

DGW:SH:D11  
S Holmes

12 December 2008

**PERTH**

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**GBS GOLD AUSTRALIA PTY LTD ACN 115 384 319  
(ADMINISTRATORS APPOINTED)  
AND SUBSIDIARIES AS SET OUT IN THE SCHEDULE  
(Collectively referred to as "the Group")**

**CIRCULAR TO CREDITORS**

I refer to previous correspondence and to the appointment of Andrew Saker, Martin Jones and I as Joint and Several Administrators of the Group on 15 September 2008.

Creditors confirmed my appointment at a first meeting of creditors held on 25 September 2008. At that meeting, creditors resolved to appoint a Committee of Creditors.

I advise that the Administrators made an application to the Supreme Court of Western Australia ("the Court") seeking an adjournment of the second meeting of creditors (in relation to each of the Group companies) scheduled for 21 October 2008 for a period of 45 Business Days. This application was approved and the Court granted orders to this effect on 10 October 2008.

Enclosed is my report to creditors pursuant to section 439A(4)(a) of the Corporations Act 2001. You will note that there is no proposal for a Deed of Company Arrangement between the Group and its creditors. Accordingly, I have convened a meeting of creditors to consider and, if thought fit, resolve that the second meeting of creditors be adjourned for a period not exceeding 45 business days. I enclose the following regarding the meeting of creditors.

1. Notice of Meeting. Please note that concurrent meetings are to be held in Darwin and Perth commencing at 10.30am and 10.00am respectively. You should arrive for registration at least 30 minutes prior to the meeting.
2. Informal Claim Form for Voting Purposes. If you submitted one of these for the purposes of the first meeting of creditors, you do not need to submit another one for this meeting;

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 Group or any lien over goods in their possession which are property of the Group.

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

VA-F-126



3. Appointment of Proxy form. The form enables you to appoint another person to act on your behalf at the meeting. Proxy Forms submitted for the first meeting of creditors are not valid for this meeting.

**The Informal Claim Form for Voting Purposes and Proxy Form should be lodged with this office before the meeting and, in any event not 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 Geoff Webb or scanned and emailed to [gwebb@perth.fh.com.au](mailto:gwebb@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/emailed copy.

4. Administrators' report to creditors pursuant to section 439A(4)(a) of the Corporations Act 2001 which includes an opinion, with supporting reasons, on each of the following matters:
  - Whether it would be in the creditors' interests for the second meeting for creditors to be adjourned for a period not exceeding 45 business days.
  - Whether it would be in the creditors' interests for the Group to be wound up.
  - Whether it would be in the creditors' interests for the administration to end.

### **The Administrators' Remuneration**

The Administrators' report includes detailed schedules explaining their remuneration claim setting out:

- (a) Details of time spent by category of staff at the rates applicable for such staff; and,
- (b) A summary of the work undertaken by the Administrators and their staff in the administration.

### **Remuneration of Liquidators**

Where creditors resolve that the Group be wound up, the Liquidators 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 the hourly rates set out in the schedule accompanying the Notice of Meeting of Creditors sent out for the purposes of the first meeting of creditors. A further copy of the schedule is included in the Administrators' report to creditors together with a schedule setting out the Liquidators likely tasks.

For further information concerning the Voluntary Administration process and Ferrier Hodgson, you may wish to visit our website at [www.ferrierhodgson.com](http://www.ferrierhodgson.com).

Queries regarding the administration should be directed to Geoff Webb or Derek Keir of this office.



Yours faithfully

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

DARREN WEAVER  
Joint and Several Administrator of  
GBS Gold Australia Pty Ltd  
And Subsidiaries as set out in the Schedule

Encl.

#### THE SCHEDULE

Company	ACN
GBS Gold Australia (Tom's Gully) Pty Ltd	124 581 862
Northern Gold Pty Ltd	009 620 937
Camelot Northern Territory Pty Ltd	062 734 178
Territory Goldfields Pty Ltd	066 581 075
Burnside Operations Pty Ltd	097 922 444
Buffalo Creek Mines Pty Ltd	097 907 625
GBS Gold Holdings Pty Ltd	126 471 136
Terra Gold Mining Pty Ltd	071 444 061
Terra Metals Pty Ltd	092 922 097
GBS Gold Australia (Land Holdings) Pty Ltd	119 998 793
Excor Resources Pty Ltd	095 987 518
E-Auction Australasia Pty Ltd	078 168 886

**INFORMAL PROOF OF DEBT FORM**

Regulation 5.6.47

Please indicate the company against which your claim is made (please tick)

✓	Name	ACN
	GBS Gold Australia Pty Ltd	115 384 319
	GBS Gold Australia (Tom's Gully) Pty Ltd	124 581 862
	Northern Gold Pty Ltd	009 620 937
	Camelot Northern Territory Pty Ltd	062 734 178
	Territory Goldfields Pty Ltd	066 581 075
	GBS Gold Australia (Land Holdings) Pty Ltd	119 998 793
	E-Auction Australasia Pty Ltd	078 168 886

✓	Name	ACN
	Burnside Operations Pty Ltd	097 922 444
	Buffalo Creek Mines Pty Ltd	097 907 625
	GBS Gold Holdings Pty Ltd	126 471 136
	Terra Gold Mining Pty Ltd	071 444 061
	Terra Metals Pty Ltd	092 922 097
	Excor Resources Pty Ltd	095 987 518

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

Please indicate the meeting of the company for which your proxy is provided (please tick)

✓	Name	ACN
	GBS Gold Australia Pty Ltd	115 384 319
	GBS Gold Australia (Tom's Gully) Pty Ltd	124 581 862
	Northern Gold Pty Ltd	009 620 937
	Camelot Northern Territory Pty Ltd	062 734 178
	Territory Goldfields Pty Ltd	066 581 075
	GBS Gold Australia (Land Holdings) Pty Ltd	119 998 793
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✓	Name	ACN
	Burnside Operations Pty Ltd	097 922 444
	Buffalo Creek Mines Pty Ltd	097 907 625
	GBS Gold Holdings Pty Ltd	126 471 136
	Terra Gold Mining Pty Ltd	071 444 061
	Terra Metals Pty Ltd	092 922 097
	Excor Resources Pty Ltd	095 987 518

\*I/\*We (1) .....

of .....

a creditor of the company/companies indicated above, appoint (2) .....

or in his absence .....

as \*my/our \*general/special proxy to vote at the meeting of creditors to be held on 23 December 2008, or at any adjournment of that meeting.(3)

		For	Against	Abstain
(a)	A resolution that the Group adjourn the second meeting of creditors for a period not exceeding 45 business days.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(b)	A resolution that the Group be wound up.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(c)	A resolution that the Administration end.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(d)	A resolution that the Administrators' remuneration for the period 1 November 2008 to 30 November 2008, in the sum of \$151,591.58 exclusive of GST be approved.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(e)	That a resolution that the Administrators' future remuneration for the period 1 December 2008 to the 23 December 2008 up to an amount of \$50,000.00 exclusive of GST be approved but subject to upward or downward adjustment by resolution of creditors.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(f)	That a resolution that the Administrators' future remuneration for the period 24 December 2008 to 2 March 2008 up to an amount of \$100,000.00 exclusive of GST be approved but subject to upward or downward adjustment by resolution of creditors.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(g)	If the Group is placed into Liquidation, a resolution that a provision for the Liquidators' remuneration be approved up to an amount of \$500,000.00 exclusive of GST but subject to upward or downward adjustment by resolution of creditors / committee of inspection.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(h)	If the Group is placed into Liquidation, a resolution that a Committee of Inspection be appointed.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(i)	If the Group is placed into Liquidation, a resolution that the books and records of the company be disposed of 5 years after the dissolution of the company subject to prior approval from the Australian Securities and Investment Commission.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



FORM 529

CORPORATIONS ACT 2001

Subregulation 5.6.12(2)

NOTICE OF MEETING OF CREDITORS  
GBS GOLD AUSTRALIA PTY LTD  
ACN 115 384 319  
AND SUBSIDIARIES AS SET OUT IN THE SCHEDULE  
(ADMINISTRATORS APPOINTED)  
(Collectively referred to as "the Group")

NOTICE is given that a meeting of the creditors of the Group will be held concurrently at the Arafura Ballroom, The Holiday Inn, 116 The Esplanade, Darwin NT at 10.30am (CST) and Mantra on Murray Hotel, 305 Murray Street, Perth WA at 10.00am (WDT) on 23 December 2008.

AGENDA

1. To receive a statement about the Group's business, property, affairs and financial circumstances.
2. To receive the report of the Administrator.
3. Questions from creditors.
4. For creditors to resolve:
  - a. that the second meeting of creditors be adjourned for a period not exceeding 45 business days; or
  - b. that the administration should end; or
  - c. that the Group be wound up.
5. If thought fit, creditors to approve the Administrators' remuneration in accordance with Annexure 2 of the Administrators Report' pursuant to section 439A of the Corporations Act 2001 dated 12 December 2008.
6. If the Group is wound up, to consider appointing a Committee of Inspection.
7. If no Committee is appointed, to fix the remuneration of the Liquidators.
8. If no Committee is appointed, to consider the destruction of the books and records at the conclusion of the winding up.
9. Any other business that may be lawfully brought forward.

Proxies to be used at the meeting should be lodged at the office of the Joint and Several Administrators by 4.00pm on the day prior to the meeting. A creditor can only be represented by proxy or by an attorney pursuant to Corporations Regulations 5.6.28 and 5.6.32 (inclusive) or if a body corporate by a representative appointed pursuant to Section 250D.

In accordance with Regulation 5.6.23(1) of the Corporations Regulations, creditors will not be entitled to vote at this meeting unless they have previously lodged particulars of their claim against the company in accordance with the Corporations Regulations and that clause has been admitted for voting purposes wholly or in part by the voluntary administrator.

DATED this 12th day of December 2008



DARREN WEAVER  
Joint and Several Administrator of  
GBS Gold Australia Pty Ltd  
And subsidiaries as set out in the Schedule

### THE SCHEDULE

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