13 February 2003
11731tl

The Companies Announcements Office
Australian Stock Exchange Ltd
20 Bond Street
Sydney NSW 200

Lodged via ASX Online

Dear Sir

Yesterday afternoon Sons of Gwalia Limited ("Company") became aware that UBS Warburg had circulated a statement to sections of the market, both in Australia and overseas, to the effect that one of the Company's bankers had withdrawn its support to the Company. The investment bank did not confirm this statement, or its contents, with the Company before it was circulated.

The Company wishes to make it clear to the market, in unequivocal terms, that the information in its statement is false and has no validity.

The Company is extremely concerned that circulating information of this nature, which is unsubstantiated and has no validity, can seriously prejudice the integrity of the market and materially impact a listed company's share price, before the listed Company becomes aware of the information in the statement and has time to respond to it.

The Company believes its share price was adversely impacted by the false and unsubstantiated statement having been circulated yesterday given:

- the large volume of shares in the Company which were traded on ASX yesterday afternoon; and
- the fall in the Company's share price in comparison to the prices of most other gold companies.

Yours faithfully

[Signature]

Peter Lalor
Executive Chairman