

Tuesday, 13 March 2001

Dear Shareholder,

The attached half yearly report was released to the Australian Stock Exchange on 12 March 2001.

We are pleased with the financial result and executive management will continue to focus on:

Eloise

- Maintaining mine performance at present levels;
- Drilling of the 60A and other parallel structures;
- Surface drilling of the Altia prospect.

Loongana Lime

- Improve on current production levels and develop consistency;
- Maintain existing sales levels;
- Improve production and cost structures for our fluid bed kiln operation.

Other

- Progress the magnesite project at Ravensthorpe;
- Seek other business opportunities within the mining industry in Australia.

Graham McGarry
Managing Director
Tuesday, 13 March 2001