

5 November 2007

The Manager Companies
Australian Stock Exchange
20 Bridge Street
SYDNEY NSW 2000

Dear Sir


ACTIVITY UPDATE

The Company is pleased to provide the following update on its mining and exploration activities:

- Drilling to resume at Southern Barite Lens this week to follow up on previously reported intercept of 57 metres at 9.2% zinc, 4.7% lead, 94 g/t silver and 2.9 g/t gold.
- Que River mining activity progressing well with ore now exposed in the S-Lens pit following the completion of the water settlement dam. Ore production is now ramping up and budgeted production is forecast for November.
- Coffey Mining due to start a Scoping level study to evaluate mining opportunities of the Company's recently reported Hellyer Mineral Resource. The first stage will comprise a rudimentary assessment for two or three broad access and mining options that would illustrate potential broad scale cash flow potential.
- The recent placement to mainly institutional investors has been completed except for the Intec Ltd component which is subject to BSM shareholder approval; this will be sought in December.

The Company has recently attained some important milestones, particularly a doubling of its Mineral Resource inventory, the commencement of mining at the Que River base metals project and the financial support from several major institutional investors. I look forward to providing further updates on mining and exploration activities.

Yours Sincerely



Mike Rosenstreich
Managing Director

The information within this report that relates to exploration results is based on information compiled by Mr Mike Rosenstreich who is a full time employee of the Company and is a Member of The Australasian Institute of Mining and Metallurgy. He has sufficient experience relevant to the styles of mineralisation and types of deposits under consideration and to the activities currently being undertaken to qualify as a Competent Person as defined in the 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves and consents to the inclusion of this information in the form and context in which it appears in this report.