Kagara Ltd is a diversified S&P ASX200 Australian resources group and a significant producer of copper zinc and nickel. The Company's base metals operations centre on the Mt Garnet-Chillagoe region of North Queensland in Australia, with three operating processing facilities and a substantial production profile targeting copper metal production of 23,000 tonnes in the 2011 financial year, and lead plus zinc metal production of 50,000 tonnes.

Production is also underway at the Lounge Lizard Nickel Project in Western Australia at a targeted annual ore production rate of 50,000 tonnes per annum. In addition, Kagara holds an extensive portfolio of high quality development and exploration assets, including the world-class Admiral Bay lead-zinc-silver-barite deposit in Western Australia, capable of delivering long term growth for the Company's shareholders well into the future.

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Kagara Ltd has a strong growth outlook for 2011, with growth opportunities arising from a number of sources.

At the Company's North Queensland base metals operations, Kagara is targeting copper production of 23,000 tonnes and zinc + lead production of 50,000 tonnes in the 2010/11 financial year, with the ability to further ramp up these production levels as metals prices dictate. The Company has a stated objective of establishing both five years of reserves and five years of resources at its North Queensland mining centres within the next two years, and has committed to spend approximately $5 million on exploration in North Queensland in the 2010/11 financial year.

In addition, following the completion of a successful Pre-Feasibility Study, the Admiral Bay lead-zinc-barite project in Western Australia is moving towards the next stage of development, with potential to deliver significant growth to the Company's shareholders well into the future. Nickel production from the Lounge Lizard Project in Western Australia is also providing a substantial source of additional cashflow and asset diversification.

With an established reputation as one of Australia's lowest cost base metals producers, and an outstanding asset development pipeline, Kagara is exceptionally well placed to maintain its long term growth path.
Operations

Kagara has four base metal production centres in Northern Queensland at Balcooma, Mt Garnet, Mungana and Vomacka, and three operating treatment plants, giving it a highly flexible and adaptable production base with multiple production centres that can be relatively easily ramped up or down in response to prevailing commodity prices.

In addition, the Lounge Lizard Nickel Project in Western Australia is currently producing at a rate of 50,000 tonnes of nickel ore per annum. Recent drilling has established significant potential for further high grade nickel sulphide discoveries.

The Company has a broad portfolio of exploration assets, including the Admiral Bay lead-silver-barite project and the Forrestania nickel project in Western Australia.

Significant Contractual Arrangements

Kagara is now unlocking the substantial value of its Lounge Lizard Deposit, part of the Company's 100%-owned Lounge Lizard Nickel Project located in Western Australia, through an agreement with Western Areas, owners of the adjacent Flying Fox mine.

Under the agreement, Kagara has the ability to access ore via the Flying Fox decline.

This agreement has effectively seen the two projects consolidated to form one of Australia's largest, high-grade nickel mines with total resources of more than 2.5 million tonnes.