

# HEEMSKIRK

## Announcement



1 April 2010

### New Mining Contractor Appointed

#### KEY POINTS

- ▶ New mining contractor appointed
- ▶ Targeted cost improvement achieved
- ▶ Mining to restart this month

Heemskirk is pleased to advise that negotiations for the appointment of a new mining contractor at Heemskirk's Los Santos operation in Spain have concluded with the appointment of Sanchez y Lago (SyL) – a Spanish mining and civil contracting firm with worldwide operating experience.

Mr Kevin Robinson, Managing Director, said,

"The appointment of SyL as a key partner in our Los Santos operation is an important step forward for us.

Currently mobilising equipment and personnel to site, SyL will recommence mining in April, coinciding with the plant commissioning program.

SyL see Los Santos, and the greater Salamanca region, as an area of focus for them for future mining activity and have delivered the key outcomes anticipated with a change of contractor.

Our principal objective with the termination of the previous contractor was an overall reduction in cost. We will realise this with both equipment that is better matched to our conditions, as well as an improvement in activity costs.

The restart of mining in April will ensure that we have feed available for the start up of the reconfigured plant (Project 65/65).

Construction has progressed very well despite the widely reported harsh Northern Hemisphere weather conditions during the New Year period. The ball mill has been lifted into position and the remaining equipment such as the gravity tables and spirals are in place."

Mr Robinson was keen to acknowledge the achievements in plant construction. "We are really pleased with the progress to date with the plant construction. Project 65/65 is being wholly managed by our own site people and they have done a magnificent job procuring equipment and getting it installed in the time frame that they have. The team are focussed on delivery of the plant improvements and we need to compliment them on the contribution that they are making towards Heemskirk's future."

For further information, please contact:

Peter Bird  
Executive Director  
Corporate and Markets

Heemskirk Consolidated Limited  
ABN 18 106 720 138  
Level 5  
303 Collins Street  
Melbourne Victoria 3000  
Australia

Telephone: +61 3 9614 0666  
Facsimile: +61 3 9614 4466  
Email: [hsk@heemskirk.com](mailto:hsk@heemskirk.com)

This information is available on  
our website at  
[www.heemskirk.com](http://www.heemskirk.com)

Kevin Robinson  
Managing Director



HEEMSKIRK  
CONSOLIDATED