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18 October, 2002  
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Mr Samuel Wolff  
Special Counsel  
Securities & Exchange Commission  
Office of International corporate Finance  
450 5<sup>th</sup> Street, NW  
Washington DC 20549  
USA



02055593

SUPPL

Dear Sir

**FILE NBR 82-1039**

In accordance with Rule 12g3-2(b) of the Securities Exchange Act, we enclose herewith the following, which have been released to the Australian Stock Exchange:

- Letter on Earnings Guidance for 2002-03 Financial Year

Yours faithfully

For and on behalf of  
Sons of Gwalia Ltd

*for Lawrence*

**Peter Lalor**  
**Executive Chairman**

Att

Copy: Jo-Ann R Ward  
Citibank NA, New York

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18 October 2002

The Companies Announcements Office  
Australian Stock Exchange Ltd  
20 Bond Street  
Sydney NSW 2000

Dear Sirs

**EARNINGS GUIDANCE FOR 2002-03 FINANCIAL YEAR**

Sons of Gwalia Ltd (the Company) wishes to advise that it will lodge its Quarterly Report for the period ended 30 September 2002 on Tuesday 22 October 2002.

Previous to that filing, the Company wishes to advise that:-

- i. It is unlikely to meet analysts' and broker profit expectations for the first half and full year ended 30 June 2003.
- ii. Second half profits will exceed the first due to both increased gold production and tantalum sales.
- iii. As previously reported in the June 2002 Quarterly Report, the Company has experienced geotechnical problems at its Tarmoola Gold Mine near Leonora. These problems have continued during the September quarter and will negatively impact on gold production, profitability and cashflow. The Company is currently reviewing the Tarmoola operations and the current stripping and development programmes.
- iv. Global economic conditions have resulted in a significant fall in demand for tantalum and other products used in the electronic and telecommunications industries. This, in turn, has led to reduced demand for the Company's tantalum products. As a result of this, projected tantalum sales for the year ended June 2003 have been reduced by approximately 300,000 lbs. to approximately two million pounds.