

ASX Announcement & Media Release

6 August 2002

\$25 Million Gympie Goldfield Exploration Program

Australian exploration, production and marketing company Gympie Gold Limited today announced the launch of a three-year \$25 million Gympie Goldfield Exploration Program. This is the largest exploration program in Queensland and one of the largest gold exploration programs in Australia.

The exploration budget for 2002-03 is \$7 million for drilling-based activities of which \$4 million is directed at grassroots targets in the Gympie Goldfield following recent successes:

- Discovery of gold mineralisation only 500 metres laterally from the new Lewis Decline in the Southern Gympie Goldfield area named the Partridge Graben (see Figure 1). As reported in the recent Quarterly Report, resources delineated to date at Partridge are 100,000 ounces.
- Re-processing of geophysical data resulting in recognition of likely extensions of the major feeder system, the Inglewood Lode to the northwest and to the southeast of current mine areas over a strike length totalling more than 4 kilometres (see Figures 2 and 3).
- Identification of 14 additional prospects within the Gympie Goldfield, in which we include the Gympie Basin that surrounds the gazetted goldfield. Each of these prospects has the potential to host a major gold system.

A large proportion of the prospective areas is concealed by either thin alluvium or barren rock units and therefore represents unexplored, shallow extensions of the highly productive Gympie Goldfield. All areas are considered prospective but some of the 15 target areas have limited detailed information and will be high-risk during the first phase of exploration.

Most of the identified prospects are in the Southern Gympie Goldfield and all are potentially accessible via extensions to the newly developed Lewis Decline which has been designed with haulage capacity exceeding one million tonnes. This compares with 2001-02 material mine haulage of 220,000 tonnes, principally via the pre-existing shafts.

Gympie Gold has launched the Gympie Goldfield Exploration Program in response to the substantial increase in geological knowledge achieved through exploration over the past 5 years.

Managing Director Mr Harry Adams said "We have always seen the rebirth of the Gympie Goldfield as a carefully risk-managed, one-step-at-a-time process. The old-timers mined 4 million ounces at 24 grams per tonne grade. Over the past 6 years we have cut our teeth by mining 260,000 ounces at 8.2 grams per tonne grade in zones where the old-timers left off 100 years ago.

"Two years ago we discovered previously unrecognised extensions of goldfield under shallow alluvial cover in the Southern Gympie Goldfield and feel we have unravelled the geological controls on ore formation. Over the past 2 years we have installed the Lewis Decline to provide exploration and ultimately production access to these areas as well as to other more distant parts of the Gympie Goldfield. During the past year our exploration team has identified and prioritised 15 substantial prospects and it is now appropriate to step-up our grassroots activities. This \$25 million program will be the first time that substantial modern exploration is being undertaken away from the historical mine workings."

"To date our cost of discovery is \$14 per ounce resource while the conversion to reserve has cost an additional \$17 per ounce. We see the potential to discover over 6 million ounces at Gympie; accordingly the proposed exploration program has the potential to generate significant wealth for shareholders and other stakeholders. We maintain strong community and State support and would be surprised if we could not continue to secure all necessary regulatory consents as and when appropriate." he said.

This initiative is complimentary with the proposed Southern Goldfield Joint Venture, the regulatory approval of which would trigger a further acceleration of exploration in the subject areas.

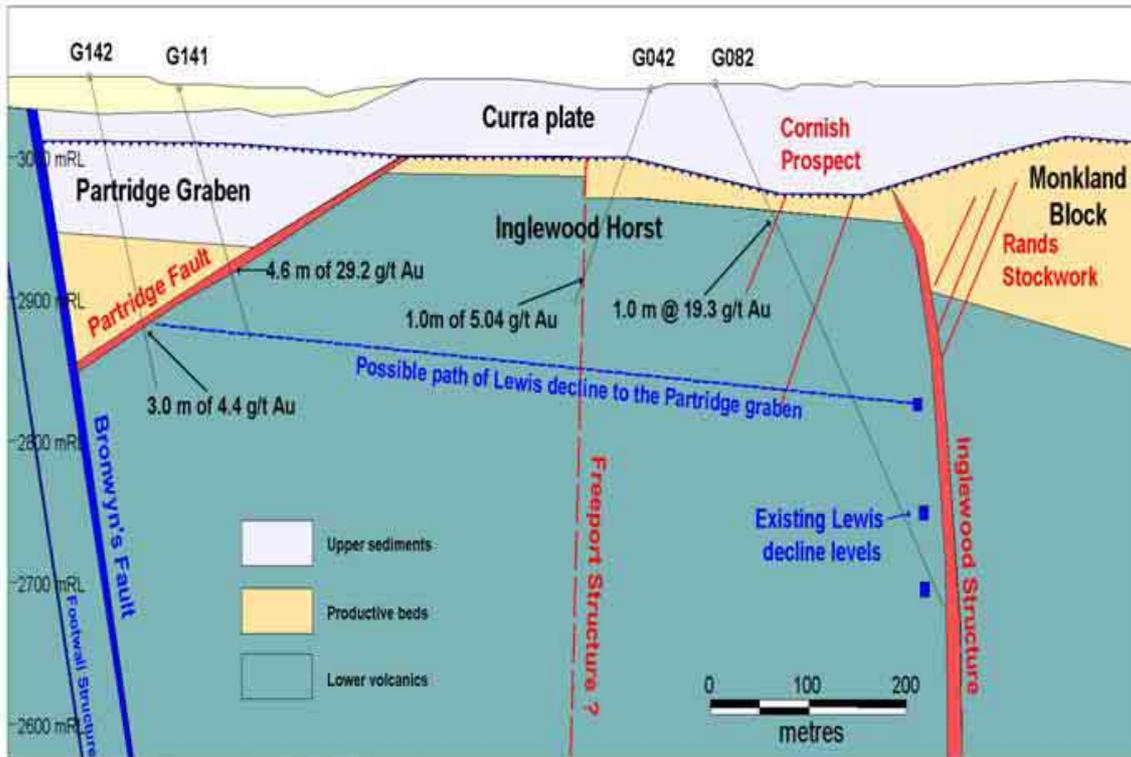
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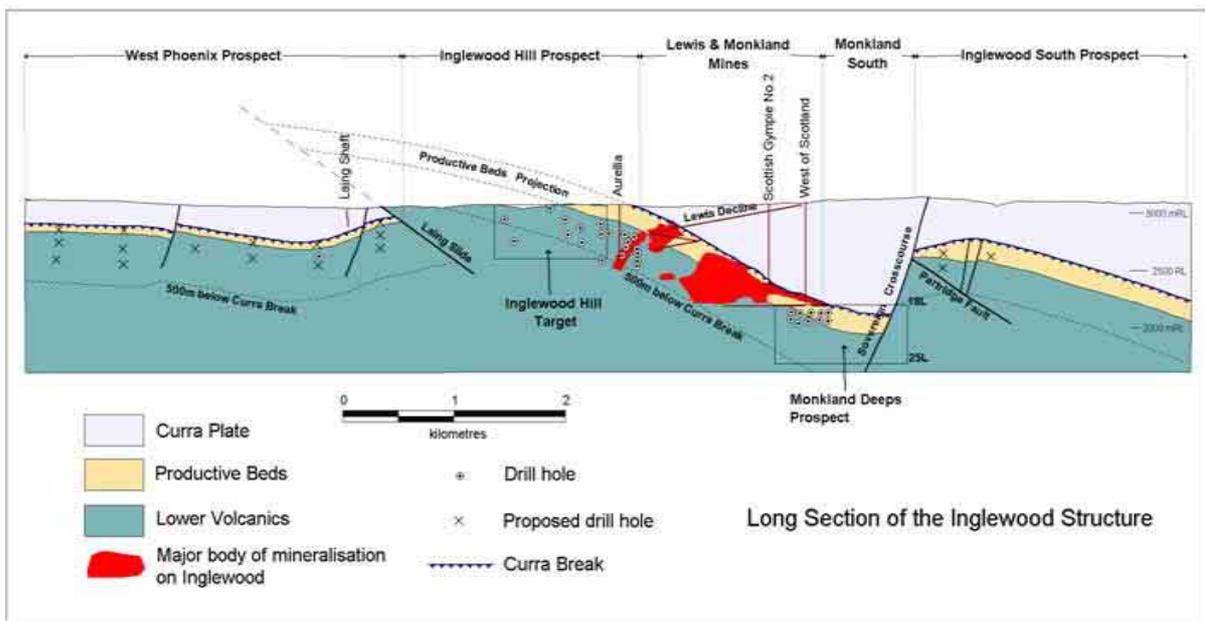
Electronic copies of this report are available on website www.gympiegold.com.au.
Requests to be placed on e-mail circulation list can be e-mailed to info@gympiegold.com.au

Figure 1
Section View of Partridge Graben Prospect and Lewis Decline Locations



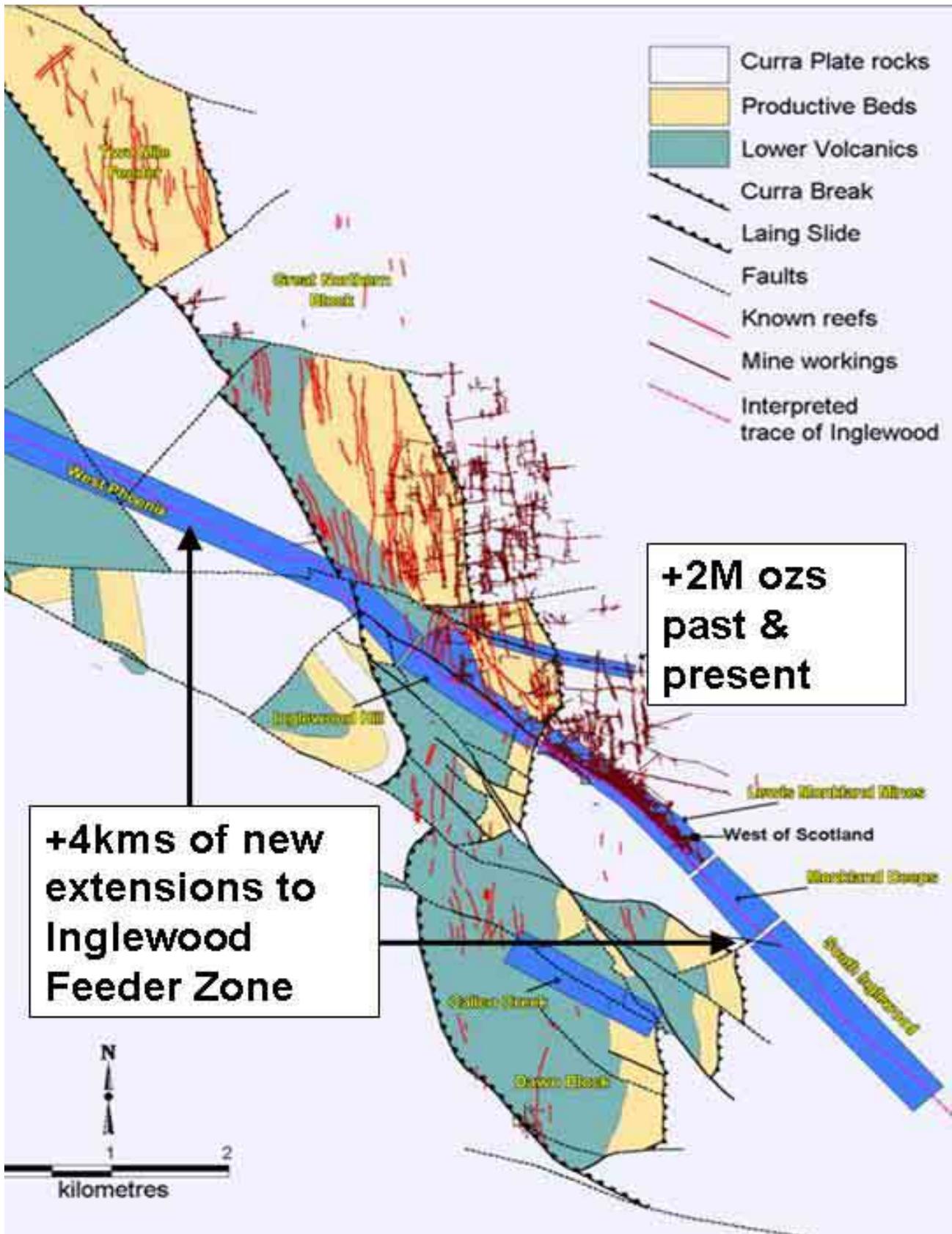
- Partridge: First Step-out Target
- 500 metres West of Decline
- Covered by Alluvium and Curra Plate
- Initial Lead: Geochemistry under Alluvium where Curra Plate Absent

Figure 2
Section View of New Extensions to the Ingledwood Feeder Structure



- Small Area Examined to Date was 2M oz @ +10g/t
- +8km Strike Length
- Stratigraphic Cover by Curra Plate
- Mostly Untested

Figure 3
 Plan View of New Extensions to the Inglewood Feeder Structure



Prospects concealed by:

- STRATIGRAPHIC COVER: Goldfield Blocks, eg Great Northern
- ALLUVIAL COVER: eg Just South of Mine
- CAP ROCK COVER : eg Inside Mine