Tasmanian minerals industry

- Characterised by variety of mineral endowment
- 2006-07 value of mining production $A1,023 million
- 2006-07 value of mineral processing $A1,634 million
- Mining and mineral exploration provide nearly 50% of Tasmania’s mercantile exports
- 2006-07 exploration expenditure $36.0 million
- 5 major metallic mines in production
- 17 new projects from planning to production stages for Ni, W, Sn, Cu, Zn, Pb, Ag, Au, Co, fluorite, sapphire, rutile, zircon, ilmenite and silica
- Vibrant mineral exploration industry: 7 new companies floated in last 12 months for metals and geothermal power exploration
- Robust and efficient approvals process
Shagang Mining has purchased a 90% holding in Australian Bulk Minerals.

This will enable open cut production to continue until 2023.

- Reserves 99 million tonnes at 48.1% magnetite (Fe$_3$O$_4$)
- Resources 323 million tonnes at 50.9% magnetite
New Operations

The Polymetals Pty Ltd - Intec Ltd joint venture is producing a bulk concentrate from the Hellyer tailings. Planned production: 60,000tpa of 32% Zn, 16% Pb, ~240g/t Ag, shipped to Chinese smelter customers.

Intec Ltd is also developing a chloride based process to recover high purity zinc sulfide from electric arc furnace dust and high purity lead sulfide from a low grade concentrate produced from the Hellyer tailings commencing in 2009.
New Projects: zinc

Bass Metals Limited will mine 118,000 t of ore from the Que River deposit grading 8.3% Zn, 3.9% Pb, 0.7% Cu, 96g/t Ag and 2.2g/t Au over the next 18 months as the first stage of a 3 to 5 year operation. Concentrates are being produced at Zinifex Rosebery.
Avebury nickel project:
Allegiance Mining N.L.

- Starts production early 2008
- To produce 8,500 tonnes of nickel in concentrate per annum under an off-take agreement with the Jinchuan nickel group and expansions are planned
- Currently a hostile takeover bid from Zinifex Ltd
King Island Scheelite Ltd

- KIS has completed negotiations with the Hunan Nonferrous Metals Corporation to establish an equity, off-take and financial agreement.
- Once regulatory approvals are in place, construction will start immediately.
- Hunan is guaranteed 50% of the off-take of 100,000 to 500,000 m.t.u. of WO$_3$ per annum.
- KIS will be free to sell the other 50% of scheelite on the open market.
Mining to commence at Mount Bischoff and resume at Renison Bell in mid 2008

Copper to be produced in Renison Bell for the first time

Feasibility study into recovering tin and copper from tailings also to be completed in early 2008

Metals X Ltd: tin strategy
Recent exploration successes
Recent exploration successes:

Resource upgrades

- **5.32 Mm³ @ 1300 g/ m³ SnO₂, 2 ct/ m³ sapphire**
  - Van Dieman Mines plc, Scotia

- **6.04 Mm³ @ 1300 g/ m³ SnO₂, 2 ct/ m³ sapphire**
  - Van Dieman Mines plc, Endurance - Pioneer

- **1.9 Mt @ 0.96% Sn**
  - Metals X Ltd, Mt Bischoff

- **0.74 Mt @ 5.7% Zn, 2.9% Pb, 1.1% Cu, 84 g/ t Ag, 0.9.3 g/ t Au**
  - Bass Metals Ltd, Que River

- **11.7 Mt 13.0% Zn, 3.8% Pb, 0.4% Cu, 138g/ t Ag, 1.9 g/ t Au**
  - Zinifex Ltd, Rosebery

- **4.4 Mt @ 2.0% Sn, 1.2 Mt @ 0.8% Cu**
  - Metals X Ltd, Renison Bell

- **14 Mt @ 1.04% Ni**
  - Allegiance Mining NL, Avebury

- **1.4 Mt @ 2.8% Zn, 3.4% Pb, 69 g/ t Ag**
  - Zeehan Zinc Ltd, Boss
Recent exploration successes:

Drill intersections

4.2 m @ 6.3% Zn, 2.8% Pb, 36 g/t Ag
Jaguar Minerals Ltd, Wilson River

54 m @ 33.5% Fe
Venture Minerals Ltd, Mt Lindsay

16 m @ 0.62% Cu
Stellar Resources, Alpine

3.5 m @ 5.0% Pb, 1.1% Zn, 120 g/t Ag, 1.1 g/t Au
Bass Metals Ltd, Iris River

11 m @ 4.9 g/t Au
Greatland Gold plc, Firetower

19 m @ 8.4% Zn, 3.5% Pb, 82 g/t Ag, 3.3 g/t Au
Bass Metals Ltd, Hellyer barite

22 m @ 1.1% Sn
Stellar Resources, St Dizier

15 m @ 7.1% Zn, 3.4% Pb, 94 g/t Ag
Stonehenge Metals Ltd, Sunshine

0.7 m @ 10.8% Ni, 3.8% Cu
Allegiance Mining NL, Melba Flat
Land access and regulation

- National parks and some other reserves cover about 25% of Tasmania’s area and are unavailable for exploration and mining.
- Access to the remaining 75% is underpinned by Australian and Tasmanian legislation.
- Therefore, land access in Tasmania is as least as secure as anywhere else in Australia.
- Modern (1990s) legislation underpins project approvals.
- Four mining projects have been approved in the past year.
- No mining project has failed to gain approval under the new legislation.
- No State impediment to uranium exploration and mining.
- The mineral exploration and mining industries operate under a secure and transparent system!
Areas available for application in early 2008
Summary

- Investment by international companies is welcome and essential to the industry.
- There is an unprecedented level of mining project development and mineral exploration and significant progress during the past year.
- Four new projects started in last year, with more in the pipeline.
- Tasmanian Government projects are providing stimulus to exploration.
- New companies are invigorating the mining and exploration scenes.
Discover the rewards!

www.mrt.tas.gov.au