

First ore on its way

Jobs boost as Thalanga zinc mine begins supplying China

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THE restarted Thalanga mine 200km west of Townsville has made its first shipment of zinc concentrates to China, with more than 130 people employed in the operation.

Red River Resources managing director Mel Palancian said further development to open its Far West Mineral Resource was scheduled to commence this quarter, boosting the number of jobs.

"That will bring more jobs from the underground side," Mr Palancian said.

"We are producing zinc, lead and copper concentrates. It's all going to plan."

Red River Resources acquired the operations from the liquidators of Kagara Ltd for \$6.5 million about three years ago but the mine – opened in the late 1980s – has not operated for five years.

The company fired up the old Thalanga plant last year, declaring commercial production from December 31.

The first shipment of 5500 wet metric tonnes of zinc concentrates has been loaded at the Port of Townsville, bound for the Port of Lianyungang in China.

Zinc and lead concentrates from Thalanga are sold under an offtake agreement to commodity trader Trafigura.

The company has also completed its first delivery of copper concentrate to Glencore, which takes delivery at the Thalanga gate.

The December quarter marked the first production for Australia's newest zinc producer and comes as the price of the commodity continues to rise. Zinc prices have almost tripled to more than \$US1.60/lb since late 2015.

"The market is good. We are happy with that," Mr Palancian said.

"Now we need to not only keep delivering production but grow the story as well.

"We are still getting pretty good (drilling) results, especially from Liontown."

Its West 45 mine has a resource of 600,000 tonnes, grading about 11.6 per cent zinc, and Far West has 1.5 million tonnes grading about 12 per cent zinc, indicating a mine life of seven years.

The company is drilling Liontown East, Truncheon and Esso's Waterloo and has been awarded additional ground within the Mount Windsor Belt.

Thalanga Operations generated cash of \$6.8 million for the December quarter.



The Thalanga mine has started shipping to China.



ORESOME: Stockpiles of zinc and lead concentrate at Thalanga Mine, west of Charters Towers, owned by Red River Resources.