

exchange rate). The current world prices remain below the 1985 threshold without considering cost escalation factors in establishing a plant at Jinka, or the inclusion of insurance freight rates ex Australian ports.

The rise in fluorspar prices in during the third quarter did elicit inquiries from a third party on the status of the Jinka Fluorite. After initial discussions, however the party lost interest.

5. CONCLUSIONS

The development of fluorite mining and/or processing operation at Jinka Plains is not feasible given the present prices available for the potential fluorite products. A major price increase or a local market is required before this will change.

Both the resource and its potential for development will continue to be kept under review.

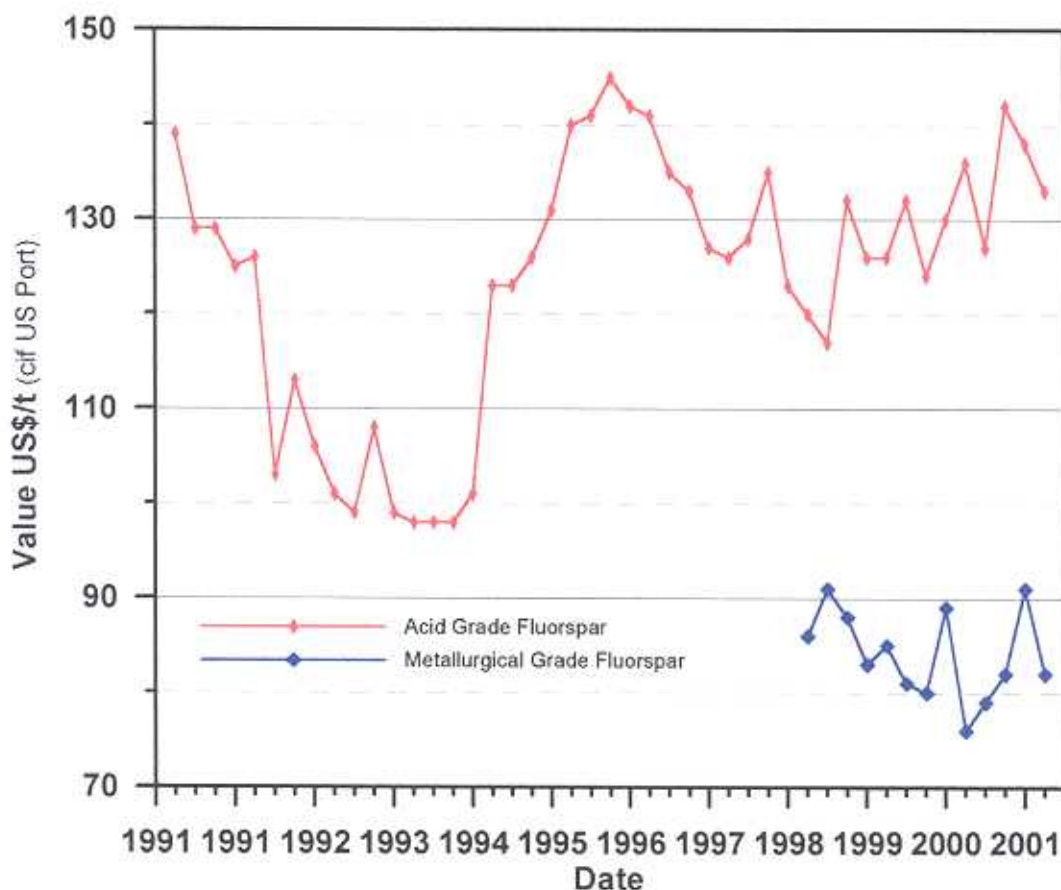


Figure 2: Fluorspar US Import Prices by Quarter.