

MINUTES OF THE FIFTH MEETING OF THE COMMITTEE OF INSPECTION OF COMPASS MINING PTY LIMITED ACN 099 550 259 (IN LIQUIDATION) ("CMPL") HELD AT 12:00PM (WST) ON 5 OCTOBER 2010 AT THE OFFICES OF FERRIER HODGSON, LEVEL 26, 108 ST GEORGE'S TERRACE, PERTH WA AND BY TELEPHONE.

PRESENT

Sarah Lunn*	NT Controls and Automation P/L
Emma Eccles*	Ironbark Employment

*Present by telephone

Malcolm Field	Chairman of the Meeting
Sandra Gauci	Ferrier Hodgson

APOLOGIES

Tom Harris	H2O Pty Ltd
Kelvin Costello	Ironbark Employment
Martin Jones	Ferrier Hodgson

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 12.00 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 1 October 2010, the notice having been emailed to the Committee members on 1 October 2010 and a report emailed to the Committee members on 1 October 2010.

The following resolution was sought: **“That notice of meeting be taken as read”**

Moved: Sarah Lunn

The motion was carried on the voices.

ATTENDANCE REGISTER

The Chairman noted all attendees were recognised representatives of the creditors for the purposes of the meeting.

APOLOGIES

The Chairman advised that an apology had been received from Tom Harris representing H2O Pty Ltd, Kelvin Costello representing Ironbark Employment and Martin Jones one of the Joint and Several Liquidators of CMPL.

QUORUM

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

CONFIDENTIALITY OF COMMITTEE MEETINGS AND CONFLICTS OF INTEREST

The Chairman advised that he did not anticipate any confidential material being made available to the Committee today and that the Report would be lodged at ASIC in conjunction with a copy of the minutes of meeting.

REPORT TO THE COMMITTEE

The Chairman tabled the Deed Administrators' report dated 1 October 2010 (a copy of which is attached to the minutes) and gave an overview of the report areas:

1. Arbitration outcome
2. Status of the Oxide JV operations
3. YA Global's Due Diligence Update
4. Future dividend distributions

ARBITRATION OUTCOME

The Chairman confirmed that the outcome of the Arbitration matter between CMR and HNC (Australia) Resources Pty Ltd (“HAR”) was delivered via a 40+ page Interim Award on 17 September 2010. As the Interim Award does not make reference to enforceable orders, the Chairman advised that both CMR and HAR legal representatives were now in the process of presenting their differing views to the Arbitrator as to the appropriate content of the orders.

The Chairman further advised that the particulars to the Interim Award remain confidential at this time and it is still unclear as to when the outcome will be publicly available.

STATUS OF THE OXIDE JV OPERATIONS

On 29 September 2010 HAR hosted a JV Committee meeting in Hong Kong. The Chairman advised of HAR's intention to place the Oxide plant onto a more limited care and maintenance plan which provides only for minimum expenditure and deferral of the remedial works. HAR issued a public announcement in respect to same on 4 October 2010, which will be mirrored by a CMR ASX announcement on 5 October 2010.

The Chairman advised that the benefits in extending the care and maintenance plan is that it allows for further technical work to be conducted on the most effective strategy to ensure the viability of the project.

YA GLOBALS DUE DILIGENCE UPDATE

The Chairman confirmed despite the various setbacks, YA had expressed its commitment to completing under the DOCA and requested an extension of the DOCA which was otherwise due to end on 4 October 2010, being 90 days after the meeting of creditors accepted the Amended Varied DOCA Proposal. As there are significant costs borne by CMR in assisting YA complete various CPs, the Deed Administrators considered it appropriate to exercise their discretion under the terms of the DOCA to provide an extension to 1 November 2010 with scope for further extensions.

FUTURE DIVIDEND DISTRIBUTIONS

The Chairman advised that due to a number of expected delays a distribution would not be available to CMPL Oxide creditors until February 2011, assuming the current DOCA completes by 1 January 2011, the last day for completion under the terms of the current DOCA in the event that a further extension/s is/are appropriate.

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 12.10pm.

A handwritten signature in black ink, appearing to read "M. Field". The signature is written in a cursive, flowing style.

**MALCOLM FIELD
CHAIRMAN**

MBJ:SG:D4
S Gauci

1 October 2010

REPORT TO THE MEMBERS OF THE COMMITTEE OF INSPECTION

Dear Sir/Madam

**Compass Mining Pty Limited
(In Liquidation) (CMPL)
ACN 099 550 259****Liquidators' Progress Report**

We refer to the above matter, our previous Report to the Committee dated 29 March 2010, the meeting of the Committee on 6 April 2010 and to our Report to Creditors dated 18 June 2010.

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

- 1. Arbitration outcome**
- 2. Status of the Oxide JV operations**
- 3. YA Global's due diligence update**
- 4. Future dividend distributions**
- 5. Meeting of the CMPL Committee**

1. Arbitration outcome

Further to our recent email update to you, the outcome of the Arbitration matter between CMR and HNC (Australia) Resources Pty Ltd ("HAR") was delivered via an Interim Award on 17 September 2010. As the Interim Award does not make reference to enforceable orders, CMR and HAR legal representatives are now in the process of presenting their differing views to the Arbitrator as to the appropriate content of the orders which we expect (once settled) will be publicly available.

The particulars to the Interim Award remain confidential at this time and it is unclear as to when the outcome will be publicly available, though consent was obtained for provision of the Interim Award to YA Global ("YA") given its immediate interest in same. We will provide the Committee with further details pertaining to the outcome as soon as we are able.

2. Status of the Oxide JV operations

On 29 September 2010 HAR hosted a JV Committee meeting in Hong Kong. HAR indicated its intention to place the Oxide plant onto a more limited care and maintenance plan, providing for only minimum expenditure and deferral of the remedial works.

ADELAIDE
BRISBANE
NEWCASTLE
MELBOURNE
SYDNEY
HONG KONG
JAKARTA
KUALA LUMPUR
MANILA
MUMBAI
SHANGHAI
SINGAPORE
TOKYOAffiliated through
Zolfo Cooper
and
Kroll Worldwide
UNITED STATES
UNITED KINGDOM



The benefit from an extended care and maintenance plan is to allow further technical work to be conducted on the most effective strategy to ensure the viability of the project.

3. YA Global's due diligence update

The CMR Deed Administrators have continued to track YA's progress toward clearing the Conditions Precedent (CPs) to the YA DOCA proposal by weekly telephone conferences with CMR management and the relevant YA representatives.

YA have experienced various delays including the determination of the arbitration which has prevented it from satisfying a number of the CPs.

Despite the various setbacks YA has expressed its commitment to completing under the DOCA and requested an extension of the DOCA which was otherwise due to end on 4 October 2010, being 90 days after the meeting of creditors accepted the Amended Varied DOCA Proposal. As there are significant costs borne by CMR in assisting YA complete various CPs, the Deed Administrators provided a limited extension to 1 November 2010 with scope for further extensions.

4. Dividends to Oxide Creditors

As noted above there have been a number of unexpected delays in YA clearing various CPs to its DOCA proposal. Accordingly, we do not anticipate a further CMPL Oxide dividend distribution will be available until February 2011, assuming the current DOCA completes by 1 January 2011, the last day for completion under the terms of the current DOCA in the event that a further extension/s is/are appropriate.

5. Meeting of the CMPL Committee

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

We look forward to discussing the issues with you by telephone on **5 October 2010 at 1.30 pm CST NT**. 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, Malcolm Field (08 9214 1441 or 0401 302 923) or Sandra Gauci (08 9214 1413) of this office.

Martin Jones
Joint and Several Liquidator of
Compass Mining Pty Limited
Encl.

FORM 529A

Paragraph 5.6.12(2)(a)

CORPORATIONS ACT 2001

**NOTICE OF SIXTH 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 October 2010 at 12.00 pm WST (being 1.30 pm CST NT).**
2. The purpose of the meeting is to:
 - Receive an update/report from the Liquidator; and
 - Discuss any other business.

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 1st day of October 2010.



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 5 October
2010, or at any adjournment of that meeting.(3)

DATED this day of 2010.

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 2010.

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.