

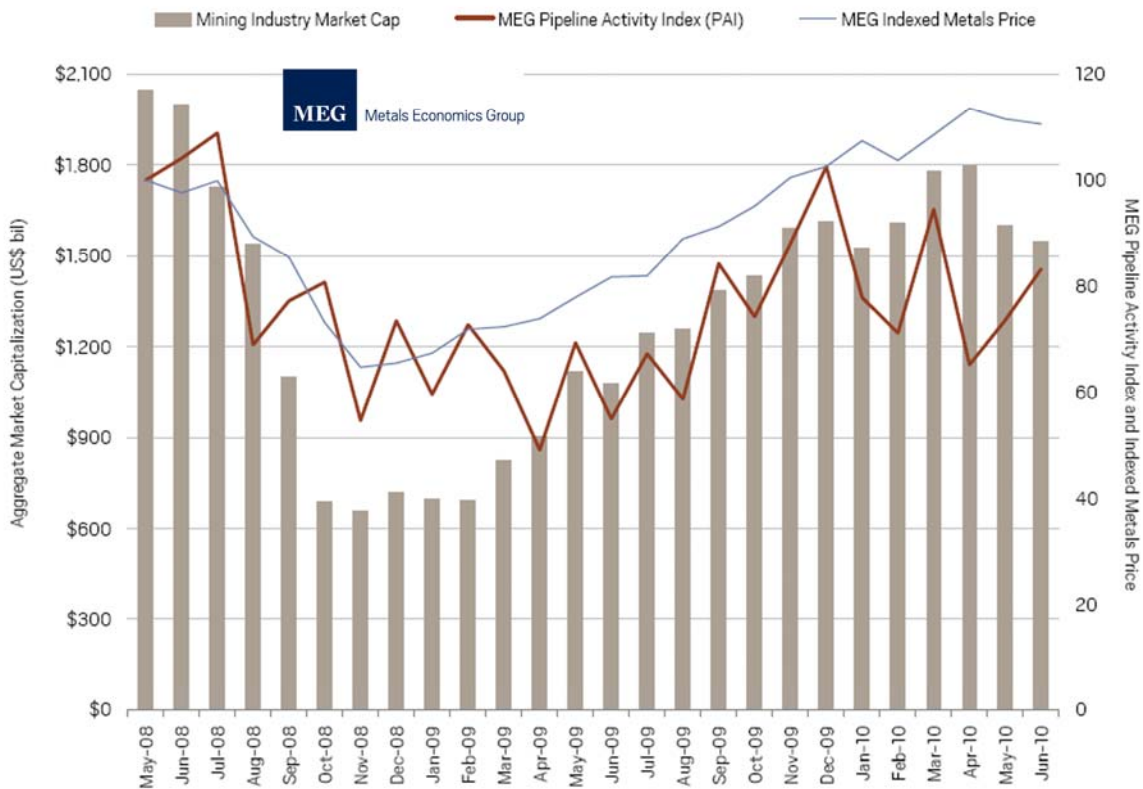


## Metals Economics Group Pipeline Activity Index, July 2010

Increased activity across the gold sector lifts the MEG Index

**Halifax, Nova Scotia, July 30, 2010** -The MEG Pipeline Activity Index (PAI) increased for two consecutive months for the first time in 2010, rising to 83 in June from a recent low of 65 in April. Heightened activity was led by a sharp rise in the number of gold financings and significant gold drill results announced. Weaker base metals prices in recent months have kept base metals activity relatively flat. Market capitalizations also followed the downtrend in base metals prices with an overall drop in aggregate market cap of 14% from the recent high in April.

MEG Pipeline Activity Index (PAI), July 2010



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The number of significant drill results, in total, reported in the May-June period was up 26% from the previous two months, and nearly double that of a year ago. Gold results continue to far outpace base metals announcements, as has been the case so far in 2010. However, given the recent strength of equity financings for junior and intermediate base metals companies, we may see a pick-up in base metals exploration activity in the coming months. North America and Latin America remain the dominant regions for overall drilling, while significant drill results in Africa noticeably increased during May-June.

Initial resource announcements for both gold and base metals continue to lag, still showing the effects of decreased drilling activity through early- and mid-2009. The value of initial resources announced fell significantly as many of the announcements were for smaller projects or new zones/satellite deposits at existing projects.

The number of late-stage projects advancing through significant developments was about the same as the previous bimonthly period, but the value of metal in the resources being advanced was almost double. More than 90% of the value of these projects is in base metals.

For the second consecutive bimonthly period, the total amount raised in significant financings by junior and intermediate companies increased, remaining evenly split between gold and base metals. Despite weakening metals prices, interest in the equity markets continued to show signs of strength as the proportion of debt financings more than halved compared with the previous two months, giving up share to equity placements and IPOs. The average amount raised per gold financing rose slightly over the previous two months, while the average amount raised per base metals financing increased more than 40% over the previous period.

For more information on the MEG Pipeline Activity Index, visit [www.metalseconomics.com](http://www.metalseconomics.com).

**About the MEG Industry Monitor and Pipeline Activity Index**

The MEG Industry Monitor is a series of comprehensive graphs and charts, with related commentary, illustrating MEG's analysis of monthly changes and emerging trends in the base and precious metals pipeline. Using information only available from MEG, the Industry Monitor tracks developments based on announcements over the past two years of significant drill results, initial new resources, project development milestones, significant financings, and acquisitions. The MEG Pipeline Activity Index (PAI) measures the level and direction of overall activity in the supply pipeline, incorporating significant drill results, initial resource announcements, project development milestones, and significant financings into a single comparable index.

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

Metals Economics Group (MEG) is the most trusted source of global mining information and analysis. We draw on three decades of comprehensive information and analysis, with an unsurpassed level of experience and historical data. To help our clients reach better decisions more quickly, we supply raw data and sophisticated analysis based on unbiased research and reporting. From worldwide exploration, development, and production to strategic planning and acquisitions activity—our databases and studies help you make confident decisions and, ultimately, improve results.

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