



GALLERY GOLD LIMITED

ACN 009 125 197

ASX statement

January 23, 2004

Positive Results from Gallery Gold Mupane exploration

Summary

- The first results from Gallery Gold's current drilling program in Botswana have identified additional feedstock for the Company's Mupane Gold Project.
- The discoveries are likely to improve the profitability and mine life of the project.
- Drilling to begin in March will target a potential extension of the Golden Eagle deposit at Kite some 16 kilometres from Mupane.
- Initial results at Kite include a 2.46 g/t intercept from the surface to 25 metres – and a 2.19 g/t tonne intercept from 32 metres to 63 metres.
- Drilling at the underground Map Nora prospect has confirmed positive results from previous exploration work, defining a 172,000-ounce resource at 10.5 g/t, with intercepts of up to 44 g/t. The ore is known to be partially refractory with recoveries of about 65% from conventional cyanidation. The Company is examining various options for improving this recovery through its Mupane plant.
- Additional exploration information from the major Mupane deposit at Tau and the Company's Tanzanian prospect at Buckreef will be released when current drilling and assay work is completed.

Background

In the late 1980's Phelps Dodge defined two gold resources on the Shashe Mining Lease, near Francistown, Botswana. The deposits included 75,000 ounces at Golden Eagle and 172,000 ounces at Map-Nora. In November 2003 Gallery Gold commenced drilling in both areas to firm up these resources and convert them to reserves for the Mupane Plant.

Golden Eagle Drilling

A program of eight reverse circulation (RC) percussion and two diamond holes was completed at the Golden Eagle prospect, in the central part of the Shashe Mining Lease. This drilling targeted three shoots (Martial, Bateleur and Kite) within a complex shear system that strikes for over 700 metres.

Prior to this drilling, a scoping study over the Bateleur and Martial shoots incorporating the previous drill and underground (an exploratory decline) assay data of Phelps Dodge, defined a resource of 79,000 ounces at a grade 2.3g/t using a 1g/t cut off grade. A preliminary pit optimisation on this resource indicates that some 200,000 tonnes @ 2.8 g/t Au for 18,600 ounces could be mined from a shallow pit, some 70 metres deep and incorporating both shoots.

Six of the eight RC holes were targeted on the wider Bateleur shoot, between the base of this optimised pit and 100 metres below surface, to improve the density of data in this area in an attempt to deepen the pit. The results confirm the reliability of the Phelps Dodge data and are of sufficient width and grade to give encouragement that the pit will deepen below this 70 metre level following a re-optimisation. Assays are still awaited for the two diamond holes, one drilled at Martial and the other at Bateleur. The core from these holes will be used for metallurgical test work.

Two RC holes were also drilled at Kite, situated 350 metres north of Bateleur, and intersected significant widths of near surface mineralisation, particularly in KITC002 with 25m @ 2.46g/t from 0m and 31m @ 2.19g /t from 32m. This mineralisation is interpreted to be a south plunging shoot and the results give encouragement for additional near surface feed for the plant. More drilling is planned to follow up these intercepts. The area between Kite and Bateleur has only received minor attention in the past, and will be one of Gallery's exploration focuses over the next few months.

Table 1 Golden Eagle RC Drill Results

Hole Number	Depth Metres	Shoot	Intersection (using 1g/t Au cut-off with up to 3m internal dilution)		
			From(m)	Interval(m)	Grade(g/t Au)
GOEC01	65	Bateleur	30	6	2.54
			43	8	2.23
GOEC02	132	Bateleur	37	3	2.75
			90	13	1.53
GOEC03	135	Bateleur	0	2	2.09
			13	2	2.60
			63	23	3.47
			Incl 64	6	7.62
			90	6	1.30
GOEC04	167	Bateleur	29	5	2.04
			90	34	2.94
			Incl 92	8	5.43
			129	3	1.32
			161	4	1.85
GOEC05	97	Bateleur	22	5	1.74
			74	12	1.75
GOEC06	75	Bateleur	9	3	1.39
			57	6	1.50
KITC001	65	Kite	27	8	1.76
			59	4	2.05
KITC002	70	Kite	0	25	2.46
			32	31	2.19

Map-Nora

The Map Nora resource of 515,000 tonnes at 10.4g/t is within a multi-reef system associated with a major shear zone to the north west of Golden Eagle. The shear zone extends for at least 1200 metres and the mineralisation is sulphide rich and partly refractory with recoveries by conventional cyanidation of around 65%.

A scoping study has commenced to evaluate this resource in more detail and to determine if these recoveries can be improved through the flotation and regrind circuit of the Mupane Plant. As part of this scoping study three diamond holes, each with two wedges, have been drilled to intersect the three main shoots (M2, N9-N11 and N23) which collectively account for 70% of this resource. The results of this drilling are summarised in Table 2. High grade mineralization was intersected in the N9 (0.91M @ 28.35g/t), N11 (0.47m @ 15.38g/t) and N23 (2.74m @ 6.16g/t) shoots, as well as MAND 01 (N9A- 0.25m @ 15.46g/t) which is probably a splay off either the N9 or N11 shoots.

Metallurgical test work on this core is currently in progress in Perth.

Table 2 Map-Nora Diamond Drill Results

Hole Number	Depth Metres	Shoot	Intersection (using 1g/t Au cut off grade)		
			From (m)	Interval(m)	Grade(g/t Au)
MAND 01	180	N9	145.36	0.91	28.35
			Incl 145.7	0.57	44.00
		N9A	150.5	0.25	15.46
		N11	154.22	0.47	15.38
MAND 02	130		98.00	2.02	2.12
MAND 03		N23	123.00	2.74	6.16
			Incl 123.00	0.43	34.80
			Incl 125.40	0.34	5.30

Other programs

The Company is also drilling at Tau in Botswana and Buckreef in Tanzania. The Tau program is examining the potential for underground mining at Mupane. Two deep holes were drilled in May 2003 establishing that the ore body is continuous at depth. The current drilling program of 5-6 holes is intended to confirm and evaluate this potential.

A drilling program near Lake Victoria in Tanzania is confirming existing data and examining underground extensions at the Company's Buckreef prospect.

Results of these programs will be released when the current drilling and assay work is complete.

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