



The Manager  
Company Announcements Office  
Australian Securities Exchange

6 December 2010

Dear Sir/Madam,

## **METALS FINANCE SELLS PALABORA NICKEL SULPHATE PLANT**

We are pleased to advise that Metals Finance Limited's 50% owned South African subsidiary, Metals Finance Africa (Pty) Ltd., has reached agreement with the Rio Tinto-controlled Palabora Mining Company Limited (Palabora) for the payment of ZAR 36.3 million (approximately A\$5.4 million) for the company's interest in the nickel sulphate plant installed at the Palabora copper mine in South Africa by Palabora.

The sale enables Metals Finance group to recover its initial investment in the plant and subsequent interest costs. The transaction enhances the company's cash reserves, strengthening its financial position as it moves to advance several promising projects including the Chambishi copper-cobalt tailings venture in Zambia; the Lucky Break nickel project in Queensland; the Barnes Hill nickel development in Tasmania; and the base metal tailings treatment joint venture with Broken Hill Prospecting Ltd at Broken Hill, NSW.

"This enables us now to focus fully on getting other ventures up and running," Metals Finance Limited's Chief Executive Officer and Chairman of Metals Finance Africa Mr Tony Treasure said. "There has been considerable progress on each of these projects during 2010, and plans are well advanced for us to realise the significant value that lies ahead."

Palabora's Managing Director Mr Tony Lennox said: "The purchase of the nickel sulphate plant successfully concludes a venture that was commenced in 2006. The state-of-the-art facility was commissioned in February 2009 and produces high grade nickel sulphate from waste streams generated in the copper refining process. We appreciated the opportunity to partner with Tony and his team at Metals Finance in the development and construction of the nickel plant".

Metals Finance appreciates Tony Lennox's efforts since being appointed to his new role at PMC in bringing this matter to a successful conclusion for both parties.

**P.A. Treasure**  
Chief Executive Officer