



31 January 2001

Manager Companies
 Australian Stock Exchange Limited
 Level 2, Exchange Plaza
 2 The Esplanade
 PERTH WA 6000

Facsimile Number: 1300 300 021

Dear Sir

DECEMBER 2000 QUARTERLY REPORT

HIGHLIGHTS

Eloise

- Southern ventilation shaft completed.

Loongana Lime

- Improvements evident in quicklime production.

QUEENSLAND

Eloise (Copper/Gold)

Production

Production Statistics			
Production	December 2000 Quarter	Financial Year to Date	December 1999 Quarter
Ore Mined (t)	125,919	255,639	116,598
Ore Milled (t)	119,043	252,551	136,598
Head Grade			
- Copper (%)	3.54	3.98	4.33
- Gold (g/t)	1.07	1.18	1.15
Metal Recovery			
- Copper (%)	95.09	95.64	95.01
- Gold (%)	55.47	63.42	59.74
Concentrate Produced (t)	13,356	32,317	18,904
Concentrate Sold (t)	20,310	30,360	10,142
Concentrate Stocks at End of Period (t)	8,328	8,328	14,623
Concentrate Grade			
- Copper (%)	29.97	29.76	29.74
- Gold (g/t)	5.27	5.87	4.97
- Silver (g/t)	91.98	88.83	71.06

Mine Development

Ventilation Shaft

Excavation, lining and equipping of the Southern Ventilation Shaft was completed with the surface fan commissioned on 22 December 2000. This new shaft will provide the necessary ventilation for the mining of the lower levels of Levuka South. It also has important implications in the evaluation and possible exploitation of the other adjacent and deeper resources.

Main Decline Development

Decline development focused upon accessing the upper levels of the Levuka South reserve with four extraction levels now available for mining.

Pump Station

A second major pump station has been installed and commissioned on the 728 Level. This station, in conjunction with the 905 level pump station, will pump mine water to the surface.

Mine Development Statistics			
Description	December 2000 Quarter	Financial Year to Date	Previous Financial Year
Decline Advance (m)	237	649	871
Level Access Drives (m)	333	524	731
Ore Sill Drives (m)	167	313	1,283
Ventilation Access Drives (m)	9	28	61
Exploration Drive (m)	0	0	0
Total (m)	746	1,514	2,946
Ventilation Raises (m)	0	18	53
Cut Off Raises (m)	54	144	549
Total (m)	54	162	602
Sill Stripping – Ore (m ³)	5,299	8,210	23,899
Total (m³)	5,299	8,210	23,899

Ore Reserves and Mineral Resources

The table below summarises the Eloise ore reserves and mineral resources as at 31 December 2000. The 40 Lode and 45 Lode were re-assessed in light of recent drilling and modelled using a combination of polygonal, wire framing and block modelling methods.

Note that reserves are in addition to resources and the grades shown are percentage copper.

Area	Reserves				Resources				Total	
	Proved		Probable		Indicated		Inferred		Tonnes	Grade
	Tonnes	Grade	Tonnes	Grade	Tonnes	Grade	Tonnes	Grade		
Eloise 950 Level Levuka Crown: Stage 1	9,000	3.00%							9,000	3.00%
Eloise 950 Level Elrose Crown: Stage 1	28,000	4.60%							28,000	4.60%
Eloise 736 – 716 Level: Stage 2	64,000	4.25%							64,000	4.25%
Eloise 736 – 710 Level: Stage 2			7,000	4.64%					7,000	4.64%
Eloise Main Lodes: Stage 2 Extended			23,000	4.02%					23,000	4.02%
Eloise North West					90,000	4.57%			90,000	4.57%
Levuka South			345,000	4.55%			60,000	5.60%	405,000	4.71%
40 Lode							73,000	3.20%	73,000	3.20%
42 Lode							40,000	7.40%	40,000	7.40%
45 Lode							34,000	4.10%	34,000	4.10%
62 Lode (Eloise West)	29,000	3.79%							29,000	3.79%
60A Lode							159,000	6.76%	159,000	6.76%
Stockpiled Ore	6,000	2.70%							6,000	2.70%
Total Resources and Reserves	136,000	4.07%	375,000	4.52%	90,000	4.57%	366,000	5.68%	967,000	4.90%

Eloise Exploration

Drilling Summary

A total of thirteen underground diamond drill holes (EAM256-268) were drilled for a total of 1,536m. The drilling targeted the southern extremities of Levuka South, 45 Lode, 60A Lode and the faulted offset of Eloise North West which is now referred to as Eloise North West Extended.

Ore Definition Drilling - Levuka South

Ore definition drilling (EAM256-268) was undertaken from the 695 mRL drill caddy targeting the southern extremities of the Levuka South resource above the 610 mRL. Drilling confirmed the previously interpreted southern limits of the resource and the continuation of high grade mineralisation at depth e.g. EAM262 18.7m @ 4.38% Cu.

45 Lode

Two holes (EAM265 and EAM266) were drilled from the Levuka South 690 mRL development level targeting the 45 Lode above the 650 mRL. Both failed to intersect any economic grade mineralisation.

60A Lode

One hole (EAM267) was drilled towards the postulated upper reaches of the 60A Lode but it failed to intersect any significant mineralisation.

Eloise North-West Extended

The Eloise North West mineralisation currently has an indicated resource of **90,000t @ 4.57% Cu**. This resource is situated north of the Middle Fault and above the Median Fault. The geometry of the resource and geophysical survey results, indicated the greatest potential for further economic mineralisation was south of the Middle Fault and below the Median Fault. The main exploration focus has been on the delineation of this postulated extension now referred to as Eloise North West Extended. Nine holes have been drilled into this zone (EAM228-231, 235-237, 255 and 268) however assay results for drill hole EAM268 are pending.

The potential of this zone, as indicated by the drilling, to contain economic mineralisation is very high and further drilling has been planned.

Summary of Drill Hole Intersections

Drill hole intersections using a 1.0% Cu cut off grade are summarised below:-

Levuka South Lode Definition Intercepts

Hole Number	Collar Coordinates		RL (m)	Azimuth	Dip	Total Depth	Intersections		Metres	Grade		
	North	East					From	To		% Cu	g/t Au	g/t Ag
EAM 256	82194	97684	695.3	73.3	-3.5	63.2	44.30	45.20	0.90	1.04	0.28	5
EAM 257	82194	97684	695.1	72.8	-23.5	73.9	53.60	57.10	3.50	1.15	0.25	3
EAM 258	82194	97684	694.7	73.7	-38.0	85.1	64.00	70.00	6.00	4.05	0.58	12
EAM 259	82193	97684	694.7	89.0	-41.0	86.6	42.50	43.20	0.70	1.21	0.08	4
EAM 260	82194	97684	694.5	73.7	-48.5	104.5	67.90	87.70	19.80	4.77	0.86	16
EAM 261	82193	97684	694.6	87.2	-48.5	101.5	63.50	68.55	5.05	2.05	0.28	4
EAM 262	82194	97684	694.3	71.1	-56.0	119.5	90.50	109.20	18.70	4.38	0.76	17
EAM 263	82193	97684	694.2	86.1	-58.0	113.6	79.25	84.50	5.25	1.38	0.19	5
							87.50	100.00	12.50	6.15	1.38	21
EAM 264	82193	97684	694.3	105.3	-57.5	119.5	78.65	82.30	3.65	2.25	0.58	6

Eloise North West Extended Exploration, 45 Lode & 60A Intercepts

Hole Number	Collar Coordinates		RL (m)	Azimuth	Dip	Total Depth	Intersections		Metres	Grade		
	North	East					From	To		% Cu	g/t Au	g/t Ag
EAM 255	82322	97612	709.1	301.6	-31.5	401.7	329.00	340.75	11.75	2.54	0.43	15.5
EAM 265	82233	97744	690.2	112	-1.2	44.7	Below Cut Off					
EAM 266	82233	97743	689.2	110.7	-53.5	65.6	26.85	29.00	2.15	1.55	0.24	6
EAM 267	82193	97779	717.9	258.3	-49.5	178.2	9.00	10.00	1.00	5.10	0.75	23

WESTERN AUSTRALIA

Production

Bungalbin (Gold)

Aurora

Mining

Cross cutting from the shaft to the lode has been completed. Strike driving to date has reached a length of approximately 58m with the lode closed to the west by an abrupt cross cutting shear but open to the east.

Exploration

Kintore

Gorman's Find

The geology of the Kintore – Gorman's Find area is composed mainly of komatiites and basalts with minor felsic "porphyry" intrusions. The suite of greenstones strike northwesterly and dips range from near vertical to steeply east. Old company maps dated from 1936 to 1938 show Gorman's Find to be a narrow lens of quartz with a short strike of 50m, a sub vertical to steep easterly dip of 85 degrees and a northerly plunge of 60 degrees. Historical records show that it produced approximately 6,600 ounces of gold from 6,800t of ore.

Amalg drilled eight reverse circulation drill holes for a total of 703m. The drill holes were designed to test the down plunge and lateral extent of the lode.

Intersections using a 1.0 g/t Au Cut off and drill hole statistics are summarised below:

Hole Number	Collar Coordinates		RL (m)	Azimuth °	Dip °	Total Depth	Intersections		Metres	Grade Au g/t
	North	East					From	To		
GFRC1	1060	5000	500	270	-60	106	94	97	3	8.84
GFRC2	1080	5000	500	270	-60	104	71	76	5	5.06
							88	92	4	11.25
							100	104 Open	4	1.53
GFRC3	1040	5000	500	270	-60	87	58	61	3	1.87
GFRC4	1020	4980	500	270	-60	82	72	73	1	5.50
GFRC5	1000	4970	500	270	-60	74	Below Cut Off			
GFRC6	1080	4980	500	270	-60	86	43	44	1	1.91
							46	47	1	4.34
GFRC7	1100	5000	500	270	-60	88	Below Cut Off			
GFRC8	1100	4980	500	270	-60	76	Below Cut Off			

The mineralisation intersected is encouraging and further drilling has been planned.

Industrial Minerals

Loongana Lime

Operations at Rawlinna and Parkeston continued routinely.

Product sales were within budget estimates however, in December 2000 record quicklime sales were made in part attributed to the dry winter in the Eastern Goldfields.

Major modifications were made to Kiln A in November 2000 and production and quality improvements are evident. Production from this kiln consistently and regularly exceeded 85% of nameplate capacity. Areas for further improvements have been identified and as sales requirements permit will be progressively undertaken.

Magnesite

Submissions on royalty issues were made to State Government officers and Ministers.

A preliminary evaluation of the application of modern ore sorters to the Bandalup magnesite deposit was undertaken.

FINANCIAL

The sale of Burbanks mining lease 15/161 was concluded and 2,000,000 \$0.25 shares in Barra Resources Ltd were received as consideration.

No currency or commodity instruments were current at year end.

Project debt was reduced by \$1M during the quarter with a balance at 31 December 2000 of \$675,000.

The preliminary half yearly report will be released early in March 2001.

Negotiations with two interested parties for the sale of the Eloise copper mine were undertaken.

The average actual LME price for the quarter was USD1849.32.

The average copper price realised by Amalg for the quarter was USD1926.14.

By order of the Board.

Mr A White
Company Secretary

'The information in this report that relates to Mineral Resources or Ore Reserves is based on information compiled by Brian Kely who is a Member of The Australasian Institute of Mining and Metallurgy. Brian Kely is a fulltime employee of the company.

Brian Kely has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 1999 Edition of the 'Australasian Code for Reporting of Mineral Resources and Ore Reserves'. Brian Kely consents to the inclusion in the report of the matters based on their information in the form and context in which it appears'.