

4 April 2011

- **Zodiac Exercises Option for Tres Hermanas Silver Project**
- **Zodiac Update on Philippine Iron Sands**
- **Zodiac Corporate Update**

Zodiac Capital Limited (NSX:ZOD) ("Zodiac" or the "Company") is pleased to advise:

1) Completion of Option on Tres Hermanas Silver Project – The conditions precedent to the Company's acquisition agreement for the Tres Hermanas, Tres Hermanas 2 and Khulan claim blocks (the "Property") with Arco Resources Corporation ("Arco") have now been satisfied.

Pursuant to the terms of the Agreement, Zodiac will incorporate, fund and operate a Mexican subsidiary ("Zodiac Mexico") that will earn a 90% interest in the Property over a three-year period in consideration for total cash payments of US\$500,000. Zodiac Mexico will be required to expend a minimum of US\$1.5 million in expenditures on the Property over a three-year term. The remaining 10% interest in the Property will remain with Arco as a carried interest. Zodiac may elect to purchase Arco's 10% carried interest in the Property for US\$1,000,000 at any time during the next three years. In addition, Arco will receive shares of Zodiac Mexico, having a value of US\$250,000, concurrent with Zodiac Mexico's proposed listing on the Australian Stock Exchange or such other stock exchange as Zodiac may determine. Finally, Arco will receive a 1% net smelter royalty on any production from the Property.

Tres Hermanas Property

The Property consists of the Tres Hermanas and Tres Hermanas 2 claim blocks, which have areas of 500 and 900 hectares respectively, and the Khulan claim block of 2,310 hectares.

The Tres Hermanas property covers a silver-lead-zinc-bearing vein system that has historic underground workings on five levels along a 400 metre strike. Previous underground sampling showed local values >500g/t of silver. In addition, chip samples taken included values as high as 764.5 g/t of silver and 10.4% lead across 1.5 metres. Regional soil sampling has indicated the vein system continues along strike in both directions.

Dale Schultz M.Sc., P.Geo. of Buscore Consulting and Principal Consulting Geologist for Zodiac is the Qualified Person, as defined in National Instruments 43-101, who has reviewed and approved the technical content of this news release.

2) Consolidated Iron Sands Limited (“CIS”) Update – The Company will retain an approximate 19% interest following the expected listing of CIS, which is in the final stages of completing a Prospectus that seeks to secure sufficient Shareholder spread and a minimum raising of \$2.25 million in order that it may apply for listing on the ASX and progress its tenement development.

CIS is seeking to exploit an initial inferred resource of approximately 250 million tonnes of iron sands off the northern coast of Luzon in the Philippines through the engagement of contracted dredge miners once a Mining Permit is granted. The CIS tenements of some 157 square kilometres, following transfer are now held through its wholly owned Philippine subsidiary. CIS has also just successfully completed Consultation Presentations of the approved Exploration and Environmental Work Programs and Community Development Program to all of the concerned Local Government Units and with these required approvals in place positions CIS to now proceed with its further exploration activities.

The CIS iron sands project uniquely requires very little infrastructure expenditure and following expected mining permitting, CIS is targeting initial production of approximately 1.8M tonnes of extra fine titano-magnetite with potential titanium and vanadium credits.

CIS has entered into an offtake agreement with Shandong Ishine Mining Group of China, who have developed sophisticated separation processes for iron ore, for purchase of up to 2M tonnes per annum of iron sands. The offtake agreement which is conditional on final permitting of CIS tenements, additionally provides for profit sharing of any separated titanium and vanadium.

CIS is proposing to list on the ASX and expects to lodge its prospectus within the next 30 days.

3) Zodiac Corporate Update – Following a significant setback during the course of and following the Global Financial Crisis, the Company has focused on continuing to develop its resource interests whilst joint venturing out its healthcare interests to Stirling Products Limited.

The Company is currently finalizing its audited accounts and once lodged the Company will convene a Meeting of Shareholders to comply with its statutory and listing requirements. The Company will then seek reinstatement on the National Stock Exchange.

For further information see: www.zodiaccap.com - www.iron sands.com.au – or contact:

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