

4 December 2013

The Manager
Market Announcements Office
Australian Securities Exchange
20 Bridge Street
Sydney New South Wales 2000

ASX Announcement for Immediate Release

Dear Manager,

WIM150 Joint Venture western Victoria

I refer to Australian Zircon NL ~~Australian Zircon~~ ~~or the Company~~ ~~as~~ ~~advice~~ of 6 September 2013 and confirmed in the Company's amended Quarterly Report of 25 October 2013, that Australian Zircon has earned an 80% equity interest in the WIM150 Project and in the WIM150 Joint Venture.

Australian Zircon is Operator for the Joint Venture which owns the WIM150 mineral sand deposit in western Victoria. The location of the Project is illustrated on the attached plans.

Australian Zircon reported to the ASX (26 July 2013) that Proved and Probable Ore Reserves of **552 million tonnes of 4.3%** total heavy mineral had been defined at WIM150. This Ore Reserve is included in a Measured, Indicated and Inferred Mineral Resource base of **1,650 million tonnes of 3.7%** total heavy mineral as reported to the ASX on the 18 June 2013.

Both the Ore Reserve and Mineral Resource estimates quoted in this announcement should be read as summaries of the original announcements. Australian Zircon confirms that the data contained in this release complies with the requirements of ASX Listing Rule 5.23.2:

"The entity confirms in the subsequent public report that it is not aware of any new information or data that materially affects the information included in the relevant market announcement and, in the case of estimates of mineral resources or ore reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed."

The Project has an **Ore Reserve** Minelife of **60 years**, and a Mineral Resource Minelife of more than **160 years** at the planned rate of production.

Drilling has established a total contained Project Resource of **25 million tonnes of zircon plus rutile plus leucoxene**.

In the course of its Ore Reserve studies, expert Optiro Pty Ltd determined that the 552 million tonne WIM150 Ore Reserve carries a **waste : ore ratio, after removal of soil and subsoil, of 0.51 : 1**. This ratio compares well with other zircon / titanium mineral producers.

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The Company's advice to ASX on both 6 September and 25 October noted that:

Within 90 days of 3 September 2013, Orient Zirconic Resources (Australia) Pty Ltd may elect either:

- to contribute to hold a 20% participating interest in the Joint Venture; or
- to convert its participating interest into a 10% Nett Profit Interest

The board of Australian Zircon NL is pleased to report that Orient Zirconic has elected to retain its 20% participating interest in the WIM150 Joint Venture and that participating interests in the Joint Venture continue to be:

- Australian Zircon NL 80% and Operator
- Orient Zirconic Resources (Australia) Pty Ltd 20%

Orient Zirconic is a capable and experienced partner in zircon production and useage.

Orient Zirconic is the Project's contracted off-take partner for 50% of all mineral production . 20% as to its own equity interest together with a further 30% of all mineral products contracted with Australian Zircon.

Orient Zirconic is a significant end-user of zircon in China. It is also the Operator and majority interest-holder in the Mindarie mineral sand mine in the South Australian sector of the Murray Basin.

Yours faithfully,

Jeremy D Shervington
Chairman

for and on behalf of
Australian Zircon NL

Attachments:

WIM150 Project
- Regional location and infrastructure

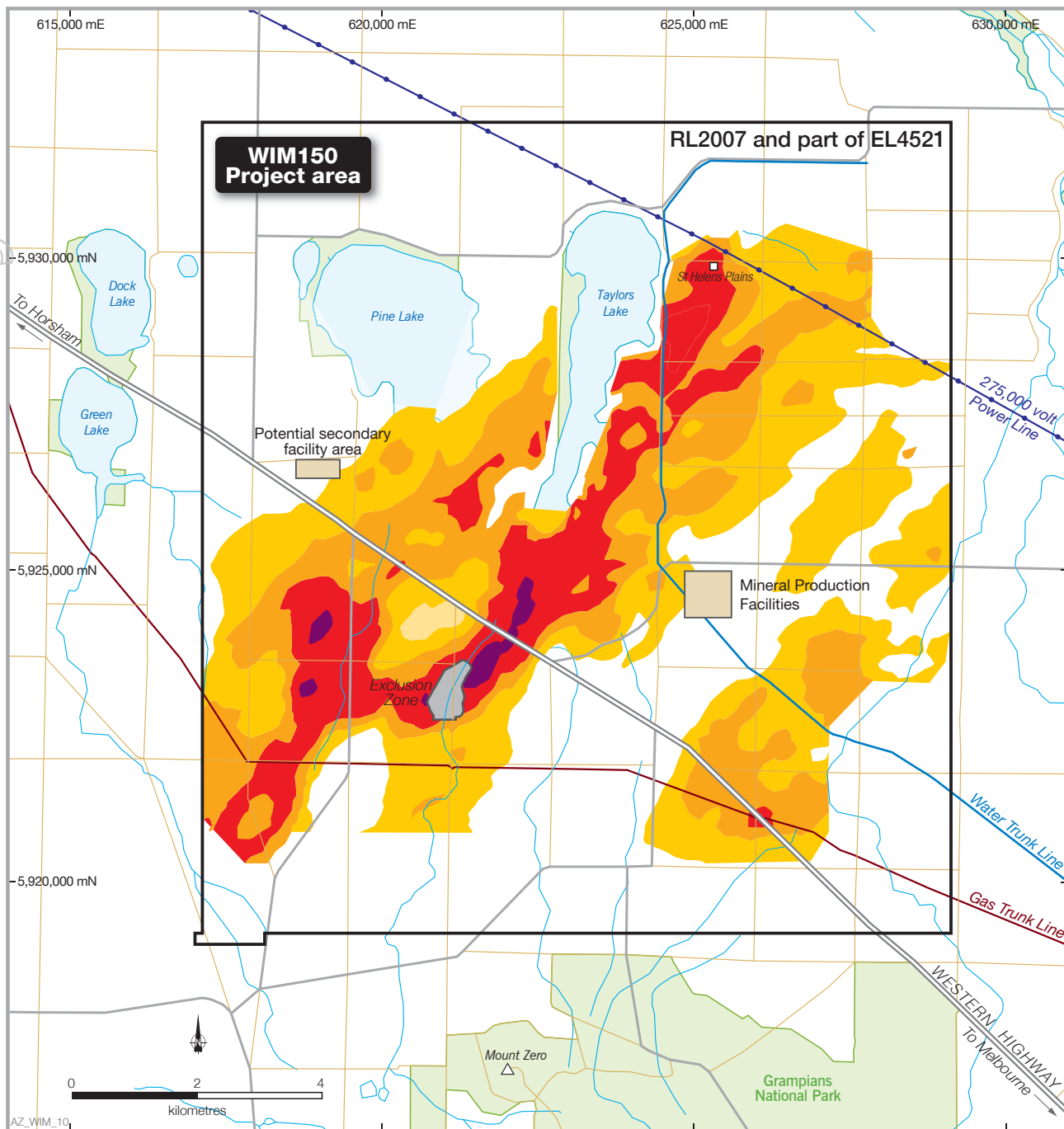
WIM150 Project
- Zircon (%) contained inground in the mineralised horizon

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- National Park/Reserve
- River
- Lake
- Homestead
- Highway
- Major Road
- Gas Trunk Line
- 275,000 volt Power Line
- Water Authority Trunk Line

Zircon %	
	>1.4
	1.0 - 1.4
	0.8 - 1.0
	0.6 - 0.8
	<0.6

AustralianZircon
 NL ABN 60 063 389 079

WIM150 PROJECT
 Zircon (%) contained
 inground in the
 mineralised horizon