

15 August 2005

The Manager Company Announcements Australian Stock Exchange Ltd

Dear Sir

Failure of SAG Mill Motor at the Mupane Gold Project, Botswana

Gallery Gold Limited (ASX Code:GGN) advises that production at the company's Mupane Gold Mine in Botswana has been temporarily disrupted due to an electrical failure of the SAG mill motor in the processing plant on Thursday 11 August 2005.

The motor has been removed and shipped to Johannesburg for rewinding.

A contract crushing circuit, currently being installed will allow ore to be fed directly from the crushed ore stockpile to the ball mill. Limited production is expected to commence later today (Monday, 15 August 2005), with full production due to be resumed in the next 2-4 days.

Gallery will continue to provide information on the status of the Mupane operations as and when it becomes available.

Yours faithfully.

Gallery Gold Limited

Hamish Bohannan

Managing Director