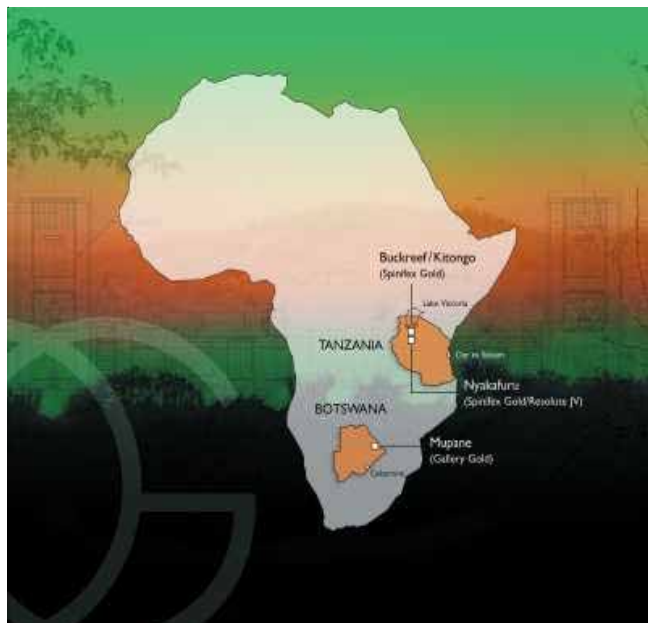




# Quarterly Report

Quarter ended 30 June 2005



## Production Statistics

### Gold Production:

**April: 8,036 oz**

**May: 8,987 oz**

**June: 10,501 oz**

**Quarter: 27,523 oz**

**Throughput: 299,713 t**

**Head grade: 3.1 g/t Au**

**Recovery: 92%**

**Cash Costs: US\$237/oz**

## Highlights

### Mupane Operation – Botswana

- Gold production of 27,523 ounces was well ahead of Gallery's target of 100,000 ounces for 2005.
- C1 Cash Cost for Mupane was US\$237 per ounce.
- Mill throughput was 299,713 dmt, 8% above forecast.
- Gold recovery was 92%, 2% above forecast.
- Preparation for mining at the Tholo pit commenced.

### Exploration – Botswana

- The Map Nora mine was dewatered allowing underground geological mapping and sampling.
- Assessment of the Map Nora resource as high grade supplementary ore for Mupane is well advanced.

### Exploration – Tanzania

- Total resources for the Buckreef Project increased by 36% to 1.91 million ounces.
- The inferred resource at Busolwa - 20 kms from Buckreef - increased to 13.7 Mt @ 1.8 g/t Au for a contained 785,000 oz based on a 1 g/t Au cut-off grade. This represents a 506,000 ounce increase over the previous estimate.

## Botswana Overview

- No lost time injuries were recorded at Mupane.
- C1 Cash Cost for Mupane was US\$237 per ounce.
- Gold production was 27,523 ounces, giving an annualised gold production of 110,000 ounces.
- Mill throughput increased progressively to a total of 299,713 tonnes. By end of June 05 throughput rates were 8% above forecast at a monthly annualised rate of 1.3 million tpa.
- Mill recovery was 92%, 2% above forecast.
- Preparation for mining at the Tholo pit commenced.

## Production Statistics

		Q1 - 04	Q2 - 04	Q3 - 05	Q4 - 05	2004/05
Total Material Mined	bcm	926,138	1,011,604	975,608	1,174,752	<b>4,088,102</b>
Ore Mined	tonnes	334,198	294,359	203,461	294,087	<b>1,126,105</b>
Processed Tonnes	dmt	-	64,408	250,326	299,713	<b>614,447</b>
Au Grade	g/t	-	3.3	3.3	3.1	<b>3.2</b>
Recovery	%	-	95.7	93.4	92.0	<b>93.0</b>
Ounces Recovered	oz	-	6,459	24,494	27,523	<b>58,476</b>
Mill Availability	%	-	54	94	91	<b>79</b>

## Detailed figures for June Quarter

		April	May	June	QTD
Total Material Mined	bcm	424,504	355,241	395,007	<b>1,174,752</b>
Ore Mined	tonnes	110,416	61,516	122,155	<b>294,087</b>
Processed Tonnes	dmt	91,255	100,081	108,377	<b>299,713</b>
Au Grade	g/t	3.0	3.0	3.3	<b>3.1</b>
Recovery	%	91.8	93.3	91.2	<b>92.0</b>
Ounces Recovered	oz	8,036	8,987	10,500	<b>27,523</b>
Mill Availability	%	86	95	92	<b>91</b>

## Mining

Mining continued in the Tau Pit where mined grades were slightly lower than forecast. This was due to the pit floor being at a higher elevation than forecast as a result of rescheduling to more efficiently utilise the mining contractor and stockpiled ore. Deeper, higher grade material will become available during the September quarter.

Formal clearance to proceed with mining the Tholo Pit, close to the Mupane mill, has been received. Site preparation of haul roads and clearing for the pit and waste dump areas has commenced.

## Processing

Processing grades and grade control drilling continue to indicate that ore reconciliation in the Tau Pit is in line with resource estimates.

Mill throughput continued to steadily improve with a total of 299,713 tonnes processed at a head grade of 3.1 g/t Au. In June, a total of 108,377 tonnes was treated, 8% higher than forecast, giving an annualised throughput rate of 1.3 million tpa for the month.

Gold recovery was 92%, which is 2% higher than forecast.

Plant availability of 91%, was in line with expectation.

## Community Relations

Mupane is proud to be the first mining operation in Botswana to receive accreditation from the Botswana Training Authority (BOTA) as a workplace training centre. In addition, three employees have received recognition as authorised trainers and Mupane's training programs are currently being reviewed for accreditation purposes.

## Botswana Exploration

### Shashe Mining Lease (85% Gallery Gold)

#### Map-Nora

The Map Nora mine was dewatered during the quarter allowing access in preparation for mining and processing of ore later in the year. Drilling along with the newly dewatered workings have provided additional information from which a new resource/reserve estimation is currently being calculated.

Ongoing geological work and drilling at Map-Nora has identified a number of narrow mineralized shoots:

- Shoot 1 is 30m in strike length, averages 4m @ 8.3 g/t Au in trenches, 2.5m @ 11.7 g/t Au from drilling and 0.6m @ 11.7 g/t Au in sampling on 3 level.
- Shoot 2, lying 120m to the west of shoot 1, also has a strike length of 30m and averages 0.6m @ 17.3 g/t Au in trenches and 0.6m @ 14.8 g/t Au in drill holes.

Soil sampling and IP surveying has indicated another sub parallel shoot to the south where no development is currently in place.

Five RC holes were drilled at Map Nora for 239m, with 333 samples collected, during the quarter.

#### Golden Eagle – Kite

Trenching to follow up on possible extensions to the Golden Eagle Pit are ongoing with five trenches completed.

## Tati Belt Exploration

Results have been received for some 7,535 soil samples forming an infill soil geochemistry program in the Tati Belt. The sampling has extended the area of Au anomalism at the Ratomo Prospect for a further 1.5km to the north. This is a coincident Au and As soil anomaly that has not been previously trenching or drill tested to date.

## Nickel-PGEs (Albidon JV)

Albidon Limited exploration work on Gallery's Tati Greenstone Belt tenements for the quarter focused on a review of all historical and new field data to delineate drill targets.

## Tanzania Overview

- Total resources for the Buckreef project increased by 36% to 1.91 million ounces.
- The inferred resource at Busolwa - 20 kms from Buckreef - increased to 13.7 Mt @ 1.8 g/t Au for a contained 785,000 oz based on a 1g/t cut-off grade. This represents a 506,000 ounce increase over the previous estimate.

## Resources – Tanzania

Following detailed infill drilling at the Busolwa Prospect a significant upgrade was made to the existing resource figure, bringing the total inferred resource to 785,000 oz (Table 1).

**Table 1:** Busolwa Resources as at June 30 2005 (1.0 g/t Au cutoff)

Category	Cut-off Grade (g/t Au)	Tonnes (x 1,000)	Mean Au grade (g/t)	Contained ounces (Au)
<b>Inferred</b>	<b>1.0</b>	<b>13,700</b>	<b>1.8</b>	<b>785,000</b>

No further work was undertaken at the Buckreef Project where the existing resource stands at 873,000 oz (Table 2)

**Table 2:** Buckreef Resources as at June 30 2005 (0.8 g/t Au cutoff)

Category	Cut-off Grade (g/t Au)	Tonnes (x 1,000)	Mean Au grade (g/t)	Contained ounces (Au)
Measured	0.8	3,349	2.7	285,000
Indicated	0.8	2,556	2.2	177,000
Inferred	0.8	5,886	2.2	411,000
<b>Total</b>	<b>0.8</b>	<b>11,791</b>	<b>2.3</b>	<b>873,000</b>

*Note: Some figures may not add correctly due to rounding errors*

The total resource within the Buckreef-Busolwa tenement package now amounts to 1.91 million ounces of gold, including a number of smaller resources in close proximity to Buckreef and Busolwa.

## Exploration – Tanzania

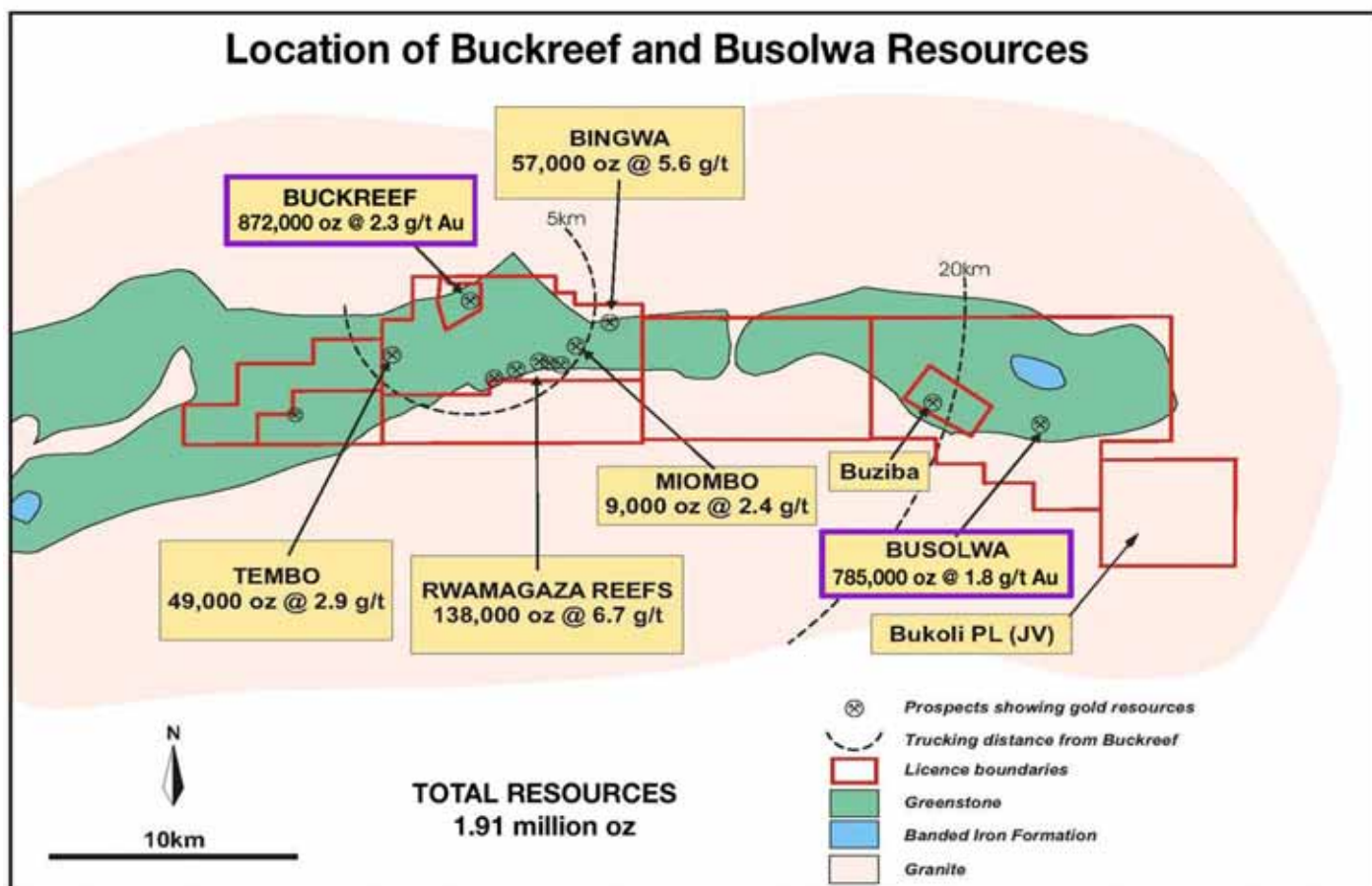
Exploration in Tanzania has focused on refining the existing resources at the Busolwa Prospect. This has involved 50m x 20m drill out of portions of the resource. Some 112 drillholes were completed during the quarter for 12,000m of combined RC and diamond drilling.

A number of significant intercepts were obtained as a result of this drilling, including

- 15m @ 3.2 g/t Au incl. 2m @ 10.4 g/t Au
- 10m @ 4.9 g/t Au
- 5m @ 14.3 g/t Au incl. 3m @ 31.2 g/t Au
- 9m @ 5.7 g/t Au incl. 5m @ 7.2 g/t Au
- 3m @ 8.4 g/t Au
- 23m @ 4.7 g/t Au incl. 2m @ 22.8 g/t Au
- 35m @ 3.2 g/t Au incl. 5m @ 5.3 g/t Au and 3m @ 11 g/t Au
- 11m @ 3.1 g/t Au
- 2m @ 30.8 g/t Au

Details are included in the supplementary table attached. The results have been encouraging and indicate the potential for a significant western extension to the current resources.

Based on this infill drilling using an MIK model Hellman and Schofield have calculated an inferred resource of 13.7 Mt @ 1.8 g/t Au for a contained 785,000 oz at the Busolwa Project (Table 1). This estimate is based on a 1.0 g/t Au cut-off grade.



### Nyakafuru (Gallery-Resolute JV)

Resolute Limited has started work on the US\$2 million second stage of exploration at Nyakafuru to earn an additional 15% in the joint venture project. This program, funded by Resolute, follows Gallery's confirmation that Resolute has earned a 51% interest in the joint venture project by spending US \$3 million on the first phase of exploration.

The highlight of the second quarter was exploration of the 'Leeuwin' target near Nyakafuru where drilling returned encouraging results including 31m @ 4.7 g/t Au from 38m and 32m @ 1.9 g/t Au from 33m.

Five diamond drill holes (NPD048 to 052) completed for a geotechnical study to assist pit wall design for Nyakafuru Reefs 2E and 2W.

Three of these holes (NPD048, NPD049 and NPD052) were also designed to intercept mineralisation beneath the current Reef 2E/W pit optimisations. Significant intersections included; 8m @ 5.74 g/t Au from 74m in NPD048, 10.8m @ 8.2 g/t Au from 92m in NPD049 and 9.1m @ 3.6 g/t Au from 97.5m in NPD052.

Additionally, six shallow reverse circulation drill holes for 313m were completed over Reef 6 to test the near surface potential of the previously outlined high-grade sulphide mineralisation. Two holes returned significant intercepts; 7m @ 5 g/t Au from 10m in NPRC355 and 4m @ 4.3 g/t Au from 22m in NPRC353.

## Corporate

### Cash Balance and Movements

At 30 June 2005, the group had net cash and equivalents on hand of A\$12.664 million, comprised of A\$10.512 million cash, and bullion on hand at value of A\$2.152 million.

The balance of the Mupane project amortising cash advance facility at 30 June is US\$ 24.050 million. The facility was reduced by the scheduled payment of US\$1.200 million which was made on the due date.

### Hedging

A balance of 325,854 gold ounces were committed to forward contracts at 30 June, which equates to 56% of Mupane ore reserves remaining at that date.

The commitment consists of 311,104 ounces to be delivered in sixteen quarterly instalments of 19,444 ounces and a 14,750 ounce call option which expires in December 2007.

The combined mark-to-market value of the commitment is negative US\$20.872 million on the basis of a spot price of US\$435.63/oz.

### Equity

A total of 133,334 employee share options were exercised during the quarter, and 266,666 options cancelled.

A balance of 495,344,696 ordinary shares all currently on issue.

The number of unlisted options at 30 June is 14,300,000.

*Any information in this report relating to geology, drilling, mineralisation and mineral resource estimates is based on information compiled by Marcus Tomkinson and Linton Putland, employees of Gallery Gold Limited, and N Johnson of Hellman & Schofield who are Competent Persons under the meaning of the JORC Code with respect to the mineralisation being reported on. All have given their consent to the Public Reporting of these statements concerning geology, drilling mineralisation and resources.*

### Gallery Gold Background

Gallery Gold is an emerging ASX listed mining company based in Perth. The Company has a 100,000 oz-per-annum gold operation in Botswana and a second operation planned for Buckreef in Tanzania. Gallery is exploring exciting new prospects on more than 7400 square kilometres of tenements in Botswana and Tanzania – two of Africa's leading mineral producers. An African success story, Gallery has built a strong and rapidly-growing business on the strength of outstanding mineral assets, effective exploration, low-cost operations and genuine community partnerships.



**SUPPLEMENTARY TABLE: BUCKREEF PROJECT – Significant Diamond Drill Intersections**

(1 g/t Au cut off, Maximum 3m internal waste. Note: Higher grade intersections are at nominal 5 g/t Au cut off.)

Hole Id	Co-ordinates		Depth (m )	Dip	Intersection (m)	Width (m )	Au (g/t)
	North	East					
MWBR422	10060	9710	125	-60	30 - 45	15	3.2
					incl. 35 - 37	2	10.4
					49 - 50	1	7.9
MWBR424	10025	9710	125	-60	33 -38	5	2.7
					incl. 36 - 37	1	5.3
					90 - 91	1	2.6
MWBR425	10160	9710	120	-60	23 - 37	14	1.9
					incl. 31 - 32	1	5.0
MWBR426	9772	10102	120	-60	7 - 8	1	2.3
					65 - 75	10	4.9
					incl. 69 - 70	1	9.1
					incl. 73 - 74	1	16.9
MWBR431	9560	10790.3	126	-60	57 - 62	5	14.3
					incl. 57 - 60	3	31.2
MWBR433	10020	9800	136	-60	78 - 87	9	5.7
					incl. 78 - 83	5	7.2
					incl. 85 - 87	2	6.3
					100 - 115	15	3.2
					incl. 108 - 109	1	5.1
MWBR434	9984	10000	113	-60	incl. 111 - 115	4	7.3
					38 - 42	4	2.7
					45 - 46	1	3.0
					78 - 83	5	2.1
					incl. 78 - 89	1	6.4
MWBR438	10085	10000	64	-60	61 - 64	3	8.4
MWBR444	10140	9550	124	-60	109 - 118	9	2.0
MWBR447	10110.3	9950	129	-60	0 - 1	1	3.1
					53 - 55	2	3.7
					58 - 60	2	6.0
MWBR448	10090.3	9950	116	-60	70 - 72	2	1.7
					110 - 111	1	7.9
MWBR449	10061	9649	130	-60	22 - 23	1	3.7
					61 - 62	1	3.5
					108 - 110	2	3.1
MWBR452	9980	10392	120	-60	28 - 32	4	2.6
					48 - 50	2	2.3
					70 - 81	11	2.6
					103 - 104	1	2.1
					108 - 117	9	1.5
					103 - 104	1	3.4
MWBR464	9961	10341	120	-62	35 - 37	2	3.1
					76 - 80	4	2.3
					94 - 97	3	9.3
BPRC183	10340	8900	111	-60	82 - 93	11	1.9
					97 - 102	5	2.2
BPRC194	10140	9250	120	-60	1 - 3	2	13.4
					80 - 86	6	1.7
					98 - 103	5	1.5
BPRC195	10160	9250	120	-60	53 - 57	4	1.6
BPRC203	10240	9350	126	-60	86 - 109	23	4.7
					incl. 88 - 90	2	22.8
					incl. 93 - 95	2	13.8



Hole Id	Co-ordinates		Depth (m )	Dip	Intersection (m)	Width (m )	Au (g/t)
	North	East					
BPRC205	10280	9350	120	-60	14 - 17	3	2.8
					21 - 22	1	5.0
					25 - 28	3	3.6
BPRC206	10300	9350	102	-60	1 - 5	4	2.7
					30 - 31	1	3.9
BPRC207	10180	9350	102	-60	8 - 17	9	2.2
					incl. 15 - 16	1	8.4
BPRC208	10180	9250	113	-60	3 - 22	19	3.2
					incl. 7 - 10	3	6.4
BPRC210	10280	9150	83	-60	30 - 38	8	3.8
					31 - 32	1	8.2
					48 - 50	2	2.5
					58 - 65	7	1.4
BPRC211	10260	9150	89	-60	4 - 5	1	4.2
					66 - 77	11	1.6
BPRC214	10180	9150	88	-60	3 - 4	1	2.2
					17 - 24	7	2.9
					incl. 21 - 22	1	12.4
					43 - 62	19	2.0
BPRC215	10160	9150	105	-60	38 - 50	12	1.3
					54 - 60	6	2.4
					84 - 97	13	1.4
BPRC218	10220	9050	105	-60	10 - 12	2	2.5
					16 - 20	4	1.1
					23 - 29	6	7.0
					92 - 98	6	2.8
BPRC219	10200	9050	100	-60	73 - 83	10	3.6
					incl. 79 - 80	1	10.8
					87 - 95	8	1.3
BPRC220	10180	9050	123	-60	50 - 66	16	1.3
					105 - 110	5	3.1
					117 - 123	6	2.0
BPRC221	10160	9050	135	-60	20 - 36	16	2.8
					54 - 75	21	1.3
BPRC224	10320	8950	120	-60	42 - 49	7	3.9
					106 - 111	5	3.5
BPRC226	10280	8950	132	-60	6 - 12	6	2.9
					21 - 23	2	4.6
					92 - 103	11	2.1
					incl. 93 - 95	2	5.1
					119 - 130	11	3.1
BPRC229	10240	8900	130	-60	21 - 56	35	3.2
					incl. 25 - 30	5	5.3
					incl. 33 - 36	3	11.0
					61 - 63	2	2.3
					81 - 91	10	1.3
					96 - 104	8	1.2
BPRC230	10280	8900	116	-60	28 - 36	8	1.3
					47 - 50	3	3.7
					incl. 48 - 49	1	5.1
					79 - 80	1	8.4
BPRC245	10180	9448	49	-60	18 - 20	2	30.8
BPRC251	10302	8850	120	-60	74 - 85	11	3.1
					96 - 99	3	4.2

Grid azimuth 0 degrees