

31 May 2011

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

CIRCULAR TO MEMBERS AND CREDITORS

PERTH
Level 26 BankWest Tower
108 St George's Terrace
Perth WA 6000 Australia
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**ADELAIDE
BRISBANE
MELBOURNE
SYDNEY
JAKARTA
KUALA LUMPUR
SINGAPORE
TOKYO**

We refer to our appointment as Joint and Several Liquidators of the above company on 30 April 2009 and now enclose:

1. Brief report on the current position of the liquidation including a summary of my receipts and payment to date;
2. Notice of Annual meetings of the company's members and creditors;
3. Formal Proof of Debt (for creditors who have not proven their debt); and
4. Form of proxy.
5. Notice of intention to declare a fourth dividend.

Affiliated through
Zolfo Cooper
United States
United Kingdom
Caribbean
and
KLC Kennic Lui & Co
Hong Kong
China

Should you have any queries in relation to this matter, please do not hesitate to contact me, or in my absence, either Charlotte Linfoot or Sandra Gauci of this office.



Martin Jones
Joint and Several Liquidator of
Compass Mining Pty Limited

Encl.

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

LIQUIDATORS' REPORT TO CREDITORS

PURSUANT TO SECTION 508 OF THE CORPORATIONS ACT 2001

A. CURRENT POSITION

We refer to our report to creditors dated 18 June 2010 and the reports issued to the Committee of Inspection dated 1 October 2010 and 17 December 2010 which contain further detail in respect to some of the issues addressed in this report at a high level. The earlier reports are available from the website www.ferrierhogson.com.

Update, Arbitration and Proposed Amendment to the (existing) CMR Revised DOCA

The Arbitration proceedings were commenced in order to attempt to satisfy certain conditions precedent (CPs) under YA Global's Amended DOCA which contemplated that even if YA could not reach the agreement with HAR as to the way forward under the JVs, depending on the outcome of the Arbitration, YA may be prepared to proceed to Completion under the Amended DOCA.

On 26 November 2010, the Arbitrator made final orders in the Arbitration which addressed the issues as follows:

1. In essence, if Completion occurred under the YA DOCA, subject to the issue discussed at 2. below, CMR's existing Events of Default (and those arising out of Completion) would be remedied, with the consequence that CMR would be a full voting member of the JVs; and
2. Because all of the relevant events for the purposes of Completion have not occurred, the issue of whether the Receivers must be retired by HAR at Completion is not one in relation to which the Arbitrator was prepared to make final orders. That said, CMR was satisfied with the guidance provided by the Arbitrator to the parties, as to the issues that needed to be considered by the Receivers and HAR, in maintaining the appointment of the Receivers, in the event that Completion occurred.

The Arbitration outcome also determined the quantum of the unpaid Cash Calls, interest and other charges necessary to remedy the Events of Default.

In the intervening period, negotiations were held between YA, HAR and HNC in respect to the Arbitration matter and more specifically the way forward under the JVs and the YA Revised DOCA proposal was approved by resolution of CMR creditors on 23 December 2010 to reflect the outcome of those negotiations and to facilitate further time to satisfy the remaining CPs. In addition to JV documentation amendments and revised CP deadlines, the Revised DOCA provided for a Funding Agreement pursuant to which YA would loan funds to CMR in respect to costs incurred which exceed those costs that would be incurred in a Liquidation scenario.

The Revised DOCA approved by CMR creditors on 23 December 2010, provided YA until 23 March 2011 to satisfy or waive all CPs and to complete. YA experienced a number of delays in finalising its legal documentation with HAR to effect variations to the operation of the JVs between CMR and HAR – the implementation of such changes to occur after the DOCA completes. Accordingly, the CMR Deed Administrators extended the DOCA period on two further occasions taking same to 21 June 2011, being the last available day to complete under the (existing) Revised DOCA.

Having regard to the abovementioned delays and the fact that the JV documentation is now settled, YA now seeks to further amend the DOCA (finalised proposal pending) by extending the end date for completion and in the event that the reconstruction of CMR is not approved by CMR shareholders, an alternate mechanism will provide for CMR's assets to be sold to a YA nominated entity on terms which provide a comparable result for CMPL and CMR creditors to that anticipated by the current DOCA. Accordingly, subject to a report to be issued in due course by the CMR Deed Administrators, the Further Revised DOCA proposal is expected to take the total return to CMPL creditors above 90 cents in the dollar. The Deed Administrators Report in respect to YA's Further Revised DOCA proposal will be available for creditors' consideration from our website www.ferrierhogson.com on or before 13 June 2011.

Oxide Creditors' Claims

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 of 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 21 June 2011 and/or submit a proxy form in relation to their views of the various agenda items. 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 the meeting as observers only.

The issue as to whether CMR has a claim against CMPL in relation to the claim admitted against CMR in favour of Orica Australia Pty Ltd (Orica), remains, subject to the future of the YA DOCA, to be resolved. In the situation that CMR passes into liquidation it is likely that CMR will claim against CMPL for the amount of the admitted Orica claim, resulting in a dilution in the return which would otherwise be available to the general CMPL Oxide creditor pool.

B. DIVIDEND TO CREDITORS

CMPL Oxide creditors received the benefit of a third dividend at 20 cents in the dollar, paid on 29 December 2010. The total amount distributed to Oxide creditors is now 40 cents in the dollar.

Having regard to the funds currently available, we consider that we are in the position to initiate a fourth 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 third dividend was made in December 2010.

Any creditor who is yet to formally submit a claim against CMPL, is required to do so on or before Wednesday 22 June 2011 otherwise they will be excluded from the benefit of the dividend payable on or before 6 July 2011. In this regard, we enclose Form 546 for creditors that have not yet submitted the form.

Future dividend rates and timing depends upon a number of factors including completion of the CMR DOCA and the costs associated with finalising the adjudication of FPODs.

C. RECEIPTS AND PAYMENTS

Set out below is a summary of receipts and payments in the liquidation from 30 April 2010 to 29 April 2011:

	AUD
RECEIPTS	
Bank Interest	50,526
GST received	41,266
Total Receipts	91,792
PAYMENTS	
Dividend to Oxide creditors	(955,478)
Distributed funds from Sulphide account	(228,758)
Liquidator Fees	(67,000)
Legal Fees	(45,293)
Repairs and maintenance	(14,850)
Liquidator Disbursements	(2,934)
Bank Charges	(596)
Advertising	(545)
Total Payments	(1,315,452)
Net Trading Receipts and Payments	(1,223,661)
Cash at Bank at 30 April 2010	2,330,166
Add: Net Cash Movement	(1,223,660)
Cash at Bank at 15 May 2011	1,106,506

Creditors are advised pursuant to Section 539(5) of the Act that the Liquidator's account of receipts and payments can be inspected at the offices of Ferrier Hodgson,

Level 26 BankWest Tower, 108 St Georges Terrace, PERTH WA 6000, during business hours.

D. LIQUIDATORS' REMUNERATION

Enclosed is a copy of the Remuneration Report detailing the tasks undertaken by the Liquidator during the period 1 July 2010 to 15 May 2011. Should you require any further detail in respect to the remuneration report, you are invited to request same from our office.

E. MEETING OF CREDITORS AND MEMBERS

A meeting has been convened for **Monday 20 June 2011 at the Peninsula room at Holiday Inn Esplanade, 116 The Esplanade Darwin, NT 0800 at 9.30am (CST).**

Teleconference facilities are available for the meeting - limits apply and cost of dial in is at the creditor's expense. Details are available upon request from the liquidators' office.

The Proxy form should be lodged with this office before the meeting and, in any event, no later than **4:00pm Friday, 17 June 2011**. Forms can be sent by facsimile on (08) 9214 1400 marked to the attention of Sandra Gauci or scanned and emailed to sandra.gauci@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 copy.

F. THE FUTURE

The anticipated amendments to the current CMR DOCA are expected to clear the way to the recapitalisation of CMR. Accordingly, beyond the distribution intended to be declared on 6 July 2011, indications are that a final dividend will be payable to CMPL creditors before the end of the calendar year. The CMR Deed Administrators' report to creditors will be made available from the Ferrier Hodgson website in due course. Likewise the outcome of the CMR creditor meeting (expected) to be convened for 21 June 2011 will also be communicated via the website.

Should you require any further information concerning the contents of this report or the Liquidation in general, please contact either Charlotte Linfoot or Sandra Gauci of this office.

DATED this 31st day of May 2011.



Martin Jones
Joint and Several Liquidator of
Compass Mining Pty Limited

NOTICE OF ANNUAL MEETINGS

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

NOTICE IS GIVEN that concurrent annual meetings of the company's members and creditors will be held at **9:30 am (CST) on Monday 20 June 2011 in the Peninsula room at Holiday Inn Esplanade, 116 The Esplanade Darwin, NT 0800.**

AGENDA

1. To receive an account of the Liquidators' acts and dealings and the conduct of the winding up over the past year;
2. To approve the Liquidators' receipts and payments; and
3. Any other business that may lawfully be brought.

Proxies to be used at the meeting should be lodged at the office of the Joint and Several Liquidators by 4.00pm on Friday, 17 June 2011. A corporate creditor can only be represented by proxy or by an attorney pursuant to corporations Regulations 5.6.28 and 5.6.31A or if a body corporate by a representative appointed pursuant to Section 250D.

Teleconference facilities are available for the meeting - limits apply and cost of dial in is at the creditor's expense. Details are available upon request from the administrators' office.

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 with the Joint and Several Liquidators.

DATED this 31st day of May 2011.



Martin Jones
Joint and Several Liquidator of
Compass Mining Pty Limited

Ferrier Hodgson
Level 26 BankWest Tower
108 St Georges Terrace
PERTH WA 6000

Telephone: (08) 9214 1444

FORM 535
CORPORATIONS ACT 2001

Subregulation 5.6.49(2)

FORMAL PROOF OF DEBT OR CLAIM (GENERAL FORM)
ACN 099 550 259

To the Joint and Several Liquidators of Compass Mining Pty Limited (In Liquidation)

1. This is to state that the company was, on 29 January 2009 ⁽¹⁾ and still is, justly and truly indebted to ⁽²⁾
- for
..... dollars and..... cents.

Particulars of the debt are:

Date	Consideration ⁽³⁾	Amount \$	GST included \$	Remarks ⁽⁴⁾

2. To my knowledge or belief the creditor has not, nor has any person by the creditor's order, had or received any manner of satisfaction or security for the sum or any part of it except for the following:⁽⁵⁾
- 3.^{(6)*} I am employed by the creditor and authorised in writing by the creditor to make this statement. I know that the debt was incurred for the consideration stated and that the debt, to the best of my knowledge and belief, still remains unpaid and unsatisfied.
- 3.^{(6)*} I am the creditor's agent authorised in writing to make this statement in writing. I know that the debt was incurred and for the consideration stated and that the debt, to the best of my knowledge and belief, still remains unpaid and unsatisfied.

DATED this day of 2011

Signature of Signatory.....

NAME IN BLOCK LETTERS.....

Occupation

Address.....

See Directions overleaf for the completion of this form

OFFICE USE ONLY

POD No:		ADMIT - Ordinary	\$
Date Received:	/ /	ADMIT - Preferential	\$
Entered into IPS/Computer:		Reject	\$
Amount per RATA	\$	H/Over for Consideration	\$
PREP BY/AUTHORISED		TOTAL PROOF	\$
DATE AUTHORISED	/ /		

Directions

- * Strike out whichever is inapplicable.
- (1) Insert date of Court Order in winding up by the Court, or date of resolution to wind up, if a voluntary winding up.
- (2) Insert full name and address (including ABN) of the creditor and, if applicable, the creditor's partners. If prepared by an employee or agent of the creditor, also insert a description of the occupation of the creditor.
- (3) Under "Consideration" state how the debt arose, for example "goods sold and delivered to the company between the dates of", "moneys advanced in respect of the Bill of Exchange".
- (4) Under "Remarks" include details of vouchers substantiating payment.
- (5) Insert particulars of all securities held. Where the securities are on the property of the company, assess the value of those securities. If any bills or other negotiable securities are held, specify them in a schedule in the following form:

Date Due	Drawer	Acceptor	Amount	Date
		\$	¢	

- (6) If proof is made by the creditor personally, strike the two (2) paragraphs numbered 3.

Annexures

- A. If space provided for a particular purpose in a form is insufficient to contain all the required information in relation to a particular item, the information must be set out in an annexure.
- B. An annexure to a form must:
 - (a) have an identifying mark;
 - (b) and be endorsed with the words:

"This is the annexure of (insert number of pages) pages marked (insert an identifying mark) referred to in the (insert description of form) signed by me/us and dated (insert date of signing); and
 - (c) be signed by each person signing the form to which the document is annexed.
- C. The pages in an annexure must be numbered consecutively.
- D. If a form has a document annexed the following particulars of the annexure must be written on the form:
 - (a) the identifying mark; and
 - (b) the number of pages.
- E. A reference to an annexure includes a document that is with a form.

CORPORATIONS ACT 2001
APPOINTMENT OF PROXY FOR ANNUAL MEETINGS

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

*I/*We (1).....
of
a creditor of Compass Mining Pty Ltd, appoint (2)
or in his absence
as *my/our *general/special proxy to vote at the Annual meetings of members and creditors
to be held on 20 June 2011 or at any adjournment of that meeting.(3)

DATED this day of 2011.

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 2011.

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.

**FORM 546
CORPORATIONS ACT 2001**

Subregulation 5.6.65(1)

**COMPASS MINING PTY LTD
(IN LIQUIDATION) (THE COMPANY)
ACN 099 550 259**

NOTICE OF INTENTION TO DECLARE A FOURTH DIVIDEND

A fourth dividend is to be declared on or before 6 July 2011 for the company.

Creditors whose debts or claims have not already been admitted are required on or before 22 June 2011 to formally prove their debts or claims. If they do not they will be excluded from the benefit of the dividend.

DATED this 31st day of May 2011



Martin Jones
Joint and Several Liquidator of
Compass Mining Pty Ltd

Ferrier Hodgson
Level 26, BankWest Tower
108 St George's Terrace
Perth WA 6000

CORPORATIONS ACT 2001

Section 499(3)(b)

**Compass Mining Pty Limited
ACN 099 550 259
(In Liquidation)**

REMUNERATION REPORT

The Liquidators' Remuneration Report, prepared pursuant to Section 499(3)(b) of the Corporations Act 2001, takes the following format.

Part A

- A1 Schedule of hourly rates and general guide to staff experience for Ferrier Hodgson Perth
- A2 Tasks undertaken by the Perth Liquidators and remuneration calculation for the period 1 July 2010 to 15 May 2011

Part B

- B1 Liquidators' disbursements
- B2 Other creditor information on remuneration

PART A

**A1 FERRIER HODGSON PERTH
SCHEDULE OF HOURLY RATES & GENERAL GUIDE TO STAFF EXPERIENCE**

Title	Rate (\$)	Experience
Partner/Principal/Appointee	540	The Partner/Appointee is a registered liquidator and member of the ICAA and IPAA bringing specialist skills to the administration or insolvency task. For specific experience and other details of the appointee/s, please visit our website at www.ferrierhodgson.com
Senior Manager	400	Generally, more than 7 years experience with at least 2 years as a Manager. University degree; member of the ICAA and IPAA; very strong knowledge of relevant insolvency legislation and issues.
Manager	335	Generally, 5-7 years chartered accounting or insolvency management experience. University degree; member of the ICAA and IPAA; sound knowledge of relevant insolvency legislation and issues.
Supervisor	295	Generally, 4-6 years chartered accounting or insolvency management experience. University degree; member of the ICAA; completing IPAA Insolvency Education Program. Good knowledge of relevant insolvency legislation and issues.
Senior 1	265	Generally, 2-4 years chartered accounting or insolvency management experience. University degree; completing the ICAA's CA, program. Good knowledge of basic insolvency legislation and issues.
Senior 2	235	Generally, 2-3 years chartered accounting or insolvency management experience. University degree, ICAA's CA program commenced.
Intermediate 1	190	0 to 2 years experience. Has completed or substantially completed a degree in finance/accounting. Under supervision, takes direction from senior staff in completing administrative tasks.
Intermediate 2	160	0 – 1 year's experience. Undertaking a degree part-time in finance/accounting. Under supervision, takes direction from senior staff in completing more complex administrative tasks.
Senior Secretary	155	Appropriate skills including machine usage.
Clerk	135	Generally non qualified administrative assistant. Classification depends on experience, salary and complexity of work to be completed.
Office Assistant	135	Completed schooling and plans to undertake further studies. Required to assist in administration and day to day field work under the supervision of more senior staff.

Notes:

1. The hourly rates are exclusive of GST.
2. The guide to staff experience is intended only as a general guide to the qualifications and experience of our staff engaged in the administration. Staff may be engaged under a classification that we consider appropriate for their experience.
3. Time is recorded and charged in six-minute increments.
4. Rates are subject to change from time to time.

A2. Tasks undertaken by the Liquidators and remuneration calculation for the period 1 July 2010 to 15 May 2011.

Task Area	General Description	Includes
Assets 3.4 Hours \$1,333.00	Leasing	<ul style="list-style-type: none"> ▪ Reviewing leasing documents ▪ Liaising with owners/lessors ▪ Tasks associated with disclaiming leases
	Plant and equipment	<ul style="list-style-type: none"> ▪ Liaising with valuers, auctioneers and interested parties ▪ Reviewing asset listings
	Assets subject to specific charges	<ul style="list-style-type: none"> ▪ All tasks associated with realising a charged asset
	Other assets	<ul style="list-style-type: none"> ▪ Tasks associated with realising other assets
Creditors 76.7 Hours \$21,348.00	Creditor Enquiries	<ul style="list-style-type: none"> ▪ Receive and follow up creditor enquiries via telephone and email ▪ Maintaining creditor enquiry register ▪ Review and prepare correspondence to creditors and their representatives via facsimile, email and post ▪ Correspondence with committee of creditors members
	Creditor reports/circulars	<ul style="list-style-type: none"> ▪ Circular to creditors
	Dealing with proofs of debt	<ul style="list-style-type: none"> ▪ Receipting and filing POD's when not related to a dividend ▪ Corresponding with OSR and ATO regarding POD's when not related to a dividend
Dividend 14.8 Hours \$4,291.00	Dividend procedures	<ul style="list-style-type: none"> ▪ Preparation of correspondence to creditors advising of intention to declare dividend ▪ Preparation of dividend calculation ▪ Preparation of correspondence to creditors announcing declaration of dividend ▪ Advertise announcement of dividend ▪ Preparation of distribution ▪ Preparation of dividend file ▪ Preparation of payment vouchers to pay dividend ▪ Preparation of correspondence to creditors enclosing payment of dividend
Trade On 4.8 Hours \$941.50	Processing receipts and payments	<ul style="list-style-type: none"> ▪ Entering receipt and payments into accounting system
Administration 70.0 Hours \$15,764.50	Correspondence	<ul style="list-style-type: none"> ▪ General correspondence
	Document maintenance/file review/checklist	<ul style="list-style-type: none"> ▪ Filing of documents ▪ Updating checklists
	Bank account administration	<ul style="list-style-type: none"> ▪ Preparing correspondence opening and closing accounts ▪ Requesting bank statements ▪ Bank account reconciliations ▪ Correspondence with bank regarding specific transfers
	ASIC Form 524 and other forms	<ul style="list-style-type: none"> ▪ Preparing and lodging ASIC forms including 505, 911 etc ▪ Correspondence with ASIC regarding statutory forms
	ATO & other statutory reporting	<ul style="list-style-type: none"> ▪ Reporting to the ATO
	Planning / Review	<ul style="list-style-type: none"> ▪ Discussions regarding status/strategy of administration



A2 (cont) Tasks undertaken by the Liquidators and remuneration calculation for the period 1 July 2010 to 15 May 2011.

Employee	Position	Avg Rate	Total		Assets		Creditors		Dividend		Trade On		Administration	
			Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$
Martin Jones	Partner	540	1.9	1,026.00	-	-	-	-	-	-	-	-	1.9	1,026.00
Sean Powell	Senior Manager	400	0.3	120.00	-	-	-	-	-	-	0.3	120.00	-	-
Malcolm Field	Senior Manager	399	29.7	11,848.00	3.2	1,280.00	19.4	7,732.00	3.2	1,280.00	-	-	3.9	1,556.00
Sandra Gauci	Senior 1	259	89.2	23,137.50	0.2	53.00	45.2	11,689.50	11.0	2,915.00	1.0	265.00	31.8	8,215.00
Lauren McCann	Senior 2	234	0.8	187.00	-	-	-	-	-	-	-	-	0.8	187.00
Sam Wilson	Intermediate 1	185	1.5	278.00	-	-	-	-	-	-	-	-	1.5	278.00
Alex Godfrey	Intermediate 2	160	5.6	896.00	-	-	2.4	384.00	0.6	96.00	1.5	240.00	1.1	176.00
Charlie Linfoot	Intermediate 2	159	26.6	4,234.00	-	-	9.7	1,542.50	-	-	2.0	316.50	14.9	2,375.00
Jacinta McDermott	Secretary	155	0.1	15.50	-	-	-	-	-	-	-	-	0.1	15.50
Jacqui Westwood	Secretary	155	3.3	510.50	-	-	-	-	-	-	-	-	3.3	510.50
Evelyn Gray	Clerk	135	0.6	81.00	-	-	-	-	-	-	-	-	0.6	81.00
Bec Tolotti	Clerk	135	2.0	270.00	-	-	-	-	-	-	-	-	2.0	270.00
Dorothy Radisich	Clerk	134	3.7	496.50	-	-	-	-	-	-	-	-	3.7	496.50
Kate Martin	Clerk	134	2.7	362.50	-	-	-	-	-	-	-	-	2.7	362.50
Melissa Ross	Clerk	130	0.1	13.00	-	-	-	-	-	-	-	-	0.1	13.00
Carla Clayton	Clerk	127	1.6	202.50	-	-	-	-	-	-	-	-	1.6	202.50
TOTAL			169.7	43,678.00	3.4	1,333.00	76.7	21,348.00	14.8	4,291.00	4.8	941.50	70.0	15,764.50

PART B

B1 Liquidators Disbursements

Disbursements are divided into three types **D1**, **D2** and **D3**.

- D1 Disbursements are all externally provided professional services and are recovered at cost. An example of a D1 disbursement is legal fees.
- D2 Disbursements are externally provided non professional costs such as travel, accommodation and search fees. D2 disbursements are recovered at cost.
- D3 Disbursements are internally provided non professional costs such as photocopying and document storage. D3 disbursements are charged at cost except for photocopying, printing and telephone calls which are charged at a rate which is intended to recoup both variable and fixed costs. The relevant rates are set out below.

Disbursements	Charges (Excluding GST)
Postage	At cost
Telephone	At cost
Photocopying	35 cents per copy
Facsimile	\$1.00 per page
File Set Up	At cost
Advertising	At cost
Storage – Per Box	At cost
Storage – Per File	At cost
Couriers	At cost

I note that creditor approval for the payment of disbursements is not required. However, the Liquidators must account to creditors. Accordingly, this will be addressed in future correspondences to creditors. Creditors have the right to question the incurring of disbursements and can challenge disbursements in court.

- D4 Disbursements incurred for the period 30 April 2009 to 31 May 2011 are tabled below:

Disbursements	(\$)
Courier	159.25
Photocopying and Printing	4,646.81
Postage	1,093.60
Sundry Costs	1,990.08
Telephone and Fax	638.43
Travelling Costs	153.40
Total	\$8,681.57

B2 Other creditor information on remuneration

The partners of Ferrier Hodgson Western Australia are members of the Insolvency Practitioners Association of Australia and follow the IPA Code of Professional Practice. A copy of the Code of Professional Practice may be found on the IPA website at www.ipaa.com.au

An information sheet concerning approval of remuneration in external administrations can also be obtained from the IPA website.

Remuneration Declaration

In accordance with chapter 23 of the IPA Code of Professional Practice, it is a requirement for all remuneration reports to include a declaration by the Practitioner stating he/she has reviewed the remuneration claim and it is necessary and proper for the conduct of the Administration.

We, Martin Jones, Steve Sherman and Darren Weaver of Ferrier Hodgson have undertaken a proper assessment of this remuneration claim for my appointment as Liquidator of Compass Mining Pty Ltd (In Liquidation) in accordance with the law and applicable professional standards. I am satisfied that the remuneration claimed is in respect of necessary work, properly performed in the conduct of the Liquidation.

Queries regarding remuneration should be directed to Charlotte Linfoot of this office.

Dated the 1st day of June 2011.

A handwritten signature in black ink, appearing to read 'Martin Jones', with a large, stylized loop at the end.

Martin Jones
Joint and Several Liquidator of
Compass Mining Pty Limited