



24 June 2005

AUSTRALIAN STOCK EXCHANGE AND MEDIA RELEASE

OXIANA TO ACQUIRE GOLDEN GROVE BASE AND PRECIOUS METALS OPERATION

Oxiana Limited entered an agreement today to acquire the Golden Grove base and precious metals operation in Western Australia, from Newmont Mining Corporation for A\$265 million, effective 1 July 2005.

Golden Grove is a world class massive sulphide base and precious metals operation with strong cashflow and excellent near-mine and regional exploration potential. Golden Grove is a major producer of zinc, copper, lead, gold and silver and has a production cash cost in the bottom third of world cash costs for zinc operations.

The transaction represents another significant move by Oxiana in its objective to continue to grow shareholder value and fill the void created in Australia by the global resource consolidation. Importantly the acquisition:

- diversifies Oxiana's geographic and commodity exposure;
- complements Oxiana's existing asset portfolio with a further world class asset;
- provides an operating asset with strong, accretive earnings and cashflow;
- adds valuable human resources to the Oxiana team to support Oxiana's operations and development projects; and
- provides potential commercial synergies with Prominent Hill.

Key Features of Golden Grove

- Golden Grove is located in Western Australia, approximately 350 km north east of Perth, in close proximity to the port of Geraldton and grid power infrastructure.
- The assets include Gossan Hill, a copper-zinc-gold-silver underground mine, the Scuddles zinc-copper underground mine, a 1.3 million tpa treatment plant and a surrounding tenement package.

- The Resource base as at 31 December 2004 totalled 17.0 Mt at 5.9% zinc, 1.9% copper, 0.9% lead, 64g/t silver and 1.3g/t gold. Metal contained is 1,000,000t of zinc, 314,000t of copper, 155,000t of lead, 35.0Moz of silver and 0.7 Moz of gold.

Reserves were 4.8Mt at 6.9% zinc, 2.1% copper, 0.9% lead, 75g/t silver and 1.3 g/t gold (see appended table).

Current mine life is estimated at 7 years but the operation has been successful in adding to Reserves nearly every year since 1990. A major drilling program is presently underway to convert 70% of additional Resources to Reserves by 31 December 2005.

- Forecast production for the full year 2006 is approximately 125,000t zinc, 10,000t copper, 50,000oz of gold and 3.1 Moz silver contained in concentrates.
- The contribution to gross revenue by commodity over the current life of mine is forecast to be approximately 55% zinc, 25% copper and 20% gold, silver and lead.
- The forecast cash cost for 2006 is approximately US30cents per lb zinc, net of credits.
- The VHMS mineralised system exhibits excellent near mine prospectivity. This was recently demonstrated by the discovery of the Hougoumont deposit in 2000. Both the Gossan Hill and Scuddles mineralised systems are open at depth and along strike.
- The deposits lie within an extensive and under-explored regional tenement package of 126 km².

Key Terms of the Agreement

- Under the terms of the Sale and Purchase Agreement, Oxiana will acquire the operation as a going concern effective from 1 July 2005. Settlement is expected to occur by late July subject to completion of finance documentation. A transitional management period of up to three months from 1 July has been arranged to facilitate the smooth transfer of the operation.
- Oxiana is to acquire the physical assets including working capital on hand as at 30 June 2005 (of approximately A\$20 million), and assignable contracts associated with the Golden Grove operation on an unencumbered basis.
- The consideration of A\$265 million is structured as follows:

(i)	Cash	A\$190 million
(ii)	81.5 million Oxiana Shares (based on 92c/share)	A\$75 million

Total	A\$265 million
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Funding

Oxiana will fund the cash component from a A\$175 million acquisition facility to be provided by ANZ and from internal resources. The twelve month ANZ acquisition facility allows a comfortable period of time to arrange appropriate, longer term funding.

The share component represents the issue of 81.5 million Oxiana shares and results in Newmont holding approximately 6.0% of Oxiana. Newmont has agreed to a 6 month escrow.

Gryphon Partners is acting as financial adviser to Oxiana in relation to this acquisition.

Owen L Hegarty

Managing Director

Attachments:

Golden Grove Location Map

Golden Grove Reserves and Resources as at December 2004

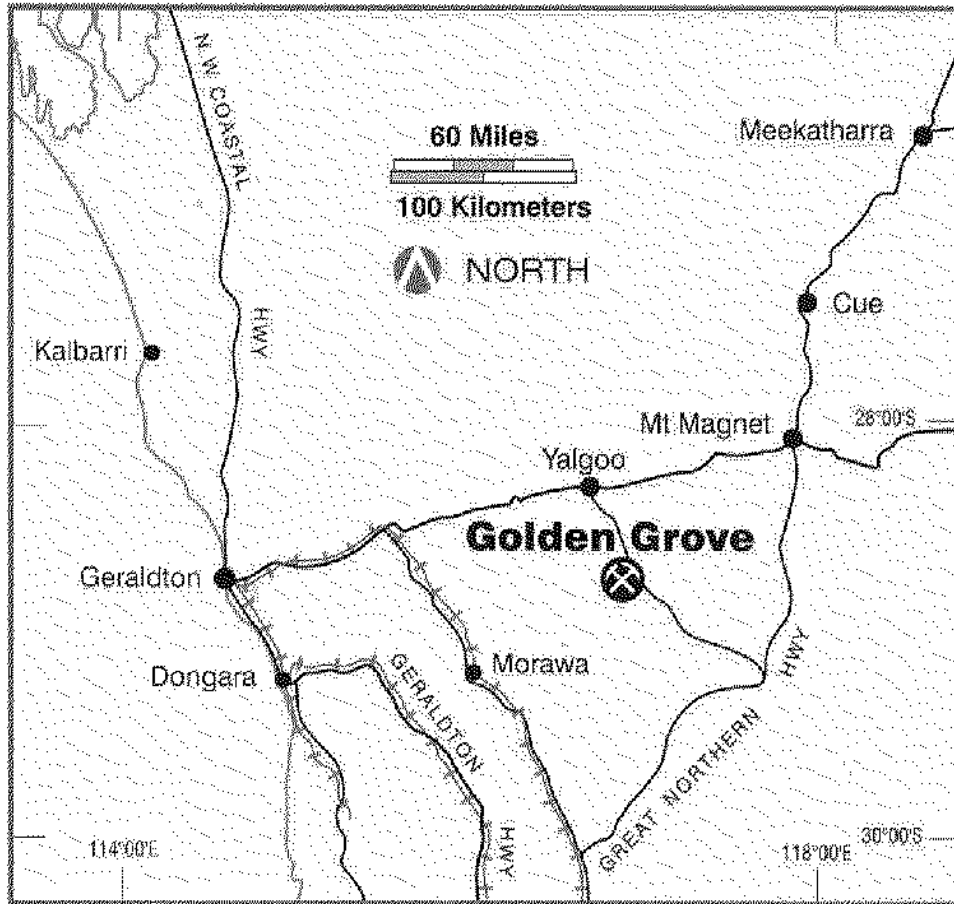
For any enquiries please contact:

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Investor Relations: Richard Hedstrom (03) 8623 2200

References to Reserves and Resources within this announcement are derived from publicly available information from Newmont Mining Corporation.

Attachment 1 Golden Grove Location Map



Attachment 2 - Golden Grove Reserves and Resources as at December 2004

	Mt	% Zn	'000t	% Cu	'000t	% Pb	'000t	Ag g/t	Cont Ag '000oz	Au g/t	Cont Au '000oz
Reserves											
Copper	2.37			3.8	90.5			15	1,140	0.37	28
Zinc	2.4	13.8	330.5	0.4	8.4	1.7	40.8	135	10,425	2.22	172
Total Reserves	4.77	6.9	330	2.1	99	0.9	41	75	11,565	1.3	200
Total Additional Resources	7.94	8.4	670	1.9	151.0	1.4	114.3	78	19,830	1.5	392
Total Reserves & Resources	12.71	8.0	1,000	2.0	250	1.2	155	77	31,395	1.45	592
Additional resource material(1):											
Copper Oxide	3.14			2.1	64.4						
Oxide Gold	1.11							100	3,586	3.19	114
Total	16.96	5.9⁽²⁾	1,000	1.9	314	0.9⁽²⁾	155	64	34,981	1.3	706

(1) Reflects resource projects subject to feasibility studies

(2) Weighted average grade reflects no zinc and lead in copper and gold oxides