charge, such as a mortgage, over company assets, to secure a debt owed by the company. Lenders usually require a charge over company assets when they provide a loan.

A company in voluntary administration may also be in receivership: see ASIC information sheet

Important note: This information sheet contains a summary of basic information on the topic. It is not a substitute for legal advice. Some provisions of the law referred to may have important exceptions or qualifications. This document may not contain all of the information about the law or the exceptions and qualifications that are relevant to your circumstances. You will need a qualified professional adviser to take into account your particular circumstances and to tell you how the law applies to you.

INFO 55 *Receivership: a guide for employees.*

The voluntary administrator's role

After taking control of the company, the voluntary administrator investigates and reports to creditors on the company's business, property, affairs and financial circumstances, and on the three options available to creditors (including employees). These are:

- end the voluntary administration and return the company to the directors' control
- approve a deed of company arrangement through which the company will pay all or part of its debts and then be free of those debts, or
- wind up the company and appoint a liquidator.

The voluntary administrator must give an opinion on each option and recommend which option is in the best interests of creditors. In doing so, the voluntary administrator tries to work out the best solution to the company's problems, assesses any proposals put forward by others for the company's future, and compares the possible outcomes of the proposals with the likely outcome in a liquidation.

A creditors' meeting is usually held about five weeks after the company goes into voluntary administration to decide on the best option. In complex administrations, the meeting may be held later if the court consents. Employees are entitled to vote at creditors' meetings. You should lodge details of your claim with the voluntary administrator before the meeting to enable you to vote.

The voluntary administrator has all the powers of the company and its directors. This includes the power to sell or close down the company's business, or sell individual assets in the lead up to the creditors' decision on the company's future.

Another responsibility of the voluntary administrator is to report to ASIC on possible offences by people involved with the company.

Employee entitlements

If the voluntary administrator continues to trade the business, they must pay out of the assets available to them ongoing wages for services provided and other employee entitlements that arise after the date of their appointment. These payments are treated as an expense of the voluntary administration.

The appointment of a voluntary administrator does not automatically terminate the employment of the company's employees. As a result, unless the voluntary administrator adopts the employment contracts or enters into new contracts of employment with employees, they are not personally liable for any employee entitlements that arise during voluntary administration.

As voluntary administration is an interim form of external administration, employee entitlements that arose prior to voluntary administration are not usually paid during voluntary administration.

How and when these employee entitlements are paid depends on the option passed at the creditors' meeting (i.e. company returned to directors, a deed of company arrangement, or liquidation).

Company returned to directors

If the company is returned to the directors, the directors will be responsible for ensuring that the company pays outstanding entitlements as they fall due. It is only in very rare circumstances that creditors will resolve to return the company to the control of its directors.

Deed of company arrangement

If creditors approve a deed of company arrangement, the priority in which outstanding employee entitlements are paid depends on the terms of the deed. Sometimes the deed proposal is for these entitlements to be paid in the same priority as in a liquidation. Other times, a different priority is proposed.

A deed of company arrangement must ensure that employees' entitlements have the same priority as in

a liquidation unless the eligible employees agree by a majority in both number and value to vary this priority.

This means that unless a variation to priority is agreed to, in a deed of company arrangement employees have the right, if there are funds left over after payment of the fees and expenses of the voluntary administrator and deed administrator, to be paid their outstanding entitlements in priority to other unsecured creditors.

Priority employee entitlements are grouped into classes and paid in the following order:

1. outstanding wages and superannuation
2. outstanding leave of absence (including annual leave and sick leave, where applicable, and long service leave), and
3. retrenchment pay.

Each class is paid in full before the next class is paid. If there are insufficient funds to pay a class in full, the available funds are paid on a pro rata basis (and the next class or classes will be paid nothing).

To find out more, see ASIC's information sheet INFO 46 *Liquidation: a guide for employees*.

Where deed proposal seeks to vary priority for employee entitlements

If a deed proposal seeks to vary the priority for employee entitlements, the voluntary administrator must call a meeting of eligible employees giving at least five business days notice of the meeting. They must give to eligible employees at the same time as the notice of meeting a statement setting out:

- their opinion about whether the proposed variation would result in the same or better outcome for employees than if the company went into liquidation
- their reasons for this opinion, and
- any other information to help them make an informed decision about varying the priority.

Before you make a decision on how to vote at the meeting of eligible employee creditors or the creditors' meeting where the decision is made whether or not to accept the deed of company arrangement proposal, make sure you understand how the deed will affect the priority of payment of your outstanding entitlements.

The General Employee Entitlements and Redundancy Scheme (GEERS)

GEERS is a basic payment scheme designed to assist employees whose employment has been terminated due to the liquidation or bankruptcy of their employer and who are owed certain employee entitlements. GEERS is administered by the Department of Education, Employment and Workplace Relations.

You are not eligible for GEERS assistance if your former employer is a company in voluntary administration or subject to a deed of company arrangement until and unless the company goes into liquidation.

If the company was subject to a deed of company arrangement in the 12 months before the liquidation and:

- the deed had a different priority for payment of outstanding claims, including employee entitlements to that in a liquidation; and/or
- the deed did not provide for the distribution of all of the company's available funds and assets;

this will affect your ability to make a claim under GEERS.

You may wish to seek independent legal advice on whether the terms of a proposed deed will affect your ability to make a claim under GEERS if the company subsequently goes into liquidation.

For more on liquidation, refer to our related information sheets (listed below).

For more on GEERS, visit www.workplace.gov.au/geers or contact the GEERS Hotline on 1300 135 040 or email GEERS@deewr.gov.au.

If the deed provides for your ongoing employment, you may wish to seek advice on how this affects payment of your outstanding entitlements.

Liquidation

If creditors resolve that the company is to be wound up, the priority given to outstanding employee entitlements in a liquidation will apply.

Employees have the right, if there are funds left over after payment of the fees and expenses of the administrator and liquidator, to be paid their outstanding entitlements in priority to other unsecured creditors.

The grouping of outstanding employee entitlements and order of payment in a liquidation is the same as discussed above.

To find out more, see ASIC's information sheet *INFO 46 Liquidation: a guide for employees*.

You may also be entitled to make a claim under GEERS when the company enters into liquidation.

Establishing your claim under a deed of company arrangement

How claims are dealt with under a deed of company arrangement depends on the deed's terms. Sometimes the deed incorporates the *Corporations Act 2001* provisions for dealing with claims in a liquidation.

Regardless of the deed's terms, if the deed administrator must pay outstanding priority employee entitlements, they may advise you beforehand how much they believe you are owed. Contact the deed administrator promptly if you disagree with their calculation.

You may be required to complete an employee entitlement claim form (this is called a 'proof of debt' in a liquidation). In this case, contact the deed administrator's office to agree and settle the amount.

You may need to provide evidence to justify your claim. It is important that you keep your pay records or other records of the terms of your employment. You may also need these records to help you complete your income tax return and establish any entitlement to GEERS if the company proceeds to liquidation.

When submitting a claim, ask the deed administrator to acknowledge receipt of your claim and advise if any further information is needed.

If the deed administrator rejects your claim after you have taken the above steps, you may wish to seek your own legal advice. This should be done promptly. Depending on the terms of the deed, you may have a limited time in which to take legal action to challenge the decision. If you have a query about the timing of the payment, discuss this with the deed administrator.

For details on proving your claim in a liquidation, see ASIC's information sheet *INFO 46 Liquidation: a guide for employees*.

Payment Summaries and Separation Certificates

Most employees require a PAYG Payment Summary (group certificate) to complete and lodge their income tax return. A Separation Certificate may also be required before an employee who loses their job can apply for social security.

If a voluntary administrator or deed administrator pays you any employee entitlements, they must provide you with a PAYG Payment Summary recording the entitlements paid and any income tax deducted. Contact the voluntary administrator or deed administrator to find out if they are going to prepare your PAYG Payment Summary for entitlements paid by the company prior to their appointment, and, if so, what period it will cover.

If you can't obtain a PAYG Payment Summary for any period, contact the Australian Taxation Office on 13 28 61 to find out how to meet your obligations.

A voluntary administrator and deed administrator must prepare a Separation Certificate for any employee whose employment is terminated during the voluntary administration or deed of company arrangement. They are not obliged to prepare one for terminations of employment that occurred prior to voluntary administration.

Contact Centrelink on 13 10 21 to find out what you should do if you can't obtain a Separation Certificate.

Creditors' committee

A creditors' committee may be formed to consult with the voluntary administrator or deed administrator, and receive reports on the conduct of their administration. In a voluntary administration, this committee is called a 'committee of creditors'. While the company is under a deed of company arrangement, it is called a 'committee of inspection'.

Employees may wish to nominate a representative to be on the committee and have a say in matters that may impact on their interests.

Queries and complaints

You should first raise any queries or complaints with the voluntary administrator/deed administrator. If this fails to resolve your concerns, including any concerns about the administrator's conduct, you can lodge a complaint with ASIC at www.asic.gov.au/complain, or write to:

ASIC Complaints
PO Box 9149
TRARALGON VIC 3844

ASIC will usually not become involved in matters of commercial judgement by a voluntary administrator or deed administrator. Complaints against companies and their officers can also be made to ASIC. For other enquiries, email ASIC through infoline@asic.gov.au, or call ASIC's Infoline on 1300 300 630 for the cost of a local call.

To find out more

For an explanation of terms used in this information sheet, see ASIC's information sheet INFO 41 *Insolvency: a glossary of terms*. For more on external administration, see ASIC's related information sheets at www.asic.gov.au/insolvencyinfosheets:

- INFO 74 *Voluntary administration: a guide for creditors*
- INFO 45 *Liquidation: a guide for creditors*
- INFO 46 *Liquidation: a guide for employees*
- INFO 54 *Receivership: a guide for creditors*
- INFO 55 *Receivership: a guide for employees*
- INFO 43 *Insolvency: a guide for shareholders*
- INFO 42 *Insolvency: a guide for directors*
- INFO 84 *Independence of external administrators: a guide for creditors*
- INFO 85 *Approving fees: a guide for creditors*

These are also available from the Insolvency Practitioners Association (IPA) website at www.ipaa.com.au. The IPA website also contains the IPA's Code of Professional Practice for Insolvency Professionals, which applies to IPA members.

DGW:DM:lh:D11
D Musulin

18 February 2009

PERTH

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108 St George's Terrace
Perth WA 6000 Australia
GPO Box 2537 Perth WA 6001
phone +61 8 9214 1444
fax +61 8 9214 1400

email fhperth@perth.fh.com.au
www.ferrierhodgson.com

**WINDIMURRA VANADIUM LIMITED ACN 009 131 533
(Administrators Appointed) (Receivers and Managers Appointed)
("the Company")**

CIRCULAR TO CREDITORS

ADELAIDE
BRISBANE
MELBOURNE
SYDNEY
HONG KONG
JAKARTA
KUALA LUMPUR
MANILA
MUMBAI
SINGAPORE
TOKYO

I advise that Martin Jones, Andrew Saker and I were appointed Joint and Several Administrators of the Company pursuant to section 436A of the Corporations Act 2001 ("the Act") on 18 February 2009.

This circular concerns only Windimurra Vanadium Limited. If you are a creditor of Midwest Vanadium Pty Ltd you should have regard to our separate circular.

affiliated through
Kroll Worldwide
UNITED STATES
UNITED KINGDOM

We now control the Company's operations and we are assessing the Company's financial position. The Company's directors have been requested to prepare a statement about the Company's business, property, affairs and financial circumstances as at the date of our appointment. We raise the following matters regarding the administration.

1. First Meeting of Creditors

We are required to call a first meeting of creditors within eight business days of our appointment pursuant to section 436E of the Act. The purpose of this meeting is to provide creditors with an opportunity to:-

- Appoint a Committee of Creditors; and,
- Appoint an alternative Administrator, if they so desire.

In this regard, I enclose the following documents:

- (a) Notice of Meeting of Creditors. **Please note the meeting commences at 10:00am on Tuesday 3 March 2009. You should arrive for registration at least 30 minutes prior to the meeting.**
- (b) Informal Claim Form for Voting Purposes.

*A person is not entitled to vote at the meeting unless they provide particulars of the debt or claim to the Administrators before the meeting. **Please note this form is for voting purposes only.** All creditors must furnish full details of their claims, indicating whether they rank as secured, preferential or unsecured, and whether they claim title to any goods supplied to the Company or any lien over goods in their possession which are property of the Company.*

- (c) Appointment of Proxy form. The form enables you to appoint a person to act on your behalf at the meeting.
- (d) A publication of the Insolvency Practitioners Association of Australia (“IPAA”) and the Australian Securities and Investments Commission concerning insolvency information for directors, employees, creditors and shareholders.

The Informal Claim Form for Voting Purposes and Proxy form should be lodged with this office before the meeting and, in any event, no later than **4.00pm on the day prior to the meeting**. Forms can be sent by facsimile on (08) 9214 1400 marked to the attention of either Dario Musulin or Lauren McCann or scanned and emailed to **dmusulin@perth.fh.com.au** and **lmccann@perth.fh.com.au**. However, Corporations Regulation 5.6.36A requires lodgement of the original of the Proxy form with the Administrators’ office within 72 hours of lodging the faxed copy.

2. Declaration by Administrators

Pursuant to sections 435DA(2) and (3) of the Act and the IPAA Code of Professional Practice, I enclose the Administrators’ ‘Declaration of Independence, Relevant Relationships and Indemnities’.

3. Trading

The Company is the holding company of the group and has limited trading activities. At this stage, the Administrators intend continuing the Company’s trading and draw your attention to the following.

3.1 Trading Accounts

The Act provides that the Administrators are personally liable for liabilities arising from services rendered, goods bought or property hired, leased, used or occupied during the administration. Please note that the Administrators do not accept liability for any goods purchased or services rendered without:

- A purchase order authorised by one or more of the specified authorised signatories set out in the list accompanying this circular; and
- A tax invoice. Where you do not provide a tax invoice, we are obliged by law to deduct 48.5% from any payment due and remit the amount to the Australian Taxation Office.

Please open a new account styled WINDIMURRA VANADIUM LIMITED (ADMINISTRATORS APPOINTED) (RECEIVERS AND MANAGERS APPOINTED), addressed to the Company’s premises and charge future authorised orders to that account. Accounts will be paid in accordance with your usual terms of credit, or other credit terms agreed between you and the Administrators, provided the supply of goods or services has been properly authorised by us and the invoice value is the amount specified on the authorised order. Invoices submitted for amounts exceeding the authorised amount will only be paid to the amount authorised.

If there are any outstanding or unfulfilled orders placed by the Company prior to our appointment, including those under which there are goods in transit, please contact either Dario Musulin or Lauren McCann of this office to obtain written confirmation that the order should proceed.

You may be aware that payment of unsecured creditors' accounts as at 18 February 2009 is postponed pending the outcome of the second meeting of creditors (see section 6 below).

3.2 Consignment Stock, Retention of Title and Liens/Pledges

If you supplied consignment stock to the Company, or believe you provided stock subject to a 'Retention of Title' clause, please contact our office as a matter of urgency.

If you claim a lien/pledge over any of the Company's assets, you are asked to set out details of your claim in writing to the Administrators immediately.

3.3 Contracts/Agreements

The Administrators expressly refrain from personally adopting any of the Company's contracts existing at the date of their appointment. All contracts are currently under review. The Administrators will advise the status of contracts as soon as practicable; that is, whether or not they remain on foot.

3.4 Property Used but Not Owned by the Company

In accordance with section 443B of the Act, the Administrators' liability under hire purchase or lease agreements does not commence until five business days after the Administrators' appointment. Further, pursuant to section 440C of the Act, the lessor or owner of property in the Company's control is not entitled to take possession of such property without leave of the Court or the Administrators' written consent.

We will write separately to known lease and hire purchase creditors regarding such assets. Please contact this office if you do not receive our letter.

4. Legal Proceedings

The appointment of Administrators stays a proceeding in a court against the Company. You cannot commence or continue a proceeding against the Company without our written consent or with the leave of the Court.

5. Employees

We have written separately to employees regarding the appointment of Administrators.

6. Report to Creditors and Second Meeting of Creditors

The Administrators will prepare a report to creditors under section 439A of the Act which will include details on the Company's business, property, affairs and financial circumstances.

A second meeting of creditors will be held on or before 26 March 2009 unless the Court extends this date. It is at this meeting that creditors will consider the Administrators' report and consider resolutions regarding the Company's future.

7. Administrators' Remuneration

For the purposes of the Company's administration, the Administrators intend that their remuneration be fixed on the basis of time spent by them, and their staff of an appropriate level having regard to the nature and complexity of the work, and calculated by reference to hourly rates. Enclosed for your information are the following:

- Statement regarding remuneration setting out the four basic methods of calculating remuneration together with an explanation as to why hourly rates are appropriate in this administration; and
- Schedule of Rates and General Guide to Staff Experience.

The Administrators will provide creditors with a remuneration report pursuant to section 449E of the Act with the report to creditors referred to in section 6 above.

An information sheet concerning approval of remuneration in external administrations can be obtained from www.ipaa.com.au or through this office.

8. Electronic Notification

You may elect to receive future correspondence from this office via email. Should you wish to do so, please email wvl@perth.fh.com.au with the following information:

- The person to whom matters regarding the administration should be directed;
- The full name of the entity; and
- The email address at which the creditor is to receive future correspondence.



9. Further Information

For further information concerning the Voluntary Administration process and Ferrier Hodgson, you may wish to visit our website at www.ferrierhodgson.com.

Should you have any queries in relation to this matter, please do not hesitate to contact me, or in my absence, either Dario Musulin or Lauren McCann of this office.

A handwritten signature in black ink that reads 'D Weaver'.

DARREN WEAVER
Joint and Several Administrator of
Windimurra Vanadium Limited

Encl

CORPORATE ADVISORY 

FORENSICS 

CORPORATE RECOVERY 

WINDIMURRA VANADIUM LIMITED
(ADMINISTRATORS APPOINTED)
(RECEIVERS AND MANAGERS APPOINTED)
ACN 009 131 533

AUTHORISED SIGNATORIES

SPECIMEN SIGNATURES

NAME: DARREN WEAVER

SIGNATURE:

A handwritten signature in black ink that reads "D Weaver". The signature is written in a cursive style with a large, looped initial "D".

NAME: MARTIN JONES

SIGNATURE:

A handwritten signature in black ink that reads "M Jones". The signature is written in a cursive style with a large, looped initial "M".

NAME: ANDREW SAKER

SIGNATURE:

A handwritten signature in black ink that reads "A Saker". The signature is written in a cursive style with a large, looped initial "A".

NAME: WAYNE RUSHTON

SIGNATURE:

A handwritten signature in black ink that reads "W Rushton". The signature is written in a cursive style with a large, looped initial "W".

NAME: ROD MATHERS

SIGNATURE:

A handwritten signature in black ink that reads "R Mathers". The signature is written in a cursive style with a large, looped initial "R".

CORPORATIONS ACT 2001

NOTICE OF FIRST MEETING OF
CREDITORS OF COMPANY UNDER ADMINISTRATION

WINDIMURRA VANADIUM LIMITED
(ADMINISTRATORS APPOINTED)(RECEIVERS AND MANAGERS APPOINTED)
ACN 009 131 533 ("the Company")

1. Notice is given that on 18 February 2009, the Company under Section 436A of the Corporations Act 2001 appointed Darren Weaver, Andrew Saker and Martin Jones of Ferrier Hodgson, Level 26 BankWest Tower, 108 St Georges Terrace, PERTH WA 6000, as the Joint and Several Administrators of the Company.
2. Notice is also given that a meeting of the creditors of the Company will be held at the River View Room 5 of the Perth Convention Exhibition Centre, 21 Mounts Bay Road Perth WA 6000 on Tuesday 3 March 2009 at 10.00am.
3. At the meeting creditors will receive the Administrators' Declaration of Independence, Indemnities & Relevant Relationships.
4. The purpose of the meeting is to determine:
 - a. whether to appoint a committee of creditors; and
 - b. if so, who are to be the committee's members.
5. At the meeting, creditors may also, by resolution:
 - a. remove the Joint and Several Administrators from office; and
 - b. appoint someone else as Administrator of the Company.

DATED this 18th day of February 2009.



DARREN WEAVER
Joint and Several Administrator of
Windimurra Vanadium Limited

INFORMAL CLAIM FORM FOR VOTING PURPOSES

Regulation 5.6.47

WINDIMURRA VANADIUM LIMITED
(ADMINISTRATORS APPOINTED)(RECEIVERS AND MANAGERS APPOINTED)
ACN 009 131 533

Name of creditor:

Address of creditor:

.....

ABN:

Telephone number:

Amount of debt claimed: \$..... (including GST \$))

Consideration for debt (i.e. the nature of goods or services supplied and the period during which they were supplied):

.....

.....

.....

Is the debt secured? YES/NO

If secured, give details of security including dates, etc:

.....

.....

.....

Other information:

.....

.....

.....
Signature of Creditor
(or person authorised by creditor)

Notes:

Under the Corporations Regulations, a creditor is not entitled to vote at a meeting unless (Regulation 5.6.23):

- a. his or her claim has been admitted, wholly or in part, by the Joint and Several Administrators; or
- b. he or she has lodged with the Joint and Several Administrators particulars of the debt or claim, or if required, a formal proof of debt.

At meetings held under Section 436E and 439A, a secured creditor may vote for the whole of his or her debt without regard to the value of the security.

Proxies must be made available to the Joint and Several Administrators.

CORPORATIONS ACT 2001

APPOINTMENT OF PROXY
CREDITORS MEETING

WINDIMURRA VANADIUM LIMITED
(ADMINISTRATORS APPOINTED)(RECEIVERS AND MANAGERS APPOINTED)
ACN 009 131 533 ("the Company")

*I/*We (1).....
of
a creditor of the Company, appoint (2)
or in his absence
as *my/our *general/special proxy to vote at the meeting of creditors to be held on Tuesday 3 March
2009, or at any adjournment of that meeting.(3)

DATED this day of 2009.

..... OR The Common Seal (6) of
Signature (4) of individual or person (5)
authorised by corporate resolution to
represent the corporation was hereunto affixed in the
presence of:

.....
Director

.....
Secretary

CERTIFICATE OF WITNESS (7)

I, of
certify that the above instrument appointing a proxy was completed by me in the presence of and at the request of the person
appointing the proxy and read to him or her before he or she signed or marked the instrument.

DATED this day of 2009.

.....
Signature of Witness

.....
Description

.....
Place of Residence

- * Strike out if inapplicable
(1) If a firm, strike out "I" and set out the full name of the firm.
(2) Insert the name, address and description of the person appointed.
(3) If a special proxy add the words "to vote for" or the words "to vote against" and specify the particular resolution.
(4) The signature of the creditor is not to be attested by the person nominated as proxy.
(5) Note that a corporation may by resolution of its directors provide standing authority for a person to represent it at members
meeting and appoint proxies (Section 249(3)& (5)). Copy of authority to be annexed.
(6) The method of affixing the Common Seal should be prescribed by the creditor corporation's articles. See Note (5).
(7) This certificate is to be completed only if the person giving the proxy is blind or incapable of writing. The signature of
the creditor, contributory, debenture holder must not be witnessed by the person nominated as proxy.

Windimurra Vanadium Limited ACN 009 131 533
(Administrators Appointed)
(Receivers and Managers Appointed)

Insolvency information for directors, employees, creditors and shareholders

ASIC has nine insolvency information sheets to assist you if you're affected by a company's insolvency and have little or no knowledge of what's involved.

These plain language information sheets give directors, employees, creditors and shareholders a basic understanding of the three most common company insolvency procedures—liquidation, voluntary administration and receivership. There's also a glossary of commonly used insolvency terms.

The Insolvency Practitioners Association of Australia (IPAA), the leading professional organisation in Australia for insolvency practitioners, endorses these publications and encourages its members to make their availability known to affected people.

List of insolvency information sheets

- Insolvency: a glossary of terms
- Voluntary administration: a guide for creditors
- Voluntary administration: a guide for employees
- Liquidation: a guide for creditors
- Liquidation: a guide for employees
- Receivership: a guide for creditors
- Receivership: a guide for employees
- Insolvency: a guide for shareholders
- Insolvency: a guide for directors

Getting copies of these information sheets

Visit ASIC's website www.asic.gov.au/insolvencyinfosheets.

You can also visit the IPAA's website www.ipaa.com.au/bestpractice. This site also contains the IPAA's Statements of Best Practice, applicable to IPAA members.

Important note: These information sheets contain a summary of basic information on the topic. They are not a substitute for legal advice. Some provisions of the law referred to may have important exceptions or qualifications. They may not contain all of the information about the law or the exceptions and qualifications that are relevant to your circumstances. You will need a qualified professional adviser to take into account your particular circumstances and to tell you how the law applies to you.

**WINDIMURRA VANADIUM LIMITED
(ADMINISTRATORS APPOINTED)(RECEIVERS AND MANAGERS APPOINTED)
ACN 009 131 533 (“the Company”)**

DECLARATION OF INDEPENDENCE, RELEVANT RELATIONSHIPS AND INDEMNITIES

Independence

Andrew Saker, Martin Jones and I have undertaken a proper assessment of the risks to our independence prior to accepting the appointment as Joint and Several Administrator of the Company. This assessment identified no real or potential risks to our independence. We are not aware of any reasons that would prevent us from accepting this appointment.

Relevant Relationships

Neither us, nor our firm, have, or have had within the preceding 24 months, any relationships with the Company, an associate of the Company, a former insolvency practitioner appointed to the Company or any other person or entity that has a charge on the whole or substantially whole of the Company's property.

Prior Engagements with the Insolvent

Aside from preliminary advice in relation to this appointment (that preliminary advice having commenced on 2 February 2009), neither us, nor our Firm, have undertaken any prior engagements for the Company.

There are no other prior professional relationships or engagements that should be disclosed.

Indemnities

We have not received an indemnity for our fees and costs as administrators of the Company.

Dated this 18th day of February 2009



DARREN WEAVER
Joint and Several Administrator of
Windimurra Vanadium Limited

NOTE: *If circumstances change, or new information is identified, I am required under the IPA Code of Professional Practice to update this Declaration and provide a copy to creditors with my next communication as well as table a copy of any replacement declaration at the next meeting of each of the company's creditors.*

**WINDIMURRA VANADIUM LIMITED (ADMINISTRATORS APPOINTED)
(RECEIVERS AND MANAGERS APPOINTED)
ACN 009 131 533**

STATEMENT REGARDING REMUNERATION

A. Remuneration methods

There are four basic methods that can be used to calculate the remuneration charged by an insolvency practitioner. They are:

Time based/hourly rates

This is the most common method. The total fees charged is based on the hourly rate charged for each person who carries out the work multiplied by the number of hours spent by each person on each of task performed.

Fixed fee

The total fee charged is normally quoted at the commencement of the administration and is the total cost for the administration. Sometimes, a practitioner will finalise an administration for a fixed fee.

Percentage

The total fee charged is based on a percentage of a particular variable such as the gross proceeds of asset realisations.

Contingency

The insolvency practitioner's fee is contingent on achieving a particular outcome.

B. Method Chosen

Time based remuneration is appropriate in this administration given:

- It ensures creditors are only charged for work performed;
- We are required to perform tasks unrelated to asset realisations; hence, fees solely based on asset realisation would be unrealistic; and
- We are unable to provide a reliable estimate of total fees to complete all tasks in the administration.

C. Fee estimate

We estimate fees for the administration of the Group's affairs at between \$100,000 and \$150,000. Please note this is an estimate only and may vary materially given the circumstances of the administration.



DARREN WEAVER
Joint and Several Administrator of
Windimurra Vanadium Limited

SCHEDULE OF HOURLY RATES & GENERAL GUIDE TO STAFF EXPERIENCE

Classification	Rate (\$)	Experience
Partner/Appointee	500.00	The Partner/Appointee is a registered liquidator and member of the ICAA and IPAA bringing specialist skills to the administration or insolvency task. For specific experience and other details of the appointee/s, please visit our website at www.ferrierhodgson.com
Director	425.00	Generally, minimum of 12 years experience at least 2 years of which is to be at Manager level. University degree; member of the ICAA and IPAA with deep knowledge and lengthy experience in relevant insolvency legislation and issues.
Senior Manager	350.00	Generally, more than 7 years experience with at least 2 years as a Manager. University degree; member of the ICAA and IPAA; very strong knowledge of relevant insolvency legislation and issues.
Manager	310.00	Generally, 5-7 years chartered accounting or insolvency management experience. University degree; member of the ICAA and IPAA; sound knowledge of relevant insolvency legislation and issues.
Supervisor	270.00	Generally, 4-6 years chartered accounting or insolvency management experience. University degree; member of the ICAA; completing IPAA Insolvency Education Program. Good knowledge of relevant insolvency legislation and issues.
Senior 1	240.00	Generally, 2-4 years chartered accounting or insolvency management experience. University degree; completing the ICAA's CA, program. Good knowledge of basic insolvency legislation and issues.
Senior 2	225.00	Generally, 2-3 years chartered accounting or insolvency management experience. University degree, ICAA's CA program commenced.
Intermediate 1	175.00	0 to 2 years experience. Has completed or substantially completed a degree in finance/accounting. Under supervision, takes direction from senior staff in completing administrative tasks.
Intermediate 2	150.00	0 – 1 year's experience. Undertaking a degree part-time in finance/accounting. Under supervision, takes direction from senior staff in completing administrative tasks.
Senior Secretary	150.00	Appropriate skills including machine usage.
Junior/Filing	125.00	Completed schooling and plans to undertake further studies. Required to assist in administration and day to day field work under the supervision of more senior staff.

Notes:

1. The hourly rates are exclusive of GST.
2. The guide to staff experience is intended only as a general guide to the qualifications and experience of our staff engaged in the administration. Staff may be engaged under a classification that we consider appropriate for their experience.
3. Time is recorded and charged in six-minute increments.
4. Rates are subject to change from time to time. Disbursements are recovered on the following basis.

Disbursements	Charges (Excluding GST)
Postage	At cost
Telephone	At cost
Photocopying	35 cents a copy
Facsimile	\$1 per page
Company Search	At cost
File Set up	At cost
Advertising	At cost
Storage	At cost
Couriers	At cost

The Partners of Ferrier Hodgson, Perth are members of the Insolvency Practitioners Association of Australia and follow the IPA Code of Professional Practice.

A copy of the IPA Code of Professional Practice may be found on the IPA website at www.ipaa.com.