



GTN RESOURCES LIMITED

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REPORT FOR THE QUARTER ENDED 31 March 2004

OPERATIONS

Mining at a limited level recommenced at Weean (50% GTN) in February as inventory levels had been run down to low levels. A total of 3,200 bcm of wash was treated to yield a total of 179kg of corundum bearing material during the quarter. Although the sapphire market remained depressed, moderate levels of sales are being achieved and it is currently anticipated that Wean will continue operating at this level throughout the June quarter. However, continuing mining is dependent on no substantial deterioration in the current level of sales.

K HEYWOOD
General Manager

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