

2003 Global Gold Price Survey Results

December 10, 2003

The last two and a half years have been exciting times for gold mining companies. In July 2001, the price of gold was below US\$255 an ounce and, as this is written, it has broken through US\$410. As we said last year, many “gold bugs” are predicting even higher prices in the near future. While the weakened US dollar may be one of the prime reasons gold has risen so dramatically, it has also had a very negative impact on those producers operating outside the USA who are incurring expenses in much stronger currencies. The price of gold in US dollars has risen approximately 25% in the past year; however, other world currencies have also risen. The Canadian dollar increased 21%, the Australian dollar was up 24% and the South African rand increased 25% in 2003. These increases have offset gains in the gold price.

Survey results are similar to last year, except in the area of gold price where many companies are using a higher value. Most companies polled are using prices significantly lower than the current price. Perhaps this is because higher prices are not required to justify carrying costs and reserve amounts in light of prices in prior years. We again noted an increase in the number of companies that are SEC registrants. Next year we intend to poll companies as to how many are listed on US exchanges, as we have noted an increasing number of companies being listed on the AMEX.

We welcome a number of new participants this year, including some of the largest international gold miners from Australia, South Africa and London. We thank all participants for the time taken to complete the survey.

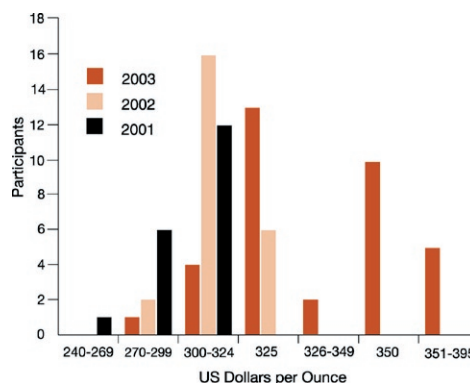
Question 1

Have you determined the gold price assumptions that will be applied to ongoing reserve determinations and carrying value assessments?

Yes 35 No 6

Comment: The average price indicated by respondents is US\$337 for reserves and US\$347 for carrying values. The averages have increased since last year’s US\$305 for reserves and US\$307 for carrying values. This year saw an increase in the most often reported values—US\$325 for reserves and US\$350 for carrying values. A large number of respondents indicated they would use US\$350 for both reserves and carrying values. Prior to this year, since 2000 the most often reported value for both reserves and carrying values had been US\$300. It should be noted that the responses from companies with other than December 31 year-ends have been excluded from Question 1 in order to reflect only responses of companies making year-end decisions.

Gold Price Assumptions—Reserves



In our November 2003 Metals Market Sentiment, a survey of 15 analysts suggested US\$380 an ounce was the average expectation of the gold price for the next four quarters and US\$350 was the price they suggested using for long-term valuations and investment analysis. It is clear that these prices are in excess of what respondents are using.

Question 2

Will you use the same or different prices over time?

Same price over time 27
Different prices over time 17

Comment: The majority of respondents continue to use a single price in their calculations. The increase in those using different prices over time is indicative of the volatility of the market. Many respondents said they would be governed by current markets.

Question 3

Do you have operations where local currency is important for making ongoing reserve determinations and carrying value assessments?

Yes 26 No 15

Comment: It appears as if respondents did not understand the question as virtually all mining companies with operations outside the United States are impacted by exchange rates. Those who responded that they were affected by exchange rates indicated they would use the following range of rates against US dollars:

Canadian dollars 1.30 – 1.50
Australian dollars 0.60 – 0.70
South African rand 7.00 – 8.26

Question 4

Will you use the same exchange rate over time?

Yes 15 No 12

Comment: In spite of the above answers and from comments provided, it appears most companies review this periodically based on prevailing conditions.

Question 5

Are these price exchange rate assumptions applied consistently to all locations?

Yes 29 No 2

Comment: It appears companies are being consistent in the application of exchange rates expected to prevail.

Question 6

What reserve base will be used to determine carrying values?

Proven and probable 23

Proven and probable
(plus resources likely to be moved into this category based upon the company's track record) 17

Comment: As in prior years, all of those including resources had underground mines or properties still in the development stage. Some companies use a different basis for Canadian and US GAAP.

Question 7

Are you an SEC registrant?

Yes 38 No 8

Comment: Last year, 22 of 26 respondents were registrants. As mentioned earlier, during the past year, we have noted a number of companies listing on the AMEX and we plan to include a question concerning US listings in next year's survey.

Question 8

For US GAAP reporting purposes, are your hedge contracts accounted for:

On balance sheet 18

Off balance sheet 7

Comment: It appears this question was answered with only gold hedges in mind. A number of respondents are no longer hedging, and a large number of companies are still choosing to mark to market their hedge books for US GAAP. We suspect many producers are wishing they had taken larger currency positions.

Question 9

Do you currently utilize hedge positions in assessing carrying values?

Yes 17 No 10

Comment: There has been little change in this response over the last two years.

Question 10

What considerations are important in the determination of the price assumptions used?

| | |
|------------------------------------|----|
| Price used last year | 15 |
| Price used by peers | 28 |
| Current price | 39 |
| Historic price trends | 24 |
| Analysts' price trends | 23 |
| Guidance from regulators or others | 18 |

Comment: The majority of the respondents determined their price based on more than one consideration. Not surprisingly, "current price" is the most widely adopted influence, with "price used by peers" coming in a clear second.

Question 11

In prior years, have you disclosed the price assumption used?

| | Reserves | | Carrying Values |
|-----|----------|-----|-----------------|
| Yes | 34 | Yes | 14 |
| No | 9 | No | 27 |

Comment: Respondents have indicated for this year there will be little change in the disclosure of price assumptions used.

Question 12

Have you disclosed the sensitivity of reserves to price assumption changes in prior years?

Yes 17 No 27

Will you this year?

Yes 19 No 23

Comment: Respondents indicated very little change, but one respondent did reply that earnings sensitivity to changes in prices is disclosed.

Participants in the 2003 PricewaterhouseCoopers Global Gold Price Survey:

| | | | |
|---------------------------------|----------------------------|----------------------------------|-----------------------------|
| Agnico-Eagle Mines Limited | Dominion Mining Ltd. | Harmony Gold Mining Company Ltd. | NovaGold Resources Inc. |
| AngloGold | Eldorado Gold Corporation | IAMGold Corporation | Pacific Rim Mining Corp. |
| Apollo Gold Corporation | Freeport McMoRan | Inmet Mining Corporation | Placer Dome Inc. |
| Aurizon Mines Ltd. | Copper & Gold Inc. | Kingsgate Consolidated Limited | Randgold Resources Limited |
| Barrick Gold Corporation | Glamis Gold Ltd. | Kinross Gold Corporation | Richmont Mines Inc. |
| Bema Gold Corporation | Glencairn Gold Corporation | McWatters Mining Inc. | Rio Tinto plc |
| Cambior Inc. | Gold Reserve Inc. | Meridian Gold Inc. | RNC Gold Inc. |
| Cameco Corporation | Goldcorp Inc. | Metallica Resources Inc. | Semafo Inc. |
| Claude Resources Inc. | Golden Star Resources Ltd. | Miramar Mining Corp. | Teck Cominco Limited |
| Coeur d'Alene Mines Corporation | Gold Fields Ltd. | MPI Mines Ltd. | Vista Gold Corp. |
| Crown Resource Corporation | Gympie Gold Limited | Newmont Mining Corporation | Wheaton River Minerals Ltd. |
| Cumberland Resources Ltd. | Hecla Mining Company | Northgate Exploration Limited | |

We welcome any comments on how we could tailor this survey to better serve the needs of decision makers in the gold industry. Any questions or comments regarding the survey should be directed to John Bowles of PricewaterhouseCoopers in Vancouver at (604) 806-7017, e-mail address: john.h.bowles@ca.pwc.com.

Key PricewaterhouseCoopers mining contacts:

| | | | |
|------------------|--------------|-------------------|-----------------------------|
| John Bowles | Vancouver | 1 (604) 806-7017 | john.h.bowles@ca.pwc.com |
| David East | Denver | 1 (720) 931-7464 | david.east@us.pwc.com |
| Tim Goldsmith | Melbourne | 61 (3) 9609-3431 | tim.goldsmith@au.pwc.com |
| Hugh Cameron | Johannesburg | 27 (11) 797-4292 | hugh.cameron@za.pwc.com |
| Paul Murphy | Toronto | 1 (416) 941-8242 | paul.j.murphy@ca.pwc.com |
| Nochane Rousseau | Montreal | 1 (514) 205-5199 | nochane.rousseau@ca.pwc.com |
| Brian Taylor | London | 44 (20) 7213-2518 | brian.c.taylor@uk.pwc.com |