



CAPILANO

Honey Limited

ABN 55 009 686 435

14 January, 2005

Mr Ian Craig
Markets Manager
Bendigo Stock Exchange
PO Box 191
MELBOURNE VIC 3000

Dear Ian

re: Amendment to number of shares on issue

Following a review by our Auditors, and pursuant to a Resolution by the Board of Capilano Honey Limited, we advise that the number of shares on issue has been overstated by 3,414.

This error in the company's share register occurred many years ago, and came to light again during the final Audit for the year ended 30 June 2004. The matter has been discussed at length with the company's legal advisers, who, et al, recommended the resolution adopted by the Board.

Accordingly, the number of shares on issue when we listed on 18 June 2004 should be amended downward by 3,414 to 5,128,761 and, following periodic issues of one share to individual beekeepers since that time to enable them to become shareholders and enter into a Honey Supply Agreement with the company, the number of shares on issue at 31 December 2004 has increased marginally to 5,128,772.

Please advise if you require any further information to make this amendment.

Yours faithfully
CAPILANO HONEY LIMITED

E J Bailey
Company Secretary