

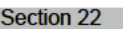
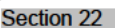



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- It has been reported by the Brisbane Courier mail and other news outlets that FTI Consulting, the administrators of Queensland Nickel, are investigating claims that the company traded while insolvent, used shadow directors and that Clive Palmer used an alias "Terry Smith" to deal with the company.

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Contact:  Policy Officer, Coal and Minerals Productivity  
Branch  
Phone: 

Min ID: QB16-000028  
Division: Resources

Cleared by: Josh Cosgrave, A/g General Manager, Coal and Minerals  
Productivity Branch  
Phone: 

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Updated: 11 March 2016 10:34 AM

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Min ID: QB16-000028  
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Cleared by: Josh Cosgrave, A/g General Manager, Coal and Minerals Productivity Branch  
Phone: Section 22

Created: 14 April 2016 5:00 PM  
Updated: 14 April 2016 3:49 PM  
13 April 2016 11:51 AM  
14 April 2016 11:06 AM

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## BACKGROUND

### Chronology

- On 12 April 2016 the administrators of Queensland Nickel recommended the refinery be liquidated after investigations pointed to possible misconduct by Mr Clive Palmer and Mr Clive Mensink.
- FTI Consulting have stated that Sections 180, 181, 182 and 183 of the Corporations Act may have been breached, while there were further indications the directors could be in breach of their common law and fiduciary duties and may have also committed offences under Section 184 of the Act. In addition FTI noted that the directors directed and/or authorised Queensland Nickel to enter into transactions with related parties which did not appear in the best interests of the company or for a "proper purpose", and they may have gained advantage.
- FTI Consulting also claim Mr Palmer, a former director of the company, appears to have acted as a shadow/de facto director of Queensland Nickel at all material times from February 2012 up to the date of administration on 18 January 2016.

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- The employment of the remaining 550 employees at the refinery was terminated from effect on 5pm on 11 March by the administrator FTI Consulting. FTI has indicated the terminations are necessary as Queensland Nickel Pty Ltd does not have the work nor the funds required to keep them employed.

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- On 16 February 2016, there were reports of a work health and safety incident involving one of the refinery's nickel roasters, which had its top blown off. There were no reports of injuries and it is understood Worksafe investigators were inspecting the operation.

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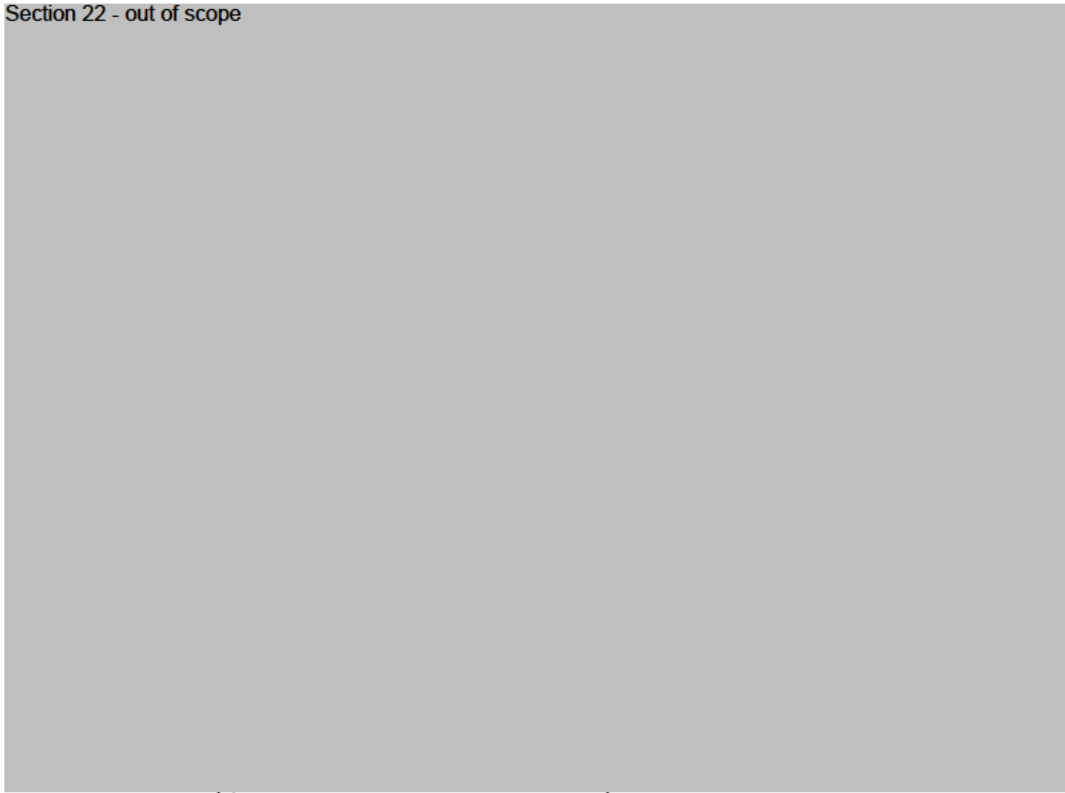
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**Voluntary administration of Queensland Nickel**

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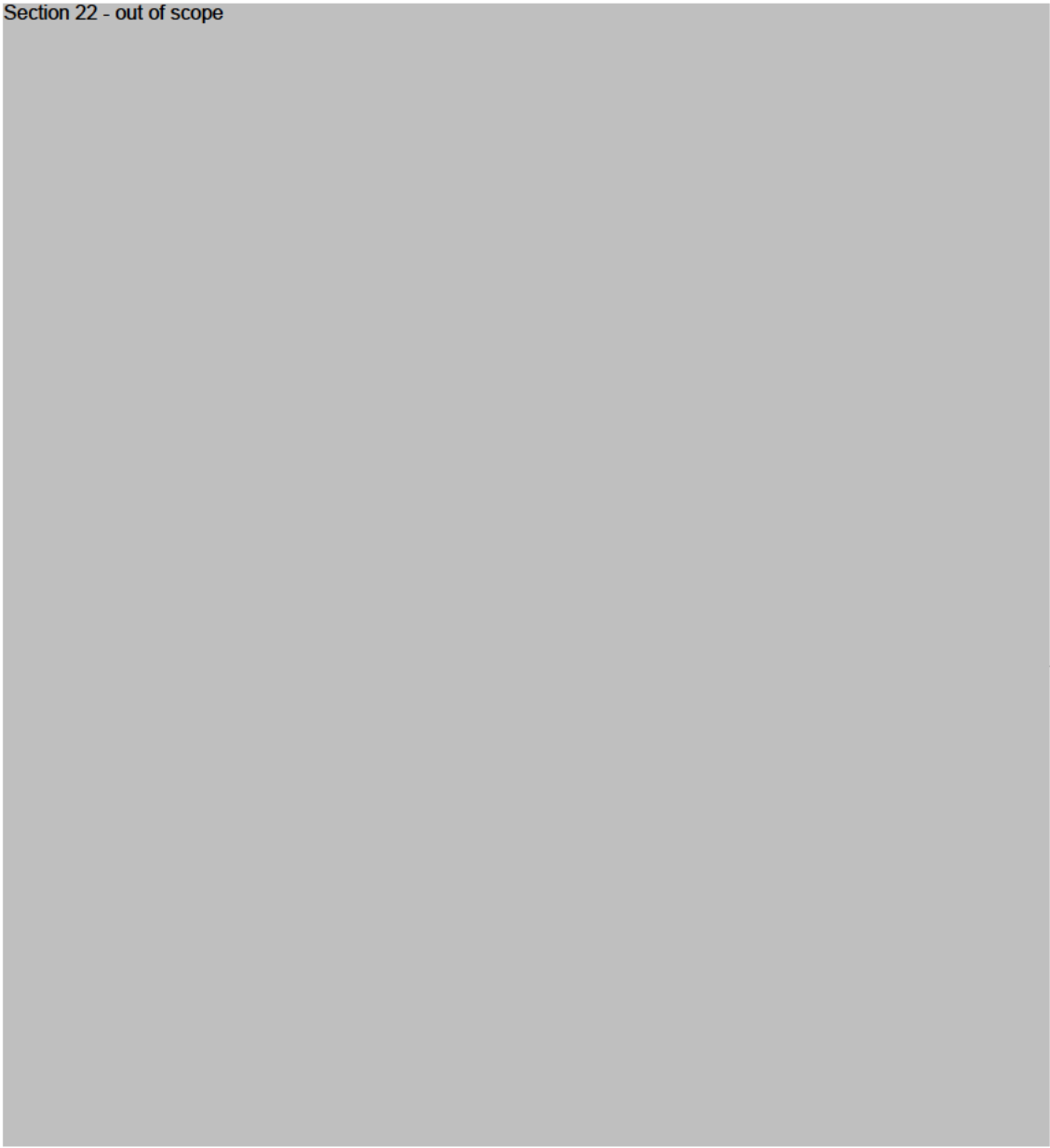
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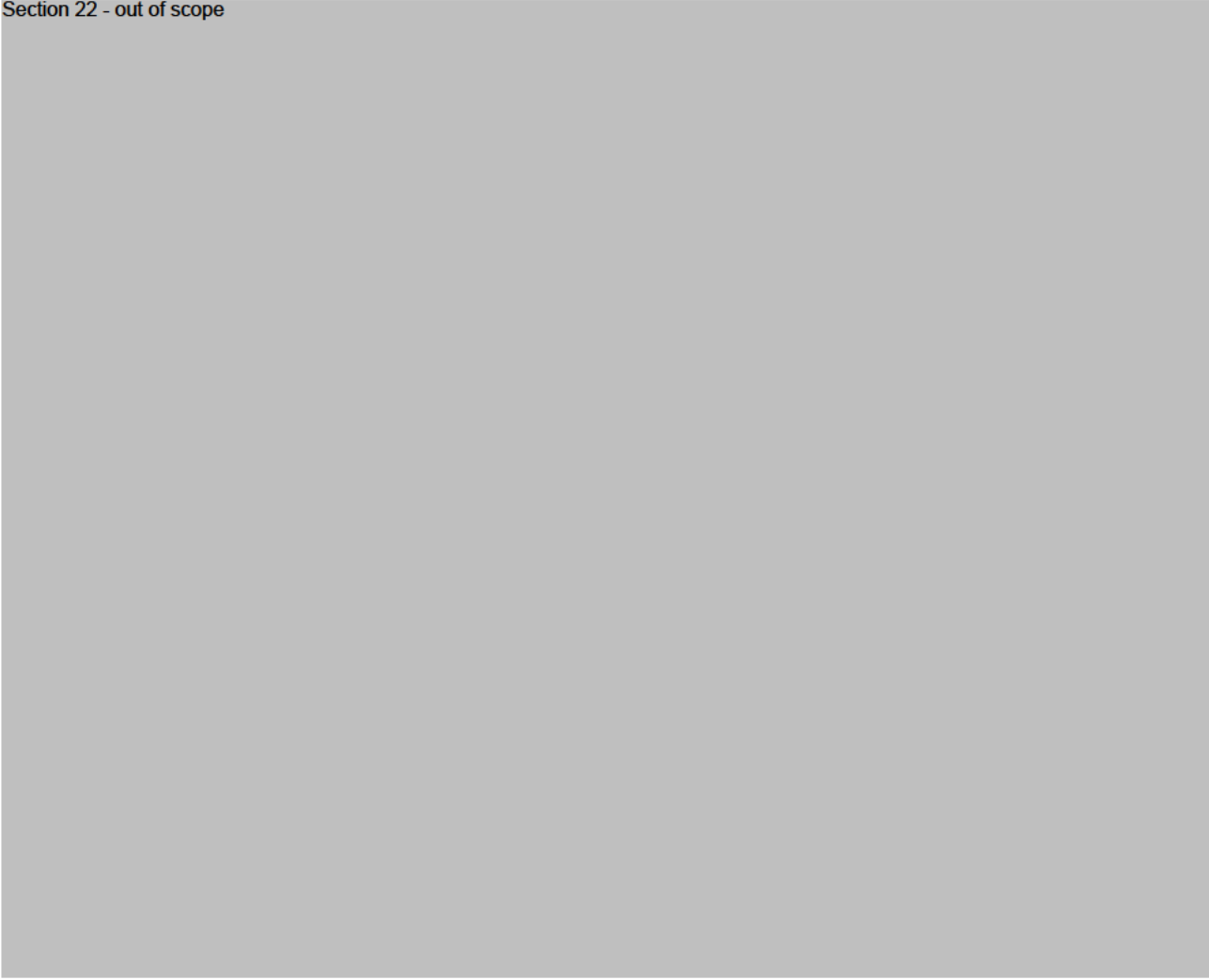
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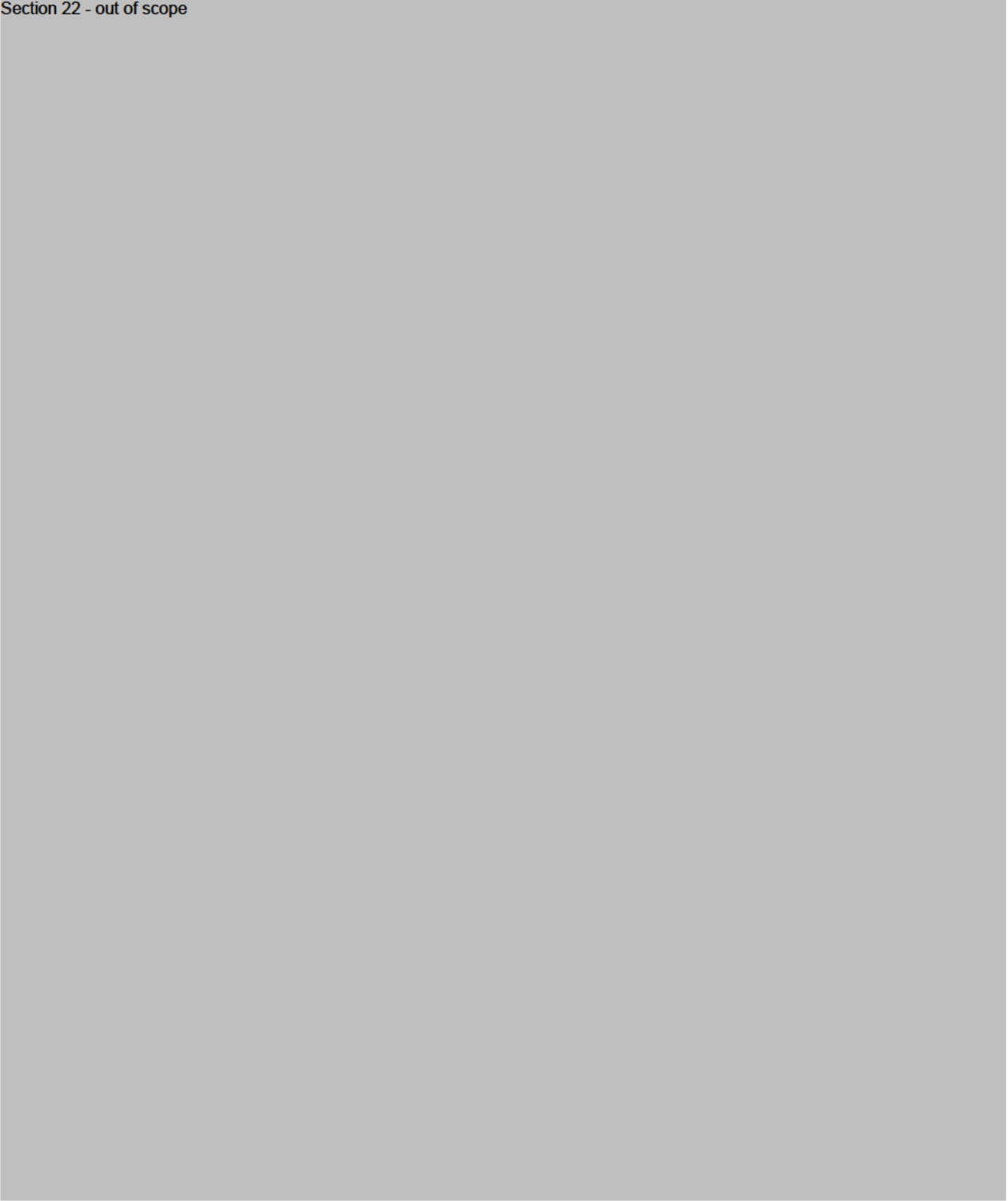
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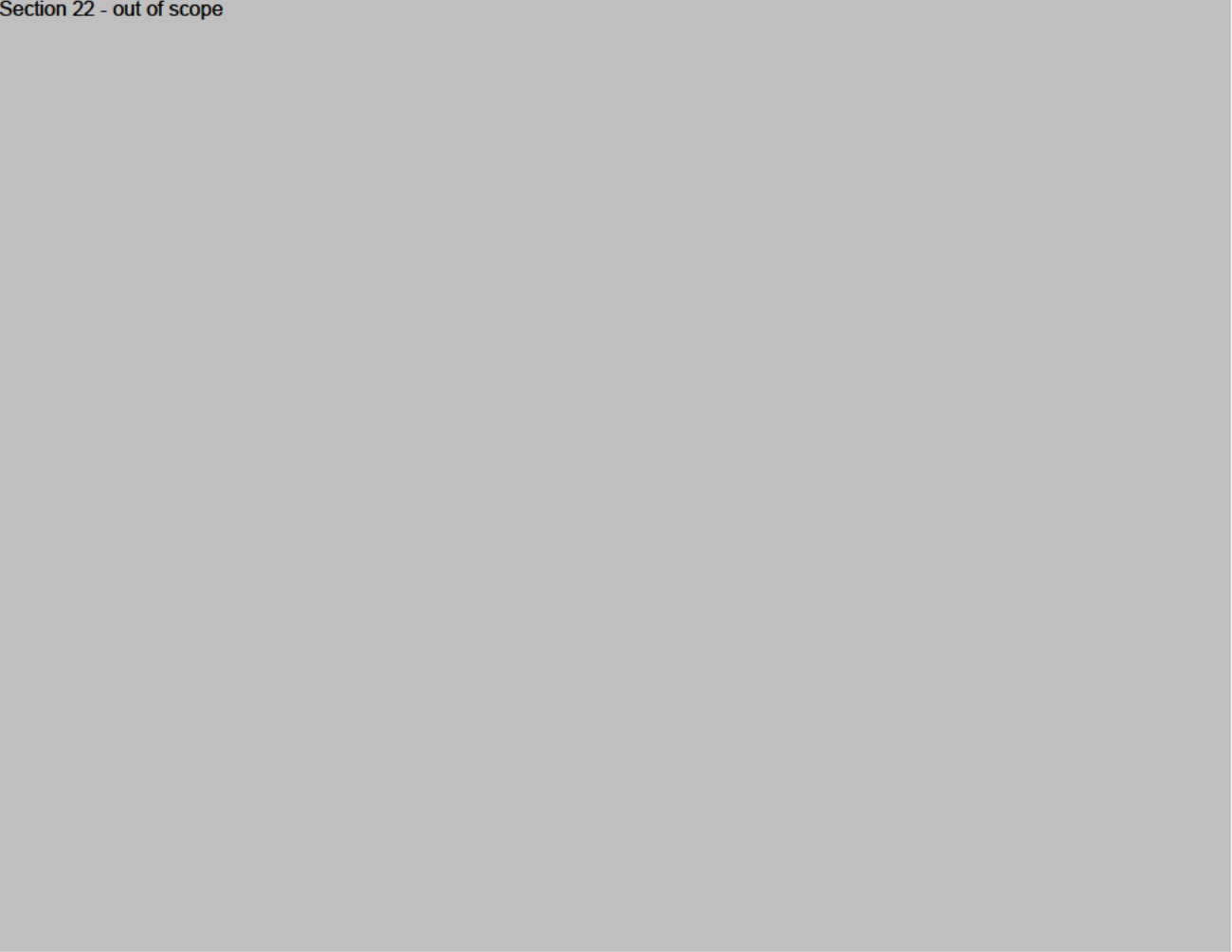
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Thanks

Section 22

Section 22 Adviser – Industry Policy

Department of the Prime Minister and Cabinet [t] Section 22