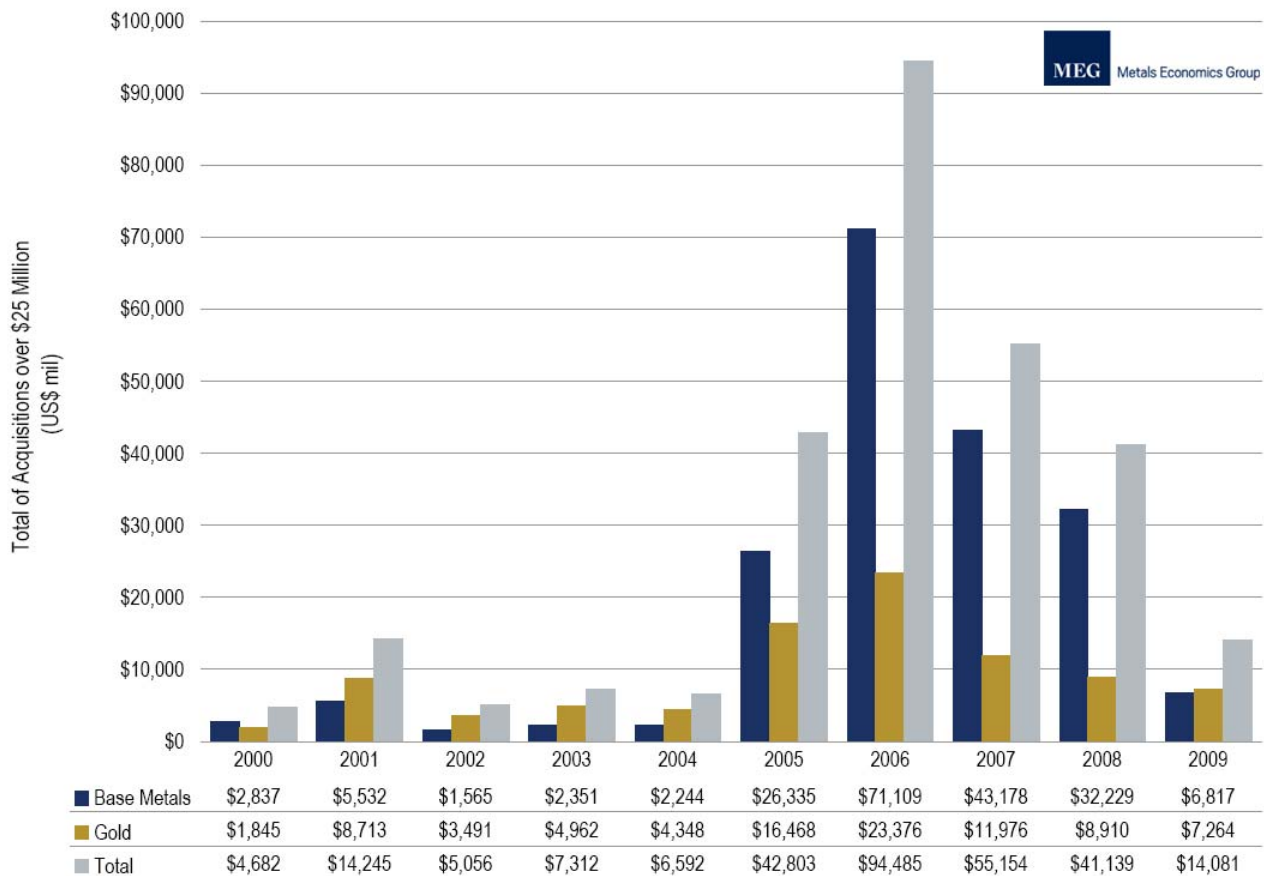


## Metals Economics Group Strategic Report: Large base metals and gold acquisitions drop by 66%

**Halifax, Nova Scotia, May 18, 2010** – With the rapid onset of the worldwide recession in late 2008, marked by sharp drops in commodity prices that continued well into 2009—especially among base metals—acquisitions activity almost ground to a halt. According to Metals Economics Group’s (MEG) recent *Strategic Report*, the 2009 volume of large acquisitions decreased by 66% from 2008, the third consecutive annual decrease in acquisitions spending since the historical high in 2006. Although in nominal terms the 2009 total was still the fifth-highest annual total in the past ten years, the steep year-on-year drop from 2008 is slightly more than the 65% decline from 2001 to 2002, at the bottom of the cycle.

Data analyzed from MEG’s *Base Metals* and *Gold Acquisitions* services shows a 79% plunge in base metals acquisitions spending from just over \$32 billion in 2008 to just under \$7 billion in 2009, the largest year-on-year decline in base metals spending since 1990. In contrast, 2009 gold acquisitions decreased by a relatively mild 18%, from almost \$9 billion in 2008 to just over \$7 billion.

**Figure 1: Base Metals and Gold Acquisitions Dollar Volume, 2000-2009**



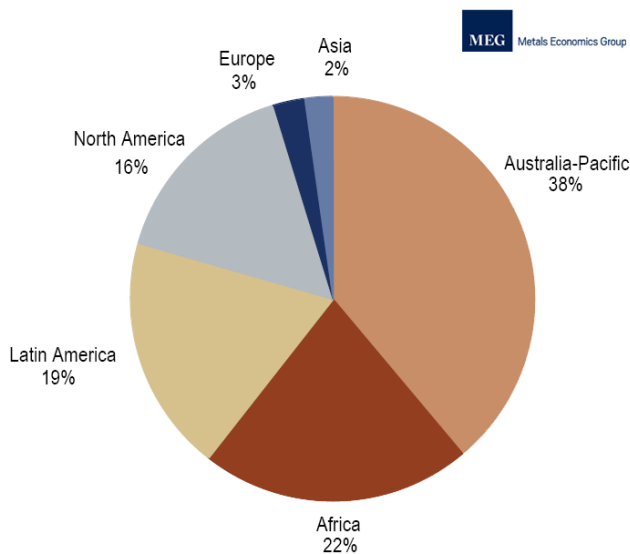
Data sources: MEG’s Gold and Base Metals Acquisitions Services.

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Of the 31 base metals transactions considered in 2009 (Figure 2), Australia-Pacific was by far the richest regional target in 2009 in terms of in-situ value acquired, with seven transactions totaling almost \$113 billion in in-situ value—38% of the US\$290,278 million total value acquired. Africa was second with five deals totaling almost \$63 billion in value. Of the 43 gold acquisitions (Figure 3), Africa, with 28% of the US\$95,152 million in-situ total value acquired, had six transactions containing \$26,642 million of resources in the ground.

**Figure 2: Base Metals Acquisitions by Region, 2009**

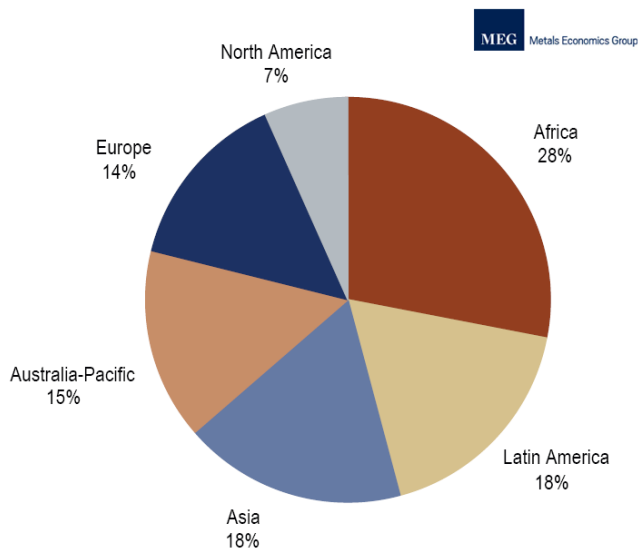
(Total in-situ value acquired = US\$290,278 million)



Data source: MEG's Base Metals Acquisitions Service.  
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**Figure 3: Gold Acquisitions by Region, 2009**

(Total in-situ value acquired = US\$95,152 million)



Data source: MEG's Gold Acquisitions Service.  
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MEG's *Base Metals* and *Gold Acquisitions* services give clients a competitive edge by reporting and analyzing current and historical transactions involving advanced-stage base metals and gold projects, operating mines, and companies.

MEG's *Strategic Report* provides informed, insightful analysis for mining industry planners, analysts, executives, and exploration managers. Published since 1982, the *Strategic Report* draws on MEG's wealth of knowledge and insight in a bimonthly compilation of timely, informative, and analytical articles on critical supply-side issues facing the global mining industry. In addition to original research, articles are drawn from MEG's flagship *MineSearch* database, *Corporate Exploration Strategies*, *Reserves Replacement* studies, and *Acquisitions and Exploration Activity* services.

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**About Metals Economics Group** ([www.metalseconomics.com](http://www.metalseconomics.com))

Metals Economics Group (MEG) provides information and analysis on the global mining industry, focused on addressing both strategic and tactical business needs. Clients benefit from a painstaking commitment to accuracy, many years of experience, excellent relationships with other industry experts, an unbiased approach to reporting and analyzing the latest trends and issues, and a responsive, personal approach to customer care. Through analysis, information services, and consulting, MEG continuously builds on its foundation as the primary source of intelligence on global minerals exploration, development, and production; strategic planning issues; and acquisitions activity.

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