

Los Santos Project 65/65 nearing completion

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Kevin Robinson
Managing Director

KEY POINTS

- ▶ Los Santos Project 65/65 mill upgrade nearing completion
- ▶ Full commissioning to commence this month
- ▶ Mining contractor on site with first ore to plant next week

Heemskirk is pleased to provide an update on the Project 65/65 mill upgrade program at the Los Santos Tungsten operation.

Despite extended periods of poor weather throughout the Northern Hemisphere over the construction period, works associated with Project 65/65 have progressed well. Mechanical installation is nearing completion and electrical works have commenced. Full commissioning of Project 65/65 will be underway in the next few weeks. This process will be in several stages as different parts of the circuit are finalised and tested before the whole circuit is brought into final testing.

All principal structures have been completed and the new equipment installed. The capacity of the “gravity table” circuit will be significantly upgraded with an increase in the number of installed tables from eight to 28 and the capacity of the “spiral” circuit has been more than doubled.

A new “middlings” processing stream has been added to provide an improved material balance and a flotation circuit has been installed to remove unwanted material such as sulphides.

As part of the transformation, a regrind circuit has been constructed to process oversize material, thereby increasing the plant throughput capacity. The ball mill for the regrind circuit is now in position and aligned.

Some areas have already been commissioned such as the flotation circuit and two of the three new in-line low intensity magnetic separators (LIMS). Importantly, the LIMS in operation remove magnetic material early in the processing route, reducing unwanted waste load from the circuit before the gravity separation tables.

The “gravity table” circuit is being commissioned progressively.

Mr Kevin Robinson, Managing Director, said,

"Project 65/65 should see the Los Santos processing plant retrofitted to lift capacity to 65tph and deliver 65% recovery of scheelite to concentrate. These modifications were deemed necessary following a project performance review last year. Significant metallurgical testwork was undertaken.

We found that a combination of fines handling and metallurgical variances in the ore from our pits precluded the plant from achieving nameplate capacities. Project 65/65 was developed to address this. A new flowsheet was developed with the assistance of independent metallurgical consultants. The development was then commenced in the second half of 2009.

Heemskirk site personnel have coordinated the development. They have done a tremendous job in sourcing the equipment required in the revised flowsheet. The works have progressed without incident and no doubt pouring concrete whilst it's snowing is no fun – the crews have continued to work to the schedule. The team at site are very focussed on delivery of the plant improvements and we compliment them on the contribution that they are making towards Heemskirk's future."

Mobilisation of the new mining contractor, SyL, has commenced with first ore expected to be delivered to the mill by next week. Ore production will build up during the commissioning process to ensure a smooth transition back to full production post commissioning.

Directors

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*Ross Herron
(Non-Executive Director)*

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New Building Structure