

## TO THE EMPLOYEE AS ADDRESSED

### NOTICE TO EMPLOYEES OF STANDOWN UNTIL FURTHER NOTICE

13 February 2009

Our Ref: GD/BC/Letter to employees.DOC

Dear Sir / Madam

#### **Lady Annie Operations Pty Ltd ACN 076 289 097 (Administrators Appointed) (Receivers and Managers Appointed)**

As you are aware, the Lady Annie Operations have suffered from exceptional rainfall in recent weeks which has caused flooding and damage that has prevented normal access to site and severely interrupted mining operations. The necessary repairs to restore operations to normal levels cannot properly commence until the weather and conditions improve. You therefore cannot be usefully employed at this time

**As a consequence of these exceptional circumstances, the Receivers and Managers hereby give you notice that you are stood down as an employee from 6.30 pm today until further notice.**

This is not a termination of your employment and the stand down does not affect continuity of service for the purpose of your employee entitlements. Those entitlements will continue to accrue as normal.

The wages payment being made to you today will be for work done up to 6.30pm today. As such, your pay today will be less than you normally receive because it will not include payment for two weeks in advance.

Given the exceptional circumstances and short notice, the Receivers and Managers have made arrangements to ease any immediate financial hardship that the stand down may cause you. The Receiver has obtained funds from the company's financier to enable payment to be made to you next week under Section 433 of the Corporations Act 2001 of your annual leave entitlements, which were outstanding at the commencement of the Receivership (26 November 2008), up to a maximum of two weeks leave.

The Receivers and the company's management will keep you advised of developments. Please let us know if you change your contact details during the stand down period, as we may need to contact you at short notice.

Should you have any queries please contact your manager. If you require any further information, you or your manager should contact Glen Kanevsky on (08) 9365 7163 or Ben Crilly on (08) 9365 7120 of this office.

Yours faithfully



**Gary Doran**

Joint and Several Receiver and Manager