



Publication of *Gold Survey 2006 - Update 2*

De-hedging Surges on Barrick Buy Back

Today in Toronto, Paul Walker, GFMS' CEO, launched *Gold Survey 2006 Update 2*, which includes estimates of de-hedging for 2006 as well as a forecast for the first half of 2007.

Barrick's buy back of the Placer Dome hedge in the first half of last year proved to be the biggest story in 2006 with de-hedging in the second half relatively muted. In total, a provisional 403 tonnes of gold was cut from the outstanding producer delta-adjusted hedge book.

The significant cut, a close to five-fold increase year-on-year and only slightly lower than the record 422 tonnes set in 2004, left the delta-adjusted global book, as at end-December 2006, at a provisional 1,334 tonnes.

In the shadow of Barrick's massive 246 tonne de-hedge, other contributors to annual de-hedging in 2006 included AngloGold Ashanti with a more than 40 tonne reduction in its hedge book, and Newcrest, which reported a 35 tonne drop in cover. Elsewhere, single digit declines were reported by Kinross, Harmony Gold, Newmont, Lihir and Kingsgate Consolidated.

Commenting on the outlook, Walker highlighted that GFMS' expectations for the pace of de-hedging in 2007 are for a marked decline, chiefly as "the run rate of the hedge book has been much reduced as a result of past massive restructures and buy backs".

Walker stressed however, that GFMS' base case of between 160 to 180 tonnes was probably at the low end of the scale, given the broad sentiment amongst producers that gold prices will continue to strengthen. He added, "with the Placer Dome buy back still fresh in the memory, one cannot entirely rule out the potential for another shock to the forecast in the event of further industry consolidation".

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Gold Survey 2006 - Update 2 Gold Survey Update 2, published in January, provides a thorough and comprehensive interim analysis of the most recent developments in the gold market. In just 40 pages, Update 2 identifies the most important economic, sociopolitical and market-specific issues facing the gold market. The publication can be ordered from GFMS for £215 or US\$395 / €325 per copy. For orders and to receive further product information please contact Ms L. Perrard on: Tel: +44 (0)20 7478 1777, Fax: +44 (0)20 7478 1779, Email: sales@gfms.co.uk, Web Site: www.gfms.co.uk, Online Shop: <http://shop.gfms.co.uk>

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