GYMPIE GOLD LIMITED

ACN 000 759 535

ASX & AIM Announcement

25 November 2003

$25M CAPITAL RAISING TO BOOST GROWTH

Gympie Gold Limited ("Gympie" or the "Company") announces a placing of 50 million ordinary shares (the "New Shares") to raise A$25 million before expenses (the "Placing") to boost organic growth and take advantage of strong coking coal and gold markets.

Gympie has received commitments from investors in Australia and the United Kingdom for the placement of the New Shares which are being issued at A$0.50 per share or its £ equivalent at today's exchange rate of $A2.355 to £1.00. This price represents a 7% discount to the share price of the Company's shares on the ASX prior to the halt in trading on 18 November 2003 requested by the Company. The trading halt, expected to be lifted today, was requested by the Company during a planned four day road show to prospective institutional placees.

In the Placing, 30 million New Shares have been placed with institutions in the United Kingdom and this part of the Placing has been underwritten by the Company's new UK brokers, Numis Securities Limited. Australian brokers to the issue are Southern Cross Equities and Wilson HTM.

The New Shares will rank pari passu in all respects with the existing ordinary shares in the Company.

The net proceeds of the Placing will be used to:

- Meet increased working capital requirements of growing coal production;
- Reduce the Company's debt-to-equity ratio; and
- Pursue organic growth opportunities at both coal and gold projects.

Gympie's existing authority to issue shares is limited to 28.5 million New Shares representing approximately 14% of the existing shares on issue. As a result, the New Shares are to be issued in two tranches as follows:

- 28.5 million shares (the "First Tranche") on or about 1 December 2003; and
- 21.5 million shares (the "Second Tranche") in early January 2004, subject to approval by Shareholders at a General Meeting of the Company expected to be held on or about 8 January 2004 (the "January General Meeting").

The Placing is conditional, inter alia, on the admission of the New Shares to trading on the Alternative Investment Market ("AIM") of the London Stock Exchange and the Australian Stock Exchange (ASX).

Applications are being made for the First Tranche of the New Shares to be admitted to trading on the ASX and AIM and dealings in the First Tranche are expected to commence in the first week of December 2004.

Applications will be made in due course for the Second Tranche of the New Shares to be admitted to trading on the ASX and AIM, following the January General Meeting on or about 8 January 2004.

The issue of the New Shares would increase Gympie Gold's issued ordinary share capital to 256.7 million shares from 206.7 million shares (+24%).

Managing Director, Mr Harry Adams, said "This capital raising enables us to push ahead with organic growth opportunities and to take advantage of the current strong markets for both coking coal and gold.

At Southland Coal, production has been increased to more than the 2 million tonnes per annum level and we are exploring ways to expand production further.

At Gympie Eldorado Gold, a number of very prospective targets along a 30 kilometre strike length can now be drilled, notably including the historically prolific Inglewood Structure.

In structuring the capital raising we considered including a share purchase plan for all shareholders but the Company is not allowed to have a second such offer within a twelve month period.

We are however particularly pleased to welcome a number of notable UK institutional investors to the register."

Gympie Gold is dual-listed on ASX (Code "GYM") and AIM (Code "GGD") and is an Australian mining exploration, production and marketing company with two core businesses: coking coal and gold.

For Further Information Contact:
Harry Adams, Managing Director 02 9251 2777 or international +61 2 9251 2777

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