

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 perth@fh.com.au
www.ferrierhodgson.com

21 November 2011

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

CIRCULAR TO CREDITORS

**ADELAIDE
BRISBANE
MELBOURNE
SYDNEY
JAKARTA
KUALA LUMPUR
SINGAPORE
TOKYO**

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

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

1. Brief report on the current position of the liquidation including an update regarding the CMR Deed of Company Arrangement;
2. Formal Proof of Debt (for creditors who have not proven their debt);
3. Notice of intention to declare a fifth dividend; and
4. Remuneration Report.

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



Martin Jones
Joint and Several Liquidator
Compass Mining Pty Limited

Encl.

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

LIQUIDATORS' REPORT TO CREDITORS

A. CURRENT POSITION

We refer to our report to creditors dated 31 May 2011 together with our report to Compass Resources Limited (CMR) creditors dated 13 June 2011. The earlier reports are available from the website www.ferrierhodgson.com.

CMR Further Revised DOCA update

Steve Sherman, Darren Weaver and I were appointed as Joint and Several Administrators of CMR on 29 January 2009, pursuant to section 436A of the Act and were subsequently appointed Joint and Several Deed Administrators on 20 May 2009. That DOCA was replaced by DOCA variations submitted by YA Global (YA) that were approved at meetings of creditors held on 6 January 2010, 5 July 2010, 23 December 2010 and 21 June 2011.

We also note that HNC (Australia) Resources Pty Ltd (HAR) appointed Keiran Hutchinson, Philip Campbell-Wilson and Chris Munday of Ernst & Young as Receivers and Managers of CMR on 17 February 2009.

Completion/termination of the DOCA occurred on 15 November 2011, which included the following key events:

- The implementation of a Creditors' Trust to which Darren Weaver, Steve Sherman and I were appointed Joint and Several Trustees. The Creditors' Trust provides a structure whereby creditors' claims against CMR which are released by the DOCA are dealt with by the Trustee in accordance with the Trust Deed instead;
- \$13.25M was loaned to CMR by YA, pursuant to a new fixed and floating charge in favour of YA, which charge will also secure further funding to be provided by YA;
- \$7.5M was paid by CMR to HAR in partial satisfaction of debts due to it;
- \$5.75M was paid to the Trustee of the CMR Creditors' Trust to be split as follows:
 - \$2.5M to Compass Mining Pty Ltd; and
 - \$3.25M to CMR unsecured creditor debts;
- The share issue to both YA (1,083,618,699 shares) and Coffee House Group Limited (172,722,511 shares) in exchange for release of the admitted debts owing to them by CMR;
- Grant of a new charge in favour of Hunan Nonferrous Metals Corp Ltd in respect to the approximately \$15.6M owed by CMR;

- The issue of a bond to the Trustee of the CMR Creditors Trust, for the benefit of the creditors of CMR;
- Cessation of the appointments of the Deed Administrators and Receivers and Managers; and
- Control of CMR passed to its new board of directors.

The Trustees have since distributed the \$2.5M Liquidators.

Oxide Creditors' Claims

As a result of the successful completion of the CMR DOCA, we note that creditors which have previously registered claims against CMR and CMPL and whose claims were admitted against CMPL, will soon have their claims against CMR rejected by the Trustees in order to avoid the risk of double proof.

B. DIVIDEND TO CREDITORS

CMPL Oxide creditors received the benefit of a fourth dividend at 10 cents in the dollar, paid on 30 June 2011. The total amount distributed to Oxide creditors is now 50 cents in the dollar.

Having regard to the recent completion of the CMR DOCA, we enclose a Form 546 – Notice of Intention to Declare a Dividend, initiating a fifth dividend (estimated at 40 cents in the dollar), together with an equalising dividend to those Oxide creditors whose claims have been admitted since the fourth dividend was made in June 2011.

Any creditor who is yet to formally submit a claim against CMPL, is required to do so on or **before Wednesday 21 December 2011** otherwise they will be excluded from the benefit of the dividend payable on or around 4 January 2012. In this regard, we enclose Form 535 – Formal Proof of Debt for creditors that have not yet submitted the form.

The final dividend rate and timing may depend upon a number of factors including:

- Receipt of a GST refund from the Australian Taxation Office in respect to dividends paid to creditors;
- The costs associated with finalising the adjudication of FPODs; and
- Provision for a refund to HAR to the extent that it has made an overpayment in respect to its Joint Venture indemnity obligation.

C. RECEIPTS AND PAYMENTS

Set out below is a summary of receipts and payments in the liquidation from 30 April 2011 to 31 October 2011:

	AUD \$
Receipts	
Bank Interest	10,714
GST received	3,317
Total Receipts	14,031
Payments	
Dividend to Oxide creditors	(482,334)
Liquidator Fees	(32,562)
Liquidator Disbursements	(7,677)
Bank Charges	(233)
Miscellaneous	(80)
Accommodation/Venue Hire	(1,320)
Total Payments	(524,206)
Net Trading Receipts and Payments	510,175
Cash at Bank at 30 April 2011	1,107,248
Add: Net Cash Movement	(510,175)
Cash at Bank at 31 October 2011*	\$597,073

*A provision for refund to HAR is estimated at \$638,000 having regard to the \$3,138,368.93 paid by HAR in respect to an estimated \$2.5M indemnity claim by CMPL – being one half of the estimated total \$5M in Oxide Creditors' claims.

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 16 May 2011 to 31 October 2011. Should you require any further detail in respect to the remuneration report, you are invited to request same from our office.

E. THE FUTURE

Beyond the distribution intended to be declared on 4 January 2012, subject to the timing of receipt of the GST refund from the ATO, indications are that a final dividend will be payable to CMPL creditors around April 2012. In conjunction with the final dividend payment creditors can expect a final Liquidators' report which will account for the Liquidators' final receipts and payments.

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

DATED this 21st day of November 2011.

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

Martin Jones
Joint and Several Liquidator
Compass Mining Pty Limited

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 andcents.

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.

**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 FIFTH DIVIDEND

A fifth dividend is to be declared on or around 4 January 2012 for the company.

Creditors whose debts or claims have not already been admitted are required on or before Wednesday, 21 December 2011 to formally prove their debts or claims. If they do not they will be excluded from the benefit of the dividend.

DATED this 21st day of November 2011



Martin Jones
Joint and Several Liquidator
Compass Mining Pty Ltd

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

Annexure 1

Remuneration Report

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 16 May 2011 to 31 October 2011
- A3 Estimated future remuneration – consistent with that previously approved

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	560	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	430	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	360	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	320	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	275	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	245	Generally, 2-3 years chartered accounting or insolvency management experience. University degree, ICAA's CA program commenced.
Intermediate 1	195	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	170	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	160	Appropriate skills including machine usage.
Clerk	140	Generally non qualified administrative assistant. Classification depends on experience, salary and complexity of work to be completed.
Office Assistant	140	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 16 May 2011 to 31 October 2011

Task Area	General Description	Includes
Assets 6.5 Hours \$1,755.50	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 48 Hours \$11,475.00	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"> Preparing general reports/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 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 1.0 Hours \$168.00	Processing receipts and payments	<ul style="list-style-type: none"> Entering receipt and payments into accounting system
Administration 15.2 Hours \$2,886.50	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 in regards to 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 (continued) Tasks undertaken by the Liquidators and remuneration calculation for the period 16 May 2011 to 31 October 2011.

Employee	Position	Avg Rate	Total		Assets		Creditors		Dividend		Trade On		Administration	
			Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$
Martin Jones	Partner	560.0	0.8	448.00	Nil	Nil	Nil	Nil	0.8	448.00	Nil	Nil	Nil	Nil
Malcolm Field	Senior Manager	408.9	9.8	4,007.00	0.2	86.00	8.1	3,303.00	0.6	243.00	Nil	Nil	0.9	375.00
Sandra Gauci	Senior 1	266.3	27.7	7,376.50	6.3	1,669.50	17.1	4,544.50	2.2	589.00	Nil	Nil	2.1	573.50
Lauren McCann	Senior 2	235.0	0.2	47.00	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0.2	47.00
Nicole de Souza	Intermediate 2	170.0	3.5	595.00	Nil	Nil	0.5	85.00	Nil	Nil	0.4	68.00	2.6	442.00
Charlie Linfoot	Intermediate 2	163.1	39.0	6,361.00	Nil	Nil	19.7	3,160.00	14.3	2,359.00	0.6	100.00	4.4	742.00
Jacqui Westwood	Secretary	158.1	2.1	332.00	Nil	Nil	1.4	220.50	Nil	Nil	Nil	Nil	0.7	111.50
Evelyn Gray	Clerk	135.3	1.7	230.00	Nil	Nil	1.2	162.00	Nil	Nil	Nil	Nil	0.5	68.00
Bec Tolotti	Clerk	138.6	2.9	402.00	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	2.9	402.00
Kate Martin	Clerk	139.7	1.9	265.50	Nil	Nil	Nil	Nil	1.0	140.00	Nil	Nil	0.9	125.50
TOTAL			89.6	20,064.00	6.5	1,755.50	48.0	11,475.00	18.9	3,779.00	1.0	168.00	15.2	2,886.50

A3 Estimated future remuneration – consistent with that previously approved

Based on the following anticipated tasks, I estimate the Liquidators' fees for the period to be \$38,400.

Task Area	General Description	Includes	
Assets \$3,000	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 ▪ Site visit 	
	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 \$10,000	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"> ▪ Preparing general reports/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 \$18,000	Creditor meetings	<ul style="list-style-type: none"> ▪ Final meeting of creditors 	
	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 \$400	<ul style="list-style-type: none"> ▪ Entering receipt and payments into accounting system 	
	Administration \$7,000	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 in regards to 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 	

**A3 (cont) Estimated future remuneration – consistent with that previously approved**

Employee	Position	Avg Rate	Total		Assets		Creditors		Dividend		Trade On		Administration	
			Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$	Hours	\$
Martin Jones	Partner	560	8.0	4,480.00	Nil	Nil	2.0	1,120.00	3.0	1,680.00	1.0	560.00	2.0	1,120.00
Malcolm Field	Senior Manager	430	27.0	11,610.00	5.0	2,150.00	10.0	4,300.00	7.0	3,010.00	1.0	430.00	4.0	1,720.00
Sandra Gauci	Senior 1	275	49.0	13,475.00	8.0	2,200.00	14.0	3,850.00	15.0	4,125.00	2.0	550.00	10.0	2,750.00
Alex Godfrey	Intermediate 1	195	5.0	975.00	Nil	Nil	Nil	Nil	4.0	780.00	1.0	195.00	Nil	Nil
Nicole de Souza	Intermediate 2	170	35.4	6,020.00	Nil	Nil	12.0	2,040.00	17.4	2,960.00	3.0	510.00	3.0	510.00
Jacqui Westwood	Secretary	160	8.0	1,280.00	Nil	Nil	Nil	Nil	2.0	320.00	Nil	Nil	6.0	960.00
Hollie Baker	Clerk	140	2.0	280.00	Nil	Nil	Nil	Nil	1.0	140.00	Nil	Nil	1.0	140.00
Kate Martin	Clerk	140	2.0	280.00	Nil	Nil	Nil	Nil	1.0	140.00	Nil	Nil	1.0	140.00
TOTAL			136.4	38,400.00	13.0	4,350.00	38.0	11,310.00	50.4	13,155.00	8.0	2,245.00	27.0	7,340.00

Note: The table above provides an estimate of how the remuneration for the relevant period will be comprised.

It is difficult to estimate the extent of future work required, though we consider the balance of remuneration previously approved remains a reasonable estimate of same.

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	36 cents per copy
Facsimile	At cost
File Set Up	\$3.15
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.

Disbursements incurred for the period 16 May 2011 to 31 October 2011 are tabled below:

Disbursements	\$
Advertisements	58.00
Photocopying and Printing	2,377.64
Postage	113.87
Stationery	3.15
Telephone and Fax	19.80
TOTAL	\$2,572.46

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.

Should you have any further queries in relation to the above matter, please do not hesitate to contact Nicole de Souza of this office.

Dated the 21st day of November 2011

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

Martin Jones
Joint and Several Liquidator
Compass Mining Pty Limited