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Company Announcements Office
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Dear Sir/Madam

ITALIAN FELDSPAR TESTWORK

The Directors of Gippsland Limited ("Gippsland" or "the Company") are pleased to announce the results of testwork undertaken in Italy in regard to feldspar obtained from the Company's 40 Mt Egyptian Abu Dabbab tantalite-feldspar project.

The Abu Dabbab Bankable Feasibility Study currently under way has involved the milling of ore to less than 75 microns. The milled ore was then subjected to a number of enhanced gravity and flotation processes in order to separate the feldspar and the metallic oxides of tantalum (Ta_2O_5), niobium (Nb_2O_5) and tin (SnO_2). The 75 micron feldspar produced as a result of the abovementioned process was delivered to Italy in order to subject it to various practical tests in relation to the production of ceramic tiles.

The Italian feldspar tests were undertaken at plants owned by Ceramica Rondine-Rubiera and Ceramica COEM-Roteglia both of which are located in the region of Sussuolo, the centre of the Italian ceramic industry. Both Ceramica Rondine and Ceramica COEM are major ceramic producers.

Italian ceramicists subjected the Abu Dabbab feldspar to numerous practical tests involving the use of full scale ceramic production firing lines. The tests demonstrated that the Abu Dabbab feldspar is a prime grade material. On being fired, it exhibits minimal shrinkage and produces a tile of very low porosity. Most importantly, firing of the material resulted in a colour shift towards white, an uncommon but most desirable change which demonstrated that the material would be suitable for the production of both high quality ceramic tiles and white sanitary ware.

Subsequent tests involving the forming and firing of finished tiles demonstrated that the Abu Dabbab feldspar blends very well with the various clays used in the production of ceramic tiles. The resulting tiles were of an excellent quality.

Italy currently imports approximately 1.8 Mt per annum of coarse feldspar from Turkey. The use of the majority of this feldspar is limited to certain end uses as the material exhibits a distinct colour change to yellow. Because of this change, the material attracts a low selling price. Additionally, the majority of this material is delivered as a coarse grain sized particle which must undergo expensive energy intensive milling in order to produce the ceramic finished product. The Abu Dabbab



feldspar would be delivered as a milled product thus providing the ceramic producer the opportunity to reduce energy consumption plus reductions in mill maintenance and mill consumables. It will also enable the ceramic producers to increase production as existing mills would achieve a higher throughput by use of ready milled feldspar.

The Italian ceramicists concluded that the Abu Dabbab feldspar was of an exceptionally high quality which because of its chemical composition and fine particle size, would enjoy a considerable price premium on the Italian market.

It was anticipated that the Abu Dabbab project would produce approximately 500,000 tonnes of feldspar per annum however as a result of the recent Italian testwork, the project's estimated ceramic grade feldspar production has been increased to 800,000 tonnes per year.

Jack Telford
Executive Chairman