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**Iridium Holdings Pty Ltd (In Liquidation)
ACN 161 598 938 (the “Company”)**

Liquidator’s Statutory Report to Creditors

Friday, 6 October 2017

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Liquidator
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Introduction

I refer to my initial correspondence to creditors dated 25 July 2017 in which I advised you of my appointment as liquidator and your rights as a creditor in the liquidation.

The purpose of this report is to:

- Provide you with an update on the progress of the liquidation.
- Advise you of the likelihood of a dividend being paid in the liquidation.

The Liquidator has relied on information provided from numerous sources to prepare the report, including:

- Discussions with the Director of the Company, Richard Marlborough
- Discussions with the Secured Creditor, Ramsden Lawyers
- Information available from public sources, such as, Australian Securities and Investments Commission (ASIC) and the Personal Property Securities Register (PPSR), and
- A review of the Company's books and records provided to date.

Whilst I have no reason to doubt the accuracy of any information, I have not performed an audit and reserve the right to alter my conclusions, should the underlying data prove to be inaccurate or change materially from the date of this report.

Update on the progress of the liquidation

Circumstances leading to winding up

The Company is part of a group of companies known as the Members Alliance Group ("MAG"). The MAG operated a range of businesses, primarily throughout Queensland, including but not limited to, financial services, project marketing, construction and management and letting rights.

Commencing Friday, 22 July 2016 the director of the MAG placed certain entities within it into voluntary administration and liquidation with Jason Bettles and Raj Khatri (the "Former Liquidators"). As previously advised, on Thursday, 13 July 2017 I replaced the Former Liquidators by order of the Supreme Court of Queensland.

The Company was registered on 11 December 2012 and operated from "The Rocket", Level 14, 203 Robina Town Centre Drive, Robina QLD 4226 (the "Premises"). From our initial review, the Company operated as the parent company for the Members Alliance Group but did not actively trade.

The first meeting of creditors was held on 09 August 2016 and I have not been required to hold, and have therefore not held any meeting for the Company since my appointment.

Assets and liabilities of the Company

The Director of the Company is required to complete and provide to the Liquidator a statement about the Company's business, property, affairs and financial circumstances, also known as the Report as to Affairs ("RATA"). The RATA is a snapshot in time as at the date of my appointment of the assets and liabilities of the Company, disclosing book values and the Director's opinion on the estimated realisable value (ERV) for assets.



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On 27 July 2017 a written request was issued to the Director to complete the RATA for the Company.

On 15 August 2017, a second written request was issued to the Director to complete the RATA for the Company.

To date I have not received a RATA from the Director and I have therefore reported the director to ASIC due to his breach and non-compliance with the above requests.

Other than potential recoveries detailed in the possible recovery action section, I have not identified any assets which might be realisable for the benefit of the liquidation.

As the parent company for the Members Alliance Group, the Company owns shareholdings in a number of related entities. All entities of the group are either insolvent or in liquidation. Therefore, there is not expected to be recoverable value from these investments.

Actions undertaken to date

Since appointment I have undertaken the following tasks:

- Advised creditors of my appointment as liquidator;
- Arranged insurance cover;
- Issued correspondence to the Director of the Company requesting copies of books and records and a Report as to Affairs;
- Held meetings with the director of the Company;
- Held meeting with the former solicitor of the Company;
- Obtained the books and records and liquidation files of the Former Liquidators;
- Undertook a review of the Former Liquidators' file notes, records and investigations completed prior to my appointment;
- Commenced my own investigations into matters affecting the Company and MAG generally;
- Received and responded to creditor queries regarding the liquidation of the Company and MAG; and
- Complied with my statutory obligations.

Possible recovery actions

I have commenced my initial investigations into the affairs of the Company prior to my appointment and any potential recovery actions that may be available to the Liquidator to pursue. My findings of these investigations are detailed below.

Given the limited time that has passed in the liquidation, and that further investigations will be undertaken, the below findings are preliminary and may be subject to change.

Insolvent trading

I have been provided with limited financial information for the Company to date. The only financial record in my possession is a balance sheet at May 2016. Therefore, the date the Company became insolvent cannot be determined, however at this date it was balance sheet insolvent.

Any potential insolvent trading claim is predicated by the financial position of the directors of the Company during the insolvent trading period. In this regard, I note that the director is a bankrupt and any claim would therefore rank as an unsecured claim in that bankruptcy.

I am advised that no dividend is likely to be forthcoming from the bankruptcy trustee and accordingly, there is not expected to be any recovery from an insolvent trading claim.



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Voidable Transactions

Our investigations have identified a potential preference payment from the Company to the ATO on 26 February 2016. However, without having the Company's financial information before May 2016 the date of insolvency cannot be determined and hence the payment being preferential in nature cannot be proven.

Further enquiries to be undertaken

I am required to continue our investigations into the potential allegations as set out above.

I am continuing to make enquiries as to the Company's books and records as I have not received appropriate records to date.

I expect that the liquidation will be finalised within 12 to 18 months.

Other matters

There is no other relevant information to disclose at this point.

Receipts and Payments to date

To date there have been no receipts or payments since my appointment.

Likelihood of a dividend

At the time of writing this report, it is unlikely that there will be sufficient assets realised in the liquidation to enable a distribution to any class of creditor.

If a dividend is going to be paid, you will be contacted before that happens and, if you have not already done so, you will be asked to lodge a proof of debt. This formalises your claim in the liquidation and is used to determine all claims against the company.

Cost of the liquidation

I am not seeking approval of any remuneration at this time, however, should approval be sought at a later date, I will provide creditors with the required remuneration report and details of same.

What happens next?

I will proceed with the liquidation, including:

- Recovering any further available property;
- Completing my investigations into the company's affairs; and
- Completing my reporting to the corporate insolvency regulator, the ASIC.

I may write to you again with further information on the progress of the liquidation.

Compliance with best practice

I confirm that this report complies with the requirements in the Insolvency Practice Rules ("IPR"), specifically IPR 70-40, as well as the statements of best practice issued by the Australian



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Restructuring Insolvency and Turnaround Association (“ARITA”) with regard to content of the Statutory Report by Liquidator.

Where can you get more information?

ARITA provides information to assist creditors with understanding liquidations and insolvency. This information, including details of your rights as a creditor, is available from ARITA’s website at arita.com.au.

ASIC provides information sheets on a range of insolvency topics. These information sheets can be accessed on ASIC’s website at www.asic.gov.au.

Should you have any queries with respect to the above, you may also contact Benjamin Sanders of my office on (07) 3222 0429 or via email on benjamin.sanders@au.gt.com. There is also information about this liquidation on Grant Thornton’s website.

Dated: Friday, 6 October 2017

A handwritten signature in black ink, appearing to read 'M G McCann'.

Michael Gerard McCann

Liquidator

List of attachments

Appendix A - Information Sheet - Creditors Rights in Liquidation

Appendix B - Initial Remuneration Notice



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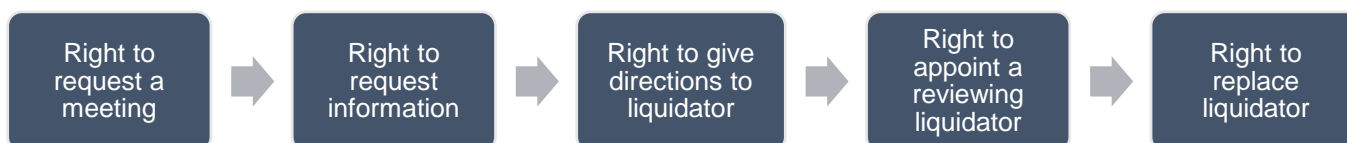
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Appendix A

Information Sheet – Creditor Rights in Liquidation

Creditor Rights in Liquidations

As a creditor, you have rights to request meetings and information or take certain actions:



Right to request a meeting

In liquidations, no meetings of creditors are held automatically. However, creditors with claims of a certain value can request in writing that the liquidator hold a meeting of creditors.

A meeting may be requested in the first 20 business days in a creditors' voluntary liquidation by $\geq 5\%$ of the value of the debts held by known creditors who are not a related entity of the company.

Otherwise, meetings can be requested at any other time or in a court liquidation by:

- $> 10\%$ but $< 25\%$ of the known value of creditors on the condition that those creditors provide security for the cost of holding the meeting
- $\geq 25\%$ of the known value of creditors
- creditors by resolution, or
- a Committee of Inspection (this is a smaller group of creditors elected by, and to represent, all the creditors).

If a request complies with these requirements and is 'reasonable', the liquidator must hold a meeting of creditors as soon as reasonably practicable.

Right to request information

Liquidators will communicate important information with creditors as required in a liquidation. In addition to the initial notice, you should receive, at a minimum, a report within the first three months on the likelihood of a dividend being paid.

Additionally, creditors have the right to request information at any time. A liquidator must provide a creditor with the requested information if their request is 'reasonable', the information is relevant to the liquidation, and the provision of the information would not cause the liquidator to breach their duties.

A liquidator must provide this information to a creditor within 5 business days of receiving the request, unless a longer period is agreed. If, due to the nature of the information requested, the liquidator requires more time to comply with the request, they can extend the period by notifying the creditor in writing.

Requests must be reasonable.

They are not reasonable if:

Both meetings and information:

- (a) complying with the request would prejudice the interests of one or more creditors or a third party
- (b) there is not sufficient available property to comply with the request
- (c) the request is vexatious

Meeting requests only:

- (d) a meeting of creditors dealing with the same matters has been held, or will be held within 15 business days

Information requests only:

- (e) the information requested would be privileged from production in legal proceedings
- (f) disclosure would found an action for breach of confidence
- (g) the information has already been provided
- (h) the information is required to be provided under law within 20 business days of the request

If a request is not reasonable due to (b), (d), (g) or (h) above, the liquidator must comply with the request if the creditor meets the cost of complying with the request.

Otherwise, a liquidator must inform a creditor if their meeting or information request is not reasonable and the reason why.

Right to give directions to liquidator

Creditors, by resolution, may give a liquidator directions in relation to a liquidation. A liquidator must have regard to these directions, but is not required to comply with the directions.

If a liquidator chooses not to comply with a direction given by a resolution of the creditors, they must document their reasons.

An individual creditor cannot provide a direction to a liquidator.

Right to appoint a reviewing liquidator

Creditors, by resolution, may appoint a reviewing liquidator to review a liquidator's remuneration or a cost or expense incurred in a liquidation. The review is limited to:

- remuneration approved within the six months prior to the appointment of the reviewing liquidator, and
- expenses incurred in the 12 months prior to the appointment of the reviewing liquidator.

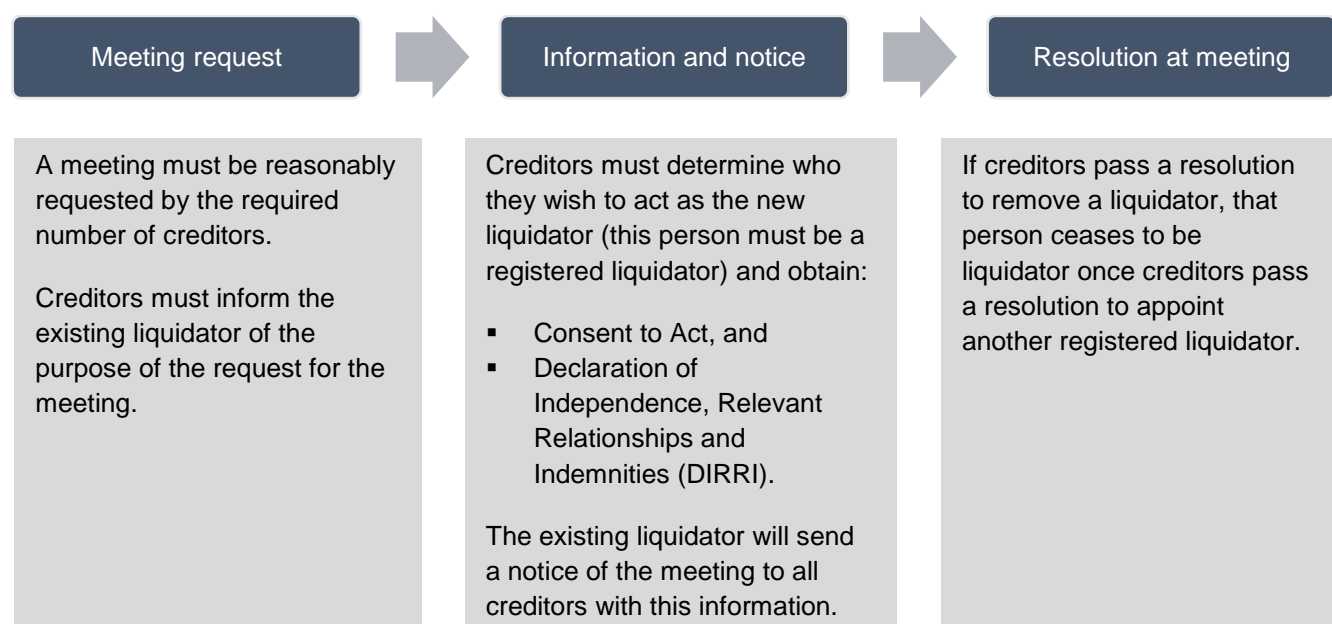
The cost of the reviewing liquidator is paid from the assets of the liquidation, in priority to creditor claims.

An individual creditor can appoint a reviewing liquidator with the liquidator's consent, however the cost of this reviewing liquidator must be met personally by the creditor making the appointment.

Right to replace liquidator

Creditors, by resolution, have the right to remove a liquidator and appoint another registered liquidator.

For this to happen, there are certain requirements that must be complied with:



For more information, go to www.arita.com.au/creditors

Appendix B

Initial Remuneration Notice

Initial Remuneration Notice

Iridium Holdings Pty Ltd (In Liquidation)
ACN 161 598 938 (the “Company”)

The purpose of the Initial Remuneration Notice is to provide you with information about how my remuneration for undertaking the Creditors Voluntary Liquidation will be set.

1 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 fee charged is based on the hourly rate charged for each person who carried out the work multiplied by the number of hours spent by each person on each of the tasks performed.

Fixed Fee

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

Percentage

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

Contingency

The practitioner's fee is structured to be contingent on a particular outcome being achieved.

2 Method chosen

Given the nature of this liquidation we propose that our remuneration be calculated on the time based / hourly rates method. In our opinion, this is the fairest method for the following reasons:

- We will only be paid for work done, subject to sufficient realisations of the Company assets. Or, if there are insufficient assets realised, subject to the indemnity provided to us (please refer to our Declaration of Independence, Relevant Relationship and Indemnities).
- It ensures creditors are only charged for work that is performed. Our time is recorded and charged in six minute increments and staff are allocated to duties according to their relevant experience and qualifications.
- We are required to perform a number of tasks which do not relate to the realisation of assets, for example responding to creditor enquiries, reporting to ASIC, distributing funds in accordance with the provisions of the Corporations Act or the Bankruptcy Act.
- We are unable to estimate with certainty the total amount of fees necessary to complete all tasks required in the liquidation.
- We have a time recording system that is able to produce a detailed analysis of time spent on each type of task by each individual staff member utilised in the liquidation.
- The method provides full accountability in the method of calculation.

3 Explanation of Hourly Rates

The rates for our remuneration calculation are set out in the following table together with a general guide showing the qualifications and experience of staff engaged in the administration and the role they take in the administration. The hourly rates charged encompass the total cost of providing professional services and should not be compared to an hourly wage.

Position	Description	Hourly Rate (excl GST)
Appointee	Registered Liquidator / Trustee. Partner bringing specialist skills to Administrations and Insolvency matters. Controlling all matters relating to the assignment.	\$600
Director	Qualified accountant (CA/CPA) and may be a registered Liquidator/Trustee. Minimum 7/8+ years' experience. Likely to be appointed as a director in due course. Highly advanced technical and commercial skills. Planning and control of all Administration and Insolvency tasks. Controlling substantial matters relating to the assignment and reporting to the appointee.	\$525
Senior Manager	Qualified accountant (CA/CPA). 7/8+ years' experience. Well developed technical and commercial skills. Planning and control of all Administration and Insolvency tasks. Controlling substantial matters relating to the assignment and reporting to the appointee.	\$455
Manager	Typically CA/CPA Qualified. 5-8 years' experience. Well developed technical and commercial skills. Planning and control of Administration and Insolvency tasks with the assistance of the appointee.	\$455
Senior Associate	Typically CA/CPA Qualified. 3-5 years' experience. Required to control the fieldwork on Administrations and Insolvency tasks.	\$410
Associate	Typically undertaking CA/CPA Qualifications. Up to 3 years' experience. Required to conduct the fieldwork on smaller Administrations and Insolvency tasks and assist with fieldwork on medium to large Administrations and Insolvency tasks.	\$300
Undergraduate	Typically finalising university degree. Less than 3 years' experience. Required to assist and conduct the fieldwork on smaller and medium Administrations and Insolvency tasks.	\$200
Administrator	Conducts all aspects relating to administering the accounts function.	\$195

4 Estimated remuneration

I estimate that this administration will cost approximately \$30,000 to \$50,000 to complete, subject to the following variables which may have a significant effect on this estimate and that I am unable to determine at this early stage in the liquidation:

- Realisation of assets
- Investigations required
- Liaising with creditors
- Dividends (if applicable)
- Any other unforeseen matters

Due to the nature of my appointment, no information regarding the Company was available to assess the level of assets, liabilities or co-operation which might be provided and an estimate was therefore unable to be provided. The estimate now provided is based on my initial understanding and investigations into the Company but may be subject to change, depending on any difficulties encountered with asset realisations, investigations and creditor dealings.

5 Disbursements

Disbursements are divided into three types:

Externally provided professional services

These are recovered at cost. An example of an externally provided professional service disbursement is legal fees.

Externally provided non-professional costs

Such as travel, accommodation and search fees - these are recovered at cost.

Internal disbursements

Such as photocopying, printing and postage. These disbursements, if charged to the liquidation, would generally be charged at cost; though some expenses such as telephone calls, photocopying and printing may be charged at a rate which recoups both variable and fixed costs. The recovery of these costs must be on a reasonable commercial basis.

I am not required to seek creditor approval for disbursements paid to third parties, but must account to creditors. However, I must be satisfied that these disbursements are appropriate, justified and reasonable.

I am required to obtain creditor's consent for the payment of internal disbursements where there may be a profit or advantage. Creditors will be asked to approve my internal disbursements where there is a profit or advantage prior to these disbursements being paid from the administration.

Details of the basis of recovering disbursements in this liquidation are provided below.

Basis of disbursement claim

Disbursements	Rate (Excl GST)
Externally provided professional services	At Cost
Externally provided non-professional services	At Cost
Internal disbursements	
Faxes & Photocopies	\$1.00 per page (local)
	\$2.00 per page (interstate)
	\$3.00 per page (international)
Staff vehicle use	Paid at the ATO set rate

Scale applicable for financial year ending 30 June 2017

Date of issue: Friday, 6 October 2017