

Frequently Asked Questions



Circular to Creditors

Australian Zircon NL (Formerly Subject to Deed of Company Arrangement)
ACN 063 389 079 (“Australian Zircon”)

AZCT Pty Ltd As Trustee for the Zircon Group Creditor’s Trust
 (“The Creditor’s Trust”)

9 August 2010

I refer to my previous correspondence regarding Australian Zircon.

As you may be aware, at the meeting of creditors of Australian Zircon and its subsidiary companies, Steiner Holdings Pty Ltd and Mallee Mineral Separations Pty Ltd (collectively referred to as “the Group”), pursuant to section 445F of the Corporations Act 2001 (“the Act”) held on Friday, 30 July 2010, DCM DECOmetal International Trading GmbH (“DCM”) requested that creditors resolve that each company within the Group vary the Deed of Company Arrangement’s (“DOCA’s”).

The above variation to the terms of the DOCA’s was approved by creditors and as such, a payment of \$8 million was paid by DCM to Australian Zircon on 30 July 2010, to meet the requirements of all the Administration trading liabilities and the payment of a dividend to all admitted unsecured creditors. Subsequently, the Creditors’ Trust was executed and the DOCA’s were effectuated on the same day.

Distribution to Unsecured Creditors

In this regard, I will be issuing a Notice to Declare a Dividend (“the Dividend”) to unsecured creditors pursuant to sub-regulation 5.6.65(1)(b) of the Act in mid August 2010 with the anticipation a dividend will be paid at the end of August 2010.

Ongoing Trading

I note that as the DOCA’s have now been effectuated and the Creditors’ Trust executed, the Group is now back in control of the Director’s. In this regard, I add that the Group still has and will continue to have the full support of the major shareholder, DCM, to meet all trading liabilities going forward. The Director’s will be formulating near-term plans for the Group in the near future and will communicate these to all its relevant stakeholders.

If you have any queries regarding any of the above please do not hesitate to contact Mr Steve McEwen of Australian Zircon on 08 8410 8884.

Dated this 9th day of August 2010.

BRYAN HUGHES
DIRECTOR OF TRUSTEE COMPANY

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