

Report for September 2003 Quarter

Released: 20 October 2003

Principal Points

PRODUCTION

- Continued strong coal production of 537,000 tonnes run-of-mine coal and washery yield of 94%.
- The longwall unit has been upgraded and production from coal panel SL4 commences today.
- Low gold production of 9,477 ounces due to a collapsed stope access drive, now remedied.

DEVELOPMENT

For Southland Coal:

- Updated 5-year mine development plans for production 2-2.5 million tonnes per annum and now optimising longer-term scenarios for the underground resource and for the freehold property.
- Commenced final feasibility study for open-cut project on 2 million tonne resources on established leases.

For Gympie Eldorado Gold:

- Completed independent reviews of identified target zones confirming the merit of greater exploration and updated 5-year mine development plans to optimise sequential access to some of these areas.
- Renewed gemstone alliance with Kabana with intention to expand the business as supply becomes available.

EXPLORATION

- Gympie Goldfield drilling re-commenced in August on a restricted basis to conserve cash.
- Drilling at North Inglewood intercepted 4 metres at 3.6g/t gold, located 60 to 100 metres below high-grade intercepts on the Inglewood Lode. This drillhole also intersected another major gold-bearing structure.
- Tenements were significantly expanded to the south and east in order to cover a recently recognised 20 kilometre extension to the potential strike length of the Goldfield. These new tenements also cover a metal-rich granite complex that is now interpreted as the likely source of the Gympie Goldfield mineralisation.

MARKETING

- Coal sales were a record 591,000 tonnes for the quarter with the demand outlook remaining strong.
- Gemstone marketing focused mainly on servicing core customers due to current supply restrictions.

CORPORATE

- Loss after tax of \$22.9 million for the 2002-03 financial year, due to problems remedied 6 months ago.
- 25%-owned regional gold explorer D'Aguilar Gold Limited listed on the Australian Stock Exchange.
- Cash on hand of \$9.6 million at quarter's end.
- The planned debt refinancing can now be progressed, given the start-up of coal longwall panel SL4.
- Corporate opportunities being identified to expand the scale of each business unit.

For Further Information Contact:

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CORPORATE OVERVIEW

Gympie Gold Limited has two principal businesses:

- **Gympie Eldorado Gold** (100% owned) conducts exploration supported by early-stage production of gold and gemstone at the Gympie Goldfield, which historically produced over 4 million ounces. Exploration programs target large structures which are prospective for high-grade gold systems. Production to date has been 30,000-55,000 ounces per annum.

Gympie Gold® Gemstone is also extracted, processed and marketed internationally.

- **Southland Coal** (90% owned) produces coking coal from the Greta Seam. Southland exclusively controls this highly regarded coking coal and has established a market niche based on the products' extremely high-fluidity and low ash. Forecasting about 2 million tonnes for 03-04.

Business Plan Update

Priorities for the 2003–04 financial year are to:

- Establish Group profitability, now that Southland is performing well;
- Further reduce net short-term loans, already down by about \$15 million in the past 6 months despite the concurrent upgrade of the longwall unit and build up of coal stock and debtors;
- Further expand exploration of the Gympie Goldfield on a prudent basis as cash flow permits;

Pursuit of these priorities along with the desired expansion of both the coal business and the gold businesses could involve one or more corporate initiatives.

Financial Position

Cash on hand at 30 September 2003 totalled \$9.6 million.

Coal stocks and debtors continue to be at relatively high levels, being worth over \$25 million.

Now that mining of coal longwall panel SL4 has commenced and base case 5-year Plans have been completed for each business, the Company will now restructure financing facilities to longer terms.

Full-Year 2002-2003 Financial Results

The Company reported a loss after tax of \$22.9 million for the 2002-03 financial year. Profitability for 2002-03 was severely impacted by production difficulties at the Southland Colliery from September 2002 to February 2003. Coal revenue was less than planned due to coal production being 300,000 tonnes less than expected and port congestion delaying 100,000 tonnes of sales.

Borrowings at 30 June 2003 totalled \$94.7 million, comprising \$36.1 million of secured medium-term loans, \$7.3 million of equipment leasing, \$11.3 million of stock/debtors revolving finance and \$40.0 million of unsecured convertible notes redeemable in 2007.

The Group is poised for improved operating results for the current financial year as:

- Revenues are forecast to increase by at least 50%, due mainly to increased coal production; and
- Southland revenues have increased without commensurate cost increases.

Profit will be skewed towards the second half of 2003-04 due to the now-completed longwall move.

Gold and Currency Hedging

A total of 10,052 ounces of gold were sold during the September quarter. Combined with revenue received from by-products, aggregate revenue received was \$A543/oz of gold sold during the quarter.

Gold hedging is scheduled for delivery at 3,000 ounces per month until December 2006 at a constant price of \$A520/oz. Hedging in place totals 117,000 ounces, which equates to only 17% of Mineral Resources at Gympie Eldorado being committed at a fixed price. The remaining 83% of resources and any additional gold discovered is fully exposed to gold price movements.

Gold Hedging Position as at 30 September 2003

Disclosure as per Australian Gold Council standard		03-04	04-05	05-06	06-07	Totals/ Averages
Total Hedged (Forward Sales)	ounces	27,000	36,000	36,000	18,000	117,000
Estimated Net Realisable Price	\$A/oz	520	520	520	520	520

- Estimated Net Realisable Price is after allowing for assumed gold lease fees on all ounces of 1.0% per annum.
- Margin calls do not apply.
- Mark-to-market value of gold hedging was negative \$A9 million at quarter-end gold price of \$A563/ounce.
- No options, contingent hedging contracts or foreign exchange contracts exist in relation to gold operations.

As at 30 September 2003, \$US46 million of coal revenues were hedged at an average \$A/\$US rate of 0.618 with a forward-sale commitment schedule spread over the next 15 months. This insures the \$A price of approximately 1.2 million tonnes of coal sales over that period. The mark-to-market value of this position was positive \$A5 million at the \$A/\$US spot rate of \$A1.00/\$US0.680.

GYMPIE GOLD® GEMSTONE

Growth of the gemstone business was restricted by the scarcity of gemstone discovery, requiring marketing to be focused mainly on servicing core customers. One zone of gemstone quality gold-in-quartz was mined and another potential gemstone zone is currently being accessed.

Re-affirmed alliance with Kabana along with plans to expand the business as supply is increased.

The “Gympie Gold® Jewellery Collection” is an exclusive line of jewellery manufactured from gold and silver supplied from our Gympie Eldorado mine in Queensland with Gympie Gold® Gemstone inlaid to create unique designs for both men and women. Shareholders who have an interest in purchasing this unique jewellery should contact the Company’s office.

SOUTHLAND COAL, HUNTER VALLEY NSW

Safety and Environment

The first lost time injury in over a year occurred when a longwall operator injured his foot.

No environmental incidents occurred.

Operations

Southland Production and Sales Statistics

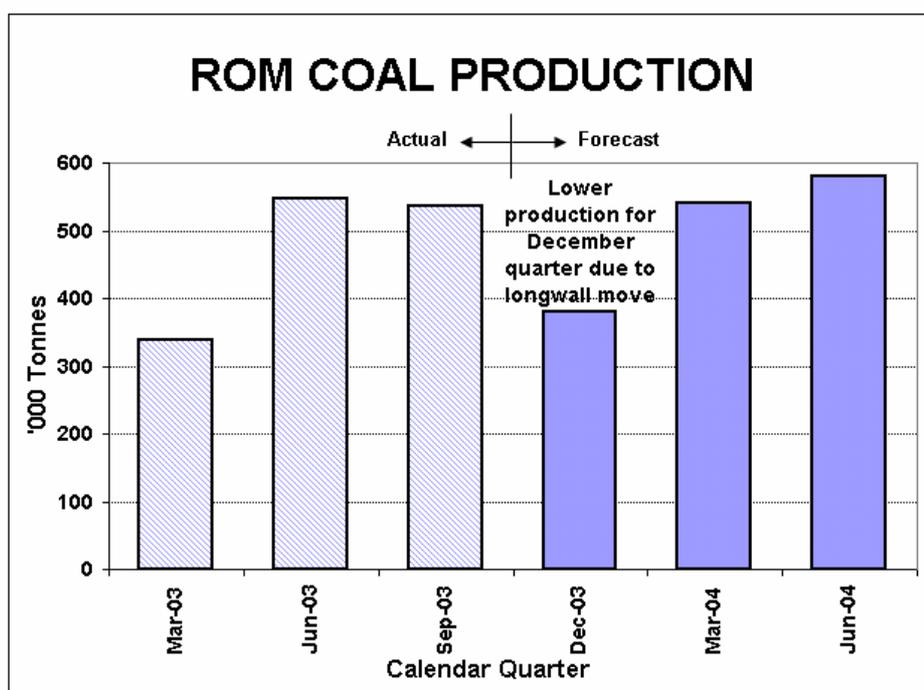
		September 2003 Quarter	June 2003 Quarter	March 2003 Quarter	December 2002 Quarter	September 2002 Quarter
Development Advanced	metres	1,195	1,286	1,407	1,617	1,695
Run-of-Mine Coal Produced	tonnes	537,015	548,493	339,331	196,445	176,588
Washed Coal Produced	tonnes	502,032	546,170	268,134	168,468	173,224
Coal Sales (including purchases)	tonnes	591,041	479,329	246,982	267,580	267,252

Notes:

1. All figures quoted are for 100% of the project. Gympie Gold's attributable share is 90%.
2. At 30 September 2003, washed coal stockpiles totalled 255,000 tonnes.
3. Coal sales for the September 2003 quarter include 73,485 tonnes purchased and 23,752 tonnes of steaming coal recovered from surface coal dumps and sold to local power stations.

Longwall panel SL3 was completed on schedule in mid-September and the operation achieved above-budget run-of-mine coking coal production of 537,000 tonnes.

The washery plant yield of 94% for the quarter reflects the low ash of the Greta Seam.



The move of the longwall unit from longwall panel SL3 to SL4 was completed about one week ahead of schedule and production from SL4 commences today. The existing longwall unit was upgraded during the transition to SL4 with recently purchased, near-new longwall face equipment. This upgrade should increase the longwall's reliability and its ability to cope with varying ground conditions. Longwall panel SL4 contains over 1.5 million tonnes of coal and the changeover to SL5 is scheduled for early in 2004-05.

Development proceeded well with one continuous miner unit being utilised. A total of 1,195 metres of advance was achieved during the quarter, which equates to 8 metres per shift.

Coal Marketing

Sales are being increased in line with strong coal production. Sales revenue has increased by 150% over the past six months and is expected to increase a further 45% over the coming six months.

Coal export sales increased to 567,000 tonnes for the September quarter, which equates to an annualised rate of 2.3 million tonnes. This record level of shipments was achieved despite continued congestion at the port. Sales are planned to continue at similar levels during the December quarter.

Recent sales growth has provided the opportunity to further diversify Southland's customer and product base. Market development during the quarter continued to focus on Europe, South America and North Asia. Initial shipments were made to a new European customer who has the potential to grow to a substantial proportion of sales. Further sales to Brazil were made during the September quarter and additional shipments to Brazil are expected for the second half of 2003-04. A strong uplift in sales to Southland's North Asian steel mill customers is also being seen.

China's booming economy is driving the global steel industry's strong demand for coking coal. Demand for Southland Coal's product range remains very strong, particularly because of its attractive qualities - low ash, low phosphorous and ability to retain its high fluidity.

Outlook

Southland's planned 2003-04 financial-year production is 1.8 to 2.2 million tonnes.

At 30 June 2003, Recoverable Coal Reserves totalled 40.75 million tonnes and Coal Resources totalled 141 million tonnes.

The base case 5-year Plan has been finalised for run-of-mine output of 1.8 to 2.5 million tonnes per annum.

Studies aimed at optimising the operation's longer-term future have commenced to assess various development scenarios, including thick-seam extraction technology which has been successfully applied in many similar thick-seam situations in China. These studies aim to convert a much greater proportion of the 141 million tonne Coal Resource into Coal Reserves, as well as opening the possibility of mining the Greta Seam deeper than currently-assumed for resource/reserve estimation purposes.

The feasibility study into a potential open-cut on the Southland lease area is continuing with loxline drilling now being carried out. The pre-feasibility study estimated that a resource of about 2 million tonnes may be accessed via an open cut. The feasibility study is expected to be completed during the March 2004 quarter.

Southland Coal owns some 1,500 hectares of freehold land adjoining the city of Cessnock in the Hunter Valley and long-term property optimisation scenarios have begun to be identified.

GYMPIE ELDORADO - GYMPIE, QUEENSLAND

Safety and Environment

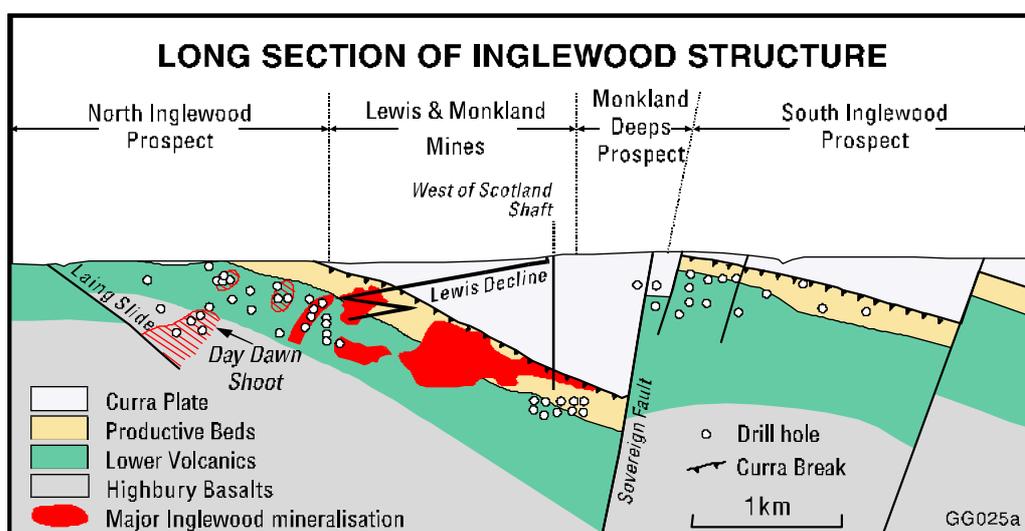
The lost time injury frequency rate reduced to 10 at the end of the September quarter from 15 the previous quarter. The operation has now achieved more than 7 months without a lost time injury.

No environmental incidents occurred during the quarter.

GYMPIE ELDORADO EXPLORATION

Current exploration priorities [key prospects in brackets] are to:

1. Explore for major gold orebodies near the mine area [North Inglewood, Museum Shoot];
2. Search for a major new gold system [South Inglewood]; and
3. Explore to the west of the mine area [Caledonia, Partridge].



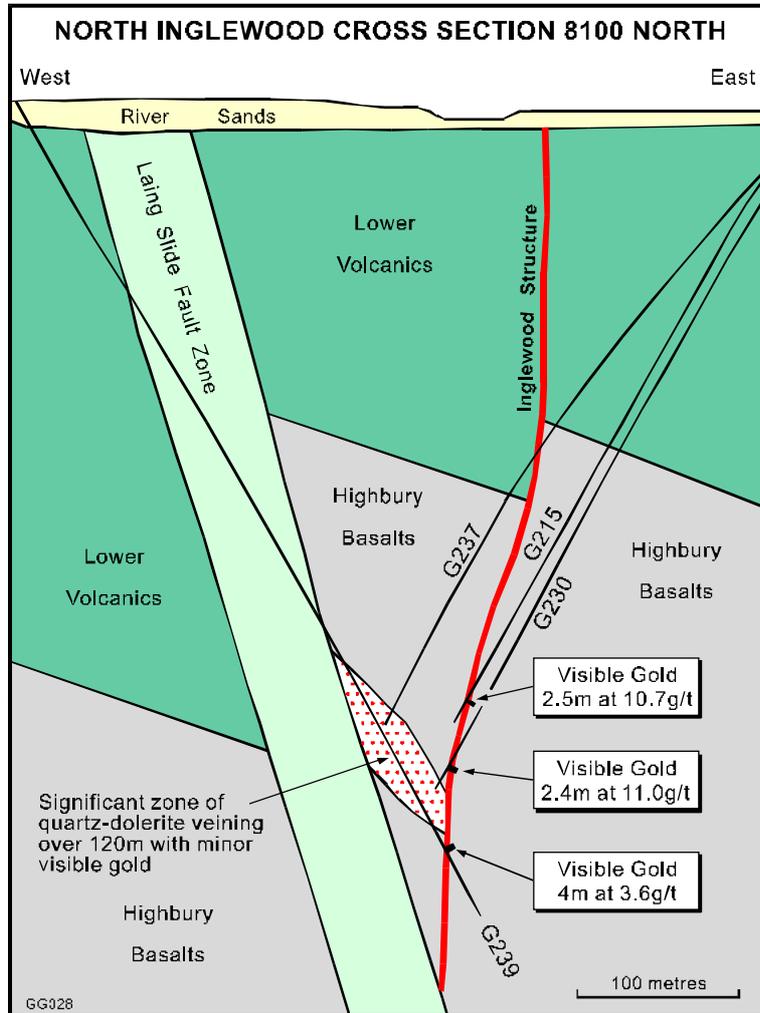
During the past six months, mapping and reviews have led to the identification of seven targets in the Gympie Goldfield. Each target has the potential to be of a similar scale to the zones historically mined on the Inglewood Structure, which yielded 2 million ounces. While it would be over-optimistic to expect to discover economic ore in all or even many of these zones, there is believed to be a high probability of a major discovery amongst these targets. Four of these targets are on extensions to the Inglewood Structure and three are on analogues to the Inglewood.

After a 6-month hiatus due to cash flow constraints, exploration drilling of the Goldfield recommenced on a restricted basis in August. Drilling focussed on following up results in the North Inglewood prospect as this area can most readily be accessed by extending the Lewis Decline.

North Inglewood: Day Dawn Area

The North Inglewood prospect is located directly northwest of current mine workings. Exploration focussed on the Day Dawn area, which covers one of the flexures in the dip and strike of the Inglewood Structure. These flexures are linked to zones of higher gold accumulation, thus potentially forming ore shoots. Encouraging drilling results to date in the Day Dawn area, located 1.4 kilometres northwest of the mine, are as follows:

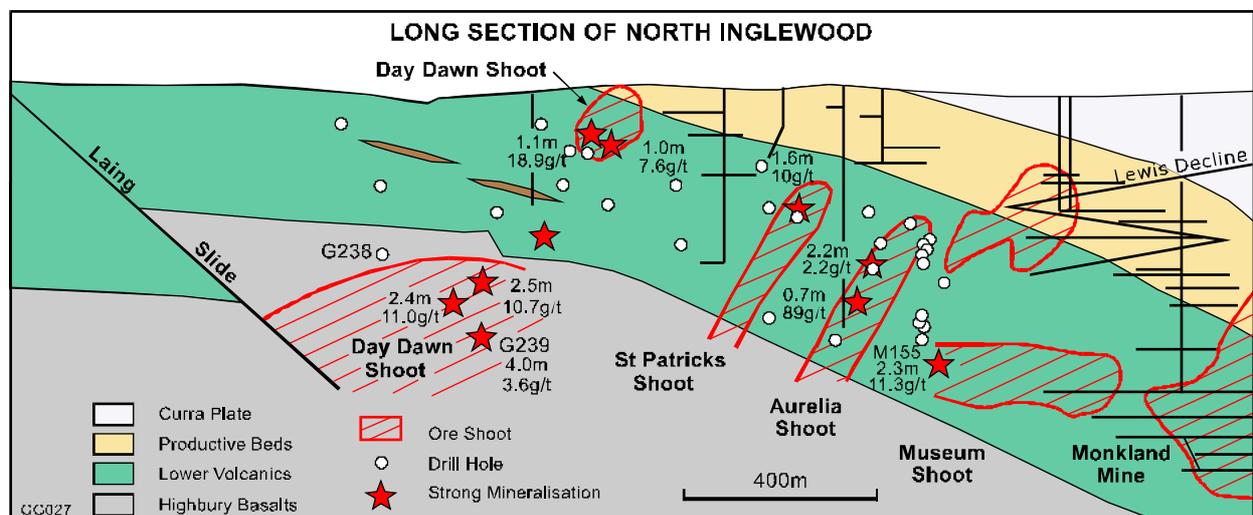
Hole	From (metres)	Length (metres)	Grade (g/t gold)
G027	120	1.0	7.6
G187	107	1.1	18.9
G215	440	2.5	10.7
G230	477	2.4	11.0
G239	561	4.0	3.6



Drillhole G239 was targeted to follow-up drillholes G215 and G230, both of which intersected about 2.5 metres of quartz with coarse visible gold and assaying about 11g/t. Drillhole G239 intercepted 4 metres at 3.6g/t gold from a zone containing 40% quartz with visible gold. This intercept of the Inglewood Structure is located 60 to 100 metres deeper than previous gold intercepts (see cross section to the left).

A zone containing numerous dolerite dykes and quartz veins was intercepted over 125 metres between the Laing Slide fault zone and the Inglewood Structure. The geological significance of this easterly dipping structure is still being assessed and assays are pending.

Drillhole G239 further confirms that the Highbury Basalts which underlie all of the Gympie Goldfield are prospective. Further diamond drilling is in progress to test the Day Dawn Shoot in the Highbury Basalts.



Drilling of a previously untested aircore geochemical anomaly several hundred metres to the northwest of Day Dawn intersected a shallow zone of quartz in carbonaceous Productive Beds, with a best intercept of 4.4 metres at 1.4g/t gold, from 55 metres depth. An RC drilling program is in progress to further test geochemical anomalies in this area. Preliminary results include a 3-metre composite sample assaying 2.4g/t gold from 37 metres depth.

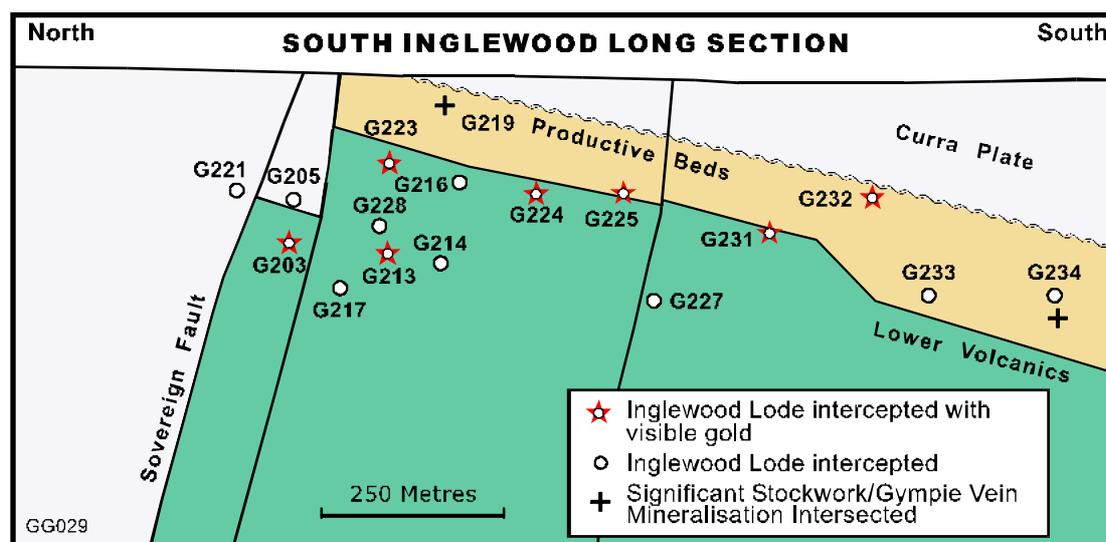
North Inglewood - Museum Shoot: Extension Towards Aurelia

Exploration drilling from underground during the quarter was limited by temporary site access difficulties. Drillhole M155, targeting the northern end of the Museum Shoot on the Inglewood, intersected 2.2 metres of 11.3g/t gold (1.3 metres true width) and it now appears probable that the Museum Shoot will extend northward to link up with the lower portion of the Aurelia Shoot (see North Inglewood long section above).

South Inglewood: Potential Major New Gold System

In December 2002, an uplifted repetition of the Inglewood-Stockwork-Gympie Vein System was discovered at the South Inglewood prospect. The drill-identified strike length of this system is currently about 1,000 metres. Drilling to date has provided much information on rock types and structural geometry, as well as intersecting gold mineralisation. This system has the required geology, scale and strength of mineralisation but requires more exploration to locate ore zones

Exploration during the quarter was limited to surface mapping and compiling work done to date. Interpretation of multi-element geochemistry is also being utilised to assist with assessing the probability of gold intersections being close to major ore zones.



The above South Inglewood long section shows that visible gold was contained in 7 out of 14 drill intercepts of the Inglewood Structure.

Significant stockwork/Gympie Vein mineralisation has also been intercepted at South Inglewood, including 1.0 metre at 113g/t gold and 3.5 metres at 1.4g/t gold in drillhole G219, and 8.4 metres at 1.3g/t gold in drillhole G234. During the December quarter, an RC drilling program is planned to test the shallow northern end of the South Inglewood prospect for stockwork mineralisation.

This work has confirmed that all of the Gympie Goldfield mineralisation styles have been intersected in the South Inglewood prospect. The Company has quickly applied this new knowledge to consider further extensions of the gold ore systems and has recently recognised the most probable source of the more than 4 million ounces of gold mined from the Gympie Goldfield.

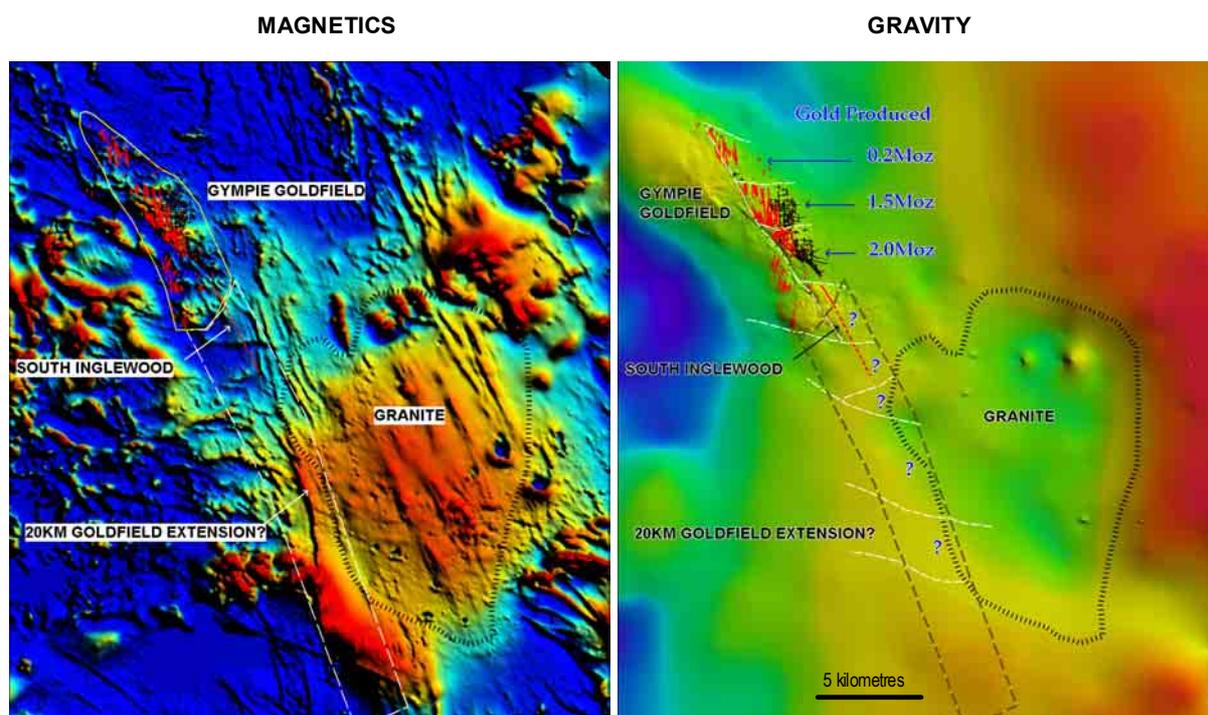
Woondum Igneous Complex : The Likely Gold Source

The Woondum Igneous Complex is a cluster of granitic intrusions centred 15 kilometres south-southeast of the Gympie Goldfield. One phase of these granitic intrusions is the same age and same geochemistry as the gold mineralisation in the Gympie Goldfield.

Interpretation of recent intensive geophysical studies has revealed a corridor of north-northeast trending structures that pass from the western margin of the Woondum Igneous Complex through to the northern limit of the Gympie Goldfield. This structural corridor is likely to have been the conduit for gold-bearing fluids from the Woondum Igneous Complex to the Gympie Goldfield.

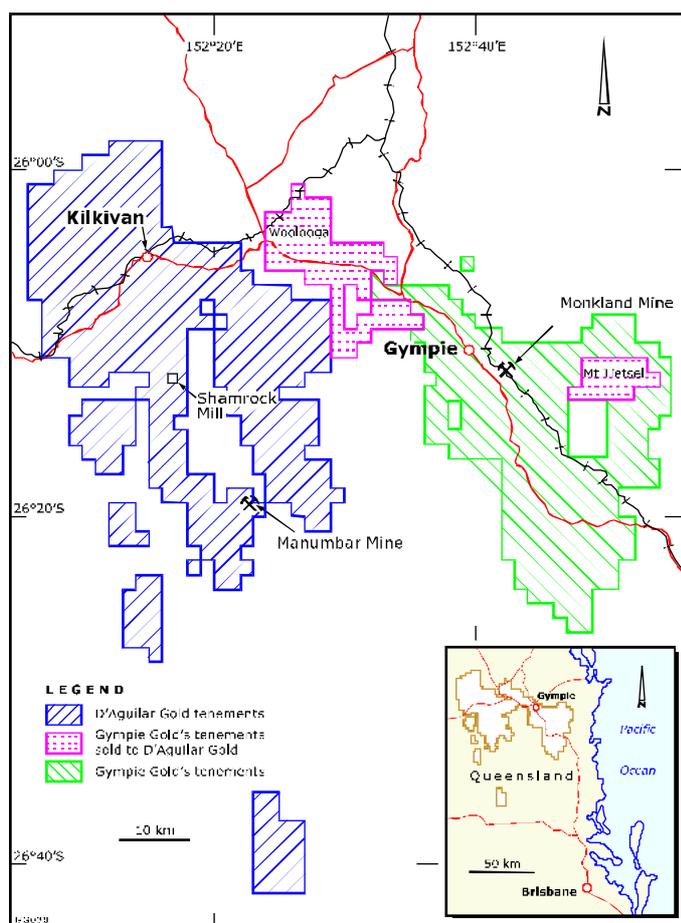
Summarised below are the regional airmagnetics and regional gravity at the core of these studies.

EXTENSION OF THE GYMPIE GOLDFIELD



The potential length of the Gympie Goldfield has been extended by 20 kilometres as the Woondum Igneous Complex is the most likely source of the gold mineralisation at Gympie.

The Woondum Igneous Complex, the structural corridor and other similar structures are considered prime exploration targets for multi-million ounce gold deposits.



Extension of Gympie Gold's Tenements

New tenements to south and east of Gympie now cover the recently recognised southern 20-kilometre extension of the Gympie Goldfield and the recently recognised granite source of the gold (the Woondum Igneous Complex).

The additional tenements bring Gympie Gold's 100%-owned tenement holdings in the Gympie district to 760 square kilometres. Importantly, the Company's tenements now cover the entire 33-kilometre potential strike length of the Gympie Goldfield.

GYMPIE ELDORADO OPERATIONS

Gold operations performed below-budget with production at 9,477 ounces for a cash operating cost of \$521/oz, due to since-overcome collapses of an internal vent shaft and a stope access-drive.

Summary of Gold Production and Costs

Cost disclosure as per US Gold Institute standard.		September 2003 Quarter	June 2003 Quarter	March 2003 Quarter	December 2002 Quarter	September 2002 Quarter
Mine Development	metres	862	1,213	1,523	2,368	2,328
Ore Mined	tonnes	49,119	48,208	47,253	62,960	74,875
Mill Throughput	tonnes	50,134	66,160	60,254	65,202	60,073
Head Grade	g/t	6.48	7.30	7.21	7.79	8.16
Mill Recovery	%	89.3	91.6	84.5	88.5	90.0
Gold Produced	ounces	9,327	14,228	11,737	14,447	14,183
Gemstone Gold	ounces	150	258	0	269	247
Total Gold Production	ounces	9,477	14,486	11,737	14,716	14,430
Cash Operating Cost	\$/oz	521	412	431	330	240
Total Cash Cost	\$/oz	540	427	447	346	254
Total Production Cost	\$/oz	675	559	582	480	441

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

Stockwork ore from Block 6A continued to be the primary source of ore. Access to Inglewood ore was restricted by a pillar collapse below the main access drive on Level 13. This pillar collapse adversely impacted production and costs for the quarter as resources were re-directed towards development around this zone. Remediation of the access drive has been completed as has been the installation of a new internal vent-shaft. Completion of the ventilation upgrade was behind schedule due to collapse of a contractor's shaft-raise-bore cutting head. Our personnel completed the shaft

by alternative means. Ventilation in the mine has now doubled.

Mill throughput was restricted to the tonnes mined during the quarter. A high proportion of mill feed was sourced from lower grade stockwork ore and resulted in an average head grade of 6.48g/t.

Outlook

The Goldfield exploration program continues to make good progress with a minimal budget.

The low-production September quarter serves to highlight that the mining operation's primary task of supporting the major priority of goldfield exploration.

Gympie Eldorado's planned 2003-04 production is in the order of 50,000 ounces.

At 30 June 2003, Mineral Resources totalled 686,000 ounces of gold and Ore Reserves totalled 161,000 ounces of gold. These reserves underpin current operating cash flows and access for underground exploration by drilling and exploratory development.

Key aspects of a recently completed base case 5-year Plan are:

- Develop drives to the north, south and west of the current mine area;
- Continue gold production within the historical range of 30-55,000 ounces per annum until substantial new resources are accessed and converted to increased reserves; and
- Continue to build-up the Gympie Gold ® Gemstone business.

D'AGUILAR GOLD LIMITED (25% OWNED)

Regional explorer D'Aguilar Gold Limited listed on the Australian Stock Exchange on 21 August 2003 after raising \$4.0 million in an initial public offering. Gympie Gold shareholders were offered the opportunity to participate in the D'Aguilar float and they contributed strongly.

D'Aguilar holds a number of bulk tonnage, gold-copper prospects centred on Kilkivan, some 50 kilometres west of Gympie. Gympie Gold invested seed capital in D'Aguilar and transferred to D'Aguilar three porphyry-style, bulk tonnage prospects in the Gympie district, which complement the prospects already owned by D'Aguilar.

Gympie Gold's tenements transferred to D'Aguilar cover 222 square kilometres - only a small portion of both Gympie Gold's and of D'Aguilar's total tenement portfolios.

Gympie Gold holds 25% of D'Aguilar's shares and views the D'Aguilar initiative as an exciting way to inject new resources and ideas into the exploration of the Gympie district. This enables Gympie Gold to focus on exploration of the high-grade Gympie Goldfield and related systems while providing our shareholders with exposure to D'Aguilar Gold's large portfolio of porphyry-style targets the region – an expansion of the Company's gold exploration potential.

CORPORATE INFORMATION

Directors

Michael Darling	Chairman
Harry Adams	Managing Director
Peter Cadwallader	Director
Chris Rawlings	Director
Roy Woodall AO	Director

Anne Adaley Company Secretary

Senior Group Management

Harry Adams	Managing Director
Arthur Gillen	Chief Financial Officer
Peter Hayes	Chief Operating Officer
Garry Hall	General Manager, Gemstone
Ian Levy	General Manager, Corp Development
Bruce McQuitty	Exploration Manager, Gold
Bob Reynolds	General Manager, Coal Marketing
Rob Scargill	General Manager, Gold Operations

Issued capital

At 30 September 2003, Gympie Gold Limited had on issue 206.7 million ordinary shares, 11.2 million unlisted options at various exercise prices and 40.0 million convertible notes.

Interest is paid on the convertible notes at 8.5% per annum on the A\$1.00 face value. The next quarterly interest payment on the convertible notes is on 31 December 2003, payable to noteholders recorded on the register on 23 December 2003. Holders of the notes may convert one note into 0.7567 of an ordinary share.

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

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 the 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

In this report the words Gympie Gold, "the Company" or "the Group" are used to refer to Gympie Gold Limited and/or its related parties. Gympie Eldorado or Gympie Eldorado Gold Mines refer to Gympie Eldorado Gold Mines Pty Limited. Southland or Southland Coal refer to Southland Coal Pty Limited.

Gympie Gold's financial year ends on 30 June. All currency is expressed in Australian dollars. All weights expressed in ounces are troy ounces.

Some of the statements contained in this report are not historical facts but may be forward-looking statements such as forecasts, estimates and statements describing the Company's future plans, objectives or goals. Actual results could differ materially from those expected. This report should not be relied upon as the sole basis for any investment in Gympie Gold. Independent financial advice should be sought before making any investment in Gympie Gold

APPENDIX 1 – GOLD STATISTICS

Gold Production Cost Statistics

(Presented in accordance with US Gold Institute standard)

	September 2003		June 2003		March 2003		December 2002		September 2002	
	Quarter		Quarter		Quarter		Quarter		Quarter	
	\$A000	\$A/oz	\$A000	\$A/oz	\$A000	\$A/oz	\$A000	\$A/oz	\$A000	\$A/oz
Direct mining expenses	5,091		6,183		5,498		4,890		4,007	
By-product credits	(235)		(303)		(461)		(127)		(603)	
Cash Operating Costs	4,856	521	5,880	412	5,037	431	4,763	330	3,405	240
Royalties	184		212		192		235		204	
Total Cash Costs	5,040	540	6,092	427	5,229	447	4,998	346	3,405	254
Depreciation	468		369		615		383		850	
Amortisation/Write-offs	785		1,509		716		1,555		1,795	
Total Production Costs	6,293	675	7,970	559	6,807	582	6,935	480	6,255	441

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".

Gold Development and Production Statistics

	September 2003		June 2003		March 2003		December 2002		September 2002	
	Quarter		Quarter		Quarter		Quarter		Quarter	
MINE DEVELOPMENT	Metres		Metres		Metres		Metres		Metres	
Metres on Ore	415		455		159		229		394	
Metres on Waste	447		758		1,364		2,139		1,934	
Total Metres Developed	862		1213		1,523		2,368		2,328	
MINE PRODUCTION	Tonnes	Grade g/t	Tonnes	Grade g/t	Tonnes	Grade g/t	Tonnes	Grade g/t	Tonnes	Grade g/t
Inglewood Ore	3,055	9.7	3,891	7.3	0	0	15,667	8.9	33,661	8.0
Gympie Vein Ore	405	10.0	3,725	9.8	2,279	9.0	2,566	8.5	5,682	9.2
Stockwork Ore	36,320	7.0	32,732	7.2	39,652	6.7	41,603	7.1	25,188	6.4
Specimen Stone	1.9	0.8%	0.1	0.2%	0.6	0.5%	0.6	0.4%	1.1	0.7%
Old Stope Fill	0	0	1,908	3.0	1,965	3.5	222	3.5	0	0
Development Ore	9,337	4.1	5,952	8.5	3,356	6.4	2,902	4.1	10,342	6.2
Total Ore Mined	49,119	6.9	48,208	7.4	47,253	6.7	62,960	7.5	74,875	7.4
TREATMENT PLANT	Tonnes	Grade g/t	Tonnes	Grade g/t	Tonnes	Grade g/t	Tonnes	Grade g/t	Tonnes	Grade g/t
Inglewood Ore	13,018	7.1	11,379	7.8	4,710	9.7	19,305	10.2	30,964	9.5
Carbonaceous Ore	0	0	0	0	2,502	16.1	0	0	3,535	12.0
Stockwork Ore	37,114	5.87	54,781	7.2	53,042	6.5	45,898	6.7	25,573	5.7
High Grade	1.87	8.1%	0.03	1.65%	0.60	0.47%	0.62	0.41%	1.10	0.69%
Total Ore Treated	50,134	6.48	66,160	7.30	60,254	7.21	65,202	7.79	60,073	8.16
Mill Recovery Rate (%)	89.3%		91.7%		84.5%		88.5		90.0	
Gold Produced (ozs)	9,327		14,228		11,737		14,447		14,183	
Gemstone Gold (ozs)	150		258		0		269		247	
TOTAL GOLD (ozs)	9,477		14,486		11,737		14,716		14,430	

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.

Release date: 20 October 2003