



CHAIRMAN'S ADDRESS

EIGHTH ANNUAL GENERAL MEETING OF AMALG RESOURCES NL

The Hannan's Club Brookman Street, Kalgoorlie, Western Australia, 4.00pm,
Friday, 16th November 2001

Welcome.

Shareholders will now have all received their Annual and Quarterly Reports and copies of my Chairman's Address are available to shareholders present today and copies will be mailed to all shareholders.

At this time last year our first three months were positive and the outlook for copper was strong! This year I regret to say that following the events of September 11 and the slowing of the world's economies prior to that event have impacted on the copper price. Milton Friedmann, the noted world economist, recently predicted that America would emerge from its recession by March 2002. Interest rate cuts may stimulate consumer spending, however I remain pessimistic well beyond March next year.

This week we have seen a strong recovery in copper prices due we believe in part to:-

- producer cuts;
- short covering by funds;
- disruptions at Enron (a major metal trader).

The copper market is volatile and cyclical, however that is the market we are pricing in. We maintain short term hedging through London and this calendar year our commodity hedging has been successful and the details are listed below:-

Average LME Cu Price US\$	Hedged Cu Price US\$	Quarter Ended
1849	1926	December 2000
1765	1828	March 2001
1654	1698	June 2001
1476	1597	September 2001

Our project debt to Macquarie Bank was repaid in June of this year and the Company has no project loan facilities at this stage.

A recent survey by Australian Journal of Mining places Amalg Resources NL 38 in the top 50 mineral producers in Australia for the year ended June 2000, an interesting statistic.

Eloise Operations

The ventilation shaft and tailings dam cell 3, at a total cost of \$3.0M, were completed during the financial year and both facilities will assist in medium term operations.

Deep drilling of the ore bodies below the Middle Fault were encouraging and tenders were called for a three year contract. Barmenco Ltd were awarded a three year contract from 8 October 2001. Their commitment to larger capacity trucks and loaders were a positive factor in their tender.

The change of contract has been effected but ground conditions around the 650 stope have prevented a quick ramp up. Production in this quarter will be similar to last quarter, however the mill has been successfully run at annual equivalent rates in excess of 550,000 tpa and we expect these rates to be achieved in the first quarter of the next year.

A long term commitment has been made to exploration outside the immediate mine area and encouraging results have been achieved at Altia including one intercept of 46.6 metres of 7.94% Pb.

Industrial Minerals

Sales of finished product were up in terms of volume by 9% as dry conditions and improvement in operations of emerging nickel laterite producers became evident.

Improvements to the new Vertical Shaft Kilns continue to be made:-

- modified charge hoppers were installed and commissioned;
- two baghouses to service the VSK's were installed and commissioned with indicative results significantly below our allowable particulate limits.

Two legal opinions on Loongana's ability to recover costs and loss of profits from the design engineers of the VSK's were received and a notice of a claim was lodged. A formal claim will be prepared and lodged shortly.

Safety

On Wednesday afternoon of this week our regular charter plane returning from Rawlinna crash-landed five kms short of Kalgoorlie airport. The pilot died instantly and two of our employees and a sub-contractor associated with our quarry were seriously injured. Our deepest sympathy is extended to the parents, immediate family and girlfriend of the pilot. Goldfields Air Services owned and managed by David, Geoff and Jan Horsley have provided this service to Loongana Lime for ten years. Our thoughts are particularly with them, our injured employees and their families.

On a positive note the Eloise copper mine won the 2001 Occupational Safety and Health Innovation Award for improved work practices in changing out a raisebore reaming head underground. Our congratulations to Andrew Lord (Project Manager) and Josh Rigley (Underground Manager).

Project Acquisition/Exploration

Intense competition for medium scale gold operations divested by major mining houses as a result of their rationalisation efforts and the lack of grass roots exploration due to native title problems is evident.

The native title issue is complex and must be resolved to enable exploration to resume on a larger scale.

We have concluded an agreement in principle to conduct grass roots exploration focussing primarily on gold in Western Australia. This programme may be restricted by native title issues but we have a long term view that this activity presents an opportunity for us to increase our gold mining activities in Western Australia.

Future

Whilst my address may appear gloomy to shareholders I believe the events of September 11 have impacted on consumer confidence and our principle revenue stream, namely copper, will be affected. On a brighter note, sales of finished product from Loongana Lime for the month of October 2001 were a record for that month.

Mr G McGarry
Chairman

16th November 2001