



GALLERY GOLD LIMITED  
ACN 009 125 197

## **ASX Announcement**

October 22, 2003

### **Rapid start for Gallery projects**

Gallery Gold Limited has moved quickly to develop its expanding portfolio of African assets.

Following the Company's merger with Spinifex Gold Limited last week, Managing Director Hamish Bohannan today announced –

- the start of construction of the US\$28.4 million Mupane gold mining project in Botswana, and
- the first phase of a new program of exploration drilling in Botswana and Tanzania.

The mine site construction began this week with site works at Mupane, near Francistown in Botswana. Engineering company Metallurgical Design and Management Pty Ltd has completed Engineering design work and started mobilizing to the site.

By using a refurbished crusher and mills, the Company has reduced the capital budget for the development, improving the profitability of the project.

Information detailed in this year's Annual Report shows the internal rate of return and net present value of the project have increased from 24% to 31% and US\$15 million to US\$20 million respectively.

Further improvements to the economics of Mupane are expected from exploration programs focused on increasing the ore reserves.

Work is on schedule to see the first gold pour in the third quarter of 2004.

As part of Mupane exploration, a drilling program begins this week at the Company's Shashe leases in Botswana. The work has the potential to provide additional feed to Mupane from a proposed satellite mining operation.

Gallery has identified high grade ore at the Shashe Golden Eagle and Map Nora deposits. Drilling on the leases is targeted to confirm historical Phelps Dodge records and provide samples for metallurgical test work, particularly on Map Nora which is recognised as containing high grade but partially refractory ore.

A program of trenches has also started at Mupane on Jim's Luck and Signal Hill to follow up soil anomalies identified in programs completed last year. The work may lead to new high grade pencil discoveries.

Results from both programs are expected early in the New Year.

The merger between Gallery and Spinifex has combined the companies' gold, nickel, platinum, copper and diamond exploration prospects with the cashflow from mining at Mupane.

As a result, the Company will have a substantially improved development options in Botswana and Tanzania.

Gallery has made an immediate start to development of the former Spinifex interests in Tanzania with a drilling program of highly prospective areas near Lake Victoria.

A program on the Buckreef orebody will test the underground potential below an existing open pit resource. Gallery believes Buckreef is likely to be the basis of the Company's next project feasibility study. A program on the Kitongo deposits is scheduled for early next year.



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