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## **ANNOUNCEMENT TO THE AUSTRALIAN STOCK EXCHANGE**

### **CROESUS MINING NL (SUBJECT TO DEED OF COMPANY ARRANGEMENT) ACN 009 150 083 ("Croesus")**

**ASX Code: CRS**

#### **Share Sale Agreement**

I refer to the previous announcement lodged with the Australian Stock Exchange on 19 September 2006 regarding Croesus entering into a Deed of Company Arrangement, and also regarding the negotiations with parties interested in the recapitalisation/restructure of Croesus and/or an acquisition of all or part of the assets of Croesus and its subsidiaries (together "Croesus Group").

As a result of the Deed Administrators receiving a number of indicative proposals from interested parties, a short list of 8 parties was identified for the conduct of detailed due diligence at the Croesus Group's Norseman operations. Following detailed due diligence by these parties, in early November 2006, three final offers were received for the acquisition of the Croesus Group's Norseman operations. After extensive negotiations with each of these parties, and a detailed documentation process, on Wednesday 3 January 2007 Croesus executed a Share Sale Agreement ("SSA") with Davos Gold Pty Ltd (a subsidiary of UK AIM Listed company Davos Resources PLC) and Davos Resources PLC (together "Davos Companies") for the sale of all the shares in Croesus' wholly owned subsidiary company, Central Norseman Gold Corporation Limited (Subject to Deed of Company Arrangement) ("CNGC") together with some Croesus Group assets to be transferred into CNGC prior to completion of the share sale.

CNGC owns and operates Australia's longest operating gold mine in Norseman, Western Australia and these operations have continued during the course of the Administration and Deed of Company Arrangement. The purchase consideration for CNGC and the

associated assets to be transferred to CNGC is A\$66M plus the assumption of the liability in connection with Department of Industry and Resources performance bonds and guarantees for the Norseman project totaling approximately A\$4.81M. This consideration is payable in the form of cash, shares in Davos Resources PLC and convertible notes to be issued by Davos Resources PLC, with the notes redeemable/convertible from March/April 2008 through to March/April 2011.

The completion of the sale under the SSA is subject to a number of conditions, primarily the creditors of CNGC and Croesus agreeing to vary the CNGC Deed of Company Arrangement and, if necessary, the Croesus Deed of Company Arrangement, respectively, in order to facilitate the sale; Foreign Investment Review Board approval; and the approval of Davos Resources PLC shareholders. Davos Gold Pty Ltd has paid a cash deposit of A\$8.00M and, subject to the terms of the SSA, this deposit will become non-refundable. Subject to satisfaction of the conditions to the SSA, completion under the SSA is scheduled for 30 March 2007 (although this may be extended at the election of the Davos Companies, and subject to a number of conditions, to April 2007), at which time ownership of CNGC (and, therefore, control of its operations) will transfer to Davos Gold Pty Ltd. Davos Gold Pty Ltd has advised Croesus that CNGC's operations at Norseman will continue after completion, with all employees of CNGC at completion retaining their employment.

### **Recapitalisation Proposal**

As part of the expressions of interest process commenced shortly after the appointment of Administrators on 23 June 2006, interested parties were requested to lodge proposals for the restructuring of the Croesus Group, or any of the companies within the Croesus Group including Croesus. At the same time as the Davos Companies lodged an offer for the purchase of CNGC and its Norseman operations, Ascent Capital Holdings Pty Ltd ("Ascent") (a party associated with the Davos Chairman Mr Steinepreis) also lodged a proposal for the recapitalisation of Croesus.

This recapitalisation proposal has since been detailed in a Recapitalisation Deed and this Recapitalisation Deed was also executed by the Deed Administrators and Ascent on Wednesday 3 January 2007. Ascent proposes to pay the sum of A\$800,000 (being A\$700,000 for the benefit of secured creditors and A\$100,000 for the benefit of unsecured creditors of Croesus); to consolidate the existing capital of Croesus on a 1 for 15 basis, and cause Croesus to issue new shares to raise a minimum of A\$1.6M. Whilst the abovementioned SSA is not conditional upon the successful completion of the Recapitalisation Deed, the Recapitalisation Deed is conditional upon the successful completion of the SSA. In addition, the Recapitalisation Deed is conditional upon the creditors of Croesus voting in favour of a varied Deed of Company Arrangement to facilitate the recapitalisation, as well as shareholder approval (at separately convened meetings), and other matters, including the ASX giving its approval to the reinstatement of the trading of the Croesus shares, as well as other relevant approvals in accordance with the ASX Listing Rules and the Corporations Act.

If the Recapitalisation Deed and the proposed variations to the Croesus Deed of Company Arrangement are approved by both creditors and shareholders, and the other conditions are satisfied, then the Recapitalisation Deed should result in a greater return to creditors than would be the case in the liquidation of Croesus, and the shareholders of Croesus should benefit from the reinstatement to the ASX of the trading of Croesus shares.

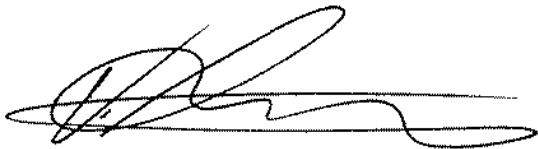
### **Creditor Meetings**

As a result of executing the SSA and the Recapitalisation Deed, the Deed Administrators are now preparing reports to creditors for both Croesus and CNGC. The reports will have attached to them the proposed varied Deeds of Company Arrangement and associated Creditor Trust Deeds. It is anticipated the reports will be dispatched to creditors within the next 2 – 3 weeks, with creditors meetings convened to discuss the contents of the Reports and the SSA by no later than 15 February 2007.

### **Enquiries**

Any enquiries regarding Croesus should be directed to Bryan Hughes or Vincent Smith on (08) 9322 2022. Any enquiries regarding the Davos Companies and/or future operational plans for CNGC and the Norseman operations should be directed to the Chairman of Davos Resources PLC, Mr David Steinepreis, on (08) 9420 9300.

Dated the 10<sup>th</sup> day of January 2007.

A handwritten signature in black ink, appearing to read 'Vincent Smith', with a long horizontal flourish extending to the right.

**VINCENT SMITH**  
Joint & Several Deed Administrator