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30 April 2015

## Media Release

### RE: Murray Zircon Pty Ltd - Mindarie Mineral Sands Project – Go-Forward Plans

**In March 2015, mining and processing of the last of the ore reserves from Murray Zircon’s Mindarie ‘C’ East mineral sands ore body were completed.** This finalises the processing of ore within economic pumping distance from the current location of the Primary Concentration Plant (PCP). If Murray Zircon is to continue ore mining and processing, the PCP must be relocated to a new production centre within pumping distance of new mineral sand deposits.

In anticipation of the depletion of ore reserves in the current mining area, **Murray Zircon has been engaged in a lengthy and detailed review of its options to continue production.** The key considerations in this review were the current very weak mineral sands commodity prices and the unit costs of mining and processing relative to the ore grade of the company’s mineral sands reserves in South Australia.

Based on the results of this review, **Murray Zircon made the decision to delay a move to a new production centre in South Australia for an indefinite period of time.** This delay is designed to provide time for a much needed recovery of mineral sands commodities prices. It will also allow time for Murray Zircon to investigate alternative mineral sands deposits with higher ore grades and more favourable economics.

**As a result of this decision, site activities at Mindarie will be wound down across the next 2-3 months.** Mining equipment, pumping stations, pipelines and power lines will be retrieved from the mine path and temporarily stored near the PCP. The mining contractor will continue with scheduled mine rehabilitation but will also slowly wind down its operating activities across the next 3-4 months with the completion of scheduled rehabilitation of all mined areas.

Unfortunately, **Murray Zircon employees will be affected by this decision and 60-day notices of redundancy will be issued to 36 employees.**

Murray Zircon’s CEO Mr Patrick Mutz commented, **“The Board, management and employees of Murray Zircon are proud of the achievements made by the group across the past 3 years in re-developing the Mindarie Project.**

From the outset the company demonstrated its commitment to entering the mining industry in South Australia in a manner that was respectful of all stakeholders. This included local landowners, the community, State regulators, the government, and our employees, contractors and suppliers.

**The net result has been positive relations with all stakeholders and the company making real contributions to the local, regional and State economies.**

These positive effects make it all the more difficult to now have to face a decision driven by low commodity prices which interrupts our day to day business activities and impacts on our employees, contractors and suppliers as well as other stakeholders.

**We do however, look forward to recommencing mining and ore processing in Australia when market conditions and/or project economics are more favourable.”**

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