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GIPPSLAND LIMITED

QUARTERLY ACTIVITY REPORT

Period: April - June 2005
29 July 2005

HIGHLIGHTS

- Completion of Abu Dabbab Environmental Impact Assessment
- Abu Dabbab project finance progress
- Excellent Wadi Allaqi gold exploration results
- Highly encouraging Wadi Allaqi gold exploration results
- Optimisation of Wadi Allaqi tenements
- Appointment of Mining Engineer Director

ABU DABBAB ENVIRONMENTAL IMPACT ASSESSMENT

On 18 July 2005 Gippsland Limited ("Gippsland" or "the Company") announced the completion the Environmental Impact Assessment ("EIA") for the Company's 40Mt Egyptian Abu Dabbab tantalum project.

The EIA, completed in conformity with World Bank and Egyptian environmental guidelines, was undertaken by the Egyptian environmental group Environics in association with the German company Dorsch Consult. The international environmental engineering group Knight Piésold also made a substantial contribution to the EIA.

The structure and content of the EIA, undertaken over a period of some 16 months, was completed in accordance with Egyptian Environment laws and involved various stakeholder meetings, as well as a public consultation meeting held in the ancient Red Sea port city of Quseir. The final EIA report took into account comments and recommendations provided in these meetings by various Egyptian authorities, NGOs, academics and other local, regional and national stakeholders associated with the Abu Dabbab project.

The EIA process was conducted in parallel and interactively with project design. As a result, potential negative environmental effects have been mitigated, through appropriate design and environmental management, to acceptable levels by international standards. Commitments to enhance the numerous social benefits of the project have been outlined in the EIA, as well as to further the stakeholder engagement process throughout project development.

The EIA document was presented to the Egyptian Environmental Affairs Agency ("EEAA") on 14 July 2005. As allowed by Egyptian legislation, the EEAA is provided with a 60-day period to review the EIA and to respond with questions and comments relating to the document. Discussions with various Egyptian authorities indicate a high level of support and acceptance of the EIA the completion of which is a major milestone for the project.

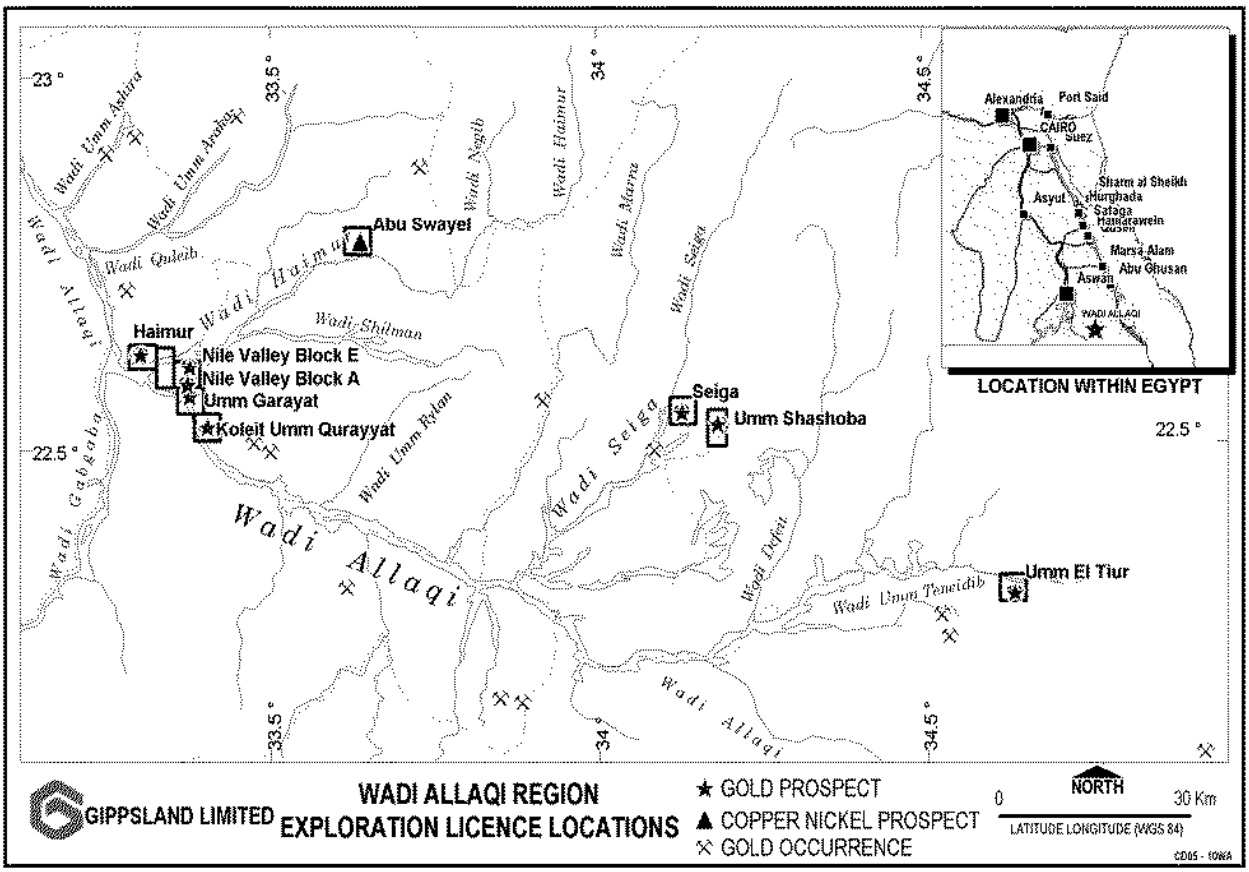
The EEAA's approval process will take place in parallel with other tasks associated the implementation of the project all of which will intensify during the coming months.

ABU DABBAB PROJECT FINANCE PROGRESS

The Company is presently in negotiation with a major international resource project bank in relation to Abu Dabbab project finance. The negotiations are taking longer than originally anticipated however the Directors are pleased to report that the negotiations are progressing in a most positive manner.

HIGHLY ENCOURAGING WADI ALLAQI GOLD EXPLORATION RESULTS

The Company holds exclusive exploration rights to 9 exploration licences located in Wadi Allaqi situated to the southeast of Aswan.



During the Quarter the Directors announced highly anomalous gold results obtained from three of the areas sampled with the Wadi Allaqi tenements as follows:

At the Seiga prospect rock chip sampling returned 20.3m at 7.40g/t Au including 4.3m at 14.31g/t Au and 4m at 10.52g/t Au within a 34.5m wide zone of mineralisation. At the Um Shashoba prospect sampling of wall rocks adjacent to ancient workings gave a best result of 11.9m at 2.22g/t Au including 2m at 4.19g/t Au. Rockchip sampling at Haimur returned 2m at 71.37g/t Au plus 2m at 11.31g/t Au while regolith sampling at Haimur and Um Shashoba returned anomalous samples of up to 2.42g/t Au and 6.27g/t Au respectively.

1. SEIGA

A single profile of rock chip samples was collected across the strike of a zone of highly altered sericite-chlorite-carbonate schist. The sample profile crossed a shallow ancient pit. Samples were collected mostly at 4m intervals. The profile started at the base of the ridge where wadi sand covered the outcrop, and it is possible that the mineralisation continues beneath the alluvial cover to the southwest.

To the southwest of an ancient shallow pit the sampling returned 20.3m at an average of 7.40g/t Au with a further 8m at 7.77g/t Au on the eastern side of the pit. Assuming that the material removed by the ancient miners was of a similar grade, the mineralisation has a minimum width of 34.5m at around 7g/t Au. The zone immediately along strike to the south of the ancient workings is covered by wadi sands of unknown thickness. The host structure to the mineralisation has been identified by geological mapping over a strike length of 1.75km and is open at either end. The entire zone has only been sampled with a single profile to date.

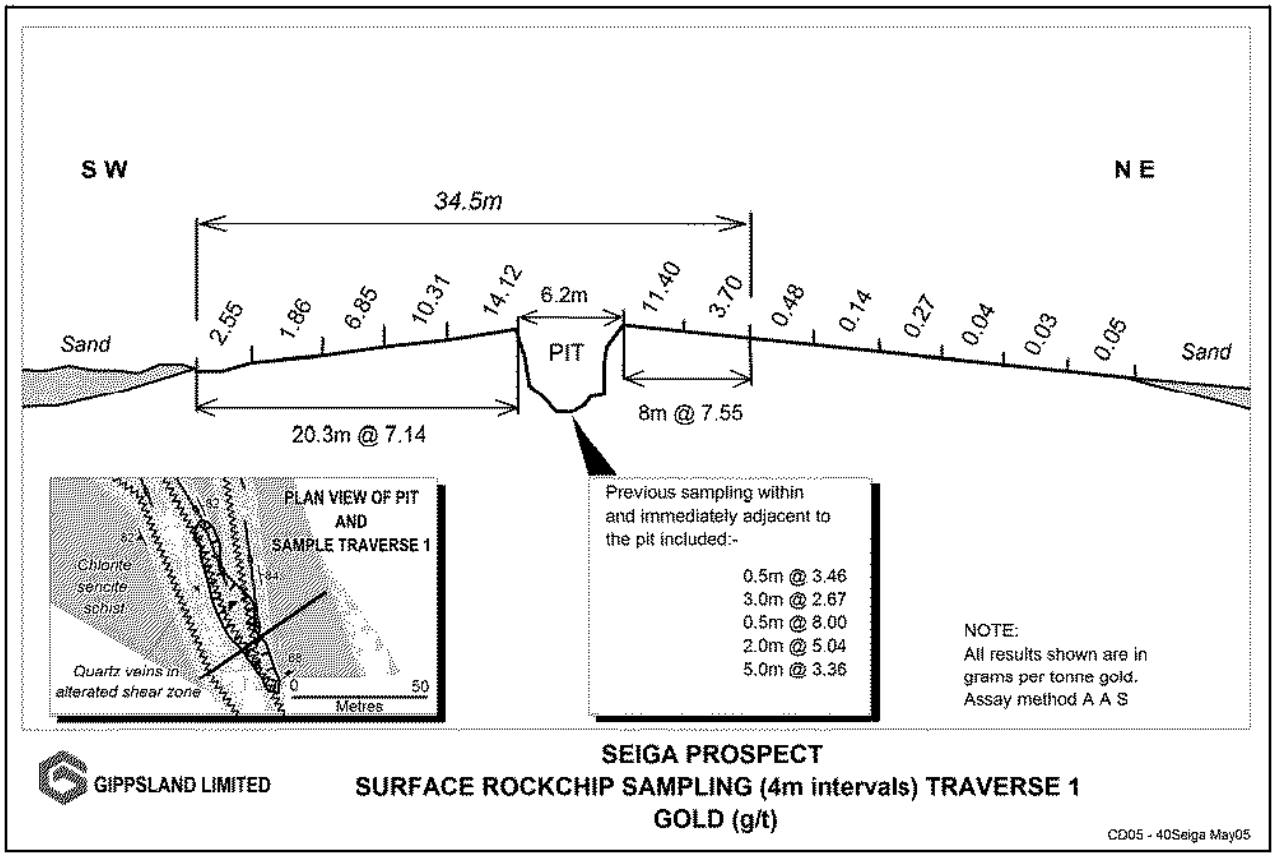


Table 1 Seiga prospect rock chip sample results

Sample interval in metres	Au - AAS (g/t)	Au - fire assay (g/t)
0 to 4	2.55	2.73
4 to 8	1.86	2.26
8 to 12	6.85	6.66
12 to 16	10.31	10.52
16 to 20.3	14.12	14.31
20.3 to 26.5	No sample taken from shallow pit	
26.5 to 30.5	11.4	11.65
30.5 to 34.5	3.7	3.89
34.5 to 38.5	0.476	0.53
38.5 to 42.5	0.140	
42.5 to 46.5	0.267	
46.5 to 50.5	0.040	
50.5 to 54.5	0.030	
54.5 to 58.5	0.047	

The prospect has been the site of mining activity dating back to the ancient times, but this activity was restricted to high grade lodes and did not proceed to any great depth. Apart from some exploratory shaft sinking by a South African syndicate in the early 1900s, there has been no recent exploration of any consequence.

2. HAIMUR

Discontinuous rock chip sampling was completed along the walls of two of the five adits constructed during the early 1900s. The sampling confirmed the presence of high-grade gold values associated with the lodes. Further exploration will focus on identification of high-grade gold shoots along strike from the historical workings.

Table 2: Haimur adit sampling - best results

Sample interval in metres		Au (g/t)
Adit 1	12 to 14	71.37
Adit 1	44 to 46	2.04
Adit 1	48 to 50	11.31
Adit 2	4 to 6	1.11

3. UM SHASHOBA

At Um Shashoba a single profile of channel sampling was conducted across part of ancient workings in the eastern part of the prospect. The work produced reasonable results with an average of 11.9m at 2.22g/t Au. The profile did not sample 1.6m across the ancient workings.

Table 3: Um Shashoba prospect channel sample results

Sample interval in metres	Au (ppb)	Au (g/t)
0 to 2	1,965	1.83
2 to 4	984	0.88
4 to 5.6	No sample taken from ancient stope	
5.6 to 7.6	3,153	2.94
7.6 to 9.6	4,610	4.19
9.6 to 11.9	1,381	1.24

Seventy regolith samples were collected over an area between the two lines of historical workings. They were collected at 50m spacing along lines 200m apart. The best result was 6.27g/t Au at the end of one of the sample lines adjacent to the eastern ancient workings. Eight samples returned assays greater than 0.1g/t Au.

The sampling identified an anomalous gold zone coincident with a shear that is associated with a north-south line of ancient workings.

Regolith sampling was conducted over a large area covered by alluvial and wadi sediments located to the northwest of the old workings. The sampling was designed to target extensions to some mineralised shears identified from geological mapping and some earlier wadi bank sampling. The results show a number of linear anomalies that reflect the position of shears. The best result of 2.42g/t Au is located adjacent to a shear that is known to be mineralised. Some highly anomalous regolith samples containing up to 276ppb Au are located along strike to the southwest from this shear. Eight samples returned assay values greater than 200ppb Au.

4. UM GARAYAT

Twenty-nine trenches along strike to the south of the historical workings were cleared and re-sampled. The trenches were previously excavated over shears and veins identified by geological mapping. Overall the results were relatively low with the best being 3m at 0.436g/t Au. The more prospective area located to the north of the old workings has yet to be tested.

5. EXPLORATION PROGRAMME

The Gippsland Directors consider the above Wadi Allaqi results to be highly encouraging as a number of drilling targets have been clearly delineated. The Company has entered into negotiation with two African-based drilling contractors with the aim of undertaking an extensive rotary air blast ("RAB") and reverse circulation ("RC") drilling programme during the third quarter of 2005.

Whilst mobilising the drilling rigs the Company plans to undertake an extensive trenching programme during August 2005 over the extensions of the known mineralised zone at Seiga. Trenching is also planned to test the geochemical anomalies identified at Haimur and Um Shashoba.

While the excavator is on site, trenching will be completed at Um Garayat and Abu Swayel to obtain geological and geochemical samples from beneath the wadi sediments. It is anticipated that the trenching work will enable the RC and RAB drilling rigs to expand the programme whilst on site.

RE-ALIGNMENT OF WADI ALLAQI TENEMENTS

The Egyptian Mineral Resources Authority has advised the Company that the Minister of Petroleum and Mineral Resources His Excellency Eng Sameh Samir Fahmy has approved the proposed amendments to the Company's Wadi Allaqi Tenements which have now been realigned to more effectively cover the target areas identified as a result of Gippsland's recent exploration of the areas concerned.

APPOINTMENT OF MINING ENGINEER DIRECTOR

On 19 July 2005 the Directors announced the appointment to the board of highly regarded mining engineer John Dunlop.

John Dunlop (aged 55) holds Bachelors and Masters Degrees in Mining Engineering from the University of Melbourne. He is a certified Mine Manager having approximately 35 years of international surface and underground mining experience in a variety of base metal, industrial and precious metal production and management situations. He is a Director of the Australasian Institute of Mining and Metallurgy (AusIMM) and Vice Chairman of its affiliate, the Mineral Industry Consultants Association (MICA).

Eng Dunlop is a highly experienced mining professional having been involved in the design, construction and on-going operation of a number of major resource projects throughout the world. He has a detailed knowledge of the Company's 40Mt Abu Dabbab tantalum project in Egypt having been involved in the preparation of the project's Bankable Feasibility Study completed during November 2004.

His appointment is part of the Company's plans to expand its team of highly skilled mining professionals to implement the development and subsequent operation of the Abu Dabbab project which is scheduled to become the world's second-largest tantalum producer.

RJ (Jack) Telford
Executive Chairman

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Note: In accordance with Listing Rule 5.6 of the Australian Stock Exchange Limited, the geological information in this report that relates to Exploration Results, Mineral Resources and Ore Reserves is based on data compiled by Dr John Chisholm, a Fellow of The Australasian Institute of Mining and Metallurgy. Dr Chisholm who is a Director of Gippsland Limited and a principal of Continental Resource Management Pty Ltd, with over 25 years experience in the mineral industry including the evaluation of exploration data, mineral resources and ore reserves, has consented to the issue of the information in this report in the form and context in which it appears.