

Gold

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HIGHLIGHTS

- Canadian gold production increased 15% in value to \$2.82 billion in 2008, a new record (from \$2.46 billion in 2007), although mine shipments fell 7% to a 22-year low at 94.8 t (from 102.2 t in 2007).
- Canada's total exports of gold increased by 37% to \$8.2 billion from \$6 billion in 2007.
- Canadian ore reserves of gold bottomed out in 2004 at 787 t and had increased to 987 t by 2007. They increased further in 2008.

SUMMARY

Gold prices were strong on a historical basis in 2008, in U.S. dollar terms, although the price of gold increased only 2% from US\$841/oz in January to US\$865/oz at year-end. However, the average for the year rose 25% to US\$872/oz. In Canadian dollars, the year-end price was up 26% due to the fall in the currency value. Overall, gold averaged C\$930/oz, up 24% from an average of C\$747/oz in 2007 (Table 6 and Figure 5).

In 2008, Canadian gold production declined 7% to 94.8 t. The reduction resulted primarily from mine closures in Ontario (North American Palladium Ltd.'s Lac des Iles mine), Quebec (IAMGOLD's Sleeping Giant mine and Century Mining Corporation's Lamaque mine), and in British Columbia (Westmin Resources Ltd.'s Myra Falls mine and Homestake Canada Inc.'s Eskay Creek mine), combined with lower output at other mines as a result of lower-grade ore. The overall Canadian decline was countered slightly by additional production at Goldex and from a number of smaller mines, as well as from by-product production at Sherwood's Minto mine.

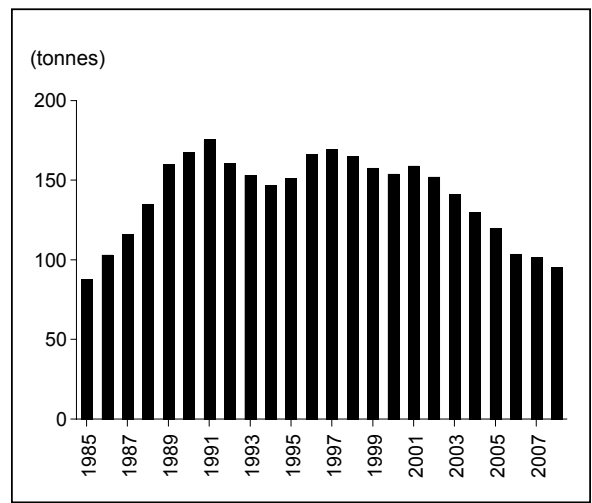
About 90% of Canada's production comes from hard-rock underground and open-pit gold mines (Table 1). The remainder is from base-metal mines and placer mining operations. Ontario and Quebec account for most of the production.

The value of Canadian gold exports increased in 2008 with the preliminary value (including gold contained in scrap and base-metal concentrates) at \$8.19 billion, up from \$5.97 billion in 2007. The preliminary value of imports was \$4 billion, up from \$3.1 billion in 2007 (Table 2).

Mergers and acquisitions continued in 2008 as companies positioned themselves to increase reserve bases and production. Increased gold prices have stimulated exploration and development projects in both new and old mining camps, and gold production is likely to increase in the future as this work finds new deposits and increases reserves at existing mines.

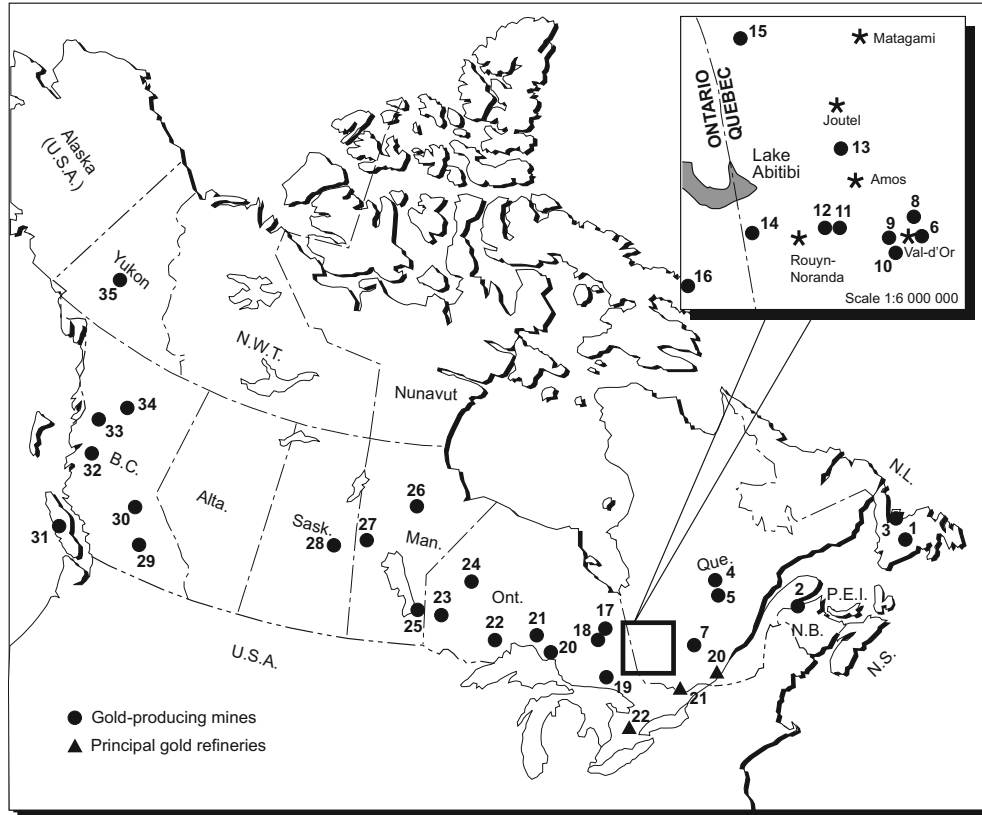
Completed or proposed acquisitions and mergers ongoing at the end of 2008 included: Breakwater Resources Ltd. merged with Metco Resources Inc.; Kinross Gold Corporation completed the acquisition of Aurelian Resources Inc.; Capstone Mining Corp. merged with Sherwood Copper

Figure 1
Canadian Mine Shipments of Gold, 1985-2008



Source: Natural Resources Canada.

Figure 2
Gold-Producing Mines and Principal Gold Refineries in Canada, 2008



Numbers refer to locations on map above.

GOLD-PRODUCING MINES

- | | |
|--|--|
| 1. Duck Pond | Teck Cominco Limited |
| 2. Brunswick | Xstrata plc |
| 3. Pine Cove | Anaconda Mining Inc. |
| 4. Troilus | Inmet Mining Corporation |
| 5. Copper Rand* | Campbell Resources Inc. |
| 6. Beaufor | Richmont Mines Inc. (50%) and Louvem Mines Inc. (50%) |
| Sigma/Lamaque** | Century Mining Corporation |
| 7. Barry/Bachelor Lake | Metanor Resources Inc. |
| 8. Lac Herbin | Alexis Minerals Corporation |
| 9. Kiena | Wesdome Gold Mines Ltd. |
| 10. Goldex | Agnico-Eagle Mines Limited |
| 11. LaRonde | Agnico-Eagle Mines Limited |
| 12. Doyon Mouska | IAMGOLD Corporation |
| 13. Sleeping Giant* | IAMGOLD Corporation |
| 14. Russian Kid | Rocmec Mining Inc. |
| 15. Casa Berardi | Aurizon Mines Ltd. |
| 16. Macassa | Kirkland Lake Gold Inc. |
| 17. Porcupine Kidd Creek | Goldcorp inc. Xstrata plc |
| 18. Bell Creek/Timmins | Lake Shore Gold Corp. |
| 19. Sudbury Division Ontario Division | Xstrata plc Vale Inco (CVRD Inco Limited) |

WEB SITE

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| www.teckcominco.com |
| www.xstrata.com |
| www.anacondamining.com |
| www.inmet-mining.com |
| www.ressourcescampbell.com |
| www.richmont-mines.com |
| www.centurymining.com |
| www.metanor.ca |
| www.alexisminerals.com |
| www.wesdome.com |
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| www.rocmeccmines.com |
| www.aurizon.com |
| www.klgold.com |
| www.goldcorp.com |
| www.xstrata.com |
| www.lsgold.com |
| www.xstrata.com |
| www.inco.com |

GOLD-PRODUCING MINES (CONT'D)

| | | |
|-----------------------------------|---|---|
| 20. Eagle River/Mishi Island Gold | Wesdome Gold Mines Ltd. Richmont Mines Inc. | www.wesdome.com www.richmont-mines.com |
| 21. Hemlo | Barrick Gold Inc. (50%) and Teck Cominco Limited (50%) | www.barrick.com www.teckcominco.com |
| 22. Lac des Iles** | North American Palladium Ltd. | www.napalladium.com |
| 23. Red Lake (includes Campbell) | Goldcorp Inc. | www.goldcorp.com |
| 24. Musselwhite | Goldcorp Inc. | www.goldcorp.com |
| 25. Rice Lake | San Gold Corporation | www.sangoldcorp.com |
| 26. Manitoba Division | Vale Inco Limited | www.inco.com |
| 27. Flin Flon | Hudson Bay Mining and Smelting Co. Ltd. | www.hudbayminerals.com |
| 28. Seabee | Claude Resources Inc. | www.clauderessources.com |
| 29. Highland Valley | Teck Cominco Limited | www.teckcominco.com |
| 30. Mount Polley QR** | Imperial Metals Corporation | www.imperialmetals.com |
| 31. Myra Falls** | Cross Lake Minerals Ltd. | www.crosslakeminerals.com |
| 32. Huckleberry | Breakwater Resources Ltd. Huckleberry Mines Ltd. (50%) and Japan Group (50%) | www.breakwater.ca www.imperialmetals.com |
| 33. Kemess South | Northgate Minerals Corporation | www.northgateminerals.ca |
| 34. Eskay Creek* | Barrick Gold Inc. | www.barrick.com |
| 35. Minto | Sherwood Copper Corporation | www.sherwoodcopper.com |

PRINCIPAL GOLD REFINERIES

| | | |
|------------------------------------|-------------|-----------------|
| 20. Canadian Copper Refinery (CCR) | Xstrata plc | www.xstrata.com |
| 21. Royal Canadian Mint | | www.mint.ca |
| 22. Johnson Matthey Limited | | www.matthey.com |

* Closed in 2008.

** Temporary closure in 2008.

Corporation and then acquired Western Keltic Mines Inc.; Victoria Gold Corp. merged with Strata Gold Corporation; Rusoro Mining made an unsolicited all-stock offer for Gold Reserve; Yukon-Shaanxi Mining Company Inc. and Tagish Lake Gold Corp. agreed to merge; Cadiscor Resources Inc. announced intentions to merge with North American Palladium Ltd.; after completing its merger with Metallica Resources Inc., New Gold Inc. agreed to acquire Western Goldfields Inc.; Goldcorp Inc. acquired Gold Eagle Mines Ltd.; Richmont Mines acquired Patricia Mining Corp.; Detour Gold Corporation merged with PDX Resources Inc. (formerly Pelangio Mines Inc.); and Prize Mining Corporation merged with Teras Resources Inc. and Boxxer Gold Corp.

Gold reserves in Canadian mines are following the same general trend as reserves for other metals. After eight years of declining reserves, a low of 787 t was reached in 2004. Canadian reserves of gold then started rising and were 987 t at the end of 2007. Although complete data are not yet available, reserves increased further in 2008. It should be noted that additional indicated and inferred resources exist.¹

¹ Ore reserve and resource reporting is set out in various internationally accepted standards. For Canadian standards, see www.cim.org/committees/guidelinesStandards_main.cfm or www.tsx.com/en/pdf/Mining_Disclosure_Std.pdf.

CANADIAN DEVELOPMENTS

This chapter reviews changes at Canadian mines producing gold and projects that may produce gold in the near to medium term should market conditions and the results of ongoing work warrant it.

Yukon

Capstone Mining Corp. merged with **Sherwood Copper Corporation** and then acquired **Western Keltic Mines Inc.** The Minto copper-gold-silver mine, located 240 km northwest of Whitehorse, was connected to the Yukon power grid in late November and capacity increased to 3200 t/d in March 2009. Exploration continues to expand mineralized zones and increase reserves and resources. Mine production was 47.7 million lb of contained copper in concentrates, along with 30 758 oz of gold and 260 000 oz of silver.

Developmental projects with longer-term potential include: **Western Copper Corporation** with a pre-feasibility study of the Casino copper-gold-molybdenum deposit 300 km northwest of Whitehorse, where proven and probable ore reserves were estimated at 914 Mt grading 0.21% copper, 0.024% molybdenum, and 0.24 g/t gold; and **Victoria Gold Corp.** at Dublin Gulch, 400 km north of Whitehorse, where estimates for the Eagle Zone were updated to an indicated

resource of 98.6 Mt with a grade of 0.849 g/t, with additional inferred resources.

Placer gold mining continues to play a significant role in the Yukon economy more than 100 years after the first discovery of gold in the region. Some 350 people were directly employed at 105 placer mines in 2008. The Yukon Geological Survey reports Yukon placer gold production in 2008 of 49 968 crude oz, down about 22% from 2007 when 63 929 crude oz were produced. Most placer operations were small and family-run with an average of three or four employees. The majority of active placer mining operations were in the Dawson mining district, followed by the Whitehorse and Mayo mining districts.

British Columbia

Cross Lake Minerals Ltd. worked at its QR mine located 60 km southeast of Quesnel, British Columbia. The company received protection under the *Companies' Creditors Arrangement Act* of B.C. in October as a result of problems in the mill and lower grades than expected, and temporarily closed the mine in March 2009 after the mining and milling of ore from the MidWest Zone was completed. The company's quarterly reports indicate that production was approximately 18 980 oz. In early 2009, International Wayside Gold Mines Ltd. and Cross Lake were working on an arrangement to restart production under the name of **Barkerville Gold Mines Ltd.**

New Gold Inc. worked on the underground New Afton copper-silver-gold project at the site of the former Afton mine, 10 km west of Kamloops; however, the project schedule was extended to preserve cash. Underground development will continue at a slower rate and surface construction completion will be delayed until the end of 2010 with start-up of full production in the last half of 2012. Annual production will be 80 000 oz of gold and 214 000 oz of silver, along with copper.

Imperial Metals Corporation produced 47 001 oz of gold and 522 340 oz of silver in addition to its copper production at the Mount Polley mine located 56 km northeast of Williams Lake. Although mining reduced proven and probable reserves during the year to 46.2 Mt from 55.6 Mt, exploration is under way and has outlined over 100 Mt of resources, including the higher-grade Pond and Boundary zones.

At its Red Chris copper-gold property, located 18 km southeast of the village of Iskut in northwestern British Columbia, an all-weather road was completed and the camp was upgraded. Late in 2008, the Supreme Court of Canada allowed an appeal of the federal environmental assessment for the project and the hearing is scheduled for October 2009.

Redcorp Ventures Ltd. is developing a 2000-t/d underground mine and mill at Tulsequah Chief located in north-

western B.C. The company received permits in early 2008 for local mine roads and an airstrip, as well as an air cushion barge for the transport of concentrates along the Taku River. In early 2009, the company was undergoing a restructuring and has slowed project development. Production of about 50 000 oz/y of by-product gold and 1.7 million oz/y of silver, plus zinc, copper, and lead in concentrate, was expected to start in 2010.

Northgate Minerals Corp. reported that gold production declined to 185 162 oz (with 51.9 million lb of copper) at the Kemess South mine located in the Toodoggone region of north-central British Columbia due to lower grades being mined in 2008. Nevertheless, the mine continued to generate substantial free cash flow for the company, which was used to give new life to its Australian mines and to further the development of the Young-Davidson property in Ontario. The company expected to produce 173 000 oz in 2009. Reserves are declining and the mine is expected to close in late 2010. The facility will be dismantled and the site will be reclaimed at the end of the operation.

Merit Mining Corporation completed processing of a 10 000-t bulk sample from its Greenwood gold project located in the Boundary District near Grand Forks, B.C. It received mine and mill operating permits for a production rate of 72 000 t/y and started ramping up the mill, reaching commercial production in June. Unfortunately, lower grades due to dilution and lower recoveries in the mill resulted in financial difficulties and the company was required to reduce staff and expenditures while it reorganized late in the year. The company signed an Impact and Benefits Agreement with the Osoyoos Indian Band for the project and created an endowment fund.

Prize Mining Corporation took a 10 000-t bulk sample from the Yellowjacket Zone of its Atlin gold property and milled the sample on-site, producing gravity concentrates in 2008, and conducted work towards permitting a small mine. Early in 2009, Prize Mining Corp. and Eagle Plains Resources Ltd. announced they had formed a joint venture to conduct further exploration and development on the property. Test work indicated 81% recoveries with a head-grade of approximately 9 g/t gold.

Breakwater Resources Ltd. announced on October 28, 2008, that it would temporarily suspend operations at the Myra Falls mine on Vancouver Island. The company reported gold production of 13 994 oz (in concentrates) and that proven and probable reserves had increased at the end of 2008 to 6.3 Mt with a grade of 1.3 g/t gold, 44 g/t silver, 5.2% zinc, 0.9% copper, and 0.5% lead. Breakwater expected production of 11 300 oz of payable gold in the latter half of 2009 using high-grade feed from the South Flank, which was discovered late in 2008.

Canarc Resource Corp. revisited its New Polaris proposal to restart the Polaris-Taku gold mine in British Columbia, a past high-grade producer located in the Atlin Mining

Division 100 km south of Atlin. The preliminary economic assessment was updated with a base case using a 9-g/t cut-off giving 806 000 t of measured and indicated resources grading 13.2 g/t gold and 944 000 t of inferred resources grading 11.9 g/t gold. The company is considering strategic alternatives to advance the project to pre-production development and a full feasibility study.

Several large copper deposits containing low-grade gold values and other large-tonnage, low-grade gold deposits have had feasibility studies or other work under way to outline resources and permit future production operations. Should these projects proceed, significant amounts of by-product gold would be produced. These include: **NovaGold Resources Inc.** and **Teck Resources Limited** at Galore Creek in northwestern B.C., **Seabridge Gold Inc.** at the Kerr-Sulphurets-Mitchell gold-copper project 65 km northwest of Stewart, **Taseko Mines Limited** at the Prosperity project 140 km southwest of Williams Lake, **Terrane Metals Corp.** at Mt. Milligan 155 km northwest of Prince George, **Imperial Metals Corporation** at the Red Chris project 80 km south of Dease Lake, **Hawthorne Gold Corp.** at the Taurus project located near Table Mountain in northern B.C., **Silver Standard Resources Inc.** at Snowfield 65 km north of Stewart, **Skygold Ventures Ltd.** at Spanish Mountain 70 km northeast of Williams Lake, and **Bravo Venture Group Inc.** at Homestake Ridge 35 km southeast of Stewart.

Saskatchewan

Claude Resources' Seabee operations continue, and plans for 2009 include exploration in the vicinity of the mine and the Santoy and Porky deposits, as well as a 50 000-t underground bulk sample program at Porky West. Work was under way on permitting production at the Santoy 8 and 8E deposits. The company produced 45 466 oz in 2008. Proven and probable reserves at the end of 2008 at the Seabee operations were 998 400 t at 6.82 g/t gold; additional measured and indicated resources are present.

Golden Band Resources Inc. submitted an Environmental Impact Study (EIS) for its Lac La Ronge project in October and was in the final stages of a provincial environmental assessment process in early 2009. The company announced a positive pre-feasibility study in January 2009 that defined an initial four-year mining project at the Komis, EP, and Bingo deposits using the company's nearby Jolu mill. Golden Band continues to work toward increasing resources, financing the work, and production in late 2009. Measured and indicated resources as of March 2009 were 1.2 Mt at a grade of 5.04 g/t gold. Additional inferred resources exist.

GLR Resources Inc. completed an environmental impact study of its Goldfields project near Uranium City and received ministerial approval to proceed. The project includes the former Box and Athona mines. The Box pit was expected to have a life of 10 years, producing

90 000 oz/y from a 5000-t/d operation. Proven and probable reserves are 11 Mt grading 1.7 g/t gold using a 0.4-g/t cut-off. The company continues work to finance the project.

Manitoba

San Gold Corp. is working to develop the Rice lake mine, including the San Gold No. 1 deposit 3 km east of the mine located near Bissett. Exploration and development continued at the Cartwright Zone and the new high-grade Hinge Zone, where a bulk sample was under way. The company expected mine production at 800 short tons (st) per day during 2009 and to expand the mill from 1250 st/d to 1900 st/d. The company produced 8728 oz in 2008 and planned to produce 60 000 oz in 2009.

Garson Gold Corp. is working at the former New Britannia mine in Snow Lake, and has been studying the No. 3 Zone, which is accessed by a ramp located 1.5 km north of the mill. Dewatering, rehabilitating, and extending the ramp would allow mining to start at the 450 level and continue down to the 1640 level. Measured and indicated resources, including the No. 3 Zone, are 2.6 Mt with a grade of 5.37 g/t gold. The company has been successfully exploring and found additional inferred resources near the mine. A preliminary economic assessment was expected to be completed in early 2009.

Other projects with longer-term potential include: **HudBay Minerals Inc.**'s Lalor deposit 15 km west of the Snow Lake concentrator; **Rolling Rock Resources Corporation** at the Monument Bay property located near the Manitoba-Ontario border 340 km southeast of Thompson; **Murgor Resources** in the Flin Flon Belt at the Wim, Hudvam, and Fon properties; and **Carlisle Goldfields Limited** at the former MacLellan gold mine at Lynn Lake.

Ontario

Lake Shore Gold Corp. refurbished the Bell Creek mill in Timmins to a capacity of 800 t/d and received an operating permit for the mill in October, pouring the first gold in December 2008. It expected to expand capacity to 1500 t/d by early 2010 using feed from four projects in the Timmins area. The company expected to produce 30 000 oz in 2009 from development muck, increasing output to 200 000 oz in 2011. Production will initially come from the Timmins project, where a ramp and a shaft are under construction. Bulk sampling at the 650 level is expected to be completed by the end of 2009.

Plans were to dewater and refurbish the Bell Creek mine by the end of 2009 and to start a new ramp at the mine to support exploration and development on the Vogel/Schumacher property. The discovery of the new South Zone at the Bell Creek mine is expected to support production expansion at the mill. Reserves are 3.4 Mt with a cut

grade of 7.60 g/t gold and with an inferred mineral resource of 968 000 Mt at a grade of 5.62 g/t gold.

Kirkland Lake Gold Inc. started expanding the Macassa mine in Kirkland Lake in January 2009 after the discovery and exploration of a new zone south of the existing mine. Operations will be expanded from five to seven days a week. The company reported gold production in a calendar year to the end of January 2009 of 44 159 oz. Reserves calculated on April 30, 2008, were 1.3 million st with a grade of 0.62 oz/st gold.

North American Palladium Ltd. placed the Lac des Iles mine north of Thunder Bay, Ontario, on care and maintenance on October 29, 2008, due to lower platinum and palladium prices. The mine produces approximately 20 000 oz of by-product gold annually. The company announced an expansion of its reserves in early 2009.

Goldcorp Inc. consolidated its position in Red Lake through increased exploration, upgrades to existing facilities, and the takeover of Gold Eagle Mines Ltd.'s Bruce Channel deposit and 8 additional km of the Red Lake Trend. Goldcorp is studying enhancing Red Lake's core production, including an open pit and redevelopment of the Cochenour mine. Red Lake production in 2008 was 629 200 oz; proven and probable reserves at the end of 2008 were 8.4 Mt with a grade of 14.65 g/t gold. Although exploration continues, the company has temporarily reduced capital spending on longer-term growth projects to focus on near-term projects.

At Musselwhite, 125 km north of Pickle Lake, exploration found higher-grade ore in the PQ Deeps area from which production has now started. Work continues on underground infrastructure to support increased ventilation and higher mining rates. Musselwhite's production was 210 500 oz; proven and probable reserves at the end of 2008 were 10.3 Mt with a grade of 6.17 g/t gold.

At Porcupine, near Timmins, mining at the Pamour pit was suspended and surface operations focused on stockpiles as production continued underground. Exploration at Hoyle Pond has extended the primary ore zone another 700 m down dip. Production was 291 000 oz; proven and probable reserves at the end of 2008 were 43.6 Mt with a grade of 1.64 g/t gold.

Richmont Mines Inc. acquired **Patricia Mining Corp.**, consolidating ownership of the Island Gold project located 70 km north of Wawa, Ontario. Press releases indicate the mine produced 38 017 oz of gold in 2008. Plans are to increase production to 650 t/d and to explore to build its reserve base. Proven and probable reserves at year-end were estimated at 1.03 Mt at a grade of 8.72 g/t gold, with additional resources present.

Apollo Gold Corporation permitted the Black Fox mine and mill (formerly Stock mill) and is expanding the cap-

acity of the mill to 2000 t/d. The company delayed the start-up of the underground mine to focus on initial production from the open pit. Mining started in March 2009 and the mill start-up was scheduled for April on stockpiled low-grade ore at an initial rate of 1000 t/d, which was to be eventually increased to 2000 t/d. Probable underground reserves were estimated at 2.1 Mt grading 8.8 g/t gold with an additional 4.4 Mt of probable pit reserves grading 5.2 g/t gold.

Armistice Resources Corp. intends to bring its McGarry project, adjoining the former Kerr Addison gold mine at Virginiatown in eastern Ontario, into production. The shaft has been dewatered and the underground workings have been rehabilitated and expanded for exploration access. A development and production plan for the upper levels from 1250 to 2250 feet below surface concluded an operation of 350-600 st/d would be feasible. Indicated resources in early 2009 were 492 000 st at a grade of 0.23 oz/st gold.

Northgate Minerals Corporation expects to complete a full feasibility study before the end of the year after exploration conducted for a preliminary economic assessment almost tripled resources. Refurbishment of the shaft and underground development and dewatering of the old mine continue. The company signed a Memorandum of Understanding early last year with the Matachewan First Nation and has completed traditional knowledge studies with its help. At the end of December 2008, measured and indicated reserves (pit and underground) were estimated at 30.9 Mt at a grade of 3.31 g/t gold with an additional 7 Mt of inferred resources.

Claude Resources Inc. continued its ongoing surface exploration on the Madsen property in Red Lake and has rehabilitated and permitted the 1200-m shaft to allow underground exploration. Dewatering the mine had progressed to the 12th level at year-end and, during 2009, the company planned to test the strike and dip extensions of the 8 Zone from both surface and underground. The underground drill program started in December from the 10th level and has obtained encouraging results near the mine and at the former Starratt Olsen mine 2 km south of Madsen.

Rubicon Minerals Corp. conducted advanced exploration at its Phoenix gold project in Red Lake. The company received permits to dewater and rehabilitate the Phoenix shaft to carry out an advanced underground exploration program that includes deepening the shaft with drifting to provide access for further drilling of the high-grade F2 gold zone 450 m southeast of the existing shaft.

As in other provinces, exploration includes larger-tonnage, lower-grade projects. At one of the more advanced projects around the former Detour Lake mine in northeastern Ontario, **Detour Gold Corporation** reported in June measured and indicated resources of 242.9 Mt grading 1.38 g/t gold using a cut-off grade of 0.5 g/t. The company expected

a feasibility study to be completed in 2009. Other projects include: the **Moss Lake Gold Mines Ltd.** project in the Shebandowan area 100 km west of Thunder Bay; **Opawica Explorations Inc.** located near Kenora; **Planet Exploration Inc.** with **Goldcorp** at Sidace Lake, 25 km northeast of Balmertown; and **Rainy River Resources Ltd.** situated 50 km northwest of Fort Frances.

Quebec

Agnico Eagle Mines Limited has three projects under way in northwestern Quebec: Goldex, Lapa, and the extension to the LaRonde mine near Cadillac.

Goldex (60 km east of LaRonde) achieved commercial production on August 1, 2008, with payable production of 57 435 oz in 2008. At December 31, 2008, proven mineral reserves were 0.4 Mt grading 1.95 g/t gold with probable reserves of 23.4 Mt at 2.05 g/t gold. Exploration is under way to better define the deposit.

Lapa, located 11 km east of LaRonde, is nearing completion. Mining started in December 2008; gold production will start in early 2009 and is expected to average 115 000 oz/y through 2015, with approximately 55 000 oz produced in 2009. Ore will be trucked to the LaRonde mill. Probable mineral reserves amounted to 3.7 Mt at a grade of 8.8 g/t gold in December 2008.

The LaRonde extension project continues for access to ore that is not accessible by the Penna shaft. At year-end, the internal shaft had reached a depth of 420 m of the eventual total of 835 m. Upon completion, the LaRonde mine extension will be one of the deepest operations in the Western Hemisphere with an expected depth of 3110 m. Production from the LaRonde mine extension of about 340 000 oz/y is expected in 2011.

Alexis Minerals Corporation decided to place the Lac Herbin deposit near Val-d'Or into production in early 2008, reaching full production in October. Exploration and development of the mine via a ramp continue, and the company reported that it produced 18 115 oz in 2008 and expected to produce 40 000 oz in 2009. Measured and indicated resources were 856 300 t grading 7.5 g/t gold at the end of 2008. Alexis has received Certificates of Authorization for dewatering an exploration ramp driven in 1992, for underground exploration, and for a 40 000-t bulk sampling program as part of a pre-feasibility study at Lac Pelletier near Rouyn-Noranda. Alexis is refurbishing the 1400-t/d Aurbel gold mill located 1 km east of Lac Herbin to process feed from its deposits and from its other properties in the area.

Metanor Resources Inc. reached commercial production at the Barry pit, located about 65 km southeast of the Bachelor Lake mill at Desmaraisville, on October 1, 2008. The mill was refurbished and its capacity was raised to 800 t/d in early 2009. The company reported that it had

produced 13 000 oz prior to October and 5062 oz in the last three months of the year. In 2009, Metanor plans to raise the capacity of the mill to 1200 t/d to process additional feed from the Bachelor Lake and Hewfran deposits.

Century Mining Corporation announced the temporary closure of the Lamaque underground mine near Val-d'Or in July 2008 and sought additional financing to reactivate it. Proven and probable reserves in underground resources were announced early in 2008 totaling 7.7 Mt grading 4.56 g/t gold with additional inferred resources.

Campbell Resources Inc. announced that mining operations at its Copper Rand mine near Chibougamau would stop in December 2008 after the company met with financial difficulties. It had previously announced that it had suspended a bulk sample exploration program at the Corner Bay property in October. The company reported that Copper Rand produced 5659 oz of gold to the end of October 2008 and had entered into creditor protection in January.

Inmet Mining Corporation continued mining at Troilus, 175 km north of Chibougamau. The company completed mining high-grade ore from the bottom of the pit and expects to stop mining in mid-2009; milling of stockpiled material will continue until closure of the operation, which is expected later in 2009. Layoffs of mining and maintenance personnel began at the end of March 2009 and will continue once the primary reclamation activities and pit clean-up are completed. The company reported production of 151 300 oz in 2008 and that it expected to produce 132 000 oz in 2009.

IAMGOLD worked at its Doyon Division, 40 km east of Rouyn-Noranda, where extensions of gold-bearing horizons in the Blake River Group known in the Doyon mines have been identified at Westwood, 2 km to the east. A scoping study completed in early 2009 proposes production in early 2013; during the first 13 years, production is expected to average 200 000 oz/y. An exploration shaft with a planned depth of 2000 m was started in mid-2008. Inferred resources with no cut-off grade were estimated at 21.9 Mt with a grade of 5.5 g/t gold.

Exploration continues, including below the existing shaft accessing the main Doyon mineralized structures. The Doyon mine is currently scheduled to close in the third quarter of 2009, but Mouska is expected to continue until at least the end of the year. IAMGOLD completed mining its reserves at the Sleeping Giant mine in the fourth quarter of 2008 and sold the property to Cadiscor Resources. The head grade in the last quarter that the mine operated was 13.4 g/t gold. Company reports indicate the mine produced 69 000 oz in 2008.

Osisko Exploration Ltd. continues work in the Malartic area of northwestern Quebec, focusing on its Canadian Malartic project. Although this area has seen significant gold production from very high-grade deposits, Osisko is

focused on a project with a large tonnage of lower-grade mineralization. A feasibility study completed in 2008 determined that a production rate of 55 000 t/d would maximize the value of the known deposit when mined by pit with a strip ratio of 1.78:1. It outlined 183 Mt of mineralization at a grade of 1.07 g/t gold in proven and probable reserves with production expected to start in 2011 for a mine life of nine years. Exploration in the area of the deposit continues and Osisko has outlined an additional 73.7 Mt of inferred resources at a grade of 1.05 g/t gold in the Canadian Malartic and South Barnat deposits. Work on permitting the operation continued through 2008 and the Environmental Impact Statement was accepted for public consultation in early 2009. Once approved, construction was expected to start in mid-2009.

Goldcorp Inc. continued work at the Éléonore project located in the Ell Lake area in the James Bay region of Quebec. Permits were received for a winter road and airstrip that have been installed, and Hydro-Québec has started installation of a power line to the project. Although extensive exploration to better define the deposit continued in 2008, and the mine environmental and social impact assessment work continues, expenditures on an exploration shaft and other infrastructure have been deferred in 2009 to focus on other more advanced Goldcorp projects. A feasibility study is expected by the end of 2009. At the end of 2008, the project had measured and indicated resources of 7.05 Mt with a grade of 10.05 g/t gold and an additional inferred resource of 7.39 Mt with a grade of 12.75 g/t gold.

Cadiscor Resources Inc. completed the acquisition of the Sleeping Giant mine and mill, 80 km north of Amos, from IAMGOLD. A technical report on the property outlined a measured and indicated resource of 489 000 t grading 9.7 g/t gold, of which a portion was accessible from the mine. Cadiscor also published a scoping study on the Discovery project located 35 km northwest of Lebel-sur-Quévillon. Indicated resources, using a 3-g/t cut-off, were estimated at 1.3 Mt with a grade of 5.74 g/t gold (cut to 35 g/t), with a comparable tonnage of inferred resources. The company was seeking funding to restart the Sleeping Giant operation when it agreed to merge with North American Palladium Ltd. in early 2009.

Rocmec Mines Inc. continued working on its Rocmec 1 (Russian Kid) project in northwestern Quebec west of Rouyn-Noranda. The company received permission from the Quebec government to operate a 75-t/d plant installed underground in the mine. Rocmec planned to process stockpiled mineralization that had been broken using a thermal fragmentation process.

Northern Star Mining Corporation received approval for a ramp at the company's Malartic-Midway gold project for underground exploration of zones intersected in surface drilling and bulk sampling of two known and one recently discovered mineralized zones. The sample will be trucked to the company's Beacon mill, which was upgraded in 2007 and is located 30 km east of the project. Indicated resources

to a depth of 365 m within the gabbro total 930 107 t with a grade of 5.83 g/t gold, with an additional inferred resource of 572 412 t with a grade of 6.56 g/t gold. Additional resources are present and planning continues for use of an existing shaft to access the zones.

Noront Resources Ltd. conducted underground exploration at Windfall Lake, 100 km east of Lebel-sur-Quévillon near Metanor's Barry mine, after it signed a Memorandum of Understanding with the Waswanipi Cree First Nation to conduct underground exploration in an area of high-grade drill intersections. Unfortunately, results were inconclusive and the property has been placed on care and maintenance to help preserve Noront's liquidity.

Cogitore Resources Inc. completed the feasibility study for Estrades, located approximately 95 km northeast of La Sarre in northwestern Quebec. After reviewing the study, Cogitore decided to place the project on hold. Probable reserves were estimated at 451 900 t with a grade of 9.78% zinc, 0.95% copper, 0.95% lead, 5.28 g/t gold, and 169.31 g/t silver.

Aurizon Mines Ltd. reported its production was 158 830 oz in 2008 from the Casa Berardi mine 95 km north of La Sarre in northwestern Quebec and that it expected about the same production in 2009. Proven and probable reserves at the end of 2008 were estimated at 3.8 Mt grading 7.8 g/t gold. Aurizon is also working on the Joanna gold project on the Cadillac Break, 20 km east of Rouyn-Noranda, where it started a pre-feasibility study on this deposit. In December 2008, measured and indicated resources were 33.8 Mt with a grade of 1.4 g/t gold (cut-off grade of 0.5 g/t).

Newfoundland and Labrador

Anaconda Mining Inc. worked on its Pine Cove project on the Baie Verte Peninsula. Production started in May 2008 with the first bar poured in July. However, the project has still not reached commercial production rates due to problems with the mill. As a result, an agreement was made with Crew Gold for toll processing of up to 200 000 t of ore from the Pine Cove mine at the Nugget Pond mill starting in June 2009 for a period of 12 months.

Rambler Metals & Mining PLC worked to bring the Ming mine property located on the Baie Verte Peninsula back into production. The company dewatered the mine and started underground development to access previously known and newly discovered zones of mineralization. An updated resource estimate published in February 2009 contained 3.6 Mt of measured and indicated resources with an estimated grade of 2.2% copper, 1.37 g/t gold, 7.86 g/t silver, and 0.39% zinc with additional inferred resources. A cost reduction program to conserve capital was implemented in early 2009 and work continues on financing the project. The company is looking at a 4000-t/d operation with an expected mine life of over 10 years.

Nova Scotia

Atlantic Gold NL worked to advance its low-grade, high-tonnage Touquoy gold project located about 100 km north of Halifax. Provincial environmental approval of the project was received in early 2008, and work on finalizing permits and a feasibility study for an open-pit mining/processing operation continued through early 2009. Measured, indicated and inferred resources were estimated at 13.2 Mt with a grade of 1.5 g/t gold. Work on exploration to expand this resource is under way and work on funding the project continues. The company also worked on a similar deposit at Cochrane Hill, located 80 km east of Touquoy.

Acadian Mining Corporation continues work at Scotia Goldfields in eastern Nova Scotia. The project includes two large-tonnage, low-grade deposits: the Fifteen Mile Stream gold property located 95 km northeast of Halifax where 2.7 Mt of inferred resources have been estimated to have a cut grade of 1.91 g/t gold using a cut-off at 1 g/t; and the Beaver Dam property, 135 km east of Halifax, with indicated resources of 9 Mt at a grade of 1.53 g/t gold. A similar amount of inferred resources is also present. Acadian proposed to spin off gold properties to a new public company (Annapolis Gold Corporation), but market conditions delayed that. The company continues to pursue debt and equity funding to advance its gold projects.

Nunavut

Comaplex Minerals Corp. continued exploration at the Meliadine project, 25 km northwest of Rankin Inlet near Hudson Bay. An underground bulk sampling program on the Tiriganiaq deposit, completed in August 2008, mined 25 500 t of mineralized material from iron formation-hosted and quartz shear-hosted mineralization; the average undiluted grades were 9.1 g/t and 21.1 g/t, respectively. A preliminary economic assessment gave positive results and the company is starting a full feasibility study and is permitting the operation. As of February, total indicated resources for three deposits on the property are above 2 million oz and inferred resources total more than 1.6 million oz with grades ranging from 4.1 to 11.1 g/t gold. A mining rate of 3000 t/d from an open pit and an underground mine would result in a mine life of about 10 years. Additional drilling and fundraising are planned.

Agnico Eagle Mines Limited worked on the Meadowbank deposit, approximately 70 km north of Baker Lake, west of Hudson Bay. A 110-km all-weather road was completed from Baker Lake and construction of the permanent 350-person camp is nearing completion. A mill building, a service building, and the powerhouse were enclosed with mechanical installation under way. Work continues to finalize all required permits, and exploration is continuing to outline the deposits to support resource to reserve conversion and a scoping study initiated in 2008 to assess the feasibility of increasing the proposed production rate from

8500 to 10 000 t/d. Results of the study are expected in the third quarter of 2009. Agreements were in place with the Nunavut government, Nunavut Tunngavik, and the Kitikmeot Inuit Association, with production expected in early 2010. The mine is expected to produce an average of 335 000 oz/y from 2010 to 2018. At year-end, the Meadowbank mine project had probable mineral reserves of 32.7 Mt grading 3.45 g/t gold with additional inferred and probable resources.

CBR Gold Corp. (formerly Committee Bay Resources Ltd.) continued work on its Three Bluffs gold deposit located northeast of Baker Lake, 430 km northwest of the hamlet of Rankin Inlet. The company has started a scoping study of the deposit to look at two open-pit development options: one for a 1200-t/d mine and mill, and a second for a smaller operation that would be later expanded. The 2008 drilling extended the strike length of the mineralized trend by over 500 m. The company has outlined an indicated resource of 2.7 Mt at a grade of 5.85 g/t gold and an inferred resource of 1.27 Mt at a grade of 5.98 g/t gold.

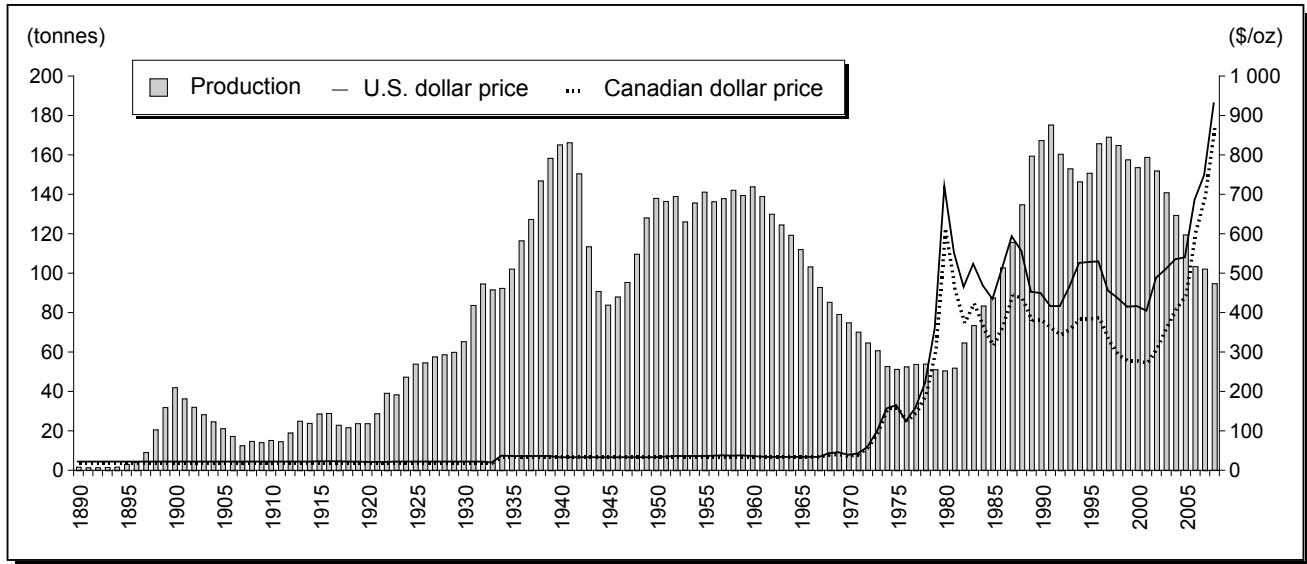
Newmont Mining Corporation continued exploration on a number of deposits in the Hope Bay area near Bathurst Inlet to expand reserves. To date, three gold deposits have been discovered: Doris North, a few miles from the Arctic Ocean; Madrid, about 5 miles inland from Doris; and Boston, about 27 miles south of Madrid. At the Doris North project, Miramar had received a water licence and expected milling operations would start in late 2008 once additional permits were received. However, all permits were not in place in time for the 2008 sea lift and shipping season, and the project was delayed. Newmont has subsequently completed some of the permitted infrastructure at the site, but put the project on hold. In 2007, Miramar reported that Doris North and Doris Central host an indicated resource of about 1.1 Mt at a grade of 19.3 g/t gold. Newmont has subsequently continued exploration to expand resources.

Northwest Territories

As in other locations, companies are looking at large-tonnage deposits with by-product gold credits or lower-grade gold deposits.

Fortune Minerals Limited worked on the NICO gold-cobalt-bismuth-copper deposit located 160 km northwest of Yellowknife on which a definitive feasibility study was completed in 2007. Buildings and equipment previously used at the Golden Giant mine in Hemlo, Ontario, were purchased for use at the site and engineering studies were completed to upgrade the mill to a grinding capacity of 4650 t/d. Underground development has collected a bulk sample from the deposit that was processed in a pilot plant, and test work was completed to support the planned hydro-metallurgical process to transform flotation concentrates to doré, cobalt (99.8%), and bismuth (99.5%) cathodes, with copper and nickel by-products. Work for the environmental assessment is in progress for permitting the mine; the

Figure 3
Historical Mine Production of Gold in Canada, 1890-2008



Source: Natural Resources Canada.

company expects production to start in 2012. The deposit has 21.8 Mt of proven and probable reserves with a grade of 1.08 g/t gold, 0.13% cobalt, and 0.16% bismuth.

Seabridge Gold Inc. plans to advance its Courageous Lake property for sale or a joint venture. Courageous Lake is located approximately 240 km northeast of Yellowknife and has measured and indicated resources of 59.3 Mt with a grade of 2.22 g/t gold and an additional inferred resource of 93.7 Mt with a grade of 1.98 g/t gold.

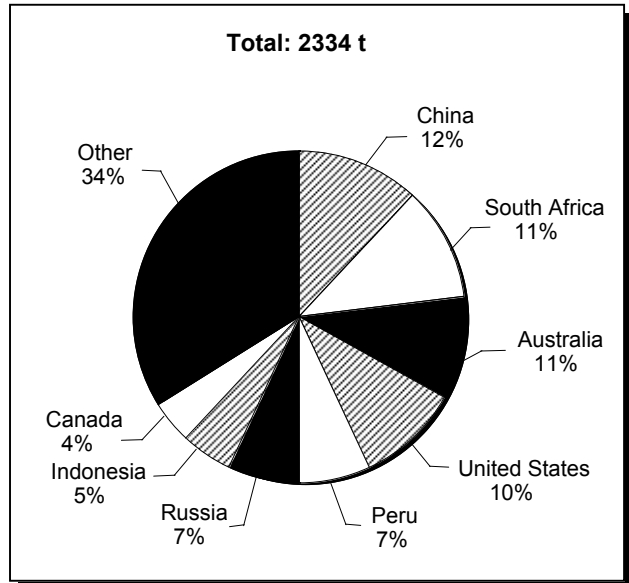
Tyhee Development Corp. has been working on the Yellowknife gold project located 90 km north of Yellowknife and has completed a preliminary assessment of the project. A pre-feasibility study and work towards environmental permitting are under way. The deposits host a measured and indicated resource of almost 17 Mt with a grade of 3.39 g/t gold.

GLOBAL CONTEXT

Gold is produced from mines on every continent with the exception of Antarctica (where mining is not permitted) in operations ranging from artisanal small enterprises employing just a few individuals to very large-scale industrial complexes with hundreds of employees.

The World Gold Council reported data generated by GFMS Limited that shows, by weight, an overall 9% decline in jewellery demand, a 25% increase in medals and coins, and a 6% decline in industrial and dental demand. Together this

Figure 4
World Mine Production of Gold, 2007



Sources: Natural Resources Canada; GFMS Limited.

represents a 7% increase in total demand to 3804 t in 2008 although, on a value basis, demand increased by 33%.

On the investment side, currency fluctuations and the risk of inflation have provided added incentives for investors to put their money into gold, and retail investment doubled in

2008 to 863 t. The introduction of gold exchange traded funds (ETFs) in 2003 has also made it easier for investors to invest in gold. In the ETFs monitored by the World Gold Council, total holdings in March amounted to an estimated 1658 t of gold with a very strong increase in the first quarter of 2009. For more details on gold demand, see the GFMS web site at www.gfms.co.uk and the World Gold Council's web site at www.gold.org.

The second central bank gold agreement on sales of gold by countries expires on September 26, 2009. The World Gold Council has published statistics showing an additional 415 t could be sold in 2009; however, some countries, including China and Russia, have increased gold purchases for their reserves and have somewhat countered these sales.

OUTLOOK

Mature mines, reduced development expenditures, and a longer-term lack of exploration spending have resulted in declines in Canadian and global gold production. However, from 2002 to 2007, increased exploration spending has increased the reserves and resources associated with existing and new deposits and older mining camps.

The turmoil seen in credit and financial markets, coupled with increasing costs, particularly for energy, have slowed development. This turmoil, coupled with unprecedented global government spending and quantitative easing, are all likely to provide support to gold prices in the longer term as investors focus on hard assets such as gold to avoid potential inflationary consequences.

Recently, the credit situation has improved for companies with gold credits and, on a two- to four-year horizon, at current price levels, the decline in global gold production should be countered by new and expanded output as companies expand production from new, existing, and former gold mines in response to expectations for continued strength in gold prices.

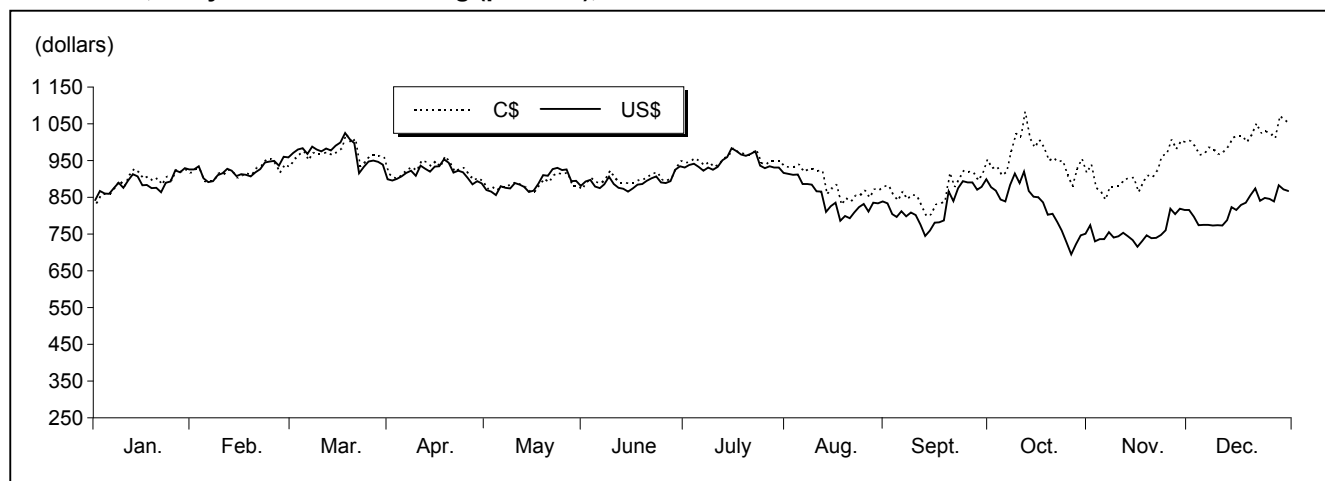
Rates of increase in investment demand have risen sharply and, as a result, gold prices are expected to remain above longer-term averages in 2009 and 2010. If the current turmoil in credit and currency markets continues, it is likely that prices for gold will reach new highs in most currencies late in 2009 or in 2010.

Notes: (1) For definitions and valuation of mineral production, shipments and trade, please refer to Chapter 58. (2) Information in this review was current as of January 16, 2009. (3) This and other reviews, including previous editions, are available on the Internet at www.nrcan-rncan.gc.ca/mms-smm/busi-indu/cmy-amc/com-eng.htm.

NOTE TO READERS

The intent of this document is to provide general information and to elicit discussion. It is not intended as a reference, guide or suggestion to be used in trading, investment, or other commercial activities. The author and Natural Resources Canada make no warranty of any kind with respect to the content and accept no liability, either incidental, consequential, financial or otherwise, arising from the use of this document.

Figure 5
Gold Price, Daily London Gold Fixing (p.m. Fix), 2008



Sources: Natural Resources Canada; London Bullion Market Association (p.m. Fix - US\$); Bank of Canada (US\$ close).

TARIFFS

| Item No. | Description | Canada | | | United States | EU | Japan |
|----------|--|---------|------|------|---------------|-----------------------|---------|
| | | MFN | GPT | USA | Canada | Conventional Rate (1) | WTO (2) |
| 2603.00 | Copper ores and concentrates | Free | Free | Free | Free | Free | Free |
| 2604.00 | Nickel ores and concentrates | Free | Free | Free | Free | Free | Free |
| 2607.00 | Lead ores and concentrates | Free | Free | Free | Free | Free | Free |
| 2608.00 | Zinc ores and concentrates | Free | Free | Free | Free | Free | Free |
| 2616.10 | Precious metal ores and concentrates: silver ores and concentrates | Free | Free | Free | Free | Free | Free |
| 2616.90 | Precious metal ores and concentrates: other | Free | Free | Free | Free | Free | Free |
| 71.08 | Gold (including gold plated with platinum), unwrought or in semi-manufactured forms, or in powder form | | | | | | |
| 7108.11 | Non-monetary: powder | Free | Free | Free | Free | Free | Free |
| 7108.12 | Non-monetary: other unwrought forms | Free | Free | Free | Free | Free | Free |
| 7108.13 | Non-monetary: other semi-manufactured forms | Free-4% | Free | Free | Free | Free | Free |

Sources: Canadian *Customs Tariff*, effective January 2009, Canada Border Services Agency; *Harmonized Tariff Schedule of the United States*, 2009; *Official Journal of the European Union* (Tariff Information), September 19, 2008 edition; *Customs Tariff Schedules of Japan, 2009*.

(1) The customs duties applicable to imported goods originating in countries that are Contracting Parties to the General Agreement on Tariffs and Trade or with which the European Community has concluded agreements containing the most-favoured-nation tariff clause shall be the conventional duties shown in column 3 of the Schedule of Duties. (2) WTO rate is shown; lower tariff rates may apply circumstantially.

TABLE 1. CANADA, GOLD PRODUCTION BY PROVINCE AND TERRITORY, 2006-08

| | 2006 | | 2007 | | 2008 (p) | |
|---------------------------|-------------|-----------|-------------|-----------|------------|-----------|
| | (grams) | (\$000) | (grams) | (\$000) | (grams) | (\$000) |
| PRODUCTION | | | | | | |
| Newfoundland and Labrador | – | – | 81 733 | 1 968 | 126 336 | 3 762 |
| New Brunswick | 278 727 | 6 142 | 230 187 | 5 542 | 202 928 | 6 043 |
| Quebec | 23 368 819 | 514 932 | 27 218 510 | 655 258 | 28 099 433 | 836 745 |
| Ontario | 57 339 714 | 1 263 481 | 55 412 272 | 1 333 995 | 49 736 342 | 1 481 049 |
| Manitoba | 3 486 981 | 76 836 | 3 721 325 | 89 587 | 3 806 791 | 113 359 |
| Saskatchewan | 1 505 188 | 33 167 | 1 391 134 | 33 490 | 1 374 525 | 40 931 |
| Alberta | 100 906 | 2 223 | 52 564 | 1 265 | 55 986 | 1 667 |
| British Columbia | 15 600 126 | 343 749 | 12 039 562 | 289 840 | 9 172 718 | 273 145 |
| Yukon | 1 832 741 | 40 384 | 2 063 541 | 49 678 | 2 245 124 | 66 855 |
| Total | 103 513 202 | 2 280 913 | 102 210 828 | 2 460 623 | 94 820 183 | 2 823 555 |
| Mine output | 104 448 159 | .. | 102 377 000 | .. | 95 614 000 | .. |

Sources: Natural Resources Canada; Statistics Canada.

– Nil; .. Not available; (p) Preliminary.

Note: Numbers may not add to totals due to rounding.

TABLE 2. CANADA, GOLD TRADE, 2006-08

| | | 2006 | | 2007 | | 2008 (p) | |
|--------------------|-------------------------------|--------------------|------------------|--------------------|------------------|--------------------|------------------|
| | | (grams) | (\$000) | (grams) | (\$000) | (grams) | (\$000) |
| EXPORTS | | | | | | | |
| 2600.00 (1) | Gold in ores and concentrates | | | | | | |
| | Japan | 2 352 813 | 44 555 | 1 847 020 | 38 773 | 1 342 631 | 36 388 |
| | China | 129 833 | 2 622 | 435 054 | 10 277 | 393 293 | 11 515 |
| | South Korea | 297 407 | 5 411 | 176 720 | 3 287 | 401 113 | 9 460 |
| | Germany | — | — | 39 498 | 989 | 31 076 | 884 |
| | Belgium | 30 603 | 679 | 41 494 | 973 | 27 575 | 702 |
| | Philippines | 28 800 | 496 | 11 489 | 227 | 19 326 | 435 |
| | United States | 1 016 922 | 13 041 | 411 331 | 2 022 | 30 676 | 356 |
| | India | 148 976 | 3 378 | 106 705 | 2 527 | 14 567 | 316 |
| | Other countries | 1 017 665 | 19 662 | 8 417 151 | 33 358 | 100 | 3 |
| | Total | 5 023 019 | 89 844 | 11 486 462 | 92 433 | 2 260 357 | 60 059 |
| 7108.11 | Gold powder | | | | | | |
| | United States | 396 194 | 4 281 | 59 697 | 719 | 19 267 | 509 |
| | Thailand | — | — | — | — | 298 | 5 |
| | Total | 396 194 | 4 281 | 59 697 | 719 | 19 565 | 514 |
| 7108.12 | Other unwrought forms | | | | | | |
| | United Kingdom | 139 149 025 | 3 067 977 | 119 384 513 | 2 886 846 | 147 445 342 | 4 404 132 |
| | United States | 93 092 390 | 2 044 698 | 92 761 014 | 2 216 882 | 91 137 308 | 2 699 425 |
| | Switzerland | 8 189 855 | 173 489 | 24 214 678 | 560 219 | 16 629 077 | 474 095 |
| | Hong Kong | 497 656 | 10 368 | 974 922 | 23 129 | 6 658 403 | 192 986 |
| | United Arab Emirates | 1 656 013 | 38 056 | 4 838 541 | 115 590 | 6 978 470 | 192 299 |
| | India | 109 800 | 2 624 | 36 000 | 844 | 2 137 403 | 59 774 |
| | South Africa | — | — | — | — | 2 024 431 | 55 932 |
| | China | 1 277 | 29 | 4 530 | 103 | 507 596 | 13 589 |
| | Italy | — | — | 13 096 | 280 | 58 466 | 1 421 |
| | Thailand | 502 | 12 | — | — | 49 843 | 1 259 |
| | Germany | — | — | 19 981 091 | 23 748 | 40 582 | 1 153 |
| | Pakistan | 11 895 | 275 | 6 000 | 132 | 5 013 000 | 491 |
| | Japan | 4 000 | 91 | 515 953 | 13 003 | 8 313 | 222 |
| | Other countries | 13 396 | 206 | 22 724 | 507 | 14 825 | 381 |
| | Total | 242 725 809 | 5 337 825 | 262 753 062 | 5 841 283 | 278 703 059 | 8 097 159 |
| 7108.13 | Other semi-manufactured forms | | | | | | |
| | United States | 2 033 953 | 27 934 | 2 849 508 | 40 473 | 2 212 103 | 40 501 |
| | Mexico | — | — | 8 926 | 113 | 11 335 | 175 |
| | India | — | — | — | — | 6 000 | 173 |
| | Trinidad and Tobago | 2 524 | 45 | 5 222 | 57 | 5 097 | 84 |
| | Other countries | 180 543 | 1 626 | 102 654 | 2 179 | 2 589 | 57 |
| | Total | 2 217 020 | 29 605 | 2 966 310 | 42 822 | 2 237 124 | 40 990 |
| | Total exports | 250 362 042 | 5 461 555 | 277 265 531 | 5 977 257 | 283 220 105 | 8 198 722 |
| IMPORTS (2) | | | | | | | |
| 2600.00 (3) | Gold in ores and concentrates | | | | | | |
| | United States | 1 329 158 | 23 967 | 4 085 045 | 80 581 | 15 320 607 | 144 220 |
| | Greenland | — | — | 2 373 872 | 45 450 | 1 544 253 | 34 280 |
| | Peru | 300 659 | 5 266 | 264 845 | 5 813 | 569 049 | 14 864 |
| | Bulgaria | 354 329 | 5 640 | 814 211 | 16 178 | 485 167 | 12 674 |
| | Australia | 662 637 | 11 630 | — | — | 4 574 206 | 5 095 |
| | Philippines | 37 673 | 767 | 17 825 | 390 | 66 538 | 1 869 |
| | Zimbabwe | — | — | — | — | 25 172 | 648 |
| | Other countries | 2 578 037 | 45 494 | 250 389 | 5 194 | 1 662 | 33 |
| | Total | 5 262 493 | 92 764 | 7 806 187 | 153 606 | 22 586 654 | 213 683 |
| 7108.11 | Gold powder | | | | | | |
| | Ghana | — | — | — | — | 250 000 | 2 656 |
| | United States | 18 020 | 267 | 60 080 | 1 164 | 11 081 | 133 |
| | Other countries | 3 428 | 54 | 2 187 | 32 | 911 | 13 |
| | Total | 21 448 | 321 | 62 267 | 1 196 | 261 992 | 2 802 |

TABLE 2 (cont'd)

| | | 2006 | | 2007 | | 2008 (p) | |
|-------------------------|-------------------------------|--------------------|------------------|--------------------|------------------|--------------------|------------------|
| | | (grams) | (\$000) | (grams) | (\$000) | (grams) | (\$000) |
| IMPORTS (cont'd) | | | | | | | |
| 7108.12 | Other unwrought forms | | | | | | |
| | Peru | 156 694 604 | 1 118 888 | 94 516 980 | 1 312 225 | 92 978 404 | 1 603 452 |
| | United States | 6 938 040 | 144 459 | 12 060 112 | 267 877 | 20 509 770 | 580 209 |
| | Mexico | 3 327 118 | 60 839 | 7 539 545 | 147 110 | 51 251 092 | 310 195 |
| | Suriname | 17 835 974 | 212 939 | 7 333 422 | 190 708 | 8 861 500 | 302 317 |
| | Guyana | 5 870 724 | 132 052 | 6 397 443 | 151 794 | 7 047 232 | 213 404 |
| | Mongolia | 15 344 943 | 193 230 | 9 155 165 | 191 385 | 6 645 819 | 187 637 |
| | United Arab Emirates | — | — | — | — | 4 006 495 | 116 227 |
| | Switzerland | 8 131 | 417 | 141 963 | 2 131 | 3 519 093 | 107 720 |
| | Georgia | 6 967 972 | 54 289 | 6 587 329 | 65 796 | 8 128 344 | 105 358 |
| | Sudan | 6 607 210 | 71 240 | 5 571 136 | 64 467 | 3 402 114 | 67 753 |
| | Argentina | 7 507 454 | 54 148 | 2 808 398 | 55 133 | 2 116 057 | 55 822 |
| | Nicaragua | 2 597 737 | 31 892 | 3 407 068 | 39 590 | 2 457 222 | 38 529 |
| | Chile | 121 044 002 | 208 751 | 87 505 511 | 140 428 | 1 372 945 | 28 251 |
| | Brazil | 4 254 766 | 82 659 | 1 725 590 | 56 953 | 767 382 | 22 850 |
| | United Kingdom | — | — | 4 548 566 | 119 364 | 15 194 | 14 361 |
| | Canada | 125 500 | 2 673 | 881 369 | 20 222 | 146 134 | 3 824 |
| | South Africa | 4 145 362 | 78 426 | 1 301 821 | 29 785 | 58 763 | 1 638 |
| | Germany | 131 624 | 2 280 | 100 753 | 1 745 | 76 968 | 1 627 |
| | Armenia | — | — | — | — | 86 000 | 1 547 |
| | Bolivia | 8 771 | 206 | 22 301 | 303 | 874 515 | 1 536 |
| | Other countries | 6 911 019 | 76 414 | 6 709 088 | 71 220 | 68 145 | 492 |
| | Total | 366 320 951 | 2 525 802 | 258 313 560 | 2 928 236 | 214 389 188 | 3 764 749 |
| 7108.13 | Other semi-manufactured forms | | | | | | |
| | United States | 1 467 919 | 12 856 | 2 298 426 | 11 974 | 2 113 449 | 15 269 |
| | Croatia | 38 704 | 632 | 254 304 | 4 776 | 323 238 | 3 387 |
| | Canada | 4 857 | 93 | 10 057 | 231 | 18 975 | 462 |
| | United Arab Emirates | 2 709 | 53 | 11 728 | 228 | 12 895 | 222 |
| | India | 197 | 3 | 3 575 | 61 | 10 204 | 222 |
| | Italy | 19 983 | 144 | 26 102 | 177 | 16 060 | 177 |
| | Switzerland | 80 189 | 1 558 | 68 328 | 1 843 | 5 935 | 172 |
| | Germany | 28 024 | 129 | 26 099 | 180 | 34 272 | 170 |
| | Armenia | 9 220 | 374 | 5 204 | 233 | 2 333 | 118 |
| | China | 384 | 10 | 21 471 | 82 | 35 990 | 76 |
| | Other countries | 213 902 | 2 997 | 104 255 | 1 427 | 23 913 | 237 |
| | Total | 1 866 088 | 18 849 | 2 829 549 | 21 212 | 2 597 264 | 20 512 |
| | Total imports | 373 470 980 | 2 637 736 | 269 011 563 | 3 104 250 | 239 835 098 | 4 001 746 |

Sources: Natural Resources Canada; Statistics Canada.

— Nil; . . . Amount too small to be expressed; (p) Preliminary.

(1) Includes HS classes 2603.00.82, 2607.00.82, 2608.00.82, 2616.10.82 and 2616.90.82. (2) Imports from "other countries" may include re-imports from Canada.

(3) Includes HS classes 2603.00.00.82, 2604.00.00.82, 2607.00.00.82, 2608.00.00.82, 2616.10.00.82 and 2616.90.00.20.

Note: Numbers may not add to totals due to rounding.

TABLE 3. CANADA, GOLD PRODUCTION BY SOURCE, HISTORICAL, 1988-2008

| | Auriferous Quartz Mines | | Placer Operations | | Base-Metal Ores | | Total | |
|----------|----------------------------|-------|----------------------|-----|--------------------|-------|---------|-----|
| | (kg) | (%) | (kg) | (%) | (kg) | (%) | (kg) | (%) |
| 1988 | 112 404 | 83.40 | 4 879 | 3.6 | 17 530 | 13.00 | 134 813 | 100 |
| 1989 | 138 211 | 86.70 | 5 354 | 3.4 | 15 930 | 10.00 | 159 494 | 100 |
| 1990 | 147 355 | 88.00 | 3 993 | 2.4 | 16 025 | 9.6 | 167 373 | 100 |
| 1991 | 153 859 | 87.80 | 3 834 | 2.2 | 17 589 | 10.00 | 175 282 | 100 |
| 1992 | 141 965 | 88.50 | 3 469 | 2.2 | 14 917 | 9.3 | 160 351 | 100 |
| 1993 | 137 346 | 89.70 | 3 787 | 2.5 | 11 997 | 7.8 | 153 129 | 100 |
| 1994 | 133 018 | 90.80 | 3 714 | 2.5 | 9 696 | 6.6 | 146 428 | 100 |
| 1995 | 132 834 | 88.00 | 5 303 | 3.5 | 12 730 | 8.4 | 150 867 | 100 |
| 1996 | 147 052 | 89.30 | 3 971 | 2.4 | 13 636 | 8.3 | 164 660 | 100 |
| 1997 | 155 543 | 90.70 | 3 987 | 2.3 | 11 949 | 7.0 | 171 479 | 100 |
| 1998 | 147 574 | 89.60 | 3 098 | 1.9 | 14 102 | 8.6 | 164 773 | 100 |
| 1999 | 141 467 | 89.80 | 3 081 | 2.0 | 13 068 | 8.3 | 157 617 | 100 |
| 2000 | 139 145 | 90.50 | 2 695 | 1.8 | 11 874 | 7.7 | 153 715 | 100 |
| 2001 | 144 815 | 91.20 | 2 461 | 1.5 | 11 598 | 7.3 | 158 875 | 100 |
| 2002 | 140 839 | 92.70 | 2 347 | 1.5 | 8 719 | 5.7 | 151 904 | 100 |
| 2003 | 130 549 | 92.70 | 1 841 | 1.3 | 8 471 | 6.0 | 140 861 | 100 |
| 2004 | 116 993 | 90.40 | 3 557 | 2.7 | 8 928 | 6.9 | 129 478 | 100 |
| 2005 | 107 879 | 90.20 | 2 189 | 1.8 | 9 482 | 7.9 | 119 549 | 100 |
| 2006 | 92 471 | 89.30 | 2 117 | 2.0 | 8 925 | 8.6 | 103 513 | 100 |
| 2007 | 91 131 | 89.16 | 2 240 | 2.2 | 8 840 | 8.6 | 102 211 | 100 |
| 2008 (p) | 82 419 | 86.92 | 1 766 | 1.9 | 10 636 | 11.2 | 94 820 | 100 |

Sources: Natural Resources Canada; Statistics Canada.

(p) Preliminary.

TABLE 4. CANADA, GOLD PRODUCTION, AVERAGE VALUE AND PERCENT OF TOTAL MINERAL PRODUCTION, HISTORICAL, 1988-2008

| | Total Production | Total Value | Average Value (1) | Gold as a Percent of Total Mineral Production (2) |
|----------|---------------------|----------------|----------------------|---|
| | (kg) | (\$000) | (\$/g) | (%) |
| 1988 | 134 813 | 2 331 989 | 17 | 6 |
| 1989 | 159 494 | 2 315 860 | 15 | 6 |
| 1990 | 167 373 | 2 407 654 | 14 | 6 |
| 1991 | 175 282 | 2 338 614 | 13 | 7 |
| 1992 | 160 351 | 2 141 161 | 13 | 6 |
| 1993 | 153 129 | 2 284 991 | 15 | 6 |
| 1994 | 146 428 | 2 468 926 | 17 | 6 |
| 1995 | 150 867 | 2 557 502 | 17 | 6 |
| 1996 | 164 660 | 2 799 547 | 17 | 6 |
| 1997 | 171 479 | 2 527 429 | 15 | 5 |
| 1998 | 164 773 | 2 312 593 | 14 | 5 |
| 1999 | 157 617 | 2 099 302 | 13 | 4 |
| 2000 | 153 715 | 2 044 869 | 13 | 2 |
| 2001 | 158 875 | 2 135 275 | 13 | 3 |
| 2002 | 151 904 | 2 377 303 | 16 | 12 |
| 2003 | 140 861 | 2 307 157 | 16 | 11 |
| 2004 | 129 478 | 2 217 050 | 17 | 9 |
| 2005 | 119 549 | 2 071 787 | 17 | 7 |
| 2006 | 103 513 | 2 280 913 | 22 | 7 |
| 2007 | 102 211 | 2 460 623 | 24 | 6 |
| 2008 (p) | 94 820 | 2 823 555 | 30 | 6 |

Sources: Natural Resources Canada; Statistics Canada.

(p) Preliminary.

(1) Value is based on average London p.m. fix price for gold and Canadian US\$ annual exchange rate from the Bank of Canada. (2) Beginning in 2002, "Total Mineral Production" excludes oil and gas.

TABLE 5. WORLD MINE PRODUCTION OF GOLD, 2004-08

| Country | 2004 | 2005 | 2006 | 2007 | 2008 |
|------------------------|-------|-------|-------|-------|------|
| (tonnes) | | | | | |
| NORTH AMERICA | | | | | |
| Canada (1) | 131 | 121 | 104 | 102 | .. |
| United States | 258 | 256 | 252 | 244 | .. |
| Total North America | 389 | 376 | 356 | 346 | .. |
| AFRICA | | | | | |
| South Africa | 337 | 295 | 272 | 252 | .. |
| Ghana | 63 | 67 | 66 | 77 | .. |
| Mali | 38 | 44 | 52 | 57 | .. |
| Tanzania | 48 | 47 | 40 | 40 | .. |
| Other Africa | 23 | 32 | 29 | 28 | .. |
| Guinea | 16 | 18 | 18 | 16 | .. |
| Congo D.R. | 11 | 9 | 10 | 10 | .. |
| Zimbabwe | 21 | 13 | 11 | 7 | .. |
| Total Africa | 557 | 525 | 499 | 487 | .. |
| LATIN AMERICA | | | | | |
| Peru | 173 | 208 | 203 | 170 | .. |
| Brazil | 48 | 38 | 43 | 50 | .. |
| Mexico | 22 | 27 | 39 | 44 | .. |
| Argentina | 28 | 28 | 44 | 42 | .. |
| Chile | 40 | 40 | 42 | 42 | .. |
| Colombia | 38 | 36 | 16 | 15 | .. |
| Venezuela | 10 | 10 | 12 | 13 | .. |
| Bolivia | 6 | 9 | 10 | 9 | .. |
| Suriname | 9 | 11 | 9 | 9 | .. |
| Guyana | 11 | 8 | 6 | 7 | .. |
| Other | 19 | 21 | 26 | 25 | .. |
| Total Latin America | 404 | 436 | 451 | 425 | .. |
| ASIA | | | | | |
| China | 212 | 255 | 248 | 270 | .. |
| Indonesia | 94 | 143 | 85 | 118 | .. |
| Uzbekistan | 88 | 84 | 77 | 73 | .. |
| Papua New Guinea | 74 | 68 | 56 | 58 | .. |
| Philippines | 35 | 37 | 36 | 40 | .. |
| Mongolia | 19 | 24 | 23 | 20 | .. |
| Kyrgyzstan | 21 | 17 | 10 | 11 | .. |
| Kazakhstan | 19 | 18 | 22 | 22 | .. |
| Japan | 8 | 8 | 9 | 9 | .. |
| Saudi Arabia | 8 | 7 | 5 | 4 | .. |
| Other | 22 | 24 | 22 | 18 | .. |
| Total Asia | 602 | 687 | 592 | 643 | .. |
| EUROPE | | | | | |
| Russia | 169 | 163 | 159 | 157 | .. |
| Sweden | 7 | 5 | 7 | 5 | .. |
| Other | 18 | 12 | 14 | 15 | .. |
| Total Europe | 194 | 181 | 181 | 177 | .. |
| OCEANIA | | | | | |
| Australia | 259 | 263 | 247 | 245 | .. |
| Other | 14 | 13 | 12 | 11 | .. |
| Total Oceania | 273 | 276 | 259 | 256 | .. |
| Total world production | 2 419 | 2 481 | 2 338 | 2 334 | .. |

Source: International Consultative Group on Nonferrous Metals Statistics. Data for 2008 were not available at the time of publishing.

.. Not available.

(1) Production figures for Canada were obtained from Natural Resources Canada.

Note: Numbers may not add to totals due to rounding.

TABLE 6. ANNUAL AVERAGE GOLD PRICES, 1934-2008, AND MONTHLY, 2004-08

| Year | US\$/oz | C\$/oz | Year | US\$/oz | C\$/oz |
|---------|---------|--------|------|---------|--------|
| 1934-67 | 35.00 | .. | 1988 | 436.45 | 554.76 |
| 1968 | 38.82 | 41.82 | 1989 | 381.27 | 451.33 |
| 1969 | 41.13 | 44.29 | 1990 | 383.72 | 447.79 |
| 1970 | 35.97 | 37.54 | 1991 | 362.34 | 415.09 |
| 1971 | 40.87 | 41.27 | 1992 | 343.86 | 415.23 |
| 1972 | 58.22 | 57.66 | 1993 | 360.06 | 464.35 |
| 1973 | 97.22 | 97.24 | 1994 | 384.15 | 524.60 |
| 1974 | 158.80 | 155.36 | 1995 | 384.07 | 526.94 |
| 1975 | 160.96 | 163.76 | 1996 | 387.69 | 528.62 |
| 1976 | 124.78 | 123.01 | 1997 | 328.41 | 454.52 |
| 1977 | 147.80 | 157.10 | 1998 | 294.11 | 435.77 |
| 1978 | 193.51 | 220.74 | 1999 | 278.86 | 413.57 |
| 1979 | 305.69 | 358.12 | 2000 | 279.11 | 414.70 |
| 1980 | 614.38 | 719.08 | 2001 | 271.40 | 403.08 |
| 1981 | 459.22 | 550.57 | 2002 | 309.73 | 486.40 |
| 1982 | 375.52 | 463.51 | 2003 | 363.32 | 509.18 |
| 1983 | 423.52 | 521.82 | 2004 | 409.17 | 531.72 |
| 1984 | 360.63 | 466.99 | 2005 | 444.45 | 538.51 |
| 1985 | 317.35 | 433.21 | 2006 | 603.77 | 684.73 |
| 1986 | 367.58 | 510.73 | 2007 | 695.39 | 747.39 |
| 1987 | 446.66 | 592.18 | 2008 | 871.96 | 929.52 |

| Month | 2004 | | 2005 | | 2006 | | 2007 | | 2008 | |
|-----------|-----------|----------|-----------|----------|-----------|----------|-----------|----------|-----------|----------|
| | (US\$/oz) | (C\$/oz) | (US\$/oz) | (C\$/oz) | (US\$/oz) | (C\$/oz) | (US\$/oz) | (C\$/oz) | (US\$/oz) | (C\$/oz) |
| January | 413.79 | 530.18 | 424.03 | 519.58 | 549.86 | 636.35 | 631.17 | 742.21 | 889.60 | 899.50 |
| February | 404.88 | 531.21 | 423.35 | 524.81 | 555.00 | 637.63 | 664.75 | 778.19 | 922.30 | 921.45 |
| March | 406.67 | 536.32 | 434.32 | 528.18 | 557.09 | 644.78 | 654.90 | 765.07 | 968.43 | 970.40 |
| April | 403.26 | 534.29 | 429.23 | 530.54 | 610.65 | 698.45 | 679.37 | 770.57 | 909.70 | 922.34 |
| May | 383.78 | 522.96 | 421.87 | 529.66 | 675.39 | 749.32 | 666.86 | 730.14 | 888.66 | 888.10 |
| June | 392.37 | 526.98 | 430.66 | 534.11 | 596.15 | 664.01 | 655.49 | 698.21 | 889.49 | 904.37 |
| July | 398.09 | 520.79 | 424.48 | 519.03 | 633.71 | 715.61 | 665.30 | 698.79 | 939.77 | 951.70 |
| August | 400.51 | 520.93 | 437.93 | 527.28 | 632.59 | 707.41 | 665.41 | 704.15 | 839.03 | 884.66 |
| September | 405.28 | 518.16 | 456.05 | 537.04 | 598.19 | 667.68 | 712.65 | 730.72 | 829.93 | 878.31 |
| October | 420.46 | 519.82 | 469.90 | 553.34 | 585.78 | 661.11 | 754.60 | 735.91 | 806.62 | 955.64 |
| November | 439.38 | 523.13 | 476.67 | 562.98 | 627.83 | 713.33 | 806.25 | 779.74 | 760.86 | 926.86 |
| December | 442.08 | 533.76 | 510.10 | 592.23 | 629.79 | 726.15 | 803.20 | 805.73 | 816.09 | 1 007.47 |

Sources: London Bullion Market Association, p.m. fix; Bank of Canada.
 .. Not available.