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Media release:

MMG reaffirms commitment to West Coast Tasmania

Minerals and Metals Group (MMG) reaffirmed its commitment to the West Coast today as Tasmanian Premier David Bartlett visited its Rosebery mine and met with Chief Executive Officer Mr Andrew Michelmore.

The Premier met with Mr Michelmore and MMG Chief Operating Officer Brett Fletcher for the first time since the mine was sold into MMG following the sale of a number of OZ Minerals' assets in June this year.

Mr Michelmore said the meeting was constructive and provided MMG with the opportunity to update the Premier on its operations in Tasmania as well as the company's strategic plans for the future.

"We have a solid presence here in Tasmania, particularly on the West Coast, and place a high value on our strong relationship with the Tasmanian Government and the local community," said Mr Michelmore.

"Mining is a part of this region's rich history and we look forward to being part of its future as we continue to grow our business in the coming years."

On the occasion of the Premier's visit MMG was pleased to announce a number of significant development programs at Rosebery.

Firstly, a raise bore drilling program, deferred in November last year, will be restarted. The completion of this program will see a hole drilled nearly 4.5 metres in diameter and 1,300 metres deep to create an additional ventilation shaft to deliver fresh air to the deepest reaches of the mine. Total capital expenditure of the project is over \$25 million.

Secondly, MMG announced an additional \$1.6 million deep exploration drilling program to confirm the long term viability of the Rosebery mine. Two deep surface diamond drill holes are planned to target prospective areas below the lower parts of the Rosebery ore body. The drilling program will commence in October.

Significant additional resources have been discovered at Rosebery over the last three years with the mine life now extending for to the end of the next decade. We hope this drilling program will again boost the mine's reserves and extend its life even further," said Mr Michelmore.

Approximately 20 to 30 contractor positions will be required at Rosebery through the course of these two programs.

MMG also owns the Avebury nickel mine near Zeehan on the West Coast and has recently committed a team to review the operations there in the hope of recommencing the operation when economic conditions improve. However, Mr Michelmore was cautious in his predictions for when this might occur.

“Nickel prices are still doing it tough at around US \$15 – 16,000 per tonne and given the high cost involved in restarting an operation we need to be absolutely sure that prices will remain at an economically viable level to make that decision,” said Mr Michelmore.

MMG is the world’s largest producer of zinc as well as a substantial producer of copper, lead, gold and silver. MMG is headquartered in Melbourne and owned by China Minmetals Non-ferrous Metals Co., Ltd, a division of China Minmetals Corporation.

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