

29 March 2007

The Manager  
Company Announcements Office  
Australian Stock Exchange Limited  
Sydney NSW 2000

Dear Sir/Madam

**Collingwood Tin Project**

The Company's Collingwood Tin Mine near Cooktown in Far North Queensland uses a chemical free gravity process to recover tin ore to concentrate.

The Company recently attended a meeting called by, the Annan Endeavour Catchment Management Group (a non-government organisation) along with the EPA, the Cook Shire Council and others with an interest in the Annan River to discuss stormwater discharge from the mine. The local weekly newspaper has reported the matters of the meeting in a sensationalist manner.

The Company advised the meeting that recent heavy rainfall run-off had resulted in excess volumes of water in its storage dams and that this has necessarily resulted in the controlled discharge of storm water into the Annan River, which is one of the sources of Cooktown's drinking water. Both the EPA and the Cook Shire Council are informed of any discharge before it occurs. The Company, the EPA and the Cook Shire Council advised the meeting that their independent testing had confirmed that the discharges had no impact upon the water quality in the Annan River or the Cooktown water supply.

The EPA has directed the Collingwood mine to cease discharging excess water from the Tailings Storage Facility after 30 April 2007 (the anticipated end of the wet season) unless the quality of the water being released complies with the end of pipe limits specified in the environmental licence for the operation of the Collingwood mine. The Company believes it can comply with this request and there will be no impact upon its operations.

Yours faithfully

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