



AJS:ASM:GW:D11
G Webb

6 March 2009

PERTH

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

CIRCULAR TO CREDITORS

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

affiliated through
Kroll Worldwide
UNITED STATES
UNITED KINGDOM

I refer to the appointment of Martin Jones, Darren Weaver and I as Joint and Several Administrators of the Group on 15 September 2008 and the reconvened second meeting of creditors of the Group held on 27 February 2009.

The purpose of this circular is to advise creditors of the outcome of the reconvened second meeting of creditors. I advise that a resolution was unanimously passed that the Group be placed into Liquidation. I further advise that a resolution was unanimously passed to form a Committee of Inspection comprising the following members:

Company	Representative/s
Deans Knight Capital Management Ltd	Dillon Cameron
AGT (NT) Pty Ltd	Geoff Akers or Jackson Annear
North Australian Laboratories Pty Ltd	Ray Wooldridge

I will now proceed to wind up the Group's affairs and conduct further detailed investigations into the affairs of the Group. Any creditor who has any information which would assist with my investigation is requested to write to me setting out full particulars.

It is my intent to finalise an offer for the Group's assets as soon as possible. It is anticipated that a sale of all of the Group's assets may be concluded during April 2009. In the interim, the Group will continue to operate on a care and maintenance basis and any debts incurred by the Liquidators will be paid as per your normal trading terms.

The statement of position of the Group indicates that a dividend payment to unsecured creditors in relation to their pre-appointment liabilities is unlikely. For this reason, I do not at present intend to formally call for proofs of debt from creditors. I will advise of any change in this position.



Should you have any queries in relation to this matter please contact either Derek Keir or Geoff Webb of this office.

Yours faithfully

A handwritten signature in black ink, appearing to read 'A Saker', written over a light blue horizontal line.

ANDREW SAKER
Joint and Several Liquidator of
GBS Gold Australia Pty Ltd
and Subsidiaries as set out in the Schedule

THE SCHEDULE

Company	ACN
GBS Gold Australia (Tom's Gully) Pty Ltd	124 581 862
Northern Gold Pty Ltd	009 620 937
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