

REPORT TO EMPLOYEES ON 1984 PERFORMANCE

'EMPLOYEE COMMITMENT: THE KEY TO OUR FUTURE'



Peter Leane, General Manager.

In 1982 we lost \$4.8 million.
In 1983 we reversed this,
with a profit of \$4.2m.
Our recently announced
1984 profit, at \$7.0m,
improved on this again.
It was an excellent performance
by all at Sulphide.

There are three major reasons for our
turnaround:

- better zinc prices
- improvements in our technology
- improved labour productivity

We have no control over metal prices. So far, the 1985 prices look satisfactory but raw material feed costs have turned against us, and the campaign shutdown will pull back the year's production and profit.

However, we are improving our technology. In 1984, oxygen injection in Sintering was a promising initiative. The Lead Floor mechanisation had some hiccups and more work will be needed. In 1985, we're trialling a continuous tapper and oxygen injection at the ISF. And during the campaign shutdown, we'll make ISF modifications aimed at a 7% capacity increase.

But the most vital gains have been those made in productivity through the commitment of all employees. This is the key to our future. Our areas of focus will continue to be on better communications, on training, and on deeper involvement in problem-solving, for everyone at Sulphide.

Our competitors are overseas firms. Competition with them is tough. Our objectives - our 'battle plans' - were published during 1984. They are repeated below. We made progress towards them in 1984, and we will continue to push forward in 1985.

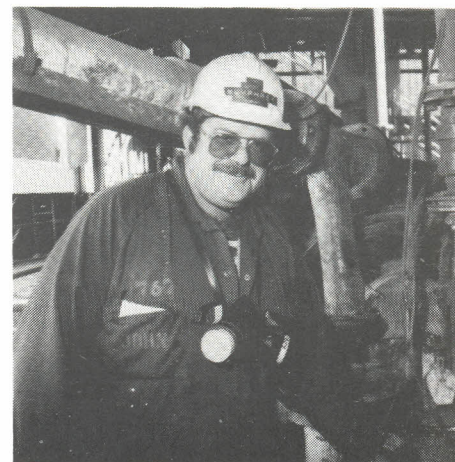
It should be an exciting year. I'm proud to have the chance to be part of it.

Peter Leane

MEMBERS OF THE TEAM



Engineering Systems Operator, Michelle Webb, operating a computer keyboard.



Acid Services Operator, John Vaughan, shown at work in the Selenium Plant.

SULPHIDE'S OBJECTIVES

The business of SULPHIDE CORPORATION PTY LIMITED is to produce non-ferrous metals and related chemical products, and the objective is to maintain long term viability as a CRA Group Company for the benefit of shareholders, employees, and the community, and to be a reliable supplier of quality products.

OUR TASKS ARE:

1. TO ACHIEVE ECONOMIC EFFICIENCY AND PROFITABILITY by:

- Ensuring cost-effective operations and a strong cost-competitive position.
- Improving productivity.
- Aiming for technical excellence and advancement of technology.
- Providing open communication and developing understanding of clearly-stated objectives.
- Developing effective teamwork.

2. TO IMPROVE QUALITY OF WORK-LIFE by:

- Aiming to provide long term employment.
- Providing a safe and hygienic work environment and supporting the health and well-being of employees.
- Providing opportunity for job development and individual growth.
- Respecting the dignity and rights of the individual.
- Encouraging cooperation and trust between all employees.
- Encouraging initiative and creativity and recognising performance.

3. TO FULFIL COMMUNITY RESPONSIBILITIES by:

- Continuing to work towards improvement in the environment surrounding the works.
- Being involved in and supporting local community affairs.
- Promoting recognition of SULPHIDE CORPORATION'S value to the community.