

Zeehan Zinc Limited
14 May 2007

news release

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Operations Update

Zeehan Zinc Limited ('ZZL' or the 'Company') (ZZL.L) is pleased to give an update to shareholders on the Company's operations in Western Tasmania, Australia.

As stated at the time of the Company's interim report in March 2007, ZZL's main objectives are to commence mining and production of pre-concentrate ore as soon as possible, to build and commission the Flotation Plant by the end of 2007 and to engage in an exploration drilling programme to prove up additional resources.

Mining

The commissioning of the crushing circuit of the Gravity Plant will commence before the end of May and the entire plant is expected to be fully operational by the end of June. Additionally, the tailings dam and the associated water management systems at the Comstock Site are expected to be fully operational by the end of June 2007. As a result of this progress, the Company is scheduled to commence mining during June 2007, with the production of pre-concentrate expected to follow in July 2007.

Options for the processing of ore and pre-concentrates, in both the short and longer term, are being examined. Discussions are being held with a number of potential customers and ore samples have already been sent to certain interested parties. Contracts in respect of the transport of ore are likely to be finalised before the completion of the plant refurbishment.

The major components of the Flotation Plant are in the final stages of refurbishment in Canada and after inspection by ZZL personnel, will be shipped to Tasmania. The equipment is expected to arrive at the end of June, by which time the site for the plant will be levelled and ready for construction to commence.

In accordance with the terms of Mining Leases 123M/1947, 19M/1995 and 9M/2002 held by the Company (covering the Comstock Site), a A\$2.5 million Environmental Bond has been lodged with Mineral Resources Tasmania ('MRT'). As a result the Mining Leases have been renewed until 31 March 2009. The term of these Mining Leases may be further extended beyond this period subject to continued demonstration of additional mineable resources.

Exploration

The Company has embarked on and completed the first phase of its 2007 exploration drilling programme, on budget, at the end of April. The main objective of this programme is to increase its resource definition and classifications. The drill cores are currently being assayed and an independent report will be produced once all results have been fully analysed.

Additionally, the Company has commissioned Hellman & Schofield Pty. Ltd. to report on the update of the resources within Mining Lease 2M/2005 (the Oceana Deposit) and the results are expected to be announced shortly.

In respect of Exploration Licence EL 20/2002, which covers an area of 71 sq kilometres, and includes the Mariposa and Oceana Sites, Terex Seismic has recently completed its survey. The Company expects to have the seismic fully processed by its consultants by the end of June and will use the information to select a number of drill sites to establish the degree of mineralisation with this tenement.

Ends.

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