

CORPORATIONS ACT 2001

Section 449E

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

REMUNERATION REPORT

The Liquidators' Remuneration Report, prepared pursuant to Section 449E 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 30 April 2009 to 30 June 2010

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	390	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	325	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	285	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	255	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	230	Generally, 2-3 years chartered accounting or insolvency management experience. University degree, ICAA's CA program commenced.
Intermediate 1	185	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	155	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	150	Appropriate skills including machine usage.
Clerk	130	Generally non qualified administrative assistant. Classification depends on experience, salary and complexity of work to be completed.
Office Assistant	130	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 30 April 2009 to 30 June 2010.

Assets 13 Hours \$3,131.00	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 464.70 Hours \$138,443.00	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
	Retention of Title Claims	<ul style="list-style-type: none"> ▪ Receive initial notification of creditor's intention to claim ▪ Provision of retention of title claim form to creditor ▪ Receive completed retention of title claim form ▪ Maintain retention of title file ▪ Adjudicate retention of title claim ▪ Forward correspondence to claimant notifying outcome of adjudication ▪ General correspondence with claimant
	Creditor reports/circulars	<ul style="list-style-type: none"> ▪ Initial circular to creditors ▪ Creditors report pursuant to section 439A of the Act
	Dealing with proofs of debt	<ul style="list-style-type: none"> ▪ Receipting and filing POD's when not related to a dividend ▪ Adjudicating POD's
	Meeting of Creditors	<ul style="list-style-type: none"> ▪ Preparation meeting notices, proxies and advertisements ▪ Forward notice of meeting to all known creditors ▪ Preparation of meeting file, including agenda, certificate of postage, attendance register, list of creditors, reports to creditors, advertisement of meeting and draft minutes of meeting. ▪ Preparation and lodgement minutes of meetings with ASIC ▪ Respond to stakeholder queries and questions immediately following meeting
	Creditor enquires	<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 ▪ Responding to any creditor legal action

Employees 6.80 Hours \$1,132.00	Employee enquiries	<ul style="list-style-type: none"> ▪ Receive and follow up employee enquiries via telephone ▪ Review and prepare correspondence to employees and their representatives via facsimile, email and post
	Calculation of entitlements	<ul style="list-style-type: none"> ▪ Calculating employee entitlements ▪ Reviewing employee files and company's books and records
Trade On 39.90 Hours \$8,034.50	Processing receipts and payments	<ul style="list-style-type: none"> ▪ Entering receipt and payments into accounting system
Investigation 6.90 Hours \$2,255.00	Conducting investigation	<ul style="list-style-type: none"> ▪ Collection of company books and records ▪ Reviewing company's books and records and draft Statement about the company's business, property, affairs and financial circumstances ▪ Review and preparation of company nature and history ▪ Conducting and summarising statutory searches ▪ Preparation of comparative financial statements ▪ Preparation of deficiency statement
	ASIC reporting	<ul style="list-style-type: none"> ▪ Preparing statutory investigation reports ▪ Preparing affidavits seeking non lodgements assistance ▪ Liaising with ASIC
Administration 156.70 Hours \$32,391.18	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
	Insurance	<ul style="list-style-type: none"> ▪ Identification of potential issues requiring attention of insurance specialists ▪ Correspondence with Willis regarding initial and ongoing insurance requirements ▪ Reviewing insurance policies ▪ Correspondence with previous brokers
	Bank account administration	<ul style="list-style-type: none"> ▪ 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"> ▪ Corresponding with ATO and other statutory bodies



A2 (cont) Tasks undertaken by the Liquidators and remuneration calculation for the period 30 April 2010 to 30 June 2010

Employee	Position	Avg Rate \$	Total		Assets		Creditors		Dividend		Trade On		Investigations		Employees		Administration	
			Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$
Martin Jones	Partner	530	7.0	3,712.00	-	-	2.7	1,390.00	0.4	216.00	-	-	-	-	-	-	3.9	2,106.00
Darren Weaver	Partner	527	0.3	158.00	0.1	54.00	0.1	54.00	-	-	-	-	-	-	-	-	0.1	50.00
Sean Powell	Senior Manager	390	0.2	78.00	-	-	0.2	78.00	-	-	-	-	-	-	-	-	0.0	-
Malcolm Field	Senior Manager	378	249.7	94,324.02	4.0	1,392.00	229.0	6,542.00	3.5	1,349.00	3.4	1,326.00	3.4	1,310.00	-	-	6.4	2,405.02
Kieran Chu	Supervisor	280	4.7	1,317.00	-	-	3.2	903.00	-	-	-	-	-	-	0.2	48.00	1.3	366.00
Ben Johnson	Manager	270	28.5	7,682.50	1.4	378.00	8.2	2,214.00	-	-	5.6	1,512.00	3.5	945.00	-	-	9.8	2,633.50
Derek Kier	Senior 2	230	0.2	46.00	-	-	-	-	-	-	-	-	-	-	-	-	0.2	46.00
Sandra Gauci	Senior 2	230	223.3	51,428.00	-	-	151.4	34,891.00	47.2	10,856.00	0.5	115.00	-	-	0.2	46.00	24.0	5,520.00
Shannon Coleman	Senior 1	226	7.2	1,628.00	-	-	1.6	368.00	-	-	-	-	-	-	-	-	5.6	1,260.00
Kate Dempster	Senior 2	225	25.8	5,805.00	-	-	7.4	1,665.00	-	-	0.3	67.50	-	-	-	-	18.1	4,072.50
Lauren McCann	Intermediate 1	185	0.3	55.50	-	-	-	-	-	-	-	-	-	-	-	-	0.3	55.50
Georgina Luck	Intermediate 1	179	4.5	804.50	-	-	4.0	716.00	-	-	-	-	-	-	-	-	0.5	88.50
Lauren Poat	Intermediate 1	175	7.0	1,225.00	-	-	7.0	1,225.00	-	-	-	-	-	-	-	-	-	-
Clinton Roberts	Intermediate 2	174	120.5	21,008.00	7.5	1,307.00	37.1	6,485.50	0.9	52.50	19.8	3,446.00	-	-	5.0	827.00	50.2	8,790.00
Kaila George	Intermediate 2	155	1.0	155.00	-	-	1	155.00	-	-	-	-	-	-	-	-	-	-
Charlie Linfoot	Intermediate 2	155	0.4	62.00	-	-	-	-	-	-	0.4	62.00	-	-	-	-	-	-
Sam Wilson	Intermediate 2	153	28.4	4,349.00	-	-	10.5	1,591.50	0.9	166.50	9.9	1,506.00	-	-	1.4	211.00	5.7	874.00
Adam Puddy	Intermediate 2	150	1.0	150.00	-	-	1.0	150.00	-	-	-	-	-	-	-	-	-	-
Carly McDougall	Secretary	150	0.1	15.00	-	-	-	-	-	-	-	-	-	-	-	-	0.1	15.00
Melissa Kroon	Secretary	150	0.1	15.00	-	-	-	-	-	-	-	-	-	-	-	-	0.1	15.00
Jacqui Westwood	Secretary	150	8.6	1,290.00	-	-	-	-	-	-	-	-	-	-	-	-	8.6	1,290.00
Jessica Hoskins	Secretary	131	1.3	170.00	-	-	-	-	-	-	-	-	-	-	-	-	1.3	170.00
Dorothy Radisich	Clerk	129	9.6	1,239.48	-	-	-	-	-	-	-	-	-	-	-	-	9.6	1,239.48
Kate Martin	Clerk	129	8.3	1,070.68	-	-	-	-	-	-	-	-	-	-	-	-	8.3	1,070.68
Kylie Persak	Clerk	128	1.3	166.00	-	-	-	-	-	-	-	-	-	-	-	-	1.3	166.00
Melissa Ross	Clerk	122	1.3	158.00	-	-	-	-	-	-	-	-	-	-	-	-	1.3	158.00
Total			740.9	198,126.68	13.0	3,131.00	464.7	138,443.00	52.9	12,740.00	39.9	8,034.50	6.9	2,255.00	6.8	1,132.00	156.7	32,391.18
GST				19,812.67		313.10		13,844.30		1,274.00		803.45		225.50		113.20		3,239.12
TOTAL (including GST)				217,939.35		3,444.10		152,287.30		14,014.00		8,837.95		2,480.50		1,245.20		35,630.30



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

Disbursements incurred to date have not been quantified as the month end postings have not been finalised.

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.

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.

Queries regarding remuneration should be directed to Sandra Gauci of this office.

Dated the 19 day of August 2010.

A handwritten signature in black ink, appearing to read 'Martin Jones', with a large, sweeping flourish underneath.

MARTIN JONES
Joint and Several Liquidator of
Compass Mining Pty Limited