

ASX RELEASE

ZINIFEX LIMITED
ACN 101 657 309

LEVEL 15
380 ST KILDA ROAD
MELBOURNE
AUSTRALIA 3004

GPO BOX 1291K
MELBOURNE
AUSTRALIA 3001

T 61 3 9288 0333
F 61 3 9288 0406

www.zinifex.com



16 May 2005

Zinifex Joins Terramin to Fast Track the Menninnie Zinc Deposit

Resource definition of the advanced Menninnie Dam zinc lead and silver deposit in South Australia is to be fast tracked under a heads of agreement announced today between Zinifex Australia Limited and Terramin Australia Limited, the deposit's owner.

Under the agreement, Zinifex may earn up to a 70% interest in the project by completing expenditure of up to \$8 million in a number of stages.

"Menninnie Dam is one of South Australia's most promising zinc resource projects. It is ideally located only 160 kilometres from Zinifex's Port Pirie smelter, a prime candidate to process concentrate from any future mine development" Zinifex's Chief Executive Officer, Greig Gailey, said today.

"Today's announcement delivers another key element of Zinifex's strategy to extend its resource base. Zinifex is already advancing exploration at its mining operations at Century and Rosebery. This agreement with Terramin is an excellent example of how Zinifex aims to join with other parties to access advanced projects in new terrains. We look forward to leveraging off the expertise that Terramin have developed in the Menninnie Dam area."

ends

For further information, please contact:

Martin McFarlane

Group Manager – Investor & Community Relations

Tel: +61 (03) 9288 0479 or 0417 543 638

Email: martin.mcfarlane@zinifex.com