



Copy of minutes of meeting

Company details

Company name

Compass Mining Pty Limited (In Liquidation)

ACN/ABN

099 550 259

Lodgement details

To be completed only where this form is lodged with ASIC

Who should ASIC contact if there is a query about this form?

Name

Ferrier Hodgson – Malcolm Field

ASIC registered agent number (if applicable)

10283

Telephone number

08 9214 1444

Postal address

Level 26 BankWest Tower ,108 St Georges Terrace, PERTH WA 6000

Please provide an estimate of the time taken to complete this form.

hrs mins

Details of minutes of meeting

Attach a copy of the minutes of meeting
Date of meeting

Date of meeting

05/01/2010

[D D] [M M] [Y Y]

Are the minutes being lodged for a meeting convened under S436E or S439A of the Corporations Act 2001?

Yes No

Signature

This form must be signed by the chair of the meeting.

I certify that the attached minutes of meeting are a true copy of the original minutes of meeting signed by the chair of the meeting as identified in the minutes.

Name

Malcolm Field

Registered liquidator number (if applicable)

Signature

M. Field

Date signed

14 / 01 / 10

[D D] [M M] [Y Y]

Lodgement

If lodging with ASIC, send completed and signed forms to:
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MINUTES OF THE FOURTH MEETING OF THE COMMITTEE OF INSPECTION OF COMPASS MINING PTY LIMITED ACN 099 550 259 (IN LIQUIDATION) ("CMPL") HELD AT 8:00AM ON 5 JANUARY 2010 AT THE OFFICES OF FERRIER HODGSON, LEVEL 26, 108 ST GEORGE'S TERRACE, PERTH WA 6000 AND BY TELECONFERENCE.

PRESENT

Sarah Lunn	NT Controls and Automation P/L
Emma Eccles	Ironbark Employment
Malcolm Field	Ferrier Hodgson - Chairman of the Meeting, on behalf of Martin Jones, Liquidator

CHAIRMAN OF THE MEETING

Malcolm Field, representative of the Liquidators, assumed the position as Chairman of the meeting pursuant to Corporations Regulation 5.6.17, tabling a Delegation Authority from Mr Jones (Liquidator) in that regard.

OPENING OF MEETING

The meeting was opened by the Chairman at 8.00 am.

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 4th January 2010, the notice having been emailed to the Committee members on that same day with a report (a copy of which is attached to these minutes). The following resolution was sought:

"That notice of meeting be taken as read"

Moved: Ms Lunn
Carried.

ATTENDANCE REGISTER

The Chairman reviewed the proxy forms received and noted they were all valid for the purposes of the meeting.

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 Martin Jones, Liquidator.

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.

LIQUIDATORS' INDEPENDENCE

In the notice to creditors of the company dated 24 December 2009, the CMR Deed Administrators (in conjunction with the CMPL Liquidators) made a declaration of all of their relevant relationships and indemnities in connection with the company and the administration.

That declaration provided an update on the status of the following issues as between the CMR Deed Administrators' role and their roles as CMPL Liquidators:

- i. certain creditors claiming against both CMR and CMPL for the same debts;
- ii. the CMPL Indemnity claim against CMR; and
- iii. the potential insolvent trading claim against CMR (as holding company) by CMPL.

I now table a copy of that declaration in accordance with section 436DA(6) of the Act. The Chairman enquired as to whether the Committee members had any queries in relation to the updated declaration. There were no queries or concerns raised.

RESIGNATION OF COMMITTEE MEMBER

The Chairman tabled the resignation received on 30 November 2009 from the Committee received from David Wittwer, the Exact Mining Services Pty Ltd representative.

The Chairman noted that this left three (3) Committee members and that two were required for any one Committee meeting to be effective. That said, and in light of the Compass Resources Limited DOCA Variation Proposal, pursuant to which the CMPL creditors' claims are expected to be settled by 30 June 2010, and in the interests of minimising costs, it was suggested that additional members of the Committee were not required at this time. The Committee members' views were sought on this issue and the Committee members present agreed.

REPORT TO THE COMMITTEE

The Chairman gave a brief overview of the Liquidators' report dated 4 January 2010, a copy of which is attached to these minutes, and same was discussed with the Committee.

QUESTIONS FROM COMMITTEE MEMBERS

The Chairman asked if there were any questions that the members would like to raise. There were no questions raised.

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 8.30 am.



MALCOLM FIELD
CHAIRMAN



FERRIER HODGSON

PERTH

Level 26 BankWest Tower
108 St George's Terrace
Perth WA 6000 Australia
GPO Box 2537 Perth WA 6001
phone +61 8 9214 1444
fax +61 8 9214 1400
email fhperth@perth.fh.com.au
www.ferrierhodgson.com

MBJ:MF:D4
M Field

4 January 2010

REPORT TO THE MEMBERS OF THE COMMITTEE OF INSPECTION

Dear Sir/Madam

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

We refer to the above matter and our Report to the Committee dated 8 October 2009, the meeting of the Committee on 12 October 2009, and our report to the Compass Resources Limited ("CMR") creditors dated 24 December 2009, a copy of which was emailed to you on 24 December 2009.

We provide herein an update of events and information under the following headings:

1. **Oxide Creditors' Claims**
2. **Quistclose Trust**
3. **Proposed Variation to CMR's DOCA**
4. **Statement of Position**
5. **Independence and Relevant Relationships**
6. **Alternatives available**
7. **Dividends to Oxide Creditors**
8. **Meeting of the CMR Creditors**
9. **Meeting of the CMPL Committee**

1. Oxide Creditors' Claims

When we reported to you on 8 October 2009, we estimated Oxide creditors' claims to be potentially between \$4.1M and \$11.2M. We have since:

- received confirmation from Exact Mining Pty Ltd ("Exact") that the terms of its settlement with HNC (Australia) Resources Pty Ltd ("HAR") have been concluded and as a result, its (former) claim against CMPL will not be pursued. Accordingly, Exact will not be claiming for dividend purposes and has submitted its resignation from the CMPL Committee;

ADELAIDE
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Zolfo Cooper
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We are unable, at this time, to provide the Committee with a definitive position as to what the final admissible extent (if any) of the balance of the MMS or CMR claims will be. In relation to:

- MMS's claim, we expect to have a clearer position by the end of January 2010; and
- the potential CMR claim, we consider the proposed variation to the CMR DOCA summarised in section 3 of this report (if accepted by CMR's creditors and subject to the various conditions precedent contained therein) can create certainty for CMPL creditors by avoiding the CMR claim and therefore reducing the risk of a diluted dividend to Oxide creditors from CMPL.

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, these are a significant cap on the extent to which we can distribute more of the funds currently held. That said, we outline in section 7 of this report, an intention to provide notice to declare a second dividend early in 2010;
- advise that, in light of the above and the timing on YA Global's (the "DOCA Proponent's") due diligence, we should be better positioned in April 2010 to make a follow up claim against HAR (if applicable) 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); and
- consider, having regard to CMR's ongoing administration, the incomplete state of adjudication upon CMPL creditors' claims and in the context of the current proposal to vary the DOCA, that it is not yet appropriate to initiate an indemnity claim against CMR.

2. Quistclose Trust

The hearing is listed for 19 February 2010 and HNC, HAR, the former Darwin landlord, and CMPL have all been joined to the proceedings so as to enable them to make submissions to the Court in respect of their potential interests in the outcome and to ensure all parties are bound by the outcome. To avoid any perceived conflict between their interests in the proceedings as Deed Administrators of CMR on one hand, and as Liquidators of CMPL on the other, the Liquidators of CMPL have arranged for NT Controls and Automation Pty Ltd ("NT Controls") to have conduct of the proceedings on behalf of CMPL. NT Controls will act as the 'contradictor' in the proceedings,

We understand that a judgment is unlikely to be available until early May 2010.



- CMR will not claim against CMPL; and
- the Quistclose legal proceedings are to be adjourned until the CP's are satisfied and then discontinued once the DOCA proposal is unconditional. Further commentary is made in relation to this in section 2 of this report.

The CMR report anticipates a 100 cents in the dollar return to CMPL creditors, less costs. In section 4 of this report, we estimate the actual return to Oxide creditors, based upon currently available information, at 95 to 97 cents in the dollar, anticipated to be paid before the end of the 2010 financial year.

From a CMPL perspective, there are risks associated with the DOCA proposal, as a result of the various CP's that need to be satisfied, to the DOCA Proponents satisfaction, by the DOCA Proponent's due diligence and the associated risk of "losing time" on the Quistclose proceedings. However the DOCA Proponent is well informed as to CMR's circumstances which should aide its due diligence. We also note that and the Quistclose proceedings are not expected to be favourable to CMPL, so those risks are not considered to be significant. All CP's (other than regulatory approvals) need to be satisfied within 90 days unless the CMR Deed Administrators were to agree to a 90 day extension to same.

The summary of proposed DOCA's key events, provided at section 9 of the CMR report, is provided again as follows, to the extent that it is relevant to CMPL:

Date	Event	Comments
24 December 2009	Report to Creditors	Approval of creditors is required.
6 January 2010	Meeting of Creditors	
31 January 2010	A Deed would be drafted and executed to reflect the terms of the Variation to the DOCA	There is no statutory timeframe in regard to this issue other than as soon as practicable.
19 February 2010	Quistclose hearing scheduled (adjourn initially)	The varied DOCA requires the proceedings be discontinued. The Deed Administrators would have the proceedings adjourned before the hearing date and would not discontinue them until Completion under the DOCA is effected.
28 February 2010	Agree the terms of the Bonds	Such agreement is to occur prior to Recapitalisation. We expect this would, in practice, occur before the report is sent to shareholders in order to demonstrate clarity of the arrangements.
11 March 2010	Report to CMR Shareholders (issue say)	
2 April 2010	EGM - CMR Shareholders approve the issue of the new shares	
5 April 2010	Appointment of new CMR directors	And removal of the former Board as appropriate.



6 April 2010	Final day to clear Conditions Precedent (excl FIRB)	If any CPs are not cleared or waived in writing by the DOCA proponent a meeting of creditors may be convened to consider alternate proposals or the Deed Administrators may, at the DOCA Proponent's request, extend the date for satisfying/waiving the CPs to a date to line up with the final day for regulatory approvals.
6 April 2010	Recapitalisation	Simultaneously: CMPL releases its security over CMR; the Receivers resign; the new CMR shares are issued to the DOCA Proponent in conversion of its debt (and potentially of CHGL); the loan funds are advanced to CMR and CMR pays the sums due to the relevant creditor groups; the Quistclose proceedings are discontinued; and the DOCA is terminated; the Creditors' Trust is initiated.
18 May 2010	Dividend to Creditors	Could be delayed by 3 months if CMR's Recapitalisation is delayed or does not proceed.
5 July 2010	Final day to clear Regulatory Approvals	

In the CMR report, reference is made to the fact that a Creditors' Trust mechanism will be utilised under the proposed variation to the DOCA. Given the CMPL claim will be paid out upfront and concurrent with CMPL releasing its security over CMR, the Creditors' Trust brings no unfavourable consequences for CMPL.

4. Statement of Position ("SOP")

As a former JV Operator, CMPL held assets on behalf of the JV parties (only). We entered into a bank account settlement with HAR in May 2009, reported upon same to the Committee in June 2009 and summarised in section 3.6.2 of the current CMR report. As a consequence of this settlement and CMPL's rights under the JV Agreements, we provide an updated SOP below, comparing book values against estimated outcomes for Sulphide and Oxide (High and Low) "assets" and liabilities.



operator. The prepayments were only ever held on behalf of the JV parties (HAR and CMR, subject to the Receivership).

3. The CMPL Receivers' costs are relevant here to the extent that same are borne out of the \$472,963 CMPL BAS refund included under "Debtors". The balance of the Receivers' fees is borne out of the proceeds from the sale of CMR's copper.
4. The base case is a bank account summary to 28/4/09, with subsequent transactions added thereto (but excluding the employee entitlements at this line item).
5. This item is a balancing entry. In the case of Sulphide, it predominantly reflects the interest earned on funds, whereas for Oxide it largely represents a mixture of JV and non-JV expenditure/disbursements.
6. For present purposes, the funds "refundable" to HAR are presented exclusive of any other adjustments which may be appropriate, that is, having regard only to the extent of Oxide creditors' claims. As a practical issue, a resolution of employee entitlements (paid by CMR) would be likely to occur before actual remission of a balance.
7. This potential claim appears to have nil value based upon the information above, and summarised below (which pertains to the bank account settlement):

Description	Amount (\$)
Cash at Bank	464,859
Debtors	1,358,766
	1,823,625
Receivership Fees and Disbursements (est)	(472,963)
JV Expenditure	(964,931)
Reimbursements to CMR re VA Period	(206,605)
Administrators' Fees (excl GST)	(158,624)
Minor surplus applied toward Administration Disbursements/ Costs	\$ 20,503

8. In the case of Sulphide, the funds available to HAR are subject to deduction for PAYG for the VA period and for entitlements paid to Sulphide employees. This is an issue as between HAR and CMR, likewise for HAR's share of the Oxide employee entitlements paid.
9. The proposal to vary the CMR DOCA provides a fund to satisfy the CMR Indemnity claim. In the event that the DOCA is not accepted or the DOCA's CPs are not satisfied, the costs of the liquidation may exceed current estimates. The Indemnity claim is secured and may otherwise be satisfied via the Quistclose proceedings in the event that judgment is found in CMPL's favour or by realisation of the security (CMR's participating interest in the relevant JV Assets).
10. Given Oxide Creditors' claims have not been paid in full, they are summarised at this level of the analysis for their full formal proof of debt claim values, that is, without deduction for prior dividends. Contrast the estimated overall surplus/(deficiency) which is adjusted for the prior/equalising dividend.



5. Independence and Relevant Relationships

Prior to accepting the role as Administrators we considered the question of our independence and issued a Declaration of Relevant Relationships and Indemnities ("DIRRI") with our first correspondence to creditors on 29 January 2009 and updated the DIRRI in our report to creditors dated 22 April 2009, which in turn referred to:

- certain creditors claiming against both CMR and CMPL as a result of a mixture of contractual relationships and rights of claim under the JV documentation;
- the right of CMPL to claim against CMR (and HAR) in relation to sums for which it is entitled to be indemnified under the JV documentation; and
- the need to consider any insolvent trading claim against CMR (as holding company) by CMPL.

We note that we continue to monitor our independence as to our roles, have formed the view that there remains no current impediment to our independence and enclose, a further updated DIRRI having regard to the current circumstances of the CMR DOCA and the CMPL Liquidation, which in addition to the points raised in the previous DIRRI, deals with the Deed Administrators' assessment of potential claims by CMR against CMPL.

6. Alternatives available

6.2.1 CMR DOCA Variation Proposal

The CMR DOCA variation proposal has been recommended by the CMR Deed Administrators on the basis that the return is more certain than that available from a liquidation of CMR. In our role as Liquidators of CMPL, we make the same recommendation to Oxide creditors.

We have received claims from many creditors which claim to be creditors of both CMPL and CMR in relation to their claims which arise as a result of the Oxide JV. When adjudicating upon these claims against CMPL, we (and HAR with whom we conferred) have generally taken the pragmatic approach that the debts, having been incurred as Oxide JV Expenditure, should be admitted against CMPL. The first dividend (10 cents in the dollar) was paid on this basis. As the CMR report indicates, the CMR Deed Administrators' adjudication upon creditors' claims has not extended to this group of claims.

While the proposed variation to the DOCA is expected to provide certainty for the Oxide creditors via the "Asset Pool" created for the CMPL Liquidators' Indemnity claim, we note that:

- the funds ultimately available for Oxide creditors will be after deduction of the CMPL Liquidators' costs (estimated and summarised in section 3 of this report), resulting in an estimated return of 95 to 97 cents in the dollar; and
- the proposal (subject to the CPs being met and completion) also eliminates the possibility that some Oxide creditors may in fact have two legal bases of



claim – in the first instance against CMR on a contractual basis, and in the second instance, via the CMPL Liquidators' Indemnity claims against CMR and HAR. The existence of a "double claim" for the same debt against CMR is contrary to insolvency legal principles. Accordingly, the proposed variation to the DOCA would avoid this issue and the costs (for both CMR and CMPL) otherwise associated with resolving same.

6.2.2 Maintain the Current CMR Holding DOCA

In the event that creditors prefer to neither accept the proposed variation to the DOCA, nor to liquidate CMR at this time, as a "fall back" for creditors, a resolution is available on the voting form to cater for a continuation of the current holding DOCA. In the event that resolutions are not passed for the variation proposal or liquidation, a continuation of the current holding DOCA will be the outcome of the meeting.

Having regard to our recommendation for the variation proposal, we do not recommend maintaining the current CMR holding DOCA. That said, if creditors form the view that the variation proposal is not appropriate to their circumstances, we would recommend the current holding DOCA over an immediate winding up of CMR because it provides an opportunity to consider further, future proposals that might be put forward in relation to the assets.

6.2.3 Winding up of CMR

In the CMR report, the Deed Administrators have assumed, for the purposes of the liquidation analysis, that CMPL will recover the full extent of the indemnity claim against HAR and also the sum currently provable (in relation to un-related third party Oxide creditors) against CMR in relation to the indemnity claim. We highlight that in the liquidation scenario, the JV Assets are considered onerous, as a result of a combination of factors, including the:

- cost of remedial works required to commission the Oxide JV operation;
- uncertainties associated with the economic viability of the Oxide JV operations;
- uncertainty surrounding the viability of the possible future JV sulphide operation;
- sums currently outstanding to HAR in respect of the JV Assets; and
- legal complexity of the regime in which the assets are held, in which some assets are owned by CMR but licensed to the joint venturers, as well as the ongoing involvement of Receivers over CMR's participating interest in the JV Assets.

Having regard to each of the above considerations, the marketing program recently run by the CMR Deed Administrators and the DOCA variation proposal, we do not recommend an immediate winding up of CMR because the above issues and a delay in the realisation of the CMR interest in the JV Assets would ultimately result in higher costs in CMPL and therefore a lower return to Oxide creditors.



6.2.4 Adjournment of the CMR Creditors' Meeting

We do not recommend an adjournment of the meeting on 6 January 2010 because of the incremental costs associated with same and the lack of expected benefits. We consider that either the proposed variation to the DOCA or maintaining the current holding DOCA would be preferred outcomes, with liquidation available as a final alternative.

6.2.5 Appoint a Receiver over the CMR interest in the JV Assets

As a secured creditor, CMPL has the right to appoint a Receiver over the CMR interest in the JV Assets. While there is some apparent initial merit in this course of action, in order to clear the CMR half of the CMPL Indemnity claim, we note there are complications that will attach to such action, including the statutory obligation found in section 420A of the Act, requiring the Receiver, when exercising a power of sale, to take all reasonable care to sell the property for:

- if, when it is sold, it has a market value – not less than that market value; or
- otherwise – the price that is reasonably obtainable, having regard to the circumstances existing when the property is sold.

Historically, and in the face of legal action by third parties, the Courts have applied the statutory requirement with some stringent consequences, heightening the awareness of a Receiver appointed to realise such complex assets. [We query the relevant of these comments]

Having regard to the above and our comments at point 6.2.3 of this report, we do not recommend that CMPL appoint a Receiver over the CMR interest in the JV Assets at this time. Assuming the variation to the DOCA is accepted by creditors, and in the event that the CPs of the DOCA Proponent are not met, it may then be appropriate to give further consideration to the appointment of a Receiver to recover the CMPL indemnity claim from CMR.

7. Dividends to Oxide Creditors

A first dividend was paid to Oxide creditors in early August 2009 at 10 cents in the dollar.

Having regard to the funds currently available, as summarised in section 3 of this report, even after providing for the potential MMS and CMR claims, we consider that we are now in a position to initiate a second dividend at 10 cents in the dollar on admitted claims, together with an equalising dividend to those Oxide creditors whose claims have been admitted since the first dividend payment was made in August 2009.

Before we pay the second dividend, we are statutorily required to give written notice to creditors who have not yet claimed. As a consequence, we expect to pay that second dividend on or around 24 February 2010.



8. Meeting of the CMR Creditors

The meeting of CMR creditors will be held on **Wednesday 6 January 2010, at the Holiday Inn, 116 The Esplanade, Darwin NT at 9.00am CST NT.**


We refer creditors to our comments at section 6 of this report as to our recommendation. At a practical level, we note that:

- in our role as CMPL Liquidators, we do not intend to vote at the CMR meeting of creditors in respect of CMPL's indemnity claim against CMR, because:
 - there is a list of Oxide creditors claiming against CMR directly, so it is more appropriate for these parties to express their view at the meeting – especially when the DOCA affects their rights (in so far as their claim against CMR will be excluded under the DOCA, other than via the CMPL Liquidators' Indemnity claim on their behalf);
 - the indemnity claim is not fully quantified;
 - it would be preferable to avoid the double proof issue even for meeting purposes; and
 - it helps minimise the risk that a (potentially) aggrieved creditor may claim a conflict of interest in regard to creditors generally considering the merits of the proposal to vary the DOCA;
- CMPL creditors (such as NT Automation and Controls and H2O Pty Ltd) which have previously registered claims against CMR, may consider the contents of the CMR Report and whether they are interested to attend the CMR meeting of creditors on 6 January 2010 and/or submit a proxy form in relation to their views of the various agenda items; and
- Other CMPL creditors which have not provided details of a claim against CMR, relying solely upon a claim against CMPL, have no right to vote at the CMR meeting of creditors. Accordingly, such CMPL creditors may register for that meeting as observers only.

9. Meeting of the CMPL Committee

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

We look forward to meeting with you by **teleconference on Tuesday 5 January 2010 at 9.30 am CST NT** to discuss the issues facing CMPL. Teleconference details are outlined on the notice. 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

Encls:

CORPORATIONS ACT 2001

Section 436DA(2)

**COMPASS RESOURCES LIMITED ACN 010 536 820
(Subject to Deed of Company Arrangement)
(Receivers and Managers Appointed)(“CMR”)
COMPASS MINING PTY LTD ACN 099 550 259
(In Liquidation)(“CMPL”)
(Collectively “the Companies”)**

**DECLARATION OF INDEPENDENCE, RELEVANT RELATIONSHIPS AND
INDEMNITIES (“DIRRI”)**

Independence and Relevant Relationships

We refer to our DIRRIs dated 29 January 2009 and 22 April 2009 and confirm that we, Darren Weaver, Steven Sherman and Martin Jones continue to assess the potential risks to our independence, having regard to our fiduciary obligations to both CMR’s and CMPL’s creditors.

In our last DIRRI we referred to three issues (and upon which we had previously provided our comments) which are summarised in the table below together with our update in regard to those issues:

#	Issues	Update
1	Certain creditors claiming against both CMR and CMPL as a result of a mixture of contractual relationships and rights of claim under the JV documentation.	There is a range of ways in which this potential conflict could be addressed. We consider the current proposal to vary the DOCA deals with the issue appropriately, that is, segregating the claims to avoid the risk of double proof and paying these CMPL creditors (effectively) in full via a timely payment in respect of the indemnity claim outlined in item 2 below.
2	The right of CMPL to claim against CMR (and HAR) in relation to sums for which it is entitled to be indemnified under the JV documentation.	The indemnity claim is secured against the CMR interest in the JV Assets. Accordingly, we consider the current proposal to vary the DOCA deals appropriately with the indemnity claim.
3	The need to consider any insolvent trading claim against CMR (as holding company) by CMPL	CMPL Sulphide creditors have been paid in full. CMPL’s Oxide creditors are, under the proposal to vary the DOCA, expected to receive 100 cents in the dollar, subject to costs, resulting in a return estimated at 90 cents in the dollar.

We are not aware of any other issues that require disclosure in relation to our independence and we confirm, that in the event that a real risk to our independence is identified in the future as a result of the above matters or otherwise, we will consult with the relevant Committee and thereafter refer appropriate matters to the Court and/or an independent insolvency practitioner for consideration. In the interim, we consider that proceeding as Deed Administrators and/or Liquidators of the companies is appropriate and reflects the fact that the Administrators have an understanding of the matters critical to each company and will endeavour to overcome any potential impediments to our independence.

Indemnities

We have not been indemnified in relation to this administration, other than any indemnities that we may be entitled to under statute.

Creditors who are interested to obtain further information in respect of the independence issues referred to above, or otherwise, are requested to contact the Administrators' office for further information.

Dated this 24th day of December 2009



MARTIN JONES

Joint and Several Deed Administrator of
Compass Resources Limited and
Joint and Several Liquidator of
Compass Mining Pty Limited

NOTE: *If circumstances change, or new information is identified, we are required under Section 436DA(5) of the Corporations Act 2001 and the IPA Code of Professional Practice to update this declaration and provide a copy to creditors with our next communication as well as table a copy of any replacement declaration at the next meeting of the Company's creditors.*

FORM 529A

Paragraph 5.6.12(2)(a)

CORPORATIONS ACT 2001

NOTICE OF FOURTH 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 offices of **Ferrier Hodgson, Level 26, 108 St George's Terrace, Perth WA on 5 January 2010 at 8.00 am WST (being 9.30 am CST NT).**
2. The purpose of the meeting is to discuss:
 - a. Confidentiality and conflict of interest;
 - b. The Liquidators' independence;
 - c. Resignation of Exact Mining from the Committee;
 - d. Report to the Committee;
 - e. The progress of the Administration to date generally; and
 - f. 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 4th day of January 2010.



MARTIN JONES
Joint and Several Liquidator of
Compass Mining Pty Limited

