

EuroZinc starts up Neves-Corvo zinc production plant

2006-07-04 09:37 ET - News Release

Mr. Joao Carrelo reports

EUROZINC ANNOUNCES ZINC PRODUCTION AT NEVES-CORVO

EuroZinc Mining Corp. has confirmed the startup of its zinc production plant at the company's Neves-Corvo mine in Portugal, as planned, on July 3. Underground mining operations in the zinc zone were initiated earlier in the year and stockpiles of ore for mill feed were accumulated both underground and on surface in anticipation of the plant startup and as the production levels of zinc ore were ramped up.

The zinc plant, retrofitted from the original tin plant, is planned to process zinc ore at an annual rate of 350,000 tonnes, which equates to 55 million pounds (25,000 tonnes) of contained zinc metal in concentrate. On this basis the company expects to produce approximately 27 million pounds (12,500 tonnes) of zinc metal in 2006, which will be sold at spot market prices. Neves-Corvo thus becomes the only zinc producer in the Iberian Peninsula at the present time.

Chief operating officer, Joao Carrelo, commented that: "This is a very significant milestone in the 17-year operating history of the Neves-Corvo mine. Over and above the exploitation and further development of our considerable copper reserves, we are now in a position to produce from our extensive zinc resources, which should enable us to also produce a lead/silver concentrate. The second phase of the zinc project contemplates increasing plant annual throughput in the near future to 650,000 tonnes and raising annual contained zinc metal production to approximately 110 million pounds (50,000 tonnes)."

C.K. Benner, vice-chairman and chief executive officer, added: "The current and contemplated increase in zinc production at Neves-Corvo, combined with achieving full capacity at the Aljustrel mine by mid-2008, would bring our annual production of contained zinc metal to approximately 300 million pounds. On a consolidated annual basis, by 2008 we estimate to be producing approximately half a billion pounds of contained copper and zinc or approximately 650,000 tonnes of concentrate. This would make EuroZinc a significant concentrate producer on a global scale."

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