

## **ASX Announcement**

23 August 2006

### **Tasmanian Tin Projects - Update**

Allegiance Mining NL yesterday announced that it was "reviewing the possibility of commencing the processing of Avebury Ore through a plant owned by a third party, whilst the construction of the Avebury process plant proceeds."

Bluestone confirms that it has been approached by Allegiance on the same.

Bluestone advises that it is also in discussions with other parties regarding the re-commencement of Tin Mining operations in Tasmania and the processing of other third party ores through the Renison concentrator. None of these discussions have reached a commercial conclusion.

Bluestone welcomes Allegiance's decision to proceed with the development of the Avebury Nickel Project. If Allegiance, following its "review" offers Bluestone a commercial proposal to process ore for a short period through the Renison Plant, that offer will be considered and assessed against the other commercial options available to the Company.

Bluestone's preferred option, given the fact that the tin price appears to have stabilised above US\$8000, is to resume tin production once all detailed planning for the restart is completed and all approvals to mine Mt Bischoff have been received.

**Peter Cook**  
**Managing Director**