

Report for December 2002 Quarter

Principal Points

PRODUCTION

- Continued production difficulties at Southland resulted run-of-mine production of only 196,000 tonnes for the December quarter. This disappointing outcome was due to longwall face stability problems, primarily relating to a zone of poor ground conditions (low angle in-seam shearing).
- A new alliancing contract between Southland Coal and Thiess commenced on 1 November 2002.
- Updated 2002-03 outlook for Southland is to mine 1.0 to 1.2 million tonnes, comprising 0.9 to 1.0 million tonnes coking coal and 0.1 to 0.2 million tonnes steaming coal, with two-thirds being in the second half.
- To underpin future production at 2 million tonnes per annum, Southland now has about 3 million tonnes of developed coal and modernisation of the longwall equipment has been advanced to late calendar 2003.
- Gold production of 14,716 ounces at a cash operating cost of \$330/oz and total cost of \$480/oz.
- The Lewis Decline broke through to the Monkland Mine in late December. This integrates the mines and provides support for production growth as well as providing access for mine exploration activities
- Forecast 2002-03 gold production at Gympie Eldorado is 60,000 ounces.

EXPLORATION

- Drilling during the quarter significantly extended the known mineralised length of the Inglewood Structure by 1.5 kilometres to the northwest and more than 2.5 kilometres to the southeast of the mine area:
 - At South Inglewood, initial drilling has confirmed that Inglewood Structure continues to the southwest and a major fault has lifted it close to surface. This shallow, concealed repetition of the Gympie Goldfield's major ore feeder structure is already yielding intercepts of coarse, visible gold and remains open along strike to the southeast; and
 - At Inglewood Hill, encouraging intercepts of 2.5 metres at 10.7g/t gold and 1.1 metres at 18.1g/t gold were drilled 700 metres to the northwest of currently delineated resources.
- This recent drilling extends to more than 4 kilometres the proven strike length of the Inglewood Structure, a major gold feeder structure which has already produced 2 million ounces from half that strike length.
- Drilling of the Partridge resource on a 25-metre spacing was completed and the resource upgraded to an Indicated Resource of 280,000 tonnes at 8.7g/t, containing 79,000 ounces of gold.
 - Gympie Gold has invested seed capital and agreed to transfer some exploration tenements with potential for bulk tonnage gold and copper-gold discoveries to D'Aguilar Gold Limited - a new exploration company. D'Aguilar aims to list on the ASX in 2003 with Gympie Gold to own about 25% of the company.

MARKETING

- Coal export sales during the quarter were 227,431 tonnes to Japan and Korea.

CORPORATE

- The dispute with previous coal contractor Colrok was settled during the quarter.
- Southland will contribute an operating loss before tax of approximately \$9 million for the December half, outweighing the profitability of Gympie Eldorado and leading to a group operating loss for the half of approximately \$12 million before tax. These figures are preliminary and unaudited.
- Gold hedging has been reducing for two years and is now only 26% of resources.
- Currency hedging in place for approximately one million tonnes of coal sales at \$A/\$US rate of 0.541.

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CORPORATE OVERVIEW

Gympie Gold Limited has two principal businesses:

- **Gympie Eldorado Gold Mines** has re-established production from the high-grade Gympie Goldfield in southeast Queensland. The core activity of exploring for large, high-profit gold orebodies is supported by mine development and gold production. Gympie Gold® Gemstone is also extracted, processed and marketed internationally as a range of high value-added products.
- **Southland Coal** controls the strategically important Greta Seam and produces high-quality coking coal in the Hunter Valley, New South Wales. Southland Coal products include Australia's lowest ash high fluidity metallurgical coal which also has exceptionally high calorific value.

Business Plan Update

Priorities for the remainder of 2002–03 financial year are to:

- Overcome Southland's recent production problems and substantially increase sales of coal;
- Continue to implement the major gold exploration program at Gympie to substantiate estimates of the plus 6 million ounce potential while maintaining excellent discovery costs of \$14 per ounce of resource; and
- Extend the Gympie Gold® Gemstone business further to new markets and downstream into Gympie Gold® Jewellery as gemstone recovery from the mines permits.

Profit Outlook

Southland's production of 373,000 tonnes of run-of-mine coal during the December 2002 half -year was about 200,000 tonnes below profit break-even level, resulting in Southland contributing an operating loss before tax of approximately \$9 million. Southland's poor operating result outweighed the profitability of Gympie Eldorado and lead to a group operating loss of approximately \$12 million before tax for the first half of 2002-03. This result is based on group revenue of \$38 million and group earnings before interest, tax, depreciation and amortisation of \$2 million. These figures are preliminary and unaudited.

The dispute with Colrok, Southland's previous coal contractor, was settled during the quarter and the settlement costs are included in Southland's operating result for the half-year.

Financial Position

The following is an abridged Statement of Financial Position for the Company on a consolidated basis:

	31 December 2002 (\$'s millions)	30 June 2002 (\$'s millions)
Current Assets	53	64
Non-Current Assets		
Gold	81	73
Coal	65	57
Other	3	8
Total Non-Current Assets	149	138
Total Assets	202	203
Current Liabilities	35	39
Non-Current Liabilities	77	62
Total Liabilities	112	101
Total Equity	90	102

The figures as at 31 December 2002 are preliminary and unaudited.

Current assets at 31 December 2002 included cash of \$10 million and in-situ, developed coal at Southland of \$25 million. Borrowings totalled \$95 million, including \$40 million relating to the convertible notes maturing in 2007.

D'Aguilar Gold Limited

Gympie Gold has expanded its gold exploration reach in southeast Queensland by agreeing to transfer its bulk tonnage gold and copper-gold exploration properties outside of Gympie's core tenement holdings centred on the Gympie Goldfield into D'Aguilar Gold Limited - a new, aggressive exploration company.

D'Aguilar plans to raise \$4 million under a prospectus to be issued in 2003. The D'Aguilar exploration portfolio will include over 2,000 square kilometres of prospective ground which hosts numerous historic mines, porphyry prospects and mineral occurrences centred on Kilkivan, some 50 kilometres west of Gympie.

Gympie Gold has invested seed capital D'Aguilar and, subject to regulatory consents and legal documentation, has agreed to transfer to D'Aguilar its bulk tonnage targets at Woolooga, Teitsel and Glastonbury. Gympie will be D'Aguilar's largest shareholder with approximately 25% of the company and will appoint two Directors to its Board.

Gold and Currency Hedging

Some hedging is seen as necessary insurance and the general rationale of our hedging policies is to protect the company's exposure where a change in product pricing would be damaging, but to leave upside potential uncapped as much as practical.

Only 26% of Mineral Resources at Gympie Eldorado are subject to price caps (hedging commitments). The remaining 74% of resources and additional gold discovered is exposed to gold price movements.

During the quarter, a total of 14,362 ounces were sold at \$A539/oz. Combined with revenue received from by-products, aggregate revenue received per ounce of gold sold was \$A548/oz for the quarter.

Gold Hedging Position as at 31 December 2002

Disclosure as per Australian Gold Council standard		02-03	03-04	04-05	05-06	06-07	Totals/ Averages
Total Hedged (Forward Sales)	ounces	31,000	74,100	36,000	36,000	18,000	195,100
Estimated Net Realisable Price	\$A/oz	529	530	520	520	520	525

- Estimated Net Realisable Price is after allowing for gold lease fees on all ounces, which are fixed until August 2003 or later, and then assumed to be 1.0% per annum thereafter.
- Margin calls do not apply to gold hedging contracts.
- Mark-to-market of negative \$A22 million at quarter-end gold price of \$A608/ounce.
- No options, contingent hedging contracts or foreign exchange contracts exist in relation to gold operations.

As at 31 December, \$US37 million of coal revenues were hedged at an average \$A/\$US rate of 0.541 with a forward-sale commitment schedule spread over the next year. This insures the \$A price of approximately one million tonnes of coal sales over that period. The positive mark-to-market value of this position is approximately \$A2 million at the quarter-end \$A/\$US spot rate of 0.566.

The \$A coal price received by the Company in 02-03 should be about 15% more than achieved in 01-02 because of the lower \$A/\$US rate and higher contracted \$US per tonne prices for 02-03.

GYMPIE GOLD® GEMSTONE

During the quarter, final preparations were made for the launch of the Gympie Gold® "Jewellery Collection", an exclusive range of jewellery using the finest materials including gemstone, gold and silver supplied direct from our Gympie Eldorado Gold Mine in Queensland.

SOUTHLAND COAL, HUNTER VALLEY NSW

Safety and Environment

No lost time injuries occurred during the quarter, and during January Southland achieved one year without a lost time injury. During late January 2003 the operation commenced utilising a newly-released foam product which enables safer, faster, more efficient strata control.

No environmental incidents occurred and several water conservation projects were undertaken.

Alliance with Thiess

A new alliancing contract between Southland Coal and Thiess commenced on 1 November 2002. This contract covers the entire operation and provides the following benefits to the project:

- Full transparency in cost and performance measurement, through an open-book approach;
- Integration of the management teams of owner and contractor;
- Minimisation of contractor's margin and administrative overheads; and
- Joint focus on long-term planning, including earliest achievement of 2 million tonne per annum production rate.

Thiess will still provide its extensive resources and capabilities but direction will flow from the alliance leadership team headed by Southland Coal as the principal owner.

Operations

Development of longwall panel SL4 continued to proceed well and advance of 1,617 metres for the quarter was on budget. Southland currently has approximately 3 million tonnes of coal developed and ready to extract, which is worth approximately \$175 million in revenue terms.

Southland Production and Sales Statistics

		2002-03 Financial Year-to-Date	December 2002 Quarter	September 2002 Quarter	June 2002 Quarter	March 2002 Quarter
Development Advanced	metres	3,312	1,617	1,695	2,533	2,756
Raw Coal Produced "ROM"	tonnes	373,033	196,445	176,588	256,599	285,233
Washed Coal Produced	tonnes	341,692	168,468	173,224	243,629	262,585
Coal Sales (including purchases)	tonnes	534,832	267,580	267,252	281,281	303,843

Notes:

1. All figures quoted are for 100% of the project. Southland Coal's share is 90%.
2. Coal sales for the December 2002 quarter include 37,229 tonnes purchased and 40,149 tonnes of steaming coal recovered from surface coal dumps and sold to local power stations.

Raw coal production of 196,445 tonnes for the quarter was approximately 100,000 tonnes lower than planned. This disappointing production outcome was due to longwall face stability problems, primarily relating to a zone of poor ground conditions (low angle in-seam shearing).

The Southland alliance evaluated and implemented various measures during the quarter which are aimed at achieving budgeted production rates and lowering costs. One key measure was to convert the longwall operations from a 5-day roster to a continuous 7-day roster. Another measure will be the installation of a higher-capacity shearer, which tightens control of the seam-cutting horizon at the longwall face.

Early in the December quarter the longwall unit was graded up to mine the upper portion of the seam, which improved roof integrity. Face stability was further increased by reducing the longwall cutting horizon and changing longwall procedures to reduce the span of unsupported coal in front of the longwall face.

These actions were successful with October's run-of-mine production achieving more than 100,000 tonnes. However, further difficult ground conditions restricted production for November and December to a total of less than 100,000 tonnes.

By the end of December 2002, Southland had mined through the zone of in-seam shearing and commenced returning the longwall unit back down to the seam floor, where mining conditions and coal quality are expected to support much improved production rates. This transition to the base of the seam requires complex strata management. In early January, a roof fall at the longwall face occurred that is expected to delay the transition to the seam floor until mid-February. During this transition period, low production rates are likely to continue as the longwall progresses slowly and safely downward to the bottom of the seam.

Updated 2002-03 outlook is to mine 1.0 to 1.2 million tonnes comprising 0.9 to 1.0 million tonnes coking coal and 0.1 to 0.2 million tonnes steaming coal, with two-thirds being in the second half.

After extensive expert review of the longwall operation by geotechnical and mining consultants over the past six months, Southland has brought forward modernisation of the longwall face equipment. This project had previously been scheduled to cost over \$50 million and to be undertaken around 2006. Now, a near-new longwall face has been procured and replacement of the key half of the old longwall has been arranged for late calendar 2003 to coincide with commencement of the next longwall panel SL4. Along with upgrades to the entire longwall, the total package of works should cost under \$10 million and should underpin production of 2 million tonnes per year.

A pre-feasibility study continues for open-cut mining of up to 2 million tonnes of steaming coal on existing mining leases.

Marketing

A new contract for the rail transport of coal from Southland to the port in Newcastle has been signed with Pacific National. This three-year agreement will achieve significant cost savings by reducing coal transport costs by more than \$1.00 per tonne.

The Southland coal mine has a long-term strategic role as an exporter of high-quality coking coal from the Hunter Valley in New South Wales. Greta Seam coking coal is low ash, low phosphorous and also retains its very high fluidity for an exceptionally long period, thereby facilitating penetration into Europe and South American coking coal markets.

Production delays during the quarter required some sales to be rescheduled. As an independent coal company, Southland Coal is able to add value to its products by its flexibility and ability to customise quality and service for diversified markets in North Asia, Europe, South America and the Indian sub-continent.

Coal export sales during the quarter were 227,431 tonnes to Japan and Korea. Market development during the quarter continued to focus on Europe and South America.

GYMPIE ELDORADO- GYMPIE, QUEENSLAND

Safety and Environment

The lost time injury frequency rate improved to 29 from 33 at the end of the previous quarter and no environmental incidents occurred during the quarter.

Operations

Gympie Eldorado produced 14,716 ounces at a cash operating cost of \$330/oz (\$US187/oz).

Revenue of \$539/oz provided a strong cash operating margin of \$A254/oz (\$US144/oz).

Summary of Gold Production and Costs

		2002-03	December	September	June	March
Cost disclosure as per US Gold Institute standard.		Financial	2002	2002	2002	2002
		Year-to-Date	Quarter	Quarter	Quarter	Quarter
Mine Development	metres	4,696	2,368	2,328	2,935	2,503
Ore Mined	tonnes	137,835	62,960	74,875	66,388	58,563
Mill Throughput	tonnes	125,275	65,202	60,073	65,127	52,582
Head Grade	g/t	7.97	7.79	8.16	8.65	8.29
Mill Recovery	%	89.2	88.5	90.0	93.3	93.1
Gold Produced	ounces	28,630	14,447	14,183	16,884	13,049
Gemstone Gold	ounces	516	269	247	236	206
Total Gold Production	ounces	29,146	14,716	14,430	17,120	13,255
Cash Operating Cost	\$A/oz	285	330	240	239	293
Total Cash Cost	\$A/oz	301	346	254	254	310
Total Production Cost	\$A/oz	461	480	441	278	415

Note: Appendix 1 at the end of this report contains detailed gold production and cost statistics.

The primary sources of ore during the quarter continued to be Stockwork Block 6A in the Monkland Mine and the Inglewood Lode in the Lewis Mine. Record mill throughput of 65,204 tonnes was achieved for the quarter.

The Lewis Decline broke through to the Monkland Mine in late December on-schedule. The two mines are now integrated which provides support for production and exploration activities.

Forecast 2002-03 gold production at Gympie Eldorado is currently 60,000 ounces.

GYMPIE EXPLORATION

Search for a Major New Gold System

The ambitious three-year exploration program of the Gympie Goldfield has quickly provided substantive positive results. This major exploration program is aimed at discovering a large new gold ore system analogous to the Inglewood-Stockwork-Gympie Vein System in the current mine area which has yielded over two million ounces from a two kilometre strike length since 1867. Since July 2002, the Partridge resource has been further defined and the known mineralised strike length of the major Inglewood Structure has been extended to more than four kilometres - a doubling of the strike length.

The exploration budget for 2002-03 is \$7 million for drilling-based activities of which \$4 million is directed at grassroots targets mainly in the Gympie Goldfield. Exploration expenditure for the quarter totalled \$1.7 million. The success of grassroots exploration since July 2002 has resulted in primarily follow-up drilling planned for the March quarter. Several promising prospects are within one kilometre of the current mining operations and the aim is to quickly delineate sufficient resources than can be developed very cost efficiently from existing infrastructure.

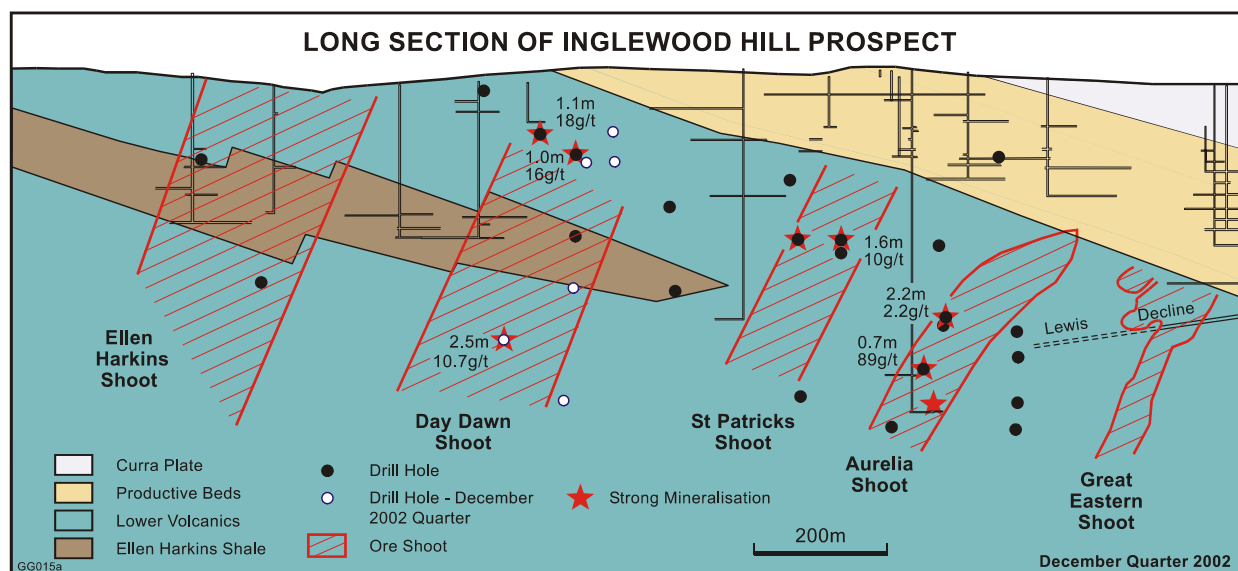
Exploration of the Inglewood Structure Northwest of Mine Area

The **Inglewood Hill** prospect is located directly northwest of current mine workings and any significant discoveries could be accessed from the Lewis Decline.

Drilling continued in the Day Dawn area and the best results from recent drillholes are:

Hole	From (metres)	Length (metres)	Grade (g/t gold)
G027	120	1.1	16.1
G187	107	1.1	18.9
G193	343	3.4	0.3
G215	440	2.5	10.7

After initial success in drillholes G027 and G187, which are 40 metres apart, follow-up drilling for the next 200 metres down plunge did not provide encouragement until drillhole G193. Although this drillhole returned a low assay, the presence of thick quartz and visible gold provided sufficient encouragement to continue drilling. Two further holes have now been completed down plunge of drillhole G193 and drillhole G215, some 100 metres north of G193, intersected 2.5 metres of quartz with fine visible gold throughout, assaying 10.7g/t gold.



Day Dawn covers one of the flexures in the dip and strike of the Inglewood Structure which are linked to zones of higher gold accumulation, thus potentially forming ore shoots. Drilling of the Day Dawn area is continuing.

Exploration West of Mine Area

The **Partridge** prospect is located 500 to 1,200 metres southwest of the Lewis Decline (see location plan on page 9). During the quarter, a total of six diamond drillholes were completed, with visible gold noted in four of the six drillholes.

Hole	From (metres)	Length (metres)	Grade (g/t gold)
G195	64	1.5	20.1
G201	81	1.5	12.9
G204	167	1.0	51.2
G207	121	2.0	74.1
G207	196	1.0	7.2
G210	172	0.8	2.8

The Partridge resource has now been pattern drilled on a 25-metre spacing. The best grades occur where the Partridge Fault is in contact with carbonaceous sediments known as productive beds. The mineralisation is interpreted to be packets of Gympie Veins along and across the Partridge Fault.

The previously announced Inferred Resource for Partridge has been upgraded to an Indicated Resource as follows:

	Tonnes	Grade (g/t gold)	Ounces	Classification
June 2002	535,000	5.6	96,000	Inferred Resource
Dec 2002	280,000	8.7	79,000	Indicated Resource

Note: The Indicated Resource was modelled over a strike length of 300 metres, a width of 300 metres, and to a depth of 200 metres. Resource outlines were wire framed for the purpose of estimating volumes. No top-cut applied, however only one sample (0.4 metres at 368g/t) assayed above the 250g/t top-cut applied to these styles of mineralization in the Monkland Mine. Grades were calculated using the weighted mean of all assays of drillhole intersections of the mineralized volumes.

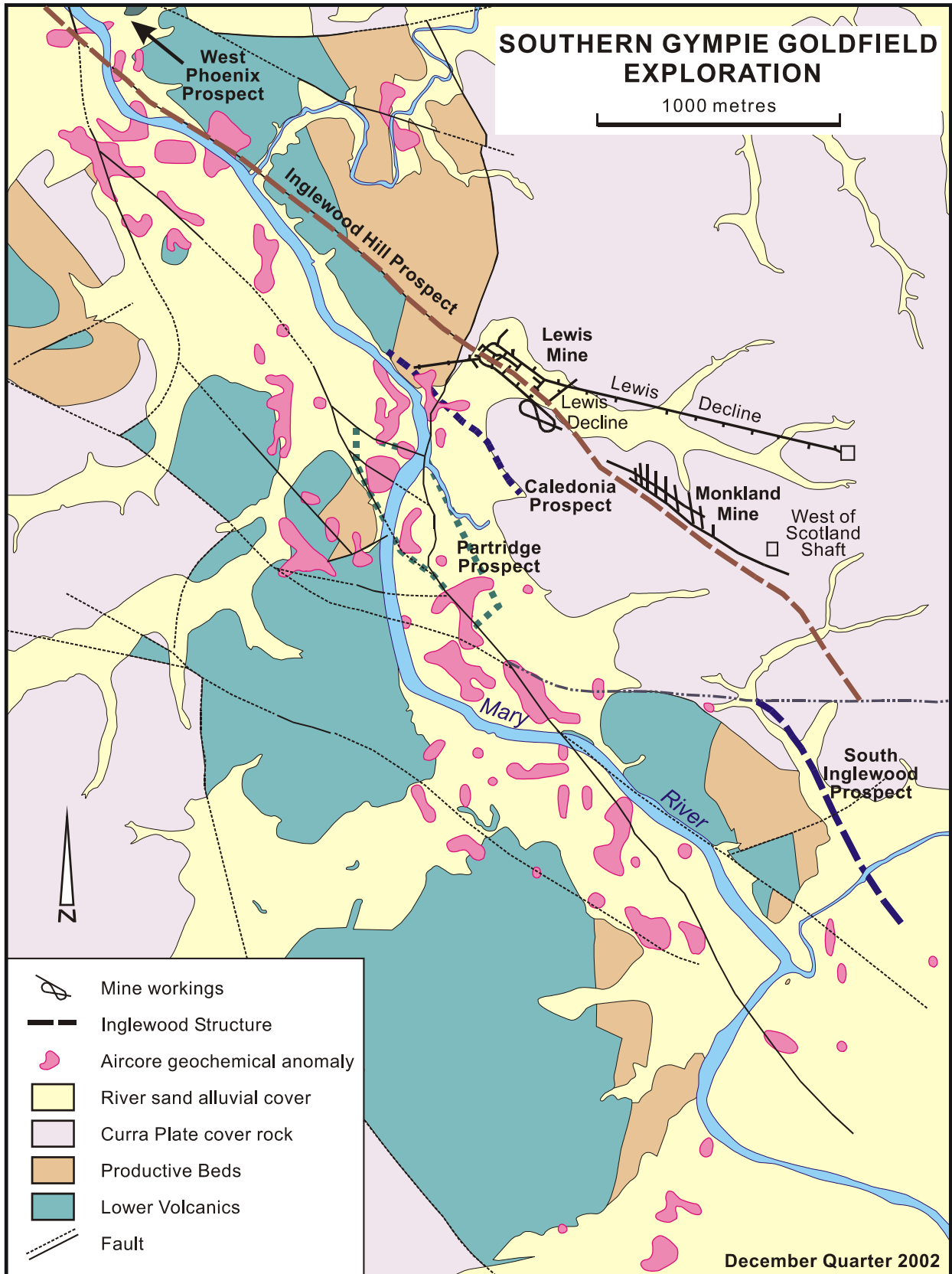
The increased grade of this resource increases the likelihood that Partridge will be economic to mine and studies are currently underway to evaluate cross-cutting from the Lewis Decline.

The **Caledonia** prospect is a previously unrecognised Inglewood-style structure located a short distance (approximately 200 metres) to the west of the Lewis Decline. Caledonia's location between current infrastructure and Partridge makes it an especially attractive target as its development would significantly enhance the economics of cross-cutting to the Partridge resource.

Drill testing of this structure has been completed on a broad spacing over a strike length of 600 metres and results to date include:

Hole	From (metres)	Length (metres)	Grade (g/t gold)
D069	203	0.9	10.1
D071	233	0.5	1.3
G033	262	1.7	5.1
G092	61	0.7	10.1
G138	155	2.0	4.2
G174	133	0.6	3.7
G176	183	0.9	1.7
G178	173	0.8	1.7
G190	357	3.1	1.2
	365	2.5	3.1
	378	3.3	1.6

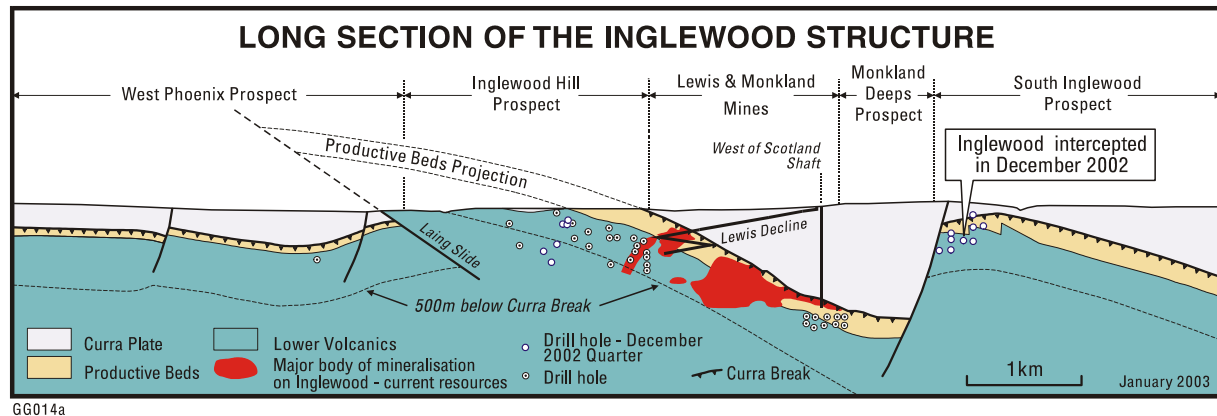
The Caledonia structure remains open along strike in both directions and at depth. Further drilling will target the structure during the March quarter.



Exploration of the Inglewood Structure Southeast of Mine Area

Initial drilling of the **South Inglewood** prospect was an immediate success. The new South Inglewood prospect has potential to transform the Company. It is a shallow, concealed repetition of the ore feeder structure and geology that has produced two million ounces from the Monkland Block and is already yielding intercepts of coarse, visible gold.

Exploration south of the current mine area has been based on the concept that the Inglewood Structure, which is 900 metres below surface at the southern extremity of the Monkland Mine, is offset (up-faulted) to the south by a major cross fault which brings this strongly mineralised structure much closer to the surface.



GG014a

Interpretation of ground geophysical surveys enabled the third drillhole in this area to intersect the Inglewood Structure, containing 0.4 metres at 1.1g/t gold and 1.0 metres at 1.0g/t gold at approximately 230 metres down hole. These intersections are not ore grade but demonstrate that the Inglewood Structure is present at relatively shallow levels and continues to contain gold-bearing quartz.

A further seven holes have been completed, most yet to be logged and assayed, with all but one passing through a robust Inglewood Structure containing quartz. This structure has now been intersected in this area over a strike length of more than 400 metres, and remains open along strike to the southeast. Drilling has already extended the known length of the Inglewood Structure more than 2.5 kilometres to the southeast of the mine area. Several drillholes have confirmed that the Inglewood Structure continues to within a few metres of surface.

In addition, two holes have been extended after drilling through the Inglewood Structure. Both have intersected Gympie Vein stockworks in volcanic rocks, one containing a piece of visible gold. Both the Langton Sill and the Bottom Break, which are present in the Monkland and Lewis Mines, have been found. This newly discovered system has all of the hallmarks of a repeat of the Monkland Block, from which two million ounces of gold has been produced, namely a feeder structure, suitable geology and gold mineralisation.

Mine Exploration

Mine exploration concentrated on delineating and converting mine resources to reserves.

To date, 16 holes have been drilled in the **Inglewood S2 Block**, 9 of which contain visible gold. Assays are available only for the first 7 holes drilled:

Hole	Downhole Length (metres)	Horizontal Width (metres)	Grade (g/t gold)
F001	2.9	1.6	12.9
F002	2.7	1.7	21.6
F003	2.3	1.1	19.9
F004	2.2	1.1	10.7
F005	0.2	0.1	4.0
F006	2.1	1.6	4.3
F007	0.2	0.2	15.3

With its close proximity (50 metres) to the Lewis decline, the Inglewood S2 Block can be brought into production in short order if sufficient reserves are delineated.

At the Inglewood Museum Block between Level 10 and Level 13, drilling has defined an Ore Reserve of 70,000 tonnes at 8.8g/t, containing 20,000 ounces of gold. The most recent line of drillholes lie immediately north of the current reserve and returned the following intersections:

Hole	Downhole Length (metres)	Horizontal Width (metres)	Grade (g/t gold)
M128	3.5	1.1	12.1
M129	1.9	1.5	7.7
M130	1.6	1.2	29.2

It is estimated that potential exists for the conversion of a further 70,000 ounces of currently defined resources into reserves by further drilling along strike and down plunge of these intersections.

During the quarter, investigation of the potential for mining stope-fill and remnant stockwork mineralisation was progressed and 400-tonnes bulk sample was removed.

CORPORATE INFORMATION

Directors

Michael Darling	Chairman
Harry Adams	Managing Director
John Leach	Finance Director
Peter Cadwallader	Director
Chris Rawlings	Director
Roy Woodall AO	Director
Anne Adaley	Company Secretary

Senior Group Management

Harry Adams	Managing Director
John Leach	Finance Director
Ron Cunneen	General Manager, Gold Exploration
Garry Hall	General Manager, Gemstone
Peter Hayes	General Manager, Coal Operations
Rowan Johnston	General Manager, Gold Operations
Ian Levy	General Manager, Corp Development
Bob Reynolds	General Manager, Coal Marketing

Issued capital

At 31 December 2002, Gympie Gold Limited had on issue 159.0 million ordinary shares, 9.5 million unlisted options at various exercise prices and 40.0 million notes convertible into 30.0 million ordinary shares. The next interest payment on the convertible notes is on 31 March 2003, payable to noteholders recorded on the register on 21 March 2003.

Stock exchange listings

Gympie Gold Limited's shares and convertible notes trade on the Australian Stock Exchange (ASX) and the Alternative Investment Market (AIM) of the London Stock Exchange with the following codes:

Exchange	Shares	Notes
ASX	GYM	GYMG
AIM	GGD	GGDA

Substantial shareholders

At 28 January 2003, the substantial shareholders (beneficial holders of more than 5%) were:

Pilatus Capital Limited	25.1%
Commonwealth Bank Group	6.3%

Further information on Gympie Gold

Visit www.gympiegold.com.au or contact:

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Email: info@gympiegold.com.au

To be notified by email of future announcements, simply send an email to info@gympiegold.com.au with "subscribe email alerts" and your name.

Shareholder enquiries

Computershare Investor Services Pty Ltd manages both the share register and convertible note register for Gympie Gold.

Queries regarding number of shares held, change of address and other matters regarding your shareholding should be directed to Computershare. You can access required forms and information regarding your shareholding on their website at www.computershare.com, or alternatively contact Computershare at:

Australia

Tel: 1 300 557 010 (within Australia)
+61 3 9615 5970 (outside Australia)
Mail: Level 2, 45 St George's Terrace,
Perth WA 6000

United Kingdom

Tel: 0870-7020003 (within UK)
Mail: PO Box 82, The Pavilions, Bridgewater
Road, Bristol BS99 7NH

APPENDIX 1 – GOLD STATISTICS

Gold Production Cost Statistics

(Presented in accordance with US Gold Institute standard)

	December 2002		September 2002		June 2002		March 2002		December 2001	
	Quarter		Quarter		Quarter		Quarter		Quarter	
	\$A000	\$A/oz	\$A000	\$A/oz	\$A000	\$A/oz	\$A000	\$A/oz	\$A000	\$A/oz
Direct mining expenses	4,890		4,007		4,703		4,362		4,913	
By-product credits	(127)		(603)		(618)		(507)		(213)	
Cash Operating Costs	4,763	330	3,405	240	4,085	239	3,856	293	4,699	345
Royalties	235		204		261		186		193	
Total Cash Costs	4,998	346	3,405	254	4,346	254	4,042	310	4,892	377
Depreciation	383		850		100		764		746	
Amortisation/Write-offs	1,555		1,795		311		654		969	
Total Production Costs	6,935	480	6,255	441	4,757	278	5,461	415	6,607	485

Notes: 1) By-product credits represent sales of waste, silver and gemstone. Gemstone production is treated as stock until sold by the marketing department or by our marketing joint venture to third-party customers. It is then shown as by-product credit. 2) Mine exploration expenditure is treated as either "Direct mining expenses" or "Amortisation" depending on the time horizon of the exploration. All other exploration expenditure outside of the mine area is capitalised, the carrying value reviewed regularly and then expensed under the category of "Write-Offs". 3) Inventory build-up totalling \$0.3 million is included in "Direct Mining Expenses" for the December 2002 quarter. 4) A total of \$3.9 million was spent on mine development in December 2002 quarter, including \$2.4 million on extending the Lewis Decline. 5) An adjustment of \$24/oz was made to the cash operating cost previously published for the September 2002 quarter in order to include additional costs relating to gemstone production which were incurred during the quarter.

Gold Development and Production Statistics

	December 2002		September 2002		June 2002		March 2002		December 2001	
	Quarter		Quarter		Quarter		Quarter		Quarter	
MINE DEVELOPMENT	Metres		Metres		Metres		Metres		Metres	
Metres on Ore	229		394		883		802		692	
Metres on Waste	2,139		1,934		2,052		1,701		1,735	
Total Metres Developed	2,368		2,328		2,935		2,503		2,427	
MINE PRODUCTION	Tonnes	Grade g/t	Tonnes	Grade g/t	Tonnes	Grade g/t	Tonnes	Grade g/t	Tonnes	Grade g/t
Inglewood Ore	15,667	8.9	33,661	8.0	28,675	10.2	23,971	10.0	21,781	9.3
Gympie Vein Ore	2,566	8.5	5,682	9.2	9,044	7.0	3,628	9.8	3,889	9.6
Stockwork Ore	41,603	7.1	25,188	6.4	4,486	10.9	3,383	6.6	9,469	11.6
Specimen Stone	0.6	0.4%	1.1	0.7%	0.4	2.9%	0.4	2.1%	0.5	1.2%
Old Stope Fill	222	3.5								
Development Ore	2,902	4.1	10,342	6.2	24,183	7.1	27,581	6.8	15,306	10.4
Total Ore Mined	62,960	7.5	74,875	7.4	66,388	8.7	58,563	8.4	50,445	10.2
TREATMENT PLANT	Tonnes	Grade g/t	Tonnes	Grade g/t	Tonnes	Grade g/t	Tonnes	Grade g/t	Tonnes	Grade g/t
Inglewood Ore	19,305	10.2	30,964	9.5	52,232	9.3	42,110	8.85	24,771	9.31
Carbonaceous Ore	0	0	3,535	12.0	0	0.0	0	0.0	1,322	9.52
Stockwork Ore	45,898	6.72	25,573	5.7	12,895	5.8	10,472	5.74	12,699	9.65
High Grade	0.62	0.41%	1.10	0.69%	0.28	1.10%	0.38	0.75%	0.45	0.78%
Total Ore Treated	65,202	7.79	60,073	8.16	65,127	8.65	52,582	8.29	41,746	9.95
Mill Recovery Rate (%)	88.5		90.0		93.3		93.1		96.6	
Gold Produced (ozs)	14,447		14,183		16,884		13,049		12,900	
Gemstone Gold (ozs)	269		247		236		206		664	
TOTAL GOLD (ozs)	14,716		14,430		17,120		13,255		13,564	

Gympie Gold ® Gemstone is sold at prices which reflect its appearance and rarity – not gold content. Gemstone sales revenue is more than 7-fold the value of the contained gold.

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