

Anderson & Schwab Australia Limited

Management Consultants

MELBOURNE • NEW YORK • DENVER

Level 4
161 Collins Street
Melbourne Victoria
3000 Australia
TEL: +61 3 9288 6930
FAX: +61 3 9897 1036
A.B.N. 67 075 112 533

24 November 2005

The Directors
Zeehan Zinc Limited
Level 3 65 Murray Street
Hobart Tasmania

BY EMAIL

Dear Sirs,

Re: Review and Valuation of Mineral Assets of Zeehan Zinc Limited (“ZZL”)

By letter dated 2 September 2005 you commissioned Anderson & Schwab Australia Limited (“A&S”) to undertake a review and valuation of the mineral assets of your company. This information was to be used to assist the company to raise capital to enable it to continue to develop these assets and allow the company to proceed to production of metals concentrates.

A&S has reviewed the mineral assets and inspected the plant and equipment owned and installed by the company at its Zeehan operations. We have spoken with management and staff of your company and where we determined, spoken with appropriate officers from the Department of Minerals and Resources Tasmania. We have now completed our review and valuation. A final draft of our report will shortly be made available to you for your review and comment on issues of fact and materiality.

In the meantime, as per your recent request, A&S has provided this letter as an indication of the conclusions that we have drawn from our evaluation of your company’s mineral assets. The letter should not be regarded as a valuation document but more correctly as an indication of the valuation conclusions contained in our report. For a comprehensive opinion of the mineral assets of ZZL, A&S directs your attention to the Report.

We have concluded that the value of the minerals assets of ZZL as at the date of this letter lie in the range A\$112.4 million to A\$190.1 million. They have been determined as follows:

Asset	Valuation Method	Low Value	High Value
All “near to production”	NPV/DCF	A\$93.5 million	A\$166.5 million
Exploration assets	EEM	A\$18.9 million	A\$23.6 million
Total		A\$112.4 million	A\$190.1 million

ZZL has recently commissioned resources estimates to be carried out on several of its mining tenements. These estimates have been undertaken by “Competent Persons” in accordance with the requirements of the AusIMM JORC Code. In our calculations we have only used Resources estimates and metals grades as provided by these Competent Persons. We have derived our valuations for the “near to production” assets using substantial financial models that have been developed by the company in conjunction with other resources industry consultants. We reviewed these models for their veracity and completeness and modelled several scenarios using appropriate

input data. The methodology used by A&S in calculating the value range for these assets is the Net Present Value of the Discounted Cash Flows (NPV/DCF).

We also evaluated the exploration assets of the company and determined that the most appropriate methodology to value these assets was the Exploration Expenditure Multiplier process. This method provides for an estimation of the value of a mineral property based on the perceived quality of previous and committed exploration expenditures and a quantified perception of the prospectivity of the property based on the experience of the valuer (EEM).

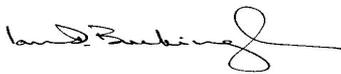
The report prepared by A&S complies with the requirements of the "Code and Guidelines for Technical Assessment and/or Valuation of Mineral and Petroleum Assets and Mineral and Petroleum Securities for Independent Expert Reports" (The VALMIN Code).

A&S and their associates have been indemnified by ZZL as to damages, losses and liabilities relating to or arising out of their engagement that do not arise from the fault of A&S or their associates.

The statements contained in this letter are given in good faith. A&S is prepared to discuss any issues associated with its report with any party approved by ZZL. A&S reiterates that this letter is not a valuation document and accordingly reliance should not be placed on it alone for investment purposes.

Finally, the work undertaken by A&S for the purpose of this report in no way constitutes a technical audit of any of the assets or records reviewed, and A&S does not warrant that its inquiries have realised all of the matters that an audit might disclose. A&S in no way guarantees or otherwise warrants the achievability of the forecasts of future production and costs used in its report to derive its valuations.

Yours sincerely,
Anderson & Schwab Australia Limited

A handwritten signature in black ink, appearing to read 'Ian D. Buckingham', with a long horizontal flourish extending to the right.

Ian D. Buckingham
Managing Director