

MEDIA RELEASE

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Mt Lyell Mine Put Into Care & Maintenance

It is with deep regret that CMT/Vedanta today announces that the Mt Lyell Mine has been shut down and put into care and maintenance.

CMT's General Manager Scot Clyde said today it was unfortunate and sad that after exploring all options available to try keep the mine open and to keep the workforce together, the company had to make the reluctant decision to put the mine into care and maintenance.

"The discovery of a rock fall in the mine's ventilation drive on Friday 27 June was a bitter blow as we were preparing for a staged restart of operations following the long shut down. This has been a very difficult decision for CMT and for our parent company Vedanta, especially after the large financial commitment to support our workforce on standby pay since the suspension of mining operations in January 2014," Mr. Clyde said.

"Clearing the rock fall and restoring ventilation would have required a further shut down of some 3 months with a further substantial financial cost to support our workforce on standby pay for that period. CMT will still need to clear the rock fall and restore ventilation to keep the mine ready to open if and when an opportunity to do so arises in the future.

"I want to reassure everyone that we have done everything possible to keep the mine running as we understand just how important it is to our own workforce and for the West Coast community".

Mr. Clyde said about 15 employees would be retained for care and maintenance coverage. There will be ongoing drilling and exploration for new ore bodies on the Mt Lyell lease with the aim of re-opening the mine at some time in the future. The company will explore opportunities for people with appropriate skills to be re-located within the group's international operations.

Going to care & maintenance means keeping the mine operation ready by pumping water, regular examination of all infrastructure as well as complying with all environmental requirements to ensure there is no adverse impact on the environment.

"It would be at least 18 months before any reopening of the mine could be possible if it is found to be technically and economically feasible to do so."

“On behalf of CMT and Vedanta I want to thank all of our employees, our contractor Barminco, the State Government and the West Coast Council for their assistance and patience over the past six months as we have strived to get the mine back up and running.

“CMT very much appreciates the assistance from Council and the State Government in finding alternative work for some Mt Lyell employees over the past five months and also for the preparedness by the State Government to provide financial assistance and to examine every opportunity to help keep the mine operating,” Mr. Clyde said.

Mr. Clyde said CMT recognized the decision would cause stress to many people and the company therefore was offering support and counseling to all of its employees.

When it shut down in January Mt Lyell mine employed 320 people. Before the rock fall in the ventilation system CMT had commenced preparatory work for the introduction of a new mining method and had planned to begin a possible phased return to production starting in late July, 2014 with a workforce of about 239 people.

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