



Mining Projects Alerts Service Launched

Global Mine Supply Still Slipping Despite Higher Gold Price

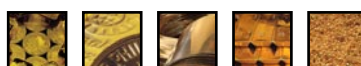
GFMS is pleased to announce the launch of its Mining Projects Alert Service. The service provides a comprehensive quarterly update on advanced exploration to development stage gold and silver projects - a valuable tool for any organisation looking to identify early stage opportunities to service the gold mining industry. Output generated by the projects alert database in conjunction with GFMS' view on future global gold production at existing operations suggests that, in spite of the improvement in price, world mine supply is set to trend lower.

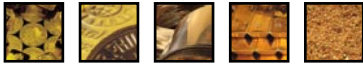
The Mining Projects Alerts Service covers projects in 43 countries, varying in size from large dedicated gold mines such as Newcrest's Telfer, to small gold by-product mines like Griffin Mining's Caijiaying zinc mine in China. Of the 147 projects, 33 are in the commissioning or construction stage. Production from this category is expected to generate roughly 80 tonnes of gold in 2005 increasing to around 140 tonnes per annum from 2006 onwards. It is anticipated, however, that this new gold production will not be sufficient to offset losses at existing operations and despite an increase in global output expected in 2005 (in part due to a recovery from temporary factors that hit global mine supply in 2004) global output in the medium term is forecast to trend lower.

From a moderately higher base in 2005 of 2,650 tonnes, GFMS predict that global output will decline by an average of 30 tonnes per annum over a five year period to reach 2,494 tonnes in 2010. The consultancy points out, however, that this is a base case scenario. There are currently more than 50 projects in the feasibility stage category, which could, if all were successfully brought into production, generate an additional 180 tonnes of gold per annum by 2008. In reality of course, some of these projects will simply not be developed whilst delays in permitting, financing and construction at others will result in considerably less new gold supply than implied by the raw data set. An optimistic view on the development of projects in the feasibility category would result in global output peaking in 2006 at 2,660 tonnes followed by four successive years of decline leaving production in 2010 at 2,587 tonnes.

A regional breakdown of the potential production from all categories (including pre-feasibility and scoping stage projects) shows that Latin America accounts for over a third of the total tonnage of pipeline gold supply. Several of the largest projects are located in Latin America, including Alto Chicama, Cerro Casale, Pascua-Lama, Veladero, Las Cristinas, and Brisas. The majority of the projects in the Oceania region are Australian based, with Newcrest's Telfer mine expected to be the biggest new producer over the next ten years, production at the mine started at the end of November 2004. A significant number of the projects in Australia are based upon the reappraisal of old mines that were shelved or closed due to the low gold price. Oceana Gold's Reefion Goldfield project in New Zealand is a good example of this with the project based around the Globe and Blackwater mines both of which have been worked previously.

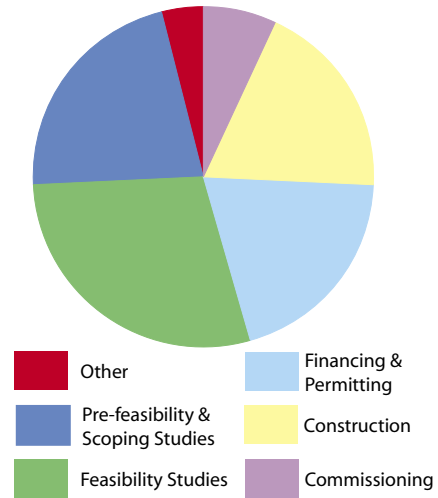
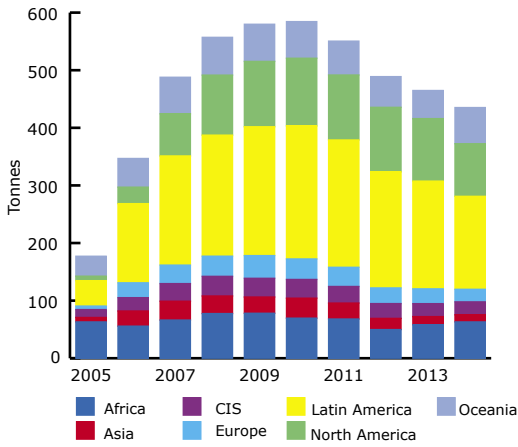
In Africa the majority of development projects are located in the west of the continent. Elsewhere, Europe could become home to one of the World's biggest gold mines if Gabriel Resources' Rosia Montana project is developed. In the CIS only a few projects have reached the construction phase, but the large number of feasibility stage projects being undertaken reflects the recent interest shown in the region.





Estimated Gold Production Profile

Project Status (Tonnes)



Estimated gold production profile includes potential output from all project categories (see pie chart opposite for category split).

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Mining Project Alerts Based on an extensive analysis of quarterly company reports and leveraging off GFMS' extensive field research trips and base of international contacts, we have assembled a list of gold and primary silver projects, at various stages of development, that are currently timetabled to come on stream.

From exploration through to construction the service updates and highlights progress on a mine-by-mine basis providing a blueprint for pipeline gold supply. Relevant news items are appended to the project list and the filters in place enables users to review projects based on a number of criteria, including, region, country, company, primary metal produced and scheduled start-up.

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.

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