

AustralianZircon

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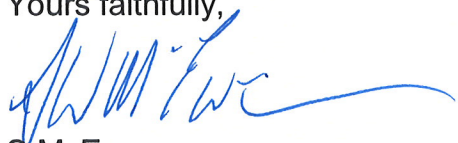
Company Announcements Platform
ASX Limited

Dear Sir/Madam,

On 4 August 2011, Justice Corboy of the Supreme Court of Western Australia ruled that Australian Zircon NL's Farm-In Agreement with Austpac Resources NL ("Austpac") for the WIM150 mineral sands project was not assignable, and that therefore Austpac's Sale Agreement with Astron Limited was ended.

Under the Farm-In Agreement, Australian Zircon NL has the right to earn an 80% interest in the WIM150 project by completing a bankable feasibility study. The bankable feasibility study is well advanced with major contractors CPG-Mineral Technologies, Coffey Environments and AMC Consultants providing input into the study which is scheduled for completion mid-2012.

Yours faithfully,



S McEwen
Director/Company Secretary