

The Real Gold Production

The attached tabulates a large sample of: a) the mining industry's 2007 production, b) estimates for 2008 production and c) an extrapolation of Q1 production to estimated 2008 production. According to our 60% sample, management expectations predict a marginal increase in production in 2008. GFMS' authoritative Annual Gold Survey projects mine supply to be "roughly flat" over 2008, most likely due to some industry influence.

However, if one examines annualized first quarter results, production in 2008 will see a notable decline. Although this table does represent a majority of the global industry, it exempts many Chinese, Russian and Central Asian producers as well as smaller independent producers and by-product production, primarily due to a lack of reliable information. The 60% sample does however suggest a drop of over 10%, probably far too steep for the entire industry, but we do feel total decline in gold production will exceed 5%. That is an extraordinary decline for a major industry. With no significant new gold mines scheduled for the near (or distant) future, the downward trend is expected to continue. It will not help that nearly all mines in our survey are more than ten years old and many are over thirty years old.

Company	a.) 2007 (oz.)	b.) 2008 Mgt Guidance	2008 Q1	c.) Annualized 2008
Barrick	8,008,000	7,800,000	1,734,000	6,936,000
Newmont ⁵	6,027,000	6,027,000	1,577,000	6,308,000
AngloGold Ashanti	5,475,000	4,900,000	1,196,000	4,784,000
GoldFields	4,054,000	4,250,000	890,300	3,561,200
Harmony ⁵	2,334,200	2,334,200	332,700	1,330,800
Freeport-McMoRan	2,316,000	1,400,000	272,000	1,088,000
Goldcorp	2,265,400	2,600,000	521,900	2,087,600
Buenaventura ⁵	1,967,900	1,967,900	602,000	2,408,000
Newcrest	1,617,300	1,800,000	441,400	1,765,600
Rio Tinto ⁵	1,546,000	1,546,000	131,000	524,000
Kinross ¹	1,374,000	2,000,000	331,800	1,327,200
IAMGOLD	944,000	1,427,000	224,000	896,000
Yamana	928,200	1,300,000	237,500	950,000
Xstrata ⁵	777,300	777,300	177,200	708,800
Lihir	701,000	850,000	138,000	552,000
INMET ²	610,200	700,000	153,500	614,000
Centerra	555,400	830,000	120,400	481,600
Northgate Minerals ³	434,800	343,100	89,600	358,400
Teck Cominco ⁴	428,500	465,000	113,500	454,000
Randgold	392,300	695,000	103,600	414,400
Penoles ⁵	388,600	388,600	100,800	403,200
DRDGold ⁵	378,400	378,400	70,000	280,000
Eldorado	273,500	304,000	67,200	268,800
Golden Star	246,300	425,000	57,400	229,600
Agnico-Eagle	231,000	358,000	50,900	203,600
Hochschild Mining	201,000	153,000	44,100	176,400
Oceana Gold	183,200	280,000	62,800	251,200
St. Barbara	165,000	175,000	37,000	148,000
PT Antam	160,800	95,800	30,100	120,400
Aurizon	159,500	170,000	42,100	168,400

Company	a.) 2007 (oz.)	b.) 2008 Mgt Guidance	2008 Q1	c.) Annualized 2008
High River Gold	158,100	281,000	46,600	186,400
Crew Gold	157,600	240,000	61,200	244,800
Oxiana	151,200	130,000	30,900	123,600
Red Back Mining	148,000	245,000	63,500	254,000
Resoloute ⁵	138,421	138,421	70,292	281,168
Gammon Gold ⁵	121,400	121,400	33,100	132,400
Yukon Nevada ^{5,6}	120,000	120,000	14,300	57,200
Dominian Mining	113,900	108,000	24,000	96,000
Quadra Mining	108,000	100,000	38,000	152,000
Hecla	107,700	85,000	21,900	87,600
SEMAFO	106,400	185,000	31,500	126,000
Alamos Gold	106,200	120,000	33,300	133,200
Hudbay Minerals ⁵	102,600	102,600	23,000	92,000
Uruguay	102,000	102,000	12,150	48,600
Pamodzi Gold	95,200	340,000	33,805	135,220
Boliden	91,100	90,000	19,100	76,400
Orvana Minerals ⁵	88,600	88,600	20,000	80,000
GBS Gold	80,100	130,000	26,200	104,800
Kingsgate	77,000	65,000	20,234	80,936
Vale Inco	75,000	75,000	22,000	88,000
Wesdome	72,100	80,000	20,400	81,600
Jaguar Mining	70,100	160,000	21,400	85,600
Intrepid Mines	61,000	70,000	20,369	81,476
La Mancha	53,900	87,000	16,260	65,040
Richmont	46,200	180,000	18,400	73,600
Claude	44,300	50,000	8,400	33,600
Imperial Metals	40,680	52,000	11,418	45,672
Serabi Mining ⁵	40,000	40,000	4,985	19,940
Central Sun Mining	36,700	45,000	9,800	39,200
Metallica	26,700	80,000	18,300	73,200
Total	47,928,301	50,501,321	10,757	43,012,052 ⁷
GFMS Total	79,602,000			
% of GFMS	60.21%			

Notes:

- ¹ Kinross production indicated in Gold equivalent
- ² Inmet includes 100% Ok Tedi and 100% of Troilus
- ³ Northgate 2007 results include recently acquired Fosterville and Stawell mines
- ⁴ Teck Cominco includes 100% of Pogo mine
- ⁵ Management guidance is either flat or not indicated
- ⁶ Yukon Nevada figures including full production figures for Jerrit Canyon, as opposed to attributable.
- ⁷ Decline of 10.2% from 2007 levels.

Steven Szeto
William Pollitt
 Toronto, Ontario

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