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MEDIA RELEASE

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Brexit Pushes Australian Gold Price To All-Time Record

The surprise result for the United Kingdom to leave the European Union and the economic uncertainty that will result has driven the Australian dollar gold¹ price to an all-time record today, Melbourne-based mining consultants Surbiton Associates Pty Ltd said.

The likely “leave” result pushed the Australian dollar gold price as high as A\$1,830 per in early afternoon Friday trading in Sydney. The A\$ price was driven by a US dollar gold price that rose more than US\$85 per ounce at one stage to near US\$1,345 per ounce and a lower Australian dollar exchange rate.

The previous Australian dollar record of A\$1,806.50 per ounce was set on 22 August 2011. This occurred when the US dollar gold price stood at US\$1,877.50 an ounce and the Australian dollar was worth 104 US cents.

“We have been following the US dollar gold price and the US:Australian dollar exchange rate changes closely all day,” said Dr Sandra Close, a Surbiton director. “Things are moving so fast that it is hard to keep up.”

Gold prices rose from the opening bell in Sydney this morning. After fluctuations in response to the early voting results, prices began rising steeply in afternoon trading. The main driver behind the rise in the US dollar gold price is the uncertainty that is emerging that would follow Britain’s departure from the EU and whether other countries in the EU might to follow Britain’s example.

“One thing I have learned over time is that the gold market is full of surprises,” Dr Close said. “Trying to forecast gold prices, or the price of any commodity, is a futile exercise - after all, you simply cannot predict the future.”

¹Surbiton Associates normally calculates Australian dollar gold prices based on the London Bullion Market gold price set at 15.00 hours each week day and the WM/Reuters Australian Dollar Fix at 4.00 pm (Sydney time) as quoted by the Reserve Bank of Australia. The prices quoted do not usually take into account any intra-day variations and as a result a higher Australian dollar gold price might have been recorded during trading.

Surbiton Associates Pty Ltd

Australia is the world's second largest gold producing country behind China. In 2015, Australia produced 285 tonnes of the yellow metal.

"Nothing is certain in the gold business," said Dr Close whose company, Surbiton Associates is well-known for expertise on the gold industry. "We must always expect the unexpected."

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