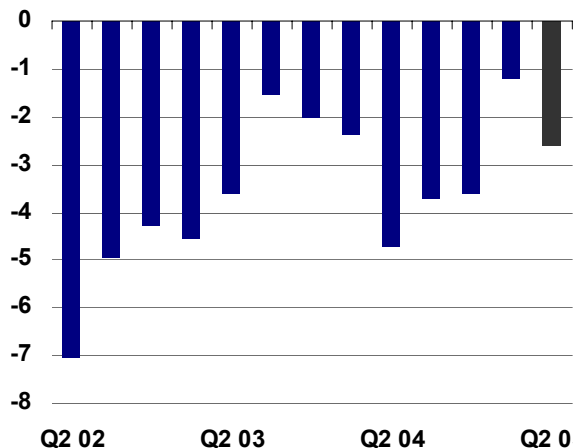


LONDON: MITSUI GOLD HEDGING REPORT

The Hedge Book Q2 2005 - Alert

Quarterly change in gold hedging

Moz, Hedge Impact



Source: Virtual Metals, Haliburton, Mitsui Global Precious Metals

Q2 05's dehedging was broadly-based amongst mining companies, with 45 of the 60 companies in the survey with hedging programmes reducing their hedges, and only four increasing them. **The four largest hedgers, AngloGold Ashanti, Barrick, Newcrest and Placer Dome, who account for nearly 70% of the global hedge book, contributed to only about 50% of the global dehedging total in this quarter, a smaller proportion than normal.**

Despite the pick-up in dehedging compared with Q1 05, the overall trend still appears to be for dehedging to slow. The average rate of dehedging in 2004 was 3.6 Moz a quarter. In the first half of 2005 it averaged 1.9 Moz a quarter. Jessica Cross, CEO of Virtual Metals, comments: "these results and companies' statements of dehedging intent confirm we remain in a lower dehedging environment".

John Levin, Head of Marketing at Mitsui Global Precious Metals, said, "This number surprised us slightly with producers seemingly taking advantage of interest rates trading water during Q2, however there seems to be hard data proving that the overall pace of dehedging continues to slow".

The full report with details of the hedge positions of over 100 mining companies and analysis of all the trends will be released later this week, available free from Virtual Metals or Mitsui Global Precious Metals.

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Q2 05 dehedging: pace

picks up

The Hedge Impact of global mining companies' hedge positions fell by about 2.5 Moz in Q2 05. This is a larger decline than in Q1 05 but still significantly less than quarterly declines reported in 2004. These are the preliminary results from the latest edition of *The Hedge Book* produced by Virtual Metals/Haliburton Mineral Services and sponsored by Mitsui Global Precious Metals.

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