

27 September 2012

The Manager
Market Announcements Office
Australian Securities Exchange
20 Bridge St
SYDNEY NSW 2000

ASX ANNOUNCEMENT

Dear Sir/Madam,

Further to the announcement on 15th August 2012 and all necessary approvals and consents having been gained, Australian Zircon NL ("the Company") has completed the sale of its 35% shareholding in Murray Zircon Pty Ltd to a company based in Hong Kong in the Peoples Republic of China.

Proceeds from this sale will assist the Company continuing with its mineral sands focus by progressing the Bankable Feasibility Study ("BFS") for the WIM150 Heavy Mineral Sands project in western Victoria. The proceeds will also be utilised for reduction of the Company's debt to its secured creditor and major shareholder DCM DECOmetal.

The Company has the right to earn an 80% interest in the WIM150 project by the completion of a BFS. Work on the BFS is advancing and is scheduled for completion in 2013.

On behalf of the board

Yours faithfully,



G. Seppelt
Company Secretary

For personal use only