



REPORT FOR THE QUARTER ENDED 31 DECEMBER 2002

Johnson's Well Mining N.L. ("Johnson's Well" or the "Company") is an Australian gold explorer with strategic land holdings in recognised gold provinces in Western Australia and the Northern Territory. The Company's joint venture arrangements with Newmont Mining Limited ("Newmont") provide the opportunity for the discovery of further gold resources in the Duketon greenstone belt and potential for the development of a new stand-alone mining operation. At the Rand Project in the Northern Territory, the Company and its partner Gutnick Resources NL ("Gutnick Resources") is also looking to discover a major gold deposit.

HIGHLIGHTS

- Further encouraging gold results received from drilling at Moolart Well, including 20 metres grading 2.96 grams per tonne gold ("g/t") from 20 metres.

REVIEW OF OPERATIONS

Duketon Joint Ventures (Johnson's Well 20%)

The Company maintains its 20% interest in the Duketon Joint Venture projects, which are located approximately 105 kilometres north of Laverton in Western Australia's prospective Laverton Tectonic Zone. Newmont are managing activities at Duketon, with exploration currently focussed on regional targets outside of the Rosemont deposit, including the exciting Moolart Well prospect.

At Moolart Well a total of 31 air core holes were drilled during the quarter. These holes were designed to test orientation and/or continuity of higher-grade intersections encountered in previous aircore drilling. At some sites close spaced drilling (25 metres) allowed for correlation of lithological contacts between holes. Units of dolerite, porphyritic diorite and ultramafic rock were found to be dipping at approximately 40 to 50 degrees to the east. This contrasts with steeply east dipping chert units east of the central ultramafic unit and indicates two structurally different domains separated by a north-south trending shear zone.

Significant results included;

20 metres grading 2.96 g/t gold from 20 metres
20 metres grading 0.89 g/t gold from 20 metres
4 metres grading 11.60 g/t gold from 4 metres
14 metres grading 1.11 g/t gold from 14 metres
15 metres grading 0.49 g/t gold from 15 metres
8 metres grading 1.41 g/t gold from 8 metres
8 metres grading 0.72 g/t gold from 8 metres
8 metres grading 0.71 g/t gold from 8 metres
8 metres grading 0.64 g/t gold from 8 metres
8 metres grading 0.54 g/t gold from 8 metres
4 metres grading 1.03 g/t gold from 4 metres
4 metres grading 3.74 g/t gold from 4 metres
4 metres grading 1.13 g/t gold from 4 metres
4 metres grading 2.36 g/t gold from 4 metres
4 metres grading 2.35 g/t gold from 4 metres

4 metres grading 1.28 g/t gold from 4 metres
4 metres grading 2.24 g/t gold from 4 metres
4 metres grading 3.91 g/t gold from 4 metres
4 metres grading 3.92 g/t gold from 4 metres
4 metres grading 2.45 g/t gold from 4 metres
4 metres grading 0.91 g/t gold from 4 metres
4 metres grading 2.74 g/t gold from 4 metres

The Moolart Well prospect has the potential to become a significant gold discovery with gold mineralisation defined, by 400 metre spaced drill traverses, over a strike length of four kilometres.

The intersection of wide zones of potentially ore-grade mineralisation during this quarter is encouraging. Newmont are implementing an aggressive exploration program for this prospect over the next six months and are planning to infill current 400 metre drill-line spacing in an effort to define zones of potentially economic gold mineralisation. Newmont is also conducting exploration on several other prospects with the Duketon Project with a number of targets being drilled during the quarter. No significant results were returned, however several targets remain to be tested.

At Rosemont, the review of the draft Rosemont Resource Report by Global Mining Services continued. The final report is expected to be available early in 2003. In addition, a total of six rock chip samples were collected from an area adjacent to a drill intersection of 26 metres at 0.97 g/t gold from 12 metres. Four samples returned results greater than 0.20 parts per million.

Rand Project (Johnson's Well 50%)

The Company maintains its interest in this joint venture with Gutnick Resources N.L. (manager). The joint venture covers a large landholding in the Northern Territory over the Ngalia and Amadeus Basins, where the partners are seeking sediment hosted gold and base-metal deposits associated with hydrothermal activity along the northern margins of the basins. As previously reported, some encouraging silver results have been returned from the Mt Doreen area, 400 kilometres north-west of Alice Springs, where a strong (greater than 100 parts per billion, with a maximum of 250 parts per billion) silver anomaly has been defined from stream sediment sampling associated with major structures on the northern edge of the Ngalia basin. Base metal and gold anomalies in the stream sediments are associated (though partly offset) with this silver anomaly and this area is a priority follow-up target.

The technical information in this report has been reviewed and approved by Mr D. von Perger, who is a Member of the Australasian Institute of Mining & Metallurgy and has 10 years experience in the exploration field.

Attached is a copy of the Company's Mining Exploration Entity Quarterly Report in accordance with Listing Rule 5.3.



J I GUTNICK
Chairman and Managing Director
31 January 2003

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

JOHNSON'S WELL MINING N.L.

ABN

28 009 174 761

Quarter ended ("current quarter")

31 December 2002

Consolidated statement of cash flows

| | Current quarter \$A'000 | Year to date (6 months) \$A'000 |
|---|----------------------------|---------------------------------------|
| Cash flows related to operating activities | | |
| 1.1 Receipts from product sales and related debtors | - | - |
| 1.2 Payments for | | |
| (a) exploration and evaluation | (35) | (69) |
| (b) development | - | - |
| (c) production | - | - |
| (d) administration | (8) | (63) |
| 1.3 Dividends received | - | - |
| 1.4 Interest and other items of a similar nature received | - | - |
| 1.5 Interest and other costs of finance paid | - | - |
| 1.6 Income taxes paid | - | - |
| 1.7 Other (provide details if material) | 28 | 28 |
| Net Operating Cash Flows | (15) | (104) |
| Cash flows related to investing activities | | |
| 1.8 Payment for purchases of: | | |
| (a) prospects | - | - |
| (b) equity investments | - | - |
| (c) other fixed assets | - | - |
| 1.9 Proceeds from sale of: | | |
| (a) prospects | - | - |
| (b) equity investments | - | - |
| (c) other fixed assets | - | - |
| 1.10 Loans to other entities | - | - |
| 1.11 Loans repaid by other entities | - | - |
| 1.12 Other (provide details if material) | - | - |
| Net investing cash flows | - | - |
| 1.13 Total operating and investing cash flows (carried forward) | (15) | (104) |

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

| | | | |
|---|--|-------|---------|
| 1.13 | Total operating and investing cash flows (brought forward) | (15) | (104) |
| Cash flows related to financing activities | | | |
| 1.14 | Proceeds from issues of shares, options, etc. | 824 | 1,324 |
| 1.15 | Proceeds from sale of forfeited shares | - | - |
| 1.16 | Proceeds from borrowings | 112 | 369 |
| 1.17 | Repayment of borrowings | (935) | (1,617) |
| 1.18 | Dividends paid | - | - |
| 1.19 | Other (provide details if material) | - | - |
| Net financing cash flows | | 1 | 76 |
| Net increase (decrease) in cash held | | (14) | (28) |
| 1.20 | Cash at beginning of quarter/year to date | 4 | 18 |
| 1.21 | Exchange rate adjustments to item 1.20 | - | - |
| 1.22 | Cash at end of quarter | (10) | (10) |

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

| | | Current quarter \$A'000 |
|------|--|----------------------------|
| 1.23 | Aggregate amount of payments to the parties included in item 1.2 | 10 |
| 1.24 | Aggregate amount of loans to the parties included in item 1.10 | - |

1.25 Explanation necessary for an understanding of the transactions

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Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

| | Amount available \$A'000 | Amount used \$A'000 |
|---------------------------------|-----------------------------|------------------------|
| 3.1 Loan facilities | Refer attached details | Refer attached details |
| 3.2 Credit standby arrangements | - | - |

Estimated cash outflows for next quarter

| | \$A'000 |
|--------------------------------|------------|
| 4.1 Exploration and evaluation | 100 |
| 4.2 Development | - |
| Total | 100 |

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

| | Current quarter \$A'000 | Previous quarter \$A'000 |
|--|----------------------------|-----------------------------|
| 5.1 Cash on hand and at bank | - | 4 |
| 5.2 Deposits at call | - | - |
| 5.3 Bank overdraft | (10) | - |
| 5.4 Other (provide details) | - | - |
| Total: cash at end of quarter (item 1.22) | (10) | 4 |

Changes in interests in mining tenements

| | Tenement reference | Nature of interest (note (2)) | Interest at beginning of quarter | Interest at end of quarter |
|-----|-----------------------|---|--|----------------------------------|
| 6.1 | | Interests in mining tenements relinquished, reduced or lapsed | | |
| | | See Attached | | |
| 6.2 | | Interests in mining tenements acquired or increased | | |
| | | See Attached | | |

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

| | Total number | Number quoted | Issue price per security (see note 3) (cents) | Amount paid up per security (see note 3) (cents) |
|--|--------------|---------------|---|--|
| 7.1 Preference securities | - | - | - | - |
| 7.2 Changes during quarter | | | | |
| (a) Increases through issues | - | - | - | - |
| (b) Decreases through returns of capital, buy-backs, redemptions | - | - | - | - |
| 7.3 +Ordinary securities | 66,714,313 | 66,714,313 | - | - |
| 7.4 Changes during quarter | | | | |
| (a) Increases through issues | 16,485,480 | - | - | - |
| (b) Decreases through returns of capital, buy-backs | - | - | - | - |
| 7.5 +Convertible debt securities (description) | - | - | - | - |
| 7.6 Changes during quarter | | | | |
| (a) Increases through issues | - | - | - | - |
| (b) Decreases through securities matured, converted | - | - | - | - |
| 7.7 Options (description and conversion factor) | 1,353,865 | 1,353,865 | Exercise price \$52.00 | Expiry date 15 June, 2003 |
| | 82,500 | - | \$5.68 | 24 March, 2010 |
| | 10,736,079 | - | \$0.20 | 30 April 2012 |
| | 16,470,480 | - | \$0.05 | 30 November 2012 |
| 7.8 Issued during quarter | 16,470,480 | - | \$0.05 | 30 November 2012 |
| 7.9 Exercised during quarter | 15,000 | - | \$0.20 | 30 April 2012 |
| 7.10 Expired during quarter | - | - | - | - |
| 7.11 Debentures (totals only) | - | - | | |
| 7.12 Unsecured notes (totals only) | - | - | | |

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: 
(Company Secretary)

Date: 31 January 2003

Print name: Peter J. Lee

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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Mining exploration entity quarterly report

JOHNSON'S WELL MINING N.L
ABN 28 009 174 761

For the Quarter Ended 31.12.2002
(referred to in this Statement as the "Current Quarter")

Additional Information

Item 1.7 Other

During the December quarter monies received for a GST refund of \$28,000

Item 1.22 Cash at end of quarter

Item 5.3 Bank overdraft

Drawdown on borrowings not made until early January 2003 when cheques were presented.

Item 1.23 Payments to Other Entities

Some of the Directors of the Company are also Directors of AXIS Consultants Pty. Ltd. ("AXIS"). The Company paid AXIS \$145,000 during the quarter ended 30 September 2002 as repayments on an existing loan. This amount is not reflected in item 1.23 as the company does not consider AXIS to be a related party.

Item 3.1 Loan facilities

Mr. Gutnick has confirmed that based on the Company's present and projected cash flows (and anticipated support from its financiers over that time) he should have access to sufficient funds to be in a position to assist the Company to meet its commitments. Mr. Gutnick has invited the Company, as and when funds are required, to apply to him for relevant funds. Mr. Gutnick will then, at his absolute discretion, determine whether he is willing or able to assist the Company. The Company has announced a pro-rata renounceable rights issue of shares with attaching options to all shareholders.

Item 7.7 Options

Listed

1,353,865 Options maturing June 15, 2003 at an exercise price of \$52.00 per Option. Each Option if exercised will derive ten (10) fully paid Ordinary Shares.

Unlisted

82,500 Options maturing March 24, 2010 issued under the Employee Share Option Plan have an exercise price of \$5.68 per option. Upon exercise each Option will convert into one Fully Paid Ordinary Share. These Options cannot be exercised until after March 24, 2003 and only at that time, if the Company's Share price on the ASX has increased by a factor of 20% over the Share price at the date the Options were issued.

10,736,079 Options maturing April 30, 2012 at an exercise price of \$0.20 per Option. The options are exercisable any time after January 1, 2003. Each option will convert to one fully paid Ordinary Share 16,470,480 Options maturing November 30, 2012 at an exercise price of \$0.05 per Option. The options are exercisable any time after 1 July 2003. Each option will convert to one fully paid Ordinary Share

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JOHNSON'S WELL MINING N.L.

ACN 009 174 761

CHANGES IN INTERESTS IN MINING TENEMENTS

6.1 Interests in mining tenements relinquished, reduced or lapsed

| Tenement reference | Nature of Interest (note(4)) | Interest at beginning of quarter | Interest at end of quarter |
|---------------------------|-------------------------------------|---|-----------------------------------|
| BURTVILLE | | | |
| P 38/2990 | Surrendered | 100.00% | 0.00% |
| CAMEL HUMP | | | |
| E 38/495 | Forfeited | 75.00% | 0.00% |
| ERLISTOUN | | | |
| E 38/1196 | Surrendered | 100.00% | 0.00% |
| E 38/404 | Surrendered | 100.00% | 0.00% |
| M 38/422 | Surrendered | 100.00% | 0.00% |
| M 38/423 | Surrendered | 100.00% | 0.00% |
| MT MAIDEN | | | |
| E 38/1180 | Surrendered | 100.00% | 0.00% |
| P 38/2930 | Surrendered | 100.00% | 0.00% |
| P 38/2931 | Surrendered | 100.00% | 0.00% |
| P 38/2932 | Surrendered | 100.00% | 0.00% |
| P 38/2933 | Surrendered | 100.00% | 0.00% |
| MURPHY HILLS | | | |
| E 38/573 | Surrendered | 61.00% | 0.00% |

JOHNSON'S WELL MINING N.L.

ACN 009 174 761

CHANGES IN INTERESTS IN MINING TENEMENTS

6.2 Interests in mining tenements acquired or increased.

| Tenement reference | Nature of Interest (note(4)) | Interest at beginning of quarter | Interest at end of quarter |
|----------------------------|-------------------------------------|---|-----------------------------------|
| <u>KOWTAH</u> | | | |
| P 39/4071 | Granted | 0.00% | 0.00% |
| P 39/4072 | Granted | 0.00% | 0.00% |
| P 39/4073 | Granted | 0.00% | 0.00% |
| <u>MOOLART WELL</u> | | | |
| P 38/2950 | Granted | 0.00% | 100.00% |
| P 38/2951 | Granted | 0.00% | 100.00% |
| <u>WELCOME WELL</u> | | | |
| P 37/6159 | Granted | 0.00% | 0.00% |
| P 37/6160 | Granted | 0.00% | 0.00% |