



FERRIER HODGSON

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Date 12 May 2008

Attention Company Announcements Office
Australian Stock Exchange Limited

Facsimile 1300 135 638

From Peter McCluskey

Pages 2

Subject **LAFAYETTE MINING LIMITED**
(SUBJECT TO DEED OF COMPANY ARRANGEMENT) ("THE COMPANY")
ACN 076 390 451

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JAKARTA
KUALA LUMPUR
SINGAPORE
TOKYO

Dear Sir / Madam,

Following my appointment as Deed Administrator of the Company on 9 April 2008, please release the attached Company announcement to your ASX website.

Should you have any queries, please do not hesitate to contact me.

Yours faithfully


PETER McCLUSKEY
DEED ADMINISTRATOR

Encl.

Affiliated through
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**Lafayette Mining Limited
(Subject to Deed of Company Arrangement)
("the Company")**

Sale of Mining Asset

The Deed Administrators are pleased to confirm that the Company's 74% stake in the Rapu Rapu Polymetallic Project ("Project") was sold to Philco Resources Limited ("Philco") on 22 April 2008.

Philco is an existing 26% shareholder in Lafayette Philippines Incorporated ("LPI"), which is the parent of the operating subsidiaries, Rapu Rapu Processing Incorporated and Rapu Rapu Mining Incorporated. Philco is a subsidiary of LG International and Korean Resources Incorporated.

The transaction was structured as a sale by the banking group of the debt owing to it and the sale by the Company of its 74% stake in LPI for nominal value.

The proceeds from the sale will be used to repay a portion of the amount owing to the banking group. There will be no surplus for unsecured creditors and shareholders from the sale.

The Deed Administrators are continuing to explore the possibility of recapitalising the Company. This may provide a more positive outcome for existing shareholders.

If recapitalisation is not possible, the Deed Administrators will issue a notice, pursuant to Section 104-145(1) of the *Income Tax Assessment Act 1997*, that the shares are worthless, effectively crystallising losses for capital gains purposes. This notice is unlikely to be issued before the end of the current financial year.

Shareholders and creditors are urged to visit www.ferrierhodgson.com for further updates on this administration.

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