

17 October 2011

Company Announcements Office
Australian Stock Exchange
20 Bridge Street
Sydney NSW 2000

**MANTUAN DOWNS BENTONITE MINE OPERATION
CENTRAL QUEENSLAND UNCONTROLLED GRASS FIRES**

The Company advises that its Mantuan Downs bentonite mine site was located in the path of the recent grass fires triggered by lightning strikes in the Jericho region of Central Queensland.

Some damage has been sustained to some of the site buildings, plant and equipment. The major items of mobile equipment are securely stored off-site and have not been affected by the fires.

No notable damage has been sustained to existing stockpiled product held ready for delivery.

The fire damage that has been sustained is being assessed and it is expected that most of the cost of the necessary repairs will be covered under the Company's insurance policies.

This incident is not expected to have an effect on, delay or hinder the Company's Bentonite Marketing Agreement with Fertoz Pty Ltd announced by the Company on 10 October 2011.

Yours faithfully



Kevin Mischewski
Company Secretary