
JOHNSON'S WELL MINING N.L.

ABN 28 009 174 761

**REPORT TO SHAREHOLDERS
FOR THE HALF YEAR ENDED
31 DECEMBER 2002**

Johnson's Well Mining N.L.
ABN 28 009 174 761
Chairman's Report

14 March 2003

Dear Shareholder

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.

Duketon Joint Ventures

The Company holds an 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.

During the half year, Newmont have conducted aircore drilling at Moolart Well. These holes were designed to test the 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 from the drilling at Moolart Well included;

20 metres grading 2.96 grams per tonne ("g/t") gold from 56 metres;
4 metres grading 11.60 g/t gold from 8 metres;
20 metres grading 0.89 g/t gold from 28 metres;
4 metres grading 3.92 g/t gold from 4 metres;
4 metres grading 3.91 g/t gold from 44 metres;
14 metres grading 1.11 g/t gold from 100 metres;
4 metres grading 3.74 g/t gold from 100 metres;
8 metres grading 1.41 g/t gold from 36 metres;
4 metres grading 2.74 g/t gold from 48 metres.
4 metres grading 2.45 g/t gold from 100 metres;
4 metres grading 2.36 g/t gold from 48 metres;
4 metres grading 2.35 g/t gold from 4 metres;
4 metres grading 2.24 g/t gold from 100 metres;
15 metres grading 0.49 g/t gold from 64 metres;
8 metres grading 0.72 g/t gold from 52 metres;
8 metres grading 0.71 g/t gold from 4 metres;
8 metres grading 0.64 g/t gold from 16 metres;
4 metres grading 1.28 g/t gold from 4 metres;
4 metres grading 1.13 g/t gold from 60 metres;
8 metres grading 0.54 g/t gold from 8 metres;
4 metres grading 1.03 g/t gold from 100 metres; and
4 metres grading 0.91 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 half year 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 within the Duketon Project with a number of targets having been drilled. 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 in 2003.

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.

Corporate

During the half-year, the Company lodged a further prospectus with the Australian Securities & Investments Commission to raise funds from shareholders to allow it to continue its exploration program and meet corporate costs. Unfortunately, shareholders did not support the fund raising, which was priced at a discount to the market price. As a result, the Company has had to make the decision to dilute its interest in the Duketon Joint Ventures managed by Newmont.



JI Gutnick
Chairman & Managing Director

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.

Johnson's Well Mining N.L.
ABN 28 009 174 761
Directors' Report

The Directors of Johnson's Well Mining N.L. present their report for the half year ended 31 December 2002. This Report should be read in conjunction with the 2002 Annual Report together with announcements made by the Company in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

1. Directors

The Directors of the Company in office since 1 July 2002 and at the date of this Report are:

Mr Joseph Gutnick FAusIMM FAIM MAICD
Chairman and Managing Director

Dr David Tyrwhitt PhD(Geology) BSc(Hons) FSEG(USA) FAusIMM CPGeo)
Non-Executive Director

Mr. Paul Ehrlich LLB (Hons) LLM
Non-Executive Director
Appointed September 2002

Mr Marcus Solomon LLB (Hons)
Non-Executive Director
Resigned September 2002

2. Review and Results of Operations

A review of operations is contained in the Chairman's Report. The financial result of the operations was a loss of \$1,113,853 after providing for income tax.

Signed in accordance with a Resolution of the Board of Directors at Melbourne this 14th day of March 2003.



J I Gutnick
Director

Johnson's Well Mining N.L.
Statement of Financial Performance for the Half Year Ended 31 December 2002

	Note	31 December 2002 \$	31 December 2001 \$
Revenue			
Revenue from ordinary activities			
Interest		1,006	20,026
Disposal of non-current assets		-	16,147
Insurance refund		100,000	-
Total revenue		101,006	36,173
Expenses			
Costs from ordinary activities			
Exploration expenditure provided for or written off		(94,164)	(215,360)
Depreciation		-	(11,102)
Administration		(216,986)	(388,477)
Borrowing costs		(903,709)	(1,618,401)
Total costs and expenses		(1,214,859)	(2,233,340)
Operating loss before income tax		(1,113,853)	(2,197,167)
Income tax attributable to ordinary activities		-	-
Operating loss after income tax		(1,113,853)	(2,197,167)
		Cents	Cents
Basic earnings/(loss) per share (cents)	2	(2.24)	(5.57)
Diluted earnings/(loss) per share (cents)	2	(2.24)	(5.57)

The Statement of Financial Performance is to be read in conjunction with the attached notes to and forming part of the Financial Statements.

Johnson's Well Mining N.L
Statement of Financial Position as at 31 December 2002

	Note	31 December 2002 \$	30 June 2002 \$	31 December 2001 \$
CURRENT ASSETS				
Cash assets		-	18,379	6,873
Receivables		123,970	122,175	581,296
TOTAL CURRENT ASSETS		123,970	140,554	588,169
NON-CURRENT ASSETS				
Exploration expenditure		7,995,969	7,972,074	14,588,911
Receivables		120,307	119,455	207,393
Other financial assets		2,271	3,155	3,155
Plant and equipment		-	-	24,599
TOTAL NON-CURRENT ASSETS		8,118,547	8,094,684	14,824,058
TOTAL ASSETS		8,242,517	8,235,238	15,412,227
CURRENT LIABILITIES				
Bank overdraft		9,913	-	-
Payables		214,790	182,888	766,352
Interest bearing liabilities		-	-	26,009,701
TOTAL CURRENT LIABILITIES		224,703	182,888	26,776,053
NON-CURRENT LIABILITIES				
Interest bearing liabilities		26,331,224	26,552,268	14,419,007
TOTAL NON-CURRENT LIABILITIES		26,331,224	26,552,268	14,419,007
TOTAL LIABILITIES		26,555,927	26,735,156	41,195,060
DEFICIENCY IN NET ASSETS		(18,313,410)	(18,499,918)	(25,782,833)
EQUITY				
Contributed equity	3	25,618,045	24,317,684	22,695,572
Reserves		6,769,312	6,769,312	6,769,312
Accumulated losses	4	(50,700,767)	(49,586,914)	(55,247,717)
DEFICIENCY IN EQUITY		(18,313,410)	(18,499,918)	(25,782,833)

The Statement of Financial Position is to be read in conjunction with the attached notes to and forming part of the Financial Statements.

Johnson's Well Mining N.L.
Statement of Cash Flows for the Half Year Ended 31 December 2002

	31 December 2002 \$	31 December 2001 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments in the course of operations	(50,485)	(5,263)
Interest received	-	6,256
NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES	(50,485)	993
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for exploration expenditure	(55,307)	(34,606)
Proceeds from sale of property, plant and equipment	-	21,000
NET CASH (USED IN) INVESTING ACTIVITIES	(55,307)	(13,606)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from issue of securities	1,326,524	-
Proceeds from borrowings	354,997	30,000
Repayment of borrowings	(1,604,021)	(63,700)
NET CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES	77,500	(33,700)
Net increase/(decrease) in cash held	(28,292)	(46,313)
Cash at the beginning of the financial period	18,379	53,186
CASH AT THE END OF THE FINANCIAL PERIOD	(9,913)	6,873

The Statement of Cash Flows is to be read in conjunction with the attached notes to and forming part of the Financial Statements.

Johnson's Well Mining N.L.
Notes to and forming part of the Financial Statements
for the Half Year Ended 31 December 2002

1. BASIS OF PREPARATION OF HALF YEAR FINANCIAL STATEMENTS

The half year Financial Report is a general purpose Financial Report and has been prepared in accordance with Accounting Standard AASB 1029, other applicable Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The Financial Report has been prepared on the historical cost basis and except where stated, does not take into account changing money values or fair valuations of non-current assets. The Company has prepared the financial statements on a going concern basis notwithstanding a working capital deficiency and deficiency in net assets at 31 December 2002. Except where stated, the accounting policies are consistent with those of the previous year. For the purpose of preparing the half year Financial Report, the half year has been treated as a discrete reporting period. It is recommended that this half year Financial Report should be read in conjunction with the 2002 Annual Report and any public announcements made by Johnson's Well Mining N.L. during the half year in accordance with continuous disclosure obligations arising under the Corporations Act 2001.

Notes of a type normally included in an annual Financial Report are not included.

2. EARNINGS/(LOSS) PER SHARE

	2002 Number	2001 Number
Weighted average number of ordinary shares on issue used in the calculation of basic earnings per share.	49,615,037	39,469,932
Weighted average number of potential ordinary shares used in the calculation of diluted earnings per share.	49,615,037	39,469,932
	\$	\$
Operating loss after tax in calculation of earnings per share.	(1,113,853)	(2,197,167)

In accordance with paragraph 12.1 of AASB 1027 "Earnings per Share", there are no potential ordinary shares considered to be dilutive for 2002.

Options that would be included in the calculation of diluted earnings per share when applicable are 1,353,865 options at an exercise price of \$52.00 per option converting to ten shares per option, 10,736,079 options at an exercise price of \$0.20 cents per option, 16,470,480 options at an exercise price of \$0.05 cents per option and 82,500 options issued under the employee share option plan.

Johnson's Well Mining N.L.
Notes to and forming part of the Financial Statements
for the Half Year Ended 31 December 2002

	31 December 2002 \$	30 June 2002 \$	31 December 2001 \$
--	---------------------------	-----------------------	---------------------------

3. CONTRIBUTED EQUITY

Issued and paid up capital 66,714,313 (June 2002: 47,728,833, 2001: 789,389,714) shares.

25,618,045	24,317,684	22,645,572
------------	------------	------------

MOVEMENT IN ORDINARY SHARE CAPITAL

Balance at the beginning of the period	24,317,684	22,645,572	22,545,572
(June 2002: 166,166 2001: 285,714) shares issued under a joint venture obligation	-	50,000	100,000
18,970,480 (June 2002: 8,251,079) shares issued pursuant to a prospectus	1,323,524	1,650,216	-
Less transaction costs	(26,163)	(28,104)	-
15,000 options converted	3,000	-	-
Balance at the end of the financial period	25,618,045	24,317,684	22,645,572

4. ACCUMULATED LOSSES

	31 December 2002 \$	30 June 2002 \$	31 December 2001 \$
Accumulated losses at the beginning of the period	(49,586,914)	(53,050,549)	(53,050,550)
Net loss for the period	(1,113,853)	3,463,635	(2,197,167)
Accumulated losses at the end of the period	(50,700,767)	(49,586,914)	(55,247,717)

5. CONTINGENT LIABILITIES

There have been no material changes since 30 June 2002.

6. SEGMENT INFORMATION

The principal activity of the Company is mineral exploration. The Company operates within Australia.

7. ECONOMIC DEPENDENCY

The Company has incurred a loss of \$1,113,853 in the half year, has a net deficiency of working capital of \$100,733 and a net deficiency in shareholders' funds of \$18,313,410. The Financial Report has been prepared on the basis of going concern that contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The Directors believe this basis to be appropriate because Mr. Gutnick (a Director of the Company) 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.

Johnson's Well Mining N.L.
ABN 28 009 174 761
Directors' Declaration

In the opinion of the Directors of Johnson's Well Mining N.L.

- (a) The accompanying financial statements and notes are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position of the Company as at 31 December 2002 and of its performance, as represented by the results of its operations and its cash flows for the half year ended on that date; and
 - (ii) complying with Accounting Standards and the Corporations Regulations 2001.
- (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable for the following reasons:
 - (i) Mr. Gutnick (a Director of the Company) 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.
 - (ii) the Company has no reason to doubt that normal credit and borrowing facilities will not continue to be provided by creditors and lenders and the Company will continue to be able to comply with these credit terms; and
 - (iii) there are no material contingent liabilities which could have an effect on the Company's financial position.

Signed in accordance with a Resolution of the Board of Directors at Melbourne this 14th day of March 2003.



J.I. Gutnick
Director

INDEPENDENT REVIEW REPORT
TO THE MEMBERS OF JOHNSON'S WELL MINING N.L.

Scope

We have reviewed the Financial Report of Johnson's Well Mining N.L. for the half year ended 31 December 2002. The Company's Directors are responsible for the Financial Report. We have performed an independent review of the Financial Report in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with Accounting Standard AASB 1029: Interim Financial Reporting and other mandatory professional reporting requirements and statutory requirements so as to present a view which is consistent with our understanding of the Company's financial position, and performance as represented by the results of its operations and its cash flows and in order for the disclosing entity to lodge the Financial Report with the Australian Securities and Investments Commission.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. A review is limited primarily to inquiries of disclosing entity's personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Statement

Based on our review, which is not an audit, we have not become aware of any matters that make us believe that the half year financial report of Johnson's Well Mining N.L. is not in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's financial position as at 31 December 2002 and its performance for the half year ended on that date; and
 - (ii) complying with Accounting Standard AASB 1029: Interim Financial Reporting and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements.

Inherent Uncertainty Regarding Continuation as a Going Concern

Without qualification to the statement above, attention is drawn to the following matter. As a result of the matters described in Note 7, there is significant uncertainty whether Johnson's Well Mining N.L. will be able to continue as a going concern and therefore whether it will realise its assets and distinguish its liabilities in the normal course of business and at the amounts stated in the financial report.



PKF
Chartered Accountants

14 March 2003
Melbourne



M J Phillips
Partner