

Hindustan Zinc Limited

Production Release for the Second Quarter and Half Year Ended September 30, 2018

Udaipur, October 12, 2018: Hindustan Zinc Limited today announced its production for the second quarter and half year ended September 30, 2018.

Q2 Highlights

- Mined metal production at 232kt, up 6% y-o-y; Underground mined metal production at 232kt, up 44% y-o-y
- Refined lead metal production at 49kt, up 30% y-o-y
- Record refined silver production at 172 MT, up 23% y-o-y

H1 Highlights

- Mined metal production at 444kt, down 2%; Underground mined metal production at 444kt, up 27%
- Refined lead at 91kt, up 25%
- Refined silver at 310 MT, up 22%

Particulars	Q2			Q1		6M		
	FY2019	FY2018	% change YoY	FY2019	% change QoQ	FY2019	FY2018	% change YoY
Mined metal, '000 tonne	232	219	6%	212	10%	444	452	-2%
Integrated metal, '000 tonne	212	230	-8%	214	-1%	425	459	-7%
Refined Zinc, '000 tonne	162	192	-16%	172	-5%	334	386	-13%
Refined Lead, '000 tonne	49	38	30%	42	17%	91	73	25%
Silver, tonne	172	140	23%	138	25%	310	255	22%
Wind Power, million units	185	143	29%	139	33%	324	299	8%

Note: Excludes Captive consumption for lead & silver, Silver occurs in Lead & Zinc ore and is recovered in the smelting and silver-refining processes. Numbers may not add up due to rounding off.

Mined metal production from underground mines was at an all-time high of 232kt, up 10% sequentially and 44% y-o-y driven by 33% y-o-y increase in ore production. Total mined metal production increased by 10% sequentially and 6% y-o-y after the closure of open-cast operations last year.

Integrated metal production was 212kt, flat sequentially and down 8% from a year ago. Integrated zinc production was down 5% sequentially and down 16% y-o-y to 162kt due to temporary mismatch in zinc mined metal availability even as mine production ramped up towards the latter half of the quarter. Integrated lead production jumped by 17% sequentially and 30% y-o-y to 49kt. The pyro metallurgical smelter was retrofitted to produce more lead metal, considering the higher availability of lead mined metal, leading to higher lead production. Integrated silver production was a record 172 MT, up 25% sequentially and 23%

y-o-y on account of higher lead production and higher Sindesar Khurd mine production & better silver grades.

Capital mine development remained unchanged y-o-y at 9.8 km during the quarter and increased by 9% to 20.2 km in H1.

Rampura Agucha underground mine continued to maintain a high total development rate at 5.3 km during the quarter. The mined metal production increased by 94% y-o-y and 35% q-o-q to 96,000 tonnes. Mid shaft loading system was commissioned at the end of quarter, allowing waste hoisting to be done through shaft ahead of schedule. This will help to improve volumes until the off shaft is fully commissioned. Off shaft development is on track and commercial production from main shaft is expected to start from Q4 FY2019.

Sindesar Khurd mine achieved 5.2 km total development during the quarter. The production shaft work is progressing well with winders commissioned in manual mode and material hoisting from shaft is expected to start in the current quarter. The new 1.5 mtpa mill is expected to be commissioned in Q3 FY2019.

At Zawar, civil & erection works of the new 2 mtpa mill is on track and expected to commission by Q4 FY2019. The Fumer project at Chanderiya is expected to commission in Q3 FY2019.

Planning for the next phase of expansion from 1.2 to 1.35 mtpa mined metal capacity announced in April 2018 is underway.

H1 FY 2019 vs. H1 FY 2018

Mined metal production from underground mines for H1 was 444kt, 27% higher from a year ago even as the closure of open-cast operations caused total mined metal production to decline 2% y-o-y. Integrated metal production was 425kt, down 7%. Integrated lead and silver production were at 91kt and 310 MT, higher by 25% y-o-y and 22% y-o-y respectively driven by higher lead mined metal production and better silver grades. Integrated zinc production was lower y-o-y by 13% in line with the availability of zinc mined metal.

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Disclaimer

This press release contains "forward-looking statements" - that is, statements related to future, not past, events. In this context, forward-looking statements often address our expected future business and financial performance, and often contain words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "should" or "will." Forward-looking statements by their nature address matters that are, to different degrees, uncertain. For us, uncertainties arise from the behaviour of financial and metals markets including the London Metal Exchange, fluctuations in interest and or exchange rates and metal prices; from future integration of acquired businesses; and from numerous other matters of national, regional and global scale, including those of a political, economic, business, competitive or regulatory nature. These uncertainties may cause our actual future results to be materially different than those expressed in our forward-looking statements. We do not undertake to update our forward-looking statements.

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