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## REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2003

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### INTRODUCTION

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.

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.

### REVIEW OF OPERATIONS

#### Duketon Regional Joint Ventures (Johnson's Well 20%, contributing)

The Company maintains an interest in the Duketon Regional 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 Moolart Well prospect.

The Moolart Well prospect has the potential to become a significant gold discovery with gold mineralisation defined over a strike length of four kilometres. During the quarter, Newmont advised the Company of results from in-house estimates they have prepared for near surface (0 to 40 metres depth) gold bearing laterite material at Moolart Well.

The Company believes that these estimates (which are not JORC compliant) indicate that this zone, which extends for approximately 4.5 kilometres in a North South direction, has the potential to host a significant laterite gold resource. Using a 20.0 gramme per tonne ("g/t") top cut and a 0.5 g/t cut off grade, the current study has identified a mineral concentration of approximately 16.3 million tonnes at 1.0 g/t for 520,000 ounces. The Company believes that, with further work, this estimate could be elevated to Inferred Resource status.

Results were received during the quarter for three diamond drill holes ("DDH"), six deep reverse circulation ("RC") holes and 170 shallow (laterite) RC holes. Best intersections from this drilling are highlighted in the following table.

| Hole    | From | To      | Interval | Grade (g/t) |
|---------|------|---------|----------|-------------|
| MWDD002 | 234  | 249     | 15       | 2.31        |
| MWDD003 | 102  | 103     | 1        | 2.64        |
| MWDD003 | 119  | 121     | 2        | 3.94        |
| Incl.   | 120  | 121     | 1        | 6.56        |
| MWDD003 | 180  | 204     | 24       | 1.49        |
| Incl.   | 191  | 201     | 10       | 2.10        |
| MWDD003 | 208  | 219     | 11       | 0.34        |
| MWDD003 | 233  | 234     | 1        | 1.75        |
| MWRC015 | 223  | 224     | 1        | 1.00        |
| MWRC015 | 235  | 240 EOH | 5        | 1.00        |
| MWRC016 | 102  | 103     | 1        | 1.82        |
| MWRC016 | 105  | 106     | 1        | 1.10        |

| Hole    | From | To  | Interval | Grade (g/t) |
|---------|------|-----|----------|-------------|
| MWRC016 | 109  | 117 | 8        | 1.21        |
| Incl.   | 112  | 113 | 1        | 3.27        |
| MWRC016 | 141  | 143 | 2        | 0.86        |
| MWRC016 | 144  | 145 | 1        | 15.1        |
| MWRC016 | 146  | 147 | 1        | 3.17        |
| MWRC017 | 110  | 111 | 1        | 1.35        |
| MWRC017 | 126  | 127 | 1        | 4.1         |
| MWRC017 | 136  | 138 | 2        | 0.90        |
| MWRC017 | 173  | 176 | 3        | 0.69        |
| MWRC018 | 48   | 49  | 1        | 2.67        |
| MWRC018 | 80   | 82  | 2        | 0.92        |
| MWRC019 | 15   | 16  | 1        | 25.20       |
| MWRC019 | 50   | 51  | 1        | 1.60        |
| MWRC019 | 57   | 58  | 1        | 1.20        |
| MWRC019 | 65   | 66  | 1        | 1.03        |
| MWRC019 | 130  | 131 | 1        | 1.02        |
| MWRC019 | 160  | 161 | 1        | 1.23        |

The Moolart Well gold discovery continues to be an exciting development for the Company, with ongoing potential for the delineation of a major gold deposit.

#### **Duketon Rosemont Joint Venture (Johnson's Well 19.84%, diluting)**

This joint venture hosts the Rosemont gold deposit, which is located approximately 100 km north of Laverton in Western Australia. During the quarter, Newmont presented the Company with a Whittle Pit Optimisation Report on the Rosemont resource, which was prepared by RSG Global. RSG Global completed open pit optimisations for the Rosemont deposit using several estimation techniques and a number of operating parameters. This work highlighted that the a viable open pit could be produced at a gold price of A\$575 per ounce, however this pit did not produce sufficient cash flow to support the capital required to establish stand alone operations at Rosemont.

Notwithstanding this, Newmont (on behalf of the joint venture partners) will continue to develop the understanding of the Rosemont resource, investigate recommendations from RSG Global and drill test anomalous results returned from previous drilling along the Rosemont structural trend focussing on Baneygo South and Kintyre.

#### **Leonora-Laverton Projects (Johnson's Well 51% to 100%)**

The ongoing review of the Company's projects outside the Duketon Joint Ventures has highlighted a number of areas that warrant follow-up and or further reconnaissance drilling. During the quarter, the Company prepared an exploration program and budget for the Melita gold project, which is located approximately 15 kilometres southeast of Leonora. The Melita project contains a number of defined targets and the Company plans to follow these up with drilling in the December quarter.

## **CORPORATE**

During the quarter, the Company placed 6,000,000 fully paid ordinary shares at a price of 7 cents each, raising \$420,000 in a private placement. These funds will be used for exploration and working capital purposes.

*The technical information in this report has been reviewed and approved by Dr. David Tyrwhitt who is a member of the Australasian Institute of Mining and Metallurgy and has 40 years experience in the industry.*

*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  
October 31, 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")

30 September 2003

### Consolidated statement of cash flows

| Cash flows related to operating activities                      | Current quarter<br>\$A'000 | Year to date<br>(3 months)<br>\$A'000 |
|---|----------------------------|---------------------------------------|
| 1.1 Receipts from product sales and related debtors             | -                          | -                                     |
| 1.2 Payments for  |                            |                                       |
| (a) exploration and evaluation                                  | (18)                       | (18)                                  |
| (b) development   | -                          | -                                     |
| (c) production  | -                          | -                                     |
| (d) administration  | (98)                       | (98)                                  |
| 1.3 Dividends received  | -                          | -                                     |
| 1.4 Interest and other items of a similar nature received       | 2                          | 2                                     |
| 1.5 Interest and other costs of finance paid                    | -                          | -                                     |
| 1.6 Income taxes paid   | -                          | -                                     |
| 1.7 Other (provide details if material)                         | 49                         | 49                                    |
| <b>Net Operating Cash Flows</b>                                 | <b>(65)</b>                | <b>(65)</b>                           |
| <b>Cash flows related to investing activities</b>               |                            |                                       |
| 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) J/V payments           | (634)                      | (634)                                 |
| <b>Net investing cash flows</b>                                 | <b>(634)</b>               | <b>(634)</b>                          |
| 1.13 Total operating and investing cash flows (carried forward) | (699)                      | (699)                                 |

**Appendix 5B**  
**Mining exploration entity quarterly report**

|   |  |            |            |
|---|--|------------|------------|
| 1.13  | Total operating and investing cash flows (brought forward) | (699)      | (699)      |
| <b>Cash flows related to financing activities</b> |  |            |            |
| 1.14  | Proceeds from issues of shares, options, etc.              | 361        | 361        |
| 1.15  | Proceeds from sale of forfeited shares                     | -          | -          |
| 1.16  | Proceeds from borrowings                                   | 379        | 379        |
| 1.17  | Repayment of borrowings                                    | -          | -          |
| 1.18  | Dividends paid   | -          | -          |
| 1.19  | Other (provide details if material)                        | -          | -          |
| <b>Net financing cash flows</b>                   |  | <b>740</b> | <b>740</b> |
| <b>Net increase (decrease) in cash held</b>       |  | <b>41</b>  | <b>41</b>  |
| 1.20  | Cash at beginning of quarter/year to date                  | 1          | 1          |
| 1.21  | Exchange rate adjustments to item 1.20                     | -          | -          |
| 1.22  | <b>Cash at end of quarter</b>                              | <b>42</b>  | <b>42</b>  |

**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<br>\$A'000 |
|------|--|----------------------------|
| 1.23 | Aggregate amount of payments to the parties included in item 1.2 | 36                         |
| 1.24 | Aggregate amount of loans to the parties included in item 1.10   | -                          |

1.25 Explanation necessary for an understanding of the transactions

|   |
|---|
| - |
|---|

**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

|   |
|---|
| - |
|---|

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

|   |
|---|
| - |
|---|

+ See chapter 19 for defined terms.

### Financing facilities available

*Add notes as necessary for an understanding of the position.*

|                                 | Amount available<br>\$A'000 | Amount used<br>\$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 | 250     |
| 4.2 Development                | -       |
| <b>Total</b>                   | 250     |

### 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<br>\$A'000 | Previous quarter<br>\$A'000 |
|--|----------------------------|-----------------------------|
| 5.1 Cash on hand and at bank                     | 42                         | 1                           |
| 5.2 Deposits at call                             | -                          | -                           |
| 5.3 Bank overdraft                               | -                          | -                           |
| 5.4 Other (provide details)                      | -                          | -                           |
| <b>Total: cash at end of quarter (item 1.22)</b> | 42                         | 1                           |

### Changes in interests in mining tenements

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

**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 <b>Preference +securities</b>                                | -            | -             | -   | -  |
| 7.2 Changes during quarter                                       |              |               |   |  |
| (a) Increases through issues                                     | -            | -             | -   | -  |
| (b) Decreases through returns of capital, buy-backs, redemptions | -            | -             | -   | -  |
| 7.3 <b>+Ordinary securities</b>                                  | 72,714,313   | 72,714,313    | -   | -  |
| 7.4 Changes during quarter                                       |              |               |   |  |
| (a) Increases through issues                                     | 6,000,000    | 6,000,000     | 7   | 7  |
| (b) Decreases through returns of capital, buy-backs              | -            | -             | -   | -  |
| 7.5 <b>+Convertible debt securities (description)</b>            | -            | -             | -   | -  |
| 7.6 Changes during quarter                                       |              |               |   |  |
| (a) Increases through issues                                     | -            | -             | -   | -  |
| (b) Decreases through securities matured, converted              | -            | -             | -   | -  |
| 7.7 <b>Options (description and conversion factor)</b>           |              |               | Exercise price                                | Expiry date                                      |
|  | 82,500       | -             | \$5.68  | 24 March, 2010                                   |
|  | 10,766,079   | -             | \$0.20  | 30 April 2012                                    |
|  | 16,470,480   | -             | \$0.10  | 30 October 2012                                  |
| 7.8 Issued during quarter  | -            | -             | -   | -  |
| 7.9 Exercised during quarter                                     | -            | -             | -   | -  |
| 7.10 Expired during quarter                                      | -            | -             | -   | -  |
| 7.11 <b>Debentures (totals only)</b>                             | -            | -             |   |  |
| 7.12 <b>Unsecured notes (totals only)</b>                        | -            | -             |   |  |

+ See chapter 19 for defined terms.

31/10/2003

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## 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 October 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 30.09.2003**  
**(referred to in this Statement as the "Current Quarter")**

**Additional Information**

**Item 1.7 Other**

During the September quarter monies received for a GST refund of \$49,000.

**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 \$30,000 during the quarter ended 30 September 2003 for management and geological services. 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.

**Item 7.7 Options**

*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 October 30, 2012 at an exercise price of \$0.10 per option. The options are exercisable any time after 1 July 2003. Each option will convert to one fully paid ordinary share.

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.

| <b>Tenement reference</b> | <b>Nature of Interest (note(4))</b> | <b>Interest at beginning of quarter</b> | <b>Interest at end of quarter</b> |
|---------------------------|-------------------------------------|---|-----------------------------------|
| <b>COLLURABBIE</b>        |                                     |   |                                   |
| M 38/903                  | Granted                             | 0.00%                                   | 90.00%                            |
| M 38/904                  | Granted                             | 0.00%                                   | 90.00%                            |
| M 38/925                  | Granted                             | 0.00%                                   | 90.00%                            |

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

| <b>Tenement reference</b> | <b>Nature of Interest (note(4))</b> | <b>Interest at beginning of quarter</b> | <b>Interest at end of quarter</b> |
|---------------------------|-------------------------------------|---|-----------------------------------|
| <b>CAMEL HUMP</b>         |                                     |   |                                   |
| P 38/2949                 | Surrendered                         | 100.00%                                 | 0.00%                             |
| <b>CHRISTMAS WEL</b>      |                                     |   |                                   |
| E 38/774                  | Forfeited                           | 80.00%                                  | 0.00%                             |
| <b>KOWTAH</b>             |                                     |   |                                   |
| P 39/3870                 | Surrendered                         | 100.00%                                 | 0.00%                             |
| P 39/3871                 | Surrendered                         | 100.00%                                 | 0.00%                             |
| P 39/3872                 | Surrendered                         | 100.00%                                 | 0.00%                             |
| <b>MT MABEL</b>           |                                     |   |                                   |
| E 38/517                  | Forfeited                           | 51.00%                                  | 0.00%                             |
| <b>NAMBI</b>              |                                     |   |                                   |
| P 37/5891                 | Forfeited                           | 100.00%                                 | 0.00%                             |
| P 37/5892                 | Forfeited                           | 100.00%                                 | 0.00%                             |
| <b>RAND PROJECT</b>       |                                     |   |                                   |
| EL 10294                  | Surrendered                         | 100.00%                                 | 0.00%                             |