

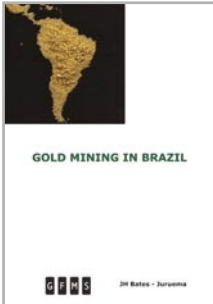


PRESS RELEASE
London, 21st September 2004

For immediate distribution

Brazil's overlooked potential highlighted in new GFMS gold mining report

*A must-read for producers, explorers, equity brokers
and project finance houses*



Gold Mining in Brazil is the third in a new series of in-depth country mining reports produced by GFMS in collaboration with local industry experts. The full series will include reports covering mining in Russia (released January 2004), Mongolia (released August 2004), China and Kazakhstan amongst others. The Brazilian report not only outlines both historic and expected future levels of formal and garimpo mine production, but also describes the top domestic and international gold producing companies and exploration companies, licencing procedures and the current tax regime. The report has been produced by London based consultants **GFMS** and local industry consultants **Sociedade de Mineração Juruema Ltda.**

Main Highlights

Gold production is currently recovering after a phase of marked contraction

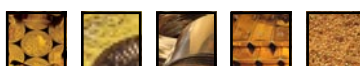
- Gold production in Brazil has fallen from a peak of over 100 tonnes in 1989 to reach an estimated 43 tonnes in 2003.
- The explanation behind the decline in output during this phase of contraction has been two-fold. Firstly, alluvial output from the so-called garimpo areas of Brazil has declined on average by over 10% per annum for the last 14 years. Secondly, in the last few years no new mines have been brought on stream, whilst older properties have closed as a result of ore depletion.

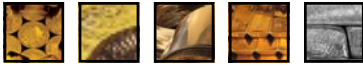
Timing of Foreign investment into the country and the gold price environment

- The lack of projects in the development pipeline, in part, reflects Brazil's poor investment climate during the early 1990s. A new constitution marking the transition to civilian rule in 1988, for instance, restricted direct foreign ownership in the sector, whilst high corporate taxes did little to attract new investment from abroad.
- An amendment to the constitution in 1995 and the reduction in corporate tax in 1996 from 43% to 15% (plus an additional 10% when applicable) were welcome changes but unfortunately coincided with the start of a prolonged bear market, which saw gold prices decline for seven successive years. As a result, global gold mining investment stalled.

A new wave of investment built on exploration success

- Whilst the investment climate outlined above clearly inhibited activity from new players, established producers in the country, such as AngloGold Brazil (now AngloGold Ashanti), Rio Tinto Brazil and CVRD, continued to develop their operations and explore new ground and in so doing, generated a handful of new gold projects. For strategic reasons the bulk of these prospects were offered onto the market, which coupled with the improved gold price has attracted a new wave of investment into the country.





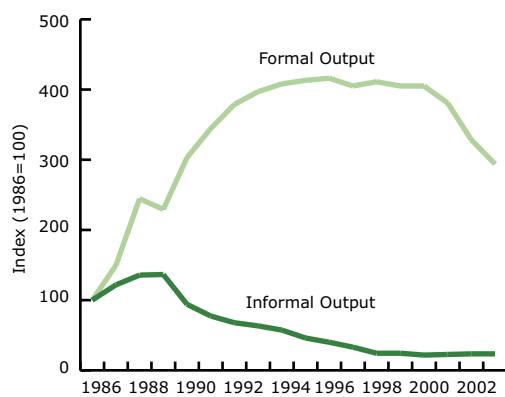
Security of tenure and informal mining

- In the past, a fly in the ointment of investing in Brazil has been concern over potential conflicts with small-scale alluvial miners (garimpeiros). Although still a sensitive issue, strict environmental controls and severe policing have much reduced the problems associated with uncontrolled garimpo mining.

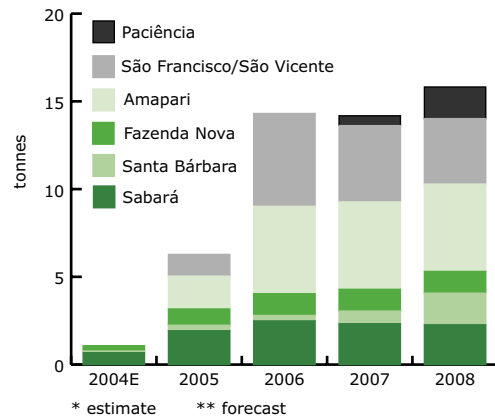
Opportunities for further exploration success

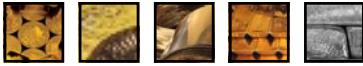
- The investment hiatus in exploration and mine development in Brazil during the 1990s coupled with the declining gold price has resulted in a dramatic reduction in gold mine production in the country. This does not reflect the potential in the ground. Indeed, the favourable geology, political stability, improving economic situation and well developed mining culture make Brazil an attractive country for new mining investment.

Formal and Informal Mine Production Index

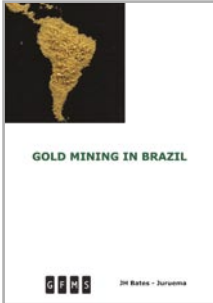


Future Gold Supply from New Projects





WHAT IT CONTAINS



1. Executive Summary

2. Introduction

3. Mine Production, Alluvial Production & Costs

4. Prospects, Information Sources & Reserves and Resources

5. Legislative & Tax Regime

Key Contacts

Charts include:

Brazilian and Global Mine Production
Real *real* and US\$ Gold Prices
Informal Gold Production in Brazil
Brazilian Mine Production Forecast
Mine Production and the real Gold Price
Foreign Direct Investment
Stock Market Index
Foreign Producers' Production Growth
The Rise and Fall of Hard Rock Production
Hard Rock and Alluvial Gold Production

Tables include:

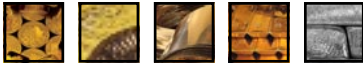
Formal and Garimpeiro Gold Production
Historic Gold Mine Production in Brazil
Key Indicators
Growth in Key Mine Producing Regions
Major Producing Mines
Minor Producing Mines
Garimpo Reserves
Exchange Rates and Inflation
Gold Production Costs
Licencing Sequence
Tax Regime

Price

38-page country report
Price: £1,145 - US\$1,950 - €1,635

Existing and Forthcoming reports:

Gold Mining in Russia (January 2004)
Gold Mining in Mongolia (August 2004)
Gold Mining in China (October 2004)
Gold Mining in Kazakhstan (to be confirmed)
Gold Mining in Indonesia (to be confirmed)



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Note to Editors:

About GFMS Limited

GFMS Limited is the world's foremost precious metals consultancy, specialising in research into the global gold, silver, platinum and palladium markets. GFMS is based in London, UK, but has representation in Australia, China, India and Russia, and a vast range of contacts and associates across the world.

GFMS is credited with producing the most authoritative surveys of the gold and silver markets, the annual Gold Survey and World Silver Survey, and produces a range of other publications dealing with all aspects of the precious metals markets. GFMS also provides consultancy services in the form of tailor-made research into selected areas of the precious metals markets. GFMS' research team of eight full-time analysts comprise qualified and experienced economists and a geologist.

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