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**GIPPSLAND
LIMITED**

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The Manager
Companies Announcements Office
Australian Stock Exchange Limited
20 Bond Street
SYDNEY NSW 2000

Dear Sir / Madam

ABU DABBAB TANTALITE PROJECT FELDSPAR RESULTS

Gippsland is pleased to advise that the feasibility study being conducted in relation to the Company's 40 million tonne tantalite project is progressing well with encouraging metallurgical results being achieved with respect to the 3 products tantalum pentoxide (Ta_2O_5), niobium pentoxide (Nb_2O_5) and tin (Sn).

Significantly though, as a result of these initial metallurgical testwork programmes, the Directors have determined that the Abu Dabbab Project has the potential to produce approximately 500,000 tonnes per annum of high quality feldspar.

Initial flotation testwork has produced most encouraging results in that the very fine (75μ) feldspar product has a combined Na_2O and K_2O content greater than 13%. Additionally, the initial flotation testwork resulted in the production of feldspar containing very low levels of the oxides of tantalum, niobium, tin and iron such that the material would be suitable for the production of high grade ceramics. While the oxide levels achieved to date are most acceptable, subsequent downstream feldspar processing is expected to result in an even further lowering of oxide levels.

The implication of this result to the project economics would be that because of its fineness and high purity, the Abu Dabbab feldspar would achieve a premium price in the Italian ceramic industry which currently imports approximately 1.2 million tonnes per annum of relatively low quality feldspar sand from Turkey.

Preliminary market investigation of the international ceramic industry indicates that an opportunity would exist for the Abu Dabbab feldspar to be sold in Italy at approximately US\$30 per tonne FOB Red Sea port. Thus, the production of 500,000 tonnes per annum of feldspar would have the potential to substantially increase project revenue.



The Directors believe that the prospect of having four (4) valuable products and therefore revenue streams would provide the Abu Dabbab Project with a robust buffer to variations in the tantalum price which is presently recovering from a market downturn.

The Company's 40 million tonne Abu Dabbab tantalite deposit is located on the western shore of the Red Sea in Egypt.

The Abu Dabbab feasibility study, which is being coordinated by the engineering group Lycopodium Pty Ltd, is being based upon an initial throughput of 1,000,000 tonnes per annum producing an estimated 420,000 pounds of tantalum pentoxide per year.

John (Jack) Telford
Executive Chairman

Note:

In accordance with Listing Rule 5.10 of the Australian Stock Exchange Limited, the geological information in this report which relates to mineral resources and ore reserves, is based upon information compiled by Gippsland Director Dr John Chisholm, who is a fellow of the Australian Institute of Mining and Metallurgy and who has over 30 years experience in the mining industry.