

15 May 2009

**TO THE CREDITOR AS ADDRESSED**

Dear Sir/Madam

**RE: PASMINGO LIMITED  
(SUBJECT TO DEED OF COMPANY ARRANGEMENT)  
ACN 004 368 674  
AND ITS WHOLLY OWNED AUSTRALIAN SUBSIDIARIES (“PASMINGO”)**

We refer to previous correspondence regarding the administration of the Pasmingo Group.

The purpose of this correspondence is to provide creditors with an update on the administration of Pasmingo and to notify you of a forthcoming meeting.

Our report is set out as follows:

1. EXECUTIVE SUMMARY
2. DIVIDEND ESTIMATES
3. DIVIDEND DISTRIBUTIONS
4. UPDATE ON THE COCKLE CREEK SMELTER SITE
5. WORKERS’ COMPENSATION CLAIMS
6. WINDING UP AND DEREGISTRATION PROCESS
7. STATUS OF ADMITTED CLAIMS
8. DEED ADMINISTRATORS’ FEES
9. NOTICE OF MEETINGS OF CREDITORS

**MELBOURNE**  
Level 29 600 Bourke Street  
Melbourne VIC 3000 Australia  
PO Box 290 Collins Street West  
Melbourne VIC 8007  
phone +61 3 9600 4922  
fax +61 3 9642 5887  
email [fhmelb@melb.fh.com.au](mailto:fhmelb@melb.fh.com.au)  
[www.ferrierhodgson.com](http://www.ferrierhodgson.com)  
DX 125 Melbourne

adelaide  
brisbane  
newcastle  
perth  
sydney  
hong kong  
jakarta  
kuala lumpur  
manila  
mumbai  
shanghai  
singapore  
tokyo

Affiliated through  
Kroll Worldwide  
united states  
united kingdom

When replying please quote:

Our Ref: SJ:JME:C

Your Ref:

g:\rjs\pasmintd.dca\reports\report to creditors april 2009\final docs\report to creditors april 09 v3.doc

Liability limited by a scheme approved under the Professional Standards Legislation

Ferrier Hodgson is an affiliation of independent partnerships

CORPORATE ADVISORY 

FORENSICS 

CORPORATE RECOVERY 

## 1. EXECUTIVE SUMMARY

Set out below is a brief summary of the main points discussed in the report:

- Creditors may receive further distributions (on a mid case scenario) of 4.5 cents in the dollar, bringing the total return payable to unsecured creditors to 23.20 cents in the dollar. By way of comparison, our total dividend estimate released on 19 August 2004 anticipated a mid case return of 21.0 cents in the dollar.
- A 6<sup>th</sup> interim dividend of 1 cent in the dollar is proposed for Q3 of 2009, bringing the total distributions to creditors to 19.7 cents in the dollar.

### 1.1 Update On the Cockle Creek Smelter Site

- Activities in relation to the Site have primarily been focused on:
  - Progress of the remediation civil works phase of the project;
  - Tendering and appointment of a contractor to construct the containment cell;
  - Completion and lodgement of the Detailed Site Master Plan;
  - Submission of applications to change the land uses from heavy industrial to residential and light industrial and detailed development planning associated with a 21 lot light industrial subdivision; and
  - Negotiations with third party stakeholders to progress the planning and development outcomes adopted for the Site.
- The Deed Administrators have finalised and are now implementing various Site remediation works plans to facilitate approvals from stakeholder Authorities and the Site Auditor as required by the Part 3A Conditions of Consent for remediation of the Site provided to PCCS by the NSW Minister for Planning on 27 February 2007.
- The development Master Plan for the Site previously adopted by the Deed Administrators is being progressed and land uses are being formalised with the rezoning of the Site via two successive amendments to the Lake Macquarie City Local Environmental Plan 2004 (LEP 2004).
- The main variance between anticipated returns in today's economic climate, against last year, is the estimated returns from land sales. Operating and remediation costs have been controlled, although certain provisions for infrastructure levies have been increased following discussions with various State Government Bodies. In addition following a competitive tender and contractor appointment process, costs associated with the construction of the containment cell have exceeded initial budgets.
- Whilst we are unable to provide creditors with specific details regarding the total estimated revenues and costs for the project (as this information is sensitive and could adversely impact on ongoing project negotiations) we remain confident that we will ultimately be in a position to return to creditors a proportion of the funds held back to deal with the site.

## 1.2 Workers' Compensation Claims

- PCCS's estimated self insured liability tail has decreased approximately 20%.
- The balance of the estimated self insured liability tail relates mainly to new and reopened claims and given their recurring nature, the self insured liability tail is likely to fall at a slower rate into the future.
- Settlement of the Kemper legal proceedings has allowed for the disbursement of part of the funds retained by NSW WorkCover both to Kemper in full and final settlement of the proceedings and to the Deed Administrators in accordance with NSW WorkCover guidelines.

## 1.3 Winding Up and Deregistration Process

- Since last reporting to creditors we have continued to progress the wind down and deregistration of Pasmenco's Residual Group companies in accordance with the Pasmenco Group's DOCA's.

## 1.4 Deed Administrators' Fees

Creditors previously approved an increase in our fee limit to cover the Deed Administrators fees to a limit of AUD2,356,130. As at 31 March 2009, a balance of AUD52,451 remained from our approved fee limit. We estimate our professional fees for the period 1 April 2009 to 31 May 2010 (ie a 14 month period) will be approximately AUD2,074,671.

- At the forthcoming meeting of creditors, we will seek approval for an additional fee limit of AUD2,022,220 (plus GST) estimated to cover a 14 month period to 31 May 2010.
- Given that the fees are subject to a capped amount, we are unable to draw fees exceeding that amount.
- Naturally, we will provide an account of all fees incurred and paid in future reports to creditors.

## 2. DIVIDEND ESTIMATES

As many creditors are aware, we provide regular updates to the dividend forecasts, which are published on the existing Pasmenco website at [www.pasmenco.com.au](http://www.pasmenco.com.au) and on our Ferrier Hodgson website at [www.ferrierhodgson.com.au](http://www.ferrierhodgson.com.au), under the section, "Creditors Information / Current Administrations / Pasmenco Limited".

Our latest dividend estimate report to 31 March 2009 is attached at **Annexure 1**. The report estimates that creditors may receive further distributions (on a mid case scenario) of 4.5 cents in the dollar, bringing the total return payable to unsecured creditors to 23.20 cents in the dollar.

By way of comparison, our total dividend estimate released on 19 August 2004 anticipated a mid case return of 21.0 cents in the dollar. The estimated return to creditors has increased over time due to a variety of factors, including favourable outcomes on a number of matters. These include:

- Revised assumptions relating to estimated future workers' compensation liabilities and release of monies held by NSW WorkCover.
- A favourable settlement of the Aquila Litigation.
- A reduction in the estimated value of creditor claims.
- A reduction in the actual expenditure incurred to date on various issues.
- Cost savings and revenue improvements achieved and anticipated in relation to the remediation and realisation of the Cockle Creek site.
- A favourable outcome on the sale /wind down of US entities.
- Settlement of Rio Tinto litigation and creditor claim
- Settlement the Kemper litigation and creditor claim
- A deferral of expenditure on various matters, resulting in additional interest being earned on funds held.

However, despite the improved estimated return to creditors since appointment, the forecast returns have deteriorated in the last 6 months reflecting the adverse impacts on forecast property values and declining interest rates caused by the volatile economic climate. By way of comparison the total forecast returns as at 30 September 2008 was 24.6 cents in the dollar and at 31 March 2009 23.2 cents in the dollar.

For further information regarding the forecast returns to creditors attached at **Annexure 1** is our most recent dividend estimate report.

## **2.1 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 assumptions 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 the uncertainties and the contingencies that may affect the ultimate realisation, 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.

### **3. DIVIDEND DISTRIBUTIONS**

As previously reported, following the successful resolution of various residual group matters this enabled a fifth interim dividend distribution of 1.0 cent in the dollar to be paid in May 2008. Unsecured creditors have now received a total of 18.7 cents in the dollar since April 2004.

Despite the deterioration in budgeted returns since the estimate published as at 30 September 2008, I am pleased to advise that I propose to pay a 6<sup>th</sup> interim dividend distribution to the unsecured creditors of 1.0 cent in the dollar in quarter 3 of 2009. These funds can now be released given the greater certainty regarding future workers compensation claims and a greater clarity of future costs in relation to the PCCS site and in the Administration generally.

In order to minimise the delay in paying the dividend, I will write to each finance creditor individually utilising the provisions of clause 24 of the Pasminco Limited Deed of Company Arrangement. Financiers will be required to confirm the balance of debt held at a specific date and withhold from making any further debt trades until the dividend is paid.

Non financier creditors who have admitted unsecured claims will receive payment in the usual manner. No further action is required by this class of creditor.

### **4. UPDATE ON THE COCKLE CREEK SMELTER SITE**

The following provides an update on activities undertaken by the Deed Administrators in relation to the Pasminco Cockle Creek Smelter Site ("Site" and "PCCS Site") since the last report to you on 28 February 2008.

#### **4.1 Demolition**

Following the completion of all major plant and structure demolition activities, the first phase of concrete demolition and crushing works were completed in Q4 2008. Crushed material from the works has been stockpiled for future use around the site as hardstand and in haul roads.

The Deed Administrators recently completed a tender process for the second phase of concrete demolition and crushing, and a full assessment of the tenders is currently underway. It is expected that a contract will be let in Q2 2009, with works to commence immediately thereafter. The area of works is known as Parcel 4 (Old Plant area) and has a significant volume of concrete to be removed prior to remediation of this area. It is anticipated that this concrete will be used as a road building product in the future development.

## **4.2 Whole of Site Remediation**

### **4.2.1 Part 3A Consent**

As previously reported, consent to the Part 3A application in accordance with the Planning and Assessment Act 1979 for the whole of Site remediation plan was provided to PCCS by the NSW Minister for Planning on terms acceptable to the Deed Administrators.

The Part 3A consent contains many conditions including the requirement for further ongoing approvals that need to be satisfied before, during and after each stage of the remediation works. Details of the Part 3A consent conditions and the remediation and cell design plan approved by the Minister can be obtained by visiting [www.planning.nsw.gov.au](http://www.planning.nsw.gov.au) under Development Assessments/Notices of Determination/Major Projects 2006-2009.

The Deed Administrators continue to progress these matters through extensive ongoing negotiation with the Department of Environment and Climate Change ("DECC") and other stakeholder bodies including the NSW Departments of Planning and Health, the Lake Macquarie Council and the NSW Premier's Office (together, "Authorities").

The various staged approvals are being progressively achieved in a satisfactory and timely manner.

### **4.2.2 Site Remediation Works**

The indicative remediation staging plan for the Site ("Staging Plan") is included with this report at **Annexure 2**.

There are currently five separate remediation areas (plus the containment cell) in the Staging Plan. For each of these, it is necessary to obtain prior approval for the remediation plans and designs (Remedial Action Works Plan – RAWP), firstly from the Site Auditor and then the Authorities. Monitoring and reporting is required during and after remediation. After the remediation is complete, it is necessary to secure a Validation Report signed off by the Site Auditor as a pre-condition to future development.

To date approximately 25% of the whole site has been remediated. The status of remediation of the specific stages is set out below.

#### **Area 1**

Remediation has now been completed for industrial redevelopment purposes on Area 1 (Cardiff West Estate), and the Site Auditor has signed the Validation Report.

#### **Area 2**

Remediation of Area 2 (Munibung Hills – 60 Ha area) is approximately 25% complete. Remediation works will be completed in stages by the end of 2009, in accordance with approved RAWP documents signed off by DECC and DoP.

#### **Area 3**

Remediation of Area 3 (Tripad) will likely commence in late Q2 2009. All approvals are currently in place from Site Auditor and Authorities. Contaminated soil from this area will be delivered to the containment cell contractor.

#### **Area 4**

Remediation of Parcel 4 (Old Plant Area) will commence in Q4 2009 after both concrete is demolished and crushed and Area 3 is remediated. Approvals for this work have been signed off by the Site Auditor. Approval of the DECC and DoP is expected in late quarter 2, 2009.

#### **Area 5**

Remediation of Parcel 5 (Cell Surrounds) will commence immediately after Parcel 4 – likely in Q3 2010 after both concrete is demolished and crushed and Area 4 is remediated. Documentation of RAWP's and various approvals for this work have commenced.

The Deed Administrators continue to review the most appropriate and cost effective method to expedite the remediation and cell construction works and ensure that remediation is properly undertaken to the satisfaction of the Authorities.

#### **4.2.3 Containment Cell Design and Construction**

Following receipt of Site Auditor and DECC sign off to the detailed design of the containment cell the Deed Administrators undertook a tender process in relation to the construction of the containment cell approaching numerous civil works contractors who were willing to tender for this multimillion dollar contract. A shortlist of tender parties was identified out of the tender process and after undertaking detailed negotiations and RFI process in December 2008, the Deed Administrators awarded the construction contract to Ward Civil and Environmental Engineering P/L to construct the containment cell, and operate it for a 2 year period following satisfactory completion.

Site establishment works commenced in January 2009 with work on the base of the cell now well underway, drainage trenches and Construction works are programmed to be completed by late Q2 2011. Works have been programmed to be completed in a staged sequence, and are required to be co-ordinated with PCCS who is supplying the contaminated materials from the remediation areas. This has been assessed to be the most cost effective way to conduct the works, and this will be continually monitored to ensure this remains the case.

Due to the level of civil works involved in the containment cell construction and remediation activities will increase substantially in coming months, the Deed Administrators consider it necessary to appoint a full time civil project supervisor to manage the various civil works operations at the site and ensure OH&S and other procedures are properly adhered to. Advertising for this role is underway.

#### **4.2.4 Sale of Process Materials on Site**

The Deed Administrators have continued to identify opportunities for the economic removal of process materials on Site. This has the twofold benefit of improving the environmental and financial outcomes for the Site.

In Q2 2008, the Deed Administrators entered into an agreement for the processing and removal of 5 large stockpiles of former smelter process materials after the contracting partly achieved a Commonwealth Government approval to export the processed material for sale and reuse in China. PCCS receives royalties based on the gross sales proceeds achieved on the sale of process materials. Partial removal of the material has already occurred with the balance being progressed. The full extent of the removal will be determined before the end of 2009.

Two other former process materials have been subject to extensive onsite treatment by an expert third party (Veolia) and immobilisation approval has now been received from the DECC. The Deed Administrators are currently considering opportunities for removal of the treated material from the Site.

The processing and sale of other material stockpiled on the site was concluded in December 2008.

Proceeds from the sale of the concentrates have now been received in full.

#### **4.2.5 Ongoing Site Monitoring**

In accordance with the Part 3A consent conditions, monitoring will continue until the Site as a whole has been remediated and thereafter as required by the DECC to confirm the effectiveness of the measures taken in addressing discharge from the Site. These ongoing requirements were previously set out in the Remediation Order issued over the Site by the DECC in 2003.

Negotiation regarding the requirements and procedures for DECC to lift the Significant Risk of Harm (SROH) (Remediation Order) notation from remediated areas prior to the conclusion of ongoing monitoring requirements is well advanced. A successful and acceptable outcome to these negotiations is key to enabling the progressive development and realisation of the various remediated Site areas.

It is expected that the first excision of a remediated area from the Remediation Order, the Cardiff West Estate, will take place in CY 2009.

#### **4.3 Incitec Site**

In January 2009, Incitec Pivot Limited ceased production of Single Super Phosphate (SSP) at its "island site" located within the PCCS Site. The sheds at the site will continue to be used as an SSP storage and distribution facility until no later than September 2010.

Pursuant to the cooperation agreement entered into between Incitec and PCCS, Incitec provided input into the final Master Plan lodged with the LMCC in relation to the rezoning of the PCCS and Incitec Site as a whole (refer below).

The Deed Administrators continue to work with representatives of Incitec in relation to the ongoing remediation and redevelopment of the Sites to enhance their end values.



#### 4.4 Site Development and Master Planning

As previously reported, a number of alternative options for the ultimate realisation of the Site are being considered once the site is remediated. These options include:

- Sell 'as-is' (i.e. undeveloped with minimal or no infrastructure);
- Sell serviced Superlots (i.e. large development parcels with potential for further subdivision with connections to essential services); and/or
- Sell fully developed lots (i.e. a fully serviced residential or industrial subdivision).

Subject to the prevailing market conditions and having regard to overall project timing and risk exposure, a mixture of the above options may be pursued during the project's life cycle.

The ongoing financial modelling undertaken by the Deed Administrators, their independent advisors and PacLib, (the Deed Administrators' development partner) on the various land use options supports the Site having a predominantly residential land use particularly with current market conditions seeing a reduction in industrial land values and the market for residential property under AUD500,000 remaining buoyant.

##### 4.4.1 Detailed Site Master Plan

In accordance with the Development Agreement, PacLib has completed, at their own expense, a Detailed Site Master Plan (Master Plan) which was lodged in September 2008. The key elements of the master plan are:

- Approximately 800 additional dwellings based on an overall density of 15 dwelling units per hectare;
- 2,750 additional residents based on 2.5 persons per dwelling;
- Potential for 1,600 jobs in a variety of industries;
- Additional passive regional open space on Munibung Hill and the containment cell linking with surrounding open space systems; and
- Integration with the existing urban fabric of the locality.

Attached at **Annexure 2** is a Map of the Site Master Plan. Should creditors require further information in this regard; copies of the Marketing Brochure will be made available at the Creditors Meeting. Creditors can also download a copy of the Marketing Brochure and obtain useful information in relation to the site at [www.bunderra.com.au](http://www.bunderra.com.au).

Council provided their comments on the Master Plan in November 2008 which generally endorsed the proposed mixture of land uses on the Site.

To give statutory effect to the proposed land uses under the Master Plan an amendment to the Lake Macquarie Local Environmental Plan was endorsed by Council in February 2009 which rezoned part of the site to a mixture of employment, residential and open space uses.

Also in March 2008 Council resolved to commence the rezoning process for the remainder of the PCCS site (including Incitec site). A Planning Report/LES is currently being prepared. The rezoning of the remainder of the Site is due to be completed by the end of 2009.

A draft Voluntary Planning Agreement (VPA), seeking to offset s.94 Contributions levies by Council for the construction of community infrastructure arising from the development of the site, was presented to Council with the above master plan. Negotiations are underway with Council in relation to the contents of the VPA.

#### **4.4.2 Development**

As previously reported, the Deed Administrators are proceeding with the light industrial subdivision of approximately 18 hectares in the northern part of the Site (the Cardiff West Estate). Under the Development Agreement structure PaCLib has completed a Development Application for the industrial subdivision comprising 21 lots at approximately 4,000m<sup>2</sup> each. The application has been lodged with Council for assessment and determination is imminent.

PCCS has commenced, in conjunction with other works, the design and documentation of civil and servicing infrastructure to the Cardiff West Estate.

It is currently anticipated that sale of the Cardiff West Estate will begin at the end of 2009 with revenues anticipated to be received throughout 2010.

Development options for the remaining Superlots will be considered by the Deed Administrators on a site-by-site basis with due consideration to the outcome of the above industrial subdivision, prevailing and forecast market conditions, status of the remediation project and strategies to achieve the most optimal outcome for creditors.

#### **4.5 Project Returns**

The main variance between anticipated returns in today's economic climate, against last year, is the estimated returns from land sales. Operating and remediation costs have been controlled, although certain provisions for infrastructure levies have been increased following discussions with various State Government Bodies. In addition following a competitive tender and contractor appointment process, costs associated with the construction of the containment cell have exceeded initial budgets.

Whilst we are unable to provide creditors with specific details regarding the total estimated revenues and costs for the project (as this information is sensitive and could adversely impact on ongoing project negotiations) we remain confident that we will ultimately be in a position to return to creditors a proportion of the funds held back to deal with the site.

#### **4.6 Other**

##### **4.6.1 Lead Abatement Strategy**

As previously reported, a condition of the Part 3A consent requires that PCCS develops and implements a strategy to address lead dust deposition from the previous smelter operations at residential properties surrounding the Site ("Lead Abatement Strategy").

The Deed Administrators have designed a practical Lead Abatement Strategy that adopts a moderate and economic approach to address the requirements of Authorities. This strategy has been reviewed by the DECC throughout its evolution and in January 2008, DECC provided a letter confirming their formal agreement to its contents. A similar letter has also been received from the Department of Planning (DoP).

Implementation of the Lead Abatement Strategy is subject to the Deed Administrators receiving formal confirmation that certain key development rezonings previously made in relation to the Site are approved by the NSW Government on acceptable terms and conditions. It is anticipated that this confirmation will be received in Q2 or Q3 2009.

The Deed Administrators are undertaking the necessary preliminary work required ahead of any formal commencement to the LAS program so that a prompt start can be made when needed.

#### **4.6.2 Operating/Care and Maintenance Activities**

In addition to those matters outlined above, the Deed Administrators continue to undertake certain Site operating and care and maintenance activities including:

- Managing the Site's surface and groundwater systems including the continued operation of the Effluent Treatment Plant
- Site security
- Ongoing negotiation with the DECC regarding the revision/removal of Licences and Approvals to ensure these remain in line with the progressive remediation of the Site
- Managing inquiries from the community
- Managing the company's rental property book
- Managing service and utility supplies to the Site
- Provision of regular Authority reports under the Environment Protection Licence including on and off site monitoring
- Site Personnel management and servicing of onsite remediation activities
- Bushfire and vegetation management
- Conduct of civil/remediation works utilising plant and equipment owned/hired by PCCS and its personnel
- Civil works tender process and operations management
- Site contractor and consultant management

The Deed Administrators continue to review the staffing of operations at the Site. With the automation of the Effluent Treatment Plant, the cessation of processing operations at the Site and progress in other areas of the Site remediation, it was considered appropriate to terminate 4 staff members. Their employment ended in December 2008.

As the Site is progressively remediated, the requirement for certain of these activities will either reduce or cease.

## **5. WORKERS' COMPENSATION CLAIMS**

### **5.1 Self Insured Liability Tail / Claims Management**

Between January 2008 and March 2009, as a result of Pasminco's claim management efforts in achieving certain settlements, PCCS's estimated self insured liability tail has decreased approximately 20%.

The Deed Administrators have been successful in settling almost all of the liabilities to workers who were receiving weekly benefits as at the date Pasminco entered administration. The balance of the estimated self insured liability tail relates mainly to new and reopened claims. These claims, given their recurring nature, are likely to endure for an extended period into the future, which will mean the self insured liability tail is likely to fall at a slower rate into the future.

The Deed Administrators are continuing to explore options for the future management of the self insurance tail. Legislative arrangements in NSW may require the Deed Administrators to manage the tail for an extended period.

### **5.2 Monies held by NSW WorkCover**

Settlement of the Kemper legal proceedings has allowed for the disbursement of part of the funds retained by NSW WorkCover both to Kemper in full and final settlement of the proceedings and to the Deed Administrators in accordance with NSW WorkCover guidelines.

At present there are cash funds of approximately AUD18 million earning interest deposited with the New South Wales WorkCover Authority. The funds are held in support of Pasminco's New South Wales self insurance obligations in respect of Workers Compensation.

NSW WorkCover has commenced remitting interest on those funds as earned on a six monthly basis.

The balance of the funds are remitted annually (November) on receipt and consideration of an actuarial report, based on the movement in outstanding workers compensation claims liabilities as assessed by the actuary.

### **5.3 Release of funds**

Given the above outcomes we are now able to release a proportion of the previously held back funds in relation to WorkCover liabilities. This release of funds will be incorporated within the 6<sup>th</sup> dividend distribution proposed for Q3 of 2009.

## 6. WINDING UP AND DEREGISTRATION PROCESS

Since last reporting to creditors, we have continued to focus on the wind down and deregistration of Pasmenco's Residual Group companies in accordance with the Pasmenco Group's DOCAs.

The Australian Corporations Act 2001 ("Act") requirements for a company to be eligible for deregistration are as follows:

- All members of the company agree to the deregistration;
- The company is not carrying on business;
- The company's assets are worth less than \$1,000;
- The company has paid all fees and penalties payable under the this Act;
- The company has no outstanding liabilities; and
- The company is not party to any legal proceedings.

The process to deregister a number of the individual Residual Group companies is nearing completion with the process addressing *inter alia*,

- Intercompany debt forgiveness.
- Deed of Cross Guarantee releases.
- Security Trust Deed releases.
- Deed of Cross Assumption of Claims releases.
- Separation, Transitional and Shared Services Deed obligations.
- Taxation obligations.
- Legal sign off.

The deregistration process requires numerous approvals and sign offs and in this regard, it is intended that a number of the current residual group companies will be deregistered during 2009, thus reducing the amount of statutory lodgements and costs.

## 7. STATUS OF ADMITTED CLAIMS

To date, the following amounts have been adjudicated and admitted as claims against Pasmenco and are eligible to receive future dividends:

Claim Type	Admitted Amounts for Future Dividends AUD
Financiers (including former SRL Creditors)	2,605,881,998
Trade and other creditors	5,492,238
<b>Total</b>	<b>2,611,374,236</b>

Please note that the dividend calculations are based on the amount of admitted claims plus the Deed Administrators' estimate of the likely amount of claims that are yet to be admitted. I advise as follows in relation to certain creditors:

### **7.1 Financiers including former SRL Creditors**

At a creditors meeting held on 5 October 2004, creditors resolved that, once the outstanding Aquila litigation was settled, a "catch up" dividend would be paid to the creditors of SRL. In addition, it was resolved that a further amount, determined by the Deed Administrators, would be paid to creditors to equal the approximate interest which occurred on the creditors "catch up" dividend.

Consequently, a "catch up" dividend of 13.8 cents in the dollar plus accrued interest calculated at a weighted average rate of 5.49% was paid to the SRL creditors on 12 July 2006.

Following the distribution, SRL creditors were advised that their admitted unsecured claims would now rank equally alongside all other unsecured creditors of Pasminco. These creditors have since participated in dividend distributions equally along with other unsecured creditors.

### **7.2 Trade and other creditors**

Trade creditors represent general creditors whose claims against Pasminco are in excess of AUD10,000. Also incorporated within this figure are creditors' claims that have been or still are subject to litigation.

Following a creditors meeting held on 19 May 2008, creditors approved a settlement of an ongoing litigation matter between Pasminco and Lumberman's Mutual Casualty Company (trading as Kemper Insurance Companies) "Kemper". As part of the settlement, Kemper withdrew their proof of debt amounting to AUD33.6 million and returned to the Administration dividends previously received by them. Per the terms of the settlement Kemper are now prevented from participating in any future dividends.

In addition, contamination claims have been included in this creditor group. Primarily, these claims relate to individuals who claim loss or damage as a result of living in close proximity to the smelter sites at Port Pirie, South Australia and Cockle Creek, New South Wales.

The Deed Administrators are required to act in accordance with their obligations under the Act in assessing proofs of debt. Accordingly, satisfactory evidence to justify a creditor's claim is required before a proof of debt can be admitted in the Administration.

### **7.3 Small Participating Creditors**

Small Participating Creditors (creditors claiming less than AUD10,000) have received a first and final dividend of 50 cents in the dollar in accordance with the Deeds of Company Arrangement.

#### 7.4 Aquila Resources Limited.

As previously reported, Aquila Resources Limited has received a first and final dividend of 13.8 cents in the dollar based on their admitted claim.

#### 7.5 Rio Tinto Creditors

As previously reported, Rio Tinto creditors have received a first and final dividend of 13.8 cents in the dollar.

### 8. DEED ADMINISTRATORS' FEES

At the previous meeting of creditors, held on 18 March 2008, creditors approved the Deed Administrators' up to a cap of AUD 2,356,130 (plus GST).

Detailed below is a summary of the Deed Administrators' fees as at 31 March 2009.

	AUDm
Deed Administrators' fees approved by creditors on 18 March 2008	2.35
Plus Undrawn WIP at 1 February 2008	0.13
<b>Less:</b>	
Fees incurred and paid to 31 March 2009	2.43
<b>Fees still available to draw</b>	<b>0.05</b>

Our current fees as Deed Administrators have been calculated in accordance with Ferrier Hodgson's schedule of hourly rates, which were applied on 1 February 2008.

As you may be aware, the Pasminco Deeds of Company Arrangement provide that the Deed Administrators may calculate their fees in accordance with Ferrier Hodgson's schedule of hourly rates.

We therefore propose that the hourly rates to be adopted from 1 April 2009 be charged at Ferrier Hodgson's new schedule of rates, (a 6% rate increase) set out over the page. As the majority of creditors are now US based, the current rates detailed below are also expressed in USD, based on a conversion rate of approximately AUD1:USD0.7388:

Classification	Proposed Hourly Rate AUD	Proposed Hourly Rate USD
Partner	595	440
Director	495	366
Manager 1	445	329
Manager 2	375	277
Supervisor	310	229
Senior 1	285	210
Senior 2	250	185
Intermediate 1	220	163
Intermediate 2	190	140
Professional Junior staff	135	100
Senior Secretary	170	126
CP Operator	120	89
Clerk	135	100
Typist	90	66
Junior	75	55

We estimate our projected professional fees for the 14 month period 1 April 2009 to 31 May 2010 to be AUD2,074,671.

As mentioned above, at 30 April 2009 fee capacity of AUD52,451 remains available to be drawn. Accordingly, at the forthcoming meeting of creditors we will seek approval for an additional fee limit of AUD2,022,220 (plus GST) as detailed below. Attached at **Annexure 3** is a remuneration report that includes details of the work we anticipate carrying out over the next 14 months:

	AUDm
Estimated fees for the period 1 April 2009 to 31 May 2010	2.07
Less: Surplus fees not yet drawn	(0.05)
<b>Additional fee approval to be put to creditors</b>	<b>2.02</b>

Given that the fees will be subject to a limit, we are unable to draw fees exceeding the limit. Should our fees exceed this limit, we will seek further approval from creditors at a later meeting of creditors.

I note that historically we have informed the Committee of Creditors of the level of our fees and sought their authorisation to draw fees on a periodic basis within the limit approved by the creditors. As a result of debt trading, no members remain on the Committee of Creditors. Accordingly the Deed Administrators draw fees on a periodic basis ensuring that fees are not drawn in excess of the limit approved by creditors.



Naturally, we will provide an account of all fees incurred and paid in future reports to creditors.

## **9. NOTICE OF MEETINGS OF CREDITORS**

Concurrent meetings of the creditors of Pasminco will be held at 11.00am (Australian Eastern Standard Time) on 12 June 2009 pursuant to the Deeds of Company Arrangement executed for the Pasminco Group companies.

The purpose of the meetings will be to:

1. Provide creditors with an update in relation to the status of the Administration;
2. Provide an opportunity for questions from creditors; and
3. Seek creditors' approval for unpaid and ongoing Deed Administrators' fees in this matter.

For your information and assistance, we enclose the following:

### **9.1 Notice of Meeting (Annexure 4)**

Please note that the meetings of creditors will be held on 12 June 2009 at 11.00am (Australian Eastern Standard Time) at the offices of Ferrier Hodgson, Level 29, 600 Bourke Street, Melbourne, Australia.

In accordance with Corporations Regulation 5.6.23(1), creditors will not be entitled to vote at the meeting unless they have previously lodged particulars of their claims against the abovenamed companies with the Administrators and the claim is or has been admitted in whole or in part for the purposes of voting pursuant to Corporations Regulation 5.6.26.

In accordance with Corporations Regulations 5.6.13A, creditors should note that telephone conference facilities will be available for creditors to attend the meeting via telephone.

Any person who wishes to participate in the meeting via telephone must contact Miss Natalie Reid in writing no later than midday (Australian Eastern Standard Time) on Thursday 11 June 2009 providing a written statement setting out; the name of the person and of the proxy or attorney attending the meeting, an address and or facsimile number to which notices to the person, proxy or attorney may be sent; and a telephone number at which the person, proxy or attorney may be contacted.

Following receipt of the above details, Miss Natalie Reid will contact you and provide you with a specific telephone number and a password to enable you to attend the creditors meeting via our conference telephone facilities.

Consequently the person, proxy or attorney of a person, who participates in the meeting by telephone must pay any costs incurred in participating in the meeting and is not entitled to be reimbursed for those costs from the assets of the company.

Creditors are requested to arrive at the meeting at least 15 minutes prior to the commencement of the meeting.

## 9.2 Proxy Form (Annexure 5)

- Proxy Forms must be completed by:
  - i. All corporate creditors who wish to be represented at the meeting (ie. if XYZ Pty Ltd is a creditor, it will need to appoint a person to act as its proxy).
  - ii. Individuals who are creditors who are not attending the meeting to vote personally.
- If the creditor wishes to direct the person appointed as their proxy as to how they wish to vote (a special proxy), the appropriate box next to the resolutions should be ticked in accordance with that direction. You must tick one box per resolution only ie. For or Against or Abstain.
- If the creditor wishes to allow the proxy appointed to vote as the proxy determines, they should not tick any of the boxes.
- Creditors must also include the amount of their pre-appointment claim prior to the distribution of any previous dividends and sign the Proxy Form in the spaces provided.

**Please note that all proxy forms should be completed and returned to this office by no later than midday (Australian Eastern Standard Time) on Thursday, 11 June 2009.**

Should you require any further information in relation to the matters contained within this report, please do not hesitate to contact Miss Natalie Reid of this office (telephone +613 9604 5138).

Yours faithfully



PETER McCLUSKEY  
DEED ADMINISTRATOR

Encl.

# **ANNEXURE 1**



15 May 2009

**TO THE CREDITOR AS ADDRESSED**

Dear Sir/Madam

**RE: PASMINGO LIMITED  
(SUBJECT TO DEED OF COMPANY ARRANGEMENT)  
ACN 004 368 674  
AND ITS WHOLLY OWNED AUSTRALIAN SUBSIDIARIES (“PASMINGO”)  
  
DIVIDEND ESTIMATES AS AT 31 MARCH 2009**

**MELBOURNE**  
Level 29 600 Bourke Street  
Melbourne VIC 3000 Australia  
PO Box 290 Collins Street West  
Melbourne VIC 8007  
phone +61 3 9600 4922  
fax +61 3 9642 5887  
email [fhmelb@melb.fh.com.au](mailto:fhmelb@melb.fh.com.au)  
[www.ferrierhodgson.com](http://www.ferrierhodgson.com)  
DX 125 Melbourne

adelaide  
brisbane  
newcastle  
perth  
sydney  
hong kong  
jakarta  
kuala lumpur  
manila  
mumbai  
shanghai  
singapore  
tokyo

Affiliated through  
Kroll Worldwide  
united states  
united kingdom

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.

As you are no doubt aware, we are currently experiencing an extremely volatile 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 that may be obtained from the realisation of land associated with the Cockle Creek site.

As previously stated, the mid case scenario represents our best estimate of further dividends to creditors.

**Disclaimer**

The process of estimating future dividends that may be payable to the unsecured creditors of Pasmingo 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.

When replying please quote:

Our Ref: SM:B9

g:\rjs\pasmintd.dca\dividend calculations\hold back cashflows and dividends\various scenarios and npvs\20 - qtr march 2009\letter to creditors re dividend estimates march 2009.doc



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.

### Summary of Dividend Estimates

To date, dividends have been paid to unsecured creditors of 12.5 cents, 1.3 cents, 2.4, 1.5 cents and 1 cent, totalling 18.7 cents in the dollar.

Shown below are two schedules relating to our estimate of **further** dividends, on an undiscounted and discounted basis respectively.

#### **Undiscounted Dividend Forecast as at 31 March 2009**

Estimated further dividends (cents in the dollar)		
Worst Case	Mid Case	Best Case
3.4	4.5	5.5

#### **Discounted Dividend Forecast as at 31 March 2009**

Nominal Discount Rate	Estimated further dividends (cents in the dollar)		
	Worst Case	Mid Case	Best Case
8%	2.9	3.8	4.5
10%	2.8	3.6	4.4
12%	2.7	3.5	4.2

As indicated above, our current estimate of the further dividends that may be payable to creditors on a mid case scenario is 4.5 cents, which would bring the final total dividend to unsecured creditors to 23.2 cents in the dollar (undiscounted).

You will note that, in our forecasts prepared as at 30 September 2008, it was estimated that future dividends on a mid case scenario would be 5.9 cents with final total dividends to unsecured creditors estimated at 24.6 cents in the dollar (undiscounted).



The overall decrease in this estimate of 1.4 cents to 23.2 cents in the dollar (undiscounted) can be attributed to a number of factors, including:

- The reductions made to the land and property values per the ongoing reassessment by the Deed Administrators and their Project Managers.
- The reassessment of certain Infrastructure cost provisions and the finalisation of the containment cell tender process has resulted in slight increases in budgeted costs.
- There have been additional allowances for the timing of future development works resulting in funds being managed and invested on term deposits for additional periods. Due to the global fall in interest rates, our assumed future interest revenue has reduced significantly.
- Revised assumptions relating to estimated future workers' compensation liabilities and release of monies held by NSW WorkCover.

### **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:

- An average interest receivable rate of 3.28% on deposit account funds has been applied, (note this is a 3.10% reduction on rates applied to funds in our 30 September 2008 forecast) 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 \$2,613 million.
- Discount rates used are nominal rates.
- Estimates are based as at 31 March 2009 and have been discounted back to this date.

Should you have any queries in this regard, please contact Mr Richard Bastow of this office (telephone +613 9604 5175).

Yours faithfully

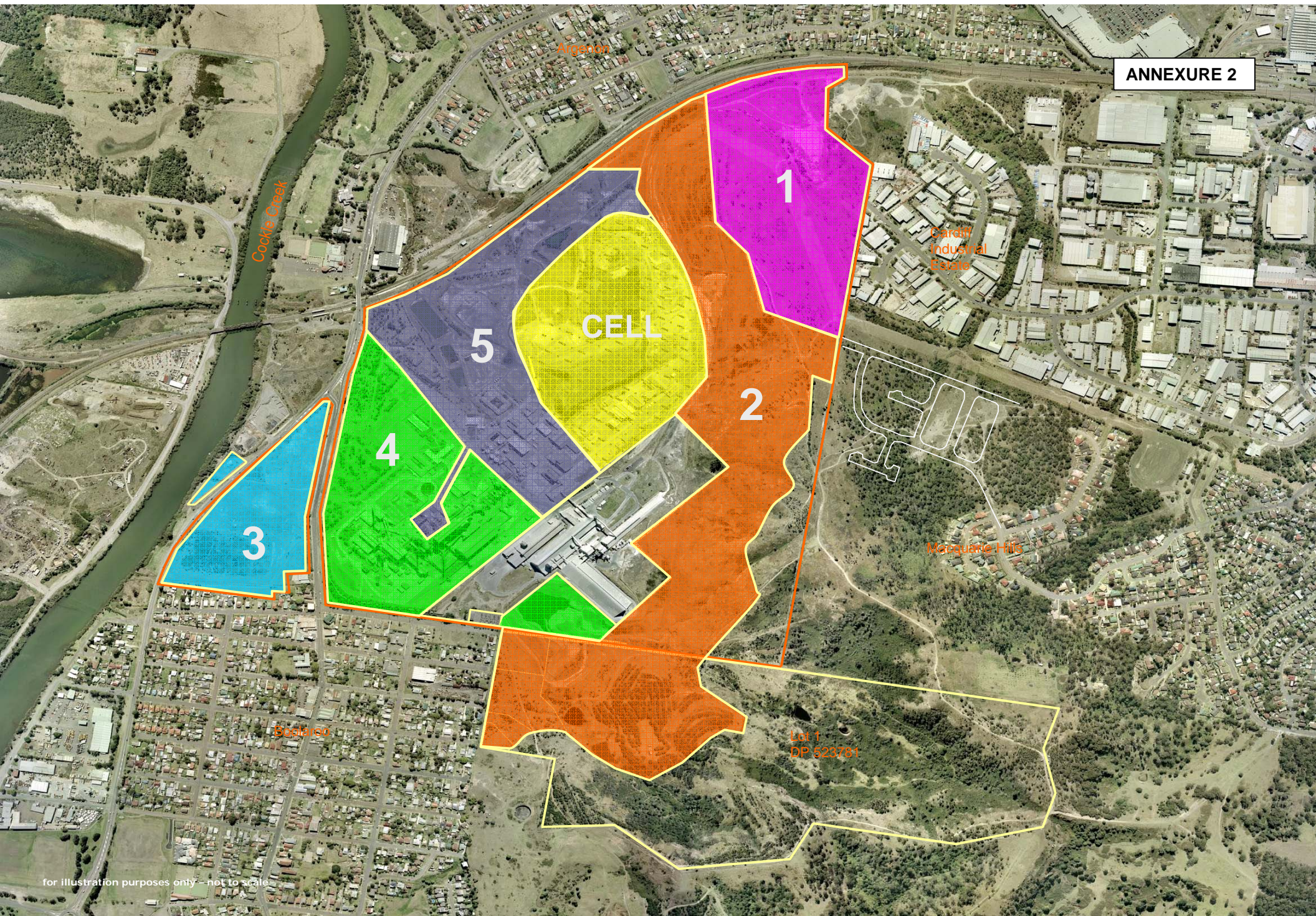
A handwritten signature in black ink, appearing to read 'Peter McCluskey', written over a thin horizontal line.

PETER McCLUSKEY  
DEED ADMINISTRATOR

Encl

# **ANNEXURE 2**

**ANNEXURE 2**



Cockle Creek

Argentin

Garden Industrial Estate

Macquarie Hills

Lot 1  
DP 523761

3

4

5

CELL

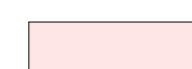




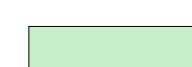




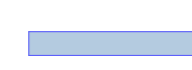

2

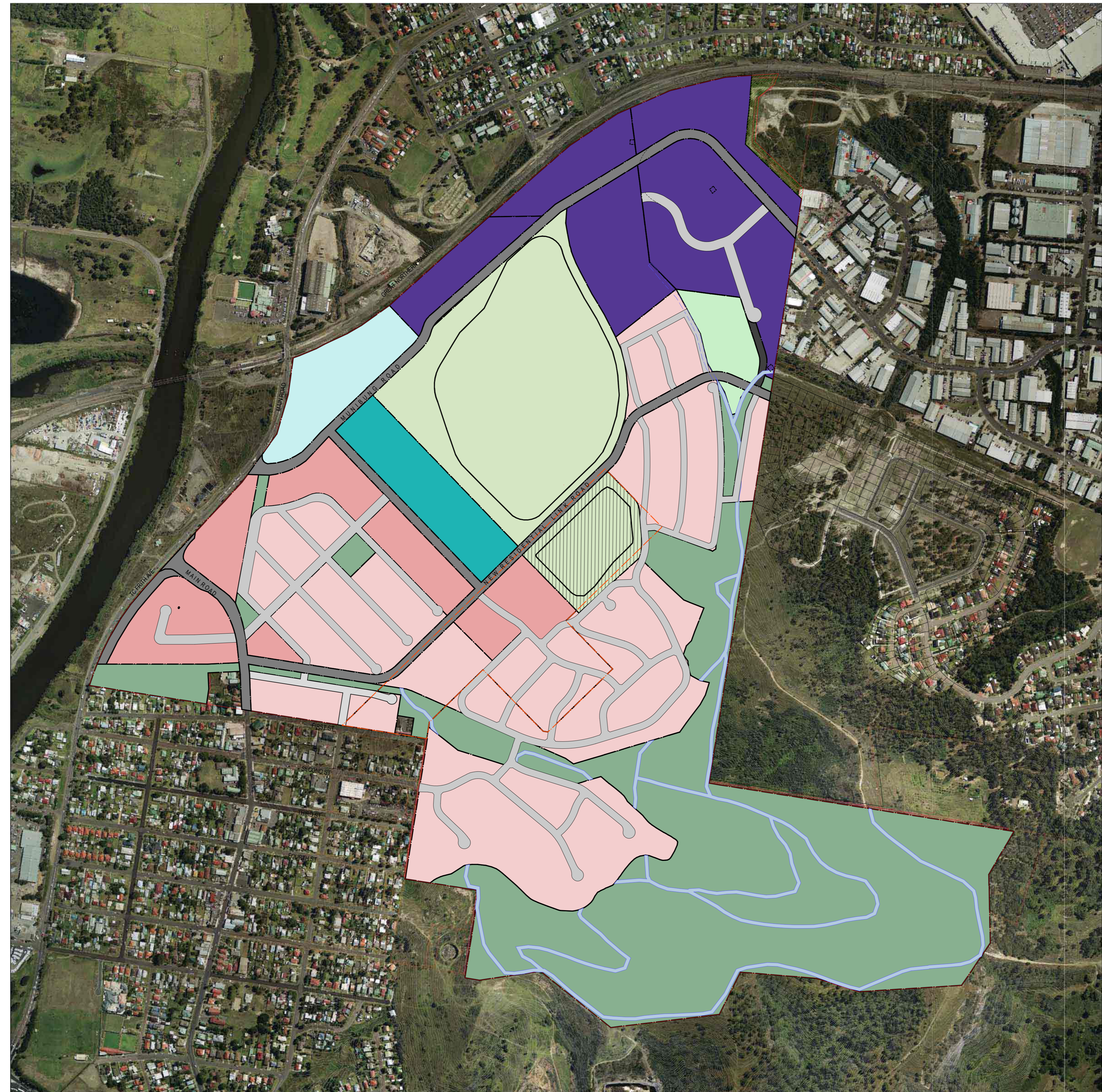
1

Blairton

for illustration purposes only - not to scale



-  Residential
-  Residential (Urban Living)
-  Light Industrial
-  Mixed use / Redevelopment
-  Urban Centre
-  Environmental reserve / Riparian zone
-  Open space
-  Primary Roads
-  Secondary Roads
-  Temporary bus connection road
-  Fire trails (pedestrian connectivity)
-  Fire trails (pedestrian connectivity)

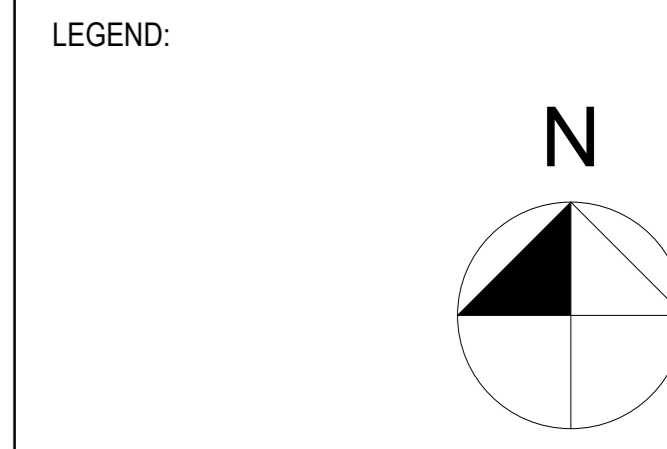


**NOTES:**

COPYRIGHT © ALL RIGHTS RESERVED. THIS DRAWING MAY NOT BE REPRODUCED OR TRANSMITTED IN ANY FORM OR BY ANY MEANS IN PART OR IN WHOLE WITHOUT PERMISSION OF MORRIS BRAY ARCHITECTS PTY. LTD.

ALL LEVELS AND DIMENSIONS TO BE VERIFIED PRIOR TO COMMENCEMENT OF WORK.  
USE FIGURED DIMENSIONS ONLY. DO NOT SCALE.

ALL WORK TO COMPLY WITH CURRENT REGULATIONS AND S.A.A. STANDARDS.



A	31.03.08	Approval
B	13.05.08	Information

No.	DATE	REVISION / ISSUE DETAILS
-----	------	--------------------------

CONSULTANT

**FITZWALTER**

633 Harris Street  
Ultimo NSW 2007  
Australia

phone: (02) 9211 6633  
fax: (02) 9211 9299  
email: admin@fitzwalter.com.au

CONSULTANT

**BBC**

Level 2, 55 Mountain Street  
Broadway NSW 2007  
Australia

CONSULTING PLANNERS

phone: (02) 9211 4099  
fax: (02) 9211 2740  
email: bbc@bcoplanners.com.au

CONSULTANT

**TRAFFIX**

Level 2, 55 Mountain Street  
Broadway NSW 2007  
Australia

phone: (02) 9211 3362  
fax: (02) 9211 2740  
email: traffic@traffix.com.au

CONSULTANT

**ACOR**

Level 1, 24 Falcon St  
Crows Nest, NSW 2065  
Australia

phone: (02) 9438 5008  
fax: (02) 9438 5398  
email: aacor@acor.com.au

CONSULTANT

**SITE IMAGE**

24-26 Bowden St  
Alexandria, NSW 2015  
Australia

phone: (02) 9698-2899  
fax: (02) 9698-2877  
email: lscaps@siteimage.com.au

ARCHITECTS

**morrisbrayarchitects**

Morris Bray Architects  
156-160 Willoughby Rd  
Crows Nest NSW 2067 Australia  
ABN 16 001 288 211  
NSW Architects Registration Board Nominated Architects: Terry Morris 3354 Gerry Bray 3555

[ P ] +612 9439 6622  
[ F ] +612 9439 4873  
[ E ] info@morrisbray.com.au  
[ W ] www.morrisbray.com.au

CLIENT

**FERRIER HODGSON**

Level 29  
600 Bourke Street  
Melbourne VIC 3000

phone: (03) 9600 4522  
fax: (03) 9642 5887  
email: fh@mhfb.com.au

CLIENT

**PacLib Group**

Suite 2, Level 4  
65 Esping Road  
North Ryde, NSW 2113

phone: (02) 9889-6777  
fax: (02) 9889-5999  
email: enquiry@pacib.com

**PROJECT:**

**Pasmenco Cackle Creek Smelter Site  
Cackle Creek, NSW**

**DRAWING TITLE:**

**Road Network Masterplan**

SCALE:	DRAWN BY:	PLOT DATE:	CHECKED:	QA:
1:5000	@AI	GD	22/05/2008	
PROJECT NUMBER:	DRAWING NUMBER:	ISSUE:		
<b>05055</b>	<b>DA-02</b>	<b>B</b>		

# **ANNEXURE 3**

## CORPORATIONS ACT 2001

Section 449E

**PASMINCO LIMITED  
(SUBJECT TO DEED OF COMPANY ARRANGEMENT) (“THE COMPANY”)  
ACN 004 368 674**

**AND ITS WHOLLY OWNED AUSTRALIAN SUBSIDIARIES (“PASMINCO”)**

**REMUNERATION REPORT**

The Deed Administrators’ 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
- A2 Tasks undertaken by the Deed Administrators and remuneration calculation for the period 1 February 2008 to 31 March 2009
- A3 Schedule of the Deed Administrators’ anticipated tasks and remuneration estimate for the period 1 April 2009 to 31 May 2010. The tasks can be broadly divided into six categories, namely:
  - Assets
  - Creditors
  - Employees
  - Investigation
  - Dividends
  - Administration
- A4 Remuneration approved and drawn to date
- A5 Resolutions to be put to creditors at the meeting convened for 12 June 2009

**Part B**

- B1 Deed Administrators’ disbursements
- B2 Other creditor information on remuneration

The Remuneration Report must be read in conjunction with the report to creditors dated 15 May 2009.

## PART A

### A1 SCHEDULE OF PROPOSED HOURLY RATES (TO APPLY IN THE PERIOD 1 APRIL 2009 TO 31 MAY 2010) & GENERAL GUIDE TO STAFF EXPERIENCE

Title	Rate (\$)	Experience
Partner/Principal/ Appointee	595	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 <a href="http://www.ferrierhodgson.com">www.ferrierhodgson.com</a>
Director	495	Generally, minimum of 12 years experience at least 2 years of which is to be at Manager level. University degree; member of the ICAA and IPAA with deep knowledge and lengthy experience in relevant insolvency legislation and issues.
Senior Manager	445	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	375	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	310	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	285	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	250	Generally, 2-3 years chartered accounting or insolvency management experience. University degree, ICAA's CA program commenced.
Intermediate 1	220	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	190	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.
Professional Staff Junior	135	0 – 1 year's experience. Undertaking a degree part-time in finance/accounting. Under supervision, takes directions from senior staff in completing administrative tasks.
Senior Secretary	170	Appropriate skills including machine usage.
Computer Operator	120	Appropriate skills including machine usage.
Clerk	135	Generally non qualified administrative assistant. Classification depends on experience, salary and complexity of work to be completed.
Typist	90	Appropriate skills including machine usage.
Office Assistant	75	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.

**A2. Tasks undertaken by the Deed Administrators and remuneration calculation for the period 1 February 2008 to 31 March 2009**

<p style="text-align: center;"><b>Assets - Pasminco Cockle Creek Smelter Pty Limited Remediation and Development requirements</b></p> <p style="text-align: center;"><b>Anticipated AUD1,100,000*</b></p> <p style="text-align: center;"><b>Actual AUD1,120,141</b></p>	<p>Management of remediation redevelopment and realisation of Cockle Creek smelter site</p>	<ul style="list-style-type: none"> <li>▪ Site visits</li> <li>▪ Contract negotiations</li> <li>▪ Undertaking the remediation civil works phase of the project</li> <li>▪ Stakeholder negotiation and preparatory works regarding the containment cell construction</li> <li>▪ Negotiating and implementing contractual arrangements to sell and/or remove certain process materials present on the Site</li> <li>▪ Site master planning and detailed development design planning.</li> <li>▪ Demolition</li> <li>▪ Liaising with neighbouring land owners</li> <li>▪ Pre-implementation works for the lead abatement strategy</li> <li>▪ Contamination cell tender process and civil works project management</li> <li>▪ Managing the Site's surface and groundwater systems including the continued operation of the Effluent Treatment Plant</li> <li>▪ Site security</li> <li>▪ Ongoing negotiation with the DECC regarding the revision/removal of licences and approvals to ensure these remain in line with the progressive remediation of the Site</li> <li>▪ Managing inquiries from the community</li> <li>▪ Managing the company's rental property book</li> <li>▪ Managing service and utility supplies to the Site</li> <li>▪ Provision of regular authority reports under the Environment Protection Licence including on and off site monitoring</li> <li>▪ Site personnel management and servicing of onsite remediation activities</li> <li>▪ Bushfire and vegetation management</li> <li>▪ Conduct of civil/remediation works utilising plant and equipment owned/hired by PCCS and its personnel</li> <li>▪ Civil works tender process and operations management</li> <li>▪ Site contractor and consultant management</li> <li>▪ Liaising with suppliers</li> <li>▪ Liaising with management and staff</li> <li>▪ Authorising purchase orders</li> <li>▪ Maintaining purchase order registers</li> <li>▪ Preparing and authorising receipt vouchers</li> <li>▪ Preparing and authorising payment vouchers</li> </ul>
	<p>Sale of real property</p>	<ul style="list-style-type: none"> <li>▪ Liaising with valuers, agents</li> <li>▪ Attendance at auctions</li> </ul>
	<p>Debtors</p>	<ul style="list-style-type: none"> <li>▪ Correspondence with debtors</li> </ul>
	<p>Other assets</p>	<ul style="list-style-type: none"> <li>▪ Tasks associated with realising other assets</li> </ul>

	Processing receipts and payments	<ul style="list-style-type: none"> <li>▪ Entering receipt and payments into accounting system and maintaining registers.</li> <li>▪ Month end account reconciliations</li> </ul>
	Budgeting & financial reporting	<ul style="list-style-type: none"> <li>▪ Reviewing remediation and development budgets and financial statements</li> <li>▪ Preparing budgets</li> <li>▪ Meetings to discuss trading position and accounts</li> </ul>
<b>Creditors</b>  <b>Anticipated</b> <b>AUD350,000*</b>  <b>Actual</b> <b>AUD65,994</b>	Creditor Enquiries	<ul style="list-style-type: none"> <li>▪ Receive and follow up creditor enquiries via telephone</li> <li>▪ Maintaining creditor enquiry register</li> <li>▪ Review and prepare correspondence to creditors and their representatives via facsimile, email and post</li> <li>▪ Correspondence with financiers regarding debt trades</li> <li>▪ Maintaining register of current holders of unsecured debt and maintaining records.</li> </ul>
	Creditor reports/circulars	<ul style="list-style-type: none"> <li>▪ Preparing circular to creditors providing updates on case progress and general reporting to creditors.</li> </ul>
	Dealing with proofs of debt	<ul style="list-style-type: none"> <li>▪ Receipting and filing POD's</li> <li>▪ Dealing with litigation claims including admitting and rejecting POD's</li> </ul>
	Shareholder enquires	<ul style="list-style-type: none"> <li>▪ Responding to any shareholder queries and potential legal action</li> </ul>
<b>Employees - Workers Compensation Issues</b>  <b>Anticipated</b> <b>AUD454,062*</b>  <b>Actual</b> <b>AUD117,300</b>	Employee enquiries	<ul style="list-style-type: none"> <li>▪ Review and prepare correspondence to creditors and their representatives via facsimile, email and post</li> <li>▪ General reporting on employee issues</li> </ul>
	Litigation	<ul style="list-style-type: none"> <li>▪ Managing and progressing ongoing legal matters.</li> </ul>
	Employee dividend	<ul style="list-style-type: none"> <li>▪ Receipting POD's</li> <li>▪ Adjudicating POD's</li> <li>▪ Ensuring PAYG is remitted to ATO</li> </ul>
	Workers compensation claims	<ul style="list-style-type: none"> <li>▪ Review insurance policies</li> <li>▪ Receipt of claim</li> <li>▪ Liaising with claimant</li> <li>▪ Liaising with insurers and solicitors regarding claims</li> <li>▪ Identification of potential issues requiring attention of insurance specialists</li> <li>▪ Correspondence with Willis regarding initial and ongoing workers compensation insurance requirements</li> <li>▪ Completing receipts and payments relating to Workers Compensation issues.</li> <li>▪ Liaising with Zinifex in negotiating management of claims.</li> </ul>

<b>Investigation</b>  <b>Anticipated</b> <b>AUD300,000</b>  <b>Actual</b> <b>AUD9,808</b>	Conducting investigation/Discovery	<ul style="list-style-type: none"> <li>▪ Maintaining and reviewing company books and records</li> <li>▪ Conducting and summarising statutory searches</li> </ul>
	Litigation / Recoveries	<ul style="list-style-type: none"> <li>▪ Internal meetings to discuss status of litigation</li> <li>▪ Preparing brief to solicitors</li> <li>▪ Liaising with solicitors regarding recovery actions</li> <li>▪ Attending to negotiations</li> <li>▪ Attending to settlement matters</li> </ul>
	ASIC reporting	<ul style="list-style-type: none"> <li>▪ Liaising with ASIC</li> </ul>
<b>Dividend</b>  <b>Anticipated</b> <b>AUD80,000*</b>  <b>Actual</b> <b>AUD130,071</b>	Processing proofs of debt and Dividend Procedures.	<ul style="list-style-type: none"> <li>▪ Liaising with Financiers to confirm holdings of unsecured debt.</li> <li>▪ Preparing Bank TT's</li> <li>▪ Preparing payment vouchers</li> <li>▪ Preparing payment schedules and reconciliations of holdings</li> <li>▪ Working with banks to ensure funds correctly deposited</li> <li>▪ Preparing dividend schedules</li> <li>▪ Preparing quarterly dividend forecast model updates</li> </ul>
<b>Administration</b>  <b>Anticipated</b> <b>AUD200,000*</b>  <b>Actual</b> <b>AUD988,298</b>	Correspondence	<ul style="list-style-type: none"> <li>▪ General correspondence</li> </ul>
	Document maintenance/file review/checklist	<ul style="list-style-type: none"> <li>▪ Filing of documents</li> <li>▪ File reviews</li> <li>▪ Updating checklists</li> </ul>
	Insurance	<ul style="list-style-type: none"> <li>▪ Identification of potential issues requiring attention of insurance specialists</li> <li>▪ Correspondence with Marsh regarding ongoing insurance requirements</li> <li>▪ Reviewing insurance policies</li> <li>▪ Correspondence with lawyers regarding insurance issues</li> </ul>
	Bank account administration	<ul style="list-style-type: none"> <li>▪ Preparing correspondence opening and closing accounts</li> <li>▪ Maintaining and reinvesting funds in various Term Deposit accounts.</li> <li>▪ Liaising with major banks in order to maximise investments</li> <li>▪ Requesting bank statements</li> <li>▪ Bank account reconciliations</li> <li>▪ Correspondence with bank regarding specific transfers</li> </ul>
	ASIC Lodgements	<ul style="list-style-type: none"> <li>▪ Preparing and lodging ASIC forms.</li> <li>▪ Correspondence with ASIC regarding statutory forms</li> </ul>
	ATO & other statutory reporting	<ul style="list-style-type: none"> <li>▪ Preparing BAS'</li> <li>▪ Completing group certificates</li> </ul>
	Finalisation/ Deregistration procedures	<ul style="list-style-type: none"> <li>▪ Notifying ATO of finalisation</li> <li>▪ Reviewing Balance sheets</li> <li>▪ Completing debt forgiveness forms 245-90's</li> <li>▪ Obtaining clearances from ASIC</li> <li>▪ Reviewing DOCA/ Deed of Cross Assumption of Claims/ Revocation Deed and other matters.</li> <li>▪ Advertising requirements</li> <li>▪ Cancelling ABN / GST / PAYG registration</li> <li>▪ Completing checklists</li> </ul>
	Planning / Review	<ul style="list-style-type: none"> <li>▪ Discussions regarding status of administration</li> </ul>
	Books and records / storage	<ul style="list-style-type: none"> <li>▪ Dealing with records in storage</li> <li>▪ Sending job files to storage</li> </ul>



**A2 (cont) Tasks undertaken by the Deed Administrators and remuneration calculation for the period 1 February 2008 to 31 March 2009**

Position	\$/hour (ex GST)	Total actual hours	Total (\$)	Task Area					
				Assets hrs (\$)	Creditors hrs (\$)	Employees hrs (\$)	Investigation hrs (\$)	Dividend hrs (\$)	Administration hrs (\$)
Partner	575	649	373,580	14	21	202	-	10.60	384
				8,051	11,845	116,208	-	6,096	221,087
Director	475	1,637	776,623	1,525	-	-	-	21.50	90
				723,661	-	-	-	10,212	42,750
Manager 1	425	191	81,132	11	-	-	-	-	180
				4,803	-	-	-	-	76,330
Manager 2	355	1,364	484,398	14	145	1	26	176	1,002
				4,970	51,368	532	9,301	62,480	355,745
Supervisor	295	110	32,360	-	-	-	-	7.50	102
				-	-	-	-	2,212	30,148
Senior 1	270	730	197,208	405	-	-	-	9.30	316
				109,377	-	-	-	2,511	85,320
Senior 2	240	370	88,920	156	2	0.20	-	128.70	83
				37,512	600	48	-	30,888	19,872
Intermediate 1	210	1,515	311,863.50	6,276	8	1	2	74.40	465
				196,342	1,659	210	357	15,624	97,671
Intermediate 2	180	312	56,106	116	3	0.40	-	-	193
				20,826	522	72	-	-	34,686
Senior Secretary	160	79	12,624	4	-	-	-	-	75
				688	-	-	-	-	11,936
Clerk	130	1	182	1	-	-	-	-	-
				182	-	-	-	-	-
CP Operator	115	110	12,639	28	-	2	1	-	78
				3,278	-	230	150	-	8,980
Professional Staff Junior	70	47	3,297	2	-	-	-	-	45
				154	-	-	-	-	3,143
Office Assistant	60	11	678	-	-	-	-	0.80	10
				-	-	-	-	48	630
<b>TOTAL</b>			<b>2,431,612</b>	<b>8,554</b>	<b>179</b>	<b>207</b>	<b>28</b>	<b>429</b>	<b>2,558</b>
				<b>1,109,846</b>	<b>65,994</b>	<b>117,300</b>	<b>9,808</b>	<b>130,071</b>	<b>988,298</b>
<b>GST</b>			<b>243,161</b>						
<b>TOTAL (including GST)</b>			<b>2,674,773</b>						
<b>Average hourly rate</b>			<b>313</b>	<b>130</b>	<b>370</b>	<b>566</b>	<b>352</b>	<b>303</b>	<b>386</b>



**A3 Schedule of anticipated tasks and Administrators' estimated prospective remuneration for the Period 1 April 2009 to 31 May 2010**

Based on the following anticipated tasks, I estimate the Administrators' fees for the above period:

<p><b>Assets - Pasminco Cockle Creek Smelter Pty Limited Remediation and Development requirements</b></p> <p><b>Anticipated AUD1,100,000*</b></p>	<p>Management of remediation redevelopment and realisation of Cockle Creek smelter site</p>	<ul style="list-style-type: none"> <li>▪ Site visits</li> <li>▪ Contract negotiations</li> <li>▪ Undertaking the remediation civil works phase of the project</li> <li>▪ Negotiating and implementing contractual arrangements to sell and/or remove certain process materials present on the Site</li> <li>▪ Site master planning and detailed development design planning.</li> <li>▪ Demolition and concentrate crushing</li> <li>▪ Liaising with neighbouring land owners</li> <li>▪ Pre-implementation works for the lead abatement strategy</li> <li>▪ Contamination cell tender process and civil works project management</li> <li>▪ Managing the Site's surface and groundwater systems including the continued operation of the Effluent Treatment Plant</li> <li>▪ Site security</li> <li>▪ Ongoing negotiation with the DECC regarding the revision/removal of licences and approvals to ensure these remain in line with the progressive remediation of the Site</li> <li>▪ Managing inquiries from the community</li> <li>▪ Managing the company's rental property book</li> <li>▪ Managing service and utility supplies to the Site</li> <li>▪ Provision of regular authority reports under the Environment Protection Licence including on and off site monitoring</li> <li>▪ Site personnel management and servicing of onsite remediation activities</li> <li>▪ Bushfire and vegetation management</li> <li>▪ Conduct of civil/remediation works utilising plant and equipment owned/hired by PCCS and its personnel</li> <li>▪ Civil works tender process and operations management</li> <li>▪ Site contractor and consultant management</li> <li>▪ Liaising with suppliers</li> <li>▪ Liaising with management and staff</li> <li>▪ Authorising purchase orders</li> <li>▪ Maintaining purchase order registers</li> <li>▪ Preparing and authorising receipt vouchers</li> <li>▪ Preparing and authorising payment vouchers</li> </ul>
---	---	--

	Debtors	<ul style="list-style-type: none"> <li>▪ Correspondence with debtors</li> </ul>
	Other assets	<ul style="list-style-type: none"> <li>▪ Tasks associated with realising other assets</li> </ul>
	Processing receipts and payments	<ul style="list-style-type: none"> <li>▪ Entering receipt and payments into accounting system and maintaining registers.</li> <li>▪ Month end account reconciliations</li> </ul>
	Budgeting & financial reporting	<ul style="list-style-type: none"> <li>▪ Reviewing remediation and development budgets and financial statements</li> <li>▪ Preparing budgets</li> <li>▪ Meetings to discuss trading position and accounts</li> </ul>
<b>Creditors</b>  <b>Anticipated AUD350,000*</b>	Creditor Enquiries	<ul style="list-style-type: none"> <li>▪ Receive and follow up creditor enquiries via telephone</li> <li>▪ Maintaining creditor enquiry register</li> <li>▪ Review and prepare correspondence to creditors and their representatives via facsimile, email and post</li> <li>▪ Correspondence with financiers regarding debt trades</li> <li>▪ Maintaining register of current holders of unsecured debt and maintaining records.</li> </ul>
	Creditor reports/circulars	<ul style="list-style-type: none"> <li>▪ Preparing circular to creditors providing updates on case progress and general reporting to creditors.</li> </ul>
	Dealing with proofs of debt	<ul style="list-style-type: none"> <li>▪ Receipting and filing POD's</li> <li>▪ Dealing with litigation claims including admitting and rejecting POD's</li> </ul>
	Shareholder enquires	<ul style="list-style-type: none"> <li>▪ Responding to any shareholder queries and potential legal action</li> </ul>
<b>Employees - Workers Compensation Issues</b>  <b>Anticipated AUD150,000*</b>	Employee enquiries	<ul style="list-style-type: none"> <li>▪ Review and prepare correspondence to creditors and their representatives via facsimile, email and post</li> <li>▪ General reporting on employee issues</li> </ul>
	Employee dividend	<ul style="list-style-type: none"> <li>▪ Receipting POD's</li> <li>▪ Adjudicating POD's</li> <li>▪ Ensuring PAYG is remitted to ATO</li> </ul>
	Workers compensation claims	<ul style="list-style-type: none"> <li>▪ Review insurance policies</li> <li>▪ Receipt of claim</li> <li>▪ Liaising with claimant</li> <li>▪ Liaising with insurers and solicitors regarding claims</li> <li>▪ Identification of potential issues requiring attention of insurance specialists</li> <li>▪ Correspondence with Willis regarding initial and ongoing workers compensation insurance requirements</li> <li>▪ Completing receipts and payments relating to Workers Compensation issues.</li> <li>▪ Liaising with Zinifex in negotiating management of claims.</li> </ul>
	Conducting investigation/Discovery	<ul style="list-style-type: none"> <li>▪ Maintaining and reviewing company books and records</li> <li>▪ Conducting and summarising statutory searches</li> </ul>
<b>Investigation</b>  <b>Anticipated AUD70,000*</b>	Litigation / Recoveries	<ul style="list-style-type: none"> <li>▪ Internal meetings to discuss status of litigation</li> <li>▪ Preparing brief to solicitors</li> <li>▪ Liaising with solicitors regarding recovery actions</li> <li>▪ Attending to negotiations</li> <li>▪ Attending to settlement matters</li> </ul>
	ASIC reporting	<ul style="list-style-type: none"> <li>▪ Liaising with ASIC</li> </ul>

<p><b>Dividend</b></p> <p><b>Anticipated</b> <b>AUD100,000*</b></p>	<p>Processing proofs of debt and Dividend Procedures.</p>	<ul style="list-style-type: none"> <li>▪ Liaising with Financiers to confirm holdings of unsecured debt.</li> <li>▪ Preparing Bank TT's</li> <li>▪ Preparing payment vouchers</li> <li>▪ Preparing payment schedules and reconciliations of holdings</li> <li>▪ Working with banks to ensure funds correctly deposited</li> <li>▪ Preparing dividend schedules</li> <li>▪ Preparing quarterly dividend forecast model updates</li> </ul>
<p><b>Administration</b></p> <p><b>Anticipated</b> <b>AUD304,671*</b></p>	<p>Correspondence</p>	<ul style="list-style-type: none"> <li>▪ General correspondence</li> </ul>
	<p>Document maintenance/file review/checklist</p>	<ul style="list-style-type: none"> <li>▪ Filing of documents</li> <li>▪ File reviews</li> <li>▪ Updating checklists</li> </ul>
	<p>Insurance</p>	<ul style="list-style-type: none"> <li>▪ Identification of potential issues requiring attention of insurance specialists</li> <li>▪ Correspondence with Marsh regarding ongoing insurance requirements</li> <li>▪ Reviewing insurance policies</li> <li>▪ Correspondence with lawyers regarding insurance issues</li> </ul>
	<p>Bank account administration</p>	<ul style="list-style-type: none"> <li>▪ Preparing correspondence opening and closing accounts</li> <li>▪ Maintaining and reinvesting funds in various Term Deposit accounts.</li> <li>▪ Liaising with major banks in order to maximise investments</li> <li>▪ Requesting bank statements</li> <li>▪ Bank account reconciliations</li> <li>▪ Correspondence with bank regarding specific transfers</li> </ul>
	<p>ASIC Lodgements</p>	<ul style="list-style-type: none"> <li>▪ Preparing and lodging ASIC forms.</li> <li>▪ Correspondence with ASIC regarding statutory forms</li> </ul>
	<p>ATO &amp; other statutory reporting</p>	<ul style="list-style-type: none"> <li>▪ Preparing BAS'</li> <li>▪ Completing group certificates</li> </ul>
	<p>Finalisation/ Deregistration procedures</p>	<ul style="list-style-type: none"> <li>▪ Notifying ATO of finalisation</li> <li>▪ Reviewing Balance sheets</li> <li>▪ Completing debt forgiveness forms 245-90's</li> <li>▪ Obtaining clearances from ASIC</li> <li>▪ Reviewing DOCA/ Deed of Cross Assumption of Claims/ Revocation Deed and other matters.</li> <li>▪ Advertising requirements</li> <li>▪ Cancelling ABN / GST / PAYG registration</li> <li>▪ Completing checklists</li> </ul>
	<p>Planning / Review</p>	<ul style="list-style-type: none"> <li>▪ Discussions regarding status of administration</li> </ul>
	<p>Books and records / storage</p>	<ul style="list-style-type: none"> <li>▪ Dealing with records in storage</li> <li>▪ Sending job files to storage</li> </ul>



\*Please note that the above allocated costs in each of the six categories are based on our estimations. Due to the complexity of the work involved in the Administration and the variety of day to day issues that arise, the costs allocated per section may vary considerably. Creditors should refer to the report to Creditors dated 15 May 2009 which provides an explanation of the prospective work and contingencies which may result in costs greater than those estimated above.

The remuneration estimate may be summarised as follows:

Total	Assets	Creditors	Employees	Investigation	Dividend	Administration
\$2,074,671	\$1,100,000	\$350,000	\$150,000	\$70,000	\$100,000	\$304,671

### A3 Remuneration approved and drawn to date

FEE SUMMARY		
Total Deed Fees Approved	Period of Approval	\$
Fees approved on 30 August 2002	5 October 2002 – 31 January 2003	3,400,000.00
Fees approved on 28 March 2003	1 February 2003 – 30 September 2003	3,300,000.00
Fees approved on 9 December 2003	1 October 2003 – 15 September 2004	3,300,000.00
Fees approved on 5 October 2004	16 September 2004 – 31 August 2005	2,383,612.00
Fees approved on 19 May 2006	1 September 2005 – 15 January 2007	2,208,748.90
Fees approved on 01 May 2007	16 January 2007 – 31 January 2008	2,194,565.00
Fees approved on 18 March 2008	1 February 2008 - 31 March 2009	2,356,130.00
		<b>19,143,055.90</b>
Fees Incurred and Paid		
Period		
5 October 2002 – 31 March 2009		<b>(19,090,604.50)</b>
<b>Balance of approved limit remaining</b>		<b>52,451.40</b>

### A4 Resolutions to be put to creditors at the meeting convened for 12 June 2009

At the meeting of creditors convened for 12 June 2009, creditors will be asked to consider the following resolution:

*"That the future remuneration of the Administrators of the Deed of Company Arrangement, as set out in the Administrators' remuneration report dated 15 May 2009 be approved up to the sum of AUD2,022,220 plus any applicable GST but subject to upward revision by resolution of creditors and that the Administrators of the Deed of Company Arrangement be authorised to make periodic payments on account of such accruing remuneration."*



## PART B

### **B1 Administrators' 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	50 cents per copy
Facsimile	\$3.00 per page
File Set Up	At cost
Advertising	At cost
Storage – Per Box/month	\$0.37
Couriers	At cost

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, Victoria 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](http://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 Richard Bastow of this office.

Dated this 15th day of May 2009

  
 PETER MCCLUSKEY  
DEED ADMINISTRATOR

# **ANNEXURE 4**

FORM 529  
CORPORATIONS ACT 2001

NOTICE OF MEETING OF CREDITORS

PASMINCO LIMITED  
(SUBJECT TO DEED OF COMPANY ARRANGEMENT)  
ACN 004 368 674

PASMINCO INVESTMENTS HOLDINGS PTY LIMITED  
(SUBJECT TO DEED OF COMPANY ARRANGEMENT)  
ACN 082 291 736

PASMINCO COCKLE CREEK SMELTER PTY LIMITED  
(SUBJECT TO DEED OF COMPANY ARRANGEMENT)  
ACN 000 083 670

PASMINCO FINANCE LIMITED  
(SUBJECT TO DEED OF COMPANY ARRANGEMENT)  
ACN 007 289 296

PASMINCO PACIFIC PTY LIMITED  
(SUBJECT TO DEED OF COMPANY ARRANGEMENT)  
ACN 005 416 008

PASMINCO INTERNATIONAL PTY LIMITED  
(SUBJECT TO DEED OF COMPANY ARRANGEMENT)  
ACN 004 934 534

THE EMU BAY RAILWAY COMPANY LIMITED  
(SUBJECT TO DEED OF COMPANY ARRANGEMENT)  
ACN 009 475 790

PASMINCO INVESTMENTS PTY LIMITED  
(SUBJECT TO DEED OF COMPANY ARRANGEMENT)  
ACN 082 291 674

PASMINCO BROKEN HILL MINE PTY LIMITED  
(SUBJECT TO DEED OF COMPANY ARRANGEMENT)  
ACN 000 005 774

SAVAGE RESOURCES LIMITED  
(SUBJECT TO DEED OF COMPANY ARRANGEMENT)  
ACN 009 551 624

RAMALA HOLDINGS PTY LIMITED  
(SUBJECT TO DEED OF COMPANY ARRANGEMENT)  
ACN 056 689 117

SAVAGE AUSTRALIAN EXPLORATION PTY LTD  
(SUBJECT TO DEED OF COMPANY ARRANGEMENT)  
ACN 071 375 169

SAVOX PIGMENTS PTY LTD  
(SUBJECT TO DEED OF COMPANY ARRANGEMENT)  
ACN 003 035 694

SAVAGE EHM PTY LTD  
(SUBJECT TO DEED OF COMPANY ARRANGEMENT)  
ACN 071 375 114

SAVAGE EHM FINANCE PTY LTD  
(SUBJECT TO DEED OF COMPANY ARRANGEMENT)  
ACN 071 375 221

NOTICE is given that a meeting of the creditors of the abovenamed companies will be held at the offices of Ferrier Hodgson, Level 29, 600 Bourke Street, Melbourne on Friday 12 June 2009 at 11.00am.

**AGENDA**

1. Provide creditors with an update in relation to the status of the Administration;
2. Provide an opportunity for questions from creditors;
3. Seek creditors' approval for the Deed Administrators' fees; and
4. Any other business that may be lawfully brought forward.

Proxies to be used at the meeting should be lodged at the office of the Deed Administrators by midday on Thursday 11 June 2009. **A corporate creditor may only be represented by proxy or by an attorney appointed pursuant to Corporations Regulations 5.6.28 and 5.6.31A or by a representative appointed under Section 250D of the Corporations Act.**

In accordance with Corporations Regulation 5.6.23(1), creditors will not be entitled to vote at the meeting unless they have previously lodged particulars of their claims against the abovenamed companies with the Administrators and the claim is or has been admitted in whole or in part for the purposes of voting pursuant to Corporations Regulation 5.6.26.

In accordance with Corporations Regulations 5.6.13A, creditors should note that telephone conference facilities will be available for creditors to attend the meeting via telephone.

Any person who wishes to participate in the meeting via telephone must contact Miss Natalie Reid in writing no later than midday on Thursday 11 June 2009 providing a written statement setting out, the name of the person and of the proxy or attorney, an address and or facsimile number to which notices to the person, proxy or attorney may be sent; and a telephone number at which the person, proxy or attorney may be contacted.

Following receipt of the above details Miss Natalie Reid will contact you and provide you with a specific telephone number and a password to enable you to attend the creditors meeting via our conference telephone facilities.

Consequently the person, proxy or attorney of a person, who participates in the meeting by telephone must pay any costs incurred in participating the meeting and is not entitled to be reimbursed for those costs from the assets of the company.

DATED this 15th day of May 2009



PETER McCLUSKEY  
DEED ADMINISTRATOR

Ferrier Hodgson,  
Level 29, 600 Bourke Street  
MELBOURNE VIC 3000



# **ANNEXURE 5**

# MEETING OF CREDITORS PROXY FORM

Annexure 5

FORM 532

Regulation 5.6.29

**CORPORATIONS ACT 2001  
APPOINTMENT OF PROXY**

**Form 7a**

**PASMINCO LIMITED  
(SUBJECT TO DEED OF COMPANY ARRANGEMENT)  
ACN 004 368 674  
AND ITS WHOLLY OWNED AUSTRALIAN SUBSIDIARIES  
(SUBJECT TO DEEDS OF COMPANY ARRANGEMENT) (“THE COMPANIES”)**

\*I/\*We .....(creditor name)  
of .....(creditor address)  
a primary creditor of.....(Pasminco company name)  
appoint .....(proxy appointed)  
or in their absence .....(proxy alternate)

as \*my/our \*(i) general OR \*(ii) special proxy to vote at the meeting of creditors to be held on 12 June 2009 at 11:00am, or at any adjournment of that meeting, to vote

- (i) on all matters arising at the meeting; **OR**
- (ii) on each of the following kinds of resolution in the manner specified:

	For	Against	Abstain
<i>A resolution that the future remuneration of the Deed Administrators from 1 April 2009 be determined at a sum equal to the cost of time spent by the Deed Administrators, their partners and staff, calculated at the hourly rates detailed in the remuneration report to creditors dated 15 May 2009 to a capped amount of AUD2,022,220 exclusive of GST and that the Deed Administrators can draw the remuneration on a periodic basis or as required.</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

I am an unsecured creditor and the total amount owed to me is \$

**OR**

I am a secured creditor and the total amount owed to me is \$

DATED this                      day of                      2009

.....  
Signature<sup>2</sup> of individual or person<sup>3</sup>  
authorised by corporate resolution to  
represent the corporation

OR      The Common Seal of<sup>1</sup>  
was hereunto affixed in the presence of

.....  
Director

.....  
Secretary

**FOR OFFICE USE ONLY**  
Proxy Valid:                      Yes/No  
Cross Deed Creditor:        Yes/No  
Amount admitted for voting:  
  
\$.....

<sup>1</sup> The method of affixing the Common Seal should be prescribed by the creditor corporation's articles. See Note (2).  
<sup>2</sup> The signature of the creditor is not to be attested by the person nominated as proxy.  
<sup>3</sup> Note that a corporation may by resolution of its directors provide standing authority for a person to represent it at members meeting and appoint proxies. Copy of authority to be annexed.