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Wednesday, January 29, 2003 – Print Edition

Page 1

Queensland's **Mt Morgan**, home to one of Australia's most prolific historic gold mines, is also home to listing hopeful **Lodestone Exploration Ltd.** *Australia's Paydirt* reports that **Lodestone** is in the process of putting together a float, and is one of several companies looking to take advantage of the current strength of the gold price and the growing investor interest in junior gold explorers.

Someone had a lot of fun doing the latest **Harmony Gold Mining Company's** latest annual report. *Australia's Paydirt* reports that, entitled "Value creation", the 2002 report even contains a pull-out comic, that furthers the theme in Superman-type style. *Australia's Paydirt* also notes that the substantial main, 128-page report uses black, white and red throughout and, though on matte paper, is printed on good-quality high-grade stock. A quality product, it is devoid of the colour and gloss one normally associates with a world-class gold mining company. But grab the attention, it certainly does.

Mineweb notes that a strong share price performance by Vancouver-based **Placer Dome** rescued the bottom line of South African number three producer **Harmony Gold**, from an ignominious performance in the December quarter. *Mineweb* reports that **Harmony**, which owns a 1.8 % stake in **Placer Dome** as a result of its takeover of **Auriongold** last year, showed a ZAR105 million increase in the value of its **Placer** investment over the quarter. The rising value of the investment, which is accounted for in the income statement given its non-core status in the **Harmony** portfolio, helped offset a 20 % fall in cash operating profit from ZAR950 million to ZAR763 million.



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Amalgamation/Takeover

Kinross Gold Corporation's shareholders have approved all of the items voted on at the special meeting of shareholders today in Toronto. The matters approved were: the issuance of that number of common shares of **Kinross** necessary to effect the combination with **Echo Bay Mines** and **TVX Gold**; the election of four agreed upon additional individuals to **Kinross'** Board of Directors effective upon the completion of the combination; the consolidation of the issued and outstanding common shares of **Kinross** on the basis of one consolidated common share for each three old common shares; the reduction of **Kinross'** stated capital account maintained for its common shares by approximately CAD747 million; and the termination of **Kinross'** shareholder rights plan. The combination is subject to various conditions including shareholder approval of both **Echo Bay** and **TVX** and the final approval of the plan of



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Wednesday, January 29, 2003 – Print Edition

Page 2

Arrangement by the Superior Court of Justice, Ontario.

Exploration

Toronto-based **Geomaque Explorations** expects that current exploration at its **Vueltas del Rio** mine in Honduras will expand the existing deposit, which currently has two years of reserves, company CFO Ian Shaw has told *BNamericas*. Results from ongoing surface exploration close to the mine are expected in six weeks, said Shaw, adding that progress so far looked "promising." Reverse circulation drilling to show exactly where the potential orebody lay would follow up the groundwork, he said.

Rio Tinto Mining & Exploration has approved funding of just over USD2.5 million for joint venture activities in Turkey with its partner **Anatolia Minerals Development**. Actual expenditures during 2003 depend upon results from programs, with funds being redirected and/or added as warranted. **Anatolia** also plans to advance a number of non-**Rio Tinto** properties at its own expense with the intent of attracting additional JV venture partners. Steps are being taken to recommence drilling at the **Anatolia/Rio Tinto Çöpler** prospect as soon as possible, planned for early February. The focus of the program will be to confirm and expand the shallow, oxide component of the 3.6 million ounce inferred resource announced in March 2002.

Minefinders has announced significant results from drilling on its **Dolores** property in Mexico. A well mineralized, near vertical phreatomagmatic breccia, containing consistent high-grade gold and silver mineralization has been defined by drilling completed in 2002. This breccia,

one of the primary feeders for the Dolores deposit, outcrops at the surface and has now been traced by drilling more than 200 m laterally, with true widths that range from 15 m to more than 60 m and to a vertical depth of 460 m. Drill hole D02-186, the deepest test of this breccia to date, suggest that gold grades are increasing and the silver grade is decreasing with increased depth. Additional drilling now underway will continue to test this breccia beneath the currently known resource.

Feasibility Studies

Desert Sun Mining has contracted **SNC Lavalin** to complete a prefeasibility study on the **Jacobina Mine** mine in northeastern Brazil. The preliminary scoping study on **Jacobina** indicated that at USD300 gold, the mine was economic and could produce at the rate of 73,000 ounces per year at a cash cost of USD188 per ounce, based on the current resource and infrastructure with start up capital expenditure of USD16 million. The current limitation is the plant capacity. Expansion of the plant should lead to a higher production rate. **SNC-Lavalin** will now advance this project by completing a prefeasibility that will determine the capital and operating costs and develop a detailed time line to put the mine into production. The capital and operating cost estimates will be produced at +/- 25% accuracy and a financial analysis will be prepared. **SNC-Lavalin** will also investigate the open pit potential of certain of the resources in the **Jacobina** area, particularly in light of the recently announced drill results in and around the **Serra do Corrego** area. Under the overall



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Wednesday, January 29, 2003 – Print Edition

Page 3

coordination of SNC-Lavalin, the mining study will be carried out by Dynatec Corporation.

Mine Development

Argentina's **Minera Andacollo Gold** is working on expanding production and on building a leaching plant near its mineworks in Neuquen province near the Chilean border, *BNamericas* reports the company's general manager Patricio Parra as saying. The plan is designed to achieve throughput of 600 tonnes/day within two months, Parra told *BNamericas*. The plant is currently producing at a rate of 370 tonnes/day but with the addition of a second mill, the 600t/d target will be reached, he said.

Northgate Exploration has forecast gold production of 294,000 ounces in 2003 from its **Kemess South** mine in B.C., up 4% from the record 282,000 ounces of gold produced during 2002. The cash cost of production in 2003, net of by-product credits, is forecast at USD196 per ounce, approximately \$7 per ounce lower than 2002. Mill production during 2003 is forecast to average 50,275 tonnes per day with the mill operating at 90% availability as it has for each month during the second half of 2002. **Northgate** is proceeding to the prefeasibility stage at **Kemess North** early in 2003 and expects to complete a detailed feasibility study by the end of 2003. **Northgate** will invest between CAD1 and 2 million in exploration within the **Kemess Camp** during 2003.

Political/Economic

There are two ways to get 2300 prospectors, geologists and geoscientists to a single gathering-free booze camouflaged as Yukon moose milk and the gold price hitting a six-year high of

over USD370. But while the mood at this year's sold-out **B.C.-Yukon Chamber of Mines' Cordilleran Roundup** (20th Anniversary) is optimistic, if not downright giddy, the reality remains that exploration in Canada's westernmost province has yet to ignite.

Who would have thought 12 months ago that the gold price would burst through USD370 an ounce? *Mineweb* notes that, almost unbelievably, in the space of four weeks in calendar 2003 bullion has surged by more than USD30/oz. Equally unbelievable, the USD370/oz-plus mark equates to a whopping USD115/oz or 45 percent above its historic lows of a couple of years back.

Mineweb notes that the new year has seen gold smash through long held price and investment records; bullion is perched at seven year highs and the 6.77 million ounce net long position of speculators on the New York Commodities Exchange - the 'longs' are betting on a rising gold price - is the highest since February 1996. *Mineweb* also notes that there are as many explanations offered for the rise in the price of gold as there are commentators, although imminent war in Iraq and a terminally weak dollar are the two most prevalent rationalizations for the good fortunes of bullion.

Property Financing

Freegold Ventures has arranged a special warrant private placement of up to 6,688,888 special warrants with each special warrant convertible into a unit at 45 cents per special warrant for gross proceeds of up to CAD3,010,000. Each unit will consist of one common share and one half share purchase warrant, each whole warrant being exercisable into one

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Wednesday, January 29, 2003 – Print Edition

Page 4

additional share of the company. Company shares currently trade at 48 cents with 16.5 million shares currently issued and outstanding. **Freegold Ventures** plans to use the proceeds of the financing to develop its mineral properties and for general working capital. **Freegold's** focus is on several key projects including **Golden Summit**, in Fairbanks, Alaska, **Rob Gold Project**, **Goodpaster Mining District**, Alaska and the **Almaden Gold Project** in Idaho. **Freegold** is also exploring the **Union Bay Platinum-Palladium** project in southeastern Alaska, currently under option to **Pacific North West Capital Corp.**

High River Gold Mines has closed a previously announced brokered private placement, for gross proceeds of CAD10,076,500. **High River** plans to use the proceeds of the financing for general working capital purposes and to acquire new projects. **High River's** strategic focus is on Russia, West Africa and Manitoba, Canada. In Russia, **High River** and joint venture partner **Buryatzoloto** intend to acquire and develop additional precious metal projects within the Republic of Buryatia and throughout Russia. In Manitoba, **High River** plans to focus on the area surrounding the **New Britannia Mine**. In West Africa, **High River** plans to focus on Burkina Faso and the **Taparko Project**. South African **Harmony Gold** owns 21% of **High River**.

QGX has closed a previously announced private placement for total proceeds of CAD3.0 million. The shares were purchased primarily by US based institutional investors. **QGX** plans to use the proceeds of the financing for the company's **Golden Hills** property in Mongolia. **QGX** expects drilling to commence in early-mid February. Last month, **QGX** closed a previously announced "bought deal" financing generating proceeds of CAD3.2 million also for use to fund continued exploration on the **Golden Hills**. Last November, **QGX** reported encouraging drill results from the property, which confirmed and expanded the presence of gold in oxide in the **Central Valley Zone** of the property. The drilling, according to **QGX**, indicated that the gold-bearing oxide coincides with a well-defined, resistivity low, geophysical anomaly.

Property Ownership Changes

Harmony Gold further entrenched its organic growth strategy today unveiling at least three new projects that would help take output to 3.5 million ounces over the next four years. This, reports *Mineweb*, was after successfully wrapping up 23 acquisitions in the past seven years - a strategy which launched **Harmony** from a single lease-bound mine to among the world's top six producers.

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