

28 February 2008

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
www.ferrierhodgson.com
DX 125 Melbourne

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”)**

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

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.

Affiliated through
Kroll Worldwide
UNITED STATES
UNITED KINGDOM

Our report is set out as follows:

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

When replying please quote:
Our Ref: SJ:JME:C
Your Ref:

g:\rjs\pasmldt.dca\reports\report to creditors 2008\report to creditors final version.doc

CORPORATE ADVISORY 
FORENSICS 
CORPORATE RECOVERY 

1. EXECUTIVE SUMMARY

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

- Creditors may receive further distributions (on a mid case scenario) of 6.4 cents in the dollar, bringing the total return payable to unsecured creditors to 24.1 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.
- We propose to pay a 5th interim dividend distribution to the unsecured creditors of 1.0 cent in the dollar in quarter 2 of 2008.

1.1 Appointment of New Deed Administrator

- The retirement of Mr John Spark and the appointment of Mr John Ross Lindholm as his replacement as Deed Administrator of Pasmenco Limited and its residual group companies.

1.2 Update On the Cockle Creek Smelter Site

- Following the conclusion of the demolition process, activities in relation to the Site have primarily been focused on:
 - Undertaking the remediation civil works phase of the project;
 - Stakeholder negotiations and preparatory works regarding the containment cell construction;
 - Negotiating and implementing contractual arrangements to sell and/or remove certain process materials present on the Site; and
 - Site master planning and detailed development design planning.
- The Deed Administrators have been preparing and implementing 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 2 March 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 Deed Administrators continue to be encouraged with progress on the Site, particularly in relation to the civil works and development programs and the positive relationships built with stakeholder Authorities.
- The Deed Administrators are optimistic that the previously reported range of returns to creditors (between 35% and 65% of project hold back funds) will be improved upon with an anticipated project timetable of approximately 5-7 years.

1.3 Workers' Compensation Claims

- As reported on 27 March 2007, as a result of Pasmenco's claim management efforts, PCCS's estimated self insured liability tail decreased by a further 30%.

1.4 Wind Down and Deregistration Process

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

1.5 Deed Administrators' Fees

Creditors previously approved an increase in our fee limit to cover the Deed Administrators fees estimated until 31 December 2007. As at 31 January 2008, we had a balance of AUD127,933 remaining from our approved fee limit. We estimate our professional fees for the period 1 February 2008 to 31 January 2009 will be approximately AUD2,484,063.

- At the forthcoming meeting of creditors, we will seek approval for an additional fee limit of AUD2,356,130 (plus GST) covering the 12 month period to 31 January 2009.
- 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. APPOINTMENT OF NEW DEED ADMINISTRATOR

Due to the retirement of John Spark from the Ferrier Hodgson partnership it was necessary to make an application to the Federal Court in relation to the appointment of Mr John Ross Lindholm as a replacement Deed Administrator to Pasminco Limited and its residual group companies.

An application was made in October 2007 under:

- (a) S448C(1) of the Corporations Act 2001 (Cth)(**Act**) for leave for Mr Lindholm to consent to act and to act as joint and several administrator of the DOCAs; and
- (b) S449D of the Act for an order appointing Mr Lindholm as joint and several administrator of each of the DOCAs.

I can advise that orders were made by Justice Goldberg of the Federal Court on 30 October 2007 to this effect.

Please also note that Mr Peter McCluskey continues to act as Deed Administrator in respect of Pasminco Limited and its residual group companies.

3. DIVIDEND ESTIMATES

As many creditors are aware, we provide regular updates to the dividend forecasts, which are published on the existing Pasminco website at www.pasminco.com.au and on our Ferrier Hodgson website at www.ferrierhodgson.com.au, under the section, "Creditors Information / Current Administrations / Pasminco Limited".

Our latest dividend estimate report to 31 December 2007 is attached at **Annexure 1**. The report estimates that creditors may receive further distributions (on a mid case scenario) of **6.4** cents in the dollar, bringing the total return payable to unsecured creditors to **24.1** cents in the dollar. This does not include the estimate of the potential improvement of Cockle Creek foreshadowed in Section 4.5.

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 continued to increase over time due to a variety of factors, including favourable outcomes on a number of matters. These include:

- A downward revision in the estimated future workers' compensation liabilities and settlement with Rio Tinto.
- 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.
- A deferral of expenditure on various matters, resulting in additional interest being earned on funds held.

3.1 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.

4. DIVIDEND DISTRIBUTIONS

As previously reported, following the successful resolution of various matters and the reduction in average claim sizes, PCCS's estimated self insured liability tail has decreased by a further 30%. This enabled a fourth interim dividend distribution of 1.5 cents in the dollar to be paid in July 2007. Unsecured creditors have now received a total of 17.7 cents in the dollar since April 2004.

I am pleased to advise that I propose to pay a 5th interim dividend distribution to the unsecured creditors of 1.0 cent in the dollar in quarter 2 of 2008. This proposed distribution has been achieved mainly through cost savings in relation to the Cockle Creek project and favourable bank interest rates.

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 actions are required by this class of creditors.

5. 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 27 March 2007.

5.1 Demolition

Subsequent to the completion of Site demolition works, all contractual issues and payments have now been finalised with the demolition contractor.

In advance of the staged remediation works across the Site (see below), the remaining concrete slabs and structures will be demolished and removed to enable access to the underlying contaminated materials. The concrete is to be recycled by crushing for use on-site in road construction (temporary and permanent) and as a drainage medium necessary in the construction of the containment cell.

The Deed Administrators recently undertook a tender process and have identified a preferred party to undertake the first phase of concrete crushing works. Contractual documentation is being finalised with works anticipated to begin in Q2 2008.

5.2 Whole of Site Remediation

5.2.1 Part 3A Consent

As previously reported, on 2 March 2007 after an extensive review and negotiation process, 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 contain 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 under Major Project Determinations.

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”).

5.2.2 Site Remediation Works

For your ease of reference, a map of the site master plan, illustrating a predominately residential outcome for the site together with the indicative remediation staging plan for the Site (“Staging Plan”) are 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, 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.

Remediation has now been completed for industrial redevelopment purposes on (Area 1), (approx 10% of the Site) the Cardiff West Estate area. Auditor sign-off of the Validation Plan is expected in Q2 2008.

Preparation for remediation work through construction of environmental controls has commenced in the large area of approximately 60ha (Area 2) known as Munibung Hills which is upstream of the main contaminated areas of the smelter site. This will be remediated in stages over the next 15 months to avoid major sediment run-off.

The next area (Area 3) for remediation is the area known as the Triangular Paddock (a separate lot situated in the south west between Main Road and TC Frith Avenue). The remediation documentation is in preparation and is well advanced.

Many years of contaminated sediment layers have been removed from dams on the Site providing a significant increase in the available volume for surface water control necessary for the remediation works and prudent ongoing management of contaminated water. The sediment stockpiles are being dewatered prior to their placement in the containment cell.

Contaminated materials already excavated are being stockpiled within or near the containment cell footprint pending construction of the containment cell.

New monitoring wells are to be installed which will be used during and after the remediation works. This work will commence when the containment cell is able to receive the contaminated material (refer below).

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.

5.2.3 Containment Cell Design and Construction

The containment cell detailed design has been completed by Golders Associates. The Part 3A consent conditions require Site Auditor and DECC sign off of the cell design.

During cell design works, Golders and our ground water consultants have been able to further optimise the cell design parameters (and cost) and complete a site-wide surface water report also required to progress to project remediation.

Final sign-off from the Site Auditor and approval from DECC in respect of the cell design is expected to be received in Q2 2008.

The Deed Administrators are currently preparing for a tender process for the cell construction. Preparation of the tender documents is complete and the tender will commence when DECC approval is received. At this stage, the cell construction contract is expected to be let during Q3 2008 allowing preliminary cell works in late Q3 2008 and commencement of cell filling in late 2008. The containment cell construction is estimated to be concluded in FY 2011. Given we are about to tender the project, we do not believe it appropriate to divulge details as to the costs of construction in this public document.

Possible arrangements for the long term ownership and management of the cell are currently being considered by the Deed Administrators. Arrangements acceptable to the Authorities are required to be made to satisfy the consent conditions under the Part 3A approval.

5.2.4 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 this regard, the Deed Administrators are in ongoing negotiations with third parties for the sale and/or removal of certain historical process materials currently on Site which could significantly reduce the level of contamination on the Site, reduce the costs associated with the containment cell construction and possibly deliver net revenue in a best case scenario.

In addition, the Deed Administrators are continuing to process other material stockpiled on Site and sell the concentrate product for a net benefit to the project.

5.2.5 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.

5.3 Incitec Site

Incitec Pivot Limited ("Incitec") owns and operates a single super-phosphate ("SSP") production plant on a separately owned 'island site' located within the PCCS Site.

In April 2006, Incitec announced that its operations at the Site would cease by September 2009.

Pursuant to the cooperation agreement entered into with Incitec relating to the joint development of both remediated sites, the Deed Administrators are continuing to work with Incitec's representatives to prepare a joint development Master Plan and to identify and achieve beneficial outcomes for both parties in respect of the separate but physically related projects.

5.4 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 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.

5.4.1 Detailed Site Master Plan

In accordance with the Development Agreement, Paclib are currently finalising, at their own expense, a Detailed Site Master Plan for consideration by the Deed Administrators. The draft Master Plan reflects a mixture of light industrial and residential land uses with opportunities for passive recreational open space provided on top of the containment cell and on the steeper, visually sensitive slopes of Munibung Hill (refer to **Annexure 2**). The Detailed Master Plan is due to be completed in Q2 2008.

The Master Planning process requires a number of applications to change the heavy industrial Site land use and subdivide the Site into Superlots. These applications have either been approved or are currently being assessed by Lake Macquarie City Council ("Council"). These include an application to rezone approximately one quarter of the Site to a mixture of light industrial and residential uses. The amendment to the LEP 2004 is due to go on exhibition in March 2008. A second application to rezone the remainder of the Site for wholly residential uses is currently being prepared for lodgement in March/April 2008. The rezoning process should be completed by the end of Q2 2009.

The rezoning of the remainder of the Site will be accompanied by a Voluntary Planning Agreement ("VPA") seeking to offset s.94 Contributions levies by Council for the construction of public infrastructure arising from the redevelopment of the Site. A draft VPA is currently being prepared by PCCS for presentation to Council with the Detailed Site Master Plan.

5.4.2 Development

The Deed Administrators are proceeding with the light industrial subdivision of approximately 18 hectares in the northern part of the Site. This is being undertaken while planning and other Site works are being advanced. Under the Development Agreement structure PaLib is currently preparing a Development Application for the industrial subdivision comprising 22 lots at approximately 4,000m² each.

The application is due to be lodged with Council for assessment in Q1 2008. PCCS will soon commence, in conjunction with other works, the design and documentation of civil and servicing infrastructure. Marketing agents JLL etc have been appointed following their successful tender submission.

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.

5.5 Project Returns

Project costs have been controlled in line with budget and estimated returns from land sales have improved reflecting the value add activities being undertaken by the project team and the forecast level of demand for land in the Hunter Region.

Whilst we are unable to provide creditors with specific details regarding the total estimated revenues and costs for the project (as this information is commercially sensitive and could adversely impact on ongoing project negotiations), we continue to be encouraged with progress on the project, particularly in relation to the remediation civil works and development Master Plan programs.

In this regard, we are optimistic that the previously reported range of returns to creditors (between 35% and 65% of project hold back funds) will be improved upon with an anticipated project timetable of approximately 5-7 years.

5.6 Other

5.6.1 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 developed a compromise 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 Q3 2008.

The Deed Administrators are undertaking the necessary preliminary work required ahead of any formal commencement to the LAS program.

5.6.2 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

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

6. WORKERS' COMPENSATION CLAIMS

6.1 Self Insured Liability Tail / Claims Management

Between March 2007 and December 2007, as a result of Pasminco's claim management efforts in achieving certain settlements, PCCS's estimated self insured liability tail has decreased by a further 30%.

However until further matters are resolved and as a comfort for potential future unknown claims no funds are as yet available for release from this source.

6.2 Lumbermans Mutual Casualty Company (Trading as Kemper Pty Limited) ("Kemper")

At present there are cash funds earning interest deposited with the New South Wales Workcover Authority of approximately \$43 million. The funds are held in support of Pasminco's New South Wales self insurance obligations in respect of Workers Compensation.

As previously reported, Kemper issued legal proceedings against Pasminco and other associated entities, seeking to establish an interest in these funds. Pasminco maintains that the funds should be returned to Pasminco following the satisfaction of the New South Wales self insurance obligations in respect of Workers Compensation.

Mediation of the proceedings which occurred in June 2007 did not result in any agreement the parties and consequently the trial is scheduled to be heard in May 2008.

7. WIND DOWN AND DEREGISTRATION PROCESS

Since last reporting to creditors, we have continued to focus on the wind down and deregistration of Pasminco's Residual Group companies in accordance with the Pasminco 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.
- Deed of Cross Assumption of Claims releases.

- Separation, Transitional and Shared Services Deed obligations.
- Taxation obligations.
- Legal sign off.

It is intended that approximately half of the current residual group companies will be deregistered during 2008, thus reducing the amount of statutory lodgements and costs.

8. STATUS OF ADMITTED CLAIMS

To date, the following amounts have been adjudicated and admitted as claims against Pasminco 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	39,175,226
Total	2,645,057,224

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:

8.1 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. In future they will participate in dividend distributions with other unsecured creditors.

8.2 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. In addition, contamination claims have been included in this section. 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.

In this regard, we are proactively managing the process in order to progress the administration.

8.3 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.

8.4 Aquila Resources Limited.

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

8.5 Rio Tinto Creditors

As discussed in my previous report, Rio Tinto creditors have received a first and final dividend of 13.8 cents in the dollar.

9. DEED ADMINISTRATORS' FEES

At the previous meeting of creditors, held on 1 May 2007, creditors approved the Deed Administrators' up to a cap of AUD 2,194,565 (plus GST).

Detailed below is a summary of the Deed Administrators' fees as at 31 January 2008.

	AUDm
Deed Administrators' fees approved by creditors on 1 May 2007	2.19
Less:	
Fees incurred and paid to 31 January 2008	2.06
Fees still available to draw	0.13

Our current fees as Deed Administrators have been calculated in accordance with Ferrier Hodgson's schedule of hourly rates, which were applied on 1 March 2007.

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 propose that the hourly rates to be adopted from 1 February 2008 be charged at Ferrier Hodgson's new schedule of rates set out below. (As the majority of creditors are now US based, the proposed rates are also expressed in USD, based on a conversion rate of approximately AUD1:USD0.9152:

Classification	Proposed Hourly Rate AUD	Proposed Hourly Rate USD
Partner	575	526
Director	475	435
Manager 1	425	389
Manager 2	355	325
Supervisor	295	270
Senior 1	270	247
Senior 2	240	220
Intermediate 1	210	192
Intermediate 2	180	165
Senior Secretary	160	146
CP Operator	115	105
Clerk	130	119
Typist	85	78
Junior	70	64

As mentioned above, creditors previously approved an increase in our fee limit to cover the Deed Administrators' fees for the period 1 March 2007 to 31 January 2008. As at 31 January 2008 fee capacity of AUD127,933 remains available to be drawn.

We estimate our professional fees for the period 1 February 2008 to 31 January 2009 to be AUD2,484,063.

Accordingly, at the forthcoming meeting of creditors, we will seek approval for an additional fee limit of AUD2,356,130 (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 12 months:

	AUDm
Estimated fees for the period 1 February 2008 to 31 January 2009	2.48
Less: Surplus fees not yet drawn	(0.13)
Additional fee approval to be put to creditors	2.35

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.

10. NOTICE OF MEETINGS OF CREDITORS

Concurrent meetings of the creditors of Pasminco will be held at 10.00am (Australian Eastern Standard Time) on 18 March 2008 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:

10.1 Notice of Meeting (Annexure 4)

Please note that the meetings of creditors will be held on 18 March 2008 at 10.00am (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 Mr Richard Bastow in writing no later than midday (Australian Eastern Standard Time) on Monday, 17 March 2008 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, Mr Richard Bastow 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.

10.2 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 three interim dividends declared 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 Monday, 17 March 2008.

Should you require any further information in relation to the matters contained within this report, please do not hesitate to contact Mr Richard Bastow of this office (telephone +613 9604 5175).

Yours faithfully



PETER McCLUSKEY
DEED ADMINISTRATOR

Encl.

ANNEXURE 1

**MELBOURNE**

Level 29 600 Bourke Street
 Melbourne VIC 3000 Australia
 PO Box 290 Collins Street West
 Melbourne VIC 3007
 phone +61 3 9600 4922
 fax +61 3 9642 5887
 email fhmelb@melb.fh.com.au
 www.ferrierhodgson.com
 DX 125 Melbourne

ADELAIDE
 BRISBANE
 PERTH
 SYDNEY
 AUCKLAND
 HONG KONG
 JAKARTA
 KUALA LUMPUR
 SINGAPORE
 TOKYO

Affiliated through
 Kroll Worldwide
 UNITED STATES
 UNITED KINGDOM

28 February 2008

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 DECEMBER 2007

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 quantum 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.

The worst and best case scenarios we consider are extremes and, in our view, dividends are unlikely to materialise at these levels. At the present time, 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\pasm ltd.dca\dividend calculations\hold back cashflows and dividends\various scenarios and npvs\15-qtr dec 2007\letter to creditors re dividend estimates dec 2007.doc

CORPORATE ADVISORY 

FORENSICS 

CORPORATE RECOVERY 

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 and 1.5 cents totalling 17.7 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 December 2007

Estimated further dividends (cents in the dollar)		
Worst Case	Mid Case	Best Case
4.7	6.4	7.4

Discounted Dividend Forecast as at 31 December 2007

Nominal Discount Rate	Estimated further dividends (cents in the dollar)		
	Worst Case	Mid Case	Best Case
8%	3.5	4.7	5.4
10%	3.3	4.4	5.0
12%	3.1	4.1	4.7

As indicated above, our current estimate of the further dividends that may be payable to creditors on a mid case scenario is 6.4 cents, which would bring the final total dividend to unsecured creditors to 24.1 cents in the dollar (undiscounted).

You will note that, in our forecasts prepared as at 30 September 2007, it was estimated that future dividends on a mid case scenario would be 6.5 cents (This included the dividend of 1.5 cents in the dollar paid on 11 July 2007) and final total dividends to unsecured creditors were estimated at 24.2 cents in the dollar (undiscounted).

The overall decrease in this estimate of 0.01 cents to 24.1 cents in the dollar (undiscounted) can be attributed to, amongst other things, a reduction in forecast interest due to earlier than anticipated dividend distributions.

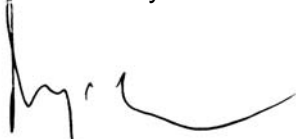
General Assumptions

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 5.59% on deposit account funds has been applied, except for those amounts locked in 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 \$2,645 million.
- Discount rates used are nominal rates.
- Estimates are based as at 31 December 2007 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 9600 4922).

Yours faithfully



PETER McCLUSKEY
DEED ADMINISTRATOR

Encl.

ANNEXURE 2

ZONE	Proposed Zoning	Proposed Land Use	Area m ² Approx.
ZONE 1	Zone 4(2)	Industrial (general)	143,382 m ²
	Zone 2(2)	Residential (Urban Living)	66,477 m ²
ZONE 3 & 9	Zone 4(2)	Industrial (general)	41477 m ²
	Zone 3(2)	Urban centre (support)	35925 m ²
ZONE 4	Zone 2(1)	Residential	42,487 m ²
	Zone 2(2)	Residential (Urban Living)	54,995 m ²
ZONE 5	Zone 2(1)	Residential	92,748 m ²
ZONE 6	Zone 2(1)	Residential	58,585 m ²
ZONE 7	Zone 4(2)	Industrial (general)	51,831 m ²
ZONE 8	Zone 2(1)	Residential	84,815 m ²
	Zone 2(2)	Residential (Urban Living)	46,148 m ²
ZONE 10	Zone 3(1)	Urban centre	66,118 m ²
INCITEC	Zone 2(1)	Residential	44,118 m ²
	Zone 2(2)	Residential (Urban Living)	81,353 m ²
OPEN SPACE	Pasirnoo	Containment Cell	254,745 m ²
	Incitec	Containment Cell	24,513 m ²
	Munbung Hill	Inopina reserve	20,331 m ²
	Munbung Hill	Open space	600,226 m ²
	CWE	Easement to dam	24,513 m ²





Argenton

Cockle Creek

Cardiff Industrial Estate

Macquarie Hills

Bosston

CELL

Incinerator

1

2

3

4

4

5

2

for illustration purposes only – not to scale

Figure 2.3 – RMP Parcels

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. Schedule of the Deed Administrators’ anticipated tasks and remuneration estimate for the period 1 February 2008 to 31 January 2009. The tasks can be broadly divided into six categories, namely,
- Assets
 - Creditors
 - Employees
 - Investigations
 - Dividends
 - Administration
- A3. Remuneration approved and drawn to date.
- A4. Resolutions to be put to creditors at the meeting convened for 18 March 2008.

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 28 February 2008.



PART A

A1 SCHEDULE OF HOURLY RATES & GENERAL GUIDE TO STAFF EXPERIENCE

Title	Rate (\$)	Experience
Partner/Principal/ Appointee	575	The Partner/Appointee is a registered liquidator and member of the ICAA and IPAA bringing specialist skills to the administration or insolvency task. For specific experience and other details of the appointee/s, please visit our website at www.ferrierhodgson.com
Director	475	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	425	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	355	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	295	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	270	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	240	Generally, 2-3 years chartered accounting or insolvency management experience. University degree, ICAA's CA program commenced.
Intermediate 1	210	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	180	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	145	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	160	Appropriate skills including machine usage.
Computer Operator	115	Appropriate skills including machine usage.
Clerk	130	Generally non qualified administrative assistant. Classification depends on experience, salary and complexity of work to be completed.
Typist	85	Appropriate skills including machine usage.
Office Assistant	70	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:

- The hourly rates are exclusive of GST.
- 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.
- Time is recorded and charged in six-minute increments.



A2 Schedule of Anticipated Tasks and Deed Administrators' Estimated Prospective Remuneration for the Period 1 February 2008 to 31 January 2009

Based on the following anticipated tasks of the Deed Administrators, I estimate fees for the 12 month period detailed above to be approximately AUD2,484,062.

Assets - Pasminco Cockle Creek Smelter Pty Limited Remediation and Development requirements \$1,100,000*	Management of remediation redevelopment and realisation of Cockle Creek smelter site	<ul style="list-style-type: none"> ▪ Site visits ▪ Contract negotiations ▪ Undertaking the remediation civil works phase of the project ▪ Stakeholder negotiation and preparatory works regarding the containment cell construction ▪ Negotiating and implementing contractual arrangements to sell and/or remove certain process materials present on the Site ▪ Site master planning and detailed development design planning. ▪ Demolition ▪ Liaising with neighbouring land owners ▪ Pre-implementation works for the lead abatement strategy ▪ Contamination cell tender process and civil works project management ▪ 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 ▪ Liaising with suppliers ▪ Liaising with management and staff ▪ Authorising purchase orders ▪ Maintaining purchase order registers ▪ Preparing and authorising receipt vouchers ▪ Preparing and authorising payment vouchers
---	--	--



	Sale of real property	<ul style="list-style-type: none"> ▪ Liaising with valuers, agents ▪ Attendance at auctions
	Debtors	<ul style="list-style-type: none"> ▪ Correspondence with debtors
	Other assets	<ul style="list-style-type: none"> ▪ Tasks associated with realising other assets
	Processing receipts and payments	<ul style="list-style-type: none"> ▪ Entering receipt and payments into accounting system and maintaining registers. ▪ Month end account reconciliations
	Budgeting & financial reporting	<ul style="list-style-type: none"> ▪ Reviewing remediation and development budgets and financial statements ▪ Preparing budgets ▪ Meetings to discuss trading position and accounts
Creditors \$350,000*	Creditor Enquiries	<ul style="list-style-type: none"> ▪ Receive and follow up creditor enquiries via telephone ▪ Maintaining creditor enquiry register ▪ Review and prepare correspondence to creditors and their representatives via facsimile, email and post ▪ Correspondence with financiers regarding debt trades ▪ Maintaining register of current holders of unsecured debt and maintaining records.
	Creditor reports/circulars	<ul style="list-style-type: none"> ▪ Preparing circular to creditors providing updates on case progress and general reporting to creditors.
	Dealing with proofs of debt	<ul style="list-style-type: none"> ▪ Receipting and filing POD's ▪ Dealing with litigation claims including admitting and rejecting POD's
	Shareholder enquires	<ul style="list-style-type: none"> ▪ Responding to any shareholder queries and potential legal action
Employees - Workers Compensation Issues \$454,062*	Employee enquiries	<ul style="list-style-type: none"> ▪ Review and prepare correspondence to creditors and their representatives via facsimile, email and post ▪ General reporting on employee issues
	Litigation	<ul style="list-style-type: none"> ▪ Managing and progressing ongoing legal matters.
	Employee dividend	<ul style="list-style-type: none"> ▪ Receipting POD's ▪ Adjudicating POD's ▪ Ensuring PAYG is remitted to ATO
	Workers compensation claims	<ul style="list-style-type: none"> ▪ Review insurance policies ▪ Receipt of claim ▪ Liaising with claimant ▪ Liaising with insurers and solicitors regarding claims ▪ Identification of potential issues requiring attention of insurance specialists ▪ Correspondence with Willis regarding initial and ongoing workers compensation insurance requirements ▪ Completing receipts and payments relating to Workers Compensation issues. ▪ Liaising with Zinifex in negotiating management of claims.
Investigation \$300,000	Conducting investigation/Discovery	<ul style="list-style-type: none"> ▪ Maintaining and reviewing company books and records ▪ Conducting and summarising statutory searches
	Litigation / Recoveries	<ul style="list-style-type: none"> ▪ Internal meetings to discuss status of litigation ▪ Preparing brief to solicitors ▪ Liaising with solicitors regarding recovery actions ▪ Attending to negotiations ▪ Attending to settlement matters
	ASIC reporting	<ul style="list-style-type: none"> ▪ Liaising with ASIC



Dividend \$80,000*	Processing proofs of debt and Dividend Procedures.	<ul style="list-style-type: none"> ▪ Liaising with Financiers to confirm holdings of unsecured debt. ▪ Preparing Bank TT's ▪ Preparing payment vouchers ▪ Preparing payment schedules and reconciliations of holdings ▪ Working with banks to ensure funds correctly deposited ▪ Preparing dividend schedules ▪ Preparing quarterly dividend forecast model updates
	Administration \$200,000*	Correspondence
	Document maintenance/file review/checklist	<ul style="list-style-type: none"> ▪ Filing of documents ▪ File reviews ▪ Updating checklists
	Insurance	<ul style="list-style-type: none"> ▪ Identification of potential issues requiring attention of insurance specialists ▪ Correspondence with Marsh regarding ongoing insurance requirements ▪ Reviewing insurance policies ▪ Correspondence with lawyers regarding insurance issues
	Bank account administration	<ul style="list-style-type: none"> ▪ Preparing correspondence opening and closing accounts ▪ Maintaining and reinvesting funds in various Term Deposit accounts. ▪ Liaising with major banks in order to maximise investments ▪ Requesting bank statements ▪ Bank account reconciliations ▪ Correspondence with bank regarding specific transfers
	ASIC Lodgements	<ul style="list-style-type: none"> ▪ Preparing and lodging ASIC forms. ▪ Correspondence with ASIC regarding statutory forms
	ATO & other statutory reporting	<ul style="list-style-type: none"> ▪ Preparing BAS' ▪ Completing group certificates
	Finalisation/ Deregistration procedures	<ul style="list-style-type: none"> ▪ Notifying ATO of finalisation ▪ Reviewing Balance sheets ▪ Completing debt forgiveness forms 245-90's ▪ Obtaining clearances from ASIC ▪ Reviewing DOCA/ Deed of Cross Assumption of Claims/ Revocation Deed and other matters. ▪ Advertising requirements ▪ Cancelling ABN / GST / PAYG registration ▪ Completing checklists
	Planning / Review	<ul style="list-style-type: none"> ▪ Discussions regarding status of administration
	Books and records / storage	<ul style="list-style-type: none"> ▪ Dealing with records in storage ▪ Sending job files to storage

* Please note that the above allocated costs in each of the six categories are based on our best 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 28 February 2008 which provides an explanation of the prospective work and contingencies which may result in costs greater than those estimated above.

In future remuneration reports we will report on the actual costs incurred in each of the six categories.



A3 Remuneration approved and drawn to date

FEE SUMMARY		
Total Deed Fees Approved	Period of Approval	AUD
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
		16,786,925.90
Fees Incurred and Paid		
	5 October 2002 – 31 January 2008	(16,658,992.50)
	Balance of approved limit remaining	127,933.40

A4 Resolutions to be put to creditors at the meeting convened for 18 March 2008

At the meeting of creditors convened for 18 March 2008, creditors will be asked to consider the following resolution:

"That the future remuneration of the Deed Administrators from 1 February 2008 to 31 January 2009 is 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 28 February 2008 to a capped amount of AUD2,356,130 exclusive of GST, and that the Deed Administrators can draw the remuneration on a periodic basis or as required."



PART B

B1 Deed Administrators' Disbursements

Disbursements are externally provided professional and non professional costs such as travel, accommodation and search fees. These disbursements are recovered at cost. Disbursements are also internally charged for non professional costs such as photocopying and document storage. All 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
Search fees	At cost
Photocopying	50 cents per copy
Printing	50 cents per copy
Facsimile	\$3.00 per page
Advertising	At cost
Storage – Per Box/Per month	\$0.37
Couriers	At cost

B2 Other creditor information on remuneration

The partners of Ferrier Hodgson Victoria are members of the Insolvency Practitioners Association and follow the IPA Code of Professional Practice. A copy of the Code of Professional Practice may be found on the IPA website at www.ipaa.com.au

An information sheet concerning approval of remuneration in external administrations can also be obtained from the IPA website.

Queries regarding remuneration should be directed to Richard Bastow of this office.

Dated this 28th day of February 2008

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 Tuesday 18th March 2008 at 10.00am.

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 Monday 17 March 2008. **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 Mr Richard Bastow in writing no later than midday on Monday 17 March 2008 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 Mr Richard Bastow 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 28th day of February 2008



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 18 March 2008 at 10:00am, 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 February 2008 to 31 January 2009 is 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 28 February 2008 to a capped amount of AUD2,356,130 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 2008

.....
Signature² of individual or person³
authorised by corporate resolution to
represent the corporation

OR The Common Seal of¹
was hereunto affixed in the presence of

.....
Director

FOR OFFICE USE ONLY

Proxy Valid: Yes/No

Cross Deed Creditor: Yes/No

Amount admitted for voting:

\$.....

.....
Secretary

¹ The method of affixing the Common Seal should be prescribed by the creditor corporation's articles. See Note (2).
² The signature of the creditor is not to be attested by the person nominated as proxy.
³ 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.