

5 August 2013

TO THE CREDITOR AS ADDRESSED

Dear Sir/Madam

**Pasminco Limited
(Subject to Deed of Company Arrangement)
ACN 004 368 674
and its wholly owned Australian Subsidiaries ("Pasminco")**

Dividend Estimates as at 30 June 2013

As you are aware, we have held back a proportion of the proceeds from the float of Zinifex Limited in order to deal with the completion of the Deeds of Company Arrangement of the remaining companies that comprise the Residual Group. The process from here is effectively akin to a winding up.

Due to the commercial sensitivity of the issues relating to the retention, we are unable to provide you with either the amount or a specific breakdown of the quantum of the retention and how it relates to the provisioning for the outstanding Residual Group issues.

Given our present understanding of the likely cost of dealing with these issues, we have sought to provide creditors with an estimate of further dividends that may be payable based on "best case", "mid case" and "worst case" scenarios.

We are continuing to experience an unstable economic climate. This places a further element of uncertainty on the forecasts that we have prepared, particularly in relation to the quantum and timing of recoveries from the realisation of land associated with the Cockle Creek site. Further, falling deposit rates are causing a decline in income receipts.

Following completion of the remediation works (expected to be year-end 2013 for both PCCS and Incitec) creditors will be provided with the options available to them. Creditors should note that the options available to them and the future dividend returns will be predominantly based on the amount of future development work undertaken at the Cockle Creek site.

The completion of the site remediation will also correspond with the completion of certain onsite infrastructure works (construction of a roundabout and a portion of the Munibung Road extension) along with various planning submissions.

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SYDNEY	Affiliated through:
MELBOURNE	Zolfo Cooper
ADELAIDE	CARIBBEAN
BRISBANE	UNITED KINGDOM
PERTH	UNITED STATES
KUALA LUMPUR	KLC Kennic Lui & Co.
SINGAPORE	CHINA
TOKYO	HONG KONG

Disclaimer

The process of estimating future dividends that may be payable to the unsecured creditors of Pasminco involves assessing a number of contingencies, risks, uncertainties and other factors, all of which are, to a large extent, beyond the control of the Deed Administrators. Actual dividend levels may be materially different from the estimates provided in this paper due to any number of factors beyond the Deed Administrators' control.

Furthermore, many of the estimates adopted in calculating possible future dividend levels are based on information from a variety of sources, including advice received from a number of consultants as well as data available from market commentators and advisors. We have not independently verified this industry and market data or the advice received from various consultants and advisors.

Given these uncertainties and the contingencies that may affect the ultimate realisation of any of the scenarios, unsecured creditors and prospective acquirers of unsecured debt are cautioned not to place reliance upon the estimates provided in this document. You should not treat the dividend estimates as a representation or warranty by the Deed Administrators as to the likelihood of achieving the estimated dividend levels that are provided. Creditors and persons interested in acquiring unsecured debt should make their own enquiries and the Deed Administrators accept no liability for loss or damage suffered by any person relying on these estimates.

Dividend Forecast June 2013 Key Points

Despite the ongoing positive financial benefits of the remediation and future development of the Incitec site and recent favourable changes to State legislation regarding the eligibility of employee claims for Workers Compensation, you will note that the forecasted returns (in the mid and low cases) have fallen slightly.

The above positive financial benefits have been offset by reduced land values and most specifically demand for the industrial land at Cardiff Central (as forecast by our property consulting experts Hill PDA). In this regard, further asking price reductions have been made on this industrial land to stimulate interest and generate sales.

Furthermore, since January 2013 interest rates in Australia have continued to fall and these rate reductions have also been incorporated into our income forecasts, which has resulted in the slight overall fall in our forecasted returns.

Summary of Dividend Estimates

Dividends paid to date total 21.2 cents in the dollar.

Shown below are two schedules relating to our estimates at 30 June 2013 on an undiscounted and discounted basis respectively.

Undiscounted Dividend Forecast as at 30 June 2013

Estimated future dividends (cents in the dollar)		
Worst Case	Mid Case	Best Case
0.7	1.7	2.9

Discounted Dividend Forecast as at 30 June 2013

Estimated future dividends (cents in the dollar)			
Nominal Discount Rate	Worst Case	Mid Case	Best Case
8%	0.3	1.1	1.7
10%	0.3	1.0	1.5
12%	0.2	0.9	1.3

As indicated above, our estimate of future dividends at 30 June 2013 payable to creditors on a mid case scenario is 1.7 cents, which would bring the final total dividend to unsecured creditors to 22.9 cents in the dollar (undiscounted).

General Assumptions

It should be noted that in calculating the estimates of the dividends under these scenarios, due to yet unknown variables, assumptions have been made as follows:

- A reduced average interest receivable rate of 4.00% (compared to 4.50% in December 2012) on deposit account funds has been applied, except for those amounts locked in a term deposit with a fixed rate of interest. Interest in respect of those funds not held in term deposit accrues on the average mid period cash balance.
- Creditor claims are estimated to amount to \$2,611 million.
- Discount rates used are nominal rates.
- Estimates are based as at 30 June 2013 and have been discounted back to the end of the 2013 calendar year.

Should you have any queries in this regard, please contact Mr Richard Bastow of this office.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Peter McCluskey', with a long horizontal flourish extending to the right.

Peter McCluskey
Deed Administrator