

# FAX

**DATE:** 17 November 2011  
**TO:** Company Announcements Office  
**SUBJECT:** COMPASS RESOURCES LIMITED  
ACN 010 536 820  
Lodgement of Form 603

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We lodge and submit the following documents (**enclosed**) in relation to Compass Resources Limited:

1. For YA Global Investments L.P. as substantial holder:
  - (a) Cover letter to form 603;
  - (b) Form 603; and
  - (c) Annexure A to form 603.
2. For Coffee House Group Limited as substantial holder:
  - (a) Cover letter to form 603;
  - (b) Form 603; and
  - (c) Annexure A to form 603.



Our Reference: GW: 111158  
Contact: Greg Wheatley  
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Gadens Lawyers  
Perth Pty Limited  
ABN 12 502 581 632

17 November 2011

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Dear Sir/Madame

**Notice of change in substantial holding – YA Global Investments L.P.**

We act for YA Global Investments LP (YA Global).

On behalf of YA Global, we enclose Form 603 in accordance with section 671B of the *Corporations Act* 2001 (Cth).

This Notice has been given to Compass Resources Limited ACN 010 536 820.

Yours faithfully

Greg Wheatley  
Partner  
for GADENS LAWYERS

Enclosed.

# Form 603

Corporations Act 2001  
Section 671B

## Notice of initial substantial holder

To Company Name/Scheme Compass Resources Limited (Compass)

ACN/ARSN 010 536 820

### 1. Details of substantial holder (1)

Name YA Global Investments L.P. (YA Global)

ACN/ARSN (if applicable) \_\_\_\_\_

The holder became a substantial holder on 17/11/2011

### 2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of Securities (4)	Number of Securities	Person's Votes (5)	Voting Power (6)
Fully Paid Ordinary Shares	1,084,380,123	1,084,380,123	77.4%

### 3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
YA Global	Beneficial owner	761,454 Ordinary Shares
YA Global	Beneficial owner	1,083,618,669 Ordinary Shares

### 4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
YA Global	ANZ Nominees Limited	ANZ Nominees Limited	761,454 Ordinary Shares
YA Global	HSBC Custody Nominees (Australia) Limited	HSBC Custody Nominees (Australia) Limited	1,083,618,669 Ordinary Shares

## 5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
YA Global	17/11/2011		Conversion of 100% of debt of YA Global to Compass in accordance with the provisions of the Further Revised Deed of Company Arrangement dated 18 August 2011 annexed as Annexure "A" to this form	1,083,618,669

## 6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association

## 7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
Compass	Level 5, 384 Eastern Valley Way, Roseville, NSW 2069
YA Global	101 Hudson Street Suite 3700, JERSEY CITY NJ 07302

## Signature

print name Greg Wheatley capacity Lawyer for YA Global  
sign here G. Wheatley date 17 / 11 / 2011

## DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) (See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
  - a. any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any



- document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
- b. any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.

- (8) If the substantial holder is unable to determine the identity of the person ( eg. if the relevant interest arises because of an option) write "unknown".
- (9) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

This annexure A of 42 page  
referred to in form 603

Signed:

*G. Wheeler*

Dated:

*17/11/11*

## Further Revised Deed of Company Arrangement

**Darren Weaver, Steven Sherman and Martin Jones**  
Administrators

**Compass Resources Limited (Subject to Deed of Company  
Arrangement) (Receivers & Managers Appointed)**  
ACN 010 536 820  
CMR

**YA Global Investments LP**  
YA Global

**Coffee House Limited**  
Coffee House

**Compass Mining Pty Ltd (In liquidation)**  
ACN 099 550 259  
CMPL

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## Further Revised Deed of Company Arrangement

Date: 2011

Between: **Darren Weaver, Steven Sherman and Martin Jones** of Level 26, BankWest Tower, 108 St George's Terrace, Perth in the State of Western Australia (together, "the Administrators")

and: **Compass Resources Limited (ACN 010 536 820)** (Subject to Deed of Company Arrangement) (Receivers & Managers Appointed) of care of Level 26, BankWest Tower, 108 St Georges Terrace, Perth, WA 6000 ("CMR")

and: **YA Global Investments LP** of 101 Hardman Street, Suite 3700, Jersey City, NJ 07302, USA ("YA Global")

and **Coffee House Limited** of Victory House, Prospect Hill, Douglas, Isle of Man ("Coffee House").

and **Compass Mining Pty Ltd (ACN 099 550 259)** (In liquidation) of care of Level 26, BankWest Tower, 108 St Georges Terrace, Perth, WA 6000 ("CMPL")

### Recitals

- A. On 29 January 2009, Darren Weaver, Steven Sherman and Martin Jones executed a consent in writing to their appointment as joint and several voluntary administrators of CMR and CMPL.
- B. At a meeting of the Directors held on 29 January 2009, the Directors passed a resolution that CMR and CMPL were at that time insolvent or likely to become insolvent at some future time.
- C. On 29 January 2009 the Voluntary Administrators were appointed as administrators of CMR and CMPL.
- D. As at the time of the appointment of the Voluntary Administrators:
  - (a) of CMR on 29 January 2009, CMR was not then already under administration, nor had a liquidator been appointed to wind up CMR; and
  - (b) of CMPL on 29 January 2009, CMPL was not then already under administration, nor had a liquidator been appointed to wind up CMPL.
- E. On 10 February 2009, the creditors of:

- (a) CMR ratified the Voluntary Administrators' appointment at the first meeting of creditors and resolved to form a creditors' committee for CMR; and
  - (b) CMPL ratified the appointment of Darren Weaver, Steven Sherman and Martin Jones as joint and several voluntary administrators of CMPL and resolved to form a committee of creditors for CMPL.
- F. On 17 February 2009, HAR appointed the Receivers and Managers as receivers and managers of CMR.
- G. On 30 April 2009, a second meeting of creditors of:
- (a) CMR was held to consider, among other things, the execution of a deed of company arrangement pursuant to section 439A of the Act; and
  - (b) CMPL was held to consider, among other things, whether the company should be placed into liquidation.
- H. At the second creditors' meeting, the creditors of CMR duly resolved that CMR enter into a deed of company arrangement. The DOCA was accordingly executed on 21 May 2009.
- I. At the second creditors' meeting, the creditors of CMPL duly resolved that CMPL be placed into liquidation. In accordance with this resolution, the joint and several voluntary administrators of CMPL were appointed joint and several liquidators of CMPL on 30 April 2009.
- J. On 6 January 2010, pursuant to a meeting of creditors convened pursuant to section 445F of the Act, the creditors of CMR duly resolved that CMR vary the DOCA. The Varied DOCA was executed on 2 April 2010.
- K. Due to the failure of a condition precedent under the Varied DOCA, YA Global put an amended proposal to the Administrators for consideration by the creditors of CMR.
- L. After reporting to creditors of CMR on the amended proposal, at a further meeting of the creditors convened under s445F of the Act and held on 5 July 2010 the creditors of CMR resolved to amend the Varied DOCA in terms of the Amended Varied DOCA.
- M. Due to the fact that conditions precedent under the Amended Varied DOCA could not be satisfied in the time available, YA Global put an amended proposal to the Administrators for consideration by the creditors of CMR.
- N. After reporting to creditors of CMR on the amended proposal, at a further meeting of the creditors convened under s445F of the Act and held on 23 December 2010 the creditors of CMR resolved to amend the Amended Varied DOCA in terms of the Revised DOCA.
- O. Due to the fact that conditions precedent under the Revised DOCA could still not be satisfied in the time available, YA Global put the Further Revised Proposal to the Administrators for consideration by the creditors of CMR.
- P. At the Meeting of Creditors held on 21 June 2011, the creditors of CMR resolved to amend the Revised DOCA in terms of this Further Revised DOCA.

**Operative Parts:****1. Definitions and interpretation****1.1 Definitions**

In this Further Revised DOCA the following terms unless the context otherwise requires have the following meanings:

<b>Act</b>	means the Corporations Act 2001 (Cth);
<b>Administrators</b>	means Darren Weaver, Steven Sherman and Martin Jones in their capacities as joint and several deed administrators of CMR;
<b>Administrators Costs</b>	means fees, costs and expenses reasonably incurred by the Administrators in exercising their obligations at law (including, without limitation, the costs associated with the maintenance of the Peru Tenements in good standing) as set out in clause 21.3;
<b>Admitted Claim</b>	means a Claim that has been admitted by the Administrators or the Trustees, as the case may be;
<b>Admitted Creditor</b>	means the creditors of CMR having an Admitted Claim;
<b>Amended Varied DOCA</b>	means the amended varied deed of company arrangement for CMR executed by the parties on 5 August 2010;
<b>Appointment Date</b>	means 29 January 2009, being the date on which the Voluntary Administrators were appointed to CMR, pursuant to s436A of the Act;
<b>Arrangement Period</b>	means the period from the Commencement Date to the Termination Date;
<b>Asset Sale Agreement</b>	means the agreement to be entered into between the Purchaser, CMR and Guardian, at or prior to Sale of Assets Completion, by which all of the assets of CMR (except for the shares in CMPL) are to be sold to the Purchaser on the terms: <ul style="list-style-type: none"> <li>(a) contemplated by the Further Revised Proposal and this Further Revised DOCA;</li> <li>(b) which will include the terms upon which the Loan Funds are advanced to the Purchaser as set out in clause 13(c) to (f); and</li> <li>(c) otherwise on the usual terms and conditions applicable to such a sale, where the vendor is a</li> </ul>

company subject to a deed of company arrangement and as are agreed between YA Global and the Administrators;

<b>ASIC</b>	means Australian Securities & Investments Commission;
<b>ASX</b>	means the Australian Stock Exchange Ltd;
<b>ATO</b>	means Australian Taxation Office;
<b>Available Property</b>	means all of the CMR Creditors Available Property and the CMPL Available Property;
<b>Balance of the HAR Amount</b>	means the HAR Amount less the Initial HAR Amount;
<b>Business Day</b>	means a week day on which banks are generally open for business in Western Australia;
<b>Bonds</b>	means: <ul style="list-style-type: none"> <li>(a) the HAR Bond;</li> <li>(b) the HNC Bond; and</li> <li>(c) the Trustees' Bond;</li> </ul>
<b>Bond Terms</b>	means the terms of the Bonds, to be agreed by CMR and the Administrators as a Condition Precedent to Completion;
<b>Borrower</b>	means: <ul style="list-style-type: none"> <li>(a) in the case of Share Issue Completion – CMR; and</li> <li>(b) in the case of Sale of Assets Completion – the Purchaser;</li> </ul>
<b>Charges</b>	means each and every security granted by CMR under the JVs being: <ul style="list-style-type: none"> <li>(a) Compass Featherweight Floating Charge dated 26 April 2007 between HAR, CMR and CMPL;</li> <li>(b) Sulphide Compass Cross Charge dated 26 April 2007 between HAR, CMR and CMPL;</li> <li>(c) Sulphide Licensed Property Charge dated 26 April 2007 between HAR, CMR, Guardian Resources Pty Ltd (ACN 009</li> </ul>



550 196) and CMPL;

- (d) Sulphide Compass Tenement Charge dated 26 April 2007 between HAR, CMR, Guardian Resources Pty Ltd (ACN 009 550 196) and CMPL;
- (e) Oxide Compass Cross Charge dated 26 April 2007 between HAR, CMR and CMPL;
- (f) Oxide Licensed Property Charge dated 26 April 2007 between HAR, CMR, Guardian Resources Pty Ltd (ACN 009 550 196) and CMPL;
- (g) Oxide Compass Tenement Charge dated 26 April 2007 between HAR, CMR, Guardian Resources Pty Ltd (ACN 009 550 196) and CMPL

**Claim**

means a debt payable by, or a claim against, CMR (present or future, certain or contingent, ascertained or sounding only in damages) being debts or claims which arose on or before the Appointment Date or out of events or circumstances which occurred before the Appointment Date, and irrespective of whether the debt or claim arose by virtue of contract, at law (including by statute) in equity or otherwise, and regardless of whether such debt or claim has been or will be admitted or disputed in whole or in part;

**CMPL Claim**

means the claim of CMPL against CMR being a Liability (as that term is defined in the Oxide Joint Venture Agreement dated 26 April 2007) properly and reasonably incurred or sustained by CMPL in its capacity as Oxide Operator (as that term is defined in the Oxide Joint Venture Agreement dated 26 April 2007);

**CMR Tenements**

means the mining and exploration tenements held by CMR or in which CMR holds an interest (to the extent of that interest);

**CMPL Available Property**

means the assets available for distribution by the Trustees to pay the CMPL Claim, being the CMPL Cash Amount;

**CMPL Cash Amount**

means the sum of \$2,500,000 to be paid by the Borrower to the Trustees from the Loan Funds in respect of the First Loan on the Completion Date or such lesser amount as is required to pay the CMPL Claim in full;

**CMR Creditors**

means the Admitted Creditors excluding:

- (a) YA Global;
- (b) HAR;
- (c) HNC;
- (d) CMPL;
- (e) Coffee House; and
- (f) those creditors of the Oxide JV whose claims have been admitted in the liquidation of CMPL;

**CMR Creditors Available Property** means the assets available for distribution by the Trustees to the CMR Creditors, being:

- (a) \$3,250,000 cash (to be paid by the Borrower to the Trustees from the Loan Funds in respect of the First Loan on the Completion Date);
- (b) in the event the CMPL Cash Amount is less than \$2,500,000, the difference between \$2,500,000 and the CMPL Cash Amount, paid by the Borrower to the Trustees from the Loan Funds in respect of the First Loan; and
- (c) the Trustees' Bond;

**Coffee House** means Coffee House Group Limited, a company incorporated in the Isle of Man (registered number: 1023619C) of Victory House, Prospect Hill, Douglas, Isle of Man, IM1 1EQ;

**Coffee House Claim** means the Admitted Claim of Coffee House;

**Commencement Date** means the date of execution by all parties of this Further Revised DOCA;

**Completion** Share Issue Completion or Sale of Assets Completion, as relevant;

**Completion Date** means the date Completion occurs, being a date agreed between the Administrators and YA Global which is on or after the satisfaction or waiver of the Conditions Precedent;

**Conditions Precedent** means:

- (a) in the case of Share Issue Completion - the

		conditions precedent contained in clause 5(a); or
	(b)	in the case of Sale of Assets Completion, the conditions precedent contained in clause 15A.3;
<b>Court</b>		means any court having jurisdiction to hear and determine matters under the Act;
<b>Creditors' Committee</b>		means the committee of inspection formed at the Meeting of Creditors for the purpose of assisting the Administrators;
<b>Creditors' Trust</b>		means the trust established by the Creditors' Trust Deed;
<b>Creditors' Trust Deed</b>		means the trust deed in the form or substantially in the form of Attachment 1 to this Revised DOCA under which the Trustees will hold the Trust Fund on certain trusts for the Admitted Creditors as set out in clause 16.3;
<b>DEWR</b>		means the Department of Workplace Relations (Commonwealth);
<b>Directors</b>		means Richard Clive Swann, Director/CEO appointed 9 October 2006, Gordon Leonard Toll, Director/Chairman appointed 1 July 2001, Philip Ronald Wood, Director appointed 1 August 2007, Philip Cohen, Director appointed 10 April 1987 and Neil Robert Guest, Secretary appointed 1 April 2008;
<b>DOCA</b>		means the deed of company arrangement executed by the Voluntary Administrators and CMR dated 21 May 2009;
<b>Employee</b>		means any person employed by CMR from time to time up to the Commencement Date;
<b>Employee Entitlements</b>		means any right or entitlement of any Employee or any other person, including but not limited to DEWR in respect of GEERS, which, if CMR were to be wound up, that Employee or person would be entitled to receive, pursuant to section 556 or section 560 of the Act, in priority to the unsecured creditors of CMR;
<b>First Loan</b>		means the loan by YA Global to the Borrower in accordance with clause 13(c);
<b>Further Revised DOCA</b>		means this further revised deed of company arrangement;
<b>Further Proposal</b>	<b>Revised</b>	means the proposal to recapitalise CMR which is at attachment 2 to this Further Revised DOCA;
<b>GEERS</b>		means the General Employee Entitlements and

	Redundancy Scheme;
Guardian	means Guardian Resources Pty Ltd ACN 009 439 196;
HAR	means HNC (Australia) Resources Pty Ltd of level 2, Deutsche Bank Place, 126 Phillip Street, Sydney, NSW;
HAR Amount	means the sum of: <ul style="list-style-type: none"><li>(a) \$11,844,863.24 (being pre-administration, unpaid cash calls plus interest, up until 5 October 2010);</li><li>(b) \$14,331,726.86 (being post-administration, unpaid cash calls plus interest, until up 5 October 2010);</li><li>(c) \$883,726.00 (being JV expenditure after 5 October 2010 until 31 October 2010); and</li><li>(d) CMR's share of JV expenditure from 1 November 2010 until Completion occurs, capped each month at an amount agreed between YA Global and HAR.</li></ul>
HAR Bond	means a bond, governed by the Bond Terms, issued by the Borrower to HAR, for the Balance of the HAR Amount, payable by way of 30 equal monthly instalments, and paying 10% interest per annum, with interest being capitalised in each year and payable upon maturity of the bond;
HNC	Hunan Nonferrous Metals Corp Ltd of Non-ferrous Tower A, No 342 Laodong West Road, Changsha, Hunan Province, People's Republic of China 410015;
HNC Bond	means a bond, governed by the Bond Terms, issued by the Borrower to HNC, for an amount of \$15,596,999.98, payable by way of 30 equal monthly instalments, and paying 10% interest per annum, with interest being capitalised in each year and payable upon maturity of the bond. Subject to any required shareholders consents, the HNC Bond will allow HNC the option to convert the outstanding balance of the bond amount into shares in the Borrower at any time up to the date which is 6 months prior to any IPO for the Borrower, on the basis that the total outstanding debt of \$15,596,999.98 would convert into 10.4% of the Borrower if converted on the date of Completion (and will convert pro rata in respect of lesser amounts);
HNC Claim	means the Admitted Claim of HNC;

<b>HNC Convertible Note Facility Agreement</b>	means the convertible note facility agreement entered into between CMR and HNC on 19 November 2008;
<b>HNC Security</b>	means a fixed and floating charge over all the assets of the Borrower, to secure payments under the HNC Bond;
<b>Heads of Agreement</b>	means the heads of agreement between YA Global, HAR and HNC dated on or around 9 December 2010;
<b>Initial HAR Amount</b>	means \$7,500,000;
<b>Insurance Claim</b>	means any liability of CMR covered by insurance policies taken out prior to the Appointment Date;
<b>JVs</b>	means the Oxide JV, Regional Exploration JV and Sulphide JV;
<b>JV Operator</b>	means the operator of the JVs from time to time;
<b>Loan Funds</b>	means the sum to be loaned by YA Global to the Borrower in accordance with clauses 13(c), (d) and (e) of this Further Revised DOCA under the First Loan, the Second Loan and the Third Loan;
<b>Meeting of Creditors</b>	means the meeting of the creditors of CMR held on 21 June 2011;
<b>New Directors</b>	means persons nominated by, and in the number of nominees (or equivalent proportion), stated below: <ul style="list-style-type: none"> <li>(a) YA Global: 4 nominee directors; and</li> <li>(b) Coffee House: 2 nominee directors;</li> </ul>
<b>Oxide JV</b>	means the JV to explore for, develop, mine and process the oxide resources between CMR and HAR;
<b>Oxide JV Expenditure</b>	has the same meaning in this Revised DOCA as in the agreement regarding the Oxide JV;
<b>Peru Tenements</b>	means the CMR Tenements located in Peru;
<b>Purchaser</b>	means an entity nominated by YA Global;
<b>Receivers and Managers</b>	Keiran Hutchinson, Philip Campbell-Wilson and Christopher Munday;
<b>Regional Exploration JV</b>	means the JV to explore for minerals between CMR and HAR;
<b>Scheduled Rates</b>	means the rates set out in the Schedule to this Revised DOCA;

<b>Regulations</b>		means the Corporations Regulations 2001 (Cth);
<b>Revised DOCA</b>		means the revised deed of company arrangement for CMR referred to in Recital N;
<b>Sale of Assets Completion</b>		means completion of the steps contemplated by clause 15A;
<b>Sale of Assets Completion Date</b>		means the date Sale of Assets Completion occurs, being a date agreed between the Administrators and YA Global which is within 60 days of the meeting of CMR shareholders contemplated by clause 5(a)(iv);
<b>Second Loan</b>		means the loan by YA Global to the Borrower in accordance with clause 13(d);
<b>Settlement Sum</b>		means the sum of ten dollars (\$10.00);
<b>Share Completion</b>	<b>Issue</b>	means completion of the steps contemplated by clause 15;
<b>Share Completion Date</b>	<b>Issue</b>	means the date Share Issue Completion occurs, being a date agreed between the Administrators and YA Global which is on or after the satisfaction or waiver of the Conditions Precedent;
<b>Sulphide JV</b>		means the JV to explore for, develop, mine and process the sulphide resources between CMR and HAR;
<b>Superannuation Contribution</b>		means a contribution by CMR to a fund for the purposes of making provision for, or obtaining superannuation benefits for, an Employee or for dependents of such an Employee;
<b>Superannuation Guarantee Charge</b>		means a charge imposed by Superannuation Guarantee Charge Act 1992 (Cth);
<b>Termination Date</b>		means the date upon which this Further Revised DOCA terminates in accordance with clause 19(a);
<b>Third Loan</b>		means the loan by YA Global to the Borrower in accordance with clause 13(e);
<b>Trustees</b>		means Darren Weaver, Steven Sherman and Martin Jones in their capacities as joint and several trustees of the Creditors' Trust;
<b>Trustees' Bond</b>		means a bond, governed by the Bond Terms issued by the Borrower to the Trustees for an amount equivalent to 25% of the aggregate amount of the Admitted Claims of the CMR Creditors with Admitted Claims exceeding \$100,000 but not exceeding \$6,000,000, maturing 3

	years after Completion and paying 10% interest per annum, with interest being capitalised in each year and payable upon maturity of the bond;
<b>Trust Fund</b>	the Trust Fund set out in clause 16.3;
<b>Uranium Assets</b>	means the rights to mine and explore for uranium on the CMR Tenements;
<b>Varied DOCA</b>	means the varied deed of company arrangement for CMR executed by the parties on 2 April 2010;
<b>Voluntary Administrators</b>	means Darren Weaver, Steven Sherman and Martin Jones in their capacities as joint and several voluntary administrators of CMR;
<b>YA Global Claim</b>	means the claim of YA Global; and
<b>YA Global Security</b>	is defined in clause 13(f).

## 1.2 Interpretation

In this Revised DOCA, unless the context otherwise requires:

- (a) month means a calendar month;
- (b) headings are for convenience only and do not affect the interpretation of this Revised DOCA;
- (c) references to sections, sub-sections and paragraphs of the Act are references to sections, sub-sections and paragraphs of the Corporations Act 2001;
- (d) the singular includes the plural and vice versa;
- (e) words importing a gender include each other gender;
- (f) an expression importing a natural person includes any corporation, partnership, joint venture, association or other body corporate;
- (g) a reference to any thing includes a part of that thing;
- (h) a reference to any statute, regulation, proclamation, ordinance or by-law includes a reference to each statute, regulation, proclamation, ordinance or by-law varying, consolidating or replacing it, and a reference to a statute includes a reference to each regulation, proclamation, ordinance and by-law issued under that statute;
- (i) a reference to a document includes a reference to an amendment or supplement to, or replacement or novation of, that document;
- (j) a reference to a party to any document includes a reference to that party's successors and permitted assigns;

- (k) when a day on or by which anything is to be done is not a Business Day, that thing must be done on or by the next Business Day;
- (l) a reference to a dollar or \$ is a reference to Australian currency; and
- (m) a covenant or agreement on the part of two or more persons binds them jointly and individually.

## **2. Variation**

Clauses 1 to 31 of the Revised DOCA are hereby deleted and replaced with clauses 1 to 31 of this Further Revised DOCA.

## **3. Purpose and Objects of this Further Revised DOCA**

The purpose and objects of this Further Revised DOCA are:

- (a) to facilitate an improvement in the return available to Admitted Creditors;
- (b) to provide considerable certainty for creditors of CMR;
- (c) to provide some financial compensation to HAR which has, since early in CMR's external administration, funded all of the JV expenditure;
- (d) to attempt to minimise the insolvency practitioner and legal costs incurred in the external administration of CMR; and
- (e) to utilise a creditors' trust in order to facilitate CMR's exit from administration and to allow CMR to apply to recommence trading on the ASX.

## **4. Commencement and Continuation of Operation of Deed**

This Further Revised DOCA will take effect on the Commencement Date.

## **5. Conditions Precedent**

- (a) The Conditions Precedent are:
  - (i) YA Global being satisfied (in its absolute discretion) with the due diligence to be carried out by it in respect of CMR and the JVs;
  - (ii) CMR not claiming against CMPL in respect of debts incurred by CMR by way of JV expenditure;
  - (iii) all required regulatory approvals in relation to:
    - A. the transactions contemplated by this Further Revised DOCA, being obtained on conditions satisfactory to YA Global; and
    - B. the transactions contemplated by the Heads of Agreement being obtained;



(iv) CMR shareholders:

- A. approving the issue of new shares in accordance with the terms of the Further Revised Proposal, including but not limited to, on the Completion Date:
  - (I) the issue of such shares to YA Global as are required for YA Global to hold at least 77.4% of the issued share capital of CMR; and
  - (II) the issue of such shares to Coffee House as are required for Coffee House to hold at least 12.5% of the issued share capital of CMR; and
- B. approving the First, Second and Third Loan being secured by the YA Global Security;
- C. approving the grant of an option to HAR on the terms referred to in the definition of HAR Bond;
- D. to the extent necessary, approving the grant of the HNC Security;

(v) HNC, HAR, CMR, CMPL and Guardian agreeing to the form of amendments to the documentation recording and relating to the JVs, as contemplated by the following provisions of the Schedule to the Heads of Agreement:

- A. clause 3, as to responsibility for expenditure under the Oxide JV and Sulphide JV and the preconditions to proceeding with the JVs;
- B. clause 4, as to chairmanship of the Operating Committees of the JVs and other specified issues in relation to the administration of the JVs;
- C. clause 7(c), as to the extension of the Charges to also secure CMR's obligations:
  - (I) to pay the HAR Amount; and
  - (II) under the HAR Bond and the HNC Bond;
- D. clause 9, as to payments to be made by CMR in respect of the JVs in 2011 and 2012;
- E. clause 10, as to the default mechanism under the JVs; and
- F. clause 16, as to the minimum processing requirements of Sulphide JV and the terms that apply in the event that one part does not wish to proceed with the Sulphide JV.

- (vi) CMR, HNC, HAR, the Receivers and Managers and the Administrators mutually releasing each other from all outstanding claims (other than those expressly preserved by this Further Revised DOCA and in relation to the costs award made pursuant to the arbitration proceedings commenced by CMR and HNC and HAR);
  - (vii) the retirement of the Receivers and Managers;
  - (viii) the Administrators and YA Global agreeing the terms of the Bonds;
  - (ix) HNC, HAR, YA, CMR and the Administrators entering into an agreement on the terms contemplated by clause 8 of the Schedule to the Heads of Agreement, including as to the terms of the advances to be made by way of the Third Loan;
  - (x) YA, CMR and the Administrators agreeing the terms of the advances to be made by way of the First Loan and the Second Loan;
  - (xi) the grant of:
    - A. the HNC Security; and
    - B. the YA Global Security; and
  - (xii) CMPL releasing its security over the assets of CMR.
- (b) The following Conditions Precedent may be waived in writing solely at the discretion and election of YA Global: (i), (ii), (iii), (iv)(A), (iv)(B), (vi) but only insofar as it concerns the releases to be provided in favour of CMR and the Administrators, (vii), (viii), (x), (xi)(B) and (xii).
- (c) The following Conditions Precedent may be waived in writing by YA Global only with the written consent of HNC and HAR: (iv)(C), (iv)(D), (v), (vi) insofar as it concerns the releases to be provided in favour of HNC, HAR and the Receivers and Managers, (ix) and (xi)(A).
- (d) Subject to sub-clause (e) and (f) of this clause, the Conditions Precedent must be satisfied or waived within 90 days of the date of the Meeting of Creditors.
- (e) At the request of YA Global, the Administrators may, at their discretion, extend the date for satisfying or waiving the Conditions Precedent to a date which is up to 180 days after the Meeting of Creditors.
- (f) If any Condition Precedent is not satisfied or waived within the period contemplated by clause 5(d) or (e), then the Administrators may convene a meeting of the creditors of CMR to consider the variation of this Further Revised DOCA or the termination of this Further Revised DOCA pursuant to clause 19(a)(iii).

**6. CMR and CMPL**

- (a) CMR agrees that, in the event of the termination of this Further Revised DOCA pursuant to clause 19(a)(vi), CMR will not claim in the liquidation of CMPL.
- (b) CMPL agrees that, on the Completion Date, CMPL will release its rights under the Charges.
- (c) To allow the liquidators of CMPL to make a timely distribution to the creditors of CMPL, and without prejudice to CMR's rights to claim against CMPL in the event that this Further Revised DOCA does not terminate as a consequence of Completion, CMR authorises the liquidators of CMPL to pay a dividend to the creditors of CMPL from the funds currently available to the liquidators of CMPL and without providing (for the purposes of payment of the dividend) for the potential claim by CMR against CMPL which may arise in the event that this Further Revised DOCA does not terminate as a consequence of Completion and subject to total of the dividends paid not exceeding \$550,000.

**7. Prescribed Provisions****7.1 Regulations**

To the extent not otherwise provided in this Further Revised DOCA, each of the prescribed provisions contained in Schedule 8A of the Regulations is expressly included in this Further Revised DOCA.

**7.2 Part 5.3A**

This Further Revised DOCA is intended to take effect in accordance with Part 5.3A of the Act.

**7.3 Sections 440C and 440D of the Act**

Sections 440C and 440D of the Act apply to this Further Revised DOCA as if the references to administrator were references to the Administrators.

**8. Intent of Parties**

The parties confirm the truth and accuracy of the matters contained in the recitals to this Further Revised DOCA, and intend that the instrument constituted by this Further Revised DOCA will constitute a varied deed of company arrangement pursuant to s 445A of the Act with respect to the Further Revised Proposal.

**9. Appointment of Administrators and Creditors' Committee**

- (a) The joint and several deed administrators of this Further Revised DOCA are the Administrators who will have the powers, functions and duties conferred on them by this Further Revised DOCA and the Act.

- (b) The Administrators confirm the formation of the Creditors' Committee and the appointment of each of the members of the Creditors' Committee as at the date of this Further Revised DOCA.
- (c) Subject to obtaining the prior approval from the creditors, pursuant to the Proposal, a shareholder of CMR may be appointed to be a member of the Creditors Committee.
- (d) In exercising the powers conferred by this Further Revised DOCA and carrying out the duties arising under this Further Revised DOCA, the Administrators are taken to act as agent for and on behalf of CMR.
- (e) The Administrators will be entitled to engage the services of their partners and employ staff of and consultants to their firm, Ferrier Hodgson, to assist them in the performance or exercise of their duties, obligations, responsibilities and powers under this Further Revised DOCA.
- (f) In addition to the provisions contained in Schedule 8A of the Regulations, during the Arrangement Period, the Administrators will, at their election, have the rights, powers, privileges, authorities and discretions conferred by CMR's constitution or otherwise by law on its directors, to the exclusion of the directors, including, but not limited to, the power to appoint and remove directors.
- (g) Without limiting clause 9(f), during the Arrangement Period the Administrations will cause CMR to expend sufficient moneys on the Peru Tenements to maintain those tenements in good standing.

#### 10. Directors

- (a) Subject to the rights of secured creditors and the Receivers and Managers, the Administrators (and not the Directors) will be responsible for the management, operation and control of the business and affairs of CMR throughout the Arrangement Period.
- (b) After the Commencement Date but prior to the Termination Date, the Directors will resign or be removed by the Administrators and the Administrators will appoint the New Directors.
- (c) Throughout the Arrangement Period, the Directors and the New Directors shall:
  - (i) cooperate with and assist the Administrators in the performance of the Administrators obligations under this Further Revised DOCA;
  - (ii) use their best endeavours to ensure the satisfaction of the Conditions Precedent;
  - (iii) only exercise the powers vested in them by this Further Revised DOCA or delegated to them by the Administrators in writing from time to time; and

- (iv) have the power to convene an extraordinary meeting of CMR, being the meeting required for the purpose of satisfying the Condition Precedent at clause 5(a)(iv), in accordance with the Act and the constitution of CMR.
- (d) Control of CMR will be returned to the New Directors upon the termination of this Further Revised DOCA pursuant to clause 19(a)(vi).
- (e) The Administrators have the power to appoint the New Directors and remove the Directors for the purposes of giving effect to this Further Revised DOCA.

## 11. HAR and HNC

Upon request by HAR (as operator of the Oxide JV), CMR will consent to the refund, at Completion, by HAR (as operator of the Oxide JV) of the sum of AUD \$8.3 million held by it in that capacity, to HAR in its capacity as a joint venturer under the Oxide JV.

## 12. Creditors' Trust Deed

### 12.1 Parties will enter into the Creditors' Trust Deed

- (a) On or before Completion Date, the Administrators will cause CMR to execute and require the Trustees to execute the Creditors' Trust Deed, constitute the Trust and pay the Settlement Sum.
- (b) The Trustees will act as trustees of the Trust pursuant to the terms of the Creditors' Trust Deed.

### 12.2 Transfer of Available Property and other assets and rights

For clarity:

- (a) all assets of CMR will remain with CMR up until Completion; and
- (b) in the event of Completion, none of the assets of CMR will be transferred to the Trustees except for the Available Property and shares in CMPL.

## 13. YA Global

- (a) YA Global will use its best endeavours to ensure the satisfaction of the Conditions Precedent.
- (b) Upon this Further Revised DOCA terminating pursuant to clause 19(a)(vi) or clause 19(a)(vii), YA Global shall not be entitled to participate in the Trust Fund or make a claim under the Creditors' Trust Deed.
- (c) On the Completion Date, YA Global will lend funds to the Borrower by way of the First Loan, the principle terms of which loan are:
  - (i) on the day of Completion, YA Global will loan the Borrower sufficient funds for the purpose of enabling the Borrower to meet its payment obligations under this Further Revised DOCA at Completion (excluding

- the payment obligations to HNC and HAR, which are to be funded under the Third Loan) and its immediate working capital requirements;
- (ii) interest will be payable on the Loan Funds at the rate of 10% per annum, capitalised in each year and paid upon the expiration of the term of the loan;
  - (iii) the Loan Funds must be, and can only be, used by the Borrower for the purpose of the Borrower meeting its payment obligations under this Further Revised DOCA and the beneficial title in any or all of the Loan Funds shall not pass to the Borrower until the Borrower makes those payment obligations;
  - (iv) in the event that any payment under this Further Revised DOCA is not made in full or in part, the relevant part of the Loan Funds must be immediately returned to YA Global;
  - (v) otherwise, the Loan Funds will be repaid by the Borrower upon the first to occur of:
    - A. the date 3 years after the date of termination of this Further Revised DOCA pursuant to clause 19(a)(vi) or clause 19(a)(vii); and
    - B. subject to clause 13(g), 6 months after the Oxide JV becomes cash-flow positive for a period of not less than 3 consecutive months or substantial positive progress is made with respect to the Sulphide JV;
  - (vi) YA Global has the right to require the immediate repayment of the Loan Funds (with interest) upon the occurrence of an event of default under the loan agreement.
- (d) YA Global will lend further funds to the Borrower, after Completion, by way of the Second Loan, subject to conditions acceptable to YA Global including, but not limited to:
- (i) subsequent to Completion, YA Global will loan the Borrower funds (estimated at approximately \$6,000,000 in the first 12 months) for the purpose of enabling the Borrower to meet its ongoing payment obligations (excluding the payment obligations at Completion, which are to be funded under the First Loan, and excluding the payment obligations to HNC and HAR, which are to be funded under the Third Loan);
  - (ii) funds will be provided on a monthly basis to meet future cash calls by the JV Operator based on funding requests by the Borrower (such request to be made on or before the 20<sup>th</sup> of the preceding month);
  - (iii) interest will be payable on the funds advanced by YA Global at the rate of 10% per annum, capitalised in each year and paid upon the expiration of the term of the loan;

- (iv) the funds must be, and can only be, used by the Borrower for the purpose of the Borrower meeting future cash calls and the beneficial title in any or all of the funds shall not pass to the Borrower until the Borrower pays those cash calls;
- (v) in the event that any cash call is not paid in full or in part, the relevant part of the funds must be immediately returned to YA Global;
- (vi) funds advanced by YA Global will be repaid by the Borrower upon the first to occur of:
  - A. the date 3 years after the date of termination of this Further Revised DOCA pursuant to clause 19(a)(vi) or clause 19(a)(vii); and
  - B. subject to clause 13(g), 6 months after the Oxide JV becomes cash-flow positive for a period of not less than 3 consecutive months or substantial positive progress is made with respect to the Sulphide JV;
- (vii) YA Global has the right to require the immediate repayment of any outstanding Loan Funds (with interest) upon the occurrence of an event of default under the loan agreement.
- (e) YA Global will lend further funds to the Borrower at and after Completion, by way of the Third Loan, subject to conditions acceptable to YA Global including, but not limited to:
  - (i) funds will be provided on a monthly basis to meet payment obligations to HAR and HNC under the HAR Bond and HNC Bond based on funding requests by the Borrower (such request to be made on or before the 20<sup>th</sup> of the preceding month);
  - (ii) funds advanced will be paid directly to HNC or HAR (as relevant);
  - (iii) interest will be payable on the funds advanced by YA Global at the rate of 10% per annum, capitalised in each year and paid upon the expiration of the term of the loan;
  - (iv) in the event that any cash call is not paid in full or in part, the relevant part of the funds must be immediately returned to YA Global;
  - (v) funds advanced by YA Global will be repaid by the Borrower upon the first to occur of:
    - A. the date 3 years after the date of termination of this Further Revised DOCA pursuant to clause 19(a)(vi) or clause 19(a)(vii); and
    - B. subject to clause 13(g), 6 months after the Oxide JV becomes cash-flow positive for a period of not less than 3 consecutive months or substantial positive progress is made with respect to the Sulphide JV;

- (vi) YA Global has the right to require the immediate repayment of any outstanding Loan Funds (with interest) upon the occurrence of an event of default under the loan agreement.
- (f) The Borrower will grant YA Global a fixed and floating charge over all of its assets to secure the repayment of the First Loan, the Second Loan and the Third Loan (YA Global Security), which will rank:
  - (i) Third with relation to the assets the subject of HAR's rights under the Charges (behind the HNC Security and the Charges or such equivalent security as is provided to HAR and HNC by the Borrower, other than the Compass Featherweight Floating Charge); and
  - (ii) First in relation to all other assets of the Borrower.
- (g) In the absence of an event of default under the First Loan, the Second Loan, the Third Loan or the fixed and floating charge granted to YA Global, YA Global will not require the repayment of the Loan Funds, where to do so will mean that the Borrower is unable to pay all of its debts as and when they fall due.
- (h) In the event that Sale of Assets Completion is to occur, YA Global undertakes to lend, and procure that the Purchaser (who will be the Borrower for the purposes of this clause 13) borrow, the Loan Funds on the terms contemplated by this clause 13.

#### **14. Coffee House**

Upon this Further Revised DOCA terminating pursuant to clause 19(a)(vi) or clause 19(a)(vii), Coffee House shall not be entitled to participate in the Trust Fund or make a claim under the Creditors' Trust Deed.

#### **15. Share Issue Completion**

##### **15.1 Place of Share Issue Completion**

Share Issue Completion will take place at the offices of the Administrators in Perth.

##### **15.2 Share Issue Completion**

- (a) Share Issue Completion must take place on the Share Issue Completion Date.
- (b) The obligations at Share Issue Completion of each party under this Further Revised DOCA are interdependent and need only be performed if all other obligations at Share Issue Completion are also performed.
- (c) For the avoidance of doubt, and without limiting the interdependence of the obligations at Share Issue Completion of each party under:
  - (i) the Creditors Trust Deed; and



- (ii) any documents contemplated by those documents or this Further Revised DOCA to which they are a party,

completion of those documents and completion of this Further Revised DOCA are interdependent and completion of one of those documents will not occur without completion of the others.

### 15.3 Share Issue Completion Events

At Share Issue Completion, the following shall occur (but only in the event that the Conditions Precedent will be satisfied or waived at Share Issue Completion, or have been satisfied prior to Share Issue Completion):

- (a) CMPL will release its rights under the Charges;
- (b) the Receivers and Managers will resign;
- (c) CMR will issue ordinary shares in CMR to YA Global and Coffee House so that immediately post Completion:
  - (i) YA Global will hold 77.4% of the issued share capital of CMR; and
  - (ii) Coffee House will hold 12.5% of the issued share capital of CMR;
- (d) YA Global will advance the relevant Loan Funds to CMR;
- (e) CMR will grant the YA Global Security;
- (f) CMR will grant the HNC Security;
- (g) CMR will transfer the amount of \$5,750,000, being part of the CMPL Available Property and the CMR Creditors Available Property, to the Trustees;
- (h) CMR will pay to HAR the Initial HAR Amount;
- (i) CMR will transfer all its shares in CMPL to the Trustees; and
- (j) CMR will issue the Bonds to the Trustees, HAR and HNC (as relevant).

## 15A Sale of Assets

### 15A.1 Asset Sale Agreement

If all of the Conditions Precedent are satisfied or waived, other than the Condition Precedent in clause 5(a)(iv), then Share Issue Completion will not proceed in accordance with the earlier provisions of this Further Revised DOCA, the Administrators and the Purchaser will enter into the Asset Sale Agreement (with YA Global procuring the Purchaser to enter into the Asset Sale Agreement).

### 15A.2 Asset Sale Agreement Terms

The Asset Sale Agreement must include the following terms:

- (a) the sale will be subject to and conditional upon the satisfaction or waiver of all the Conditions Precedent set out in clause 15A.5;
- (b) CMR will sell all of its assets to the Purchaser;
- (c) Sale of Assets Completion will take place within 60 days of the shareholders meeting contemplated by clause 5(a)(iv); and
- (d) the purchase price to be paid by the Purchaser will be:
  - (i) the sum of \$7,500,000, to be applied in accordance with clause 15A.8(h); plus
  - (ii) the issue of the HAR Bond to HAR; plus
  - (iii) \$2,500,000, to be applied in accordance with clause 15A.8(g); plus
  - (iv) \$3,250,000, to be applied in accordance with clause 15A.8(g); plus
  - (v) the issue of the Trustees' Bond to the Trustees; plus
  - (vi) the issue of the HNC Bond to HNC,

(Purchase Price), being the amounts and bonds that would otherwise be paid and granted by CMR under the other clauses of this Further Revised DOCA (ie other than this clause 15A).

#### 15A.3 Additional Sale of Assets Completion issues

For the avoidance of doubt, in the event of Sale of Assets Completion:

- (a) no CMR shares will be issued to YA Global or Coffee House;
- (b) YA Global and Coffee House will, at Sale of Assets Completion, release the debts due to them by CMR;
- (c) YA Global and Coffee House will not be entitled to appoint any directors of CMR;
- (d) the Purchase Price will be distributed to the creditors of CMR (other than YA Global and Coffee House) pursuant to the terms of the Creditor's Trust Deed; and
- (e) the other relevant terms of this Further Revised DOCA will apply with respect to the Asset Sale Agreement and Sale of Assets Completion, with such appropriate amendments as are necessary to reflect the sale structure contemplated by this clause 15A.

#### 15A.4 HAR not obliged to release security

For the avoidance of doubt, in the event that a sale of CMR's assets is to occur in accordance with this clause 15A.1, nothing in this Further Revised DOCA shall oblige HAR to release its security or to cause the Receivers and Managers to retire

(that being a matter for HAR to determine in its complete discretion and in light of the final form of the Asset Sale Agreement and associated documentation to implement the sale).

#### **15A.5 Conditions precedent to Sale of Assets Completion**

- (a) The conditions precedent to Sale of Assets Completion are:
  - (i) all required regulatory approvals in relation to Sale of Assets Completion being obtained on conditions satisfactory to YA Global;
  - (ii) HNC, HAR, CMR, CMPL, Guardian and YA Global agreeing to the form of amendments to the documentation recording and relating to the JVs and the transfer of CMR's interest in the JVs;
  - (iii) HAR agreeing that the Receivers and Managers should resign as receivers and managers of the assets transferred to the Purchaser or that those assets are transferred to the Purchaser free from the Charges; and
  - (iv) the execution of the Asset Sale Agreement.
- (b) The conditions precedent in clause 15A.5(a)(i) may be waived in writing solely at the discretion and election of YA Global;
- (c) The condition precedent in clause 15A.5(a)(ii) may be waived in writing by YA Global only with the written consent of HNC and HAR.
- (d) The conditions precedent must be satisfied or waived within 60 days of the shareholders meeting under clause 5(a)(iv).

#### **15A.6 Place of Sale of Assets Completion**

Sale of Assets Completion will take place at the offices of the Administrators in Perth.

#### **15A.7 Sale of Assets Completion**

- (a) Sale of Assets Completion must take place on the Sale of Assets Completion Date.
- (b) The obligations at Sale of Assets Completion of each party under this Further Revised DOCA are interdependent and need only be performed if all other obligations at Sale of Assets Completion are also performed.
- (c) For the avoidance of doubt, and without limiting the interdependence of the obligations at Sale of Assets Completion of each party under:
  - (i) the Creditors Trust Deed; and
  - (ii) any documents contemplated by those documents or this Further Revised DOCA to which they are a party,

completion of those documents and completion of this Further Revised DOCA are interdependent and completion of one of those documents will not occur without completion of the others.

#### **15A.8 Sale of Assets Completion Events**

At Sale of Assets Completion, the following shall occur (but only in the event that the Conditions Precedent will be satisfied or waived at Sale of Assets Completion, or have been satisfied prior to Sale of Assets Completion):

- (a) CMPL will release its rights under the Charges;
- (b) at the option of HAR, the Receivers and Managers will resign as receivers and managers of the assets transferred to the Purchaser or the assets will be transferred to the Purchaser free from the Charges;
- (c) YA Global will advance the relevant Loan Funds to the Purchaser, reflecting clauses 13(c) to (f);
- (d) the Purchaser will grant the YA Global Security;
- (e) the Purchaser will grant the HNC Security;
- (f) the Purchaser will grant security to HAR that is equivalent to the Charges;
- (g) the Purchaser will transfer the amount of \$5,750,000, being part of the CMPL Available Property and the CMR Creditors Available Property, to the Trustees;
- (h) the Purchaser will pay to HAR the Initial HAR Amount;
- (i) CMR will transfer all its shares in CMPL to the Trustees;
- (j) CMR will transfer all other assets of CMR (other than the shares in CMPL) to the Purchaser pursuant to the terms of the Asset Sale Agreement;
- (k) the Purchaser will issue the Bonds to the Trustees, HAR and HNC (as relevant); and
- (l) YA Global and Coffee House will release the debts due to them by CMR.

#### **16. Application and Distribution of Available Property**

##### **16.1 Administrators' Discretion**

The Administrators may, to the extent they believe it appropriate to facilitate Completion, in their absolute discretion:

- (a) adjudicate upon and admit Claims; and

- (b) pay any Admitted Claim in accordance with the provisions of this Further Revised DOCA, if they consider it desirable to do so, having regard to, amongst other things, the interests of the Admitted Creditors.

#### 16.2 Moneys for Distribution

Subject to the provisions of this Further Revised DOCA, the property that is available to pay the Admitted Creditors is the assets of the Trust Fund.

#### 16.3 Trust Fund

The Trust Fund, under the Creditors Trust Deed, is to be made up of:

- (a) the Settlement Sum;
- (b) the Available Property;
- (c) any amounts paid to the Trustees pursuant to clause 16.6(c) of this Further Revised DOCA; and
- (d) the benefit of CMR's covenants in this Further Revised DOCA and in the Creditors Trust Deed in favour of the Trustees.

#### 16.4 Trust

The Trustees will hold and administer the Trust Fund constituted in accordance with clause 16.3 in accordance with the terms of the Creditors Trust Deed.

#### 16.5 Distribution under the Creditors Trust Deed

- (a) The Trustees shall distribute the Trust Fund pursuant to the Trust Deed in the following manner and priority:
  - (i) from the CMR Creditors Available Property:
    - A. to the extent that the whole of the Administrators Costs have not been paid to the Administrators upon termination of this Further Revised DOCA pursuant to clause 19(a)(vi) or clause 19(a)(vii), to the Administrators in satisfaction of the Administrators Costs;
    - B. next, to the Trustees in satisfaction of the remuneration, fees, costs and expenses incurred by them in accordance with the Creditors Trust Deed;
    - C. next, to the extent that the whole of the Employee Entitlements have not been paid upon termination of this Further Revised DOCA pursuant to clause 19(a)(vi) or clause 19(a)(vii), to satisfy Employee Entitlements;
    - D. next, to those CMR Creditors with Admitted Claims of less than \$100,000, a dividend of 100c in the dollar; and

- E. next, the remainder of the CMR Creditors Available Property to the CMR Creditors with Admitted Claims of \$100,000 or more rateably; and
- (ii) the CMPL Available Property to CMPL in respect of the CMPL Claim.
- (b) YA Global will not claim against the Trustees in respect of the YA Global Claim.
- (c) Coffee House will not claim against the Trustees in respect of the Coffee House Claim.

#### 16.6 Insurance Claims

- (a) Subject to this clause, CMR will be released from all Insurance Claims.
- (b) The Trustees agree to indemnify CMR for all reasonable costs, expenses or other liabilities (including legal costs on a solicitor/client basis) agreed in writing by the Trustees and incurred by CMR in relation to any Insurance Claim, such costs expenses and other liabilities will be met by the Trustees out of the CMR Creditors Available Property or the CMPL Available Property (depending on whether the relevant creditor is a CMR Creditor or CMPL).
- (c) On receipt by CMR from an insurer of any monies relating to an Insurance Claim:
  - (i) such monies will (after deduction of all costs, fees and expenses of and incidental to recovering those monies incurred by CMR) be paid by CMR to the claimant of that Insurance Claim;
  - (ii) in the event that there are any monies remaining after the claimant of that Insurance Claim has been paid, CMR will pay such moneys to the Creditors' Trust Fund; and
  - (iii) any such Insurance Claim will be limited to and satisfied by the application of the monies in accordance with sub-clause (i) and not be paid from the Creditors' Trust Fund.
- (d) To the extent that CMR is entitled to or receives amounts in respect of any Insurance Claim from insurers, that Insurance Claim is not released by this Further Revised DOCA.

#### 16.7 Superannuation Issues

- (a) The Administrators must determine that the whole of a debt by way of a Superannuation Contribution is not an Admitted Claim if:
  - (i) a debt by way of a Superannuation Guarantee Charge has been paid or is, or is to be, an Admitted Claim; and
  - (ii) the Administrators are satisfied that the Superannuation Guarantee Charge is attributable to the whole of the first mentioned debt.

- (b) The Administrators must determine that a particular part of a debt by way of a Superannuation Contribution is not an Admitted Claim if:
  - (i) a debt by way of a Superannuation Guarantee Charge has been paid, or is, or is to be, an Admitted Claim; and
  - (ii) the Administrators are satisfied that the Superannuation Guarantee Charge is attributable to that part of the first mentioned debt.

## 17. Applications to Court

- (a) Without limiting the rights or powers of the Administrators under the Act, during the term of this Further Revised DOCA, the Administrators may, at any time, apply to the Court:
  - (i) under s445G of the Act;
  - (ii) under s447A of the Act; or
  - (iii) for directions in relation to any matter arising under this Further Revised DOCA or to give effect to this Further Revised DOCA.
- (b) If the Court determines that any provision of this Further Revised DOCA does not comply with Part 5.3A of the Act (as it may be modified pursuant to s447A of the Act) then all the parties bound by this Further Revised DOCA hereby consent to the Court varying this Further Revised DOCA by severing the offending provision from it.

## 18. Release and Extinguishment of Claims against CMR

### 18.1 Creditors bound

This Further Revised DOCA binds all persons having a Claim.

### 18.2 Claims extinguished

Upon termination of this Further Revised DOCA pursuant to clause 19(a)(vi) or clause 19(a)(vii), subject to clause 16.6:

- (a) all Claims will be extinguished;
- (b) all persons having a Claim may lodge a proof of debt with the Trustees pursuant to the terms of the Creditors Trust Deed;
- (c) CMR will be released from all Claims; and
- (d) all persons having a Claim, must accept their right to prove under the Creditors Trust Deed in full satisfaction and complete discharge of all Claims which they have or claim to have against CMR as at the Appointment Date and each of them will, if called upon to do so, execute and deliver to CMR such forms of release of any such Claim as the Administrators may require.

## 19. Termination of Further Revised DOCA and the Creditors' Trust

- (a) This Further Revised DOCA will terminate and the appointment of the Administrators will come to an end on the earlier of the following:
  - (i) if, at anytime, the Administrators, with the agreement of YA Global, determine that the terms of the Further Revised DOCA cannot be fulfilled;
  - (ii) subject to clause 15A.1, the Conditions Precedent not being met or waived on or before the required date for satisfaction of them;
  - (iii) a resolution to that effect is passed by the creditors at a meeting convened by the Administrators in accordance with section 445F of the Act;
  - (iv) otherwise in accordance with the Act;
  - (v) by an order of the Court;
  - (vi) immediately upon Share Issue Completion; or
  - (vii) immediately upon Sale of Assets Completion
- (b) Upon termination of this Further Revised DOCA, the Administrators will send a notice to the Admitted Creditors advising them of termination of the Further Revised DOCA.
- (c) Upon termination of this Further Revised DOCA pursuant to subclauses (i)-(v), or (vii), CMR will be wound up pursuant to section 446A of the Act.
- (d) Upon termination of this Further Revised DOCA pursuant to clause 19(a)(vi), the Administrators shall certify to ASIC that this Further Revised DOCA has been wholly effectuated.
- (e) The termination or avoidance, in whole or in part, of this Further Revised DOCA does not affect the previous operation of this Further Revised DOCA.
- (f) Upon termination of this Further Revised DOCA pursuant to clause 19(a)(vi) or clause 19(a)(vii):
  - (i) to the extent that CMR or any other party bound by this Further Revised DOCA makes a covenant under this Further Revised DOCA which, by its terms, takes effect after termination of this Further Revised DOCA, CMR and any such other party covenants in favour of the Trustees for their benefit and for the benefit of the Admitted Creditors, with the intent that those covenants will continue, subject to the terms of this Further Revised DOCA, in full force and effect after the termination of this Further Revised DOCA; and
  - (ii) to the extent that any other party bound by this Further Revised DOCA gives a covenant, which covenant is repeated, in substance, in the



Creditors' Trust Deed, that party agrees to be bound by the Creditors' Trust Deed as if that party had executed the same.

## 20. Moratorium Period and Statutory Bar

- (a) Subject to the provisions of s 444D of the Act, this Further Revised DOCA may be pleaded by CMR against those creditors whose Claims against CMR are admissible pursuant to the terms of this Further Revised DOCA, but whose Claims are not admitted to proof by the Administrators.
- (b) A creditor (whether the creditor's Claim is or is not admitted under this Further Revised DOCA) must not, before the termination of this Further Revised DOCA:
  - (i) take or concur in the taking of any step to wind-up CMR; or
  - (ii) except for the purpose and to the extent provided in this Further Revised DOCA, institute or prosecute any legal proceedings in relation to any Claim incurred or alleged to have been incurred by CMR before the Appointment Date; or
  - (iii) take any further step (including any step by way of legal or equitable execution) in any proceedings pending against or in relation to CMR at the Appointment Date; or
  - (iv) exercise any right of set-off or cross-action to which the creditor would not have been entitled had CMR been wound up at the Appointment Date; or
  - (v) commence or take any further step in any arbitration against CMR.

## 21. Administrators' Liability, Remuneration and Lien

### 21.1 Extent of Administrators' liability

Subject to the Act, notwithstanding anything contained in any provision of this Further Revised DOCA and notwithstanding that any provision contained in this Further Revised DOCA is not expressed to be made subject to this clause 21, it is expressly agreed and declared that, in the exercise or performance or purported exercise or performance of any of the Administrators' functions, powers or duties under this Further Revised DOCA or the Act or otherwise, the Administrators will not be personally liable for:

- (a) any debt, liability or other obligation which the Administrators may incur on behalf of CMR pursuant to this Further Revised DOCA; or
- (b) any actual, contingent or prospective liability incurred, directly or indirectly, after the Commencement Date; or
- (c) any loss or damage caused or suffered by any act, default or omission by the Administrators or on behalf of the Administrators in the performance of the Administrators powers, functions and duties under this Further Revised DOCA

except for any liability incurred or loss or damage suffered after the Commencement Date in consequence of the gross negligence, dishonesty or wilful default of the Administrator.

#### 21.2 Reporting by Administrator

Subject to the Act and the Regulations, during the term of this Further Revised DOCA, the Administrators must, prior to any meeting of creditors pursuant to s445F of the Act, report to each Admitted Creditor. The report must include a statement:

- (a) explaining the circumstances which caused the Administrators to convene the meeting pursuant to s445F of the Act; and
- (b) that this Further Revised DOCA will be terminated if the Admitted Creditors so resolve.

#### 21.3 Remuneration of Administrators

Subject to the provisions of the Act, the Administrators must be:

- (a) remunerated at the usual rates charged from time to time by Ferrier Hodgson (which at the Commencement Date are the Scheduled Rates) or at such other rates as the Administrators may from time to time charge in respect of any work done by the Administrators, and any partner or employee of the Administrators, in connection with:
  - (i) the conduct of the administration of CMR from the Appointment Date;
  - (ii) the negotiation, preparation and operation of the DOCA, the Varied DOCA and the Amended Varied DOCA;
  - (iii) the negotiation, preparation and operation of this Further Revised DOCA; and
  - (iv) the performance of their duties, obligations and responsibilities under this Further Revised DOCA including, but not limited to, the reasonable costs and expenses incurred by the Administrators in assisting in satisfying the Conditions Precedent; and
- (b) reimbursed in respect of all costs, fees and expenses incurred in connection with the foregoing, including, without limitation, any stamp duty payable in respect of this Further Revised DOCA.

#### 21.4 Administrators' Indemnity

- (a) Subject to sub-clause (b) of this clause, the Administrators and the Trustees are entitled to be indemnified out of:
  - (i) the assets of CMR; or
  - (ii) in the event of termination of this Further Revised DOCA pursuant to clause 19(a)(vi), the CMR Creditors Available Property,

for:

- A. the Administrators Costs and remuneration, costs, fees and expenses payable pursuant to the Creditors Trust Deed;
  - B. all liabilities incurred by the Administrators during the administration of CMR, during the period of operation of the DOCA, the Varied DOCA, the Amended Varied DOCA, the Revised DOCA and in the Arrangement Period;
  - C. all liabilities incurred by the Trustees during the administration of the Creditors Trust;
  - D. all liabilities incurred in the exercise or performance or purported exercise or performance of the Administrators' and Trustees' functions, powers or duties under this Further Revised DOCA, the Creditors Trust or the Act; and
  - E. all actions, suits, proceedings, accounts, claims, demands and liabilities arising after the Appointment Date, out of or relating to the administration of CMR, the DOCA, the Varied DOCA, the Amended Varied DOCA, the Revised DOCA, this Further Revised DOCA or the Creditors Trust, which may be commenced against, incurred by or made on the Administrators or the Trustees (in any capacity), by any person and against all costs, charges and expenses incurred by the Administrators or the Trustees in respect of them.
- (b) The Administrators and the Trustees shall not be entitled to an indemnity in respect of any liabilities or demands if the Administrators or the Trustees would not be allowed such an indemnity by reason of Section 199A of the Act.
- (c) This indemnity will take effect on and from the Commencement Date and will be without limitation as to time and will operate notwithstanding the removal of the Administrators or the Trustees and the appointment of a new Administrators or a new Trustees or the termination of this Further Revised DOCA or the Creditors Trust for any reason whatsoever.
- (d) The Administrators' right of indemnity conferred by this clause has priority over all the Claims.
- (e) The Administrators and the Trustees will be entitled to exercise a lien on the Available Property to secure the right of indemnity conferred by this clause.
- (f) The indemnity under this clause 21 will not:
- (i) be affected, limited or prejudiced in any way by any irregularity, defect or invalidity in the appointment of the Administrators or the Trustees and will extend to all actions, suits, proceedings, accounts, liabilities, claims and demands arising in any way out of any defect in the appointment of the Administrators or the Trustees, the approval and the execution of this Further Revised DOCA or the Creditors Trust Deed or otherwise; or

- (ii) affect or prejudice all or any rights that the Administrators or the Trustees may have against CMR or any other person to be indemnified against the costs, charges, expenses and liabilities incurred by the Administrators or the Trustees of or incidental to the exercise of any of the powers or authorities conferred on the Administrators or the Trustees by this Further Revised DOCA or the Creditors Trust Deed or otherwise.
- (g) notwithstanding any other provision in this Deed, nothing in this Deed shall confer priority on the Administrators or the Trustees in respect of those assets of CMR which are charged pursuant to the Charges (other than the Compass Featherweight Floating Charge).

#### 21.5 Expenditure during Arrangement Period

- (a) During the Arrangement Period, the Administrators' Costs (which does not include cash calls received from HAR in relation to JV Expenditure) shall be paid from:
  - (i) funds held by CMR; and
  - (ii) loan funds provided to CMR by YA Global on such terms as are agreed between the Administrators and YA Global, including that:
    - A. the amount of the loan (per month) shall be that amount agreed between YA Global and the Administrators as being the amount by which the Administrator's Costs per month exceed the costs that would be incurred in a liquidation of CMR (presently estimated as being \$100,000 per month), plus the monthly amount of any consulting fees payable to Richard Swann, Neil Guest and Garry Johansen; and
    - B. CMR shall not be required to repay the loan funds, other than the extent it is able to do so from funds recovered from the sale of assets of CMR.
- (b) On Richard Swann, Neil Guest and Garry Johansen ceasing employment with CMR, CMR will engage them as consultants on terms acceptable to YA Global and the Administrators.

#### 22. Variation of this Deed by creditors

This Further Revised DOCA may be varied, but only with the consent of the Administrators, by a resolution passed at a meeting of the creditors of CMR convened under section 445F of the Act but only if the variation is not materially different from a proposed variation set out in the notice of that meeting.

#### 23. Meetings

- (a) The Administrators may at any time convene a meeting of creditors and except to the extent (if any) they are excluded or modified by or are inconsistent with the terms of this Further Revised DOCA, regulations 5.6.12

to 5.6.36A of the Regulations apply, with such modifications as are necessary, to meetings of the creditors as if the references to the liquidator, the liquidator or provisional liquidator, the liquidator, provisional liquidator or chairman, or a liquidator, provisional liquidator or trustee for debenture holders, as the case may be, were references to the Administrators.

- (b) Notwithstanding regulation 5.6.14, any meeting of creditors may be convened to be held in Perth, as long as technology is available which allows persons to attend the meeting from other locations and still have a reasonable opportunity to participate in the meeting.

#### **24. Governing Law**

The laws of the State of Western Australia govern this Further Revised DOCA and the parties expressly submit to the jurisdiction of the Courts of Western Australia in determining any issue under this Further Revised DOCA.

#### **25. Inconsistency with the Act**

If there is any inconsistency between the terms of this Further Revised DOCA and the Act then the Act shall, only to the extent of the inconsistency, prevail and this Further Revised DOCA shall be interpreted accordingly.

#### **26. Severance**

Notwithstanding anything contained in any provision of this Further Revised DOCA, if any such provision shall be held or found to be void, invalid or otherwise unenforceable, such provision shall be deemed to be severed from this Further Revised DOCA to the extent only that it is void, invalid or unenforceable but the remainder of any such provision and this Further Revised DOCA shall remain in full force and effect.

#### **27. Further Revised DOCA prevails over other documents**

If there is any inconsistency between the provisions of this Further Revised DOCA and the constitution of CMR or any other obligations binding on CMR, then the provisions of this Further Revised DOCA shall prevail to the extent of the inconsistency.

#### **28. Counterparts**

This Further Revised DOCA may be executed in any number of counterparts and all those counterparts taken together constitute one and the same instrument.

#### **29. Further Assurances**

- (a) Each of the parties to this Further Revised DOCA will do all acts, matters and things as may be reasonably necessary or expedient to implement and give full effect to the provisions of this Further Revised DOCA.

- (b) All persons bound by this Further Revised DOCA will do (at their own expense, unless otherwise agreed by the Administrators, acting reasonably) all acts, matters and things as may reasonably be requested by the Administrators to give effect to this Further Revised DOCA and the transactions contemplated by it (including signing any documents).

### 30. Stamp Duty

The Trustees shall pay any stamp duty payable with respect to the transfer of the Available Property to the Trust Fund.

### 31. GST

- (a) Words used in this clause 31 which have a defined meaning in the GST Act have the same meaning as in the GST Act unless the context indicates otherwise.
- (b) Unless expressly included, the consideration for any supply under or in connection with this Further Revised DOCA does not include GST.
- (c) To the extent that any supply made under or in connection with this Further Revised DOCA is a taxable supply, the recipient must pay, in addition to the consideration provided under this Further Revised DOCA for that supply (unless it expressly includes GST) an amount (additional amount) equal to the amount of that consideration (or its GST exclusive market value) multiplied by the rate at which GST is imposed in respect of the supply. The recipient must pay the additional amount at the same time as the consideration to which it is referable.
- (d) The supplier must issue a tax invoice to the recipient of a taxable supply to which sub-clause (c) of this clause applies no later than 7 days following payment of the GST inclusive consideration for that supply under that clause.
- (e) If either party is entitled under this Further Revised DOCA to be reimbursed or indemnified by the other party for a cost or expense incurred in connection with this Further Revised DOCA, the reimbursement or indemnity payment must not include any GST component of the cost or expense for which an input tax credit may be claimed by the party being reimbursed or indemnified, or by its representative member.

Executed by the parties as a deed.

Executed by  
Compass Resources Limited  
(Subject to Deed of Company  
Arrangement) (Receivers and  
Managers Appointed)  
(ACN 010 538 820)  
in accordance with section 127  
of the Corporations Act 2001

  
.....  
Administrator

Martin James  
.....  
Full Name (please print)

  
.....  
Administrator

Darren Weaver  
.....  
Full Name (please print)

Executed by  
Darren Weaver  
in his capacity as joint and several  
deed administrator of Compass  
Resources Limited  
(Subject to Deed of Company  
Arrangement) (Receivers and  
Managers Appointed)  
(ACN 010 538 820)

  
.....  
Witness

Sandra Gower  
.....  
Full Name (please print)

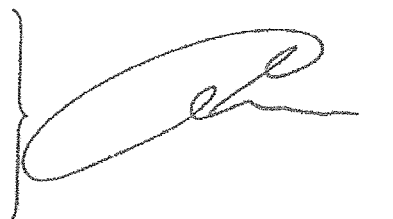
Executed by  
**Martin Jones**  
 in his capacity as joint and several  
 deed administrator of **Compass**  
**Resources Limited**  
 (Subject to Deed of Company  
 Arrangement) (Receivers and  
 Managers Appointed)  
 (ACN 010 536 820)



.....  
 Witness

*Sara Gauri*  
 .....  
 Full Name (please print)

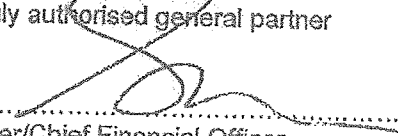
Executed by  
**Steven Sherman**  
 in his capacity as joint and several  
 deed administrator of **Compass**  
**Resources Limited**  
 (Subject to Deed of Company  
 Arrangement) (Receivers and  
 Managers Appointed)  
 (ACN 010 536 820)

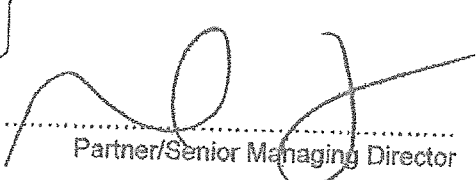


.....  
 Witness

*Amanda Lewis*  
 .....  
 Full Name (please print)

**SIGNED by YA GLOBAL INVESTMENTS, L.P.**  
 acting by Yorkville Advisors LLC  
 its duly authorised general partner

  
 .....  
 Partner/Chief Financial Officer

  
 .....  
 Partner/Senior Managing Director

.....  
 Full Name (please print)

.....  
 Full Name (please print)



Executed by  
Coffee House Group (Limited)  
a company incorporated in the  
Isle of Man (registered company  
number: 1023619C) by its director(s)

*J. Ferguson*  
Director

JACQUELINE FERGUSSON  
Full Name (please print)

*R. Barrs*  
Director/Secretary

ROGER BARRS  
Full Name (please print)

Executed by  
Compass Mining Pty Ltd  
(in liquidation) (ACN 099 550 259)  
in accordance with section 127  
of the Corporations Act 2001

*M. Jones*  
Liquidator

Martha Jones  
Full Name (please print)

*D. Weaver*  
Liquidator

Darren Weaver  
Full Name (please print)

## SCHEDULE OF HOURLY RATES

Classification	Rate (\$)	Experience
Partner/Appointee	560	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>
Principal/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	430	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	360	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	320	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	275	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	245	Generally, 2-3 years chartered accounting or insolvency management experience. University degree, ICAA's CA program commenced.
Intermediate 1	195	Generally, 1 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	170	0 - 1 year's experience. Undertaking a degree part-time in finance/accounting. Under supervision, takes direction from senior staff in completing administrative tasks.

Classification	Rate (\$)	Experience
Senior Secretary	160	Appropriate skills including machine usage.
Junior/Filing	140	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.
4. Rates are subject to change from time to time.



Our Reference: GW: 111158  
Contact: Greg Wheatley  
Direct Line: (08) 9323 0929  
Email: gwheatley@wa.gadens.com.au

Gadens Lawyers  
Perth Pty Limited  
ABN 12 502 581 632

17 November 2011

Level 1  
16 St Georges Terrace  
Perth WA 6000  
Australia

The Manager  
Company Announcements Office  
ASX Limited

Locked Bag 2500  
GPO Perth  
WA 6001

tel +61 8 9323 0999  
fax +61 8 9323 0900

[www.gadens.com.au](http://www.gadens.com.au)

Dear Sir/Madame

**Notice of change in substantial holding – Coffee House Group Limited.**

While we do not act for Coffee House Group Limited (**Coffee House**), we **enclose** a Form 603 from Coffee House in accordance with section 671B of the *Corporations Act* 2001 (Cth).

This Notice has been given to Compass Resources Limited (**Compass**) ACN 010 536 820.

Yours faithfully

Greg Wheatley  
Partner  
for GADENS LAWYERS

Enclosed.

**Form 603**Corporations Act 2001  
Section 671B**Notice of initial substantial holder**To Company Name/Scheme Compass Resources Limited (Compass)ACN/ARSN 010 536 820**1. Details of substantial holder (1)**Name Coffee House Group Limited (Coffee House)

ACN/ARSN (if applicable) \_\_\_\_\_

The holder became a substantial holder on 17/11/2011 [insert date of acquisition]**2. Details of voting power**

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of Securities (4)	Number of Securities	Person's Votes (5)	Voting Power (6)
Fully Paid Ordinary Shares	175,125,989	175,125,989	12.5%

**3. Details of relevant interests**

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
Coffee House	Owner of the securities	175,125,989 Fully paid Ordinary Shares

**4. Details of present registered holders**

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
Coffee House	Coffee House	Coffee House	175,125,989

**5. Consideration**

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
Coffee House	[insert date] 17/11/11		Conversion of 100% of debt of Coffee House to Compass in accordance with the provisions of the Further Revised Deed of Company Arrangement dated 18 August 2011 annexed as Annexure "A" to this form	172,722,511

**6. Associates**

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association

**7. Addresses**

The addresses of persons named in this form are as follows:

Name	Address
Compass	Level 5, 384 Eastern Valley Way, Roseville, NSW 2069
Coffee House	6 <sup>th</sup> Floor, Victory House, Prospect Hill, Douglas, Isle of Man, IM1, IEQ

**Signature**

print name J FERGUSON capacity DIRECTOR  
FOR AND ON BEHALF OF  
COFFEE HOUSE GROUP LTD  
 sign here J Ferguson date 17 11/2011

**DIRECTIONS**

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
  - a. any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
  - b. any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.

- (8) If the substantial holder is unable to determine the identity of the person ( eg. if the relevant interest arises because of an option) write "unknown".
- (9) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

This annexure A of 42 pages  
referred to in form 603

## Further Revised Deed of Company Arrangement

**Darren Weaver, Steven Sherman and Martin Jones**  
Administrators

**Compass Resources Limited (Subject to Deed of Company  
Arrangement) (Receivers & Managers Appointed)**  
ACN 010 536 820  
CMR

**YA Global Investments LP**  
YA Global

**Coffee House Limited**  
Coffee House

**Compass Mining Pty Ltd (In liquidation)**  
ACN 099 550 259  
CMPL



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## Further Revised Deed of Company Arrangement

Date: 2011

Between: **Darren Weaver, Steven Sherman and Martin Jones** of Level 26, BankWest Tower, 108 St George's Terrace, Perth in the State of Western Australia (together, "the Administrators")

and: **Compass Resources Limited (ACN 010 536 820)** (Subject to Deed of Company Arrangement) (Receivers & Managers Appointed) of care of Level 26, BankWest Tower, 108 St Georges Terrace, Perth, WA 6000 ("CMR")

and: **YA Global Investments LP** of 101 Hardman Street, Suite 3700, Jersey City, NJ 07302, USA ("YA Global")

and **Coffee House Limited** of Victory House, Prospect Hill, Douglas, Isle of Man ("Coffee House").

and **Compass Mining Pty Ltd (ACN 099 550 259)** (In liquidation) of care of Level 26, BankWest Tower, 108 St Georges Terrace, Perth, WA 6000 ("CMPL")

### Recitals

- A. On 29 January 2009, Darren Weaver, Steven Sherman and Martin Jones executed a consent in writing to their appointment as joint and several voluntary administrators of CMR and CMPL.
- B. At a meeting of the Directors held on 29 January 2009, the Directors passed a resolution that CMR and CMPL were at that time insolvent or likely to become insolvent at some future time.
- C. On 29 January 2009 the Voluntary Administrators were appointed as administrators of CMR and CMPL.
- D. As at the time of the appointment of the Voluntary Administrators:
  - (a) of CMR on 29 January 2009, CMR was not then already under administration, nor had a liquidator been appointed to wind up CMR; and
  - (b) of CMPL on 29 January 2009, CMPL was not then already under administration, nor had a liquidator been appointed to wind up CMPL.
- E. On 10 February 2009, the creditors of:

- (a) CMR ratified the Voluntary Administrators' appointment at the first meeting of creditors and resolved to form a creditors' committee for CMR; and
  - (b) CMPL ratified the appointment of Darren Weaver, Steven Sherman and Martin Jones as joint and several voluntary administrators of CMPL and resolved to form a committee of creditors for CMPL.
- F. On 17 February 2009, HAR appointed the Receivers and Managers as receivers and managers of CMR.
- G. On 30 April 2009, a second meeting of creditors of:
  - (a) CMR was held to consider, among other things, the execution of a deed of company arrangement pursuant to section 439A of the Act; and
  - (b) CMPL was held to consider, among other things, whether the company should be placed into liquidation.
- H. At the second creditors' meeting, the creditors of CMR duly resolved that CMR enter into a deed of company arrangement. The DOCA was accordingly executed on 21 May 2009.
- I. At the second creditors' meeting, the creditors of CMPL duly resolved that CMPL be placed into liquidation. In accordance with this resolution, the joint and several voluntary administrators of CMPL were appointed joint and several liquidators of CMPL on 30 April 2009.
- J. On 6 January 2010, pursuant to a meeting of creditors convened pursuant to section 445F of the Act, the creditors of CMR duly resolved that CMR vary the DOCA. The Varied DOCA was executed on 2 April 2010.
- K. Due to the failure of a condition precedent under the Varied DOCA, YA Global put an amended proposal to the Administrators for consideration by the creditors of CMR.
- L. After reporting to creditors of CMR on the amended proposal, at a further meeting of the creditors convened under s445F of the Act and held on 5 July 2010 the creditors of CMR resolved to amend the Varied DOCA in terms of the Amended Varied DOCA.
- M. Due to the fact that conditions precedent under the Amended Varied DOCA could not be satisfied in the time available, YA Global put an amended proposal to the Administrators for consideration by the creditors of CMR.
- N. After reporting to creditors of CMR on the amended proposal, at a further meeting of the creditors convened under s445F of the Act and held on 23 December 2010 the creditors of CMR resolved to amend the Amended Varied DOCA in terms of the Revised DOCA.
- O. Due to the fact that conditions precedent under the Revised DOCA could still not be satisfied in the time available, YA Global put the Further Revised Proposal to the Administrators for consideration by the creditors of CMR.
- P. At the Meeting of Creditors held on 21 June 2011, the creditors of CMR resolved to amend the Revised DOCA in terms of this Further Revised DOCA.

**Operative Parts:****1. Definitions and interpretation****1.1 Definitions**

In this Further Revised DOCA the following terms unless the context otherwise requires have the following meanings:

<b>Act</b>	means the Corporations Act 2001 (Cth);
<b>Administrators</b>	means Darren Weaver, Steven Sherman and Martin Jones in their capacities as joint and several deed administrators of CMR;
<b>Administrators Costs</b>	means fees, costs and expenses reasonably incurred by the Administrators in exercising their obligations at law (including, without limitation, the costs associated with the maintenance of the Peru Tenements in good standing) as set out in clause 21.3;
<b>Admitted Claim</b>	means a Claim that has been admitted by the Administrators or the Trustees, as the case may be;
<b>Admitted Creditor</b>	means the creditors of CMR having an Admitted Claim;
<b>Amended Varied DOCA</b>	means the amended varied deed of company arrangement for CMR executed by the parties on 5 August 2010;
<b>Appointment Date</b>	means 29 January 2009, being the date on which the Voluntary Administrators were appointed to CMR, pursuant to s436A of the Act;
<b>Arrangement Period</b>	means the period from the Commencement Date to the Termination Date;
<b>Asset Sale Agreement</b>	means the agreement to be entered into between the Purchaser, CMR and Guardian, at or prior to Sale of Assets Completion, by which all of the assets of CMR (except for the shares in CMPL) are to be sold to the Purchaser on the terms: <ol style="list-style-type: none"> <li>(a) contemplated by the Further Revised Proposal and this Further Revised DOCA;</li> <li>(b) which will include the terms upon which the Loan Funds are advanced to the Purchaser as set out in clause 13(c) to (f); and</li> <li>(c) otherwise on the usual terms and conditions applicable to such a sale, where the vendor is a</li> </ol>

company subject to a deed of company arrangement and as are agreed between YA Global and the Administrators;

<b>ASIC</b>	means Australian Securities & Investments Commission;
<b>ASX</b>	means the Australian Stock Exchange Ltd;
<b>ATO</b>	means Australian Taxation Office;
<b>Available Property</b>	means all of the CMR Creditors Available Property and the CMPL Available Property;
<b>Balance of the HAR Amount</b>	means the HAR Amount less the Initial HAR Amount;
<b>Business Day</b>	means a week day on which banks are generally open for business in Western Australia;
<b>Bonds</b>	means: <ul style="list-style-type: none"> <li>(a) the HAR Bond;</li> <li>(b) the HNC Bond; and</li> <li>(c) the Trustees' Bond;</li> </ul>
<b>Bond Terms</b>	means the terms of the Bonds, to be agreed by CMR and the Administrators as a Condition Precedent to Completion;
<b>Borrower</b>	means: <ul style="list-style-type: none"> <li>(a) in the case of Share Issue Completion – CMR; and</li> <li>(b) in the case of Sale of Assets Completion – the Purchaser;</li> </ul>
<b>Charges</b>	means each and every security granted by CMR under the JVs being: <ul style="list-style-type: none"> <li>(a) Compass Featherweight Floating Charge dated 26 April 2007 between HAR, CMR and CMPL;</li> <li>(b) Sulphide Compass Cross Charge dated 26 April 2007 between HAR, CMR and CMPL;</li> <li>(c) Sulphide Licensed Property Charge dated 26 April 2007 between HAR, CMR, Guardian Resources Pty Ltd (ACN 009</li> </ul>

550 196) and CMPL;

- (d) Sulphide Compass Tenement Charge dated 26 April 2007 between HAR, CMR, Guardian Resources Pty Ltd (ACN 009 550 196) and CMPL;
- (e) Oxide Compass Cross Charge dated 26 April 2007 between HAR, CMR and CMPL;
- (f) Oxide Licensed Property Charge dated 26 April 2007 between HAR, CMR, Guardian Resources Pty Ltd (ACN 009 550 196) and CMPL;
- (g) Oxide Compass Tenement Charge dated 26 April 2007 between HAR, CMR, Guardian Resources Pty Ltd (ACN 009 550 196) and CMPL

**Claim**

means a debt payable by, or a claim against, CMR (present or future, certain or contingent, ascertained or sounding only in damages) being debts or claims which arose on or before the Appointment Date or out of events or circumstances which occurred before the Appointment Date, and irrespective of whether the debt or claim arose by virtue of contract, at law (including by statute) in equity or otherwise, and regardless of whether such debt or claim has been or will be admitted or disputed in whole or in part;

**CMPL Claim**

means the claim of CMPL against CMR being a Liability (as that term is defined in the Oxide Joint Venture Agreement dated 26 April 2007) properly and reasonably incurred or sustained by CMPL in its capacity as Oxide Operator (as that term is defined in the Oxide Joint Venture Agreement dated 26 April 2007);

**CMR Tenements**

means the mining and exploration tenements held by CMR or in which CMR holds an interest (to the extent of that interest);

**CMPL Available Property**

means the assets available for distribution by the Trustees to pay the CMPL Claim, being the CMPL Cash Amount;

**CMPL Cash Amount**

means the sum of \$2,500,000 to be paid by the Borrower to the Trustees from the Loan Funds in respect of the First Loan on the Completion Date or such lesser amount as is required to pay the CMPL Claim in full;

**CMR Creditors**

means the Admitted Creditors excluding:

- (a) YA Global;
- (b) HAR;
- (c) HNC;
- (d) CMPL;
- (e) Coffee House; and
- (f) those creditors of the Oxide JV whose claims have been admitted in the liquidation of CMPL;

**CMR Creditors Available Property** means the assets available for distribution by the Trustees to the CMR Creditors, being:

- (a) \$3,250,000 cash (to be paid by the Borrower to the Trustees from the Loan Funds in respect of the First Loan on the Completion Date);
- (b) in the event the CMPL Cash Amount is less than \$2,500,000, the difference between \$2,500,000 and the CMPL Cash Amount, paid by the Borrower to the Trustees from the Loan Funds in respect of the First Loan; and
- (c) the Trustees' Bond;

**Coffee House** means Coffee House Group Limited, a company incorporated in the Isle of Man (registered number: 1023819C) of Victory House, Prospect Hill, Douglas, Isle of Man, IM1 1EQ;

**Coffee House Claim** means the Admitted Claim of Coffee House;

**Commencement Date** means the date of execution by all parties of this Further Revised DOCA;

**Completion** Share Issue Completion or Sale of Assets Completion, as relevant;

**Completion Date** means the date Completion occurs, being a date agreed between the Administrators and YA Global which is on or after the satisfaction or waiver of the Conditions Precedent;

**Conditions Precedent** means:

- (a) in the case of Share Issue Completion - the



		conditions precedent contained in clause 5(a); or
	(b)	in the case of Sale of Assets Completion, the conditions precedent contained in clause 15A.3;
<b>Court</b>		means any court having jurisdiction to hear and determine matters under the Act;
<b>Creditors' Committee</b>		means the committee of inspection formed at the Meeting of Creditors for the purpose of assisting the Administrators;
<b>Creditors' Trust</b>		means the trust established by the Creditors' Trust Deed;
<b>Creditors' Trust Deed</b>		means the trust deed in the form or substantially in the form of Attachment 1 to this Revised DOCA under which the Trustees will hold the Trust Fund on certain trusts for the Admitted Creditors as set out in clause 16.3;
<b>DEWR</b>		means the Department of Workplace Relations (Commonwealth);
<b>Directors</b>		means Richard Clive Swann, Director/CEO appointed 9 October 2006, Gordon Leonard Toll, Director/Chairman appointed 1 July 2001, Philip Ronald Wood, Director appointed 1 August 2007, Philip Cohen, Director appointed 10 April 1987 and Neil Robert Guest, Secretary appointed 1 April 2008;
<b>DOCA</b>		means the deed of company arrangement executed by the Voluntary Administrators and CMR dated 21 May 2009;
<b>Employee</b>		means any person employed by CMR from time to time up to the Commencement Date;
<b>Employee Entitlements</b>		means any right or entitlement of any Employee or any other person, including but not limited to DEWR in respect of GEERS, which, if CMR were to be wound up, that Employee or person would be entitled to receive, pursuant to section 556 or section 560 of the Act, in priority to the unsecured creditors of CMR;
<b>First Loan</b>		means the loan by YA Global to the Borrower in accordance with clause 13(c);
<b>Further Revised DOCA</b>		means this further revised deed of company arrangement;
<b>Further Proposal</b>	<b>Revised</b>	means the proposal to recapitalise CMR which is at attachment 2 to this Further Revised DOCA;
<b>GEERS</b>		means the General Employee Entitlements and

	Redundancy Scheme;
Guardian	means Guardian Resources Pty Ltd ACN 009 439 196;
HAR	means HNC (Australia) Resources Pty Ltd of level 2, Deutsche Bank Place, 126 Phillip Street, Sydney, NSW;
HAR Amount	means the sum of: <ol style="list-style-type: none"> <li>\$11,844,863.24 (being pre-administration, unpaid cash calls plus interest, up until 5 October 2010);</li> <li>\$14,331,726.86 (being post-administration, unpaid cash calls plus interest, until up 5 October 2010);</li> <li>\$883,726.00 (being JV expenditure after 5 October 2010 until 31 October 2010); and</li> <li>CMR's share of JV expenditure from 1 November 2010 until Completion occurs, capped each month at an amount agreed between YA Global and HAR.</li> </ol>
HAR Bond	means a bond, governed by the Bond Terms, issued by the Borrower to HAR, for the Balance of the HAR Amount, payable by way of 30 equal monthly instalments, and paying 10% interest per annum, with interest being capitalised in each year and payable upon maturity of the bond;
HNC	Hunan Nonferrous Metals Corp Ltd of Non-ferrous Tower A, No 342 Laodong West Road, Changsha, Hunan Province, People's Republic of China 410015;
HNC Bond	means a bond, governed by the Bond Terms, issued by the Borrower to HNC, for an amount of \$15,596,999.98, payable by way of 30 equal monthly instalments, and paying 10% interest per annum, with interest being capitalised in each year and payable upon maturity of the bond. Subject to any required shareholders consents, the HNC Bond will allow HNC the option to convert the outstanding balance of the bond amount into shares in the Borrower at any time up to the date which is 6 months prior to any IPO for the Borrower, on the basis that the total outstanding debt of \$15,596,999.98 would convert into 10.4% of the Borrower if converted on the date of Completion (and will convert pro rata in respect of lesser amounts);
HNC Claim	means the Admitted Claim of HNC;

<b>HNC Convertible Note Facility Agreement</b>	means the convertible note facility agreement entered into between CMR and HNC on 19 November 2008;
<b>HNC Security</b>	means a fixed and floating charge over all the assets of the Borrower, to secure payments under the HNC Bond;
<b>Heads of Agreement</b>	means the heads of agreement between YA Global, HAR and HNC dated on or around 9 December 2010;
<b>Initial HAR Amount</b>	means \$7,500,000;
<b>Insurance Claim</b>	means any liability of CMR covered by insurance policies taken out prior to the Appointment Date;
<b>JVs</b>	means the Oxide JV, Regional Exploration JV and Sulphide JV;
<b>JV Operator</b>	means the operator of the JVs from time to time;
<b>Loan Funds</b>	means the sum to be loaned by YA Global to the Borrower in accordance with clauses 13(c), (d) and (e) of this Further Revised DOCA under the First Loan, the Second Loan and the Third Loan;
<b>Meeting of Creditors</b>	means the meeting of the creditors of CMR held on 21 June 2011;
<b>New Directors</b>	means persons nominated by, and in the number of nominees (or equivalent proportion), stated below: <ul style="list-style-type: none"> <li>(a) YA Global: 4 nominee directors; and</li> <li>(b) Coffee House: 2 nominee directors;</li> </ul>
<b>Oxide JV</b>	means the JV to explore for, develop, mine and process the oxide resources between CMR and HAR;
<b>Oxide JV Expenditure</b>	has the same meaning in this Revised DOCA as in the agreement regarding the Oxide JV;
<b>Peru Tenements</b>	means the CMR Tenements located in Peru;
<b>Purchaser</b>	means an entity nominated by YA Global;
<b>Receivers Managers</b>	and Keiran Hutchinson, Philip Campbell-Wilson and Christopher Munday;
<b>Regional Exploration JV</b>	means the JV to explore for minerals between CMR and HAR;
<b>Scheduled Rates</b>	means the rates set out in the Schedule to this Revised DOCA;

<b>Regulations</b>		means the Corporations Regulations 2001 (Cth);
<b>Revised DOCA</b>		means the revised deed of company arrangement for CMR referred to in Recital N;
<b>Sale of Assets Completion</b>		means completion of the steps contemplated by clause 15A;
<b>Sale of Assets Completion Date</b>		means the date Sale of Assets Completion occurs, being a date agreed between the Administrators and YA Global which is within 60 days of the meeting of CMR shareholders contemplated by clause 5(a)(iv);
<b>Second Loan</b>		means the loan by YA Global to the Borrower in accordance with clause 13(d);
<b>Settlement Sum</b>		means the sum of ten dollars (\$10.00);
<b>Share Completion</b>	<b>Issue</b>	means completion of the steps contemplated by clause 15;
<b>Share Completion Date</b>	<b>Issue</b>	means the date Share Issue Completion occurs, being a date agreed between the Administrators and YA Global which is on or after the satisfaction or waiver of the Conditions Precedent;
<b>Sulphide JV</b>		means the JV to explore for, develop, mine and process the sulphide resources between CMR and HAR;
<b>Superannuation Contribution</b>		means a contribution by CMR to a fund for the purposes of making provision for, or obtaining superannuation benefits for, an Employee or for dependents of such an Employee;
<b>Superannuation Guarantee Charge</b>		means a charge imposed by Superannuation Guarantee Charge Act 1992 (Cth);
<b>Termination Date</b>		means the date upon which this Further Revised DOCA terminates in accordance with clause 19(a);
<b>Third Loan</b>		means the loan by YA Global to the Borrower in accordance with clause 13(e);
<b>Trustees</b>		means Darren Weaver, Steven Sherman and Martin Jones in their capacities as joint and several trustees of the Creditors' Trust;
<b>Trustees' Bond</b>		means a bond, governed by the Bond Terms issued by the Borrower to the Trustees for an amount equivalent to 25% of the aggregate amount of the Admitted Claims of the CMR Creditors with Admitted Claims exceeding \$100,000 but not exceeding \$6,000,000, maturing 3

	years after Completion and paying 10% interest per annum, with interest being capitalised in each year and payable upon maturity of the bond;
<b>Trust Fund</b>	the Trust Fund set out in clause 16.3;
<b>Uranium Assets</b>	means the rights to mine and explore for uranium on the CMR Tenements;
<b>Varied DOCA</b>	means the varied deed of company arrangement for CMR executed by the parties on 2 April 2010;
<b>Voluntary Administrators</b>	means Darren Weaver, Steven Sherman and Martin Jones in their capacities as joint and several voluntary administrators of CMR;
<b>YA Global Claim</b>	means the claim of YA Global; and
<b>YA Global Security</b>	is defined in clause 13(f).

## 1.2 Interpretation

In this Revised DOCA, unless the context otherwise requires:

- (a) month means a calendar month;
- (b) headings are for convenience only and do not affect the interpretation of this Revised DOCA;
- (c) references to sections, sub-sections and paragraphs of the Act are references to sections, sub-sections and paragraphs of the Corporations Act 2001;
- (d) the singular includes the plural and vice versa;
- (e) words importing a gender include each other gender;
- (f) an expression importing a natural person includes any corporation, partnership, joint venture, association or other body corporate;
- (g) a reference to any thing includes a part of that thing;
- (h) a reference to any statute, regulation, proclamation, ordinance or by-law includes a reference to each statute, regulation, proclamation, ordinance or by-law varying, consolidating or replacing it, and a reference to a statute includes a reference to each regulation, proclamation, ordinance and by-law issued under that statute;
- (i) a reference to a document includes a reference to an amendment or supplement to, or replacement or novation of, that document;
- (j) a reference to a party to any document includes a reference to that party's successors and permitted assigns;

- (k) when a day on or by which anything is to be done is not a Business Day, that thing must be done on or by the next Business Day;
- (l) a reference to a dollar or \$ is a reference to Australian currency; and
- (m) a covenant or agreement on the part of two or more persons binds them jointly and individually.

## **2. Variation**

Clauses 1 to 31 of the Revised DOCA are hereby deleted and replaced with clauses 1 to 31 of this Further Revised DOCA.

## **3. Purpose and Objects of this Further Revised DOCA**

The purpose and objects of this Further Revised DOCA are:

- (a) to facilitate an improvement in the return available to Admitted Creditors;
- (b) to provide considerable certainty for creditors of CMR;
- (c) to provide some financial compensation to HAR which has, since early in CMR's external administration, funded all of the JV expenditure;
- (d) to attempt to minimise the insolvency practitioner and legal costs incurred in the external administration of CMR; and
- (e) to utilise a creditors' trust in order to facilitate CMR's exit from administration and to allow CMR to apply to recommence trading on the ASX.

## **4. Commencement and Continuation of Operation of Deed**

This Further Revised DOCA will take effect on the Commencement Date.

## **5. Conditions Precedent**

- (a) The Conditions Precedent are:
  - (i) YA Global being satisfied (in its absolute discretion) with the due diligence to be carried out by it in respect of CMR and the JVs;
  - (ii) CMR not claiming against CMPL in respect of debts incurred by CMR by way of JV expenditure;
  - (iii) all required regulatory approvals in relation to:
    - A. the transactions contemplated by this Further Revised DOCA, being obtained on conditions satisfactory to YA Global; and
    - B. the transactions contemplated by the Heads of Agreement being obtained;

## (iv) CMR shareholders:

- A. approving the issue of new shares in accordance with the terms of the Further Revised Proposal, including but not limited to, on the Completion Date:
  - (I) the issue of such shares to YA Global as are required for YA Global to hold at least 77.4% of the issued share capital of CMR; and
  - (II) the issue of such shares to Coffee House as are required for Coffee House to hold at least 12.5% of the issued share capital of CMR; and
- B. approving the First, Second and Third Loan being secured by the YA Global Security;
- C. approving the grant of an option to HAR on the terms referred to in the definition of HAR Bond;
- D. to the extent necessary, approving the grant of the HNC Security;

## (v) HNC, HAR, CMR, CMPL and Guardian agreeing to the form of amendments to the documentation recording and relating to the JVs, as contemplated by the following provisions of the Schedule to the Heads of Agreement:

- A. clause 3, as to responsibility for expenditure under the Oxide JV and Sulphide JV and the preconditions to proceeding with the JVs;
- B. clause 4, as to chairmanship of the Operating Committees of the JVs and other specified issues in relation to the administration of the JVs;
- C. clause 7(c), as to the extension of the Charges to also secure CMR's obligations:
  - (I) to pay the HAR Amount; and
  - (II) under the HAR Bond and the HNC Bond;
- D. clause 9, as to payments to be made by CMR in respect of the JVs in 2011 and 2012;
- E. clause 10, as to the default mechanism under the JVs; and
- F. clause 16, as to the minimum processing requirements of Sulphide JV and the terms that apply in the event that one part does not wish to proceed with the Sulphide JV.

- (vi) CMR, HNC, HAR, the Receivers and Managers and the Administrators mutually releasing each other from all outstanding claims (other than those expressly preserved by this Further Revised DOCA and in relation to the costs award made pursuant to the arbitration proceedings commenced by CMR and HNC and HAR);
  - (vii) the retirement of the Receivers and Managers;
  - (viii) the Administrators and YA Global agreeing the terms of the Bonds;
  - (ix) HNC, HAR, YA, CMR and the Administrators entering into an agreement on the terms contemplated by clause 8 of the Schedule to the Heads of Agreement, including as to the terms of the advances to be made by way of the Third Loan;
  - (x) YA, CMR and the Administrators agreeing the terms of the advances to be made by way of the First Loan and the Second Loan;
  - (xi) the grant of:
    - A. the HNC Security; and
    - B. the YA Global Security; and
  - (xii) CMPL releasing its security over the assets of CMR.
- (b) The following Conditions Precedent may be waived in writing solely at the discretion and election of YA Global: (i), (ii), (iii), (iv)(A), (iv)(B), (vi) but only insofar as it concerns the releases to be provided in favour of CMR and the Administrators, (vii), (viii), (x), (xi)(B) and (xii).
- (c) The following Conditions Precedent may be waived in writing by YA Global only with the written consent of HNC and HAR: (iv)(C), (iv)(D), (v), (vi) insofar as it concerns the releases to be provided in favour of HNC, HAR and the Receivers and Managers, (ix) and (xi)(A).
- (d) Subject to sub-clause (e) and (f) of this clause, the Conditions Precedent must be satisfied or waived within 90 days of the date of the Meeting of Creditors.
- (e) At the request of YA Global, the Administrators may, at their discretion, extend the date for satisfying or waiving the Conditions Precedent to a date which is up to 180 days after the Meeting of Creditors.
- (f) If any Condition Precedent is not satisfied or waived within the period contemplated by clause 5(d) or (e), then the Administrators may convene a meeting of the creditors of CMR to consider the variation of this Further Revised DOCA or the termination of this Further Revised DOCA pursuant to clause 19(a)(iii).



**6. CMR and CMPL**

- (a) CMR agrees that, in the event of the termination of this Further Revised DOCA pursuant to clause 19(a)(vi), CMR will not claim in the liquidation of CMPL.
- (b) CMPL agrees that, on the Completion Date, CMPL will release its rights under the Charges.
- (c) To allow the liquidators of CMPL to make a timely distribution to the creditors of CMPL, and without prejudice to CMR's rights to claim against CMPL in the event that this Further Revised DOCA does not terminate as a consequence of Completion, CMR authorises the liquidators of CMPL to pay a dividend to the creditors of CMPL from the funds currently available to the liquidators of CMPL and without providing (for the purposes of payment of the dividend) for the potential claim by CMR against CMPL which may arise in the event that this Further Revised DOCA does not terminate as a consequence of Completion and subject to total of the dividends paid not exceeding \$550,000.

**7. Prescribed Provisions****7.1 Regulations**

To the extent not otherwise provided in this Further Revised DOCA, each of the prescribed provisions contained in Schedule 8A of the Regulations is expressly included in this Further Revised DOCA.

**7.2 Part 5.3A**

This Further Revised DOCA is intended to take effect in accordance with Part 5.3A of the Act.

**7.3 Sections 440C and 440D of the Act**

Sections 440C and 440D of the Act apply to this Further Revised DOCA as if the references to administrator were references to the Administrators.

**8. Intent of Parties**

The parties confirm the truth and accuracy of the matters contained in the recitals to this Further Revised DOCA, and intend that the instrument constituted by this Further Revised DOCA will constitute a varied deed of company arrangement pursuant to s 445A of the Act with respect to the Further Revised Proposal.

**9. Appointment of Administrators and Creditors' Committee**

- (a) The joint and several deed administrators of this Further Revised DOCA are the Administrators who will have the powers, functions and duties conferred on them by this Further Revised DOCA and the Act.

- (b) The Administrators confirm the formation of the Creditors' Committee and the appointment of each of the members of the Creditors' Committee as at the date of this Further Revised DOCA.
- (c) Subject to obtaining the prior approval from the creditors, pursuant to the Proposal, a shareholder of CMR may be appointed to be a member of the Creditors Committee.
- (d) In exercising the powers conferred by this Further Revised DOCA and carrying out the duties arising under this Further Revised DOCA, the Administrators are taken to act as agent for and on behalf of CMR.
- (e) The Administrators will be entitled to engage the services of their partners and employ staff of and consultants to their firm, Ferrier Hodgson, to assist them in the performance or exercise of their duties, obligations, responsibilities and powers under this Further Revised DOCA.
- (f) In addition to the provisions contained in Schedule 8A of the Regulations, during the Arrangement Period, the Administrators will, at their election, have the rights, powers, privileges, authorities and discretions conferred by CMR's constitution or otherwise by law on its directors, to the exclusion of the directors, including, but not limited to, the power to appoint and remove directors.
- (g) Without limiting clause 9(f), during the Arrangement Period the Administrations will cause CMR to expend sufficient moneys on the Peru Tenements to maintain those tenements in good standing.

#### 10. Directors

- (a) Subject to the rights of secured creditors and the Receivers and Managers, the Administrators (and not the Directors) will be responsible for the management, operation and control of the business and affairs of CMR throughout the Arrangement Period.
- (b) After the Commencement Date but prior to the Termination Date, the Directors will resign or be removed by the Administrators and the Administrators will appoint the New Directors.
- (c) Throughout the Arrangement Period, the Directors and the New Directors shall:
  - (i) cooperate with and assist the Administrators in the performance of the Administrators obligations under this Further Revised DOCA;
  - (ii) use their best endeavours to ensure the satisfaction of the Conditions Precedent;
  - (iii) only exercise the powers vested in them by this Further Revised DOCA or delegated to them by the Administrators in writing from time to time; and

- (iv) have the power to convene an extraordinary meeting of CMR, being the meeting required for the purpose of satisfying the Condition Precedent at clause 5(a)(iv), in accordance with the Act and the constitution of CMR.
- (d) Control of CMR will be returned to the New Directors upon the termination of this Further Revised DOCA pursuant to clause 19(a)(vi).
- (e) The Administrators have the power to appoint the New Directors and remove the Directors for the purposes of giving effect to this Further Revised DOCA.

## 11. HAR and HNC

Upon request by HAR (as operator of the Oxide JV), CMR will consent to the refund, at Completion, by HAR (as operator of the Oxide JV) of the sum of AUD \$8.3 million held by it in that capacity, to HAR in its capacity as a joint venturer under the Oxide JV.

## 12. Creditors' Trust Deed

### 12.1 Parties will enter into the Creditors' Trust Deed

- (a) On or before Completion Date, the Administrators will cause CMR to execute and require the Trustees to execute the Creditors' Trust Deed, constitute the Trust and pay the Settlement Sum.
- (b) The Trustees will act as trustees of the Trust pursuant to the terms of the Creditors' Trust Deed.

### 12.2 Transfer of Available Property and other assets and rights

For clarity:

- (a) all assets of CMR will remain with CMR up until Completion; and
- (b) in the event of Completion, none of the assets of CMR will be transferred to the Trustees except for the Available Property and shares in CMPL.

## 13. YA Global

- (a) YA Global will use its best endeavours to ensure the satisfaction of the Conditions Precedent.
- (b) Upon this Further Revised DOCA terminating pursuant to clause 19(a)(vi) or clause 19(a)(vii), YA Global shall not be entitled to participate in the Trust Fund or make a claim under the Creditors' Trust Deed.
- (c) On the Completion Date, YA Global will lend funds to the Borrower by way of the First Loan, the principle terms of which loan are:
  - (i) on the day of Completion, YA Global will loan the Borrower sufficient funds for the purpose of enabling the Borrower to meet its payment obligations under this Further Revised DOCA at Completion (excluding

- the payment obligations to HNC and HAR, which are to be funded under the Third Loan) and its immediate working capital requirements;
- (ii) interest will be payable on the Loan Funds at the rate of 10% per annum, capitalised in each year and paid upon the expiration of the term of the loan;
  - (iii) the Loan Funds must be, and can only be, used by the Borrower for the purpose of the Borrower meeting its payment obligations under this Further Revised DOCA and the beneficial title in any or all of the Loan Funds shall not pass to the Borrower until the Borrower makes those payment obligations;
  - (iv) in the event that any payment under this Further Revised DOCA is not made in full or in part, the relevant part of the Loan Funds must be immediately returned to YA Global;
  - (v) otherwise, the Loan Funds will be repaid by the Borrower upon the first to occur of:
    - A. the date 3 years after the date of termination of this Further Revised DOCA pursuant to clause 19(a)(vi) or clause 19(a)(vii); and
    - B. subject to clause 13(g), 6 months after the Oxide JV becomes cash-flow positive for a period of not less than 3 consecutive months or substantial positive progress is made with respect to the Sulphide JV;
  - (vi) YA Global has the right to require the immediate repayment of the Loan Funds (with interest) upon the occurrence of an event of default under the loan agreement.
- (d) YA Global will lend further funds to the Borrower, after Completion, by way of the Second Loan, subject to conditions acceptable to YA Global including, but not limited to:
- (i) subsequent to Completion, YA Global will loan the Borrower funds (estimated at approximately \$6,000,000 in the first 12 months) for the purpose of enabling the Borrower to meet its ongoing payment obligations (excluding the payment obligations at Completion, which are to be funded under the First Loan, and excluding the payment obligations to HNC and HAR, which are to be funded under the Third Loan);
  - (ii) funds will be provided on a monthly basis to meet future cash calls by the JV Operator based on funding requests by the Borrower (such request to be made on or before the 20<sup>th</sup> of the preceding month);
  - (iii) interest will be payable on the funds advanced by YA Global at the rate of 10% per annum, capitalised in each year and paid upon the expiration of the term of the loan;

- (iv) the funds must be, and can only be, used by the Borrower for the purpose of the Borrower meeting future cash calls and the beneficial title in any or all of the funds shall not pass to the Borrower until the Borrower pays those cash calls;
- (v) in the event that any cash call is not paid in full or in part, the relevant part of the funds must be immediately returned to YA Global;
- (vi) funds advanced by YA Global will be repaid by the Borrower upon the first to occur of:
  - A. the date 3 years after the date of termination of this Further Revised DOCA pursuant to clause 19(a)(vi) or clause 19(a)(vii); and
  - B. subject to clause 13(g), 6 months after the Oxide JV becomes cash-flow positive for a period of not less than 3 consecutive months or substantial positive progress is made with respect to the Sulphide JV;
- (vii) YA Global has the right to require the immediate repayment of any outstanding Loan Funds (with interest) upon the occurrence of an event of default under the loan agreement.
- (e) YA Global will lend further funds to the Borrower at and after Completion, by way of the Third Loan, subject to conditions acceptable to YA Global including, but not limited to:
  - (i) funds will be provided on a monthly basis to meet payment obligations to HAR and HNC under the HAR Bond and HNC Bond based on funding requests by the Borrower (such request to be made on or before the 20<sup>th</sup> of the preceding month);
  - (ii) funds advanced will be paid directly to HNC or HAR (as relevant);
  - (iii) interest will be payable on the funds advanced by YA Global at the rate of 10% per annum, capitalised in each year and paid upon the expiration of the term of the loan;
  - (iv) in the event that any cash call is not paid in full or in part, the relevant part of the funds must be immediately returned to YA Global;
  - (v) funds advanced by YA Global will be repaid by the Borrower upon the first to occur of:
    - A. the date 3 years after the date of termination of this Further Revised DOCA pursuant to clause 19(a)(vi) or clause 19(a)(vii); and
    - B. subject to clause 13(g), 6 months after the Oxide JV becomes cash-flow positive for a period of not less than 3 consecutive months or substantial positive progress is made with respect to the Sulphide JV;

- (vi) YA Global has the right to require the immediate repayment of any outstanding Loan Funds (with interest) upon the occurrence of an event of default under the loan agreement.
- (f) The Borrower will grant YA Global a fixed and floating charge over all of its assets to secure the repayment of the First Loan, the Second Loan and the Third Loan (YA Global Security), which will rank:
  - (i) Third with relation to the assets the subject of HAR's rights under the Charges (behind the HNC Security and the Charges or such equivalent security as is provided to HAR and HNC by the Borrower, other than the Compass Featherweight Floating Charge); and
  - (ii) First in relation to all other assets of the Borrower.
- (g) In the absence of an event of default under the First Loan, the Second Loan, the Third Loan or the fixed and floating charge granted to YA Global, YA Global will not require the repayment of the Loan Funds, where to do so will mean that the Borrower is unable to pay all of its debts as and when they fall due.
- (h) In the event that Sale of Assets Completion is to occur, YA Global undertakes to lend, and procure that the Purchaser (who will be the Borrower for the purposes of this clause 13) borrow, the Loan Funds on the terms contemplated by this clause 13.

#### 14. Coffee House

Upon this Further Revised DOCA terminating pursuant to clause 19(a)(vi) or clause 19(a)(vii), Coffee House shall not be entitled to participate in the Trust Fund or make a claim under the Creditors' Trust Deed.

#### 15. Share Issue Completion

##### 15.1 Place of Share Issue Completion

Share Issue Completion will take place at the offices of the Administrators in Perth.

##### 15.2 Share Issue Completion

- (a) Share Issue Completion must take place on the Share Issue Completion Date.
- (b) The obligations at Share Issue Completion of each party under this Further Revised DOCA are interdependent and need only be performed if all other obligations at Share Issue Completion are also performed.
- (c) For the avoidance of doubt, and without limiting the interdependence of the obligations at Share Issue Completion of each party under:
  - (i) the Creditors Trust Deed; and

- (ii) any documents contemplated by those documents or this Further Revised DOCA to which they are a party,

completion of those documents and completion of this Further Revised DOCA are interdependent and completion of one of those documents will not occur without completion of the others.

### 15.3 Share Issue Completion Events

At Share Issue Completion, the following shall occur (but only in the event that the Conditions Precedent will be satisfied or waived at Share Issue Completion, or have been satisfied prior to Share Issue Completion):

- (a) CMPL will release its rights under the Charges;
- (b) the Receivers and Managers will resign;
- (c) CMR will issue ordinary shares in CMR to YA Global and Coffee House so that immediately post Completion:
  - (i) YA Global will hold 77.4% of the issued share capital of CMR; and
  - (ii) Coffee House will hold 12.5% of the issued share capital of CMR;
- (d) YA Global will advance the relevant Loan Funds to CMR;
- (e) CMR will grant the YA Global Security;
- (f) CMR will grant the HNC Security;
- (g) CMR will transfer the amount of \$5,750,000, being part of the CMPL Available Property and the CMR Creditors Available Property, to the Trustees;
- (h) CMR will pay to HAR the Initial HAR Amount;
- (i) CMR will transfer all its shares in CMPL to the Trustees; and
- (j) CMR will issue the Bonds to the Trustees, HAR and HNC (as relevant).

## 15A Sale of Assets

### 15A.1 Asset Sale Agreement

If all of the Conditions Precedent are satisfied or waived, other than the Condition Precedent in clause 5(a)(iv), then Share Issue Completion will not proceed in accordance with the earlier provisions of this Further Revised DOCA, the Administrators and the Purchaser will enter into the Asset Sale Agreement (with YA Global procuring the Purchaser to enter into the Asset Sale Agreement).

### 15A.2 Asset Sale Agreement Terms

The Asset Sale Agreement must include the following terms:

- (a) the sale will be subject to and conditional upon the satisfaction or waiver of all the Conditions Precedent set out in clause 15A.5;
- (b) CMR will sell all of its assets to the Purchaser;
- (c) Sale of Assets Completion will take place within 60 days of the shareholders meeting contemplated by clause 5(a)(iv); and
- (d) the purchase price to be paid by the Purchaser will be:
  - (i) the sum of \$7,500,000, to be applied in accordance with clause 15A.8(h); plus
  - (ii) the issue of the HAR Bond to HAR; plus
  - (iii) \$2,500,000, to be applied in accordance with clause 15A.8(g); plus
  - (iv) \$3,250,000, to be applied in accordance with clause 15A.8(g); plus
  - (v) the issue of the Trustees' Bond to the Trustees; plus
  - (vi) the issue of the HNC Bond to HNC,

(Purchase Price), being the amounts and bonds that would otherwise be paid and granted by CMR under the other clauses of this Further Revised DOCA (ie other than this clause 15A).

#### 15A.3 Additional Sale of Assets Completion issues

For the avoidance of doubt, in the event of Sale of Assets Completion:

- (a) no CMR shares will be issued to YA Global or Coffee House;
- (b) YA Global and Coffee House will, at Sale of Assets Completion, release the debts due to them by CMR;
- (c) YA Global and Coffee House will not be entitled to appoint any directors of CMR;
- (d) the Purchase Price will be distributed to the creditors of CMR (other than YA Global and Coffee House) pursuant to the terms of the Creditor's Trust Deed; and
- (e) the other relevant terms of this Further Revised DOCA will apply with respect to the Asset Sale Agreement and Sale of Assets Completion, with such appropriate amendments as are necessary to reflect the sale structure contemplated by this clause 15A.

#### 15A.4 HAR not obliged to release security

For the avoidance of doubt, in the event that a sale of CMR's assets is to occur in accordance with this clause 15A.1, nothing in this Further Revised DOCA shall oblige HAR to release its security or to cause the Receivers and Managers to retire



(that being a matter for HAR to determine in its complete discretion and in light of the final form of the Asset Sale Agreement and associated documentation to implement the sale).

#### **15A.5 Conditions precedent to Sale of Assets Completion**

- (a) The conditions precedent to Sale of Assets Completion are:
  - (i) all required regulatory approvals in relation to Sale of Assets Completion being obtained on conditions satisfactory to YA Global;
  - (ii) HNC, HAR, CMR, CMPL, Guardian and YA Global agreeing to the form of amendments to the documentation recording and relating to the JVs and the transfer of CMR's interest in the JVs;
  - (iii) HAR agreeing that the Receivers and Managers should resign as receivers and managers of the assets transferred to the Purchaser or that those assets are transferred to the Purchaser free from the Charges; and
  - (iv) the execution of the Asset Sale Agreement.
- (b) The conditions precedent in clause 15A.5(a)(i) may be waived in writing solely at the discretion and election of YA Global;
- (c) The condition precedent in clause 15A.5(a)(ii) may be waived in writing by YA Global only with the written consent of HNC and HAR.
- (d) The conditions precedent must be satisfied or waived within 60 days of the shareholders meeting under clause 5(a)(iv).

#### **15A.6 Place of Sale of Assets Completion**

Sale of Assets Completion will take place at the offices of the Administrators in Perth.

#### **15A.7 Sale of Assets Completion**

- (a) Sale of Assets Completion must take place on the Sale of Assets Completion Date.
- (b) The obligations at Sale of Assets Completion of each party under this Further Revised DOCA are interdependent and need only be performed if all other obligations at Sale of Assets Completion are also performed.
- (c) For the avoidance of doubt, and without limiting the interdependence of the obligations at Sale of Assets Completion of each party under:
  - (i) the Creditors Trust Deed; and
  - (ii) any documents contemplated by those documents or this Further Revised DOCA to which they are a party,

completion of those documents and completion of this Further Revised DOCA are interdependent and completion of one of those documents will not occur without completion of the others.

### 15A.3 Sale of Assets Completion Events

At Sale of Assets Completion, the following shall occur (but only in the event that the Conditions Precedent will be satisfied or waived at Sale of Assets Completion, or have been satisfied prior to Sale of Assets Completion):

- (a) CMPL will release its rights under the Charges;
- (b) at the option of HAR, the Receivers and Managers will resign as receivers and managers of the assets transferred to the Purchaser or the assets will be transferred to the Purchaser free from the Charges;
- (c) YA Global will advance the relevant Loan Funds to the Purchaser, reflecting clauses 13(c) to (f);
- (d) the Purchaser will grant the YA Global Security;
- (e) the Purchaser will grant the HNC Security;
- (f) the Purchaser will grant security to HAR that is equivalent to the Charges;
- (g) the Purchaser will transfer the amount of \$5,750,000, being part of the CMPL Available Property and the CMR Creditors Available Property, to the Trustees;
- (h) the Purchaser will pay to HAR the Initial HAR Amount;
- (i) CMR will transfer all its shares in CMPL to the Trustees;
- (j) CMR will transfer all other assets of CMR (other than the shares in CMPL) to the Purchaser pursuant to the terms of the Asset Sale Agreement;
- (k) the Purchaser will issue the Bonds to the Trustees, HAR and HNC (as relevant); and
- (l) YA Global and Coffee House will release the debts due to them by CMR.

## 16. Application and Distribution of Available Property

### 16.1 Administrators' Discretion

The Administrators may, to the extent they believe it appropriate to facilitate Completion, in their absolute discretion:

- (a) adjudicate upon and admit Claims; and

- (b) pay any Admitted Claim in accordance with the provisions of this Further Revised DOCA, if they consider it desirable to do so, having regard to, amongst other things, the interests of the Admitted Creditors.

#### 16.2 Moneys for Distribution

Subject to the provisions of this Further Revised DOCA, the property that is available to pay the Admitted Creditors is the assets of the Trust Fund.

#### 16.3 Trust Fund

The Trust Fund, under the Creditors Trust Deed, is to be made up of:

- (a) the Settlement Sum;
- (b) the Available Property;
- (c) any amounts paid to the Trustees pursuant to clause 16.6(c) of this Further Revised DOCA; and
- (d) the benefit of CMR's covenants in this Further Revised DOCA and in the Creditors Trust Deed in favour of the Trustees.

#### 16.4 Trust

The Trustees will hold and administer the Trust Fund constituted in accordance with clause 16.3 in accordance with the terms of the Creditors Trust Deed.

#### 16.5 Distribution under the Creditors Trust Deed

- (a) The Trustees shall distribute the Trust Fund pursuant to the Trust Deed in the following manner and priority:
  - (i) from the CMR Creditors Available Property:
    - A. to the extent that the whole of the Administrators Costs have not been paid to the Administrators upon termination of this Further Revised DOCA pursuant to clause 19(a)(vi) or clause 19(a)(vii), to the Administrators in satisfaction of the Administrators Costs;
    - B. next, to the Trustees in satisfaction of the remuneration, fees, costs and expenses incurred by them in accordance with the Creditors Trust Deed;
    - C. next, to the extent that the whole of the Employee Entitlements have not been paid upon termination of this Further Revised DOCA pursuant to clause 19(a)(vi) or clause 19(a)(vii), to satisfy Employee Entitlements;
    - D. next, to those CMR Creditors with Admitted Claims of less than \$100,000, a dividend of 100c in the dollar; and

- E. next, the remainder of the CMR Creditors Available Property to the CMR Creditors with Admitted Claims of \$100,000 or more rateably; and
- (ii) the CMPL Available Property to CMPL in respect of the CMPL Claim.
- (b) YA Global will not claim against the Trustees in respect of the YA Global Claim.
- (c) Coffee House will not claim against the Trustees in respect of the Coffee House Claim.

#### 16.6 Insurance Claims

- (a) Subject to this clause, CMR will be released from all Insurance Claims.
- (b) The Trustees agree to indemnify CMR for all reasonable costs, expenses or other liabilities (including legal costs on a solicitor/client basis) agreed in writing by the Trustees and incurred by CMR in relation to any Insurance Claim, such costs expenses and other liabilities will be met by the Trustees out of the CMR Creditors Available Property or the CMPL Available Property (depending on whether the relevant creditor is a CMR Creditor or CMPL).
- (c) On receipt by CMR from an insurer of any monies relating to an Insurance Claim:
  - (i) such monies will (after deduction of all costs, fees and expenses of and incidental to recovering those monies incurred by CMR) be paid by CMR to the claimant of that Insurance Claim;
  - (ii) in the event that there are any monies remaining after the claimant of that Insurance Claim has been paid, CMR will pay such monies to the Creditors' Trust Fund; and
  - (iii) any such Insurance Claim will be limited to and satisfied by the application of the monies in accordance with sub-clause (i) and not be paid from the Creditors' Trust Fund.
- (d) To the extent that CMR is entitled to or receives amounts in respect of any Insurance Claim from insurers, that Insurance Claim is not released by this Further Revised DOCA.

#### 16.7 Superannuation Issues

- (a) The Administrators must determine that the whole of a debt by way of a Superannuation Contribution is not an Admitted Claim if:
  - (i) a debt by way of a Superannuation Guarantee Charge has been paid or is, or is to be, an Admitted Claim; and
  - (ii) the Administrators are satisfied that the Superannuation Guarantee Charge is attributable to the whole of the first mentioned debt.

- (b) The Administrators must determine that a particular part of a debt by way of a Superannuation Contribution is not an Admitted Claim if:
  - (i) a debt by way of a Superannuation Guarantee Charge has been paid, or is, or is to be, an Admitted Claim; and
  - (ii) the Administrators are satisfied that the Superannuation Guarantee Charge is attributable to that part of the first mentioned debt.

## 17. Applications to Court

- (a) Without limiting the rights or powers of the Administrators under the Act, during the term of this Further Revised DOCA, the Administrators may, at any time, apply to the Court:
  - (i) under s445G of the Act;
  - (ii) under s447A of the Act; or
  - (iii) for directions in relation to any matter arising under this Further Revised DOCA or to give effect to this Further Revised DOCA.
- (b) If the Court determines that any provision of this Further Revised DOCA does not comply with Part 5.3A of the Act (as it may be modified pursuant to s447A of the Act) then all the parties bound by this Further Revised DOCA hereby consent to the Court varying this Further Revised DOCA by severing the offending provision from it.

## 18. Release and Extinguishment of Claims against CMR

### 18.1 Creditors bound

This Further Revised DOCA binds all persons having a Claim.

### 18.2 Claims extinguished

Upon termination of this Further Revised DOCA pursuant to clause 19(a)(vi) or clause 19(a)(vii), subject to clause 16.6:

- (a) all Claims will be extinguished;
- (b) all persons having a Claim may lodge a proof of debt with the Trustees pursuant to the terms of the Creditors Trust Deed;
- (c) CMR will be released from all Claims; and
- (d) all persons having a Claim, must accept their right to prove under the Creditors Trust Deed in full satisfaction and complete discharge of all Claims which they have or claim to have against CMR as at the Appointment Date and each of them will, if called upon to do so, execute and deliver to CMR such forms of release of any such Claim as the Administrators may require.

## 19. Termination of Further Revised DOCA and the Creditors' Trust

- (a) This Further Revised DOCA will terminate and the appointment of the Administrators will come to an end on the earlier of the following:
  - (i) if, at anytime, the Administrators, with the agreement of YA Global, determine that the terms of the Further Revised DOCA cannot be fulfilled;
  - (ii) subject to clause 15A.1, the Conditions Precedent not being met or waived on or before the required date for satisfaction of them;
  - (iii) a resolution to that effect is passed by the creditors at a meeting convened by the Administrators in accordance with section 445F of the Act;
  - (iv) otherwise in accordance with the Act;
  - (v) by an order of the Court;
  - (vi) immediately upon Share Issue Completion; or
  - (vii) immediately upon Sale of Assets Completion
- (b) Upon termination of this Further Revised DOCA, the Administrators will send a notice to the Admitted Creditors advising them of termination of the Further Revised DOCA.
- (c) Upon termination of this Further Revised DOCA pursuant to subclauses (i)-(v), or (vii), CMR will be wound up pursuant to section 446A of the Act.
- (d) Upon termination of this Further Revised DOCA pursuant to clause 19(a)(vi), the Administrators shall certify to ASIC that this Further Revised DOCA has been wholly effectuated.
- (e) The termination or avoidance, in whole or in part, of this Further Revised DOCA does not affect the previous operation of this Further Revised DOCA.
- (f) Upon termination of this Further Revised DOCA pursuant to clause 19(a)(vi) or clause 19(a)(vii):
  - (i) to the extent that CMR or any other party bound by this Further Revised DOCA makes a covenant under this Further Revised DOCA which, by its terms, takes effect after termination of this Further Revised DOCA, CMR and any such other party covenants in favour of the Trustees for their benefit and for the benefit of the Admitted Creditors, with the intent that those covenants will continue, subject to the terms of this Further Revised DOCA, in full force and effect after the termination of this Further Revised DOCA; and
  - (ii) to the extent that any other party bound by this Further Revised DOCA gives a covenant, which covenant is repeated, in substance, in the

Creditors' Trust Deed, that party agrees to be bound by the Creditors' Trust Deed as if that party had executed the same.

## 20. Moratorium Period and Statutory Bar

- (a) Subject to the provisions of s 444D of the Act, this Further Revised DOCA may be pleaded by CMR against those creditors whose Claims against CMR are admissible pursuant to the terms of this Further Revised DOCA, but whose Claims are not admitted to proof by the Administrators.
- (b) A creditor (whether the creditor's Claim is or is not admitted under this Further Revised DOCA) must not, before the termination of this Further Revised DOCA:
  - (i) take or concur in the taking of any step to wind-up CMR; or
  - (ii) except for the purpose and to the extent provided in this Further Revised DOCA, institute or prosecute any legal proceedings in relation to any Claim incurred or alleged to have been incurred by CMR before the Appointment Date; or
  - (iii) take any further step (including any step by way of legal or equitable execution) in any proceedings pending against or in relation to CMR at the Appointment Date; or
  - (iv) exercise any right of set-off or cross-action to which the creditor would not have been entitled had CMR been wound up at the Appointment Date; or
  - (v) commence or take any further step in any arbitration against CMR.

## 21. Administrators' Liability, Remuneration and Lien

### 21.1 Extent of Administrators' liability

Subject to the Act, notwithstanding anything contained in any provision of this Further Revised DOCA and notwithstanding that any provision contained in this Further Revised DOCA is not expressed to be made subject to this clause 21, it is expressly agreed and declared that, in the exercise or performance or purported exercise or performance of any of the Administrators' functions, powers or duties under this Further Revised DOCA or the Act or otherwise, the Administrators will not be personally liable for:

- (a) any debt, liability or other obligation which the Administrators may incur on behalf of CMR pursuant to this Further Revised DOCA; or
- (b) any actual, contingent or prospective liability incurred, directly or indirectly, after the Commencement Date; or
- (c) any loss or damage caused or suffered by any act, default or omission by the Administrators or on behalf of the Administrators in the performance of the Administrators powers, functions and duties under this Further Revised DOCA

except for any liability incurred or loss or damage suffered after the Commencement Date in consequence of the gross negligence, dishonesty or wilful default of the Administrator.

## 21.2 Reporting by Administrator

Subject to the Act and the Regulations, during the term of this Further Revised DOCA, the Administrators must, prior to any meeting of creditors pursuant to s445F of the Act, report to each Admitted Creditor. The report must include a statement:

- (a) explaining the circumstances which caused the Administrators to convene the meeting pursuant to s445F of the Act; and
- (b) that this Further Revised DOCA will be terminated if the Admitted Creditors so resolve.

## 21.3 Remuneration of Administrators

Subject to the provisions of the Act, the Administrators must be:

- (a) remunerated at the usual rates charged from time to time by Ferrier Hodgson (which at the Commencement Date are the Scheduled Rates) or at such other rates as the Administrators may from time to time charge in respect of any work done by the Administrators, and any partner or employee of the Administrators, in connection with:
  - (i) the conduct of the administration of CMR from the Appointment Date;
  - (ii) the negotiation, preparation and operation of the DOCA, the Varied DOCA and the Amended Varied DOCA;
  - (iii) the negotiation, preparation and operation of this Further Revised DOCA; and
  - (iv) the performance of their duties, obligations and responsibilities under this Further Revised DOCA including, but not limited to, the reasonable costs and expenses incurred by the Administrators in assisting in satisfying the Conditions Precedent; and
- (b) reimbursed in respect of all costs, fees and expenses incurred in connection with the foregoing, including, without limitation, any stamp duty payable in respect of this Further Revised DOCA.

## 21.4 Administrators' Indemnity

- (a) Subject to sub-clause (b) of this clause, the Administrators and the Trustees are entitled to be indemnified out of:
  - (i) the assets of CMR; or
  - (ii) in the event of termination of this Further Revised DOCA pursuant to clause 19(a)(vi), the CMR Creditors Available Property,



for:

- A. the Administrators Costs and remuneration, costs, fees and expenses payable pursuant to the Creditors Trust Deed;
  - B. all liabilities incurred by the Administrators during the administration of CMR, during the period of operation of the DOCA, the Varied DOCA, the Amended Varied DOCA, the Revised DOCA and in the Arrangement Period;
  - C. all liabilities incurred by the Trustees during the administration of the Creditors Trust;
  - D. all liabilities incurred in the exercise or performance or purported exercise or performance of the Administrators' and Trustees' functions, powers or duties under this Further Revised DOCA, the Creditors Trust or the Act; and
  - E. all actions, suits, proceedings, accounts, claims, demands and liabilities arising after the Appointment Date, out of or relating to the administration of CMR, the DOCA, the Varied DOCA, the Amended Varied DOCA, the Revised DOCA, this Further Revised DOCA or the Creditors Trust, which may be commenced against, incurred by or made on the Administrators or the Trustees (in any capacity), by any person and against all costs, charges and expenses incurred by the Administrators or the Trustees in respect of them.
- (b) The Administrators and the Trustees shall not be entitled to an indemnity in respect of any liabilities or demands if the Administrators or the Trustees would not be allowed such an indemnity by reason of Section 199A of the Act.
  - (c) This indemnity will take effect on and from the Commencement Date and will be without limitation as to time and will operate notwithstanding the removal of the Administrators or the Trustees and the appointment of a new Administrators or a new Trustees or the termination of this Further Revised DOCA or the Creditors Trust for any reason whatsoever.
  - (d) The Administrators' right of indemnity conferred by this clause has priority over all the Claims.
  - (e) The Administrators and the Trustees will be entitled to exercise a lien on the Available Property to secure the right of indemnity conferred by this clause.
  - (f) The indemnity under this clause 21 will not:
    - (i) be affected, limited or prejudiced in any way by any irregularity, defect or invalidity in the appointment of the Administrators or the Trustees and will extend to all actions, suits, proceedings, accounts, liabilities, claims and demands arising in any way out of any defect in the appointment of the Administrators or the Trustees, the approval and the execution of this Further Revised DOCA or the Creditors Trust Deed or otherwise; or

- (ii) affect or prejudice all or any rights that the Administrators or the Trustees may have against CMR or any other person to be indemnified against the costs, charges, expenses and liabilities incurred by the Administrators or the Trustees of or incidental to the exercise of any of the powers or authorities conferred on the Administrators or the Trustees by this Further Revised DOCA or the Creditors Trust Deed or otherwise.
- (g) notwithstanding any other provision in this Deed, nothing in this Deed shall confer priority on the Administrators or the Trustees in respect of those assets of CMR which are charged pursuant to the Charges (other than the Compass Featherweight Floating Charge).

#### 21.5 Expenditure during Arrangement Period

- (a) During the Arrangement Period, the Administrators' Costs (which does not include cash calls received from HAR in relation to JV Expenditure) shall be paid from:
  - (i) funds held by CMR; and
  - (ii) loan funds provided to CMR by YA Global on such terms as are agreed between the Administrators and YA Global, including that:
    - A. the amount of the loan (per month) shall be that amount agreed between YA Global and the Administrators as being the amount by which the Administrator's Costs per month exceed the costs that would be incurred in a liquidation of CMR (presently estimated as being \$100,000 per month), plus the monthly amount of any consulting fees payable to Richard Swann, Neil Guest and Garry Johansen; and
    - B. CMR shall not be required to repay the loan funds, other than the extent it is able to do so from funds recovered from the sale of assets of CMR.
- (b) On Richard Swann, Neil Guest and Garry Johansen ceasing employment with CMR, CMR will engage them as consultants on terms acceptable to YA Global and the Administrators.

#### 22. Variation of this Deed by creditors

This Further Revised DOCA may be varied, but only with the consent of the Administrators, by a resolution passed at a meeting of the creditors of CMR convened under section 445F of the Act but only if the variation is not materially different from a proposed variation set out in the notice of that meeting.

#### 23. Meetings

- (a) The Administrators may at any time convene a meeting of creditors and except to the extent (if any) they are excluded or modified by or are inconsistent with the terms of this Further Revised DOCA, regulations 5.6.12

to 5.6.36A of the Regulations apply, with such modifications as are necessary, to meetings of the creditors as if the references to the liquidator, the liquidator or provisional liquidator, the liquidator, provisional liquidator or chairman, or a liquidator, provisional liquidator or trustee for debenture holders, as the case may be, were references to the Administrators.

- (b) Notwithstanding regulation 5.6.14, any meeting of creditors may be convened to be held in Perth, as long as technology is available which allows persons to attend the meeting from other locations and still have a reasonable opportunity to participate in the meeting.

#### **24. Governing Law**

The laws of the State of Western Australia govern this Further Revised DOCA and the parties expressly submit to the jurisdiction of the Courts of Western Australia in determining any issue under this Further Revised DOCA.

#### **25. Inconsistency with the Act**

If there is any inconsistency between the terms of this Further Revised DOCA and the Act then the Act shall, only to the extent of the inconsistency, prevail and this Further Revised DOCA shall be interpreted accordingly.

#### **26. Severance**

Notwithstanding anything contained in any provision of this Further Revised DOCA, if any such provision shall be held or found to be void, invalid or otherwise unenforceable, such provision shall be deemed to be severed from this Further Revised DOCA to the extent only that it is void, invalid or unenforceable but the remainder of any such provision and this Further Revised DOCA shall remain in full force and effect.

#### **27. Further Revised DOCA prevails over other documents**

If there is any inconsistency between the provisions of this Further Revised DOCA and the constitution of CMR or any other obligations binding on CMR, then the provisions of this Further Revised DOCA shall prevail to the extent of the inconsistency.

#### **28. Counterparts**

This Further Revised DOCA may be executed in any number of counterparts and all those counterparts taken together constitute one and the same instrument.

#### **29. Further Assurances**

- (a) Each of the parties to this Further Revised DOCA will do all acts, matters and things as may be reasonably necessary or expedient to implement and give full effect to the provisions of this Further Revised DOCA.

- (b) All persons bound by this Further Revised DOCA will do (at their own expense, unless otherwise agreed by the Administrators, acting reasonably) all acts, matters and things as may reasonably be requested by the Administrators to give effect to this Further Revised DOCA and the transactions contemplated by it (including signing any documents).

### 30. Stamp Duty

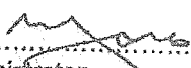
The Trustees shall pay any stamp duty payable with respect to the transfer of the Available Property to the Trust Fund.

### 31. GST

- (a) Words used in this clause 31 which have a defined meaning in the GST Act have the same meaning as in the GST Act unless the context indicates otherwise.
- (b) Unless expressly included, the consideration for any supply under or in connection with this Further Revised DOCA does not include GST.
- (c) To the extent that any supply made under or in connection with this Further Revised DOCA is a taxable supply, the recipient must pay, in addition to the consideration provided under this Further Revised DOCA for that supply (unless it expressly includes GST) an amount (additional amount) equal to the amount of that consideration (or its GST exclusive market value) multiplied by the rate at which GST is imposed in respect of the supply. The recipient must pay the additional amount at the same time as the consideration to which it is referable.
- (d) The supplier must issue a tax invoice to the recipient of a taxable supply to which sub-clause (c) of this clause applies no later than 7 days following payment of the GST inclusive consideration for that supply under that clause.
- (e) If either party is entitled under this Further Revised DOCA to be reimbursed or indemnified by the other party for a cost or expense incurred in connection with this Further Revised DOCA, the reimbursement or indemnity payment must not include any GST component of the cost or expense for which an input tax credit may be claimed by the party being reimbursed or indemnified, or by its representative member.

Executed by the parties as a deed.

Executed by  
Compass Resources Limited  
(Subject to Deed of Company  
Arrangement) (Receivers and  
Managers Appointed)  
(ACN 010 536 820)  
in accordance with section 127  
of the Corporations Act 2001

  
.....  
Administrator

Martin Jones  
.....  
Full Name (please print)



.....  
Administrator

Darren Weaver  
.....  
Full Name (please print)

Executed by  
Darren Weaver  
in his capacity as joint and several  
deed administrator of Compass  
Resources Limited  
(Subject to Deed of Company  
Arrangement) (Receivers and  
Managers Appointed)  
(ACN 010 536 820)

  
.....  
Witness

Sandra Ganci  
.....  
Full Name (please print)



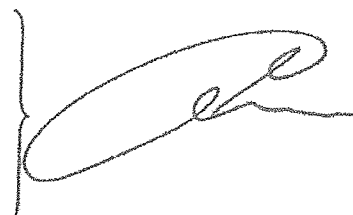
Executed by  
**Martin Jones**  
 in his capacity as joint and several  
 deed administrator of **Compass**  
**Resources Limited**  
 (Subject to Deed of Company  
 Arrangement) (Receivers and  
 Managers Appointed)  
 (ACN 010 536 820)



.....  
 Witness

*Sara Gavi*  
 .....  
 Full Name (please print)


Executed by  
**Steven Sherman**  
 in his capacity as joint and several  
 deed administrator of **Compass**  
**Resources Limited**  
 (Subject to Deed of Company  
 Arrangement) (Receivers and  
 Managers Appointed)  
 (ACN 010 536 820)

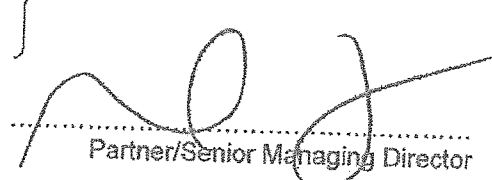


.....  
 Witness

*Amanda Lewis*  
 .....  
 Full Name (please print)

**SIGNED by YA GLOBAL INVESTMENTS, L.P.**  
 acting by Yorkville Advisors LLC  
 its duly authorised general partner

  
 .....  
 Partner/Chief Financial Officer

  
 .....  
 Partner/Senior Managing Director

.....  
 Full Name (please print)

.....  
 Full Name (please print)

Executed by  
Coffee House Group (Limited)  
a company incorporated in the  
Isle of Man (registered company  
number: 1023619C) by its director(s) }

*J. Ferguson*  
.....  
Director

JACQUELINE FERGUSSON  
.....  
Full Name (please print)

*Rabam*  
.....  
Director/Secretary

ROGER BARRS  
.....  
Full Name (please print)

Executed by  
Compass Mining Pty Ltd  
(in liquidation) (ACN 099 550 259)  
in accordance with section 127  
of the Corporations Act 2001 }

*M. Jones*  
.....  
Liquidator

Martha Jones  
.....  
Full Name (please print)

*D. Weaver*  
.....  
Liquidator

Darren Weaver  
.....  
Full Name (please print)

## SCHEDULE OF HOURLY RATES

Classification	Rate (\$)	Experience
Partner/Appointee	560	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.farrierhodgson.com">www.farrierhodgson.com</a>
Principal/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	430	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	360	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	320	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	275	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	245	Generally, 2-3 years chartered accounting or insolvency management experience. University degree, ICAA's CA program commenced.
Intermediate 1	195	Generally, 1 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	170	0 - 1 year's experience. Undertaking a degree part-time in finance/accounting. Under supervision, takes direction from senior staff in completing administrative tasks.



Classification	Rate (\$)	Experience
Senior Secretary	160	Appropriate skills including machine usage.
Junior/Filing	140	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.
4. Rates are subject to change from time to time.