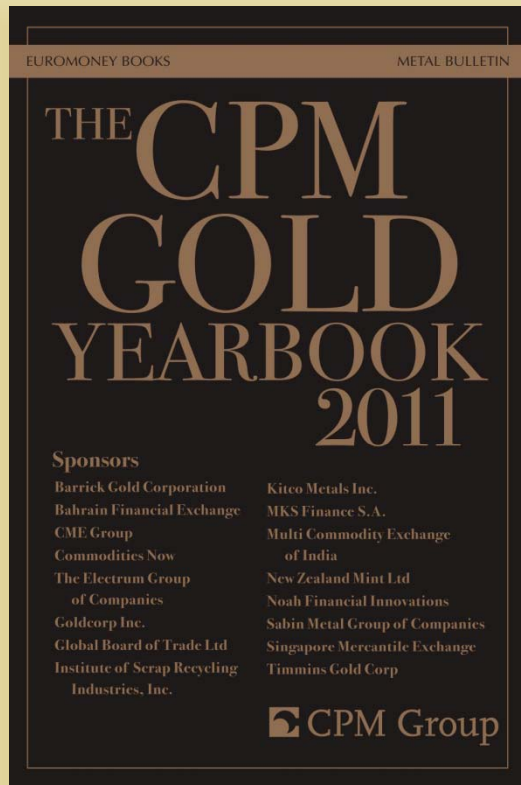




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CPM Gold Yearbook 2011

*29 March 2011
Bloomberg
New York*

30 Broad Street, 37th Floor
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Agenda: Speakers

Jeffrey Christian, Managing Director

- Review and Outlook
- Investment Demand
- China's Gold Market

Carlos Sanchez, Director of Risk Management

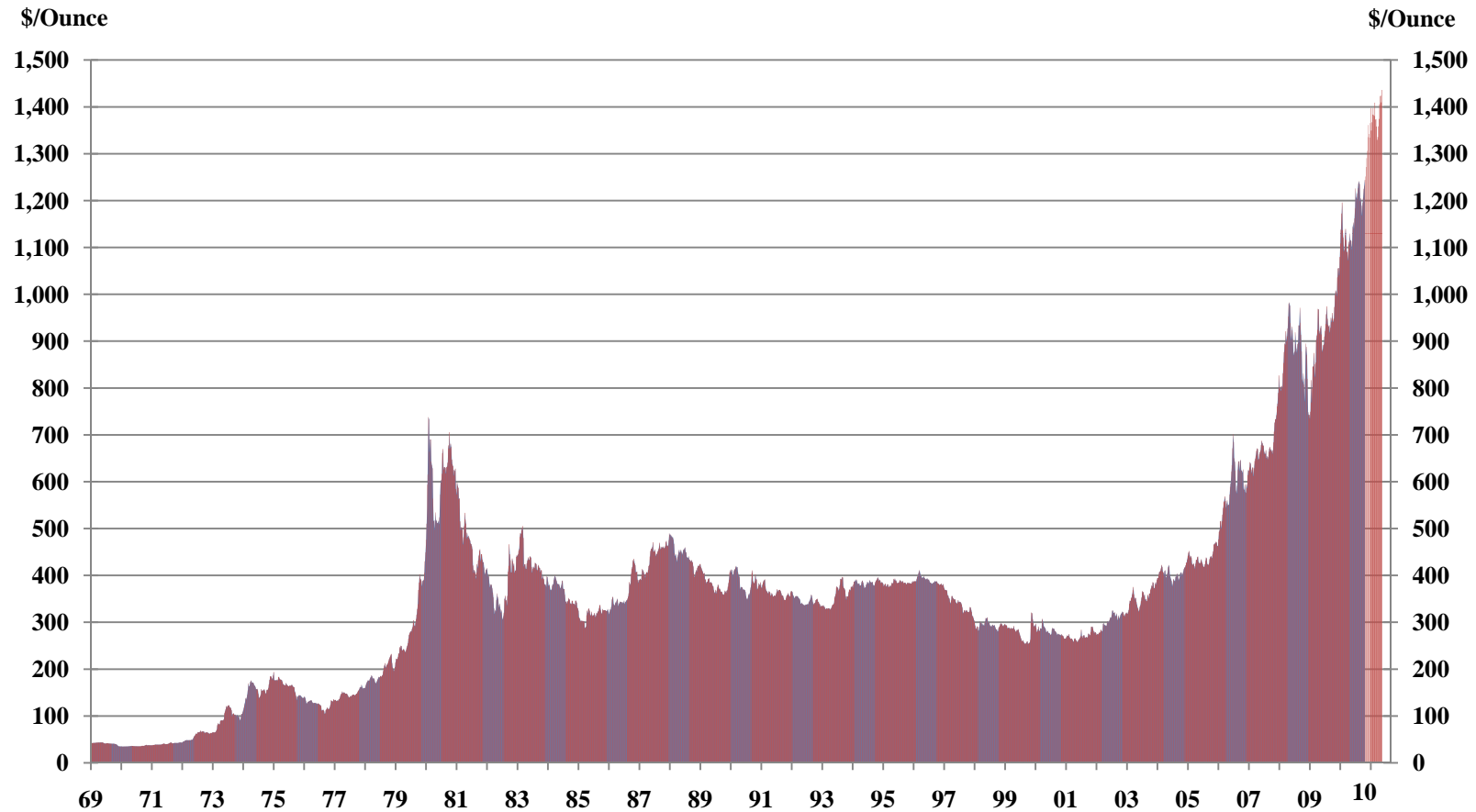
- Official Transactions

Erica Rannestad, Commodity Analyst

- Supply
- Fabrication Demand
- Markets
- Prices

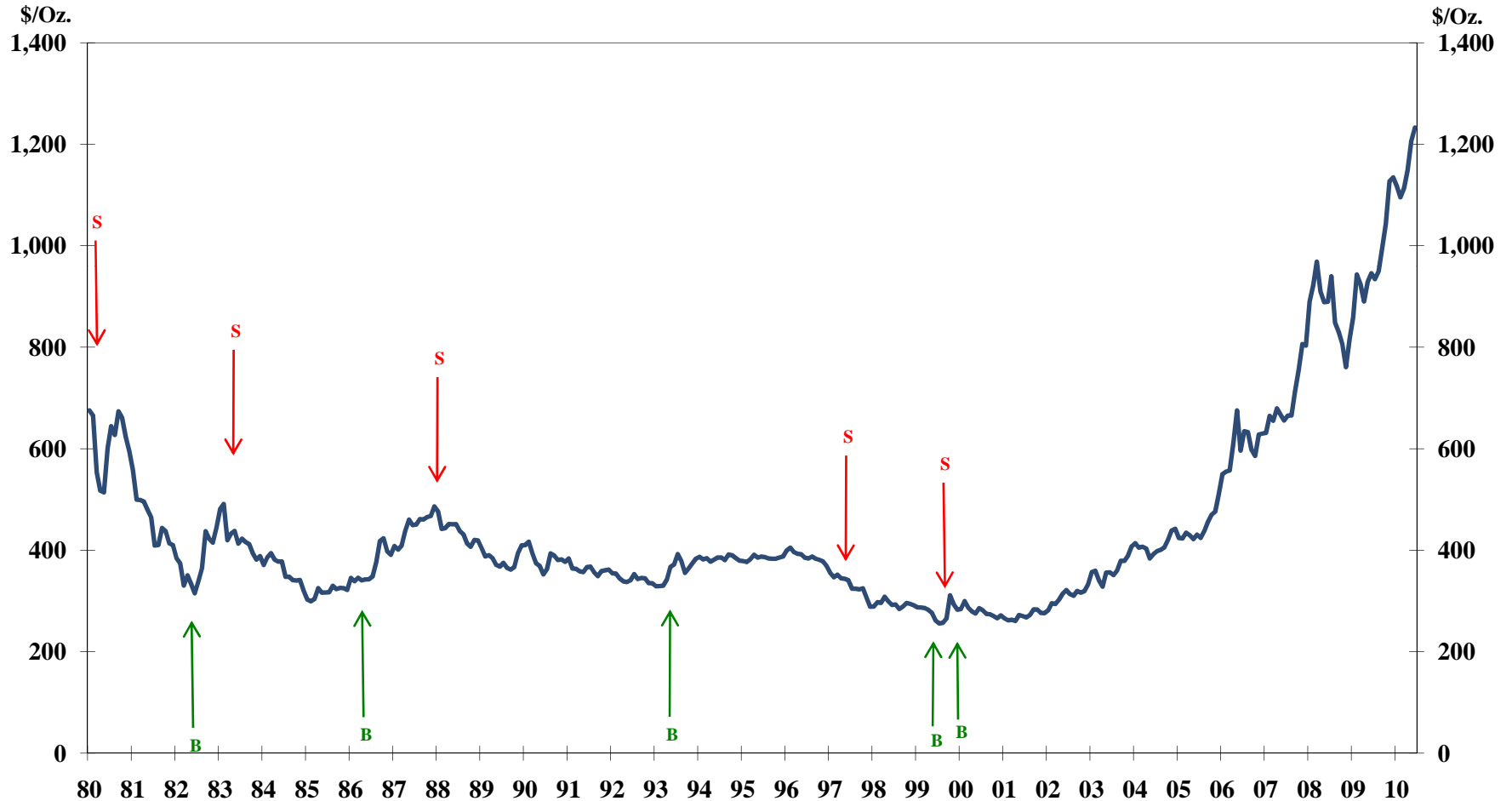
Gold Prices

Weekly Average London PM fix by London bullion dealers, through 18 March 2011



Intermediate Term Gold Recommendations

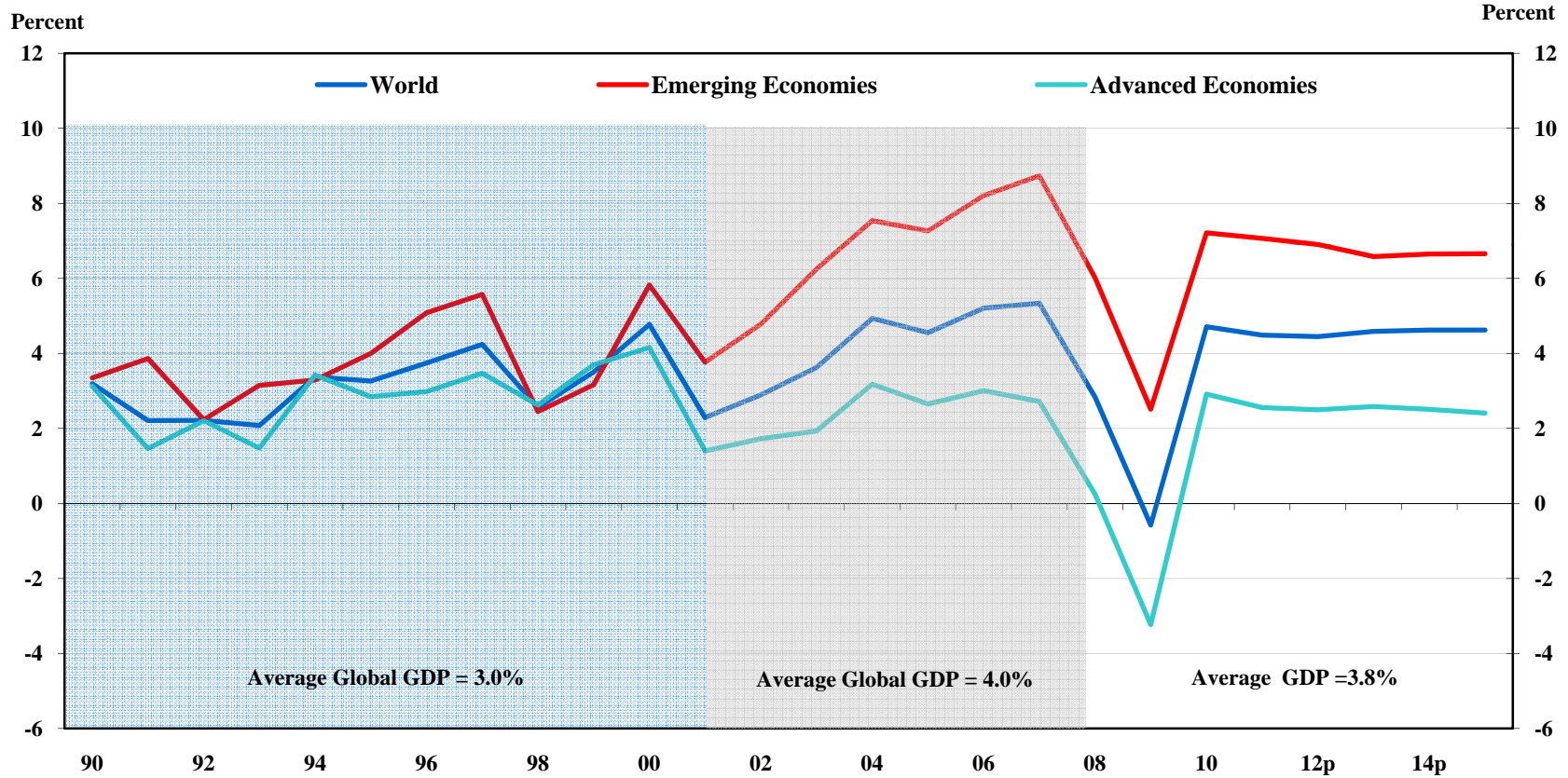
CPM Group's Intermediate Term Gold Recommendations



The Economic Outlook

Real Gross Domestic Product

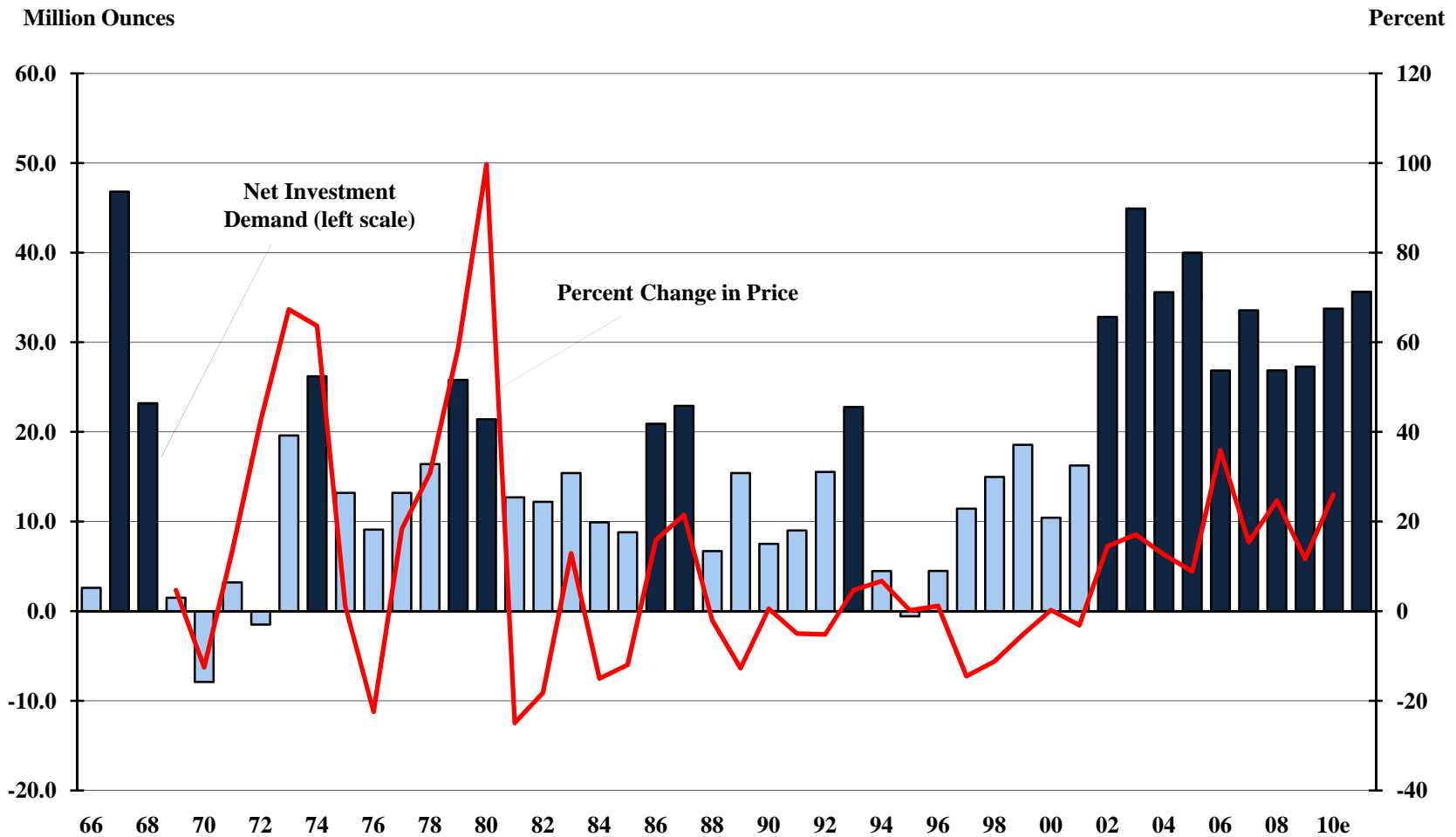
Annual, Projected Through 2015



Source: IMF World Economic Outlook, January 2011 & October 2010

Investment Demand

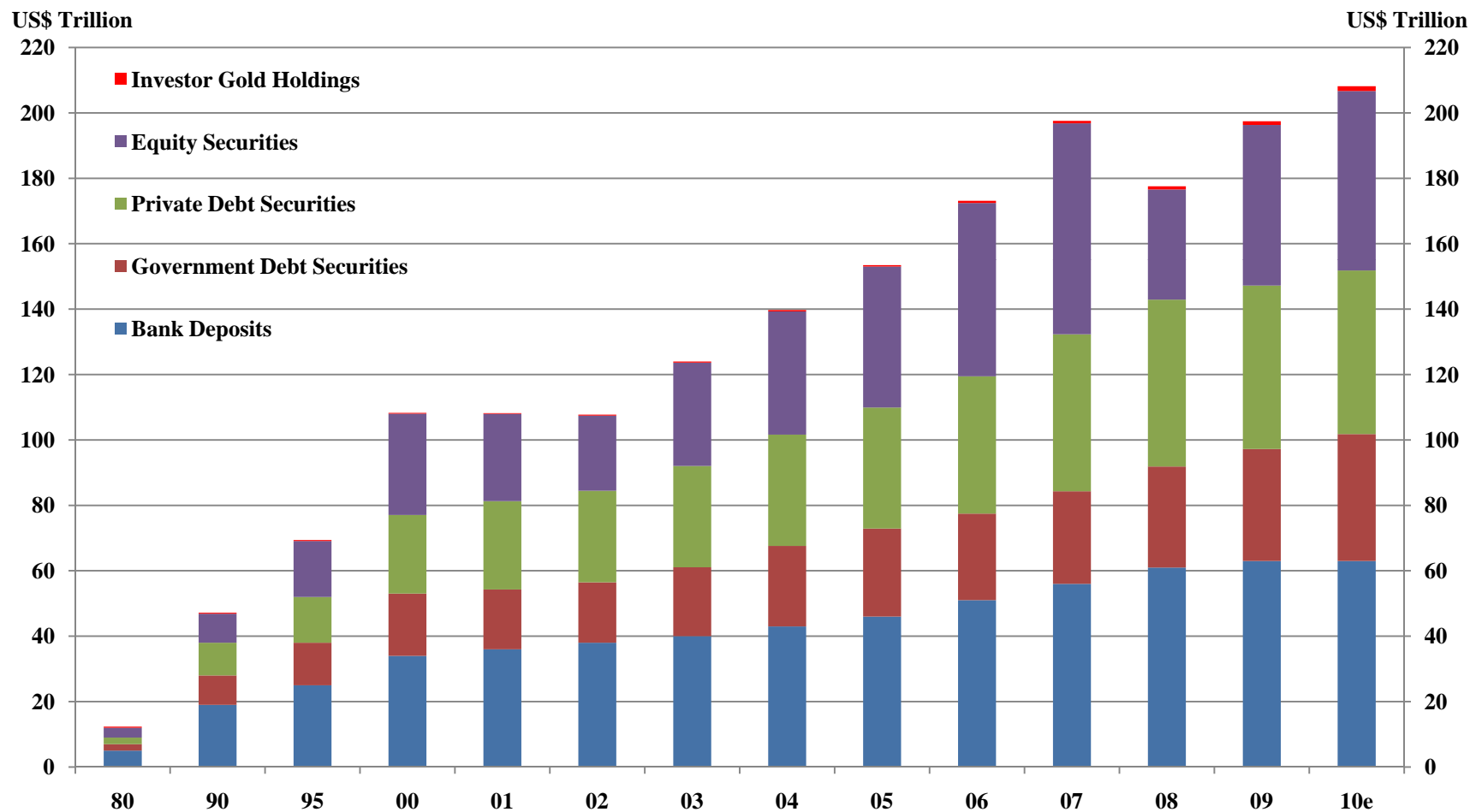
Net Investment Demand and Prices *Projected through 2011*



Note: Price Change through the end of 2010

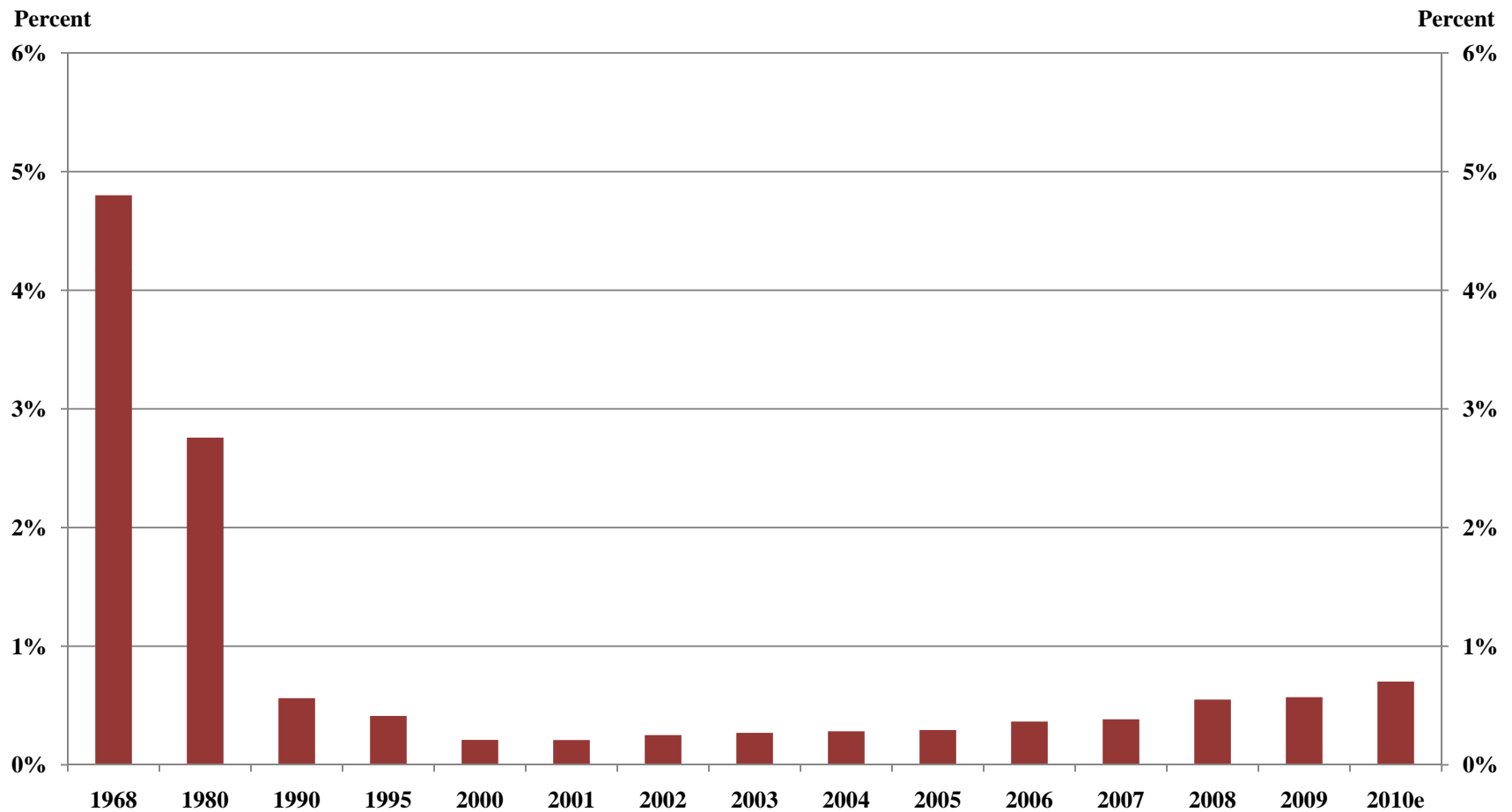
Global Financial Assets

Global Financial Assets



Gold as a Percent of Global Financial Assets

Gold as a Percent of Global Financial Assets



There Are Many Myths That Surround Gold

Given gold's historical role as a financial asset and a monetary asset, and the special place in mankind's dreams occupied by gold, gold also is the subject of many belief systems and superstitions that do not hold up to statistical scrutiny.

Correlations

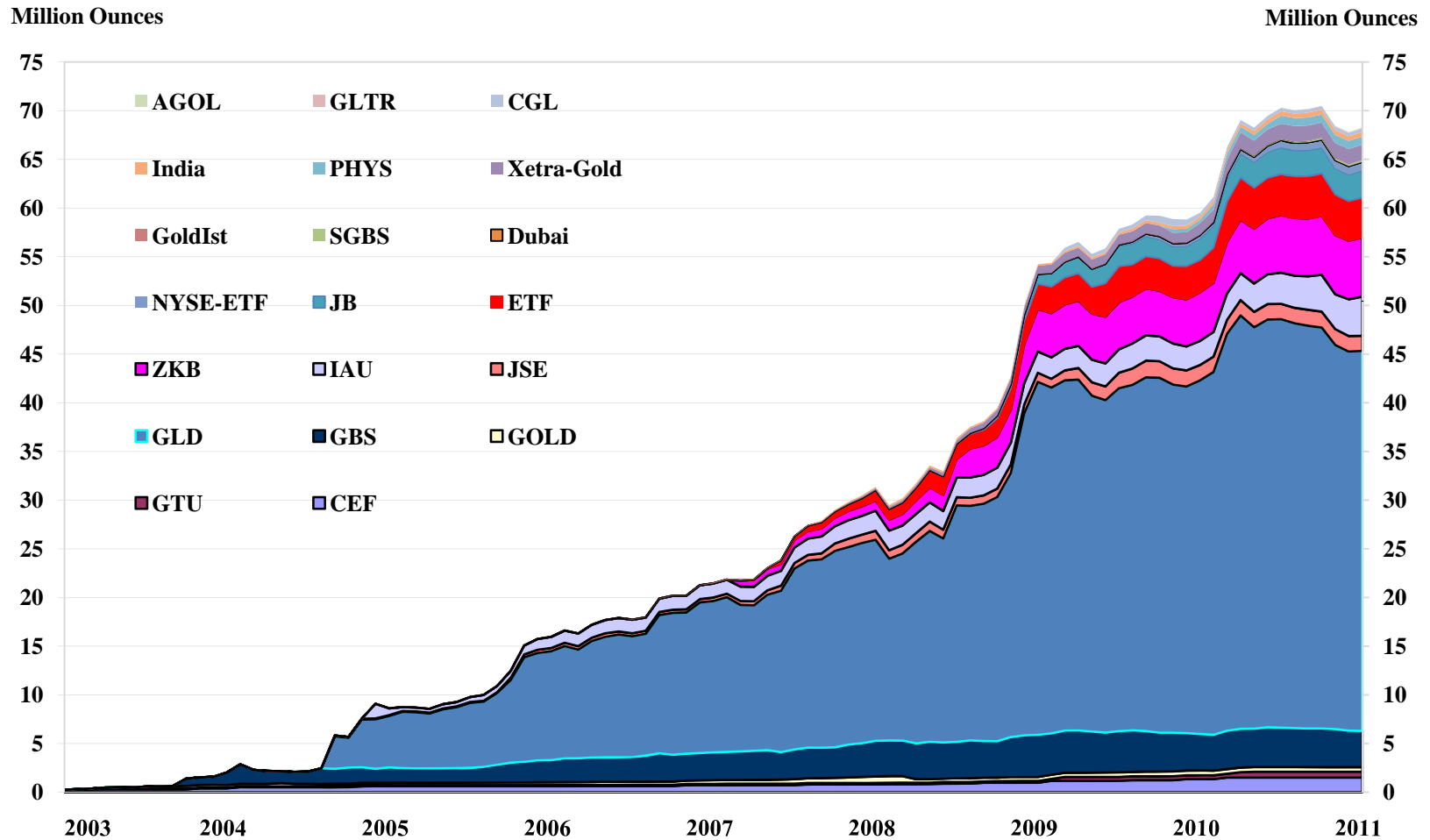
Monthly

Gold	Inflation	TWD	DJIA	S&P	T-Bill	T-Bond
1970 - 2009	0.08	-0.28	-0.03	-0.05	-0.07	-0.11
2000 - 2009	-0.07	-0.41	-0.17	-0.12	-0.07	-0.17
2006 - 2009	-0.06	-0.45	-0.13	-0.11	0.00	-0.09

Note: TWD - Trade Weighted Dollar. 2008 Through December.

Source: CPM Group

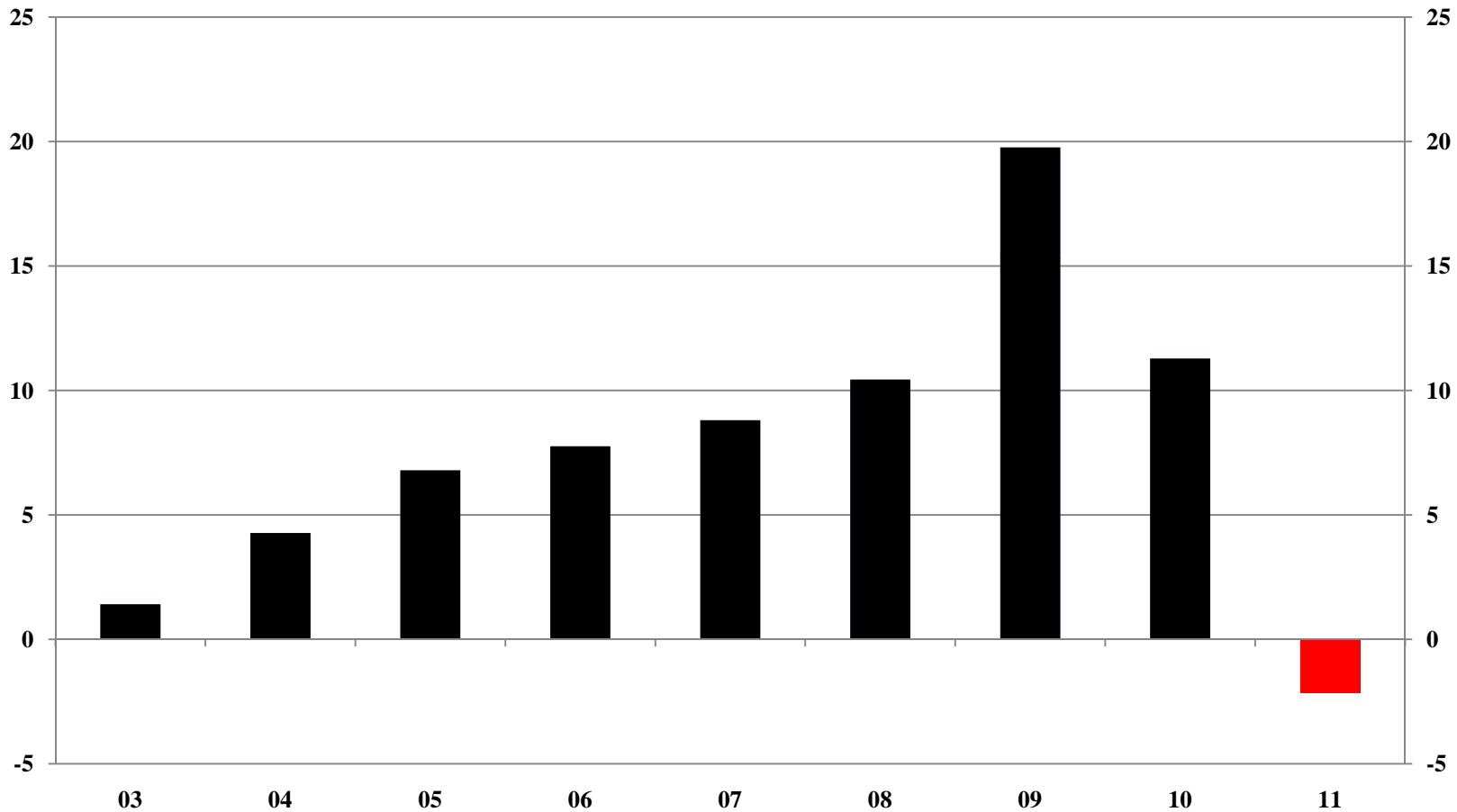
Combined Gold Exchange Traded Fund Holdings



Net Additions to Gold Exchange Traded Funds

Million Ounces

Million Ounces



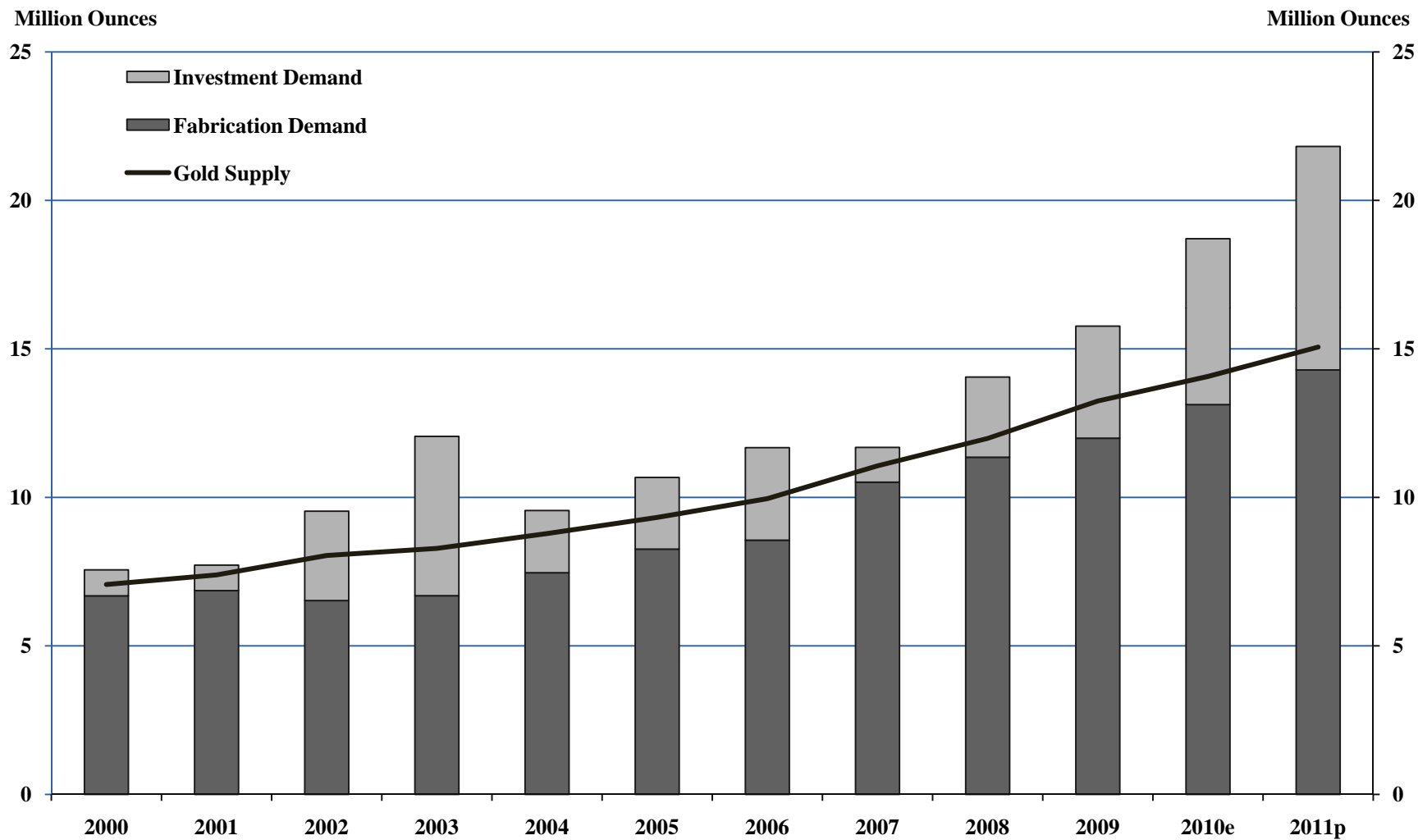
Note: 2011 data is the net reduction in combined gold ETF holdings on 15 March 2011 from 31 December 2010.



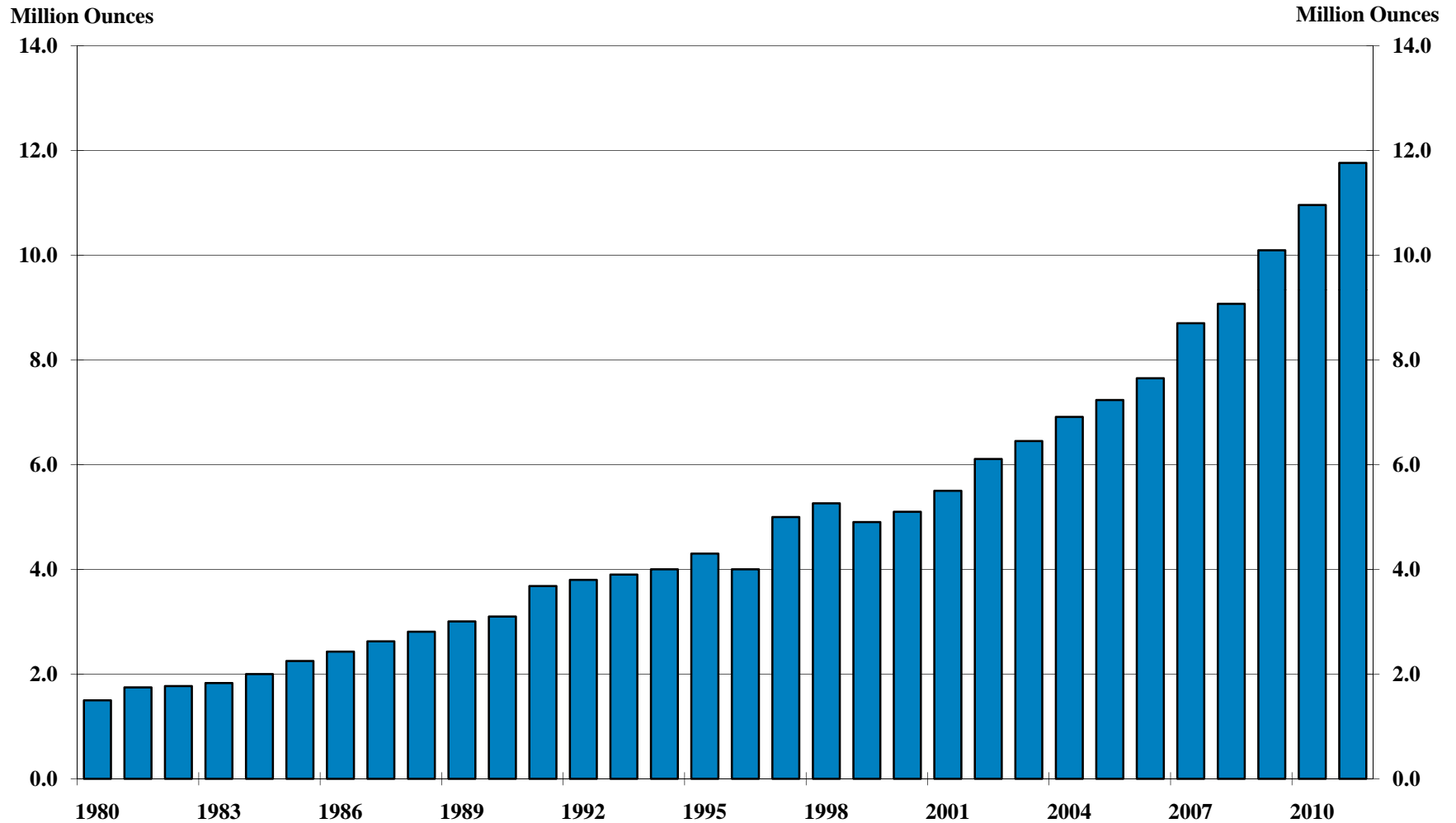
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China's Gold Market

Chinese Gold Supply and Demand *Projected Through 2011*

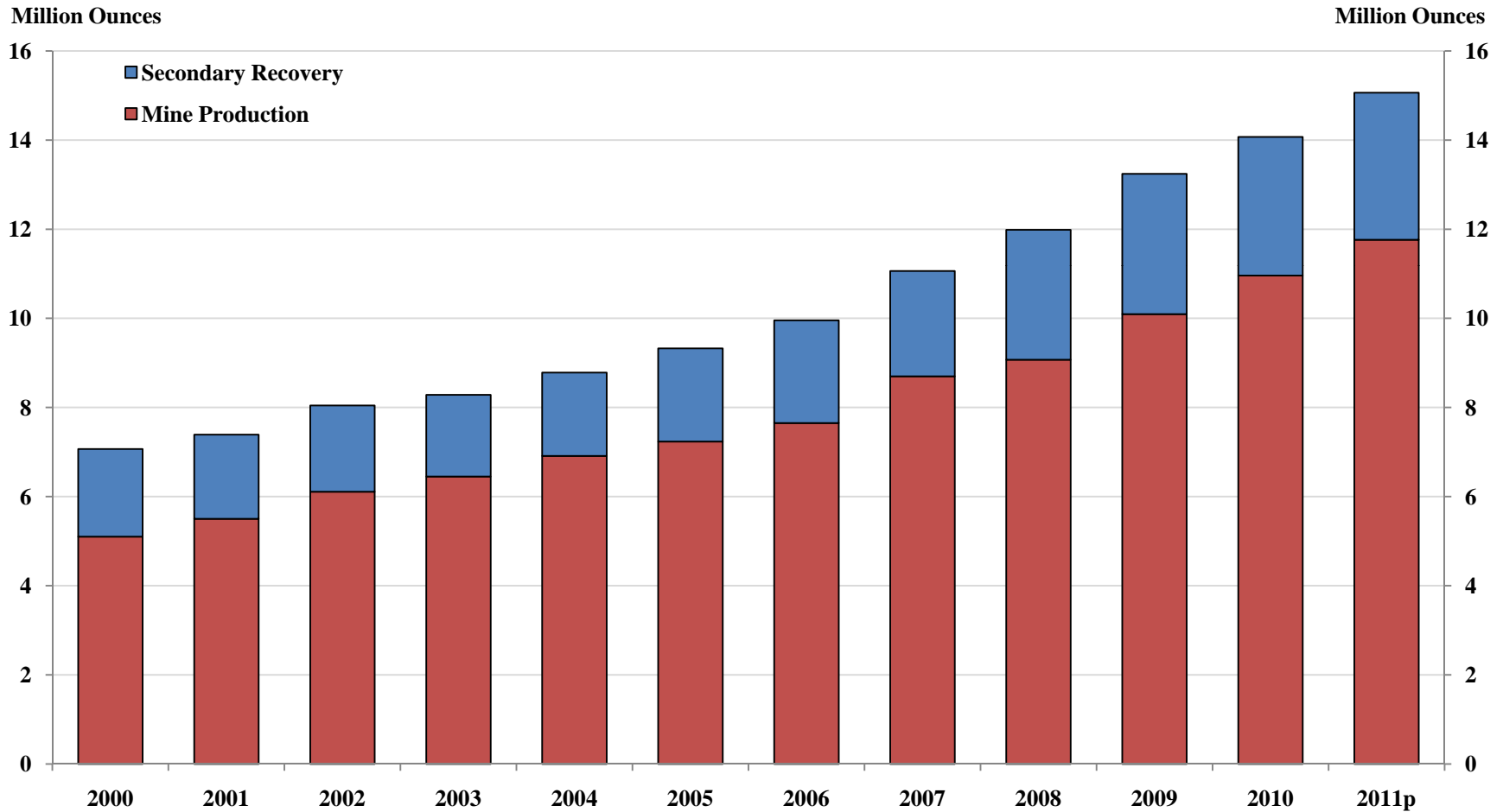


Gold Mine Production in China *Projected Through 2011*

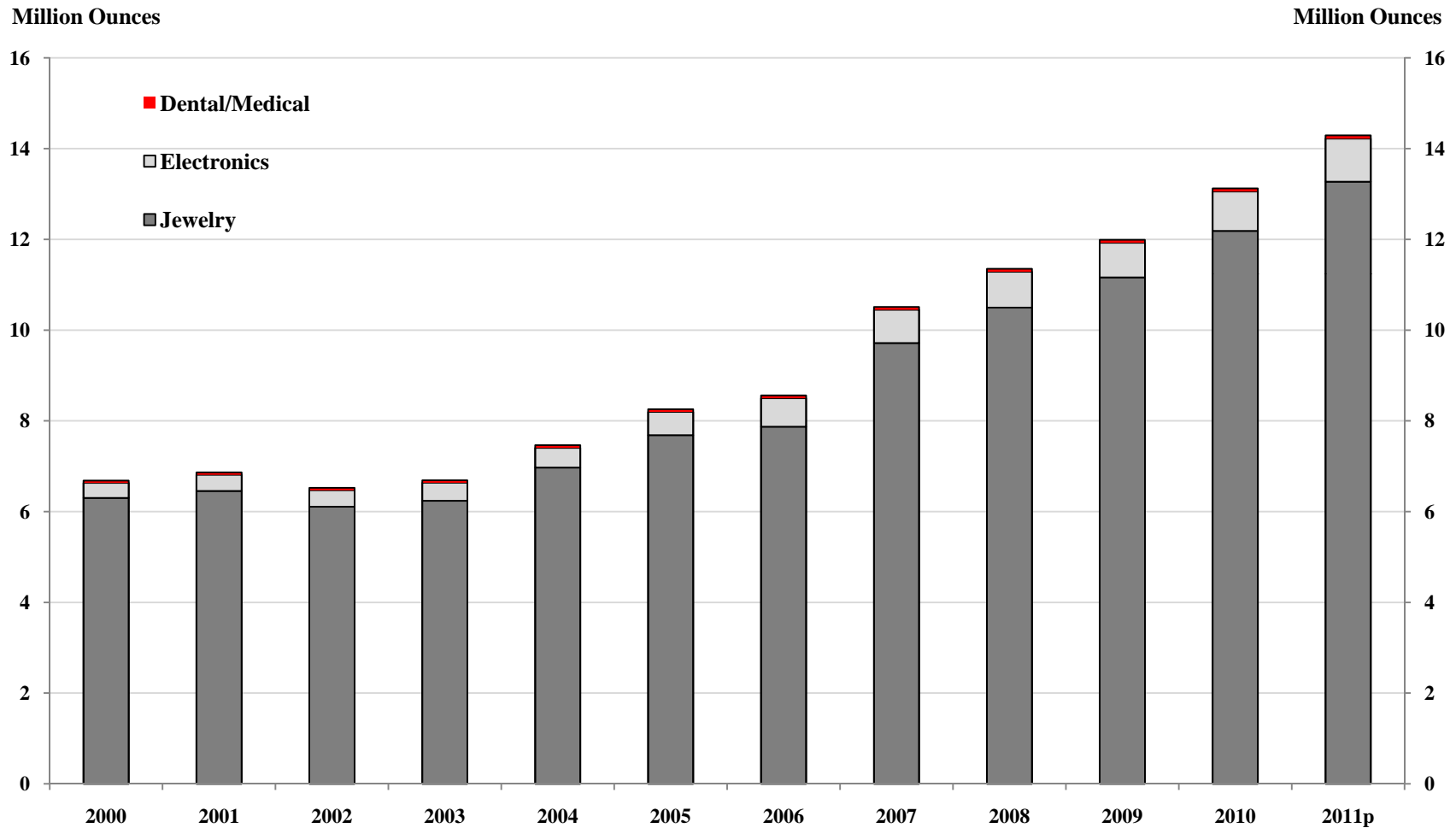


Gold Mine Production and Secondary Recovery

Projected Through 2011



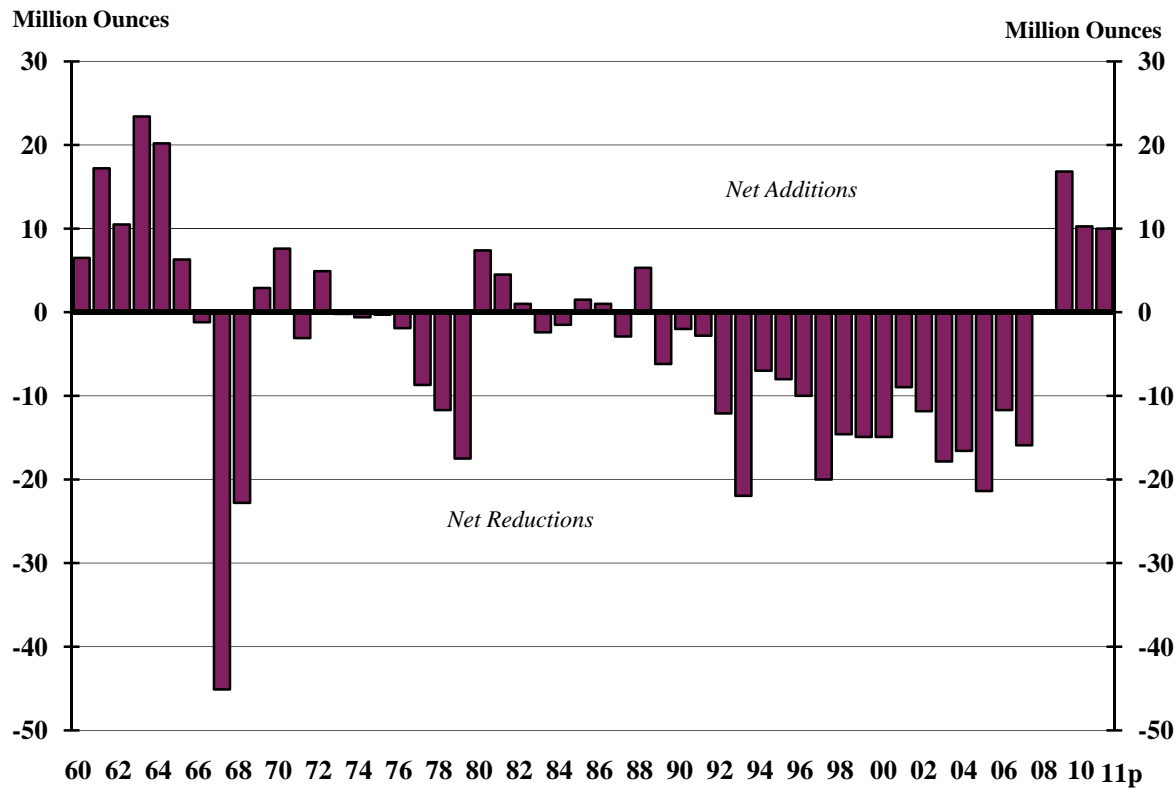
Chinese Fabrication Demand *Projected Through 2011*



Official Transactions

Official Gold Transactions

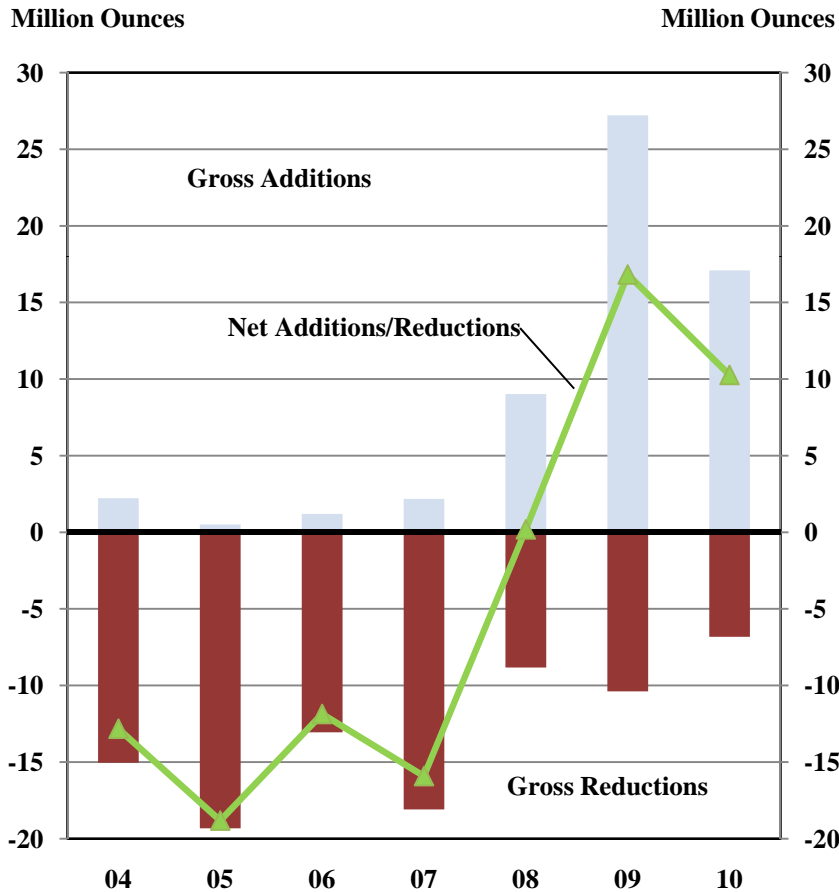
Official Transactions



- The official sector added 10.22 million ounces to its holdings in 2010
- The official sector is projected to add between 8 and 12 million ounces gold this year

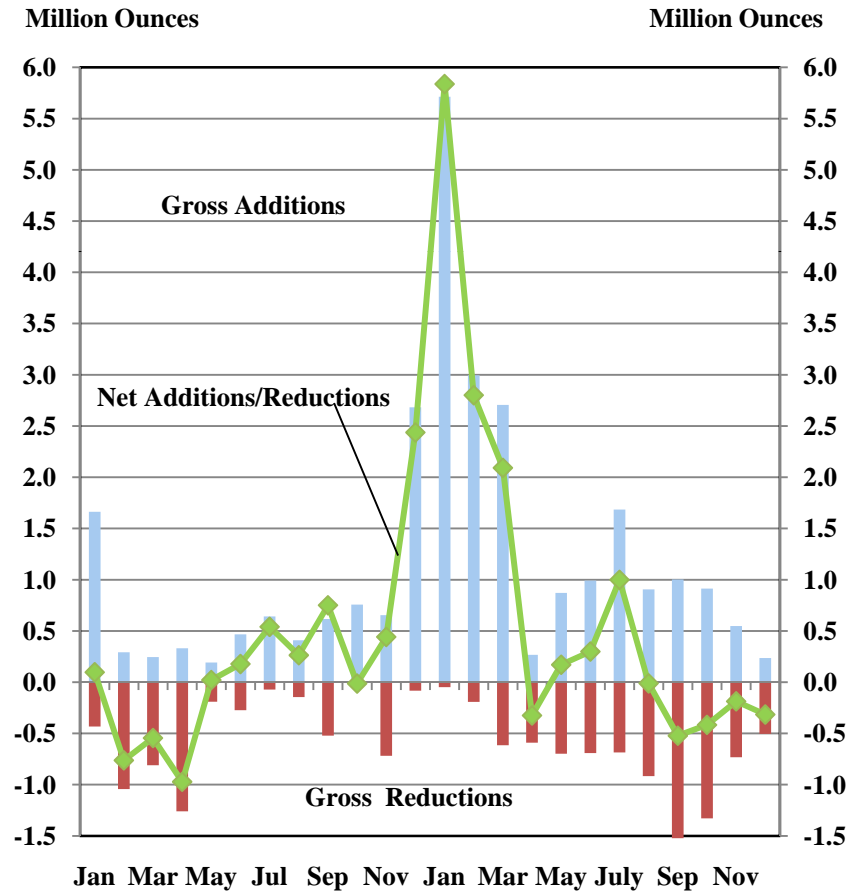
A Closer Look at Official Gold Transactions

Central Bank Changes In Gold Holdings 2004 - 2010



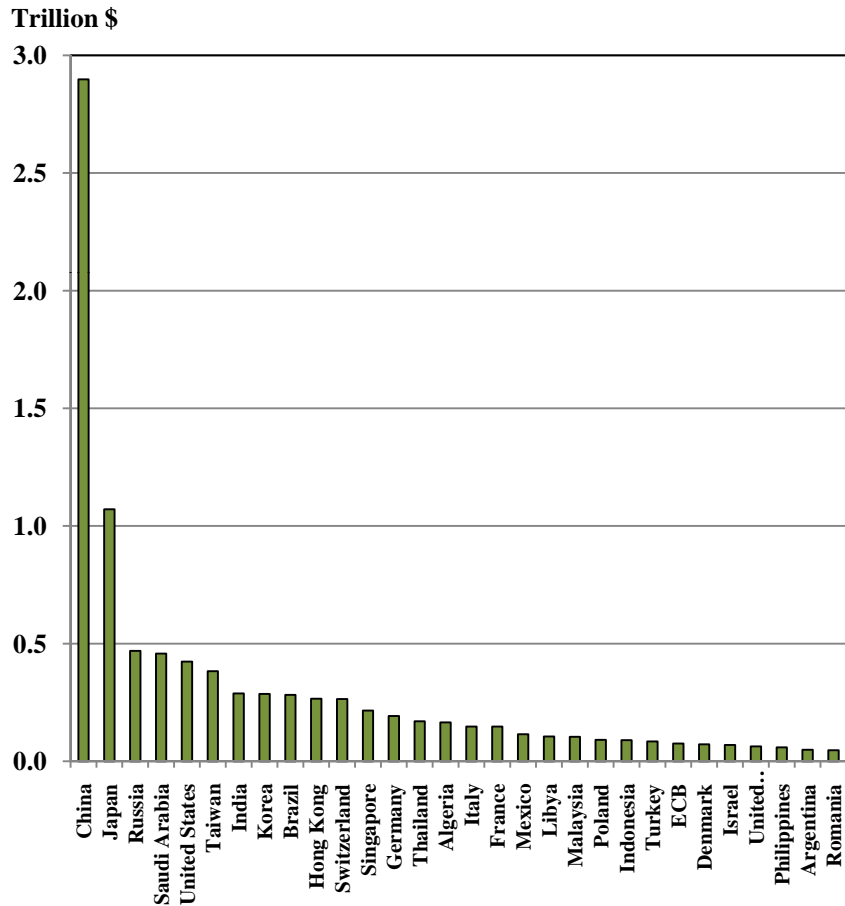
Central Bank Changes In Gold Holdings in 2009 – 2010

Excludes China's Purchases, Indian and IMF Transactions

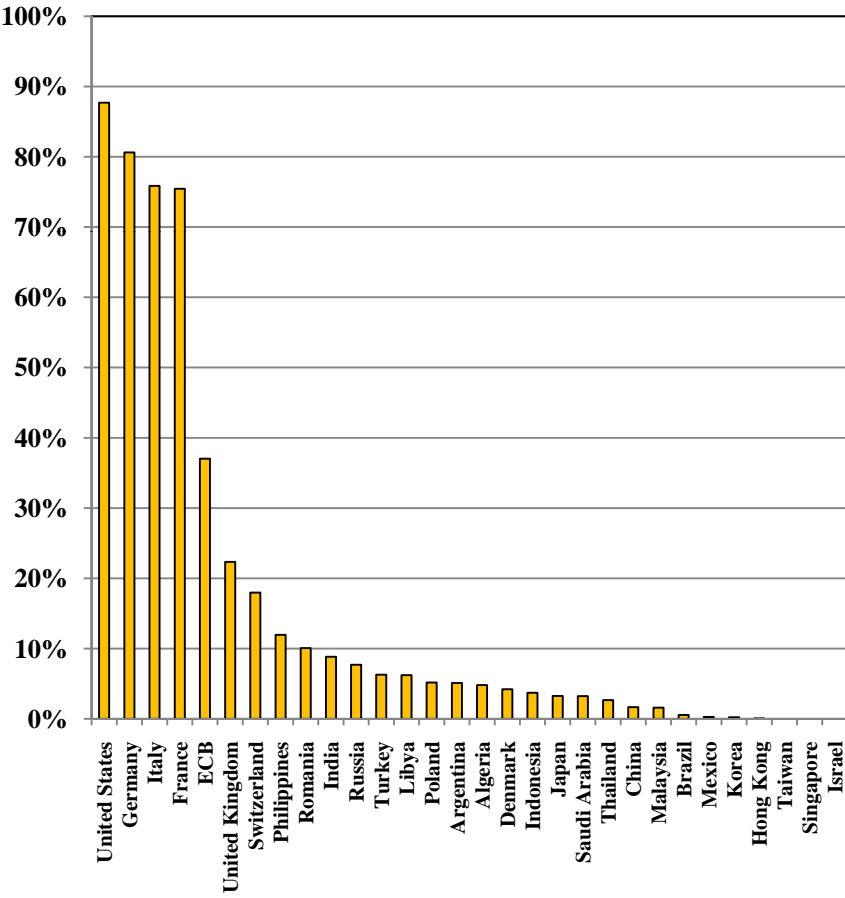


Monetary Reserves — Gold Reserves and Foreign Exchange Holdings

Foreign Exchange Reserves and Gold Reserves in U.S. Dollars

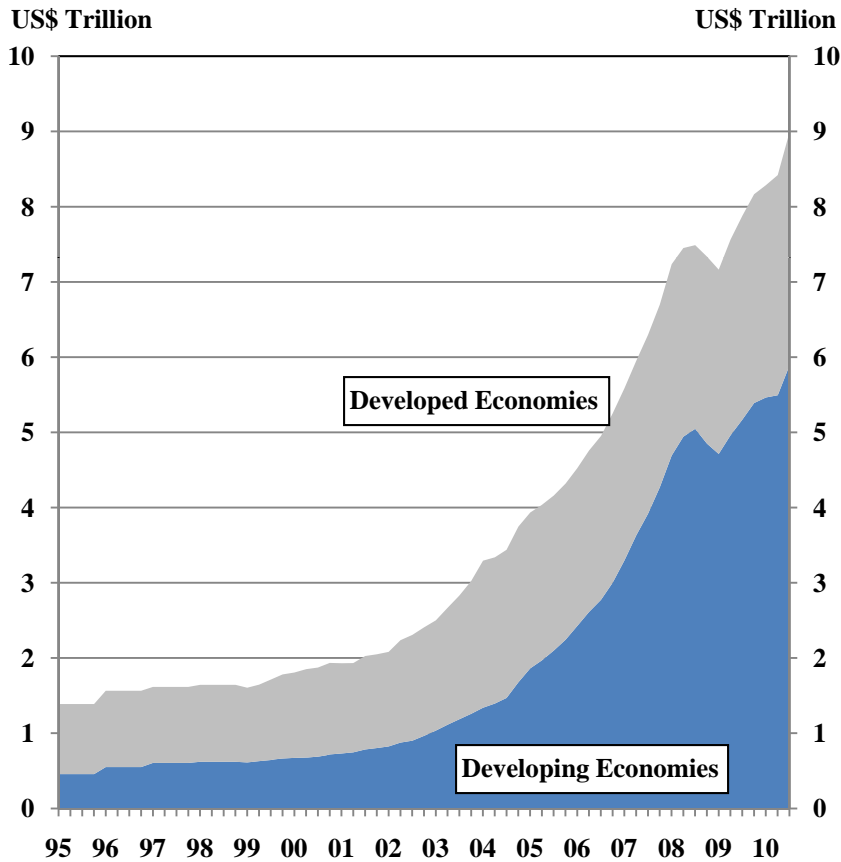


Gold Reserves as a Percentage of Total Monetary Reserves

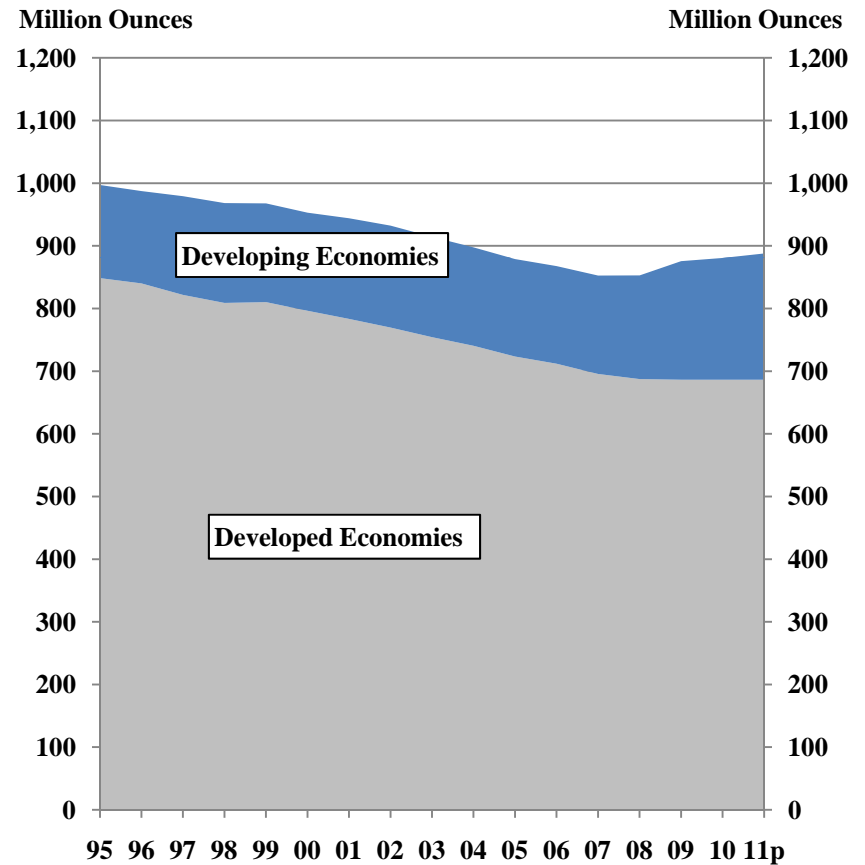


Official Foreign Exchange Reserves & Central Bank Gold Holdings in Developed & Developing Economies

Official Foreign Exchange Reserves



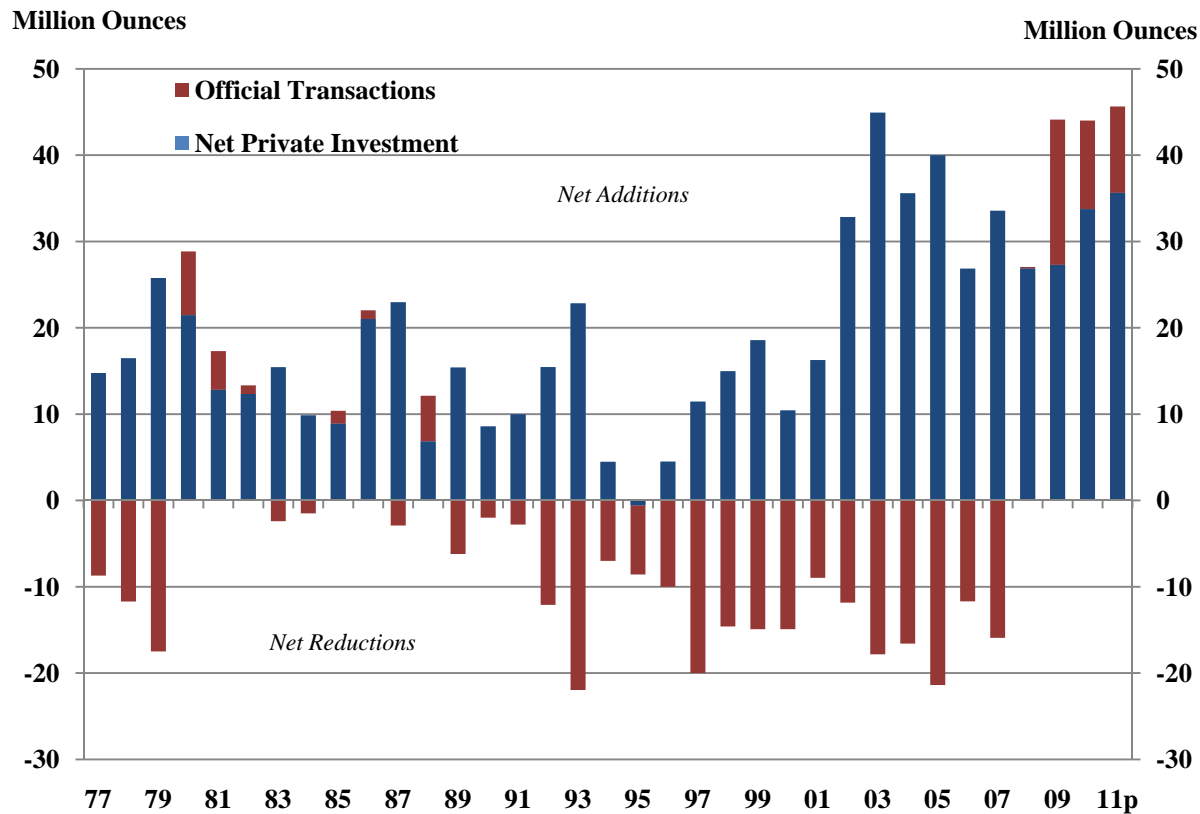
Central Bank Gold Holdings



Source: IMF Statistics Department COFER database and International Financial Statistics

Official Transactions and Net Private Investment

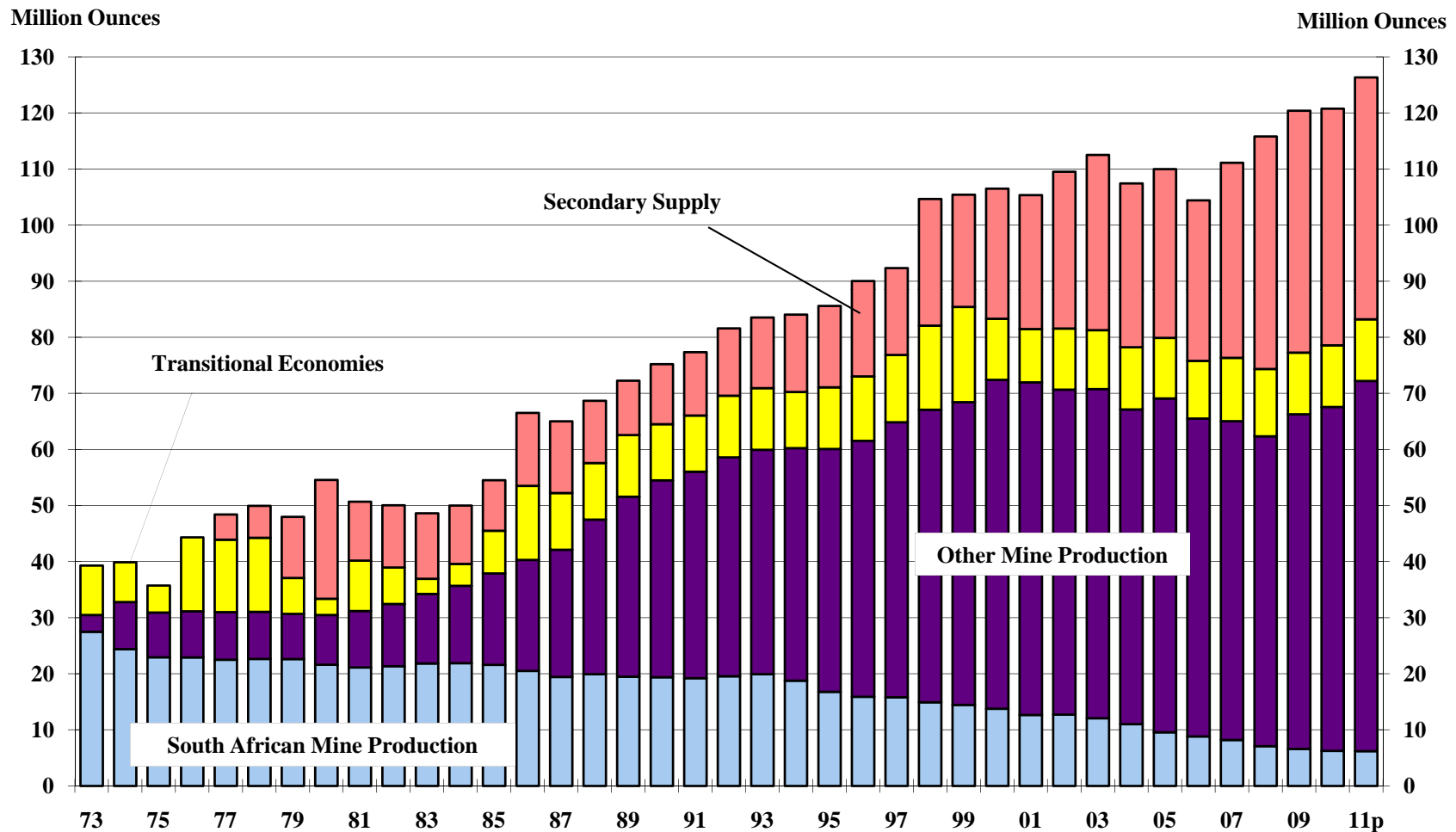
Official Transactions and Net Private Investment Demand



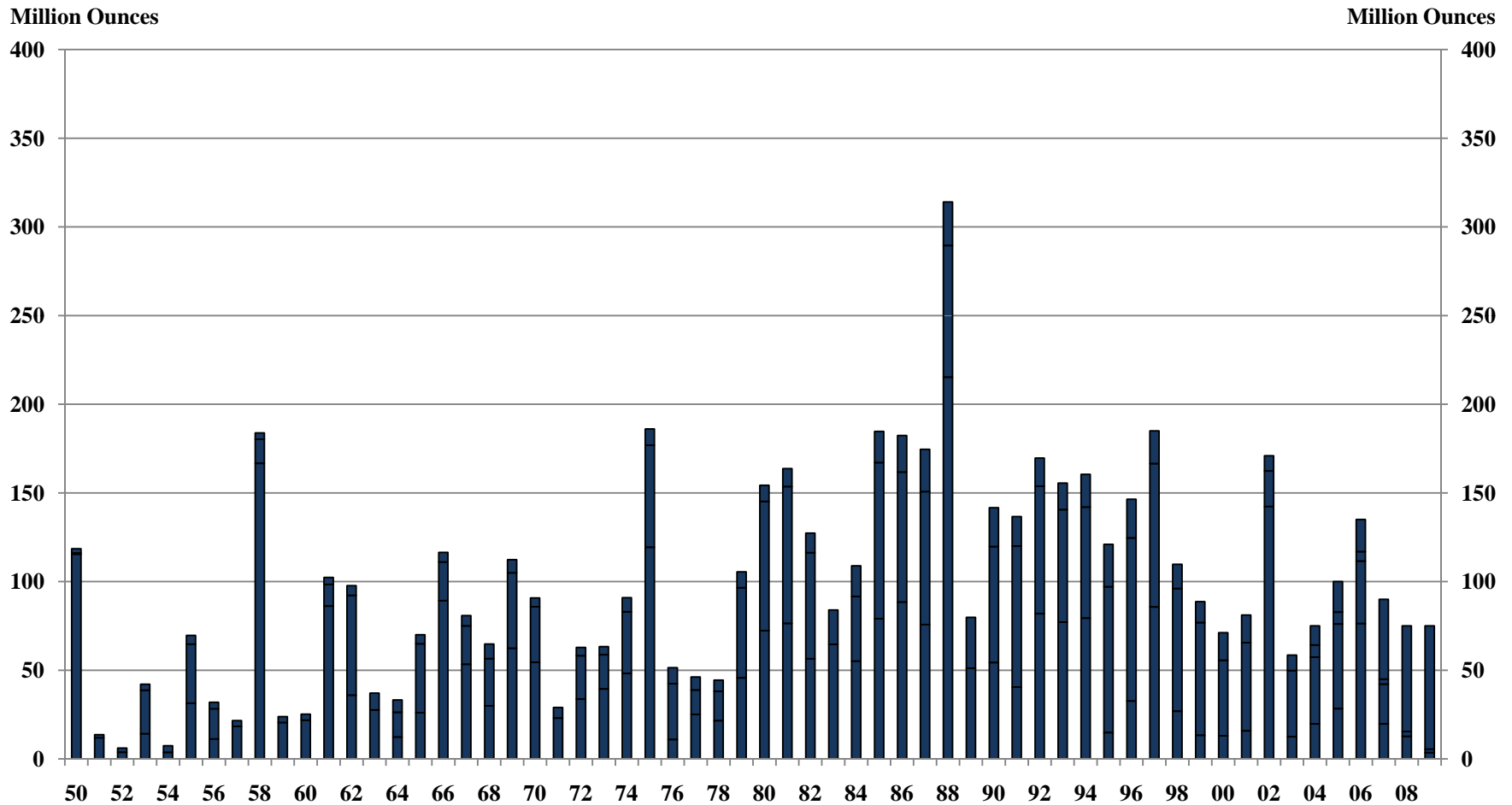
- Official sector net gold additions coupled with high levels of investment demand should help support prices
- Over the past two years both official sector additions and investment demand have added to more than 40 million ounces per year

Supply and Demand

Total Gold Supply *Projected Through 2011*



Global Gold Discoveries

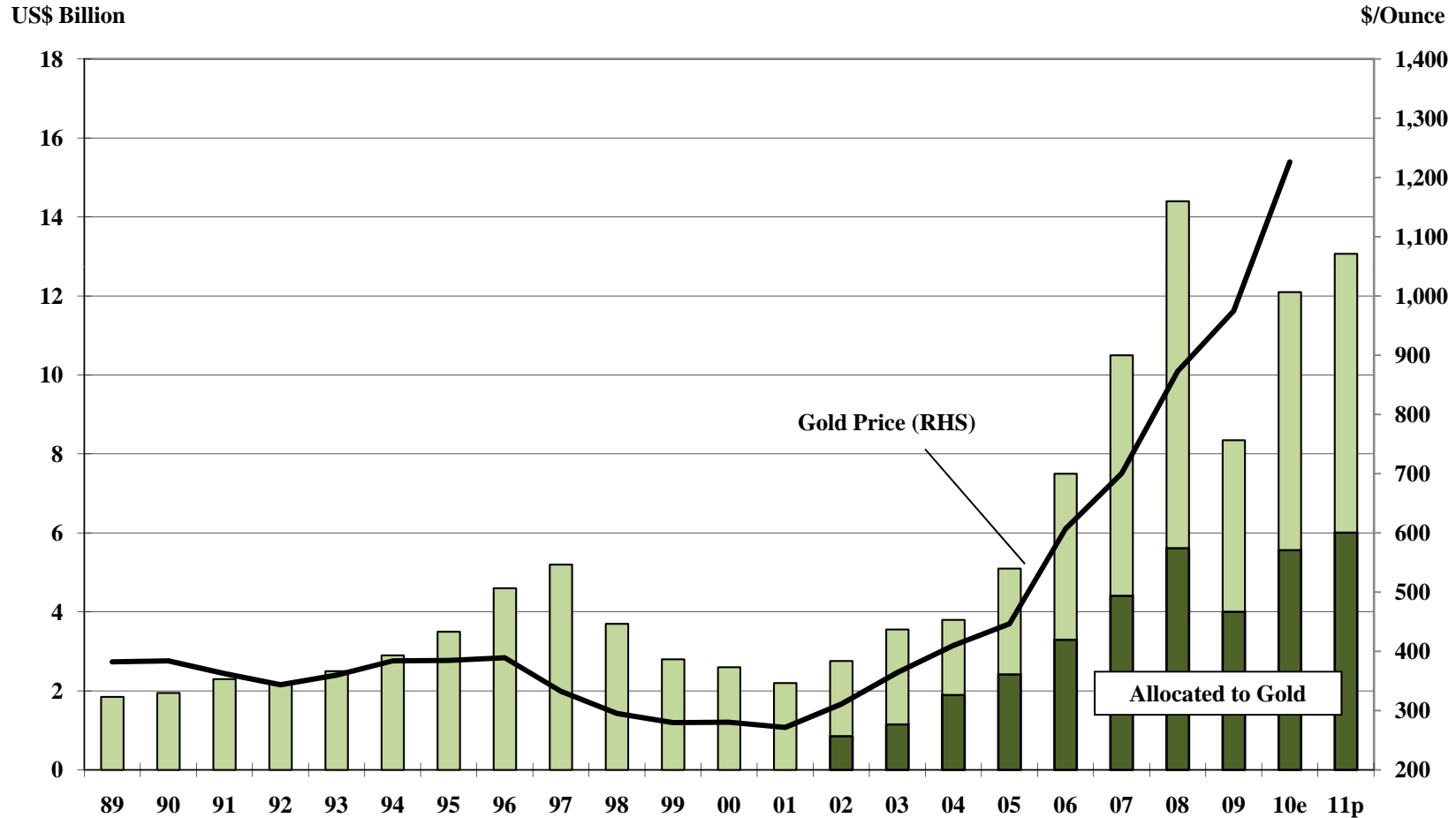


Source: Richard Schodde, MD MinEx Consulting, as reported in Gold Fields presentation to Diggers & Dealers in Kalgoorlie in August 2010.

Note: Includes byproduct gold sources. 'Other Estimates' includes resource estimates for deposits found since 2004 but not yet reported or full delineated.

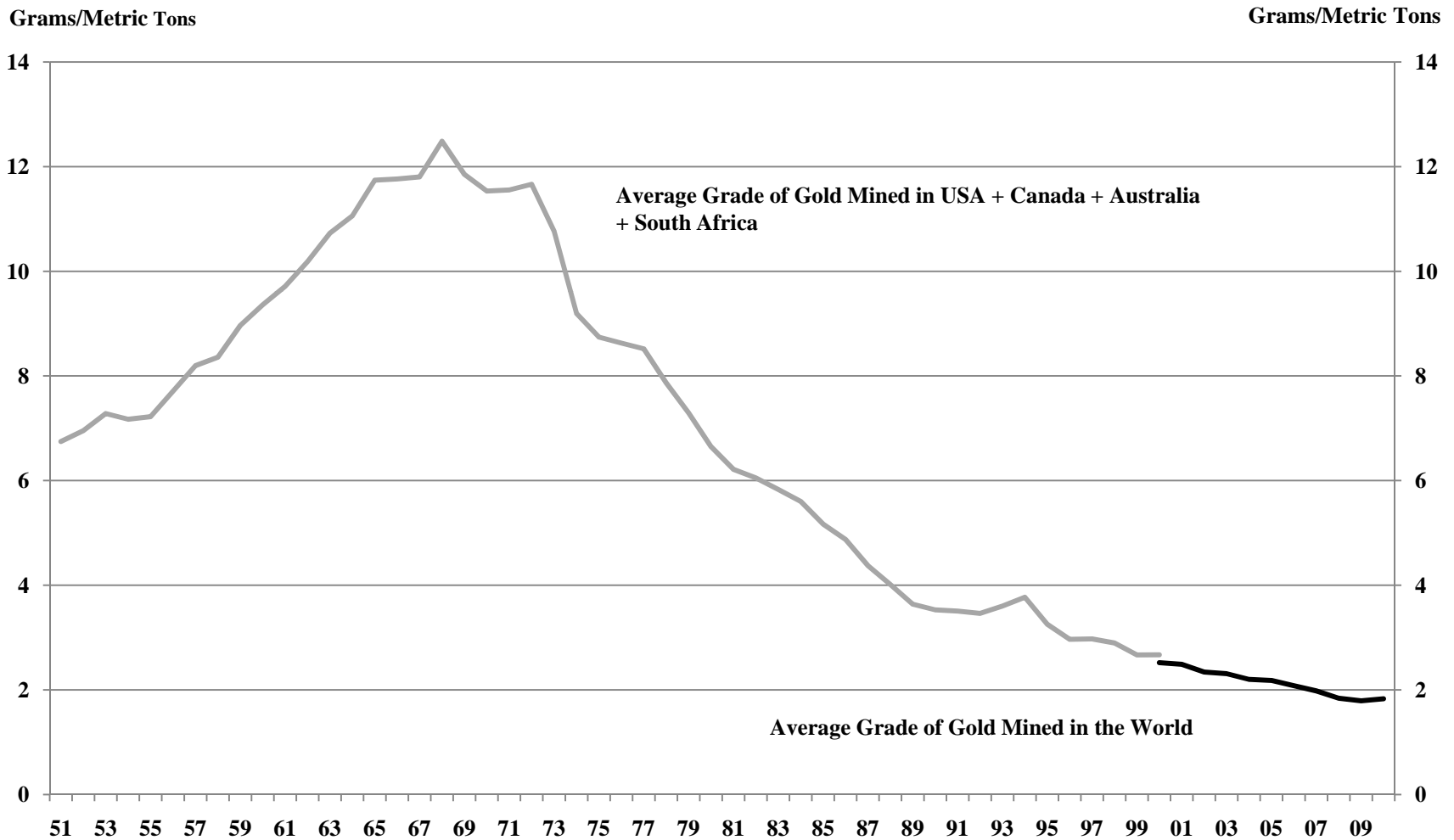
Estimated Total Global Exploration Spending

Projected Through 2011

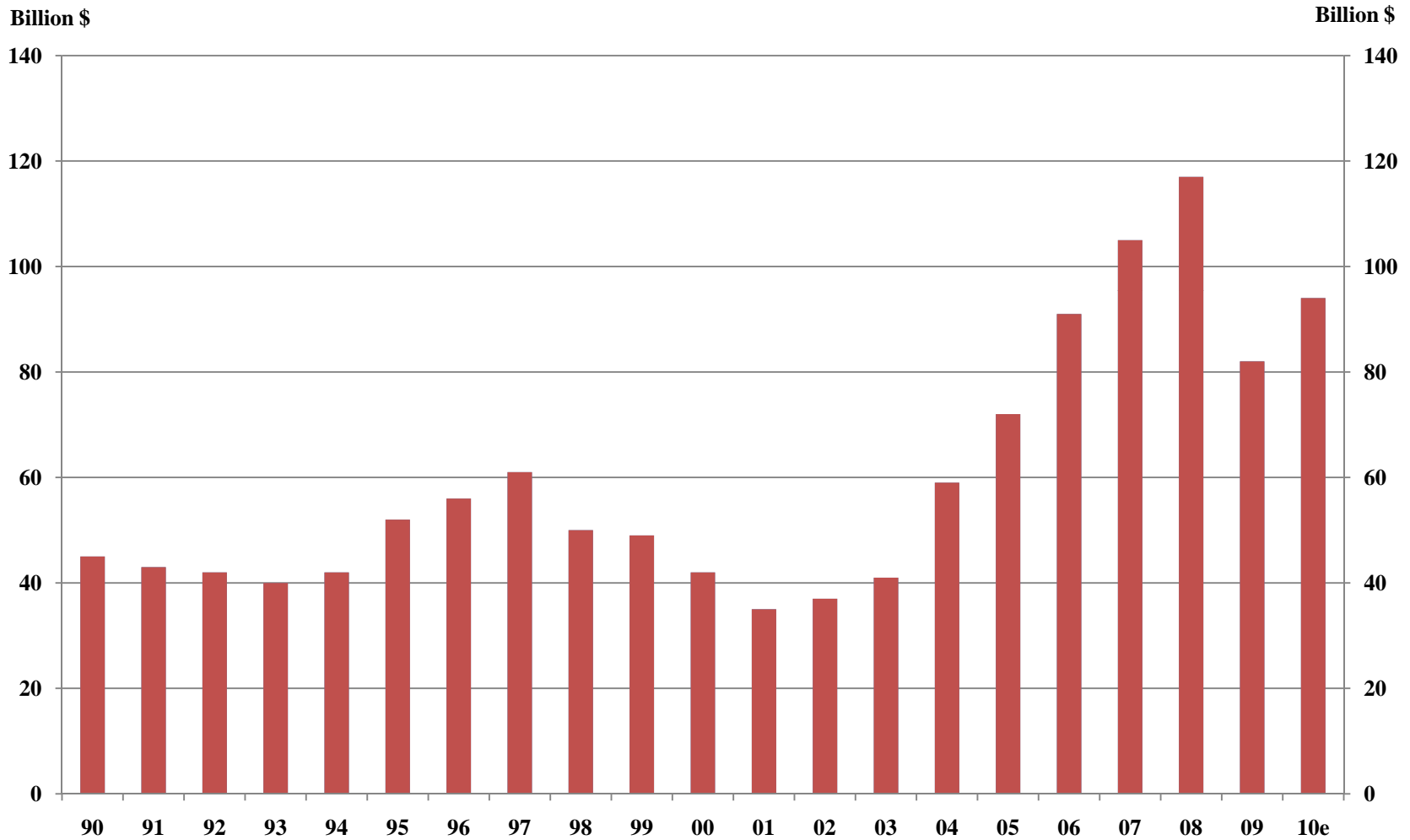


Source: MEG, CPM Group

Average Grade of Gold Mined

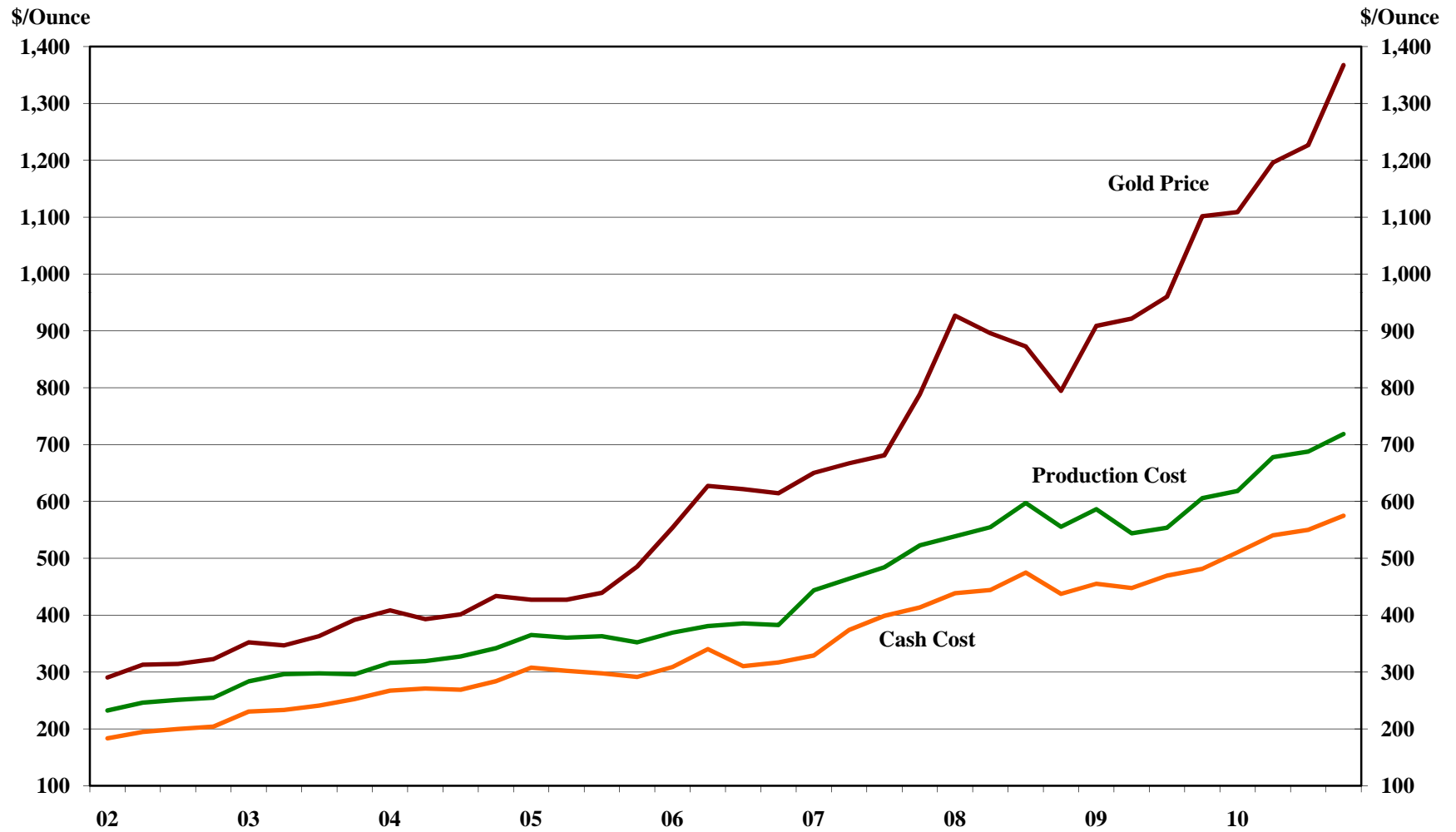


Global Mining Capital Expenditure

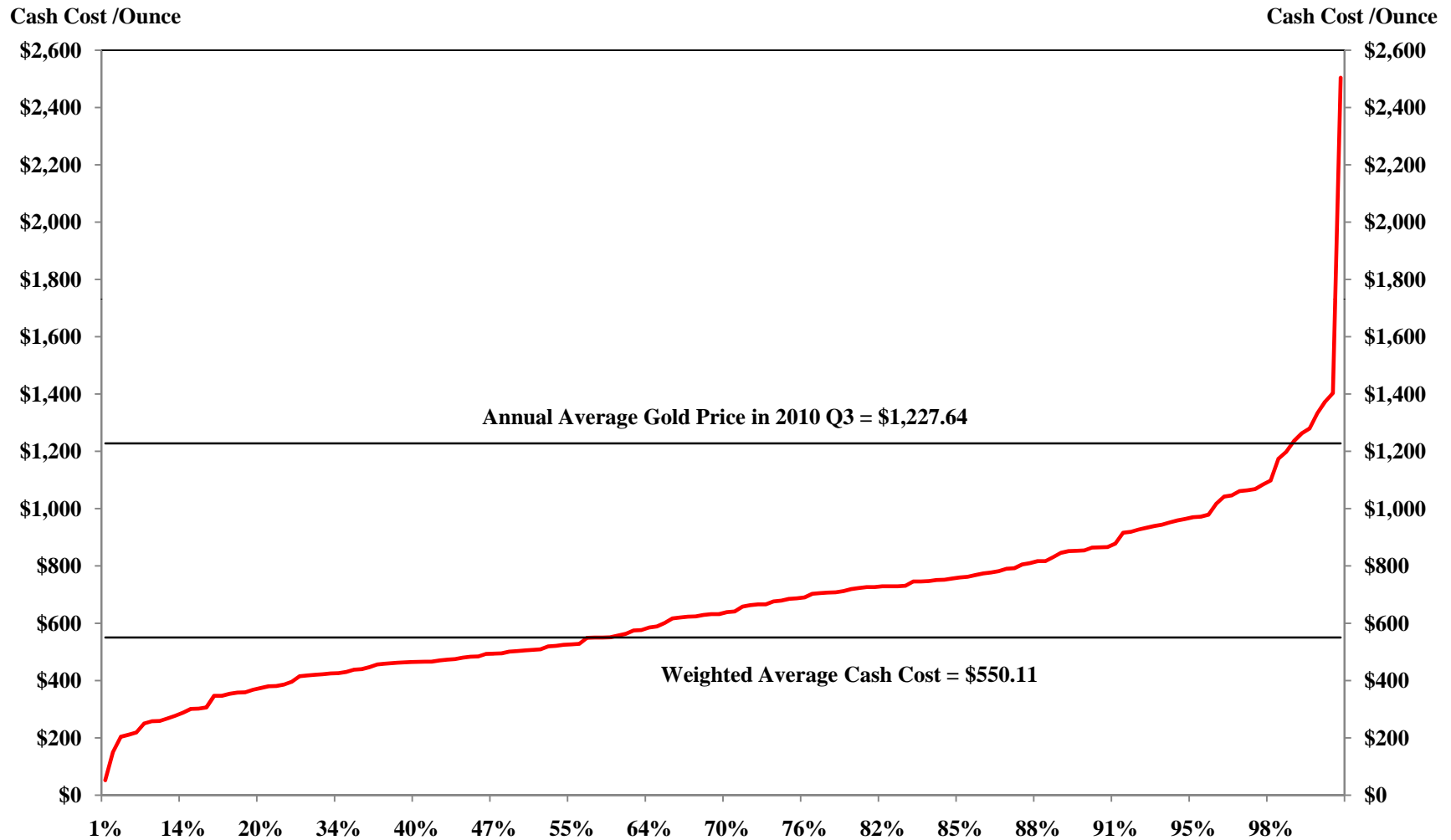


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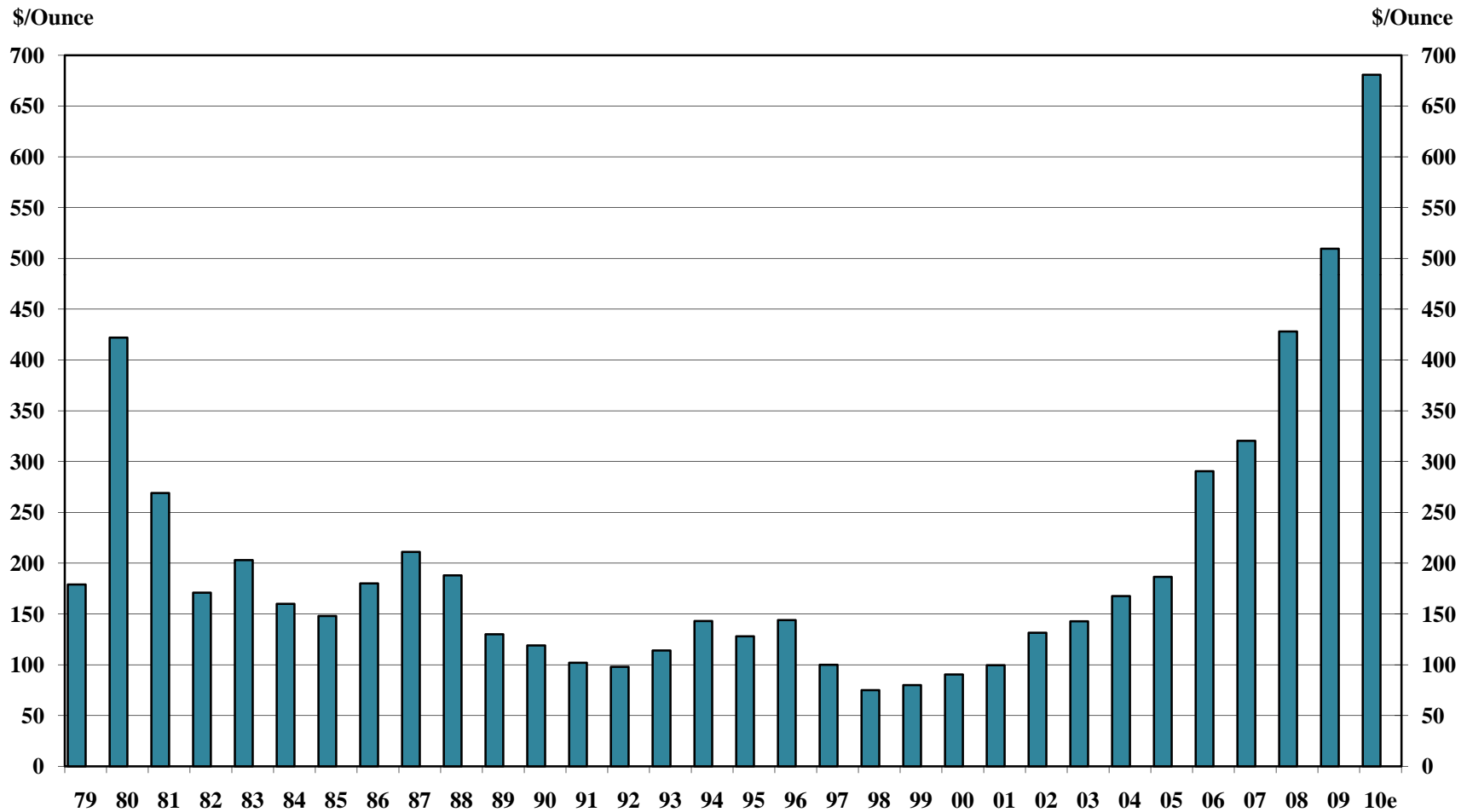
The Price of Gold and Cash Operating Costs of Production



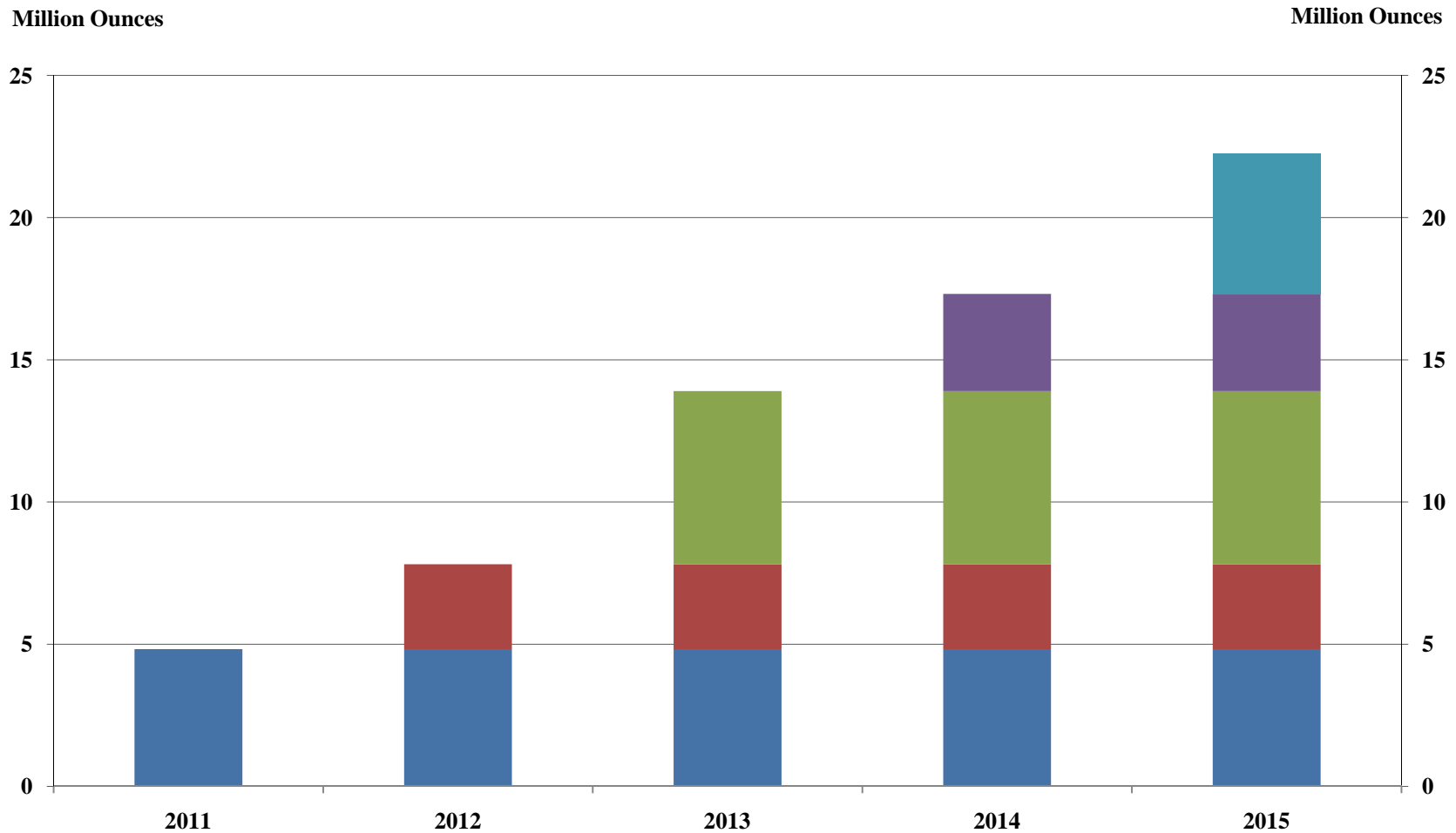
Gold Cash Costs in Third Quarter 2010



Margin between Gold Price and Cash Costs

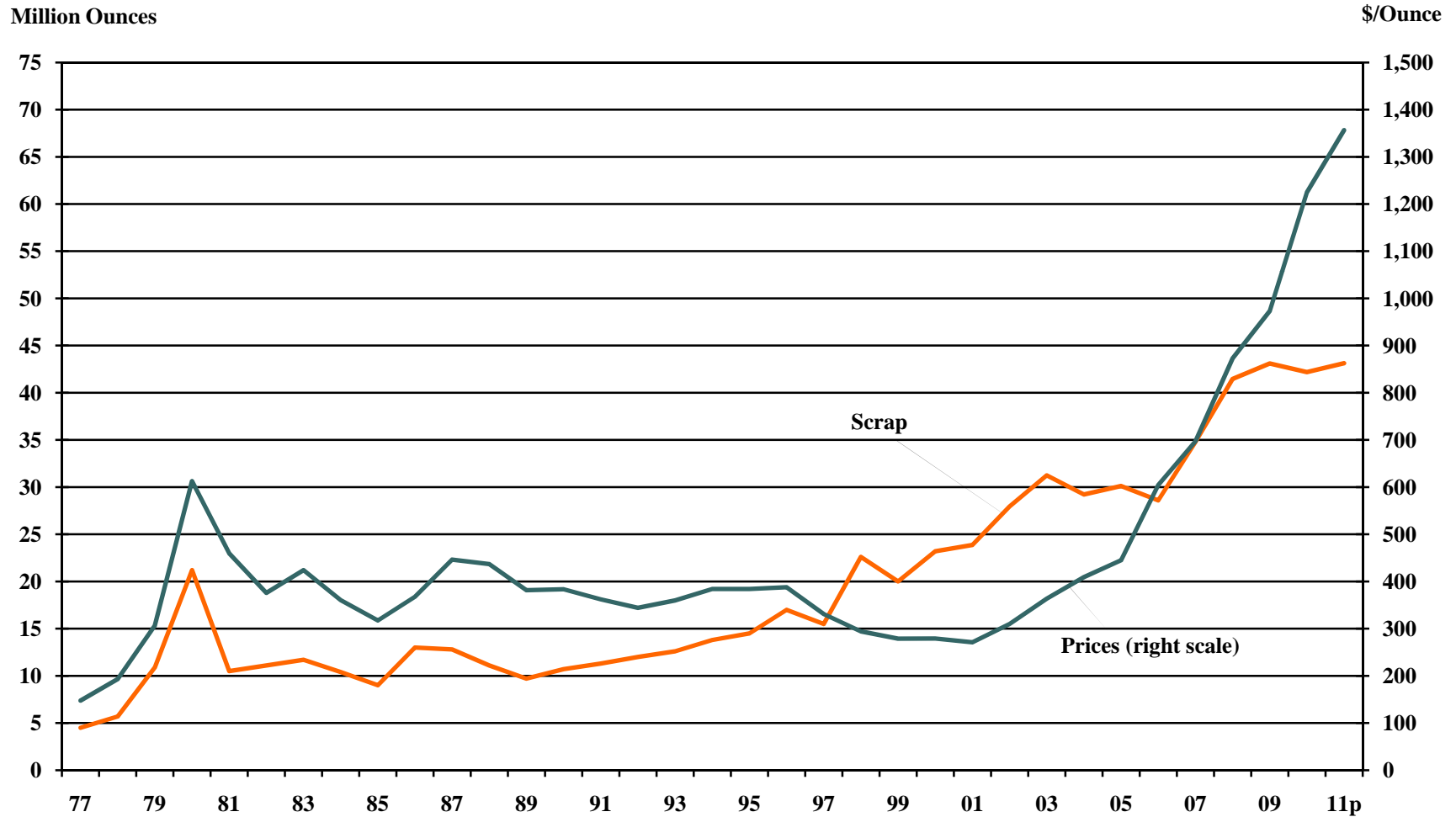


Estimated Gold Production Additions

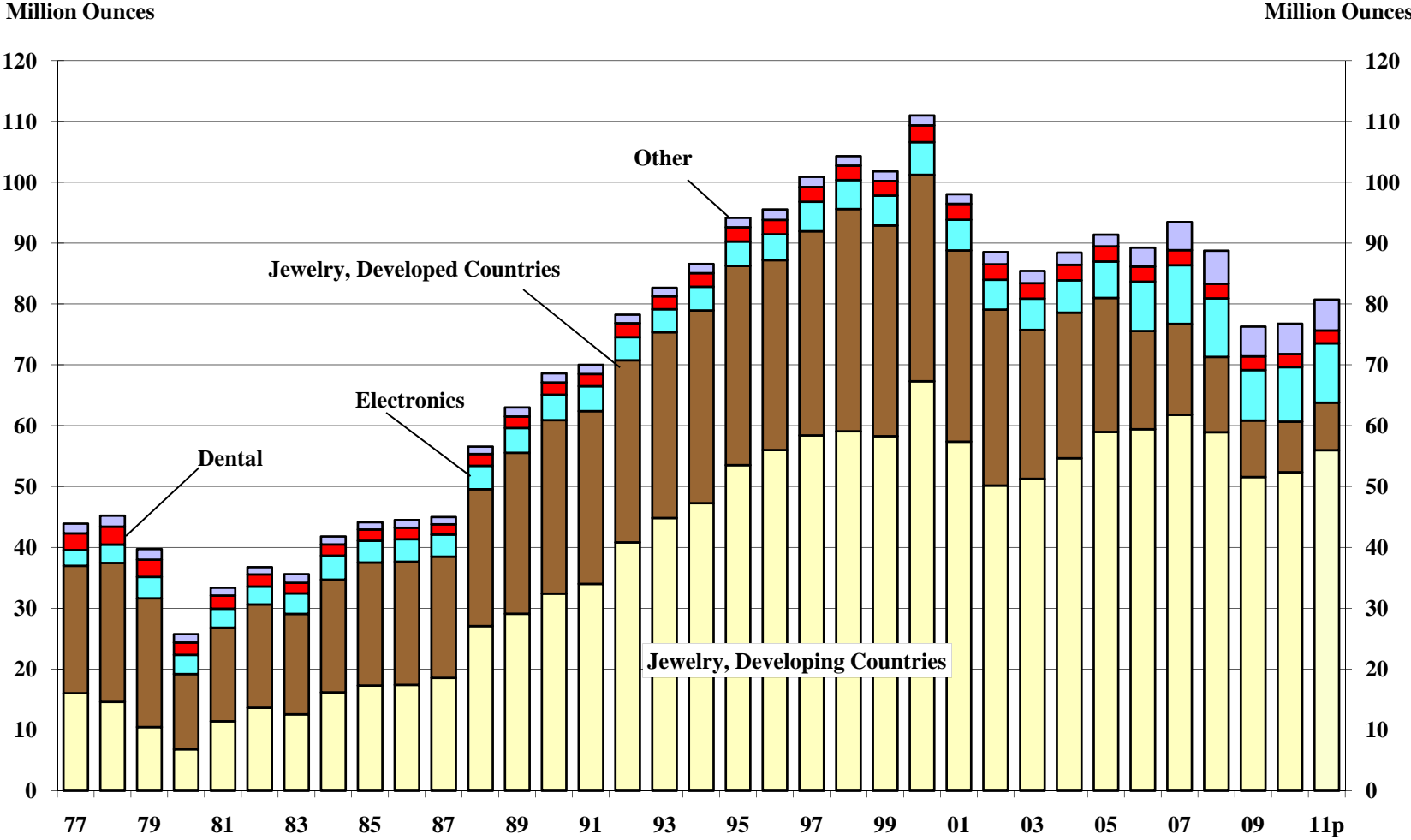


Annual Gold Recovery and Average London Gold Price

Projected Through 2011



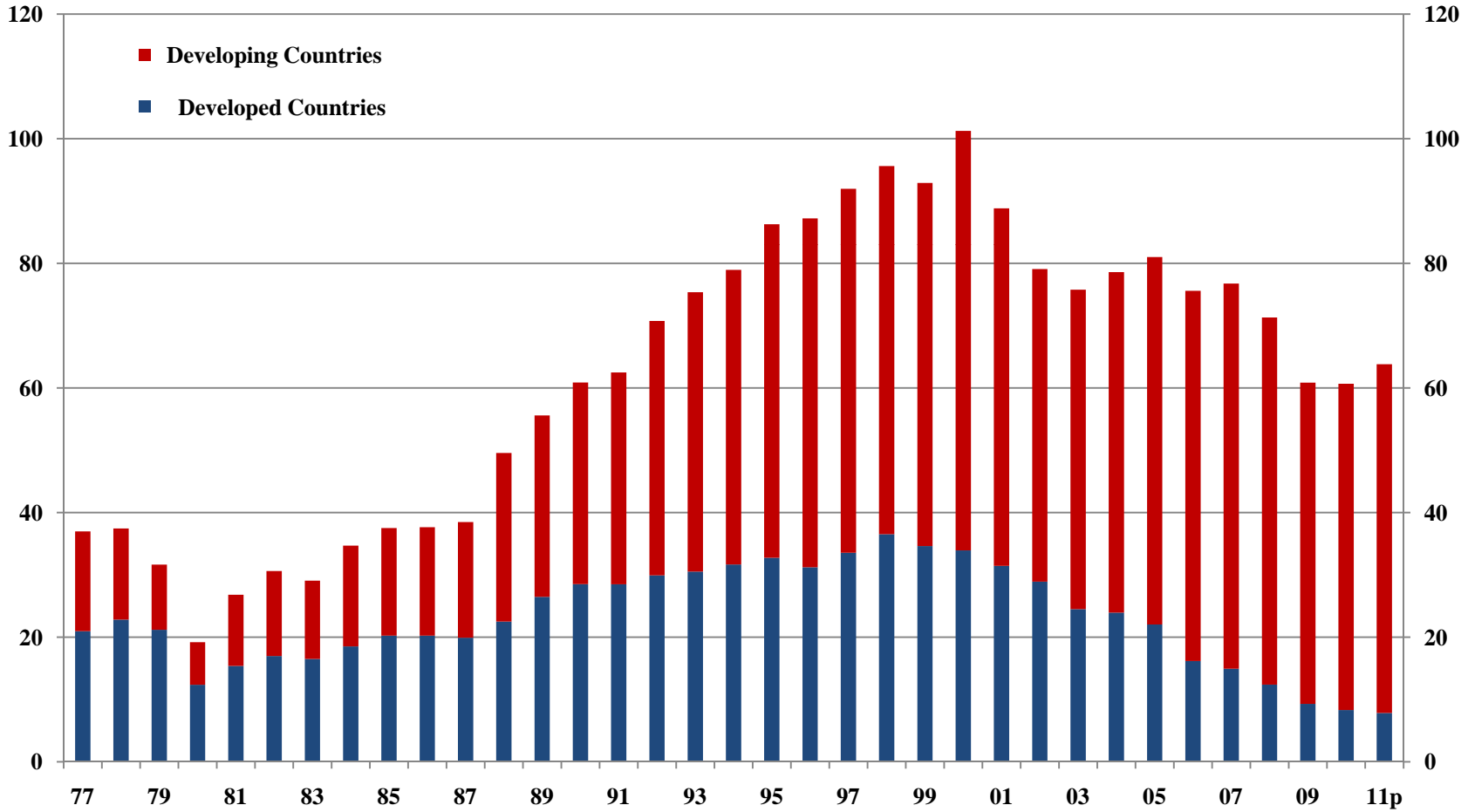
Total Fabrication Demand *Projected Through 2011*



Jewelry Demand *Projected Through 2011*

Million Ounces

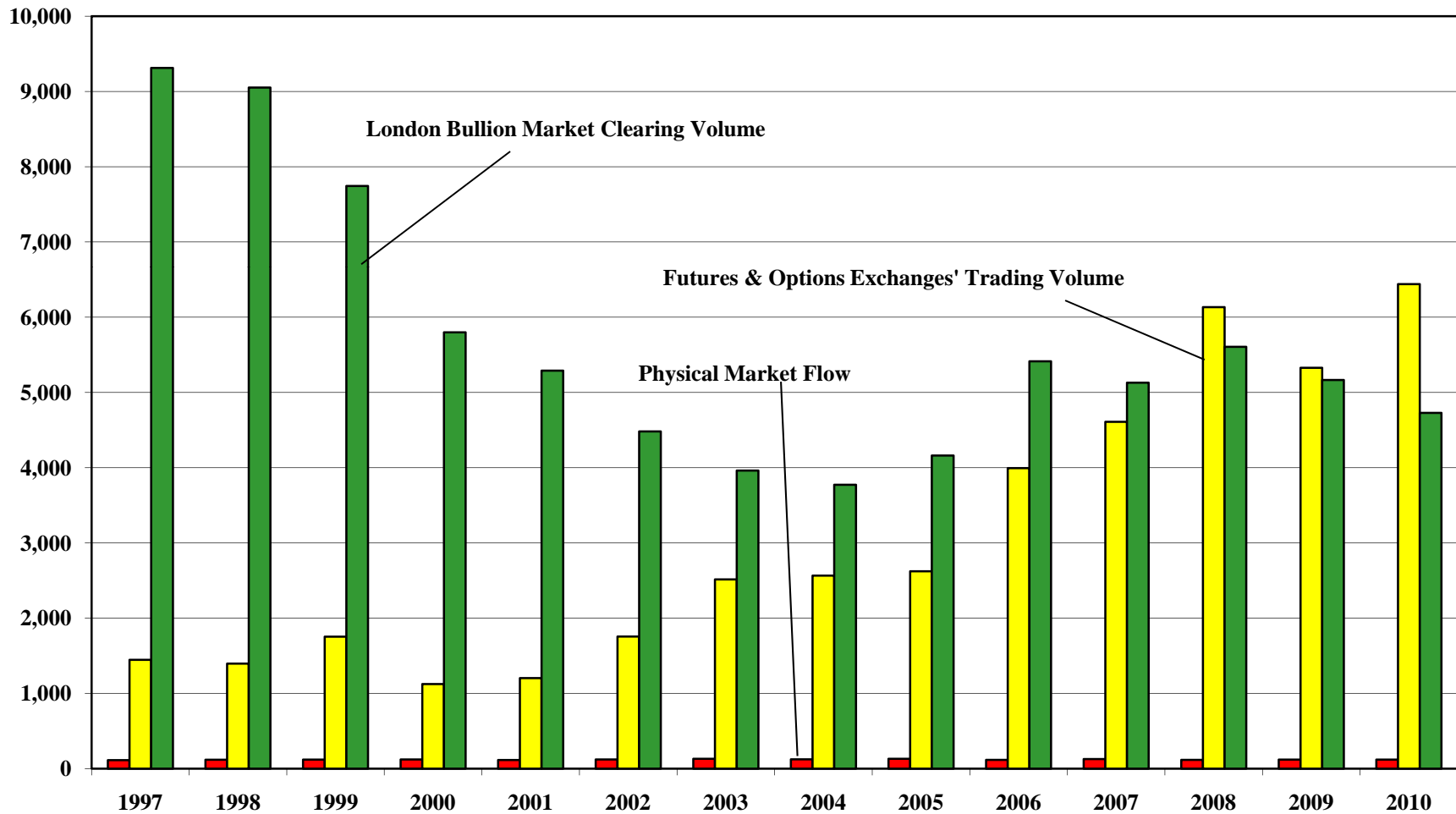
Million Ounces



Markets

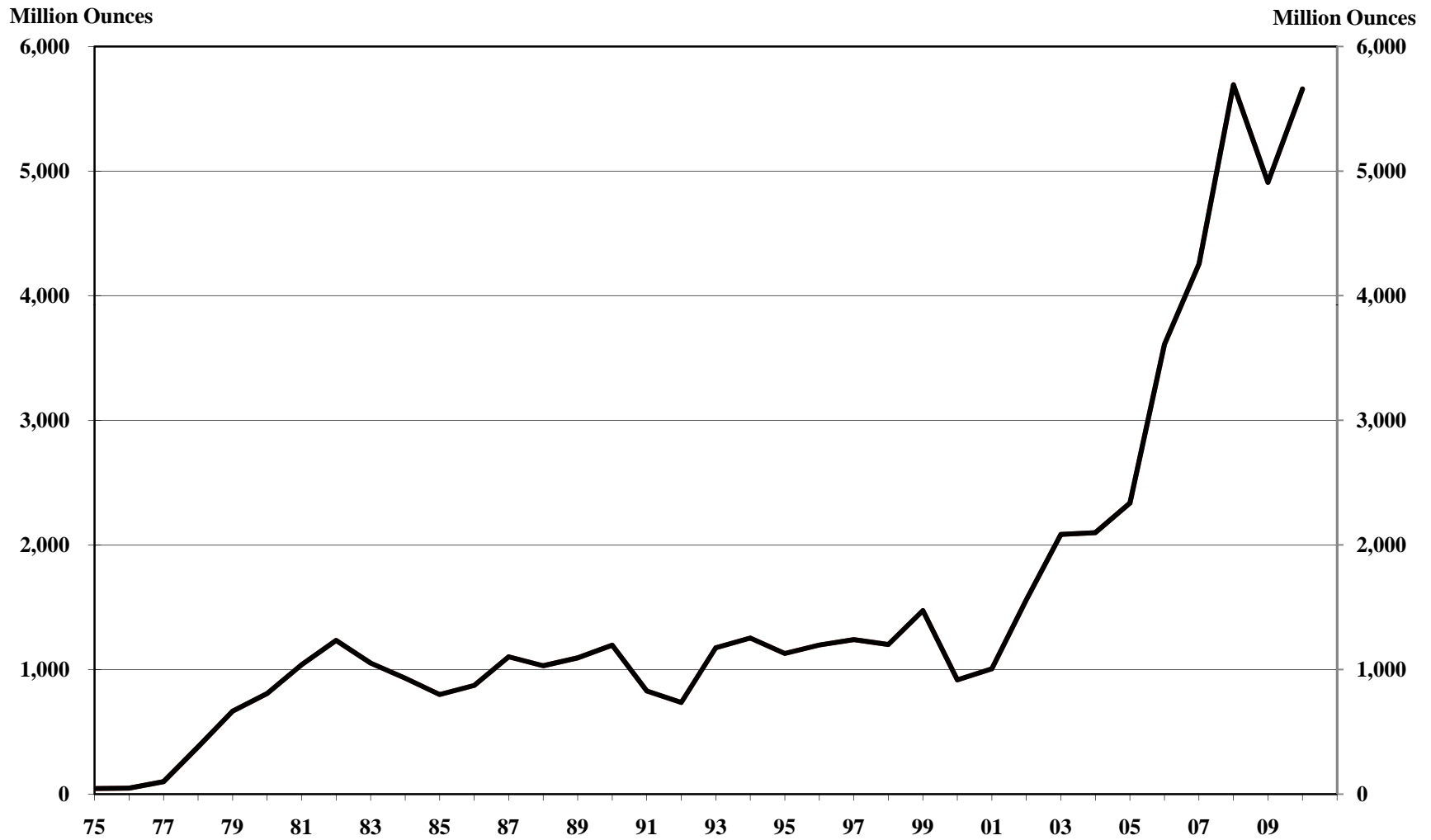
The Gold Market

Million Ounces



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Trading Volumes in the Futures Markets

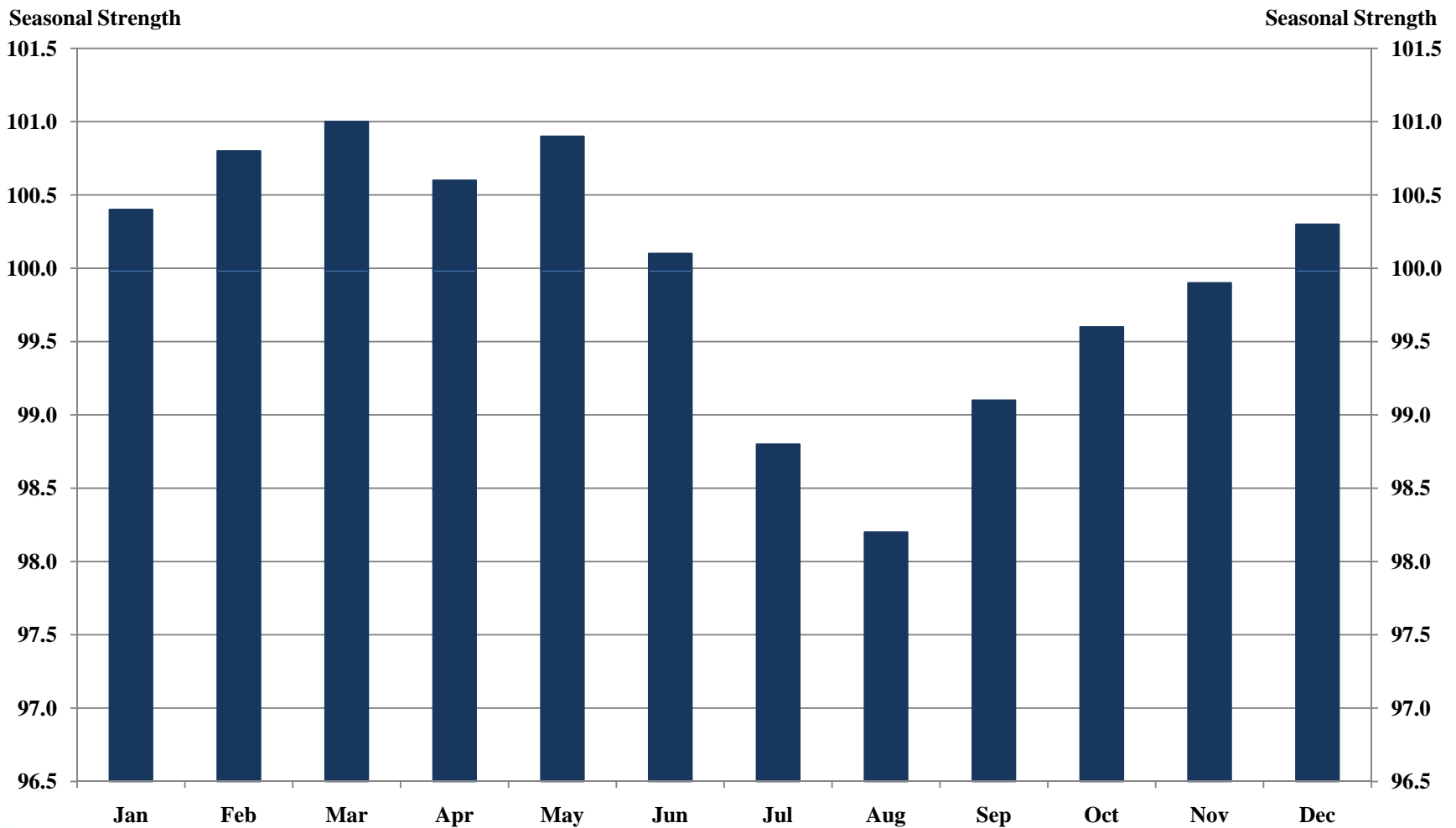


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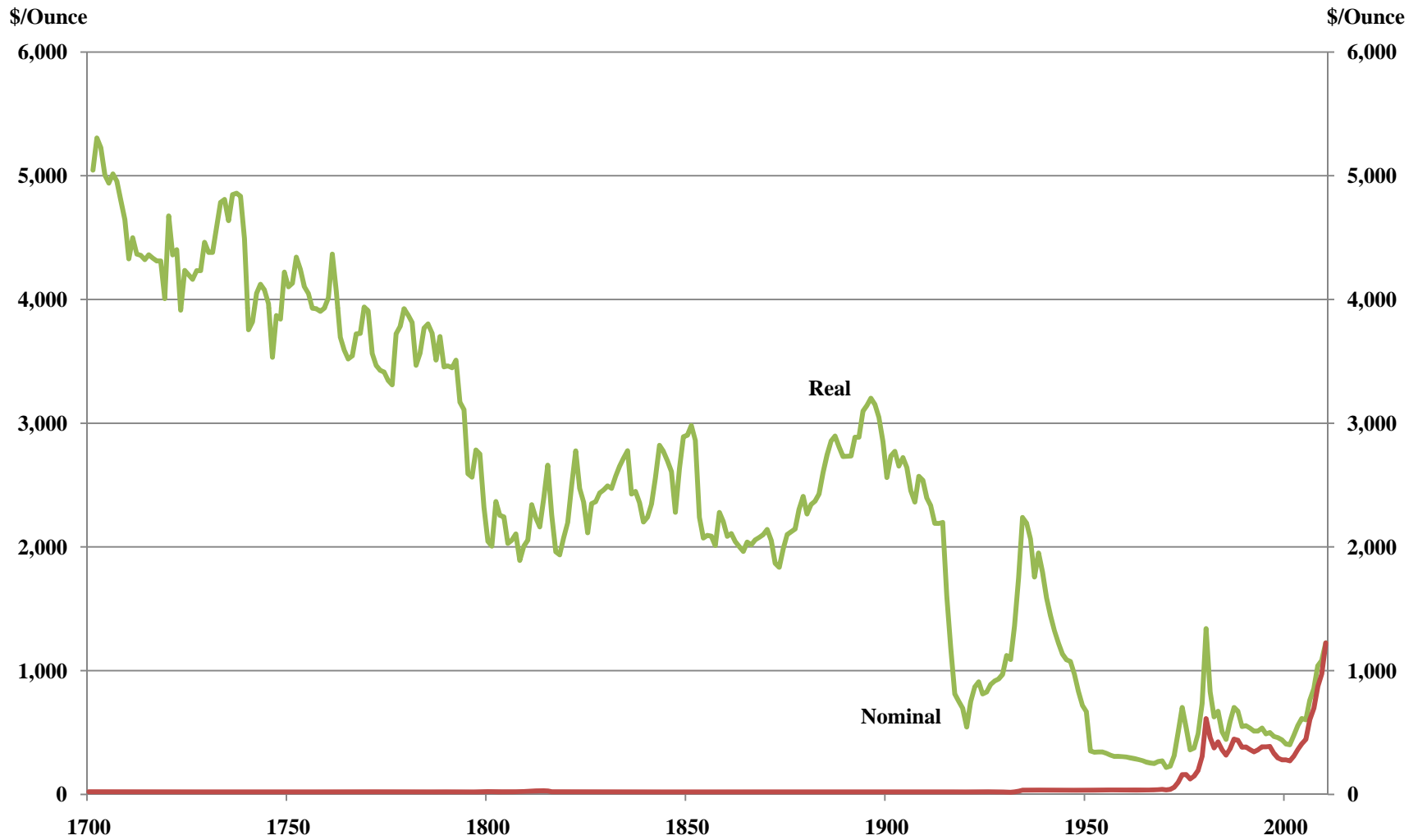
Prices

Gold Price Seasonality

Monthly Gold Price Seasonality

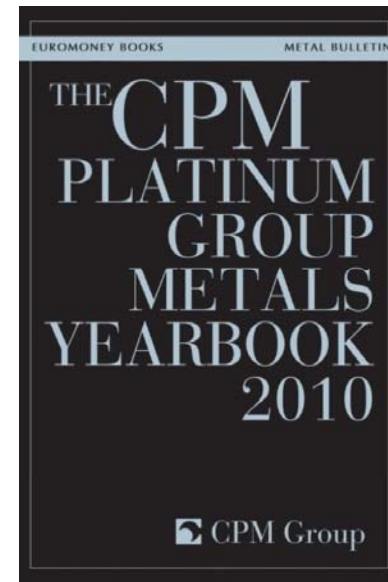
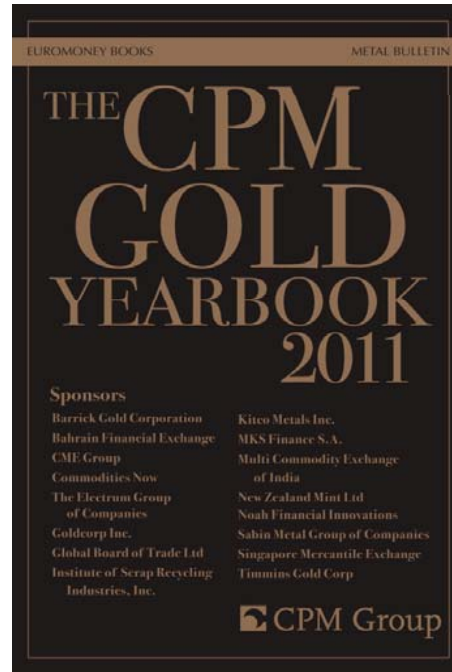
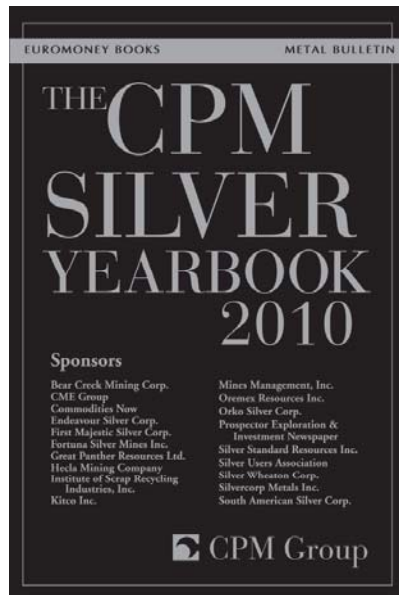


London Gold Prices since 1700 *Base Year = 2010*



Thank You

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***This year's Yearbooks feature a special section on China's precious metals markets**

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