

## 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

31 July 2009

**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**

I refer to the above matter and my Report to the Committee dated 17 June 2009 and my Circular to Creditors dated 22 June 2009.

**Sulphide Creditors**

Consistent with our earlier reports, we remain of the view that Sulphide creditors will be paid 100 cents in the dollar next week. A schedule of the Sulphide creditors' claims, which are recommended for admission (and therefore, dividend) are attached as **Annexure A**. These claims will be paid from Sulphide JV funds, the balance of which, if any, will ultimately be payable to HAR, as the sole funder of the Sulphide JV expenditure, and is not available for Oxide creditors.

**Oxide Creditors**

Indications in relation to Oxide creditors claims (summarised in **Annexure B**), on the other hand are that the maximum likely claims will be in the vicinity of \$22M. Although certain claims are subject to further scrutiny, and may not ultimately be admitted for dividend purposes, we are 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.

The contentious aspect of such claims arise not from any interest on the part of the creditor to "over claim", but rather as to the extent to which such creditors:

- particularly those who have entered into long term supply agreements;
- put resources into place to facilitate those long term agreements; and
- may or may not be able to re-deploy such resources/equipment with alternate customers (including HAR in time to come in respect of future Oxide mine requirements) in order to mitigate their losses.

Accordingly, a conservative approach necessitates that we pay a first dividend in the vicinity of 10 cents in the dollar next week.

CORPORATE ADVISORY

FORENSICS

CORPORATE RECOVERY



## Quistclose Trust

Our thanks go to NT Controls and Automation who have agreed to argue in favour of the Quistclose trust, as Contradictor to the CMR Deed Administrators' Court application in relation to the funds previously received by CMR pursuant to the HNC Convertible Note Facility Agreement ("Note").

The Deed Administrators will be seeking the Court's directions as to:

1. whether a Quistclose trust exists in relation to the \$5,326,896 balance of funds pursuant to clause 6 of the Note; and
2. in the event that a Quistclose trust does exist, how the Quistclose trust funds are to be allocated, be it:
  - a. employee entitlements, consistent with the bank account settlement with HAR;
  - b. rents;
  - c. past/existing Oxide JV creditors (such as the Contradictor); and/or
  - d. other current/future CMR Oxide JV obligations.

Accordingly, HNC, HAR, the former Darwin landlord, and the Contradictor will be invited to make submissions to the Court in respect of their potential interest in the outcome.

An estimated schedule, which is subject to feedback from the Contradictor in due course, for the program of the progress of the Court application is provided below:

Date	Action
5 August 2009	Deliver draft of application and affidavit in support to solicitors for contradictor
by 14 August 2009	Agree factual information and form of application with solicitors for contradictor.  Obtain confirmation that AAR will accept service of proceedings in Australia on behalf of HNC
21 August 2009	File and serve application
4 September 2009	First return of Application, at which time, matter is hopefully set down for hearing. Will depend on whether there are any other appearances and attitude and availability of Court.
after October 2009	Matter to be listed – depending on Court availability

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



### **Other matters**

Subject to final adjudication of Oxide creditors' claims, we expect to be in a position to write to HAR in late August 2009 in respect to a further claim which may be made against HAR for its half of the balance of claims, in excess of the \$3.138M previously received from HAR.

The CMR Deed Administrators continue to obtain advice and consider the best structuring of the CMR assets in a way that maximises the return from any equity raising and/or realisation of assets for the benefit of CMR creditors, including the CMPL indemnity claim. We expect to have a finalised marketing campaign for those assets by mid-August. As previously advised, any potential return in this regard is likely to be a 9-12 month proposition.

### **Meeting of the Committee**

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

We look forward to meeting with you on **Tuesday 4 August 2009 at 8.00 am WST (9.30am CST)** 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.

A handwritten signature in black ink, appearing to read 'Martin Jones', written over a horizontal line.

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



## ANNEXURE A

### COMPASS MINING PTY LTD (IN LIQUIDATION) Sulphide Creditors Listing as at 31 July 2009

Creditor Name	Directors' Statement Amount \$	Recommended for Admission
Ammtec Limited	4,950.00	10,626
Ausenco Ltd	368,473.33	375,372
Chep Australia Ltd	1064.38	0
Crescent PSS Pty Ltd	1,082.82	1,660
Dossor, Richard (Mr)	477.87	0
Environ Geochemistry Int Pty Ltd	44,410.30	44,410
Fremantle City Cold Stores	17,446.00	17,446
Goh, Penny (Ms)	123.32	0
GRD Minproc Ltd	5,860.53	19,670
Hyder Consulting Pty Ltd	17,608.62	17,608
Intec Hellyer Metals Pty Ltd	138,924.54	138,924
Knight Piesold Pty Ltd	19,276.13	41,242
Optimet Laboratories (see Ammtec claim above)	5,676.00	0
Palm Springs Distributors NT	19.00	0
Ricoh Finance	74.63	9,657
St Martin's Centre Pty Ltd	271.02	0
URS Australia Pty Ltd	41,910.44	41,940
Ward Keller Lawyers	8,167.50	6,000
	<b>\$675,816.43</b>	<b>\$724,555</b>

The sums "Recommended for Admission" referred to above are a guide only and should not be relied upon as an indication that particular claims will necessarily be admitted as final adjudication of the claims has not occurred.



## ANNEXURE B

### COMPASS MINING PTY LTD (IN LIQUIDATION) Oxide Creditors Listing as at 31 July 2009

Creditor Name	RATA	Recommended for Admission \$	Other Amounts \$
Ammtec Limited	0.00	825	
A. Noble & Son Ltd	2,042.92	2,042	
Adelaide River Inn	13,685.00	13,685	
Air Liquide	40,362.35	165,784	
Air-Met Scientific Pty Ltd	726.55		
AJ Couriers & Haulage Pty Ltd	8,622.70	8,622	
Allara Instrument Hire	1,513.60	1,513	
Allied Pickfords	339.43	976	
Area 9 IT Solutions	9,008.30	-	
Ausco Modular Pty Ltd	1,456.16	55,329	
Ausenco Ltd	872.85	872	
Auslec - formerly Hagemeyer	9,517.26	9,517	
Australian Air Express Pty Ltd	3,050.29	3,842	
Australian Laboratory Services	0.00	12,529	
Batchelor General Store	507.78	304	
Batchelor Resort	4,277.00	6,996	
Batchelor Service Centre	3,352.39	6,052	
Beaupaires Winnellie	980.00	2,763	
Biolab	113.03		
Blackwood & Son Ltd	9,067.22		
BLP Training & Services P/L	200,607.00	200,607	
Bridge Toyota	3,931.00		
Bridgestone Earthmover Tyres	1,196.25	1,196	
Cape Northern Territory	4,010.32	2,659	
Castrol Australia Pty Limited	2,231.99	2,231	
CBC Australia Pty Ltd	2,282.24	2,282	
Centrogen Pty Ltd	2,930.40	2,930	
Chep Australia Ltd	532.08		
Chubb Fire Safety	366.30		
CMG Pty Ltd	187.00		
Coates Hire	15,803.46	10,158	
Coffey Mining Pty Ltd	7,841.90	7,841	
Coffey Natural Systems Pty Ltd	76,248.97	0.00	
Combined Communication Solutns	31,534.75	31,621	
Connell Wagner	21,187.50	21,187	
Cookes Tours	17,380.00	17,380	
Corrocoat	1,170.40		
Crescent PSS Pty Ltd	2,679.60	577	
CTE Pty Ltd	292.90		
Cytec Australia Holdings Pty Ltd	154,147.95	154,148	
D Jesser	10,164.00	10,164	
Darwin Electric Motor Rewinds Pty Ltd	8,850.27	24,250	



Darwin Newsagency Pty Ltd	66.73		
Darwin Plumbing Suppliers	-66.00		
Darwin Roofing & Scaffolding	15,900.00		
Dept Prim Ind Fish & Mines	231.44		
Donhad	182,206.75	182,206	
Doshour Pty Ltd	540.00		
Draeger Safety Pacific Pty Ltd	3,684.56	354	
Ecolab Water Care Services P/L	7,554.80	8,525	
Ellink Construction Pty Ltd	2,750.00	2,750	
Environ Geochemistry Int Pty Ltd	38,720.00	38,720	
Exact Mining Services	705,313.96		
Extra Group Pty Ltd	152,236.76	156,130	
Fenix Hydromet Australasia	124,363.46	179,782	
Fenner Dunlop -Conveyor Srvc	13,726.90	13,726	
Fin Bins	5,546.00	6,915	
Flowserve Flow Solutions	2,611.40	2,611	
FLSmidth Minerals Pty Ltd	6,249.87		
Force Rentals	15,351.00	15,351	
Ford, Simon (Mr)	339.19		
Fuchs Lubricants	16,331.70		
Fuji Xerox Australia Pty Ltd	6,196.53		
Geddes Parker & Partners P/L	753.50	753	
Geminex NT - Operations	1,722.85		
GFR Industries	225,343.32	225,343	
GHD	48,270.02		
Gilbarco Australia Pty Ltd	251.90	8,649	
GRD Minproc Ltd	90,310.28	103,877	
H2O Pty Ltd	478,500.00	521,910	
Hamburg Sud Australia Pty Ltd	825.00	825	
Hanson Construction Materials	2,781.64		
Hartac Sales & Distribution	5,214.00	5,214	
Higgie Mechanical Engineering	1,930.50	10,879	
Holmes Air Sciences (Pae Holmes)	0.00	1,875	
Hosepower (NT) Pty Ltd	3,419.90	3,498	
IFAP Trilogy	13,939.20	1,161	
Industrial Power Sweeping Services Pty	85,371.00	85,371	
Internode Systems Pty Ltd	314.85		
Ironbark (NT) Employment & Training	311,523.80	311,523	
ISA Group Pty Ltd	497.75	497	
J & A Robbins Plumbing	26,664.00	26,400	
Jotun Australia Pty Ltd	4,006.20	4,006	
Karen Hunnam	26.45		
Karridale Construction Pty Ltd	37,914.26	37,914	
Knight Piesold Pty Ltd	21,966.64	-	
Kokoda Industries	1,567.50		
KPMG Australia	18,700.00	18,700	
KSB Australia Pty Ltd	9,509.50		
Larox Filters	52,983.89	52,983	
Litchfield Springs Water	570.00		
Luxottica Retail Australia Pty Ltd	5,540.21		
Mak Industrial Water Solutions	106,635.21	41,675	



Media Monitors	440.83	440	
Medvet Science Pty Ltd	1,950.00		
Mercury Firesafety Pty Ltd	13,482.70	13,482	
Michels Warren Munday	7,216.00	8,860	
Micronised Mineral Solutions	0.00	-	
Middendorp Electric Co Pty Ltd	1,256.46	-	
Mine Maintenance & Construction	150,858.02	178,369	
MineMap Pty Ltd	20,509.87	20,509	
Mining Industry Resources P/L	7,733.00	7,733	
Mpa Williams & Associates	19,092.63	19,092	
Mr Test and Tag	2,371.60	2,371	
N & A Meats	874.20		
Network Packaging	593.65		
Norsign	739.26		
Northern Cement Limited	160,924.74	-	
Northern Fuel Distributors P/L	456.68		
NT Acrylic & Plastics Pty Ltd	3,322.00		
NT Controls & Automatic P/L	253,985.93	268,331	
NT Environment Labs	12,086.80	-	
NT Fasteners Pty Ltd	84.15	189	
NT Forklifts Pty Ltd	0.00		
NT Recycling Solutions	335.50	499	
OneSteel	3,202.70		
Optus Billing Service Pty Ltd	59.98		
Orica Australia Pty Ltd	1,353,426.60	837,630	
Ostojic Group Pty Ltd	2,626.90	2,626	
Outback Auto Electrics Pty Ltd	2,537.90		
Packard Goose Pty Ltd	24,387.50	24,387	
Palm Springs Distributors NT	73.50		
Papari Radiation Services	4,675.00		
Parmalat Australia Ltd	1,322.80	1,322	
Petty Cash - CMPL Oxide	585.64		
Pink Hygiene Solutions	3,174.11		
Power & Water Corporation - PWC	2,451.71		
PPM Solutions Pty Ltd	131,685.00	131,685	
Pressure Systems Pty Ltd	0.00	5,692	
Project Pumps Pty Ltd	8,465.07	8,465	
Protector Alsafe	2,859.43		
Quality Indoor Plants	113.90		
RANms Hyperbaric & Hydrostatic	264.00		
Rapid Metal Developments	4,740.81		
Raysea Marine	15,400.00	15,400	
RCR Energy Systems	5,764.00	7,194	
Regina's Cleaning Services	2,621.05	2,653	
Regional and Northern Maintenance Services P/L	0.00	1,023	
RENDETECH	9,110.20	9,110	
Resource Information Unit	148.00		
Rexel Electrical Supplies	343.20		
Rhino Industrial	5,345.80	5,345	
Rhonda Dunstall	55.95		
Richards Crane Hire Pty Ltd	877.80	877	
RK Pump & Maintenance Services	1,240.53		



Rowe Scientific	379.50	379	
Royal Wolf Trading Australia	1,985.86	1,836	
RS Gardening Care	2,684.00	6,327	
Rural & Remote Services	550.00		
Sage Automation	82,595.93	82,595	
SBA Distributors Pty Ltd	1,811.11	1,757	
Scope Systems	14,244.19	7,465	
Seneschal Security Group	534.05	534	
Shiny Bits	30,354.50		
Simply Containers Darwin	1,481.92	3,589	
Sitzler Pty Ltd	2,332.00	2,332	
SKF Bearing Supplies P/L	14,427.08		
SNF (Australia) Pty Ltd	32,521.50	32,521	
Southern Cross Science Pty Ltd	10,595.21	10,595	
Super City Concrete Cutting	5,016.00		
Supercrane Engineered Lifting	1,584.00		
Territory Instruments	35,845.70	35,845	
Territory Technology Solutions	2,039.99	5,007	
The Shell Company of Australia	0.00		
Thrifty (Australia) Pty Ltd	63,401.55		
TNT Express	4,217.39		
Toll North - B.O.P. 930707	13,983.90	12,043	
Top End Access Holdings Pty Ltd	37,752.95		
Top End Hire Services Pty Ltd	28,513.54		
Total Weld Sales & Service P/L	24,713.19	21,252	
Trade Tools Direct	14,734.70	14,734	
TransHose (NT)	5,752.77	5,752	
Transmin Pty Ltd	11,793.06	11,793	
TVC	10,297.10		
Tyco Flow Control	11,526.90	11,526	
Ultimate Positioning	1,994.30	2,016	
United Equipment	20,740.95	24,930	
URS Australia Pty Ltd	162,679.24	0	
Waco Kwikform Ltd	59,924.48	65,887	
Ward Keller Lawyers	7,037.80	7,037	
Waste Solutions Pty Ltd	308.00	308	
Waymar	25,954.50	25,954	
Wedderburn Scales	3,575.00	3,575	
Weir Minerals Australia Ltd	1,737.60		
Western Diagnostic Pathology	55.00		
Wilson Hire	16,912.50	17,462	
WL JETTNER	15,125.00	15,125	
Worksense	2,160.78	4,141	
Xstrata Technology	2,711.50		
<b>Subtotal</b>	<b>\$6,566,439</b>	<b>\$4,858,606</b>	



<b>Further claims being considered:</b>			
Exact Mining Services			5,764,201
Orica Australia Pty Ltd			6,201,679
Power and Water Corporation			5,250,379
Subtotal of further claims			<b>\$17,216,259</b>
<b>Estimate of Total Maximum Claims</b>			<b>\$22,074,865</b>

The sums "Recommended for Admission" referred to above are a guide only and should not be relied upon as an indication that particular claims will necessarily be admitted as final adjudication of the claims has not occurred.

FORM 529A

Paragraph 5.6.12(2)(a)

CORPORATIONS ACT 2001

**NOTICE OF SECOND 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 4 August 2009 at 8.00 am (WST).**
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 31st day of July 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 4 August
2009, or at any adjournment of that meeting.(3)

DATED this day of 2009.

Signature (4) of individual or person (5)
authorised by corporate resolution to
represent the corporation OR The Common Seal (6) of
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.