

GOLD: Riding the "Re-Flationary Rescue"

Investment Demand Supplements Seasonally Strong Fabrication

- **Gold silences the skeptics** — Gold has broken to 28-year highs above \$730 per ounce, and seems to be entering a new investment-driven phase, consistent with our Multiple Handoffs framework. After languishing during the initial phase of the credit crunch, Gold has re-asserted its safe-haven status. The equities anticipated the move, and have fully, finally participated.
- **Fabrication sets the stage** – While investment demand is sprinting with the baton, 2Q Gold demand was up +19% YoY, led by India (+91%), China (+32%) and the MidEast (+20%). Investment was very weak from mid-06.
- **A true, multi-currency Gold rally** – Prices have been rising in Euro and Yen terms, which is a critical credibility test. We see Gold as a prime beneficiary of the "Re-flationary Rescue," which should be positive for hard assets and basic materials.
- **Seasonality is serendipitous** – The powerful macro-driven resurgence in Gold investment has coincided with seasonally strong fabrication offtake, which may extend the move. That is, Indian/Asian holders would normally be aggressive sellers, but are limited by fabricator pre-buy ahead of the Western holidays, Indian festivals, and the Chinese New Year. This could set up an early-08 correction.
- **Gold at \$850 – 1,000/oz: A real possibility** – We continue to be positive on Gold, based on a mix of macro/monetary and supply/demand drivers. We expect Gold's multi-year bull market to continue, are maintaining year-average forecasts at \$750/oz for 2008/09. Within this, a test of the historic highs is likely.

John H Hill, CFA

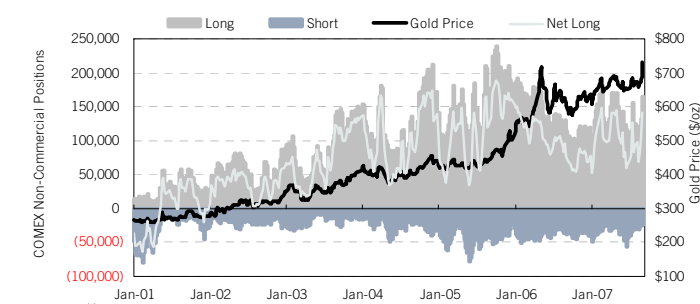
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Figure 1. Gold Price and Comex Commitment of Traders



See Appendix A-1 for Analyst Certification and important disclosures.

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Multiple Handoffs: Investment Takes Over

Gold has broken to 28-year highs above \$730/oz, and seems to be entering a new investment-driven phase. The rally is amplified by the calendar, as Indian/Asian holders who would normally be aggressive sellers are constrained by fabricator pre-buy ahead of the Western holidays, Indian festivals, and the Chinese New Year. This also sets up the possibility of an early-08 correction. It is notable that Gold has been rising in Euro, Yen, Rupee, and Dinar terms, which is the definition of a true Gold rally. We remain positive on Gold, with year-average forecasts of \$750/oz for 2008/09. Within this, we would not be surprised to see Gold break its historic highs of \$850. We believe that the policy resolution to the credit crunch will involve extended "Re-flationary Rescue," in a new cycle of global credit creation and competitive currency devaluations that should be inherently positive for pro-cyclical basic material, hard assets, and Gold.

Gold Silences the Skeptics. Safe-Haven Status Re-Asserted

Another handoff, from fabrication back to investment – Gold has broken to 28-year highs above \$730 per ounce, and seems to be entering a new investment-driven phase, consistent with our Multiple Handoffs framework. That is, Gold market drivers tend to oscillate between bouts of Eastern physical/fabrication demand, and Western investment demand. 2006 was dominated by investment, while 1H/07 was entirely fabrication. The handoffs back and forth between these demographically distinct buyers, typically over 6 – 9 month intervals, continues to define Gold's stair-step ascent over the past five years. Investment-driven upside, typically featuring retail investors responding to macro jitters, tends to be violent and shorter-lived. Fabrication support tends to play out in a more muted manner.

Rally is amplified by seasonally strong offtake – It is notable that this powerful resurgence in investment demand has coincided with a period of seasonally strong physical offtake. This may extend the move to the upside. That is, Indian/Asian holders would normally be selling aggressively into this rally, as seen in mid-06, but the capacity to do so is limited on a net basis by the calendar: 1) Fabricator pre-buy ahead of the Western holidays; 2) Indian festivals; 3) The actual holidays themselves, and 4) The Chinese New Year in early-Feb. The close of the central bank selling year (to Sept-26) also tends to bring some relief from selling pressure, which has been clearly targeted to cap the Gold price. As a result, there is a good chance that the Gold rally will continue through year-end, followed by a correction in early-08 when Indian/Asian holders have more latitude to sell.

A test of \$850 – 1,000/oz is possible – We continue to be positive on gold, based on a mix of macro and supply/demand catalysts. We are maintaining year-average forecasts of \$750 per ounce for 2008 – 09, which have been in place for the last year. This contemplates continuation of Gold's multi-year bull market, in which the price has tended to climb by \$50/oz per year, with an exceptional 2006 which tacked on \$150. Thus far, 2007 is running \$60/oz above the 2006 average of \$604. Within this framework, we would not be surprised to see Gold break its historic highs of \$850/oz. We believe that the policy resolution to the credit crunch will take the form of a massive, extended "Re-flationary Rescue," in a new cycle of global credit creation and competitive currency devaluations that should be inherently positive for pro-cyclical basic material, hard assets, and Gold. This could take Gold to \$1,000/oz, or higher.

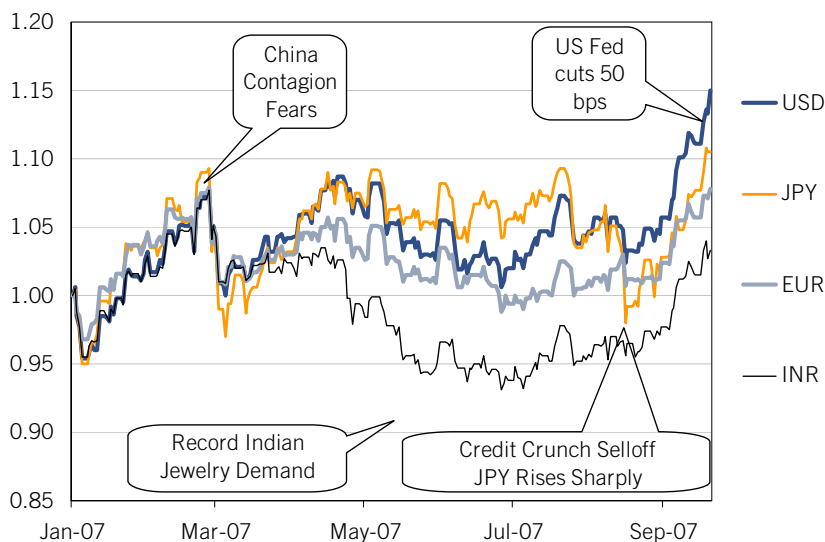
Gold is Rallying in Multiple Currencies

Appreciation against the Yen and Euro is a critical credibility test – Since bottoming with the broader market in the mid-Aug selloff, Gold has staged an impressive rally, both in US dollar terms and against other major currencies. From trough levels gold has risen 21% in USD, 16% in Japan Yen, 11% in Euro and 11% in Indian Rupees. From the beginning of the year Gold is up 15% in USD, 10% in JPY, 8% in Euros, and 3% in Rupees.

It is important to consider that Gold is essentially a non-US business, with the only real link being a Dollar-denominated contract, since it has historically been the "least-worst" major paper currency. If Gold only rises as the "Anti-Dollar," and is flat in Euro, Yen, and Rupee terms, it is not a true rally from the perspective of the buyers that control the market.

Gold has experienced a true rally, rising in all currencies since the nadir of the credit crunch selloff Mid-August.

Figure 2. Gold Performance in major Currencies – Indexed to Jan 1st 2007



Source: Citi Investment Research

Investment Demand Spikes

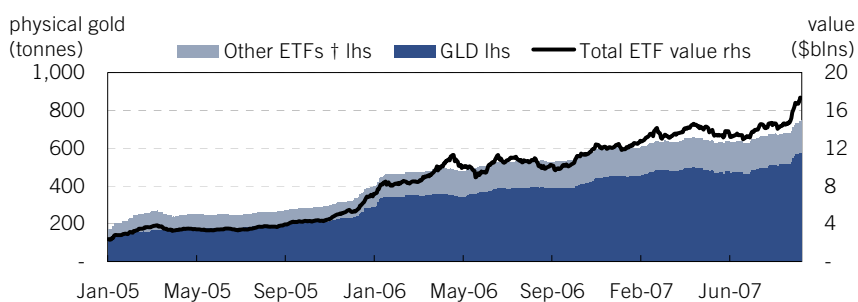
Gold held in ETFs set records, above \$17 bln – ETFs are a good proxy of investment demand, as they are highly liquid, backed by physical Gold, have no mine operating risk, and unaffected by arbitrary distinctions between "Commercials" and "Speculators" as in the Comex COT reports.

Gold held in the ETFs has set new highs of roughly 747 T, up 17% since the end-June. Total value is now about \$17 bln. It is important to note that these volumes fell in 2Q/07 as Western investors fled Gold for "CDO Snake Oil," and sold to better-informed Indian/Asian buyers.

Trading value of the GLD (GLD.N - US\$72.72; Not Rated) has averaged \$412 mln/day in 3QTD, up +42% over 2Q/07 but still below the \$573 mln record notched in 2Q/06.

The ETFs have boosted investment demand and supported Gold prices. While there is little doubt they have also cannibalized liquidity from the Gold equities, gains in both are ultimately tied to the resurgence in Western investor demand.

Figure 3. ETF Holdings Summary



Principal Gold ETF Holdings (End of Period in Tonnes)						
Location	2004	2005	2006	1Q/07	2Q/07	9/19/07
US-StreetTRACKS (GLD)	45	263	453	484	464	577
Other †	62	101	151	156	164	170
TOTAL	106	365	604	640	629	747
% change (prev. period)	233.8%	29.8%	65.7%	6.0%	-1.8%	16.7%
Total Value (blns)	\$2.2	\$5.9	\$12.3	\$13.7	\$13.1	\$17.3
% change (prev. period)	417.7%	40.4%	107.9%	10.8%	-3.9%	26.8%
GLD Ave. Daily Trading (mlns)	\$164	\$308	\$358	\$346	\$291	\$412

† - Comex iShares and other internationally held funds on LSE, ASX & JSE

Source: WGC, StreetTRACKS, iShares, and Citi Investment Research

Speculator positions back near year highs - COMEX Non-Commercial Gold Positions were net long by 142,065 contracts on September 11th, up 36,100 contracts from the previous week. This was just shy of the 12-m high of 148,364 set February 27. For reference, contracts peaked over 182,000 in October 2005 and hit a 2-year low of 52,500 in the first week of 2007.

Correlations: Notoriously Unstable

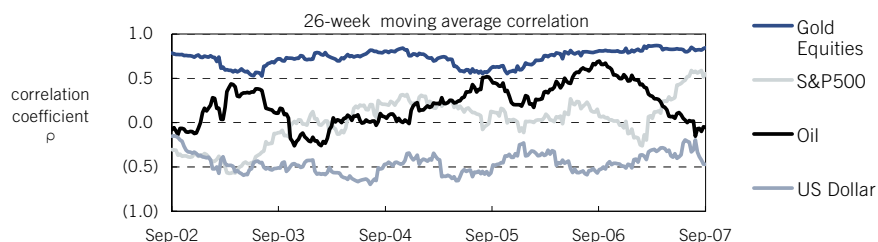
Correlations in Crises, Crises in Correlations – In at least the past decade Gold has never followed broader equities as closely as this year. Interestingly, Gold has tended to be most closely correlated during broad market selloffs. When these deepen sufficiently, safe-haven demand kicks in. The first example was during the China 9% equity downdraft in late-Feb the Shanghai composite fell 8.4%, the DJIA fell 4.6% and Gold fell 7.6%. In August, a similar pattern occurred during the initial phase of the housing/credit crunch. Similarly, the macro forces triggering a recovery in broader equities has proved to be a massive positive for Gold, driving prices through 28-year highs just as indices are nearly retaking pre-August peaks.

Interestingly Gold–Oil correlations have waned, while Gold–Dollar correlations are being re-asserted.

Notoriously unstable Gold correlations have shifted. Last year the oil price was the key. This year gold and broader equities have been closely linked. The negative correlation with the dollar is being reasserted.

Figure 4. Correlation Matrix – Weekly Returns on Gold and Selected Asset Classes

	2004		2005		2006		2007 YTD		Long Term	
	Bullion	Stox	Bullion	Stox	Bullion	Stox	Bullion	Stox	Bullion	Stox
US Dollar ¹	(0.70)	(0.54)	(0.52)	(0.48)	(0.49)	(0.52)	(0.42)	(0.47)	(0.46)	(0.40)
Euro	0.62	0.50	0.52	0.46	0.48	0.51	0.49	0.57	0.44	0.37
CRB Index ²	0.58	0.46	0.48	0.39	0.74	0.76	0.53	0.54	0.44	0.37
WTI Oil	0.13	0.10	0.25	0.37	0.53	0.59	0.06	0.15	0.12	0.15
S&P 500	0.20	0.29	(0.00)	0.36	0.02	0.31	0.50	0.56	0.02	0.03
NASDAQ	0.24	0.27	(0.03)	0.23	0.04	0.29	0.48	0.59	0.04	0.03
DJIA	0.18	0.25	(0.01)	0.32	(0.01)	0.23	0.42	0.50	(0.02)	0.05
Gold Equities ³	0.79		0.68		0.81		0.83		0.72	



1 - Trade Weighted US Dollar (DXY)
 2 - Bridge Index of broad commodity prices (CRY)
 3 - Gold Equities: XAU index

Source: Citi Investment Research

Figure 5. Commodities Performance – Average price 2007E vs. 2001

		2001	2007E	gain
Gold	US\$/oz	271	672	148%
Silver	US\$/oz	4.42	13.60	208%
Platinum	US\$/oz	529	1,269	140%
Aluminium	US\$/lb	65	120	83%
Copper	US\$/lb	72	315	339%
Nickel	US\$/lb	2.70	16.45	510%
Zinc	US\$/lb	40	156	289%
Lead	US\$/lb	22	110	412%
Hard Coking Coal	US\$/T	42	102	142%
Iron Ore	US\$/T	38	102	170%
WTIOil	\$/bbl	26	62	139%
Uranium	US\$/lb	9	104	1104%

Source: Citi Investment Research

Gold shares have finally delivered, after languishing due to the "Physical Bypass" and high relative multiples compared to FCF-rich Bulk/Base miners.

The market is also likely to be shocked at how much cash the major Golds generate at prices approaching \$700/oz.

The toughest part of this call is "drawing the line" on multiples compression.

Gold Equities: Fully, Finally Participating

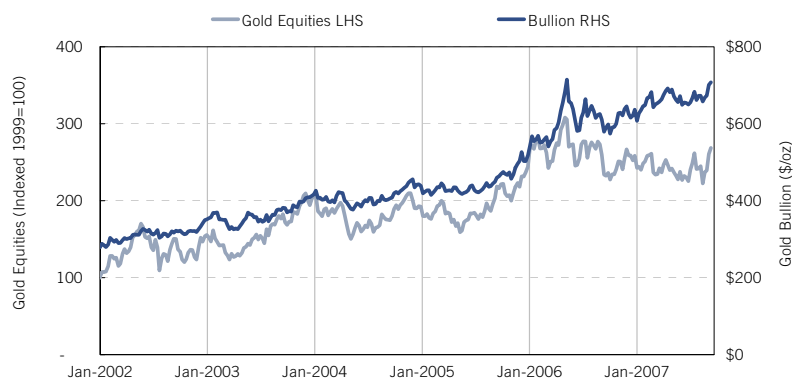
Stocks outperforming Gold, as investment demand rekindles – After early signs of life in 2Q/07, our broader-based Gold composite has leapt +29.3% in 3Q, well ahead of the 12.3% rise in bullion. This is notable because the stocks have lagged Gold since 2H/05. In 3Q, star performers have been Barrick and Agnico Eagle (AEM.TO - C\$51.34; Not Rated), both +41%.

Delivering Beta to Gold – The stocks are also showing leverage to the Gold price. We calculate a "Gold Beta" of 2.36, the highest since 2002 when Gold was \$300/oz. This is probably an outlier, and probably represents catch-up after a period of investor neglect. Longer term it is reasonable to assume that growth companies with superior execution can deliver Beta's of roughly 1.5x the Gold price.

Why buy now? Because a laggard can lead – We believe that multiples on Gold equities have finally compressed to the point where metals price gains can flow to the shares. Underperformance had been due to several investor and Gold-company specific factors, including cashflow problems and the investment "physical bypass." Investors also favored FCF-rich Bulk/Base miners at much lower multiples.

While Gold has responded recently, it has lagged other Metals, gaining only +148% in past 6 years, weak relative to Copper (+339%) and Zinc (+289%). It has kept pace with Iron ore (+170%) and Coking Coal (+142%), two abundant commodities, relative to Gold.

Figure 6. Gold Investment Performance – The Metal vs. the Miners



	1H02	2H02	1H03	2H03	1H04	2H04	1H05	2H05	1H06	2H06	1H07	2H07 E
Correlation ¹	0.94	0.70	0.81	0.96	0.91	0.92	0.55	0.94	0.67	0.82	0.30	0.00
Beta ²	1.99	2.80	0.98	1.54	1.42	1.33	0.94	1.05	1.08	1.04	1.18	2.36
Equity Performance ³	43.8%	10.5%	-2.8%	35.1%	-16.9%	14.6%	-0.3%	32.5%	11.8%	-5.3%	-12.8%	29.3%
Gold Performance	13.7%	11.1%	-1.1%	19.4%	-2.6%	9.2%	0.3%	21.0%	19.1%	3.4%	2.0%	12.4%
S&P Performance	-14.7%	-11.6%	11.5%	12.3%	3.5%	6.8%	1.8%	4.5%	1.8%	11.7%	6.0%	1.0%

1) Correlation of weekly gold equities prices to gold bullion prices

2) Beta of gold equities performance to gold bullion prices; Formula = Covariance (gold equities % chg, gold bullion % chg)/Variance (gold bullion % chg)

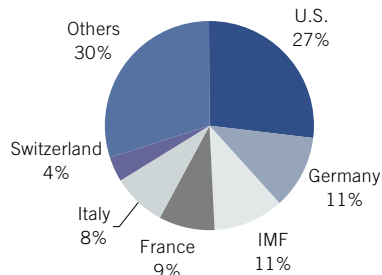
3) Gold equities composed of ABX, AEM, AU, GFI, GG, MDG & NEM with a market capitalization weighting.

Note: Weekly datapoints; % changes may not exactly correspond to calendar year results.

Stock performance through week of: 9/20/07

Source: Citi Investment Research

Figure 7. Total Official Gold Holdings & IMF



Source: World Gold Council

Central Banks: Capitulating on Gold?

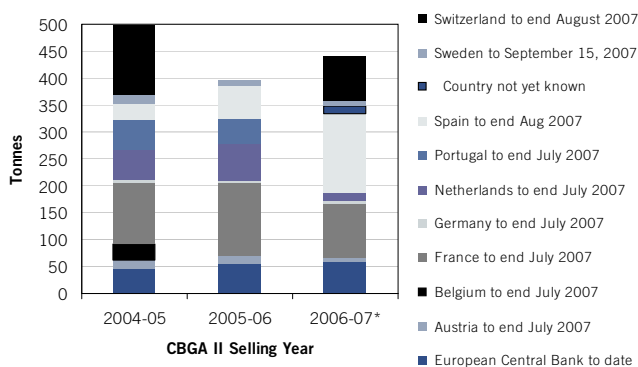
Official Sales ran hot in 2007, offset by rapid de-hedging – Gold undoubtedly faced headwinds this year from resurgent central bank selling, which was clearly timed to cap the Gold price. Our sense is that central banks have been forced to choose between global recession or sacrificing control of Gold, and have chosen the perceived lesser of two evils. This re-flationary dynamic also seems to be playing out in Oil markets.

Spain was a big seller in early-07, followed by serial Gold vendor Switzerland. In total July saw European banks offload over 70 T. Total visible sales from European Central banks in the year-to-date through September (CBGA II year 3) have reached 441 T, according to World Gold Council sums. This is above last year's low-water mark of 396 T, but also shy of the cap of 500 T. Germany and the Netherlands were well-served to only sell modest amounts as, in Euro terms, the spot price is up +7.8% since the beginning of the year and +5.2% over the average price so far in 2007.

Aggressive de-hedging from miners Newmont, Lihir and Newcrest acted to offset the bulk of Central Bank sales. There is headline risk that Central Bank selling will outlast the unwinding of the Global hedge book.

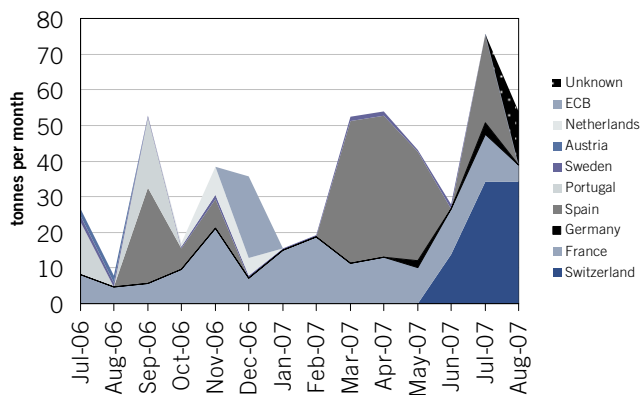
For further supply/demand detail, please see links to notes below.

Figure 8. European Central Bank Sales under CBGA II - Annual



*current year ends Sep 26, 2007 with reporting typically lagged by 1-2 months
Source: World Gold Council and Citi Investment Research

Figure 9. CBGA (European Central Bank) Official Gold Sales – Monthly est.



Source: World Gold Council and Citi Investment Research

Recent Citi Gold Research

The Gold Hedge Book: Rave Reviews
Gold: Healthy Physical Market
Newcrest Right Issuance

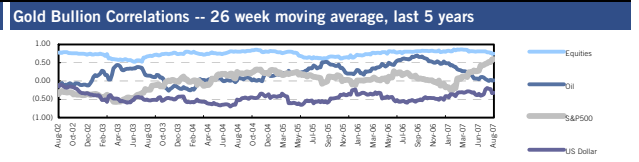
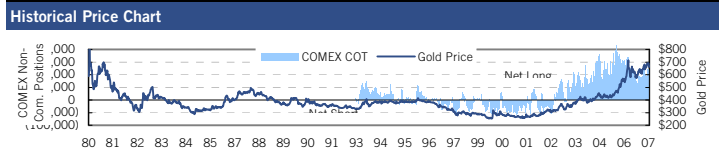
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21 September 2007

Figure 10. Gold Factpage

Supply/Demand Model												
Metric Tonnes (1 T = 32,151 troy oz)	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007E	2008E
Mine Production	2,493	2,542	2,574	2,591	2,621	2,588	2,592	2,492	2,550	2,471	2,490	2,525
Old Gold Scrap	631	1,105	615	616	713	840	943	849	886	1,108	900	850
GOLD SUPPLY - Mine Production & Scrap	3,124	3,647	3,189	3,207	3,334	3,428	3,535	3,341	3,436	3,579	3,390	3,375
GOLD DEMAND -- Fabrication: Jewelry	3,287	3,164	3,132	3,196	3,001	2,653	2,479	2,611	2,707	2,279	2,450	2,500
Electronics/Dental/Other	419	393	412	451	363	357	381	411	427	451	460	470
Subtotal, Fabrication Demand	3,706	3,557	3,544	3,647	3,364	3,010	2,860	3,022	3,134	2,731	2,910	2,970
Fabricated Surplus / (Deficit)	(582)	90	(355)	(440)	(30)	418	675	319	303	848	480	405
Investment Demand -- Official Coins	142	173	180	106	112	123	133	142	147	188	170	180
Bar Hoarding	362	174	269	242	261	264	180	256	263	226	245	240
Implied Western Investment (Disinvestment)	(204)	287	268	(141)	(17)	210	693	(110)	296	149	(92)	0
Subtotal, Investment Demand	247	550	628	25	340	552	1,025	364	890	798	503	570
Total Demand	3,953	4,107	4,172	3,672	3,704	3,562	3,885	3,385	4,024	3,529	3,413	3,540
Commodity Surplus / (Deficit)	(829)	(460)	(983)	(465)	(370)	(134)	(350)	(44)	(588)	50	(23)	(165)
Filling The Gap -- Net Hedging	504	97	506	(15)	(151)	(412)	(270)	(422)	(86)	(373)	(480)	(250)
Net Official Sector Sales (Purchases)	326	363	477	479	520	547	617	469	674	324	503	415



Recent Prices (\$/oz)							
	2001	2002	2003	2004	2005	2006	'07 YTD
High	\$293	\$350	\$416	\$456	\$528	\$715	\$730
Low	\$256	\$278	\$323	\$375	\$413	\$517	\$607
Ending	\$279	\$348	\$415	\$438	\$517	\$637	\$730
Average	\$271	\$311	\$364	\$411	\$445	\$605	\$664
YoY Ave	-2.8%	14.5%	17.2%	12.9%	8.3%	35.7%	9.8%

	2005		2006		2007	
Correlation Matrix	Bullion	Stox	Bullion	Stox	Bullion	Stox
US Dollar ¹	(0.52)	(0.48)	(0.49)	(0.52)	(0.32)	(0.20)
Euro	0.52	0.46	0.48	0.51	0.42	0.27
WTI Oil	0.25	0.37	0.53	0.59	0.02	0.18
CRB Index ²	0.48	0.39	0.74	0.76	0.54	0.60
NASDAQ	(0.03)	0.23	0.04	0.29	0.56	0.59
DJIA	(0.01)	0.32	(0.01)	0.23	0.52	0.48
Gold Equities ⁴	0.68		0.81		0.74	

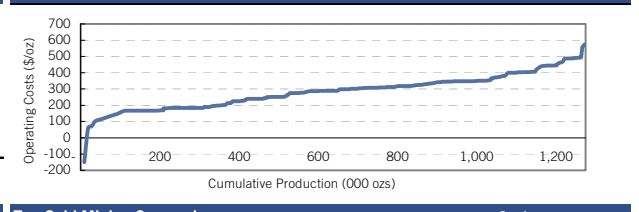
Official Sector Holdings			World Gold Holdings		
Country	Tonnes	Value ⁶	% Held in Au	Sector	Tonnes
United States	8,134	191.0	75.9%	Jewelry	80,300
Germany	3,418	80.2	62.9%	Official Sector	30
IMF	3,217	75.5	na	Private Investment	24,800
France	2,658	62.4	57.4%	Fabrication	18,200
Italy	2,452	57.6	65.8%	Unaccounted	3,600
Switzerland	1,242	29.2	41.7%		
Japan	765	18.0	1.8%	Total	126,930

Gold ETF Holdings ³	2005	4Q/06	1Q/07	2Q07	1-Aug
US StreetTRACKS (GLD)	263.3	453.2	483.9	464.4	506.7
Other ⁷	101.3	150.7	156.3	164.5	167.9
Total	364.6	603.9	640.3	628.9	674.6
% Change		65.7%	6.0%	-1.8%	7.3%

Top Gold Fabricating Countries (tonnes)							
	1999	2000	2001	2002	2003	2004	2005
India	697.0	704.0	691.6	558.4	539	617.9	694.5
Italy	523.9	522.3	485.5	423.7	333.9	314.6	284.1
Turkey	137.4	228.3	162.3	176.9	260.5	288.4	303.4
China	219.3	212.6	215.9	204.5	211.0	234.6	257.0
USA	323.1	277.4	233.1	229.7	224.9	224.0	219.8
Japan	153.2	161.1	121.8	133.3	151.3	159.5	166.7
Sau. Arabia	150.6	152.6	146.8	121.0	110.3	118.0	124.6
Sub Total	2,205	2,258	2,057	1,848	1,831	1,957	2,050
% of Total	59.0%	60.0%	58.9%	58.7%	61.2%	61.9%	64.8%

ETF Trading Volume Daily Average US\$ (mlns)					
	2005	4Q/06	1Q/07	2Q07	1-Aug
US StreetTRACKS (GLD)	\$308	\$271	\$346	\$291	\$343

Top Gold Producing Countries (kT)							
	2000	2001	2002	2003	2004	2005	2006E
South Africa	428	394	395	376	342	297	288
Australia	285	278	265	283	261	263	253
USA	352	335	298	276	258	256	260
Peru	133	139	157	173	173	208	190
China	175	182	180	194	194	175	164
Russia	144	155	171	177	174	175	164
Indonesia	139	180	158	113	131	167	130
Sub Total	1,656	1,663	1,624	1,592	1,533	1,541	1,450
% of Total	63.9%	63.5%	62.8%	61.4%	61.5%	60.4%	58.7%



Top Gold Mining Companies (Tonnes)					Cash	
	2003	2004	2005	2006	Costs	Reserve
Barrick	171.4	154.2	169.4	269.1	\$283	3,955
Newmont	229.6	216.9	202.0	182.6	\$329	3,022
Gold Fields	130.4	125.1	127.0	126.7	\$358	2,015
Anglogold	169.0	182.1	186.4	174.2	\$309	2,151
Harmony	90.0	106.9	88.5	89.5	\$409	1,683
Goldcorp	60.7	63.0	71.0	52.7	\$168	1,280
Newcrest	22.4	32.6	32.6	61.4	\$227	900
Sub Total	851	871	877	956	\$298	15,006
% of Total	32.8%	34.9%	34.4%	38.7%		

1 Trade Weighted US Dollar (DXY); 2 Bridge Index of broad commodity prices (CRY); 3 SSBIG Investment Grade Bond Index; 4 Market Cap weighted composite of ABX, AEM, ANG.SG, GFI.SJ, GG, MNG, NEM, PDG; 5 Tonnes, and figures represent end of period holdings; 6 Based on current market price; 7 StreetTRACKS and iShares

Source: Citi Investment Research

Figure 11. Citigroup Global Gold Compsheet

Companies	Ticker	Analyst	Rating	Price USD 09/20/07	Market Cap (US blns)	EV (US blns)	Prod. (k oz) 2007	Cash Cost 2007	Net Debt to EV 2007	P/E Ratio			P/OCF			EV/EBITDA			
										06A	07A	08A	06A	07A	08A	06A	07A	08A	
Golds																			
Barrick Gold	ABX	John H Hill, CFA	1H	40.94	35.4	36.4	8,371	347	1.5%	28.0x	23.7x	16.7x	17.4x	21.5x	11.6x	15.7x	15.3x	8.6x	
Newmont Mining	NEM	John H Hill, CFA	1H	47.69	20.4	22.2	5,152	416	5.7%	30.4x	41.0x	23.1x	14.2x	18.9x	9.3x	11.6x	12.1x	8.2x	
Buenaventura	BVN	Rafael Pablo Urquia	3H	47.76	6.1	5.0		363	-4.0%	14.5x	23.1x	11.2x	12.5x	na	14.3x	16.7x	15.4x	10.9x	
Newcrest Mining	NCM	Jonathan Battershill	1H	24.86	8.3	9.5	1,556		11.9%	79.1x	54.4x	24.7x	30.3x	19.5x	12.0x	11.4x	10.5x	8.7x	
Peter Hambro Min	POG	Craig Sainsbury	1H	22.67	1.8	2.0	263		12.6%	40.7x	36.4x	15.3x	38.6x	30.1x	14.2x	23.9x	22.9x	10.3x	
Lihir Gold Ltd	LGL	Jonathan Battershill	2H	3.27	6.2	5.9	799	249	-4.0%	78.1x	42.8x	22.2x	106.6x	24.7x	14.4x	54.9x	23.4x	13.4x	
Median										35.6x	38.7x	19.5x	23.8x	21.5x	13.1x	16.2x	15.4x	9.5x	
Mean										45.1x	36.9x	18.9x	36.6x	22.9x	12.6x	22.4x	16.6x	10.0x	
Diversifieds with Byproduct Gold																			
BHP Billiton	BHP	Clarke Wilkins	1M	35.41	192.9	191.9	85		4.0%	20.5x	14.7x	12.6x	18.8x	12.3x	10.0x	12.1x	9.3x	7.3x	
Rio Tinto	RIO	Clarke Wilkins	1M	88.67	105.4	103.3	1,727		2.2%	15.8x	15.3x	11.4x	16.7x	12.0x	8.0x	9.2x	8.1x	5.6x	
Anglo American	AAL	Heath R Jansen	1M	63.96	84.7	77.0	5,583		0.0%	17.6x	14.3x	11.9x	10.1x	11.1x	10.8x	9.7x	8.3x	8.1x	
Xstrata	XTA	Craig Sainsbury	1M	62.01	60.3	77.2			12.7%	12.2x	9.5x	7.0x	10.6x	6.6x	4.9x	7.8x	5.7x	4.0x	
Sumitomo Mtl Min	5713	Toshiyuki Johnno	2H	22.98	13.3	12.6			10.1%	24.2x	12.1x	11.0x	14.4x	9.6x	12.6x	16.2x	9.1x	8.5x	
Norilsk	GMKN	Mikhail Seleznev, CF	1M	243.90	46.5	40.2	166		-13.2%	10.0x	6.0x	9.6x	9.0x	5.6x	8.6x	6.5x	4.0x	6.1x	
Freeport Mcmoran	FCX	John H Hill, CFA	1H	107.57	41.1	48.7	120		14.9%	15.7x	11.0x	9.0x	12.0x	7.1x	5.6x	13.7x	6.5x	4.1x	
Oxiana	OXR	Jonathan Battershill	1H	3.17	4.9	4.8	189		-1.4%	9.2x	13.9x	10.3x	6.5x	10.8x	7.1x	6.7x	7.8x	6.0x	
Median										15.8x	13.0x	10.6x	11.3x	10.2x	8.3x	9.5x	7.9x	6.1x	
Mean										15.7x	12.1x	10.3x	12.3x	9.4x	8.4x	10.2x	7.3x	6.2x	

Source: Citi Investment Research

Appendix A-1

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