



MBJ:KD:D11
K Dempster

8 May 2009

PERTH

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

CIRCULAR TO CREDITORS

ADELAIDE
BRISBANE
MELBOURNE
NEWCASTLE
SYDNEY
HONG KONG
JAKARTA
KUALA LUMPUR
MANILA
MUMBAI
SINGAPORE
TOKYO

affiliated through
Kroll Worldwide
UNITED STATES
UNITED KINGDOM

I refer to the appointment of Darren Weaver, Steve Sherman and I as Joint and Several Administrators of Compass Mining on 29 January 2009 and previous correspondences.

I advise that at the second meeting of creditors of the Company held on 30 April 2009, creditors passed a resolution that the Company be wound up. Accordingly, Darren Weaver, Steve Sherman and I became the Joint and Several Voluntary Liquidators on that day.

With effect of passing the above resolution, Messrs Hutchinson, Campbell-Wilson and Munday of Ernst and Young resigned from their position as Receivers and Managers of Compass Mining and we are advised by HNC (Australia) Resources Pty Ltd ("HAR") that HAR was appointed operator of the Oxide, Sulphide and Regional Exploration Joint Ventures.

We note that:

- A holding DOCA proposal was accepted by the creditors of Compass Resources Limited (Administrators Appointed) (Receivers and Managers Appointed) ("CMR"); and
- We continue to pursue the rights of both CMR and Compass Mining in respect of the joint ventures.

I will now proceed to wind up the Company's affairs and conduct further detailed investigations into the affairs of the Company. Any creditor who has any information which would assist with my investigation is requested to write to me setting out full particulars.

As stated in the report to creditors dated 22 April 2009, a dividend to unsecured creditors is expected. For the purposes of a dividend payment, adjudication of formal proofs of debt is required. Please note that you only have to lodge a formal proof of debt form (available from my office) if you have not already done so or if the amount that you have claimed previously has changed. When the issues with HAR are resolved such as to permit payment of a dividend, I will revert to you.

CORPORATE ADVISORY

FORENSICS

CORPORATE RECOVERY



At the meeting of creditors on held on 30 April 2009, creditors also resolved to appoint a Committee of Inspection ("the Committee") comprising representatives of the following creditors:

Committee of Inspection	Representative
Exact Mining Services	David Wittwer
Ironbark Employment	Roger Paul
H20 Pty Ltd	Leon Merington
NT Controls and Automation Pty Ltd	Sarah Lunn

The functions of the Committee would be to assist the Liquidators when required, for instance, in respect to progress of the issues between the company and HAR.

Should you have any queries in relation to this matter please contact either Clinton Roberts or Kate Dempster of this office.

A handwritten signature in black ink, appearing to read 'M. Jones', written over a printed name.

MARTIN JONES
Joint and Several Liquidator of
Compass Mining Pty Limited