



PASMINCO

**Administrators' Second Report Pursuant to Section 439A
of the Corporations Act (2001)**

Incorporating the Restructure Proposal

**PASMINCO LIMITED
(ADMINISTRATORS APPOINTED)
ACN 004 368 674
AND ITS WHOLLY OWNED
AUSTRALIAN SUBSIDIARIES**



FERRIER HODGSON



PASMINCO LIMITED
(ADMINISTRATORS APPOINTED)
ACN 004 368 674



AND ITS WHOLLY OWNED AUSTRALIAN SUBSIDIARIES

PROPOSED PASMINCO RESTRUCTURE

- ★ Proposed public float of the restructured Pasminco as early as November 2002
- ★ All unsecured creditors owed over \$10,000 will receive shares and a cash distribution in lieu of their debt
- ★ Security will be granted to assist the protection of employee entitlements and the vast majority of employees will be retained
- ★ The restructured Pasminco will be positioned to take advantage of improved market conditions with:
 - substantially reduced debt
 - world class asset base underpinned by Century Mine
 - new Board of Directors
 - improved operating structure
- ★ Early return to creditors from proposed float
- ★ Flexibility to determine most viable structure prior to float occurring

**THE ADMINISTRATORS RECOMMEND THAT CREDITORS
ACCEPT THE PROPOSAL**



FERRIER HODGSON

19 August 2002

*When replying please quote:
Our Ref: JB:JM:A1/B9
Your Ref:*

TO CREDITORS

Dear Sir/Madam

**RE: PASMINCO LIMITED
(ADMINISTRATORS APPOINTED)
ACN 004 368 674**

**AND ITS WHOLLY OWNED AUSTRALIAN SUBSIDIARIES ("PASMINCO" OR
"THE COMPANIES")**

**PROPOSED DEEDS OF COMPANY ARRANGEMENT FOR THE RESTRUCTURE
OF PASMINCO**

We were appointed joint and several Administrators of the Companies on 19 September 2001 pursuant to the provisions of Section 436A of the Corporations Act (2001) ("the Act").

The second meetings of creditors were held on 15 July 2002 and adjourned to 16 August 2002.

At the reconvened meetings of creditors held on 16 August 2002, the meetings were further adjourned to 30 August 2002.

1. PROPOSAL FOR DEEDS OF COMPANY ARRANGEMENT

It has been proposed that the Companies enter into Deeds of Company Arrangement ("Deeds") to enable Pasmenco to be restructured. This may affect your legal rights.

Certain amendments have been made to the proposal set out in the Administrators' first report dated 1 July 2002.

Concurrent meetings of the Companies to consider, and if thought fit, to approve the proposed Deeds have been convened and will be held on 30 August 2002.

If a majority in number, and a majority in value, of those creditors voting at the meetings approve the proposal, the Deeds upon execution by the Companies and the Deed Administrators, will become binding on all creditors and shareholders affected by their terms.

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CRAIG HUNTER
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CONSULTANTS
TONY HODGSON

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BRISBANE
DANDENONG
MELBOURNE
PERTH
SYDNEY

INTERNATIONAL OFFICES
NEW ZEALAND MALAYSIA
THAILAND INDONESIA
HONG KONG

INTERNATIONAL AFFILIATES
CANADA LINDQUIST AVEY
UK BUCHLER PHILLIPS
USA JAY ALIX

2. CONCURRENT MEETINGS OF CREDITORS

We confirm that the second meetings of creditors for the Companies will be held on 30 August 2002.

Please note that we will not be providing telephone facilities given difficulties associated with conducting voting or a poll (if one is required under the Act).

Accordingly, we suggest that creditors who will not be able to attend the meeting in person appoint a proxy who will be in attendance to vote on their behalf. In this regard, the relevant proxy form is attached at Annexure 4.

For your information and assistance, the following notices, statements and reports are attached.

a) Notice of Meetings.

Please note that the meetings will be held in The Carillon Room at Hotel Sofitel, 25 Collins Street, Melbourne at 11.00am on Friday 30 August 2002.

Please note that this is a different meeting venue than the previous meetings of creditors. The meeting room is located on level 1 of the Hotel (reception level), next to the auditorium and can be accessed by the escalators on the ground level.

Creditors are requested to arrive at the meeting at least 30 minutes prior to the commencement of the meetings.

Registration will take place between 10.00am and 10.45am to ensure a prompt start at the scheduled time.

b) The Administrators' Report pursuant to Section 439A of the Act including an opinion about each of the following matters:

- Whether it would be in the creditors' interests for each of the Companies to execute the Deeds of Company Arrangement that are proposed.
- Whether it would be in the creditors' interests for each of the Companies to be wound up.
- Whether it would be in the creditors' interests for the Administration of each of the Companies to end.

c) The amended Statement Setting out Details of the Deeds of Company Arrangement and Other Restructure Documents ("the Summary Statement") is attached at **Annexure 1.**

d) A Statement of Key Amendments summarising the main amendments made to the Summary Statement is attached at **Annexure 2.**

e) Instrument of Proxy (second last page of Report) and Instructions for Completing Proxy Forms.

Please note that Proxy Forms submitted for the adjourned meetings of creditors held on 15 July and 16 August 2002 will be valid for the meetings on 30 August 2002 subject to the comments at Section 3 below.

f) Informal Claim Form for Voting Purposes (last page of Report).

Informal Proof of Debt forms submitted for previous meetings of creditors will be valid for this meeting.

If required, please tear out the relevant forms (ie. Informal Claim Form and proxy form) which are located at the very back of the Report (**Annexure 4**). Once these forms are completed, please ensure they are returned to our office by **no later than 4.00pm Australian Eastern Time on Wednesday 28 August 2002**.

3. VOTING FOR DIFFERENT PASMINGO COMPANIES

Creditors should note the following regarding the use of Proxy Forms completed for the adjourned meetings of creditors held on 15 July and 16 August 2002.

General Proxy Forms

- General Proxy Forms are those forms completed where the creditor has **not ticked** the relevant boxes directing the proxy holder how to vote.
- General Proxy Forms completed for the adjourned meetings **will be valid** to be used at the meetings on 30 August 2002 **with respect to all resolutions** to be voted on.

Special Proxy Forms

- Special Proxy Forms are those forms completed where the creditor **has ticked** the relevant boxes directing the proxy holder how to vote.
- Special Proxy Forms completed for the adjourned meetings will be valid to be used at the meetings on 30 August 2002 to the extent that resolutions proposed on 30 August 2002 are stated in those forms. In this regard, the resolution for the proposed Deeds was included in previous Special Proxy Forms, however resolution 3 with respect to the Administrators' further fees in the new Proxy Form is a new resolution.
- If creditors wish to either change their directions on existing resolutions or vote on the new resolution, they should complete a new Proxy Form for the meetings on 30 August 2002.

Completing a New Proxy form

- Only Side A **OR** Side B of the Proxy form is to be completed and not both sides. Completion of both sides of the Proxy Form may invalidate the Form.
- More detailed instructions are contained in the Instructions for Completing Proxy Forms (**Annexure 4**) which we recommend all creditors read.

Should you have any queries regarding this matter, please contact Ms Christine Bertolotti or Mr Tim Cipolloni of this office or by email at pasmincofaq@melb.fh.com.au.

Yours faithfully



J M SPARK
ADMINISTRATOR



P D McCLUSKEY
ADMINISTRATOR

Encl

**FORM 529
CORPORATIONS ACT 2001**

NOTICE OF MEETING OF CREDITORS

**PASMINCO LIMITED
(ADMINISTRATORS APPOINTED)
ACN 004 368 674**

**PASMINCO INVESTMENTS HOLDINGS PTY LIMITED
(ADMINISTRATORS APPOINTED)
ACN 082 291 736**

**PASMINCO CENTURY MINE LIMITED
(ADMINISTRATORS APPOINTED)
ACN 006 670 300**

**PASMINCO COCKLE CREEK SMELTER PTY LIMITED
(ADMINISTRATORS APPOINTED)
ACN 000 083 670**

**PASMINCO METALS PTY LIMITED
(ADMINISTRATORS APPOINTED)
ACN 005 565 284**

**PASMINCO FINANCE LIMITED
(ADMINISTRATORS APPOINTED)
ACN 007 289 296**

**PASMINCO PACIFIC PTY LIMITED
(ADMINISTRATORS APPOINTED)
ACN 005 416 008**

**PASMINCO AUSTRALIA LIMITED
(ADMINISTRATORS APPOINTED)
ACN 004 074 962**

**PASMINCO PORT PIRIE SMELTER PTY LIMITED
(ADMINISTRATORS APPOINTED)
ACN 008 046 428**

**PASMINCO INTERNATIONAL PTY LIMITED
(ADMINISTRATORS APPOINTED)
ACN 004 934 534**

**PASMINCO INTERNATIONAL (HOLDINGS) PTY LIMITED
(ADMINISTRATORS APPOINTED)
ACN 066 088 159**

**THE EMU BAY RAILWAY COMPANY LIMITED
(ADMINISTRATORS APPOINTED)
ACN 009 475 790**

**PASMINCO INVESTMENTS PTY LIMITED
(ADMINISTRATORS APPOINTED)
ACN 082 291 674**

**PCML SPC PTY LTD
(ADMINISTRATORS APPOINTED)
ACN 083 652 500**

**PASMINCO BROKEN HILL MINE PTY LIMITED
(ADMINISTRATORS APPOINTED)
ACN 000 005 774**

**PASMINCO GLOBAL TRADING PTY LTD
(ADMINISTRATORS APPOINTED)
ACN 082 932 116**

**SAVAGE RESOURCES LIMITED
(ADMINISTRATORS APPOINTED)
ACN 009 551 624**

**RAMALA HOLDINGS PTY LIMITED
(ADMINISTRATORS APPOINTED)
ACN 056 689 117**

**SAVAGE AUSTRALIAN EXPLORATION PTY LTD
(ADMINISTRATORS APPOINTED)
ACN 071 375 169**

**SAVOX PIGMENTS PTY LTD
(ADMINISTRATORS APPOINTED)
ACN 003 035 694**

**SAVAGE EHM PTY LTD
(ADMINISTRATORS APPOINTED)
ACN 071 375 114**

**SAVAGE EHM FINANCE PTY LTD
(ADMINISTRATORS APPOINTED)
ACN 071 375 221**

NOTICE is given that a meeting of the creditors of the abovenamed companies will be held in The Carillon Room, Level 1 of the Sofitel Hotel, 25 Collins Street, Melbourne on 30 August 2002 at 11.00am.

AGENDA

1. To consider the Administrators' Second Report on the abovenamed companies pursuant to Section 439A of the Corporations Act (2001) and the various options available to creditors.
2. To fix the further remuneration of the Voluntary Administrators pursuant to Section 449E of the Corporations Act (2001).
3. For creditors of each company to resolve upon one of the following:
 - that each company execute a Deed of Company Arrangement; or
 - that the administration of each company should end; or
 - that each company be wound up.
4. To consider the appointment of a Committee of Creditors/Inspection.
5. If a Deed of Company Arrangement is resolved upon, to fix the remuneration of the Deed Administrators.
6. Any other business that may be lawfully brought forward.

Proxies to be used at the meeting should be lodged at the office of the Administrators by 4.00pm on Wednesday 28 August 2002. **A corporate creditor may only be represented by proxy or by an attorney appointed pursuant to Corporations Regulations 5.6.28 and 5.6.31A or by a representative appointed under Section 250D of the Corporations Act.**

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

DATED this 19th day of August 2002



P D McCLUSKEY
ADMINISTRATOR