

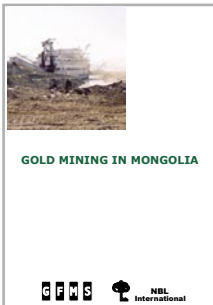


PRESS RELEASE
London, 19th August 2004

For immediate distribution

New GFMS report reviews the key drivers behind the recent exploration boom in Mongolia

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



Gold Mining In Mongolia is the second 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), China, Brazil and Kazakhstan amongst others. The Mongolian report not only outlines historic mine production and tables investment levels, 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 metals and mining consultants **GFMS** and Russian/FSU industry consultants **NBL International**.

Main Highlights

Gold production has risen spectacularly

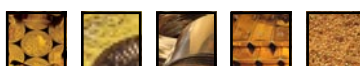
- Gold production in Mongolia has seen spectacular growth over the last few years, experiencing a seventeen-fold increase between 1991 and 2001. Global mine production has grown by 21% over the same period.

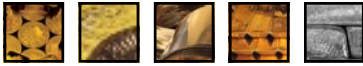
Foreign investment in exploration strong

- Foreign investment into exploration in Mongolia has soared from around US\$9m in 1999 to just above US\$36m in 2003. The bulk of this has been provided by international junior exploration companies.

Significant recent exploration success

- The appetite for exploration has been fuelled in part by Ivanhoe's major copper-gold discovery at Oyu Tolgoi in the south of the country. There is a great deal of interest from the global investment community and a large number of Canadian and Australian junior explorers are currently active. In spite of this, the country remains acutely underexplored and prime opportunities for major new discoveries exist.





Open Minerals Law

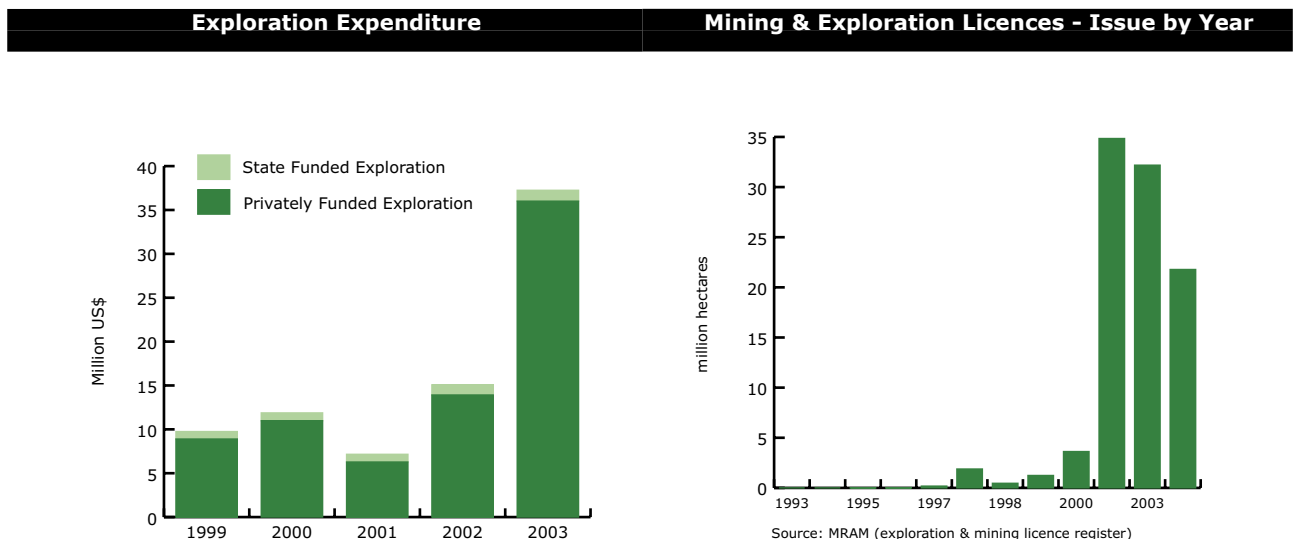
- Enacted in 1997, the Mongolian Minerals Law remains one of the most open mining and exploration laws formulated in an emerging market in recent years, with very little restrictive legislation in terms of government involvement, tax structure, or repatriation of funds outside Mongolia. Licence application procedures are clear, and simple.

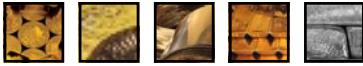
Infrastructure challenges and opportunities

- In terms of infrastructure, Mongolia is still a long way behind. Transport, communications and power networks are of very poor quality, and there is little skilled labour force. On the other hand, the terrain is perfectly suited for exploration work, whilst investment is positively encouraged and is seen as a welcome development opportunity for local Mongolians.

Forthcoming reports:

- Gold Mining in Brazil (August 2004)
- Gold Mining in China (October 2004)
- Gold Mining in Kazakhstan (October 2004)
- Gold Mining in Indonesia (November 2004)





WHAT IT CONTAINS



GOLD MINING IN MONGOLIA



1. Executive Summary

2. Country Information

Political & Economic History
Geography & Climate for Exploration
Infrastructure

3. Historic Gold Output, Western Investment, Production Costs & Market Structure

Historic Production
Recent Developments in Mongolian Gold Production
Western Mining & Exploration Companies in Mongolia
The Cost of Gold Mining in Mongolia
Gold Export & Marketing Considerations

4. Domestic Gold Producers & Explorers

Important Domestic Gold Producers

5. International Explorers & State Funded Exploration

The Role of the State
Private Sector Exploration
Majors
Juniors

6. The Distribution of Gold in Mongolia

7. Legislative & Tax Regime

Overview
Fiscal Conditions
Procedures & Obligations for Obtaining and Holding a Mineral Licence
Local Authority Approval Delays
Allowable Exploration Areas
Exploration & Mining Conditions
Related Government Institutions

8. Key Contacts

Charts including

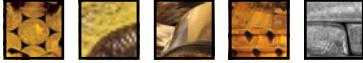
Mongolia Road Composition
Foreign Direct Investment
Mongolian Stock Exchange Market Index
Map of Mongolian Infrastructure
Mongolian and Global Mine Production
Gold Mine Production Per Year
Exploration Expenditure
Mine Production and the Tugrik Gold Price
Mongol Bank Gold Reserves
Number of Active Gold Miners
Mining & Exploration Licences- issue by year
Map of Mongolian Gold Metallogenic Belts and Main Deposits

Price

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

Tables including

Mongolia Quick Country Facts
Mongolia Quick Economy Facts
Gold Prices 2003-2004
Key Market Indicators
Worldwide Exploration Spending by Region
Mongolia's Top Gold Producers
Top Producers' Mining Licences
Top Producers' Exploration Licences
Top 100 Exploration & Mining Licence Holders
Mining & Exploration Licences- by Region



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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.

About NBL Gold

NBL Gold specialises in research and design works in the field of mining and processing of precious metals resources, gems and diamonds. NBL Gold has the appropriate licences from the Russian Ministry of Construction and from the Russian Federal Mining and Industrial Inspection to design mines, processing and metallurgical plants and tailing dumps in Russia, other CIS States and abroad. NBL Gold operates contractually for the design department of GINALMAZZOLOTO (State Design and Research Institute on Precious Metals and Diamonds).

NBL Gold is based in Moscow, Russia, but has representation in the following regions: Urals (Ekaterinburg), Siberia (Krasnoyarsk), Far-East (Blagoveshchensk) and North-East (Magadan).

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