

IVERNIA AND MAGELLAN METALS — ESPERANCE CONTRIBUTION AGREEMENT

270. Hon SALLY TALBOT to the Minister for Mines and Petroleum:

I refer the minister to the media statement released by Ivernia entitled “Ivernia Announces Esperance Contribution Agreement”, which states that Magellan Metals Pty Ltd will make —

... three equal payments of A\$3 million on December 31, 2009, December 31, 2010 and June 30, 2011 subject to Magellan achieving set cumulative earnings targets beginning January 1, 2009. The earnings targets are A\$6 million, A\$12 million and A\$18 million respectively by the three repayment dates.

What tonnage of lead would need to be exported at today’s prices by Magellan to meet earnings targets of \$6 million, \$12 million and \$18 million?

Hon NORMAN MOORE replied:

At today’s lead price and the latest available cash cost published by Ivernia, the quantity of contained lead would be approximately 9 000 tonnes, 18 000 tonnes and 27 000 tonnes respectively.