BEMAX
RESOURCES NL
ABN 60 009 247 858

29 November 2002

The Announcements Officer
Australian Stock Exchange
20 Bridge Street
SYDNEY NSW 2000

BY FACSIMILE
1300 300 021

Dear Sir

SIGNIFICANT FINANCIAL SUPPORT AND RUTILE CONTRACT ACHIEVED

The Directors of BeMaX Resources NL (**ASX: BMX**) are pleased to announce that BeMaX has reached agreement with The National Titanium Dioxide Co Ltd ("Cristal") for the funding of the acquisition of Probo Mining Limited, underwriting support for project financing and a major product offtake arrangement.

This agreement is a major milestone for BeMaX and will result in:

- BeMaX moving to 100% ownership of the Pooncarie Mineral Sands Project (incorporating Ginkgo and Snapper deposits);
- Issue in the immediate future of the Bank Information Memorandum to potential debt financiers;
- Provision of significant support to any equity raising required by BeMaX as part of the project financing; and
- A further offtake agreement for a significant portion of the planned rutile output, which will now mean most of the planned output from the Ginkgo mine is committed under offtake agreements.

Funding for acquisition of Probo

Cristal will provide cash funding of A$10 million on the basis of a convertible note issue. The funds raised from the issue will finance BeMaX's first cash instalment in the acquisition of Probo Mining Limited ("Probo") from Sons of Gwalia Ltd ("SGW") on 2 December 2002. Conversion of this note would be subject to shareholder approval and the attainment of acceptable firm commitments for project financing.

The note is convertible into BeMaX shares at 30 cents per share, which would entail the issue and quotation of approximately 33.3 million ordinary shares. A general meeting of BeMaX shareholders will be conducted by 31 January 2003 to seek

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approval for the issue of these shares. Conversion of the note would result in Cristal owning approximately 18.8% of BeMaX's issued share capital.

Prior to conversion, the note will be secured against the shares of Probo. Commercial terms with respect to interest, break fees and repayment will apply if conversion does not receive shareholder approval.

Equity Underwriting for Project Finance

Cristal has further agreed to underwrite a major portion of a pro rata issue to BeMaX shareholders, or an alternative issue structure as agreed, up to an amount of A$20 million. This equity raising will be part of the overall Pooncarie Mineral Sands Project funding package, which will include a significant debt financing component. The underwriting is subject to the achievement of certain minimum financial parameters. Cristal will also have the first right of refusal to underwrite an additional amount, subject to Cristal not achieving more than 49.9% of the issued share capital of BeMaX.

The parties have also agreed that, until the earlier of project finance becoming non-recourse to BeMaX or 30 June 2006, and subject to Corporations Act requirements, Cristal shall have a general right of non-dilution. Cristal will have the right to request BeMaX to issue further shares to Cristal on terms no less favourable than those applying to the issue of shares to a third party.

Rutile Offtake Contract

Cristal has also agreed to enter into a Rutile Offtake Contract to be executed on 2 December 2002. The Contract contains a condition precedent regarding the financial closure of project financing, similar to that of the other offtake product contracts that the Pooncarie Mineral Sands Project has in place. The contract is for a significant proportion of the expected annual Rutile tonnage to be produced from Ginkgo.

Other Items

In recognition of Cristal's support of the Pooncarie Mineral Sands Project and the Company, the directors of BeMaX have agreed that Cristal shall be offered board representation.

As part of its agreement with SGW, BeMaX has the right for 120 days after the acquisition of Probo to place SGW's shareholding in BeMaX. BeMaX has agreed to cooperate with requests made by Cristal for the purposes of Cristal increasing its equity interest in BeMaX to 19.9% as a result of any placement of the SGW shareholding, subject to BeMaX's restriction agreement with SGW.

Cristal

Cristal, a privately owned Saudi Arabian company, operates a titanium dioxide pigment facility at Yanbu on the Red Sea. It is the only producer of titanium pigment in the Middle East Region with capacity, following recent expansion, to produce in excess of 90,000 tonnes per annum of pigment. In addition to their prominent position in the region, they also have global sales into over 50 countries.

The major shareholders consist of equal shareholding between Shairco Limited, Gulf Investment Corporation and National Industrialization Co. Shairco is a prominent family owned industrial developer/manufacturer. GIC is owned by the six Gulf States comprising the Gulf Cooperation Council and a major ceramic and industrial developer in three countries. NIC is a listed Saudi Arabian company and leading national and regional industrialiser.

Cristal has been in operation for ten years using state of the art production technologies, the products from which have gained worldwide recognition for quality.

The BeMaX directors believe that Cristal will add significant value to the future of BeMaX and welcome its acknowledgement and support of the potential of the Pooncarie Mineral Sands Project.

Agreement with Sons of Gwalia Ltd

BeMaX and SGW announced on 26 August 2002 an agreement under which BeMaX may acquire SGW's 25% interest in the BIP Joint Venture ("BIP JV"), held through its subsidiary Probo Mining Limited ("Probo"). This acquisition would result in BeMaX owning 100% of the Pooncarie Mineral Sands Project, including its flagship Ginkgo and Snapper mineral sands deposits.

On 22 October 2002 BeMaX shareholders approved the acquisition of Probo for $14 million consideration, for which approximately 5.7 million BeMaX shares valued at 30 cents per share may be issued as part payment. The remainder of the cash consideration, being approximately $2.3 million, shall be payable to SGW on the 26th August 2003. SGW has now notified BeMaX that its option to elect to increase its interest in the BIP JV will not be exercised, enabling BeMaX to proceed in the acquisition of Probo.

The Pooncarie Mineral Sands Project

Owned by the BIP JV and located near the township of Pooncarie in south west NSW, the Pooncarie Mineral Sands Project is the first fully permitted major mineral sands project in the NSW region of the world class Murray Basin mineral sands province. The combined Resources at Ginkgo and Snapper, located within 10km of each other, exceed 12 million tonnes of contained total HM.

It is proposed to initially develop the Ginkgo mine and the Broken Hill Mineral Separation Plant (MSP), with subsequent development of the Snapper deposit. Ginkgo is one of the largest contiguous coarse-grained mineral sands deposits in the Murray Basis with many very positive characteristics for low cost mining techniques. Snapper is currently the subject of a feasibility studies to confirm its economic value to the Pooncarie Mineral Sands Project.

BeMaX is strategically placed in the northern Murray Basin and controls resources containing over 42 million tonnes of Heavy Minerals. The Pooncarie Mineral Sands Project economics do not yet take into account the numerous other deposits located in the Pooncarie area in BeMaX wholly owned and joint venture tenements.

Subject to project financing, construction activities are scheduled to start at Ginkgo in the first half 2003, with commissioning end 2004 and first product delivery to market planned for 2005.

Yours faithfully

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