

GYMPIE GOLD LIMITED

ABN 88 000 759 535

*Gympie Gold Limited
(Receivers and Managers Appointed)
(Voluntary Administrators Appointed)*

ASX & AIM Announcement

17 March 2004

Southland Mine – Update

The Southland Colliery Joint Venture had been making strong progress toward re-entry of the Southland Colliery following the fire which caused the sealing of the mine in late December 2003 and the appointment of Receivers and Managers to Southland Coal Pty Limited.

Late last week, the contract operator, Thiess Pty Limited, encountered unsafe conditions while advancing along the maingate roadway about one kilometre from the longwall unit. This has resulted in the temporary evacuation of the mine.

Following review of options to continue re-entry, it is evident that there will be considerable delays and additional cost associated with addressing the unsafe work environment. As a result of this delay, Thiess will retrench its workforce employed at Southland Colliery.

The Receivers and Managers of Southland Coal in conjunction with the new banking syndicate Mizuho/Investec, along with Thiess are now taking steps to place the Southland Colliery on care and maintenance while the syndicate continues to evaluate its options.

Contact Andrew Love, Receiver and Manager on (02) 9286 9999