



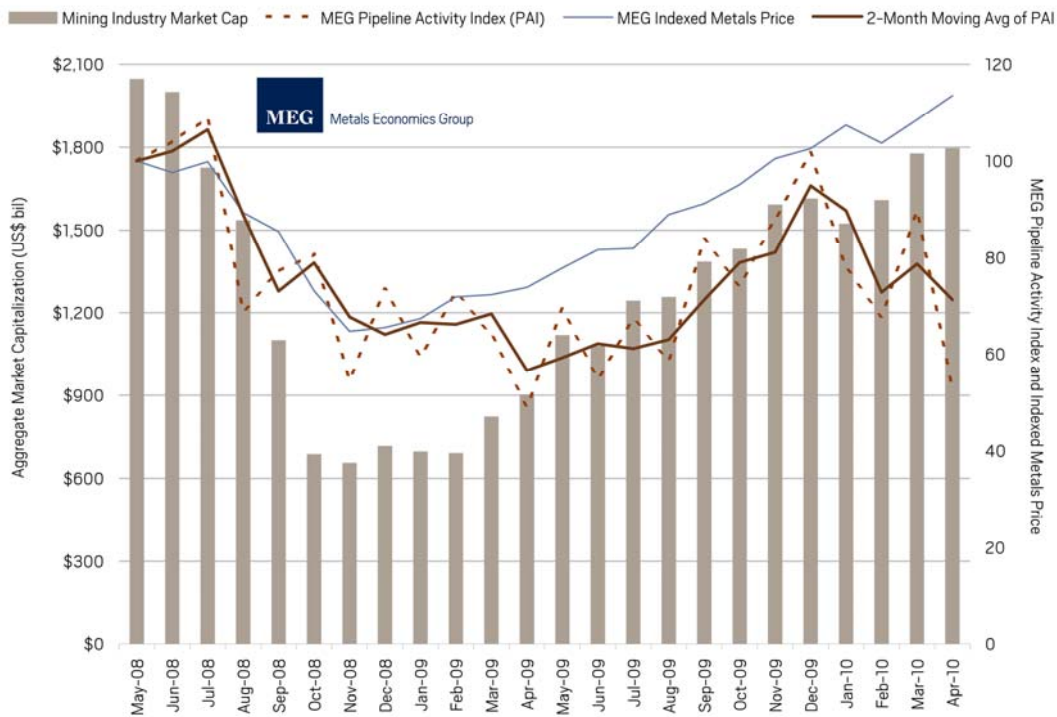
Metals Economics Group Pipeline Activity Index, May 2010

Financings and base metals resource announcements increase as the number of advancing late-stage projects declines

Halifax, Nova Scotia, May 28, 2010 - March and April saw a 14% increase in the overall number of financings and a tripling of new base metals resource announcements, although the number of resource announcements is still well below the pace of mid-2008. These developments were offset by a small drop in the number of significant drill results and a 40% decrease in the number of projects advancing through development milestones—perhaps reflecting the fact that reopenings of mines and restarts of development projects put on hold during the recession have now worked their way through the system.

Reflecting these developments, the *MEG Pipeline Activity Index (PAI)* recovered sharply in March and then dropped again in April, although averaged over two months it moved just barely to 71 (from 73 in January-February). After stalling since late November, market capitalizations are again tracking the uptrend in MEG's indexed metals price by rising 12%—most of it in March—over the last two months.

MEG Pipeline Activity Index (PAI), May 2010



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The number of significant precious and base metals drill results reported in the March-April 2010 period was down 6% from the previous two months, but was more than double that of a year-ago. Coincidentally, Australia, where the new proposed super-tax and associated exploration credits are creating great uncertainty, showed the largest regional increase in new positive results; what effect this announcement will have on the pace of exploration in Australia in the near-term is yet to be seen. Gold results account for about two-thirds of drill announcements, as they have for the past year, while base metals drilling remains concentrated on late-stage projects, with no new initial finds reported for the past three months.

Initial resource announcements released in March-April almost doubled from the previous two-month period, reversing a steady six-month decline. The \$15.8 billion in-situ value of new resources announced in this two-month period is more than 60% higher than the previous two-month period, with the increase entirely attributable to base metals.

The number of late-stage projects advancing through significant project milestones decreased to 37 in March-April 2010, matching year-ago levels. Almost 90% of the value of these projects was in base metals. Six new mines made production decisions in the latest two-month period, while feasibility studies began at seven projects.

Significant precious and base metals financings announced by junior and intermediate companies increased 14% in the last bimonthly period, while the amount of money raised almost doubled to \$3.4 billion, returning to the levels of the second half of 2009 after a sharp drop during the first two months of 2010. For the first time since May 2009, base metals financings in April accounted for just over half of the monthly total raised, with a sharp rise in the ratio of debt to equity. The bimonthly base metals financings total was at its highest since mid-2008.

For more information on the PAI visit 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)

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 and database services, 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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