

**PERTH**

Level 26 BankWest Tower  
108 St George's Terrace  
Perth WA 6000 Australia  
GPO Box 2537 Perth WA 6001  
phone +61 8 9214 1444  
fax +61 8 9214 1400  
email perth@fh.com.au  
www.ferrierhodgson.com

MBJ:MF:SG  
S Gauci

19 September 2011

**COMPASS RESOURCES LIMITED ACN 010 536 820 (CMR)  
(SUBJECT TO DEED OF COMPANY ARRANGEMENT)  
(RECEIVERS AND MANAGERS APPOINTED)  
(Formerly Compass Resources NL)  
YA Global DOCA Recapitalisation Update  
ASX Listing Rule 10.13.3**

We refer to the Further Revised DOCA proposal (the DOCA) to reconstruct CMR put forward by major CMR creditor, YA Global (YA), as contained in a Notice to Shareholders dated 19 July 2011.

ADELAIDE  
BRISBANE  
MELBOURNE  
SYDNEY  
JAKARTA  
KUALA LUMPUR  
SINGAPORE  
TOKYO

Affiliated through  
Zolfo Cooper  
United States  
United Kingdom  
Caribbean  
and  
KLC Kennic Lui & Co  
Hong Kong  
China

### Satisfaction of Conditions Precedent

The remaining condition precedent to completion under the DOCA is YA being satisfied (in its absolute discretion) with the due diligence to be carried out by it in respect of CMR and the HAR Joint Ventures. In particular, YA has advised that it requires:

- Certain further information from CMR and from HNC and that YA expects to be able to finish its due diligence investigations shortly after receiving this information. Accordingly, we have taken appropriate steps with a view to provision of such information without delay; and
- CMR's audit and lodgement of CMR's financial accounts for the period 20 May 2011 to 30 June 2011.

### Extension of DOCA

YA has also advised that, subject to the above requirements, YA expects completion to take place no later than 19 October 2011.

Under the DOCA, the conditions precedent were due for YA satisfaction or waiver by 19 September 2011, however, having regard to the abovementioned feedback from YA, the Deed Administrators have exercised their discretion to extend the DOCA to 21 October 2011.



### **Issue of the New Shares**

In the Notice of meeting dated 19 July 2011, the expectation was communicated to CMR shareholders that the issue of the new shares to YA and Coffee House Group Limited would occur by 18 September 2011. Having regard to the progress of YA's due diligence, a waiver request has been submitted to the ASX requesting an extension of the time for the issue of the new shares. ASX feedback is pending in respect to that request.

### **Change of Auditor**

The Australian Securities and Investments Commission (ASIC) has advised that it is considering the resignation of the former CMR Auditor and his replacement, as approved by CMR Shareholders at the EGM on 18 August 2011. We are informed that ASIC's decision in respect to the replacement will be communicated to us by 23 September 2011.

### **The Future**

The Deed Administrators will work with YA, HNC, the ASIC, the Auditors and the ASX over the weeks ahead with a view to the satisfaction of the remaining conditions precedent to completion of the DOCA and to the recapitalisation of CMR.

We will revert to the market with further details in relation to CMR's recapitalisation at the earliest opportunity. In the interim, we refer shareholders to updates which are provided via our website:

<http://www.ferrierhodgson.com/en/Current%20Matters/Corporate%20Recovery%20Matters/Compass%20Resources%20Limited.aspx>

Yours faithfully  
**Compass Resources Limited**

A handwritten signature in black ink, appearing to read 'Martin Jones', with a large, stylized flourish at the end.

**Martin Jones**  
Joint and Several Deed Administrator