



30 July, 2001

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Dear Sir

June 2001 QUARTERLY REPORT

HIGHLIGHTS

Eloise

- 60A Lode drilling success
- Increase in resources at Eloise
- Encouraging exploration results from drilling at Altia

Loongana Lime

- Product quality from Vertical Shaft Kilns best since commissioning
- Custom and excise claim with A.T.O. finalised
- Project debt paid on or before schedule

QUEENSLAND

Eloise (Copper/Gold)

Production

A total of 120,000 t of ore was milled with an average head grade of 4.11% Cu. This produced 15,788t of concentrate grading 29.56% Cu.

Production Statistics			
Production	June 2001 Quarter	Financial Year to Date	June 2000 Quarter
Ore Mined (t)	123,072	508,957	133,613
Ore Milled (t)	120,326	503,779	133,237
Head Grade			
- Copper (%)	4.11	3.92	4.22
- Gold (g/t)	0.95	1.04	1.02
Metal Recovery			
- Copper (%)	94.39	95.00	94.98
- Gold (%)	54.93	60.18	67.36
Concentrate Produced (t)	15,788	63,402	18,031
Concentrate Sold (t)	19,859	60,361	24,002
Concentrate Stocks at End of Period (t)	9,412	9,412	6,371
Concentrate Grade			
- Copper (%)	29.56	29.59	29.60
- Gold (g/t)	3.97	4.98	5.08
- Silver (g/t)	81.92	86.49	80.62

Mine Development

Mine development accessed the 60A, Levuka South and Eloise North West lodes. Construction of the new intake airway continued throughout the quarter.

Mine Development Statistics			
Description	June 2001 Quarter	Financial Year to Date	June 2000 Quarter
Decline Advance (m)	483	1,513	196
Level Access Drives (m)	442	1,120	83
Ore Sill Drives (m)	241	682	357
Ventilation Access Drives (m)	0	84	22
Exploration Drive (m)	0	0	0
Total (m)	1,166	3,399	658
Ventilation Raises (m)	62	104	0
Cut Off Raises (m)	72	296	262
Total (m)	134	400	262
Sill Stripping – Ore (m ³)	3,466	13,676	6,023
Total (m³)	3,466	13,676	6,023

Ore Reserves and Mineral Resources

Ongoing underground diamond drilling and an improved geological understanding of the late stage brittle fault geometry has allowed a re-evaluation of the Levuka South and 60A Lode resources and reserves.

The resources and reserves were estimated using three dimensional wire frames, inverse distance weighted block models and a 2.0% Cu cut-off.

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		
Stage 2 Extended	11,000	4.56%							11,000	4.56%
Eloise North West					90,000	4.57%			90,000	4.57%
Levuka South	67,000	5.36%	63,000	4.64%	43,000	3.10%			173,000	4.54%
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)					6,000	4.50%			6,000	4.50%
60A Lode	4,000	4.50%			700,000	3.51%	700,000	4.10%	1,404,000	3.81%
Stockpiles	7,000	4.10%							7,000	4.10%
Total Resources and Reserves	89,000	5.12%	63,000	4.64%	839,000	3.61%	847,000	4.18%	1,838,000	3.98%

Eloise Exploration

60A Lode Resource Definition

Six holes (EAM276 & EAM279 – 283), were drilled towards the 60A Lode mineralisation and were targeted below the deepest historic intercept, END60A (13m @ 6.76% Cu) drilled by BHP. The 60A Lode is the down dip extension of the Levuka South resource, off set to the west by the Delphin Fault.

All holes were successful in intersecting wide zones of mineralisation.

Results to date indicate that the lode has a strike length of 150m and an average true width of 19m. Mineralisation remains open at depth.

A program of deep diamond drilling into the 60A Lode down to 400mRL has been scheduled for the next quarter.

Lower Levuka South Resource Drilling

Four holes EAM277-278 and EAM287-288 were drilled into the lower, northern extent of Levuka South to improve resource definition. All holes intersected the Levuka South mineralisation except EAM277, which intersected the Delphin Fault and failed to reach the planned target.

Delphin Fault Drilling

Two holes EAM284 and 285 were drilled to confirm the position of the Delphin Fault. Both holes were successful in intersecting the fault plane. The Delphin Fault is a mineralised, annealed fault zone dipping to the south at 35 degrees.

Eloise East Sirotem Anomaly

One exploration hole, EAM286, was drilled to the east of the current workings at 719mRL. The intention was to test, at depth, a second order Sirotem anomaly delineated and previously tested from surface by BHP. The target zone was estimated to be 300-350m down hole, however due to broken ground the target could not be reached.

Summary of Drill Hole Intersections

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

60A Lode

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 276	82183.3	97770.9	719.0	262.7	-63.4	369.3	222.4	257.0	34.6	4.73	1.67	14
							321.4	339.4	18.0	3.46	0.48	10
EAM 279	82185.0	97770.8	719.2	265.9	-58.3	307.5	170.0	207.0	37.0	4.26	1.05	15
							223.9	241.5	17.6	3.54	0.43	10
EAM 280	82185.0	97770.9	719.2	252.0	-56.3	248.7	198.0	209.45	11.45	5.59	1.80	16
EAM 281	82185.4	97771.0	719.1	278.4	-59.2	287.5	152.8	188.2	35.4	5.20	1.73	17
							237.6	250.65	13.05	1.50	0.19	4
EAM 282	82185.2	97771.0	719.1	278.5	-65.3	293.4	138.4	147.95	9.55	5.43	2.61	27
							225.5	261.1	35.6	2.66	0.52	9
EAM 283	82185.4	97771.0	719.2	289.5	-57.1	299.5	143.35	177.7	34.35	3.67	0.54	13

Levuka South and Eloise East

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 277	82312	97604	672.9	107.7	-56.4	101.6	53.6	58.9	5.3	4.49	1.32	28
EAM 278	82310	97605	673.2	107.9	-38.4	98.6	69.4	87.0	17.6	5.45	1.74	17
EAM 284	82196.4	97696.2	654.5	331.9	-69.3	59.0	55.65	59.0	3.35	4.12	1.33	20
EAM 285	82196.6	97696.0	654.5	356.0	-59.5	59.5	52.25	59.5	7.25	4.04	0.55	17
EAM 286	82186.5	97777.0	719.5	109.5	-2.0	261.1	11.2	12.2	1.0	1.39	11.2	3
EAM 287	82293.0	97630.5	680.0	71.0	-55.0	136.0	98.0	103.45	5.45	2.07	0.36	5
EAM 288	82293.2	97631.2	680.2	79.0	-39.3	129.6	110.1	117.0	6.9	2.27	0.16	4

Regional Exploration

A surface exploration program comprising percussion and diamond drilling with follow up down hole EM commenced during the quarter. A total of 18 holes were drilled at the Altia, Eloise South, and Eloise North West prospects. Downhole EM surveys were completed at Altia. Assay results have been received except for the two holes at Eloise North West. Data is currently being compiled and assessed but highly encouraging results have been received from the Altia prospect.

Altia

The Altia program (6 holes) targeted a prospect previously drilled by BHP in the late 1980's for Broken Hill style Pb-Zn-Ag mineralisation.

Significant mineralisation was intersected in three holes covering 350m of strike with better intersections including 30m @ 3.16% Pb and 47.42 g/t Ag (ALDH03), 36m @ 2.79% Pb and 16.74 g/t Ag (ALDH04), and 19m @ 3.47% Pb and 23.1 g/t Ag (ALDH06).

Mineralisation occurs within a metasedimentary sequence of siliceous arenites and biotite-muscovite schist and is at least partly stratiform. The gangue mineral assemblage is similar to Cannington, with the southern intersections being associated with magnetite, olivine, pyroxenoid and minor amphibole. Mineralisation in ALDH06 occurs in gossanous and partly oxidised siliceous arenite.

Hole	Northing	Easting	Dip	Azimuth	Intersection
ALRC01	7679700	96450	60	270	2m @ 2.99%Pb , 52 g/t Ag from 100m 2m @ 1.09% Pb, 75 g/t Ag from 130m.
ALRC02	7679695	96395	60	270	4m @ 0.24% Pb, 16 g/t Ag from 42m 2m @ 0.44 g/t Au from 60m
ALDH03	7679000	96512	60	270	2m @ 0.93% Zn from 106m 10m @ 0.5% Pb, 14g/t Ag from 122m 30m @ 3.16% Pb, 47g/t Ag from 143m; including 12m @ 4.61 g/t Pb, 59 g/t Ag from 143m & 7m @ 4.59% Pb, 82 g/t Ag from 159m 1m @ 1.53 g/t Au from 177m 0.5m @ 8.27% Pb, 181 g/t Ag from 248.7m
ALDH04	7678900	49554	64	270	3m @ 0.31% Pb 8m @ 0.35% Pb, 0.21% Zn, 6 g/t Ag from 183m 36m @ 2.79% Pb, 16 g/t Ag from 208m including 13m @ 4.98% Pb, 22g/t Ag from 208m & 3m @ 3.10%Pb, 46 Ag from 241m
ALRC05	7679300	96400	64	270	2m @ 0.58 % Pb, 46 g/t Ag from 44m 2m @ 0.3% Pb 22 g/t Ag from 84m
ALDH06	7679250	96345	64	270	19m @ 3.47% Pb, 23 g/t Ag from 65m including 13m @ 7.3% Pb 16 g/tAg 2m @ 1.98 % Pb, 30 g/t Ag from 96m. 2m @ 2.27% Cu, 0.37 g/t Au from 206m 2m @ 2.04 g/t Au, 0.24% Cu from 219m

Eloise South

Eloise South drilling targeted the projected southern strike extensions of the Elrose, Levuka and 40 lodes.

Drilling covered 450m of the southerly strike extension of the main lode horizon (Elrose-Levuka) and intersected narrow intervals of low grade copper mineralisation (<1% Cu).

Drilling of the projected 40 Lode strike extension (ESRC01 to ESRC03) also intersected narrow, low-grade (<1% Cu) mineralisation.

Eloise North West

Eloise North West drilling tested a 300m gap between the existing resource and previous BHP drilling to the north.

Both diamond holes intersected the lode position with a 20m thick zone of chloritised and mafic-altered arenites containing native copper intersected in EAM 289 and pyrrhotite dominated mineralisation with thin massive chalcopyrite in EAM 290.

Assay results are pending.

WESTERN AUSTRALIA

Production

Gold

Aurora

Stoping and ore haulage continued routinely with approximately 1,000t of ore stockpiled at the surface.

Custom milling of 3,425t at a recovered grade of 14.67 g/t Au yielded a total of 1,615 oz of gold.

Deep RC drilling to test down-dip and strike extensions of the lode is planned for the September quarter.

Industrial Minerals

Loongana Lime

Operations at Rawlinna and Parkeston continued routinely. Quicklime sales were again above budget for the quarter as continuing dry conditions in the Eastern Goldfields prevailed.

The quality of the product produced from the Vertical Shaft Kilns (VSKs) was the best since commissioning. Favourable comments in respect of quality and impact on cyanide consumption have been received from four end users.

Modifications to the VSKs were planned and orders placed for modified charge hoppers and a bag house, both of which should assist production and quality.

A second legal opinion on our position to recover costs from the design engineers is being sought and if confirmatory, action to recover costs will commence later this year.

A review of the fuel alternatives for the Fluid Bed Kiln by an independent engineer was advanced but not complete at quarter's end.

An application for the Diesel Fuel Rebate Scheme was concluded with the Australian Taxation Office. A claim for \$700,000 has been lodged, with funds to be paid in late August.

Management participated indirectly in negotiations on attempts to secure payments for unsecured creditors of the Centaur Group. There appears to be a likelihood of a small return to unsecured creditors.

Magnesite

Metallurgical consultants Ammtec Pty Ltd completed bench scale calcination test work on beneficiated magnesite from Bandalup and optimum calcination conditions were determined. The calcines achieved generally good product purity when compared to the specifications of some commercially available magnesia. The MgO content was equal to or above 92% in all samples. Main impurity levels were well below the typical levels of commercial magnesia and the silica contents of the calcines were acceptable.

Based on the results from the bench scale test work, a full program of bulk sampling and pilot scale metallurgical test work has been designed and is due to commence in August 2001.

Historical geological information on the Bandalup magnesite deposits was obtained and has been compiled into a digital data base.

FINANCIAL

Currency and Commodity Instruments

At the end of this quarter there was one fixed forward currency contract for the conversion of USD 813,809 at an exchange rate of 0.5251.

There were no commodity instruments in place.

Copper Prices

The average actual price for copper was USD 1,654 per tonne (as advised by the Queensland Department of Natural Resources and Mines). The average price realised by Amalg was USD 1,698.

Project Debt Facility

The renegotiated project debt facility was paid in full by the end of the quarter. Repayments were paid on or before schedule.

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 Kelty who is a Member of The Australasian Institute of Mining and Metallurgy. Brian Kelty is a fulltime employee of the company.

Brian Kelty 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 Kelty consents to the inclusion in the report of the matters based on their information in the form and context in which it appears'.