

GJT:HS:ad:D11
H Spindler

8 September 2004

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**SONS OF GWALIA LIMITED ACN 008 994 287
AND ITS SUBSIDIARIES AS SET OUT IN THE SCHEDULE (the "Group")
(Administrators Appointed)
ABN 46 008 994 287**

CIRCULAR TO CREDITORS

As previously advised in our circular to creditors dated 29 August 2004, Andrew Love, Darren Weaver and I were appointed Joint and Several Administrators of the abovementioned Group on 29 August 2004 pursuant to Section 436A of the Corporations Act 2001 ("the Act").

ADELAIDE
BRISBANE
MELBOURNE
SYDNEY
AUCKLAND
HONG KONG
JAKARTA
KUALA LUMPUR
SINGAPORE
TOKYO
affiliated through
Kroll Worldwide
UNITED STATES
UNITED KINGDOM

1. Meeting of Creditors

I confirm that the first meeting of creditors was held on 3 September 2004. At this meeting, our appointment as Joint and Several Administrators was ratified and a Committee of Creditors was formed for all of the companies in the Group.

The members appointed to the Committee of Creditors are:

JP Morgan Chase
MacMahon Contractors Pty Ltd
Commonwealth Bank of Australia
Hampton Transport
Dresdner Australia
Macquarie Bank
Citibank Group
HSBC Precious Metals
Mitsui & Co Precious Metals Inc
Cockburn Cement
David Baile (on behalf of employees)

Bingham McCutchen LLP
Roche Mining Pty Ltd
Australian Taxation Office
ANZ
Orica
Barminco Limited
BP Australia
Henry Walker Eltin
Statewest Power
AG Reagents

2. Ongoing Trading Arrangements with Suppliers

In the circular of 29 August 2004, I noted that all purchase orders issued post our appointment were required to be authorised by a representative from this office and that liability would not be accepted for any orders that were not authorised by the Administrators.

RESTRUCTURE & TURNAROUND
FINANCIAL DUE DILIGENCE
FORENSIC ACCOUNTING
INSOLVENCY MANAGEMENT

I have since had the opportunity to review this system and the Group's internal purchasing procedures and controls and **advise that from 8 September 2004, all orders of less than \$5,000 in total are no longer required to be authorised by a representative of this office.** They are however required to be authorised by the appropriate Sons of Gwalia representative from site. These orders will be deemed to be approved by the Administrators and as such will be paid in accordance with your usual terms of trade.

Conversely, **all orders of \$5,000 or more are still required to be authorised by an authorised representative of this office** in accordance with the terms and conditions referred to in our circular to creditors dated 29 August 2004. To obtain the Administrators' authorisation, creditors should liaise with the relevant Sons of Gwalia site representative who will arrange for signed approval from the Administrators.

I wish to make it clear that the Administrators will not accept liability for any goods or services of \$5,000 or more that are delivered to the Group without an authorised order.

In this regard, an amended listing of authorised signatories and their specimen signatures is attached for your reference.

I wish to reiterate that the Administrators will not be responsible for payment of goods and services provided to the Group prior to our appointment and that we are not adopting any contracts that have been entered into by the Group prior to our appointment.

3. Extension of Convening Period

As you may be aware, the Act provides for a second meeting of creditors to be convened within twenty-one (21) days from our appointment as Joint and Several Administrators. The purpose of this meeting is for creditors to consider the future of the Group.

In this regard, creditors may resolve:

- That each company, or selected companies, execute a Deed of Company Arrangement;
- That each company be wound up;
- That the second meeting be adjourned for a period not to exceed sixty (60) days; or
- That the administration end.

We advise that due to the size and complexity of the Group's business activities, we do not expect that we will be in a position to propose a Deed of Company Arrangement and report to creditors in accordance with our obligations under the Act within this period.

Accordingly, it is our intention to make an application to the Court to extend the period to convene the second meeting of creditors to provide the administrators with sufficient time to:

Conduct adequate investigations into the affairs of the group; and
Consider strategic alternatives available to the Group and its creditors including a restructure of the Group's affairs.

It is not our intention to report to creditors on the outcome of this application by way of circular. Rather, an update report will be posted on our website under information for creditors at www.ferrierhodgson.com or www.sog.com.au and a copy of the same will be available from site.

Please advise a representative of this office should you not have access to the internet or our site and a copy of this report will be made available to you.

Should you have any queries in relation to this matter, please do not hesitate to contact either Chris Holt, Sian Sullivan, Bob Bickford or Harry Spindler of this office.

Yours faithfully



GARRY TREVOR
Joint and Several Administrator of
Sons of Gwalia Limited and
Certain Subsidiaries

SCHEDULE

Company	ACN	Company	ACN
Burmine Exploration NL	006 684 297	Invincible Gold N.L.	009 066 246
Burmine Gold N.L.	009 173 255	Lithium Australia Ltd	008 899 769
Burmine Limited	008 054 546	Mincoa NL	009 098 999
Burmine Operations Pty Ltd	000 703 346	Mount Edon Mines International Ltd	054 121 498
City Resources (WA) Pty Ltd	008 622 339	Oriole Resources Ltd	000 488 200
Gasgoyne Gold Mines N.L.	009 212 382	Orion Resources N.L.	009 182 825
Consolidated Resources NL	009 672 780	PacMin Mining Corporation Ltd	001 936 901
Greenbushes Ltd	004 603 516	Sons of Gwalia (Murchison) NL	000 829 130
Greenstone Investments Pty Ltd	008 707 748	Tantalum Refinery Co. Pty Ltd	008 974 196
Gwalia Consolidated Ltd	009 131 971	Tarmoola Australia Pty Ltd	009 138 523
Gwalia Minerals N.L.	009 011 947	Tarmoola Operations Pty Ltd	009 384 909
Gwalia Tantalum Pty Ltd	008 899 750	Zephyr 2 Pty Ltd	008 737 540

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SONS OF GWALIA LIMITED
AND CERTAIN SUBSIDIARIES
(ADMINISTRATORS APPOINTED)
ACN 008 994 287

AUTHORISED SIGNATORIES

SPECIMEN SIGNATURES



GARRY TREVOR



ANDREW LOVE



DARREN WEAVER



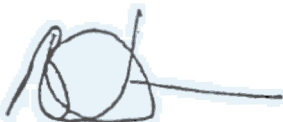
ROBERT JACOBS



PHILIP RUNDELL



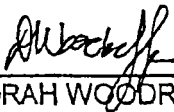
IAN HOBSON



BRAD NORMAN



DAVID PAYNE



DEBORAH WOODROFFE



REBECCA BRADSHAW



SEAN POWELL



BEN TAYLOR