

MINUTES OF THE THIRD MEETING OF THE COMMITTEE OF INSPECTION OF COMPASS MINING PTY LIMITED ACN 099 550 259 (IN LIQUIDATION) ("CMPL") HELD AT 4:00PM ON 12 OCTOBER 2009 AT THE MONSOONS ROOM OF THE HOLIDAY INN, LEVEL 1, 122 THE ESPLANDE, DARWIN NT.

PRESENT

| | |
|--------------------------|---|
| Tom Harris | H2O Pty Ltd |
| Kelvin Costello | Ironbark Employment |
| Observer | |
| Emma Eccles | Ironbark Employment |
| Martin Jones –Liquidator | Ferrier Hodgson – Chairman of the Meeting |
| Malcolm Field | Ferrier Hodgson |

CHAIRMAN OF THE MEETING

Martin Jones assumed the position as Chairman of the meeting pursuant to Corporations Regulation 5.6.17.

OPENING OF MEETING

The meeting was opened by the Chairman at 4.00 pm.

The Chairman asked the attendees if they had all received a copy of the agenda for the meeting and whether anyone wanted to add anything to the Agenda. The Committee members had all received the Agenda and agreed that any additional matters could be covered in other business.

NOTICE OF MEETING

The Chairperson advised that the meeting had been called in accordance with the Notice of Meeting dated 8th October 2009, the notice having been emailed to the Committee members on 8th October 2009 and a report (a copy of which is attached to these minutes) emailed to the Committee members on the same day. The following resolution was sought:

“That notice of meeting be taken as read”

Moved: Mr Harris

Carried.

ATTENDANCE REGISTER

The Chairman reviewed the proxy forms received and noted they were all valid for the purposes of the meeting, with Ms Eccles attending as an observer.

QUORUM

Pursuant to Regulation 5.6.16(2) of the Corporations Regulations, the Chairman determined that a quorum was present.

APOLOGIES

The Chairman advised that an apology had been received from David Wittwer, the Exact Mining Services representative and also from Sarah Lunn the representative from NT Controls and Automation.

CONFIDENTIALITY OF COMMITTEE MEETINGS AND CONFLICTS OF INTEREST

The Chairman noted that members' obligations to confidentiality and to avoid/disclose conflicts of interest that they might have has been considered previously by the current attendees and that he remains satisfied those obligations will be observed. The meeting agreed.

REPORT TO THE COMMITTEE

The Chairman tabled the Liquidators' report dated 8 October 2009 (a copy of which is attached to these minutes) gave an overview of the report.

The Chairman noted that in a future reconstruction of CMR, CMPL is expected to have a claim/vote in the decision making process in relation to the indemnity claim against CMR and the recovery of funds to satisfy same. The Chairman noted how there could conceivably be a conflict of interest between the role of the CMR Deed Administrator and the CMPL Liquidator in that regard. Accordingly, it is proposed that the CMPL Committee be consulted with in the lead up to a meeting to determine CMR's future, in order that the:

- CMPL Committee be appraised on the relative merits of all proposals; and
- CMPL Liquidator consider the views of the CMPL Committee as to how to proceed in relation to such proposals.

The Committee agreed that this course of action is appropriate, subject to its further consideration as the issues arise.

QUESTIONS FROM COMMITTEE MEMBERS

The Chairman asked if there were any questions that the members would like to raise.

Mr Harris sought clarification as to which assets were being put to market. The Chairman advised that the non-JV assets were being marketed plus a reconstruction of the company was expected with reference to the Northern Territory JV assets.

Mr Harris enquired as to the timing of the next dividend. The Chairman noted that there is a prospect of a further 10 cent in the dollar dividend in the near future, subject to the progress of the "contentious claims" and advice around inter-company claims.

OTHER BUSINESS

The Chairman opened the meeting to any other business.

There was no other business.

CLOSURE

There being no further business, the meeting was declared closed at 4.25 pm.


MARTIN JONES
CHAIRMAN



MBJ:MF:D4
M Field

8 October 2009

REPORT TO THE MEMBERS OF THE COMMITTEE OF INSPECTION

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

Dear Sir/Madam

**COMPASS MINING PTY LIMITED ACN 099 550 259 ("CMPL")
(IN LIQUIDATION)
Liquidators' Progress Report**

I refer to the above matter and my Report to the Committee dated 31 July 2009 and the meeting of the Committee on 4 August 2009.

Affiliated through
Zolfo Cooper
and
Kroll Worldwide
UNITED STATES
UNITED KINGDOM

Sulphide Creditors

On or around 6 August 2009, Sulphide creditors were paid in full. Subject to a final accounting for certain Sulphide JV matters, including the cost of bulk storage for a 600 tonne sample of sulphide ore stored in Fremantle WA, the balance of the Sulphide funds will ultimately be payable to HAR, as the sole funder of the Sulphide JV expenditure. We confirm that this sum is not available for Oxide creditors.

Oxide Creditors

On or around 18 August 2009, a first dividend of 10 cents in the dollar was paid to Oxide creditors. At the time of our last Report to the Committee, Oxide creditors' claims were estimated to be potentially in the vicinity of \$22M, with three major claims subject to further scrutiny. We have since received:

- advice from Exact Mining that it has reached a settlement with HAR in relation to its debt. Accordingly, it will not be claiming for dividend purposes and will be considering its withdrawal from the CMPL Committee in due course;
- further information in relation to the Orica Australia claim in particular; and
- a further contentious claim from Micronised Mineral Solutions in the amount of \$1,924,906.

We have been and continue to carefully consider the way forward in respect of each of the contentious claims, with the benefit of legal advice in relation to same. Accordingly, we provide the following updated summary of Oxide creditors' claims in the table below:

CORPORATE ADVISORY

FORENSICS

CORPORATE RECOVERY



| Creditor/s | Amount \$ | Amount \$ |
|---|----------------------|----------------------|
| Admitted creditors' claims | | 4,106,380 |
| Further claims being considered: | | |
| Micronised Mineral Solutions ("MMS") | 1,924,906 | |
| Power and Water Corporation ("PWC") | 5,250,379 | |
| Subtotal of further claims | | 7,175,285 |
| Estimate of Total Maximum Claims | | \$11,281,665 |

We are unable, at this time, to provide the Committee with any definitive position as to what the final admissible extent (if any) of the MMS and PWC claims will be. We expect to have a clearer position in respect to these by the end of the month. In the interim, we:

- confirm that we are still required to holdover sufficient funds to provide for their payment, in time, in the event that further scrutiny (potentially including Court determination if appropriate) determines those claims are appropriate for admission. Accordingly, we are not able to distribute more of the funds currently held; and
- advise that, in light of the above, we should be better positioned in November 2009 to make a follow up claim against HAR in respect of its indemnity obligation to CMPL for half of the Oxide creditors' claims (HAR having previously paid \$3.138M in that regard, in respect of Oxide creditors' claims then estimated at \$6.276M).

Quistclose Trust

The CMR Deed Administrators have commenced their Court application in relation to the funds previously received by CMR pursuant to the HNC Convertible Note Facility Agreement ("Note"). The Deed Administrators are seeking a declaration from the Court as to whether a Quistclose trust was created under the Note.

It did take longer to compile the legal documents to initiate the Court application than was expected. That said, the process is now underway, with HNC, HAR, the former Darwin landlord, and the Contradictor all joined to the proceedings so as to enable them to make submissions to the Court in respect of their potential interest in the outcome. Accordingly, an updated schedule (which is subject to the matters brought by the interested parties and the availability of the Court to determine them in due course) of the progress of the Court application is provided below:



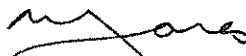
| Date | Action |
|--------------------|---|
| 14 September 2009 | Commence Proceedings - file and serve Application on the potential stakeholders |
| October 2009 | First return of Application, at which time, matters such as the filing of affidavits, written submissions and the hearing date should be programmed. This timetable will depend on the attitude of the other parties and the availability of the Court. |
| after October 2009 | Matter to be listed for hearing – depending on Court availability |

Given the above, we remain of the view that it would appear unlikely that the matter will be determined before December 2009.

Meeting of the Committee

Please find attached a Notice of Third Meeting of the Committee of Inspection and a Proxy Form for your consideration.

We look forward to meeting with you in **Darwin on Monday 12 October 2009 at 4.00 pm CST NT** to discuss the issues facing CMPL. Teleconference details are outlined on the notice for those not able to attend in person. In the event that you have any difficulty establishing a connection, or should you have any queries in relation to the above, please contact me or Malcolm Field (08 9214 1441 or 0401 302 923) of this office.


MARTIN JONES
Joint and ~~Several~~ Liquidator of
Compass Mining Pty Limited

FORM 529A

Paragraph 5.6.12(2)(a)

CORPORATIONS ACT 2001

NOTICE OF THIRD MEETING OF
COMMITTEE OF INSPECTION

COMPASS MINING PTY LIMITED
(IN LIQUIDATION)
ACN 099 550 259

1. Notice is given that a meeting of the Committee of Inspection of the company will be held at the **Monsouns Room of the Holiday Inn, Level 1, 122 The Esplanade, Darwin NT on 12 October 2009 at 4.00 pm (CST NT).**
2. The purpose of the meeting is to discuss:
 - a. Confidentiality and conflict of interest;
 - b. Report to the Committee;
 - c. The progress of the Administration to date generally; and
 - d. Any other matters.

Phone conference facilities are available as follows:

Australian Toll Free Number: 1800 461 861
International Dial In (in case of technical difficulty) (All): +61 3 8628 3623
Account Number: 75218521
Guest Pin: 7890

When you dial in, please follow the prompts, in doing so, you will be required to enter the pin as above.

DATED this 8th day of October 2009.



MARTIN JONES
Joint and Several Liquidator of
Compass Mining Pty Limited

CORPORATIONS ACT 2001
APPOINTMENT OF PROXY COMMITTEE OF INSPECTION MEETING

COMPASS MINING PTY LIMITED
(IN LIQUIDATION)
ACN 099 550 259

*I/*We (1)
of
a member of the Committee of Inspection of Compass Mining Pty Limited, appoint (2)
or in his absence
as *my/our *general/special proxy to vote at the meeting of the Committee to be held on 12 October
2009, or at any adjournment of that meeting.(3)

DATED this day of 2009.

Signature (4) of individual or person (5) OR The Common Seal (6) of
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.