

Latest news

DMS Holds Fourth Community Information Evening

Around 45 local community members attended an information session on Monday the 10th September. Details around the latest draft Environmental Effects studies were on display along with DMS staff to answer any questions. Delegates from The Department of Primary Industries and Department of Human Services were also present. Studies on display for the first time included Noise, Cultural Heritage and Radiation.

ASTRON Ltd Announces A\$220 million sale of its Downstream Zirconia Materials Business

Astron Limited (ASX: ATR, "Astron") has entered into a share sale agreement for the sale of its Chinese based zirconia materials business to Imerys SA (NK: FP, "Imerys"), a French multi-national minerals processing company for a total cash payment of approximately A\$220 million. The combined value of these sale proceeds and Astron's existing cash and financial assets totals approximately A\$233 million (or A\$3.85 per Astron share).

On announcing the transaction, Managing Director of Astron, Mr Alex Brown said: "The price reflects the future value we could achieve from operating these businesses on a standalone basis. In addition the time is right for Astron to divest these assets and focus our strategy on the higher value and growth opportunities attainable from minerals production and in titanium dioxide". Completion of the transaction is expected in October/November, prior to which shareholders will be asked to vote on a resolution approving this sale at an extraordinary general meeting ("EGM").

The Astron Board of Directors views the proposed transaction as being in the best interests of shareholders and intend, in the absence of a superior proposal, to vote all shares held or controlled by them at the time of the EGM in favour of the proposed sale.

Following the completion of the sale, Astron will remain listed on the Australian Securities Exchange and will retain the mineral sands and titanium businesses which the Board considers have significant growth and development potential. Astron's strategy moving forward will encompass both mineral sands mining and processing and the downstream production of chemicals and metals, and specifically will include:

Mineral Sands Mining

- Astron's wholly owned Donald Mineral Sands Project in Victoria, expected to commence production in 2009; and
- Astron's 50% joint venture with Carnegie Minerals (AIM: CME) in Gambian and Senegalese mining assets. The Gambian mine has been producing mineral sands since mid-2006.

Minerals Sands Processing

- Mineral sands concentrate separation facilities (currently being assessed) in China for concentrate from Astron's above mining projects as well as third parties' projects including Matilda Mining (ASX: MAL) and others currently under discussion.

Downstream Production

- Production facilities (currently being assessed) primarily for titanium products as well as a limited set of zirconium-based products in China.

As part of the proposed sale, offtake agreements will be provided by Imerys for the zirconium materials produced from the above mining projects and processing facilities.

Environment Effect Statement Update

All field works associated with the relevant studies are now complete and specialists are in the process of completing draft reports for presentation to and review by the Technical Reference Group (TRG). Extracts from the reports presented to the TRG will be presented at the next community information evening. Reports presented to date include Fauna and Flora, Net gain, Traffic, Cultural Heritage, Noise, Dust, Social & Economic, Rehabilitation & Radiation. Studies yet to be presented include, Water (Ground, Surface & Supply) & Amenity.



Astron Reports Profits

Astron announced a net profit of \$14.1 million in the financial year 2006/07, down 31.7% despite revenue increasing 24.7% to \$188.5 million. Astron will provide an un-franked dividend of 20 cents per share, payable on December 12th 2007. These revenues reflected a strong performance for all divisions and in particular reflect a very strong growth in the sale of Titanium slag to TiO2 producers across China.

Net profit was lower, the forecast reflecting:

- Softening of the zircon sand market in China resulting in lower margins from sale of zircon sand;
- Strong adverse movement in Foreign exchange between A\$ and Chinese RMB;
- Lower margins from Traded Titanium products;
- Strong increases in freight for export and domestic sales and increases in tonnages moved; and
- Write-off of consulting and advisory fees and costs associated with sale of four companies in China to Imerys.

For further information Please visit;

<http://www.asx.com.au/asx/research/CompanyInfoSearchResults.jsp?archBy=asxCode&allinfo=&asxCode=atr>

And review announcement dated 29/08/2007

DMS Holds Cultural Heritage Information Sessions

During the past six weeks DMS held three information sessions to update the local indigenous communities on the findings of the cultural heritage studies conducted as part of the EES in September 2006. Representatives from the Goolum Goolum Co Operative, Barengi Gadjin Land Council, Aboriginal Affairs Victoria and DPI were in attendance. The Session included an hour's formal presentation followed by question time, lunch and a tour of the site.

Supporting Communities

DMS is committed to supporting the local community and welcomes requests for sponsorship. These should be submitted in writing to the DMS Minyip office.

Photo to left: Executive Officer for BGLC Andy Hodge and Governing committee member Estelle French along side a scar tree located within the project area.



Community Involvement

DMS is planning a fifth information evening in October. The date and time of the evening will be advertised through the local media. It is expected that both the Water & Amenity studies will be on display.

This informal evening will provide the local community the opportunity to discuss the project in more detail with company representatives. The community, through these information evenings, have raised several issues for consideration during the EES. DMS acknowledges these issues and is committed to seriously examine them during the EES.

Feedback form

Donald Mineral Sands (DMS) welcomes feedback from the community and invites you to complete this feedback form and post it to PO Box 49 Minyip, 3392 or drop into our Minyip office at 69-71 Main Street.

Where did you obtain a copy of this newsletter?

Did you obtain any new information from this newsletter?.....

What additional information regarding the project do you think should be included in future newsletters?