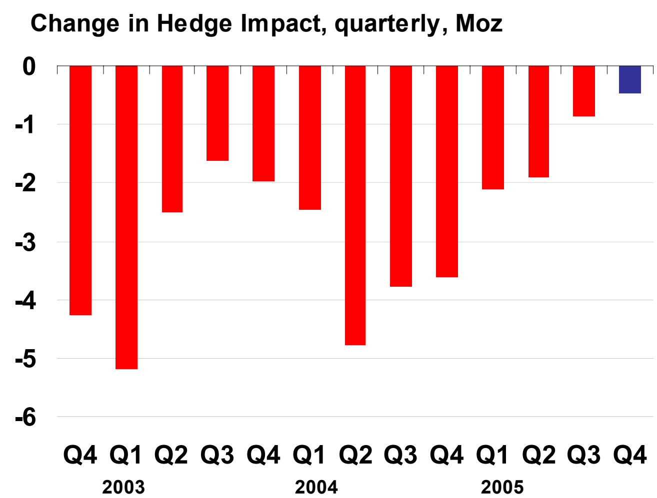
PRESS RELEASE – FOR IMMEDIATE RELEASE 10th Feb 2006

LONDON: MITSUI GOLD HEDGING REPORT

Flash - The Hedge Book Q4 2005



Australian and Eurasian companies add to their hedges

The slowdown in dehedging continued in Q4 2005, with ongoing reductions by large companies partly offset by a pickup in the number of companies adding to their hedge positions. In our Australia and Eurasia regions hedging actually increased over the quarter, up 0.1 Moz and 0.3 Moz respectively. **Although full results are not yet available, particularly in the Americas region, the decline in the Hedge Impact of global hedging in Q4 05 is provisionally estimated to be around 0.5 Moz.**

In the Australias, nine companies increased their hedge commitments, collectively adding 0.7 Moz of additional hedging. They were led by Oceana Gold who added 0.3 Moz of fixed forwards. St Barbara added 0.2 Moz of call options funded through the sale of 0.2 Moz of put options, Sino Gold with 0.1 Moz of forwards and Resolute, who increased their forward sales by 0.1 Moz.

In our Eurasia region European Minerals put in place an 8-year, 0.4 Moz hedging programme of flat forwards as a condition of a $75m debt financing for its project in Kazakhstan.

These increases helped to offset continued reductions in hedging commitments by the major gold mining companies. Newcrest in Australia reduced its hedge position by nearly 0.4 Moz. However, in Africa, although AngloGold Ashanti made a cut in their hedge commitments, the very high gold price at the end of the quarter meant the Hedge Impact of their net call options rose sharply. This more than offset the fall in commitments; thus the Hedge Impact of their overall book was up.

Many companies are yet to report, including two, Barrick and Placer Dome, which are among the four major hedgers. If substantially different from our estimates their hedge positions may alter the overall picture. Nevertheless the net change in the Australia region may retrospectively be seen as a straw in the wind, indicating a greater willingness on the part of producers to lock-in forward profits at current strong gold prices.

Commenting on these findings, John Levin, Head of Marketing for Mitsui Global Precious Metals, said: "Although it is still essentially project-related, the new hedging seen in Q4 05 suggests that movements in the global hedge book are unlikely to be in 2006 the one-way bet they have been for the past few years."

Detailed results and analysis, with delta-adjusted market-impact estimates for over 100 mining companies, will be published shortly in the Virtual Metals/Haliburton quarterly '*The* Hedge Book', sponsored by Mitsui**.**

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