

HEEMSKIRK

Announcement



25 June 2010

Tungsten concentrate shipments restart at Los Santos

KEY POINTS

- ▶ **Resumption of tungsten concentrate shipments from Los Santos (Spain)**
- ▶ **Tungsten concentrate price now 30% above 2009 lows**
- ▶ **Milling rate consistently above design of 65tph**
- ▶ **Shipment marks major milestone for key Western World producer.**

Heemskirk Consolidated's (ASX:HSK) Los Santos tungsten operation in Spain has recommenced tungsten concentrate shipments following the successful recommissioning of the processing plant.

As a consequence of the recommissioning, Los Santos will become one of western world's top three suppliers of tungsten concentrate, with first shipment this week to Heemskirk's offtake partner, Global Tungsten Powders.

Further to the announcement (2 June 2010) of the restart of ore processing at Los Santos, the Company reconfirms production and recovery rates are improving.

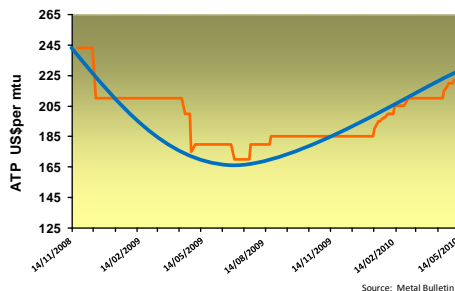
Mr Kevin Robinson, Managing Director, said

"The shipping of concentrate this week marks the culmination of the efforts of many people in delivering Project 65/65 which, when optimised, would see Los Santos producing in excess of 90,000 metric tonne units of concentrate per annum.

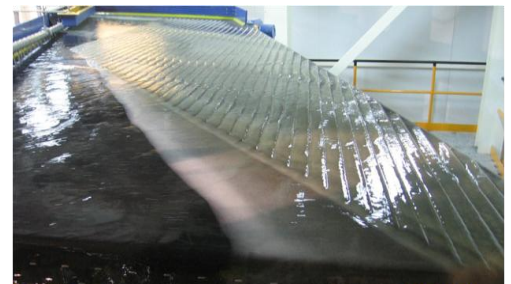
We have now consistently seen milling rates above 65tph, and as the backend of the plant is progressively balanced, recoveries above 60% have been achieved. Recoveries will further improve as the plant is fine tuned.*

*This is a key milestone for Los Santos as we are now ramping up to forecast production levels in a rising tungsten price** environment."*

The corporate review process continues with several parties to conduct site inspections during July in order to provide a firm basis for further discussion.



Current tungsten prices



Concentrate production on tables

* tph = tonnes per hour

** tungsten price has risen 30% in the past 10 months to US\$232-237/mtu.

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