

1999 Gold Price Survey

North American Results

We are pleased to present the results of our 1999 Gold Price Survey. This survey includes the responses from 21 North American gold mining companies representing 17.8 million ounces of forecasted 1999 gold production. We thank all participants for the time taken to complete the survey.

Continued weakness in the price of gold has placed a greater focus on the price assumptions used to determine reserve levels and carrying values of property, plant and equipment for many gold companies. We designed this survey to provide companies with a tool to establish whether their price assumptions and related disclosures were in line with their peers in the gold industry.

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 Alex Morrison of PricewaterhouseCoopers in Denver at (303) 893-8100.

Question 1

Have you determined the gold price assumptions that will be applied to ongoing reserve determinations and carrying value assessments? If yes, what price will be used? What price was used for your last annual reporting period?

All but one of the 21 participants had determined the gold price assumptions that would be applied to the determination of reserves and the assessment of carrying values. Except for three cases, all respondents indicated that they would continue to use the same price assumption for reserve determinations and carrying value assessments.

The following chart shows the distribution of gold price assumptions for 1999 and 1998.

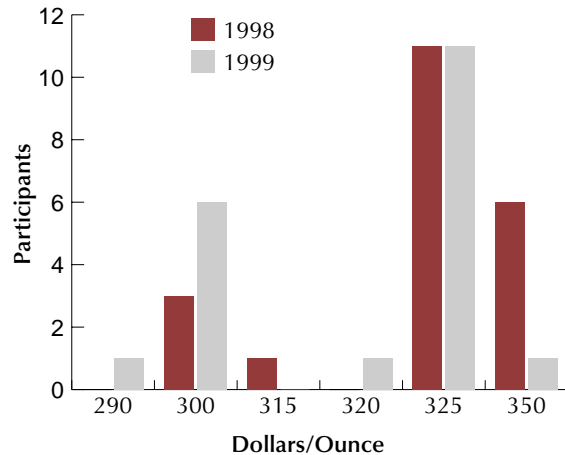


Chart 1: Price assumptions

Follow-up discussions with a number of respondents indicated that the gold price spike in October was a significant consideration in the determination of the assumptions. Had gold not recovered, albeit temporarily, to the \$325 per ounce level, many respondents noted that they would have used a lower gold price assumption for 1999 year-end reporting purposes.

Question 2

Will you use the same prices over time?

Eighteen respondents indicated that they would use the same gold price assumption over time. Three respondents used a lower gold price for the current year and a higher price for future periods based upon their assumption that gold prices would improve over time.

Question 3

Are these price assumptions applied consistently to all locations?

All but one respondent indicated that they would apply the assumptions consistently to all locations. The lone exception noted that a lower price would be used for a single mine due to the imminent depletion of reserves.

Question 4

What reserve base will be used to determine carrying values?

Six of the 21 respondents indicated that they would utilize their proven and probable reserves for purposes of determining carrying values. Thirteen indicated that they would add material currently in the resource category based upon the company's track record of doing so. Two respondents used other bases for determining carrying value.

When the responses were analyzed geographically, it was noted that of the 11 Canadian-based participants, only two would use proven and probable reserves, with the remainder using proven and probable plus a portion of their resource category. Of the 10 U.S.-based respondents, four would use proven and probable reserves, four would use proven, probable and a portion of their resource category, and two would use some other base.

Question 5

Do you currently utilize hedge positions in assessing carrying values?

Yes 14

No 7

The results of this question highlight the existence of a potential issue for those companies who choose to utilize hedge positions to support carrying values of mining assets. Of the 14 companies that utilize hedge positions in assessing carrying values, 11 are SEC registrants and would be subject to SFAS 133, *Accounting for Derivative Instruments and Hedging Activities*. This standard, effective for calendar year end companies on January 1, 2001, disallows the use of derivatives to support the carrying value of other assets. Application of the standard may lead to asset impairments from a U.S. GAAP perspective for operations whose carrying values are marginal at this time and who have historically utilized hedge positions to support carrying values.

Question 6

What considerations entered into the determination of the price assumptions used?

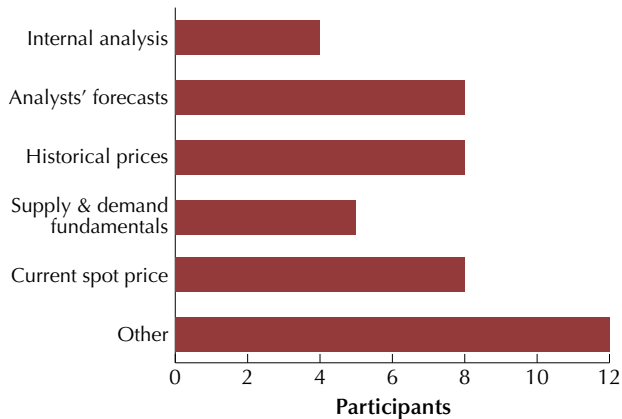


Chart 2: Considerations in determining price assumptions.

As identified in prior years' surveys, analysts' forecasts of prices, historical prices, and the current spot price remain the most significant considerations used in determining price assumptions.

The "other" category comprises single responses including current hedge position, current contango, and remaining mine life.

The diversity of responses to this question underscores the divergent views on the future of the gold market and the resulting difficulty in determining a long-term price assumption.

Question 7

Have you disclosed price assumptions used in prior years? For reserve determinations? For carrying values?

Will you disclose price assumptions this year? For reserve determinations? For carrying values?

All respondents had disclosed the price assumption used to determine reserve levels in 1998 and would continue to do so for 1999 reporting purposes.

Fourteen of 21 respondents indicated that they would disclose the price assumption used to determine the carrying value of property, plant and equipment. For 1998, 13 of the 21 respondents indicated that they would disclose their assumption. Follow-up discussions indicated that the primary reasons for not disclosing the assumption included a belief that the same price would be used for both reserve determination and carrying value assumptions and therefore the disclosure did not need to be repeated, and that the absence of writedowns or carrying value issues meant that disclosure was not necessary.

Question 8

Have you disclosed the sensitivity of reserves to price assumptions in prior years? Will you this year?

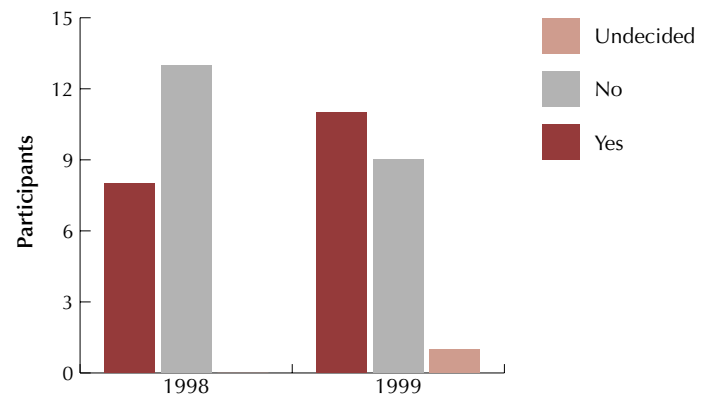


Chart 3: Disclosure of sensitivity of reserves to price changes.

Responses to this question highlight a trend toward a fuller disclosure of reserve details. Follow-up discussions with respondents indicated that analysts and individual investors are requesting more information on reserves. In order to more effectively value gold mining companies during times of changing prices, analysts and investors are particularly keen to gather information on the sensitivity of reserves to price assumption changes.