



Consolidated Rutile Limited

13 May 2009

The Manager
Company Announcements
Australian Securities Exchange

Dear Sir/Madam,

CONSOLIDATED RUTILE LIMITED NEW MINE STRATEGY

Following a comprehensive two-year review, the Board of Consolidated Rutile Limited ("CRL") has determined that the company will move from the current two mine operation on North Stradbroke Island to a single mine operation **when mining at Yarraman Mine is completed in late 2013.**

The single mine strategy enhances business value, with significantly reduced capital expenditure and operating costs offsetting **lower annual production post 2013.**

The strategy also eliminates risks associated with moving Yarraman Mine dredge and concentrator equipment to the Enterprise North ore body (as Enterprise Mine equipment will instead continue mining into Enterprise North) and **is expected to extend the life of CRL's Enterprise Mine on North Stradbroke Island by approximately four years, to 2027.**

The strategy may also provide an opportunity to redeploy the Yarraman Mine dredge, concentrator and associated infrastructure to another, as yet unidentified, mine site located off the island.

The decision is the intention of the current CRL Board. Unimin Australia Limited ("Unimin") has offered to purchase all of the shares of CRL and has stated its intention, following the expiry of the offer period, to undertake an extensive review of CRL's operations and review all aspects of CRL's business should the takeover bid be successful. The decision to move to a single mine operation may therefore be subject to further review by Unimin.

No immediate job losses result from the strategy but with only one mine operating on North Stradbroke Island, employee numbers are expected to approximately halve by 2014.

Mr Cobb, CRL Managing Director and CEO said **"We have about four years to work with employees and the community to plan for the change.** Our employees are integral to our success, and we will work to ensure the best possible outcomes for them."

Padraig O'Donoghue
Company Secretary

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