



**PRESS RELEASE**

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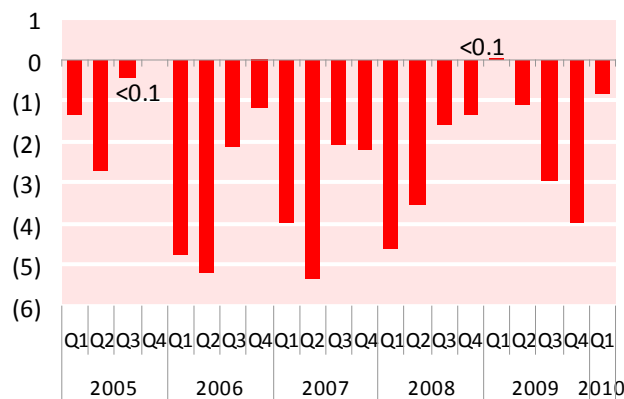
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FORTIS BANK NEDERLAND/VM Group/Haliburton Mineral Services: **Gold Hedging Report**

# Q1 10 gold dehedging slows to **0.8 Moz**, taking global hedging down to **7.1 Moz**.

It was widely expected that global gold dehedging would slow sharply in Q1 10, given the much smaller size of the global hedge book. Data for the quarter shows the fall in hedge positions was just 0.8 Moz (26t) on a delta-adjusted basis, far below the 4.0 Moz reduction seen in Q4 09. Nevertheless the trend decline continues and this means the global total is now just 7.1 Moz (220t).

**Quarterly change in gold hedging, delta-adjusted, Moz**



**Hedge positions, delta-adjusted, Moz**

	2009				2010
Net delta	Q1	Q2	Q3	Q4	Q1
Net Forwards	11.0	9.8	7.2	3.4	3.2
Net Calls	4.6	4.7	4.2	4.2	3.7
Other Products	0.0	0.0	0.0	0.0	0.0
Net Puts	0.4	0.3	0.5	0.3	0.2
<b>Total Hedge Impact</b>	<b>15.9</b>	<b>14.8</b>	<b>11.9</b>	<b>7.9</b>	<b>7.1</b>
<i>Quarterly change</i>	<i>0.0</i>	<i>(1.1)</i>	<i>(2.9)</i>	<i>(4.0)</i>	<i>(0.8)</i>

Source: VM Group/Haliburton Mineral Services/Fortis Bank Nederland

**AngloGold Ashanti was the leading dehedger in Q1 10, reducing their committed ounces by 349,000 oz to 3.55 Moz.** On a delta-adjusted basis this reduction was a smaller 0.14 Moz to 3.35 Moz. **Kinross** was the next largest dehedger, reducing its position (acquired when Kinross purchased Bema and related to the Kupol mine's financing requirements) by 323,000 oz to 180,000 oz, mainly through the purchase of offsetting forward positions to its forward sale contracts. Australian **OceanaGold** closed out its entire hedge commitments of 204,000 oz, made up of forwards and call options. The company continues to have 61,560 oz of put options.

Three companies initiated hedge commitments. The largest such programme was that of **Adamus Resources**, who announced it had sold forward 290,000 oz over a five and a half year period at \$1,075/oz. Next largest was **Regis Resources**, a mineral exploration company with gold and nickel properties in Western Australia, who announced in February 2010 it had completed a gold hedging programme of 150,000 oz of flat forwards for delivery between September 2010 and September 2013, at a forward price of A\$1,340/oz. **IAMGOLD**, the Canadian headquartered miner, put on a series of puts and calls.

**For full year 2010, we forecast dehedging to be at the top end of our earlier forecast range of 1.5 Moz to 3.0 Moz.**

The **Gold Hedging Report** is researched and published by VM Group/Haliburton Mineral Services, in co-operation with Fortis Bank Nederland, and covers the hedging activities of 121 gold mining companies. This report is published on an open-access basis and is available directly from VM Group at [www.virtualmetals.co.uk](http://www.virtualmetals.co.uk). If you have not received a copy of this report, or should you require further details or commentary, please contact:

Matthew Turner, VM Group (tel: +44 20 7569 5934, email: [matthew@virtualmetals.co.uk](mailto:matthew@virtualmetals.co.uk))