



Copy of minutes of meeting

Company details

Company name

Compass Resources Ltd (Subject to Deed of Company Arrangement)

ACN/ABN

010 536 820

Lodgement details

To be completed only where this form is lodged with ASIC

Who should ASIC contact if there is a query about this form?

Name

Ferrier Hodgson

ASIC registered agent number (if applicable)

10283

Telephone number

08 9214 1444

Postal address

Level 26 BankWest Tower ,108 St Georges Terrace, PERTH WA 6000

Please provide an estimate of the time taken to complete this form.

hrs mins

Details of minutes of meeting

Attach a copy of the minutes of meeting
Date of meeting

Date of meeting

18/08/2011

[D D] [M M] [Y Y]

Are the minutes being lodged for a meeting convened under S436E or S439A of the Corporations Act 2001?

Yes No

Signature

This form must be signed by the chair of the meeting.

I certify that the attached minutes of meeting are a true copy of the original minutes of meeting signed by the chair of the meeting as identified in the minutes.

Name

Martin Jones

Registered liquidator number (if applicable)

15239

Signature

Date signed

02/09/11

[D D] [M M] [Y Y]

Lodgement

If lodging with ASIC, send completed and signed forms to:
Australian Securities and Investments Commission,
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MINUTES OF A MEETING OF SHAREHOLDERS OF COMPASS RESOURCES LIMITED ACN 010 536 820 (SUBJECT TO DEED OF COMPANY ARRANGEMENT) (RECEIVERS & MANAGERS APPOINTED) ("CMR") HELD AT 9:30AM (EST) ON 18 August 2011 AT THE WESLEY CONFERENCE CENTRE, 220 PITT STREET SYDNEY, NSW.

CHAIRMAN OF THE MEETING

Martin Jones, partner of Ferrier Hodgson and one of the Joint and Several Deed Administrators of Compass Resources Ltd (CMR), assumed the position as Chairman of the meeting pursuant to Section 249U of the Corporations Act 2001 and Corporations Regulation 5.6.17.

INTRODUCTION

The Chairman advised that this Extraordinary Meeting of Shareholders has been called to consider the resolutions as set out in the Notice of Meeting of Shareholders dated 19 July 2011. The Chairman advised that the resolutions to be considered formed part of the recapitalisation proposal put forward by YA Global Investments, LP (YA Global).

ADMISSION OF PROXIES

Proxies, as set out in the attendance registers were admitted to vote. The attendance register is attached in that regard.

QUORUM

Pursuant to Section 249T of the Corporations Act 2001 and Regulation 5.6.16(2) of the Corporations Regulations, the Chairman determined that a quorum was present.

MOTIONS, RESOLUTIONS, CASTING VOTE

The Chairman advised that whereas normally all motions are resolved on the show of hands, unless a poll is demanded (Section 250J(1)), it was his intention to deal with each resolution on the basis of a poll.

CONDUCT OF MEETINGS

The Chairman advised that the main purpose of the meeting is for shareholders to consider, and if appropriate resolve the:

1. the issue of the new shares to YA Global and Coffee House pursuant to the proposal;

2. approve the creation of the fixed and floating charge over all of the Company's assets in favour of YA Global;
3. approve the agreement to issue Shares under the HNC Bond; and
4. the appointment of new Auditor.

NOTICE OF MEETING

The Chairperson advised that the meeting had been called in accordance with the Notice of Meeting dated 19 July 2011, the notice having been mailed to all known shareholders on 19 July 2011.

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

Moved: Mr Terry Carr.

The motion was declared carried on the show of hands.

COMPLYING WITH LISTING RULE 3.13.3

The Chairperson advised the meeting that the presentation had been made available on 17 August 2011 via the ASX platform in accordance with the continuous disclosure requirements outlined in Listing Rule 3.13.3.

The Chairperson proceeded to discuss the outcome of the proxy votes as they stood at 9.30 am on 16 August 2011:

Item	Resolution 1: Issue of New Shares to YA Global	Resolution 2: Approval of Issue of shares to CHGL	Resolution 3: Approval Security	Resolution 4: Approval of agreement to issue Shares under HNC bond	Resolution 5: Appointment of Auditor
For					
Number of Proxies (i.e. Relevant to the show of hands)					
- Number	697	691	696	690	717
- Percentage	57.03	56.64	56.95	56.46	59.56
Shareholdings (i.e. Relevant to the Poll)*					
- Number	44,254,540	43,962,202	44,265,603	44,106,385	45,623,163
- Percentage	85.44	84.97	85.42	85.18	86.47
Against					
Number of Proxies (i.e. Relevant to the show of hands)					
- Number	107	112	107	114	67
- Percentage	8.76	9.18	8.76	9.33	5.56
Shareholdings (i.e. Relevant to the Poll)*					
- Number	1,098,701	1,325,401	1,101,320	1,233,251	694,703
- Percentage	2.12	2.56	2.13	2.38	1.32
Abstain					
Number of Proxies (i.e. Relevant to the show of hands)					
- Number	13	15	13	13	32
- Percentage	-	-	-	-	-
Shareholdings (i.e. Relevant to the Poll)*					
- Number	152,678	209,538	128,068	165,355	260,125
- Percentage	-	-	-	-	-
Proxy's Discretion					
Number of Proxies (i.e. Relevant to the show of hands)					
- Number	418	417	419	418	420
- Percentage	34.21	34.18	34.29	34.21	34.88
Shareholdings (i.e. Relevant to the Poll)*					
- Number	6,442,164	6,450,942	6,453,092	6,443,092	6,440,092
- Percentage	12.44	12.47	12.45	12.44	12.21

The Chairperson noted the strong indication of shareholders in favour of each resolution.

REPORT OF DEED ADMINISTRATOR

The Chairman tabled the Deed Administrators' report dated 19 July 2011 and gave an overview of the report as outlined in the power point presentation (a copy of which is attached to the minutes):

1. Background to the meeting
2. Arbitration Proceedings against HAR/HNC
3. YA DOCA Further Revised DOCA Proposal
4. Operation Update
5. Proposal Summary and Implications
6. Capital Structure Post Recapitalisation
7. Key Implications of the Proposal

QUESTIONS FROM SHAREHOLDERS

The Chairman asked if there were any questions that the members would like to raise. The following points were raised for discussion during the meeting:

- Mr Lindsay Rose enquired whether the Coffee House Group Ltd "CHGL" Directors had been appointed and more specifically whether Gordon Toll was one of them. The Chairperson advised that the CHGL nominations were incomplete with no new appointment made to date. The remaining pre-appointment director is Mr Richard Swann;
- Mr Dennis Lenard enquired as to the timing in respect to the appointment of the new board. The Chairperson advised the new board would be appointed post-recapitalisation and appointed by the Deed Administrators;
- Mr Bruce Gregory enquired as to the criteria for appointing a shareholder nominee to the new CMR board. The Chairperson advised there is no prescriptive criteria which applies for appointment to the CMR board however he noted the successful candidate would need appropriate experience and display general competencies for the position including good corporate governance;
- Mr Bruce Gregory raised the issue as to whether it would be good corporate governance to re-appoint Mr Richard Swann to the post-recapitalised CMR board. The Chairperson advised that the Administrators' investigations did not indicate any corporate governance breaches by Mr Swann.

RESOLUTIONS

Resolution 1: Approval of Issue of New Shares to YA Global

The Chairperson gave an overview of the voting card process for the purposes of the poll.

In accordance with Section 251AA of the Act, the proxy votes exercisable by all proxies validly appointed was as follows:

Item	Resolution 1: Issue of New Shares to YA Global			
	For	Against	Abstain	Proxy's Discretion
Number of Proxies (i.e. Relevant to the show of hands)				
- Number	697	107	13	418
- Percentage	57.03	8.76	-	34.21
Shareholdings (i.e. Relevant to the Poll)*				
- Number	44,254,540	1,098,701	152,678	6,442,164
- Percentage	85.44	2.12	-	12.44

*Consideration given to LR 3.13.2, S.251AA and if a Poll arises

The Chairperson put the following resolution to the meeting that Shareholders resolve:

“THAT, subject to the passing of Resolution 2 & 3, for purposes of item 7 of Section 611 and Section 209 of the Act and for all other purposes, Shareholders approve the issue of 1,083,618,669 new fully paid ordinary shares to YA Global in full and final release of the debt owing to YA Global at 29 January 2009, (approximately \$35,538,068 in total) in accordance with terms of the Proposal at a deemed issue price of \$0.04.”

Moved: Bruce Gregory

Seconded: Dennis Lenard

Resolution declared carried on a poll (s.251AA).

Resolution 2: Approval of Issue of New Shares to CHGL

Item	Resolution 2: Approval of Issue of shares to CHGL			
	For	Against	Abstain	Proxy's Discretion
Number of Proxies (i.e. Relevant to the show of hands)				
- Number	691	112	15	417
- Percentage	56.64	9.18	-	34.18
Shareholdings (i.e. Relevant to the Poll)*				
- Number	43,962,202	1,325,401	209,538	6,450,942
- Percentage	84.97	2.56	-	12.47

*Consideration given to LR 3.13.2, S.251AA and if a Poll arises

The Chairperson put the following resolution to the meeting that Shareholders resolve:

“THAT, subject to the passing of Resolution 1 & 3, for purposes of ASX Listing Rule 10.11 and Section 209 of the Act and all other purposes, Shareholders approve the issue of 172,722,511 new fully paid ordinary shares to Coffee House, in full and final release of the debt owing to Coffee House at 29 January 2009, (approximately \$37,798,404 in total) in accordance with terms of the Proposal at a deemed issue price of \$0.04.”

Moved: Dennis Lennard

Seconded: Bruce Gregory

Resolution declared carried on a poll (s.251AA).

Resolution 3: Approval of Security

Item	Resolution 3: Approval of Security			
	For	Against	Abstain	Proxy's Discretion
Number of Proxies (i.e. Relevant to the show of hands)				
- Number	696	107	13	419
- Percentage	56.95	8.76	-	34.29
Shareholdings (i.e. Relevant to the Poll)*				
- Number	44,265,603	1,101,320	128,068	6,453,092
- Percentage	85.42	2.13	-	12.45

*Consideration given to LR 3.13.2, S.251AA and if a Poll arises

The Chairperson put the following resolution to the meeting that Shareholders resolve:

“THAT, subject to the passing of Resolutions 1 & 2, for the purposes of ASX Listing Rule 10.1 and all other purposes, Shareholders approve the extension of the fixed and floating charge over all of the Company’s assets granted as security for the Loan Funds, to securing the Company’s obligations pursuant to the Proposal.”

Moved: Bruce Gregory

Seconded: Terry Carr

Resolution declared carried on a poll (s.251AA).

Resolution 4: Approval of agreement to issue Shares under HNC bond

Item	Resolution 4: Approval of agreement to issue Shares under HNC bond			
	For	Against	Abstain	Proxy's Discretion
Number of Proxies (i.e. Relevant to the show of hands)				
- Number	690	114	13	418
- Percentage	56.46	9.33	-	34.21
Shareholdings (i.e. Relevant to the Poll)*				
- Number	44,106,385	1,233,251	165,355	6,443,092
- Percentage	85.18	2.38	-	12.44

*Consideration given to LR 3.13.2, S.251AA and if a Poll arises

The Chairperson put the following resolution to the meeting that Shareholders resolve:

“THAT, subject to the passing of Resolutions 1, 2 & 3, for the purposes of ASX Listing Rule 7.1 and all other purposes, Shareholders approve the agreement to issue Shares equivalent to 10.4% of the Company under the Bond to be issued to HNC.”

Moved: Terry Carr

Seconded: Dennis Lenard

Resolution declared carried on a poll (s.251AA).

Resolution 5: Appointment of Auditor

Item	Resolution 5: Appointment of Auditor			
	For	Against	Abstain	Proxy's Discretion
Number of Proxies (i.e. Relevant to the show of hands)				
- Number	717	67	32	420
- Percentage	59.56	5.56	-	34.88
Shareholdings (i.e. Relevant to the Poll)*				
- Number	45,623,163	694,703	260,125	6,440,092
- Percentage	86.47	1.32	-	12.21

*Consideration given to LR 3.13.2, S.251AA and if a Poll arises

The Chairperson put the following resolution to the meeting that Shareholders resolve:

Section 327B Corporations Act Approval

"THAT, subject to the passing of Resolution 1, 2 & 3, Grant Thornton Australia Audit Pty Ltd (Audit Registration No. 327221):

- *Having been nominated by a Member of the Company, in accordance with Section 328B(1) of the Corporations Act 2001; and*
- *Having given to the Company its Consent to Act as Auditor, in accordance with Section 328A(1) of the Corporations Act 2001;*

be appointed as the Auditor of the Company".

Moved: Bruce Gregory

Seconded: Dennis Lennard

Resolution declared carried on a poll (s.251AA).

POLL RESULTS

The Chairman advised the meeting that the outcome for each resolution was declared carried. The detailed results of the vote for each resolution were as follows:

Item	Resolution 1: Issue of New Shares to YA Global	Resolution 2: Approval of Issue of shares to CHGL	Resolution 3: Approval Security	Resolution 4: Approval of agreement to issue Shares under HNC bond	Resolution 5: Appointment of Auditor
For					
Shareholdings					
- Number	51,910,576	51,616,088	51,921,639	51,762,421	54,390,059
- Percentage	97.65%	97.22%	97.64%	97.39%	98.56%
Against					
Shareholdings					
- Number	1,250,881	1,477,581	1,253,500	1,385,431	794,883
- Percentage	2.35%	2.78%	2.36%	2.61%	1.44%
Total Votes Cast					
Total Votes Cast					
- Number	53,161,457	53,093,669	53,175,139	53,147,852	55,184,942
Resolution Outcome					
Outcome/Result	Carried	Carried	Carried	Carried	Carried

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 10.52am.


MARTIN JONES
CHAIRMAN

Registered Security Holders

**Compass Resources NL
Extraordinary General Meeting
Thursday, 18 August 2011**

Security Holder Name	Number of Securities
Mrs Diana Marina Aherne (S00015293934)	4,400
Dr Luan Thiam Ang & Ms Lee Keng Tan (S00023241927)	1,000
Mr Joseph William Austen (S00004000323)	37,500
Mr Ferdinand Bolle & Mrs Gisela Bolle (S00021213888)	10,000
Mr Geoffrey Noel Boulton (S00015368136)	125,000
Mr Richard Boyer (S00002839555)	80,000
Mr Richard Boyer & Mrs Lorraine Boyer (S00020987022)	80,000
Mr Terry Alan Carr (S00015108045)	118,000
Cenecob Nominees Pty Ltd (S00015110392)	1,000,000
Cenecob Pty Limited (S00015112557)	40,850
Mr Philip Condie (S00021165000)	180
Mr Philip Condie (S00018536609)	100,000
Mr Darrell Vernon Drew (S00015261811)	1,000
Eastrax Pty Limited (S00011014631)	4,000
Ms Marie Anne Elliott (S00018497646)	400
Mr Claro Maignas Ferrol (S00018928507)	2,000
Ms Sue Innes & Mr James Graham (S00022892355)	2,600
Jamberoo Pty Ltd (S00019192555)	44,000
Lakaev Pty Limited (S00022093941)	190,420
Mr Dennis John Lenard (S00018287200)	65,000
Mr David Fletcher Myles (S00008571732)	300,000
Olovitz Nominees Pty Limited (S00015063165)	240,000
Mr Kazimierz Owczarek (S00019099628)	53,897
Mr Nick Patras (S00014736484)	50,000
Mr Lindsay Warwick Rose (S00014893776)	50,000
Mr Lindsay Warwick Rose & Miss Trudy Rose (S00015408464)	80,000
Mrs Margaret Lily Snashall & Mr Norbert Myles Snashall (S00012088957)	24,667
Mr Norbert Myles Snashall (S00002559293)	19,667
Mr Stewart Gordon Streight & Mrs Michele Joy Streight (S00015114967)	24,800
Mr Timothy Malcolm Williams (S00029564744)	5,000
Mrs Ruby Lynette Young (S00011911749)	5,000
Mrs Ruby Lynette Young (S00015271876)	5,000
Mr Da Bo Zheng (S00015360721)	21,500
Number of registered security holders 33	Total Securities
	<u>2,785,881</u>

Registered Proxy Holders

**Compass Resources NL
Extraordinary General Meeting
Thursday, 18 August 2011**

Proxy Holder

Bruce Edward Gregory
Chair of the Meeting
Greg Wheatley

Number of registered proxy holders 3

Registered Corporate Representatives

**Compass Resources NL
Extraordinary General Meeting
Thursday, 18 August 2011**

Holder Name	Corporate Representative
Cenecob Nominees Pty Ltd	Terry Carr
Cenecob Pty Limited	Terry Carr
Eastrax Pty Limited	David Parker
Jamberoo Pty Ltd	David Matthew
Lakaev Pty Limited	Ilia
Olovitz Nominees Pty Limited	Hilton Olovitz

Total number of registered corporate representatives 6.

Registered Visitors

**Compass Resources NL
Extraordinary General Meeting
Thursday, 18 August 2011**

Visitor Name	Type
Andrew Archer	Grant Thornton
Anthony Chan	Yorkville Advisors
Ayliffe Nominees Pty Ltd	Shareholder
David John	Freehills
Ian Thomas Robinson	Spouse of Shareholder
Imacs Electrical Services Pty Ltd	Shareholder
Jerry Eicke	Yorkville Advisors
Jim Carr	Yorkville Advisors
John Natal	Freehills
Kevin Wunsh	Alcyone
Mark Angelo	Yorkville Advisors
Martin Jones	Boardroom
Micael Hillgrove	Grant Thornton
Mr Murray Rathbone	Shareholder
Neil Guest	CMR Employee
Nick Raphaely	Ashton
PM Link Securities Pty Ltd	Shareholder
Phillip Haynes	
R S F T Management Pty Ltd	Shareholder
Simable Pty Ltd	Shareholder
Tom Vanbeek	Macquarie Bank

Number of registered visitors 21

**Compass Resources Limited
(Subject to Deed of Company Arrangement)
(Receivers and Managers Appointed)**

Meeting of Shareholders –
Recapitalisation Proposal

Presented by Martin Jones, Ferrier Hodgson

18 August 2011



Chairman's Introduction and Welcome

- Steve Sherman, Darren Weaver and I were appointed Administrators of CMR on 29 January 2009, pursuant to Section 436A of the Corporations Act 2001 ("the Act"), resulting in the suspension of CMR shares on the ASX at that time. We subsequently became the company's Deed Administrators of a DOCA that was accepted by the Company's creditors at a meeting of creditors on 30 April 2009.
- In accordance with Section 249U of the Act and Corporations Regulation 5.6.17, I will act as Chairman for the purposes of the meeting today.

Overview of Agenda for Shareholders' Meeting

- Purpose and Notice of Meeting
- Housekeeping
- Voting Process
- Complying with Listing Rule 3.13.3
- Background to the DOCA
- Operational Update
- Proposal Summary and Implications
- Questions from Shareholders
- Resolutions
- Meeting Closure

Purpose and Notice of Meeting

- **Purpose of Shareholder Meeting:**
 - Shareholders to resolve:
 - the issue of the new shares to YA Global and Coffee House pursuant to the proposal;
 - approve the creation of the fixed and floating charge over all of the Company's assets in favour of YA Global;
 - approve the agreement to issue Shares under the HNC Bond; and
 - the appointment of new Auditor.
- **Notice of Shareholder Meeting:**
 - Resolution: **"The notice calling this meeting be taken as read."**

Housekeeping

- Please turn off all mobile phones during the meeting
- Audio, video and any other recording devices are not permitted during the meeting
- Media are asked to leave
- Please hold all questions until the identified “Question time” in the meeting
- When asking a question, please direct your question to the Chairman
- Voting Slips
- Admission of proxies
- Shareholdings admitted and the process for passage (or otherwise) of resolutions
- Observers present
- Quorum

Voting Process

- **Section 250J – refer also to CMR Constitution section 37(a)**
- ***How voting is carried out***
- (1) A resolution put to the vote at a meeting of a company's members must be decided:
 - on a show of hands (in which case each attending Shareholder has the right to one vote on the resolution refer - refer section 250E(1)(a) and CMR Constitution 37(c));
 - unless a poll is demanded (in which case each member has one vote for each share they hold – refer section 250E(1)(b) and CMR Constitution 37(d)).
- (1A) Before a vote is taken the chair must inform the meeting whether any proxy votes have been received and how the proxy votes are to be cast.
- (2) On a show of hands, a declaration by the chair is conclusive evidence of the result, provided that the declaration reflects the show of hands and the votes of the proxies received. Neither the chair nor the minutes need to state the number or proportion of the votes recorded in favour or against.
 - Note: Even though the chair's declaration is conclusive of the voting results, the members present may demand a poll (paragraph 250L(3)(c)).



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Complying with Listing Rule 3.13.3

- In accordance with the continuous disclosure requirements outlined in Listing Rule 3.13 with specific reference to 3.13.3, today's presentation was made available on 17 August 2011 via the ASX platform.
- The following table summarises the proxy votes as at 9.30 a.m. on 16 August 2011:

Item	Resolution 1: Issue of New Shares to YA Global	Resolution 2: Approval of Issue of shares to CHGL	Resolution 3: Approval Security	Resolution 4: Approval of agreement to issue Shares under HNC bond	Resolution 5: Appointment of Auditor
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Number of Proxies (i.e. Relevant to the show of hands)					
- Number	13	15	13	13	32
- Percentage	-	-	-	-	-
Shareholdings (i.e. Relevant to the Poll)*					
- Number	152,678	209,538	128,068	165,355	260,125
- Percentage	-	-	-	-	-
Proxy's Discretion					
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Background

- **Background: Report to Shareholders dated 19 July 2011.**
 - An Extraordinary General Meeting of the Company held on 29 January 2009 was adjourned and not reconvened, having none of the resolutions that were proposed, passed. On the same day, Ferrier Hodgson were appointed Administrators of CMR.
 - Subsequently the Administrators became the Deed Administrators pursuant to the DOCA that provided for:
 - 12 month period during which the Deed Administrators remained in control of the Company's affairs;
 - the Deed Administrators to sell the Company's assets or negotiate a financial reorganisation of the affairs of Compass; and
 - the Deed Administrators to call for formal proof of debts to identify and adjudicate on the various groups of creditor claims.

Background Cont.

- During the DOCA period the Deed Administrators sought expressions of interest in respect to the sale of CMR's assets and/or a financial reorganisation;
- Received a Variation Proposal from major creditor, YA Global to provide for a reconstruction of CMR. It was the best proposal received to provide for both the future of CMR and a suitable return to stakeholders;
- The DOCA was, in turn, replaced by DOCA variations submitted by YA Global that were approved by meetings of CMR creditors on 6 January, 5 July, 23 December 2010 and 21 June 2011;
- A General Meeting of CMR shareholders was held on 17 June 2010, for the purpose of considering resolutions to approve the issue of shares for the purpose of the recapitalisation of CMR contemplated by the original YA Global DOCA. The first of those resolutions (to approve the issue of shares to YA Global) failed. Accordingly, the other resolutions were not put to the meeting given their dependence upon passing of the first resolution.

Background Cont.

- YA Global was prepared to pursue an alternative DOCA proposal being, the Further Revised DOCA which seeks to address the concerns of the shareholders by allowing:
 - shareholders to retain a greater equity interest in CMR; and
 - providing for the issue of New Options to existing Shareholders and therefore potentially improving the return for this stakeholder group.
- As a practical matter, the Further Revised DOCA provides for a Sale of Assets scenario in the event that shareholders do not approve the recapitalisation resolutions today.
- Arbitration Proceedings against HAR/HNC
- During July 2010 CMR commenced Arbitration proceedings against HAR/HNC in order to obtain certainty as to the steps that needed to be taken to remedy the Events of Default under various JVAs, so that CMR ceases to be a Defaulting Joint Venturer (and would see the CMR Receivers resign from their position).

Background Cont. – HAR, HNC and YA Negotiations

- YA - HAR negotiations were successful in resolving the outstanding issues as between HAR and YA Global as to the future operation of the JVs (ie. in the event that YA Global proceed with its proposal for the reconstruction of CMR).
- CMR creditors have provided YA Global until 19 September 2011, to complete under the Further Revised DOCA.

Background – Further Revised DOCA

- The following table contrasts the return expected to be available for creditors (and shareholders) under the Further Revised DOCA:

Stakeholder	June 2010 - Return to stakeholders under Previous DOCA Proposal	August 2011 - Return to stakeholders under Further Revised DOCA Proposal
HNC	\$15.6M	\$15.6M or 10.4%Shares
CHGL	15% Shares	12.5% Shares
YA Global	80% Shares	77.4% Shares
Existing CMR Shareholders	5% Shares	10.1% Shares*, plus options

* Which comprises 9.67% to other Non-Associated Shareholders and 0.43% current HNC shareholding post-dilution.



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Operational Update

- After CMR and CMPL's administrations, HAR appointed Receivers and Managers (17 February 2009) to take control of the Batchelor operations and preserve HAR's interests in same.
- On 30 April 2009, having regard to the Compass administrations, HAR assumed the role as operator of the Oxide, Sulphide and Regional Exploration JVs.
- Oxide – on 1 October 2010 HAR resolved to place the Oxide Plant onto a more limited care and maintenance ("mothball") plan providing for only minimum expenditure and deferral of the remedial works.
- The Future – it appears CMR's operations will be relatively "small scale" compared to its 100+ staffing prior to the Administration and future JV operations will be the subject of feasibility studies.

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Proposal Summary and Implications

□ Proposal Summary:

The Deed Administrators have executed a number of binding documents relating to the proposal, namely:

- The Further Revised DOCA; and
- Amended JV documents.

There are a number of terms which will be implemented under these documents some of which include:

- YA Global and Coffee House converting their debt to equity;
- potential issue of shares under the HNC bond;
- a further funding agreement by YA Global providing security (fixed and floating charge) over the Company's assets, and a charge in favour of HNC to secure repayment of the Convertible Notes sum advanced by HNC in November 2008;
- retain all assets for the benefit of post-recapitalisation Compass Shareholders; and
- operate with a new board of directors.

Proposal Summary and Implications Cont.

■ Capital Structure Post Recapitalisation

- The impact of the proposed issue of securities on the capital structure of the Company is as follows:

Shareholder	Shareholding Pre-recapitalisation	%	New Securities Issued	%	Shareholding Post-recapitalisation	%	Shareholding if HNC converts full principal amount of Bond	%
YA Global	761,454	0.5	1,083,618,669 Shares*	86.3	1,084,380,123	77.4	1,084,380,123	69.3
Coffee House	2,403,478	1.7	172,722,511 Shares*	13.7	175,125,989	12.5	175,125,989	11.2
HNC	6,000,000	4.1	162,616,990 conversion rights		6,000,000	0.4	168,616,990	10.8
Other Shareholders	135,501,799	93.7	406,505,397 New Options**		135,501,799	9.7	135,501,799	8.7
Total	144,666,731	100	1,256,341,180**	100	1,401,007,911	100	1,563,624,901	100

* As a part of the pro rata issue of New Options, in respect of their existing Shareholdings, YA Global and Coffee House will also be issued with 1,084,380,123 and 175,125,989 New Options respectively. However, they will undertake to Compass not to exercise or transfer those New Options during the term of the New Options, meaning they will receive no benefit from them.

** The New Securities Issued total is presented in respect to Shares only. The conversion rights and New Options are separately displayed within this column, but are not included in the total.



Proposal Summary and Implications Cont.

Key Implications of the Proposal

- **Dilution of shares:**
 - The new issue of shares to YA Global and Coffee House will significantly dilute existing shareholders' current shareholding positions to a post recapitalisation equity holding of 10.1%.
- **Re-quotation on ASX:**
 - After the new shares have been authorised/issued and the Proposal implemented, the Further Revised DOCA will be terminated, we understand the Company will as soon as is commercially appropriate, subject to meeting various statutory requirements including ASX listing rules, seek to relist on the ASX allowing shareholders to trade in their shares and exercise their options.
- **Liquidation:**
 - Should shareholders choose not to approve the Proposal, the Company will pass into liquidation and the Further Revised DOCA will complete under the Sale of Assets alternative. If this occurs no value is likely to be preserved for existing shareholders and thus the return to shareholders will be nil.



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Questions from Shareholders

- Please raise your hand
- A microphone will be brought to you
- Please provide your name, and direct your question through the Chairman.

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Resolutions

■ Resolution 1 – Approval of Issue of shares to YA Global

Item	Resolution 1: Issue of New Shares to YA Global			
	For	Against	Abstain	Proxy's Discretion
Number of Proxies (i.e. Relevant to the show of hands)				
- Number	697	107	13	418
- Percentage	57.03	8.76	-	34.21
Shareholdings (i.e. Relevant to the Poll)*				
- Number	44,254,540	1,098,701	152,678	6,442,164
- Percentage	85.44	2.12	-	12.44

*Consideration given to LR 3.13.2, S.251AA and if a Poll arises

“THAT, subject to the passing of Resolution 2 & 3, for purposes of item 7 of Section 611 and Section 209 of the Act and for all other purposes, Shareholders approve the issue of 1,083,618,669 new fully paid ordinary shares to YA Global in full and final release of the debt owing to YA Global at 29 January 2009, (approximately \$35,538,068 in total) in accordance with terms of the Proposal at a deemed issue price of \$0.04.”



Resolutions

■ Resolution 2 – Approval of Issue of shares to CHGL

Item	Resolution 2: Approval of issue of shares to CHGL			
	For	Against	Abstain	Proxy's Discretion
Number of Proxies (i.e. Relevant to the show of hands)				
- Number	691	112	15	417
- Percentage	56.64	9.18	-	34.18
Shareholdings (i.e. Relevant to the Poll)*				
- Number	43,962,202	1,325,401	209,538	6,450,942
- Percentage	84.97	2.56	-	12.47

*Consideration given to LR 3.13.2, S.251AA and if a Poll arises

“THAT, subject to the passing of Resolution 1 & 3, for purposes of ASX Listing Rule 10.11 and Section 209 of the Act and all other purposes, Shareholders approve the issue of 172,722,511 new fully paid ordinary shares to Coffee House, in full and final release of the debt owing to Coffee House at 29 January 2009, (approximately \$37,798,404 in total) in accordance with terms of the Proposal at a deemed issue price of \$0.04.”

Resolutions

Resolution 3 – Approval of security

Item	Resolution 3: Approval of Security			
	For	Against	Abstain	Proxy's Discretion
Number of Proxies (i.e. Relevant to the show of hands)				
- Number	696	107	13	419
- Percentage	56.95	8.76	-	34.29
Shareholdings (i.e. Relevant to the Poll)*				
- Number	44,265,603	1,101,320	128,068	6,453,092
- Percentage	85.42	2.13	-	12.45

*Consideration given to LR 3.13.2, S.251AA and if a Poll arises

“THAT, subject to the passing of Resolutions 1 & 2, for the purposes of ASX Listing Rule 10.1 and all other purposes, Shareholders approve the extension of the fixed and floating charge over all of the Company’s assets granted as security for the Loan Funds, to securing the Company’s obligations pursuant to the Proposal.”

Resolutions

Resolution 4 – Approval of agreement to issue Shares under HNC bond

Item	Resolution 4: Approval of agreement to issue Shares under HNC bond			
	For	Against	Abstain	Proxy's Discretion
Number of Proxies (i.e. Relevant to the show of hands)				
- Number	690	114	13	418
- Percentage	56.46	9.33	-	34.21
Shareholdings (i.e. Relevant to the Poll)*				
- Number	44,106,385	1,233,251	165,355	6,443,092
- Percentage	85.18	2.38	-	12.44

*Consideration given to LR 3.13.2, S.251AA and if a Poll arises

“THAT, subject to the passing of Resolutions 1, 2 & 3, for the purposes of ASX Listing Rule 7.1 and all other purposes, Shareholders approve the agreement to issue Shares equivalent to 10.4% of the Company under the Bond to be issued to HNC.”



Resolutions

Resolution 5 - Appointment of Auditors

Item	Resolution 5: Appointment of Auditor			
	For	Against	Abstain	Proxy's Discretion
Number of Proxies (i.e. Relevant to the show of hands)				
- Number	717	67	32	420
- Percentage	59.56	5.56	-	34.88
Shareholdings (i.e. Relevant to the Poll)*				
- Number	45,623,163	694,703	260,125	6,440,092
- Percentage	86.47	1.32	-	12.21

*Consideration given to LR 3.13.2, S.251AA and if a Poll arises

Section 327B Corporations Act Approval

"THAT, subject to the passing of Resolution 1, 2 & 3, Grant Thornton Australia Audit Pty Ltd (Audit Registration No. 327221):

- Having been nominated by a Member of the Company, in accordance with Section 328B(1) of the Corporations Act 2001; and
- Having given to the Company its Consent to Act as Auditor, in accordance with Section 328A(1) of the Corporations Act 2001;

be appointed as the Auditor of the Company".

Meeting Closed

- I declare the meeting is closed
- Thankyou for your attendance

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