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MEDIA RELEASE

Zinifex announces improved utilisation of Rosebery mill

Zinifex is set to further improve utilisation of its mill and concentrator at Rosebery Mine, today announcing an Ore Sales Agreement with Bass Metals Ltd to purchase ore from the first stage of its Que River Base Metal Project.

The agreement allows for Zinifex to purchase 120,000 tonnes of ore from Bass Metal over approximately two years at an average of 8.3% zinc metal content. There is a further option to extend this agreement subject to the approval of both parties.

Zinifex's Chief Operating Officer, Brett Fletcher, said that recent changes to the concentrator have improved its operation and efficiency to the point where its throughput now exceeds the capacity of the mine.

"With improved operations in the mill we are now in a position to process a greater amount of ore so we approached Bass Metals earlier this year to explore sourcing product from their Que River site some 30km from Rosebery.

"The agreement enables us to potentially put additional material through the mill and, as a result, get better asset utilisation at the mine," he said.

A trial shipment of approximately 1000 tonnes was undertaken in July to test the suitability of the ore. This trial was successfully completed and Bass Metals will now commence delivery of the contracted tonnage as soon as practicable.

Under the Agreement it is expected that Bass Metals will deliver more than to 115,000 tonnes of Que River ore over a two-year period at approximately 7,000 tonnes per month. This will bring the total tonnes processed at the Mine to over 800,000 a year.

Commenting on the agreement, Rosebery Mine's General Manager – Fran Burgess, said that the deal was good, not only for Zinifex but also for West Coast Tasmania.

"Increased through-put is great news for the Mine as it means that we are improving our efficiency and our bottom line.

"But it's also good news for West Coast Tasmania as the deal underscores the growing contribution the resources sector is making in this part of the State, both in terms of employment opportunities and economic contribution," she said.

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