



**Notice to the Singapore Stock Exchange**  
**26 March 2014**

**December 2013 Quarterly Report**

**Attached** is Cristal Mining Australia Limited's December 2013 Quarterly Report.



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Brilliance inspired by titanium

## Notice to the Singapore Stock Exchange – 26 March 2014

### December 2013 QUARTERLY REPORT

Cristal Mining's total mineral sands production, and sales revenue for the quarter ended 31 December 2013 and the corresponding periods in 2012 are summarised in the following table:

|                                            | Dec Qtr<br>2013 | YTD<br>2013 | Dec Qtr<br>2012 | YTD<br>2012 |
|--------------------------------------------|-----------------|-------------|-----------------|-------------|
| <b>Ore Mined (tonnes)</b>                  | 5,587,091       | 21,700,075  | 4,854,829       | 18,726,486  |
| <b>HMC (tonnes)</b>                        | 185,416         | 704,558     | 147,221         | 598,581     |
| <b>Production (tonnes)</b>                 |                 |             |                 |             |
| <b>Murray Basin Ilmenite<sup>1</sup></b>   | 23,171          | 163,479     | 40,014          | 151,336     |
| <b>Other Titanium Minerals<sup>2</sup></b> | 56,125          | 226,993     | 52,300          | 159,700     |
| <b>Rutile</b>                              | 23,299          | 93,997      | 19,192          | 80,399      |
| <b>Zircon</b>                              | 15,329          | 62,439      | 12,940          | 52,900      |
| <b>Sales Revenue \$Am</b>                  |                 |             |                 |             |
| <b>Murray Basin</b>                        | 69.1            | 309.5       | 60.7            | 261.5       |
| <b>Western Australia</b>                   | 2.8             | 24.2        | 5.4             | 18.9        |
| <b>Total<sup>3</sup></b>                   | 71.9            | 333.8       | 66.1            | 280.4       |

<sup>1</sup> Mine site Ilmenite and processed products from Mine site Ilmenite at the Broken Hill MSP (i.e. BHT & BHS)

<sup>2</sup> Sulphate, Secondary Ilmenite, BHI and Leucoxene.

<sup>3</sup> Revenue is audited.

### Overview

Sales revenue for the quarter ended 31 December 2013 has increased compared to the same period last year predominantly due to a significant increase in BHT/BHI sales volumes, partially offset by a decrease in BHT/BHI sales price. This is despite a negative price true up adjustment of \$A6.2m on sales of rutile to Cristal Mining's related entity for the year ended 31 December 2013, based on published market prices.

### **Murray Basin Operations**

Production during the quarter ended 31 December 2013 and the corresponding periods in 2012 are summarised in the following table:

|                           | Dec Qtr<br>2013 | YTD<br>2013 | Dec Qtr<br>2012 | YTD<br>2012 |
|---------------------------|-----------------|-------------|-----------------|-------------|
| Ore Mined (tonnes)        | 5,224,141       | 20,872,146  | 4,720,382       | 17,325,619  |
| HMC (tonnes) <sup>1</sup> | 165,524         | 660,641     | 138,092         | 507,981     |
| Production (tonnes)       |                 |             |                 |             |
| Zircon <sup>2</sup>       | 14,273          | 56,899      | 12,940          | 46,677      |
| Rutile <sup>2</sup>       | 23,299          | 93,997      | 19,192          | 80,399      |
| Murray Basin Ilmenite     | 23,171          | 163,479     | 40,014          | 151,336     |
| Other Titanium Minerals   | 45,051          | 174,516     | 37,588          | 107,179     |

<sup>1</sup> A variable time lag and volume of materials exists between production of HMC and processing in the Bunbury Plant. A number of stockpiles of HMC and partially processed products exist in the processing chain.

<sup>2</sup> Includes Murray Basin Rutile & Zircon which is currently processed at the Bunbury Mineral Separation Plant.

### **Key activities**

- During the quarter, both Snapper and Ginkgo mining rates were at historical highs with the new BHT Ilmenite plant improving output as commissioning issues were progressively corrected during the ramp-up.

### **Western Australian Operations**

Production during the quarter ended 31 December 2013 and the corresponding periods in 2012 are summarised in the following table:

|                                      | Dec Qtr<br>2013 | YTD<br>2013 | Dec Qtr<br>2012 | YTD<br>2012 |
|--------------------------------------|-----------------|-------------|-----------------|-------------|
| Ore Mined (tonnes)                   | 362,950         | 827,929     | 134,447         | 1,400,867   |
| HMC (tonnes)                         | 19,892          | 43,917      | 9,129           | 90,600      |
| Production (tonnes)                  |                 |             |                 |             |
| Zircon <sup>2</sup>                  | 1,056           | 5,540       | 0               | 6,223       |
| Rutile <sup>2</sup>                  | 0               | 0           | 0               | 0           |
| Other Titanium Minerals <sup>1</sup> | 11,074          | 52,477      | 14,712          | 52,521      |

<sup>1</sup> Sulphate and SR Feed Ilmenite as well as Leucoxene from WA deposits.

<sup>2</sup> Rutile and Zircon production excludes the Murray Basin material processed in the Bunbury Mineral Separation Plant.

### **Key activities**

- During the quarter, the Wonnerup Mine development was completed and output is increasing as we move beyond commissioning.

## **Development**

### ***Murray Basin***

- Development of future mines and identifying processing optimisation opportunities was the primary focus.
- The Crayfish Project Environmental Impact Statement (EIS) was submitted in December 2012 and is proceeding through the approvals process. Development consent is progressing and expected to be finalised by the end of Q2 2014.
- The Atlas – Campaspe Project EIS was submitted to regulators in mid-February and was on exhibition until the end of July 2013. The Company's Response to Exhibition Submissions has been completed and submitted to DP&I. The Company expects to complete the approvals process by the end of Q2 2014.

### ***Western Australia***

- In the West, the Wonnerup Mine Project commenced production in May 2013 and following a period of commissioning is now operating at design parameters. Following the completion of a small program of assay drilling and a new optimisation study the Mining Reserve has been increased by 55,000 tonnes of HM for approximately 6 months of additional mining.
- Infill drilling and assaying were also completed at the Wonnerup South Project and an updated Resource model and financial evaluation is due to commence. All results appear in line with expectations. All environmental studies were completed and the Mining Proposal was submitted to DMP. Approval for the Wonnerup South Project is being targeted for 2014.
- An initial program of infill drilling was completed for all properties at the Wonnerup North project. Assaying was completed in December 2013 and the Resource Model updated. A second stage of infill drilling is planned for early 2014 to expand and improve the old Resource Model.

## **Marketing**

- Zircon sand sales volume was slightly below expectation in the December quarter as markets in Asia and Europe showed a continuation of unstable demand. Some regions performed better than others however the varying sentiment and continuing high supplier inventory levels led to further price softening over the quarter. At the end of 2013, weighted average pricing for Cristal Mining zircon declined by approximately 50% on pricing average achieved in 2012. This was in line with general market trends.
- Demand for titanium feed stock was subdued in the quarter due to continuing high product inventory levels in customer facilities and led to further price softening throughout the quarter.

## **Corporate / Commercial**

- Cristal Mining's USD \$175m bond matures in July 2014. An analysis of the Bond debt refinance options has been completed with internal finance being the preferred option.

Further information is available on the Company website [www.cristalmining.com](http://www.cristalmining.com)

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