BLUESTONE
TIN LIMITED
ACN 110 150 055

3 October, 2005

The Listing Manager
Australian Stock Exchange – Perth
2 The Esplanade
Perth WA 6000

Dear Sir

Please find the following announcements by the Company for immediate release to the market:

Bluestone Tin Limited – Projects Update

Bluestone Tin Limited – Press Release

Yours Faithfully
Bluestone Tin Limited

Peter Cook
Managing Director

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BLUESTONE TIN LIMITED - PROJECTS UPDATE

Further to the Company's announcements of July 7 and July 11, 2005 Bluestone accordingly advises the following:

TIN PRICE

Bluestone advises that the spot tin price has continued to fall over the past 2 months reaching lows of $US6335 on September 19, 2005 compared to a year high of US$10,400 and US$9500 at the time of the Bluestone's IPO and subsequent ASX listing in late August 2004. The official Cash price of tin at the close of trading on Friday September 30, 2005 was US$6580 per tonne or A$8635 per tonne which is an approximate 33% drop in the commodity price from the A$13,000 approx. (AUD$0.69) at the time of Bluestone's IPO and major capital investment decisions.

This fall has been further exacerbated during the past year by the appreciation in the AUD:USD exchange rate from approximately $0.69 at the time of listing to $0.76 at current levels.

RESPONSE TO LOWER TIN PRICE

Bluestone has reviewed viability of its operations and their development status and advises of the following outcomes:

1. The Collingwood Tin Project remains a viable proposition at the current low tin price and the Company will continue the development and operation of the project.

2. The Renison Bell underground mine and tin concentrator will go into a temporary suspension phase pending an increase in the tin price and revised operational strategy to increase overall productivity from the operation.

3. Bluestone is continuing with works in preparation for and approval of open pit mining at the Mt. Bischoff site. Bluestone intends to have this site ready to provide immediate production coincident with a recommencement of ore processing at Renison in the future.

4. Bluestone is proceeding with the Rentails Feasibility Study. The previously completed pre-feasibility study has shown that Rentails would be a viable project at current tin prices and total cost estimates are expected to be approximately A$6,600 per tonne of Tin metal (well below current spot low).

RENISON TIN PROJECT

At this time at current tin prices and mine performance levels it is not currently viable to continue to operate Renison and the prudent decision to temporarily suspend operations has been made.

This is a temporary suspension based on a combination of performance and economic reasons. Quite simply at current productivity levels and tin prices the Renison Bell underground mine is not a viable proposition. However, the future and big picture for Bluestone's Tasmanian Tin Strategy remains a solid proposition.

Bluestone's development strategy is to recommence Renison as an integrated project with ore supplemented from its Mt Bischoff open pit tin project at Waratah and the establishment of its Rentails Tailings re-treatment and downstream tin fumer plant. Bluestone has had considerable exploration success at Renison, identifying high grade tin mineralisation at depth within the Federal Fault system and is confident the Rension Bell underground mine will be a significant contributor to the integrated strategy.

Bluestone intends to bring Renison back into production as part of an integrated project with its Mt. Bischoff and Rentails project. This will give Bluestone far more flexibility in managing unit production costs and being able to ride through future commodity price swings.

This decision by no means reflects the potential of the Renison mine. It reflects prudent financial and operational management of the project in light of a 33% decrease in the tin price and the preparedness of the Company to make the hard decisions in this time of lower tin prices.

The Renison project has been subject to significant capital investment in the past year and the tin concentrator, underground mine and site infrastructure is in good condition and will be held in an advanced state of care and maintenance.

COLLINGWOOD TIN PROJECT

Bluestone is proceeding with the development of its Collingwood and believes it remains a viable operation even at these low tin prices.

Bluestone advises that it's Collingwood Project has commenced underground production with the first ore being developed on the Parrot and Main Lodes north end of the mine on the 240RL. The tin concentrator construction is advancing well with roads and access works, civils, concrete works, crushing circuit, tailings dam, mine office and crushing circuit nearing completion. Structural steel works and major component installation is underway to be followed by piping and electrics.

Bluestone currently estimates that it should be in a position to commence dry commissioning in the first week of November 2005 and expects to have completed wet commissioning by the end of November 2005. First concentrates are expected to be shipped at this time. At this stage Bluestone is forecasting a minor cost overrun of approximately $0.8 million on the total project development cost of $14.5 million which is within normal project contingency allowances. This increase reflects the tightening and inflation in construction and services industries as well as the cost and deliverability impacts of major components that has in recent times impacted resource developments.

Cash operating costs at the Collingwood project have been reviewed and are estimated to average A$6,400 per tonne over the mine life. Total costs for the remainder of the project are estimated at A$7,700 (US$5800) per tonne of saleable tin metal. Collingwood will produce at approximately 3,500 tonnes of saleable tin metal per annum.

FINANCIAL

At 31 August 2005, the company has some $10.2 million cash and debtors on hand (unaudited).

The company has a finance lease facility drawn down to $1.8 million.

The Company has a secured performance bond facility and a secured mobile plant and equipment finance facility. The Company does not believe the decision to temporarily suspend operations at Renison would result in the withdrawal of these facilities.

The company has no currency or tin hedging liabilities.

The move to temporarily suspend operations at Renison will negatively impact revenue and will result in the payment of applicable contract and employee termination payments.

Further detail on the Bluestone operations will be released in the company's quarterly activities report to be released to the market in late October 2005.

The Company advises that it is currently in discussions to establish debt and working capital facilities and is planning equity raising in conjunction with debt funding.

Yours faithfully
Bluestone Tin Limited

Peter Cook
Managing Director