Media Release

PASMINCO SEPTEMBER QUARTER ACTIVITIES REPORT

The September quarter has been a significant period for Pasminco with creditors voting to accept the restructure proposal that will enable Pasminco Resources to seek to list on the Australian Stock Exchange through a public offering early next year.

Production and operating improvements have continued during the period with strong production results in the September quarter and unit cost reductions across the company’s operations. Further steps have been taken to restructure the Company’s asset portfolio ahead of the planned listing early next year.

HIGHLIGHTS

• Pasminco achieved strong production results for the September 2002 quarter following on from record production results in the June 2002 quarter.

• Zinc mine and metal production for the September quarter increased by 14% and 5% respectively over the previous corresponding period.

• Lead mine and metal production for the September quarter were down by 28% and 9% respectively over the previous corresponding period because of lower lead concentrate production at the Century mine and a planned furnace shutdown at the Port Pirie smelter.

• Silver production was 7% higher than the previous corresponding period.

• Pasminco’s operations have been cashflow positive for the 2002 calendar year to date as a result of initiatives implemented during the restructure, despite depressed metals prices.

• On 30 August 2002, Pasminco’s creditors approved the restructure proposal for the company, known as the equity and float option. Under the restructure, it is planned that a new entity, Pasminco Resources, will make an application to list on the ASX early next year.

• On 24 October, Pasminco announced its intention to close the Cockle Creek smelter in New South Wales between 2006 and 2008.
PRODUCTION RESULTS AND OPERATIONS

OVERVIEW

Pasminco’s mine and metal production for the September quarter are summarised below.

<table>
<thead>
<tr>
<th></th>
<th>3 months ended</th>
<th>3 months ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>30/9/02</td>
<td>30/9/01</td>
</tr>
<tr>
<td></td>
<td>Tonnes</td>
<td>Tonnes</td>
</tr>
<tr>
<td>Mine production¹</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- contained zinc</td>
<td>196,448</td>
<td>171,787</td>
</tr>
<tr>
<td>- contained lead</td>
<td>37,739</td>
<td>52,083</td>
</tr>
<tr>
<td>Metal production</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- zinc</td>
<td>174,588</td>
<td>166,745</td>
</tr>
<tr>
<td>- lead²</td>
<td>72,911</td>
<td>79,950</td>
</tr>
<tr>
<td>Total production</td>
<td>481,686</td>
<td>470,565</td>
</tr>
</tbody>
</table>

1. Data for September quarter 2001 excludes Broken Hill mine production
2. Includes quenched bullion production from Cockle Creek smelter, all of which is now refined at Port Pirie.

Production of zinc and lead from Pasminco’s mines and smelters rose 2% in the September quarter from the corresponding quarter in 2001. Compared with the June quarter, production was 4% higher.

Production highlights of the quarter were strong performances from the Century, Elura and Rosebery mines and record zinc production at the Port Pirie smelter.

Zinc and lead prices remain near historically low levels. The zinc price averaged US$767 per tonne while the lead price averaged US$431 per tonne for the September quarter.

Given the continuing weakness in metal prices, Pasminco continues to focus on cost reduction and productivity initiatives.

MINING

Overall, mining production was up 5% for the September quarter compared to the previous quarter.

Century

- Zinc concentrate production was 232,288 tonnes for the quarter, up 17% on the corresponding quarter in 2001. Contained zinc in concentrate was 137,025 tonnes, up 18% on the corresponding quarter, and equivalent to 110% of design capacity.

- The improved performance followed replacement of the ball mill motor in May that impacted the June quarter result, combined with high plant availability and improving metallurgical performance. A consistent feed grade also assisted in maintaining plant stability.

- Zinc recovery increased during the quarter, from 78.3% in July to 79.0% in August and 80.0% in September. These improving recoveries were achieved at high metal unit input rates. The target level for zinc recoveries is 82.5%.
• Contained lead in concentrate production was lower than the corresponding period in 2001 but this reflected additional production in the prior period from the treatment of concentrate that had been stored on site.

• In September, Century was awarded MINEX 2002, the Minerals Council of Australia’s highest award for excellence in safety and health.

Rosebery

• Ore throughput of 214,553 tonnes was 23% higher than the corresponding period in 2001 and contributed to higher contained metal production, despite marginally lower ore grades.

• A planned mill shutdown is scheduled in October.

• Work continued on the surface decline project during the quarter and in early October the decline broke through to existing mine workings. Completion of the decline will allow ore to be trucked directly to the surface, providing cost savings and efficiencies. It will also allow access to remnant ore bodies close to surface. The surface ore handling system is expected to be commissioned in the March 2003 quarter.

Elura

• Contained metal production was higher than both the previous and corresponding quarters due to higher ore throughput, higher zinc ore grade and zinc recoveries.

• Zinc recoveries of 83% were achieved for the quarter, compared with 79% in the corresponding quarter last year.

Gordonsville and Clinch Valley, US

• Operations at the Gordonsville mine were affected by poor ground conditions, with ore throughput down 12% compared with the corresponding quarter in 2001. Higher than expected grades resulted in marginally lower recoveries.

• At Clinch Valley, ore production was down by 10% due to unscheduled downtime associated with repairs to the tertiary crusher.

• At both operations production is expected to recover in the December quarter.
SMELTING

Overall, zinc metal production for the quarter was 5% higher than the corresponding quarter in 2001. Lead metal production was, however, 9% lower than the corresponding quarter in 2001.

Hobart

- Zinc production was higher than the corresponding quarter in 2001 but slightly lower than the record production levels achieved in the previous quarter due to minor operating problems in the roasters.

- As foreshadowed in the June quarter report, calcine stocks are being built up in preparation for a roaster shutdown in November and this also impacted production during the September quarter. The shutdown is not expected to impact zinc metal production.

Budel, The Netherlands

- Zinc production improved in the September quarter, although roaster production continues to be restrained while investigations continue into options to reduce the elevated operating temperatures that have been experienced with Century concentrates. Zinc production at Budel included 1,609 tonnes of purchased zinc that was remelted.

- Zinc production was 3% higher than the corresponding quarter in 2001, excluding the contribution from purchased zinc.

- A major initiative is underway to purchase zinc oxide materials to feed directly to the leaching process, by-passing the present roaster bottleneck.

Cockle Creek

- Cockle Creek operations were steady during the quarter with stable sinter plant and blast furnace performance.

- Zinc recoveries of 95% for the quarter were enhanced by treatment of high zinc bearing on site residues.

- Plans are in hand to treat around 300,000 tonnes of lead containing slag currently stored on site. Plans are to upgrade it into a small quantity high grade lead slag, that will treated in the plant, with the balance of low grade material transported to the Elura mine to be used as backfill.

Clarksville, US

- Stable operations were maintained at the Clarksville refinery where production was in line with the corresponding quarter in 2001.

- Production in the September quarter is usually impacted by warmer weather that raises the ambient temperature in the cell room.
Port Pirie

- Zinc production for the quarter was 11,058 tonnes, the best result in 25 years. The zinc plant has now achieved annualized production levels in excess of 42,000 tonnes for the past 6 months.

- Lead production was 58,185 tonnes, 11% below the corresponding quarter in 2001. Production was impacted by scheduled maintenance to the sinter plant and blast furnace.

- Since the restart furnace output levels have returned to the record levels of the June quarter.

- Silver production for the quarter was 114,136 kilograms, 7% above the corresponding quarter in 2001 due to higher treatment rates of Cannington lead concentrates. Cannington lead concentrates provide the highest input of silver to the Port Pirie smelter.

Australian Refined Alloys (“ARA”) Joint Venture

- Lead production at ARA’s Sydney and Melbourne plants remained consistent with the June 2002 quarter.

CORPORATE AND FINANCIAL

RESTUCTURE PROPOSAL AND DEEDS OF COMPANY ARRANGEMENT

On 30 August 2002, creditors approved the Pasminco restructure proposal known as the equity and float option. The Deeds of Company Arrangement that give effect to the restructure proposal were subsequently signed on 4 October 2002.

Execution of the Deeds enabled Pasminco to move into the implementation phase of the planned restructure which will see Pasminco assets transferred to a new holding company, known as Pasminco Resources Limited. A percentage yet to be determined of the share capital of Pasminco Resources is proposed to be sold to investors in Australia and overseas under various disclosure documents, which will be made available at the time of the proposed offer.

The proposed public float of Pasminco Resources is currently planned for early 2003.

COCKLE CREEK CLOSURE PLANS

On Thursday 24 October the company announced its decision to close the Cockle Creek smelter during the period 2006 to 2008 subject to a number of conditions precedent.

Cockle Creek provided inconsistent returns and does not fit with strategic vision of the new Pasminco, that will be focused on world class assets centred around the Century mine in Queensland.

The timing of closure is based on the most optimal remediation outcome for the site. The company announced that planning for remediation would begin immediately and a
comprehensive remediation plan would be developed in consultation with the New South Wales Environment Protection Agency and other relevant government agencies.

ELURA SALE UPDATE

Together with the announcement on Cockle Creek, the Company also announced that the sale process for the Elura mine, near Cobar in New South Wales, was continuing. If Elura is not sold, Pasminco intends to retain the mine and pursue performance improvements to extend the mine’s life. Under either option, the Elura operation is expected to continue for six to seven years.

FINANCIAL POSITION

Pasminco’s 2002 financial accounts will be lodged with ASIC on 1 November 2002.

For the calendar year to date, Pasminco is cashflow positive at an operational level. Pasminco’s current operating performance reflects unit cost reductions, operational efficiencies and other restructure initiatives that have been implemented to improve the operating performance of Pasminco since the beginning of 2001.

ABOUT PASMINCO

Pasminco is currently the world’s largest integrated zinc and lead producer, supplying approximately 7% and 4% respectively of global demand for finished zinc and lead metal and is the third largest silver producer. Other products include gold, copper, copper sulphate, cadmium and sulphuric acid.

Pasminco operates the Century, Elura and Rosebery mines within Australia and mines at Gordonsville and Clinch Valley in Tennessee, USA. Pasminco also conducts smelting operations in Hobart, Port Pirie and Cockle Creek in Australia, at Budel in the Netherlands and at Clarksville in Tennessee, US. Pasminco is also a 50% joint venture partner in Australian Refined Alloys, a lead recycler with operations in Sydney and Melbourne.

Pasminco employs approximately 3,500 employees worldwide. For the year ended 30 June 2002, Pasminco generated sales revenue totalling AUD2.06 billion.

For further information, please contact:
Trevor Shard
General Manager - Investor and Community Relations
++61 3 9288 9186 or 0419 584 515