QuARTERLY REPORT
FOR THE PERIOD ENDING 30 SEPTEMBER 2003

OPERATIONS

PHILIPPINES

Didipio FTAA, Luzon

Didipio Intrusive Complex

Didipio Project – Gold, copper

Climax interest: 92%

Operator: Climax Mining Ltd

The Didipio area is located on the main island of Luzon, 200 kms north of the capital, Manila. Luzon is the Christian dominated industrial centre for the Philippines as well as containing the large porphyry gold, copper mining operations centred around Baguio, 100 kms to the west of Didipio. Padcal, the large underground mine owned by Philex Mining Corporation, operates nearby and has had more than 50 years of continuous production to date.

Didipio covers a Miocene alkaline volcano-plutonic caldera complex, over an area of some 16 sq kms which hosts extensive gold and copper mineralisation. Eighteen gold, copper prospects have been identified including the Dinkidi gold, copper resource.

There is a higher grade gold, copper breccia zone within the Dinkidi resource and it is this zone which was the subject of a Definitive Feasibility Study (DFS) that was completed in October.

The DFS met key targets, including:

- Initial capital cost of US$66 million which is half the cost of the previous development study;
- Development time has been halved;
- Mine life is now 14 years compared with 9 years previously;
- Annual metal production will average approximately 150,000 ounces of gold equivalent;
- Two million tonnes of ore processed per annum, from open pit and underground mining. The proposed development comprises four years open cut mining and approximately eleven years underground sub-level caving operations.

The Dinkidi ore reserve associated with this new design is as follows:

<table>
<thead>
<tr>
<th>Total Ore Reserves (JORC)</th>
<th>Tonnes</th>
<th>Au g/t</th>
<th>Cu%</th>
<th>Au Eq oz produced</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proved Ore Reserves</td>
<td>7,340,000</td>
<td>1.0</td>
<td>0.69</td>
<td></td>
</tr>
<tr>
<td>Probable Ore Reserves</td>
<td>13,090,000</td>
<td>2.1</td>
<td>0.62</td>
<td></td>
</tr>
<tr>
<td>Total Ore Reserves</td>
<td>20,430,000</td>
<td>1.7</td>
<td>0.65</td>
<td>1,707,000</td>
</tr>
</tbody>
</table>
Reserves yield:
- 458,000 oz of gold in dore from the gravity circuit
- 584,000 oz of gold in concentrate, and
- 126,000 tonnes of copper in concentrate

(Based on metal prices of US$325 /oz for gold and US$0.75 /lb for copper)

Climax's engineering consultants have included an additional, modest ore resource in the economic model, adding 17% to the recovered metal. This resource derives from ore lenses adjacent to the main Dinkidi orebody, which increases the effective recovered gold equivalent for the present design life at Dinkidi to 2.03 million ounces.

Diluted resources 3,232,000 tonnes 2.5 g/t 0.61 % Cu 351,000 oz Au Eq (NOT JORC)

The above reserve and resource is contained within a global resource of 121 million tonnes, grading 0.97 g/t Au and 0.39% Cu, for contained gold of 3.8 million ounces of gold and 470,000 tonnes of copper.

Project economics, calculated at US$350/oz Au and US$0.85/lb Cu are as follows:
- 14 years, 2 million tonnes per annum
- Initial Capital US$66 million
- Production average 150,000 oz Au equivalent per annum
- Cash cost US$136 per ounces at mine
- US$198 per ounce total (gold equivalent)
- Project unit cost US$242 per ounce, Life of Mine, including all capex, operating expenses and remediation
- Project internal rate of return after tax, ungeared of 25%, payback period 3.9 years.

The proposed schedule for development of Dinkidi is to complete permitting by mid-2004, undertake engineering optimisation studies and product off-take agreements throughout the year and have all financing of the project in place by late 2004 at the end of the wet season at Didipio. Construction would then start at year-end with production in the first quarter, 2006.

**Papaya-FHB Intrusive Complex**

*Climax interest: 100%*

This Miocene alkaline volcano-plutonic complex covers an area of some 50 sq kms and lies about 12 kms to the west of Didipio.

The complex hosts four large areas of gold copper mineralisation associated with quartz monzonite intrusions. The most interesting prospect is Papaya covering a roughly circular area of alteration seven kilometres in diameter. The area was identified through the Company's geological mapping, air magnetic and air radiometric surveys.

Extensive geochemical sampling subsequently established that anomalous gold and copper is pervasive with higher grades evident in areas of potassic-magnetite altered monzonite, such as a five metre channel sample at Ubon Creek returning 3.7 g/t gold, 0.1% copper and 0.1% molybdenum.

Climax Mining is seeking joint venture partners to explore this area.
Paco Project, Surigao Peninsula, Mindanao
Copper, gold
Climax interest: 100%
Operator: Climax

The Paco property is located on the Surigao Peninsula, 25 kms south of Surigao City, north-eastern Mindanao Island adjacent to the exploration permits containing the Anglo American / Philex Gold Boyongan gold, copper discovery.

Climax is seeking joint venture partners.

AUSTRALIA

Junction Reefs
Gold, copper
Climax interest: 42.7%
Barrick Gold interest: 57.3%
Operator: Cadia Holdings Pty Ltd (Newcrest) earning a 51% interest

Newcrest Mining Ltd will earn a 51% interest in the Junction Rees project for expenditure of $14 million. Expenditure to 30 September 2003 was $8.48 million.

The Junction Reefs property is adjacent to, and east of Newcrest's Cadia and Ridgeway gold, copper mining operations, near Orange, NSW.

During the quarter Newcrest completed 5,634 metres of diamond drilling in four holes.

Two holes were on the Gooley's prospect, to follow up the 159 metres of 0.47g/t gold, 0.29% copper found in NJC025 drilled late 2002. Both of the holes at Gooley's were deeper than 1,000 metres and intersected low grade gold and copper mineralisation.

At Warrengong, NJC038 was drilled to 1,671.4 metres and encountered 291 metres at 0.2g/t gold, 1,663 ppm copper.

At Black Rock, NJC041 was drilled to 981.5 metres to test geophysical anomalies. Assays are awaited.

Newcrest is continuing its drilling programme.

FIJI

Mistry
Gold
Climax interest: 70%
Hallcroft interest: 30%
Operator: Millennium Mining (Fiji) Limited earning 51%.

The Mistry project comprises Special Prospecting Licences 1216, which encompasses the old Mistry mine, and the adjoining SPL 1415.
Millennium Mining commenced a 2000 metre diamond drilling programme in July. The first hole of this programme intersected 26.9 m sheared and brecciated zone with the breccia typical of the gold zone of West Faddy's. Assays are awaited.

The programme has three targets:

(a) lateral and depth extensions of the Faddy's gold deposit;

(b) north of the Mistry Mine beneath high grade gold discovered in surface trench sampling; and

(c) a possible extension of the Faddy's deposit across a structure interpreted from geochemistry and geophysics.

EXPENDITURE

Exploration expenditure during the quarter was $710,000.

Dated: 30 October 2003

For further information, please contact:

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