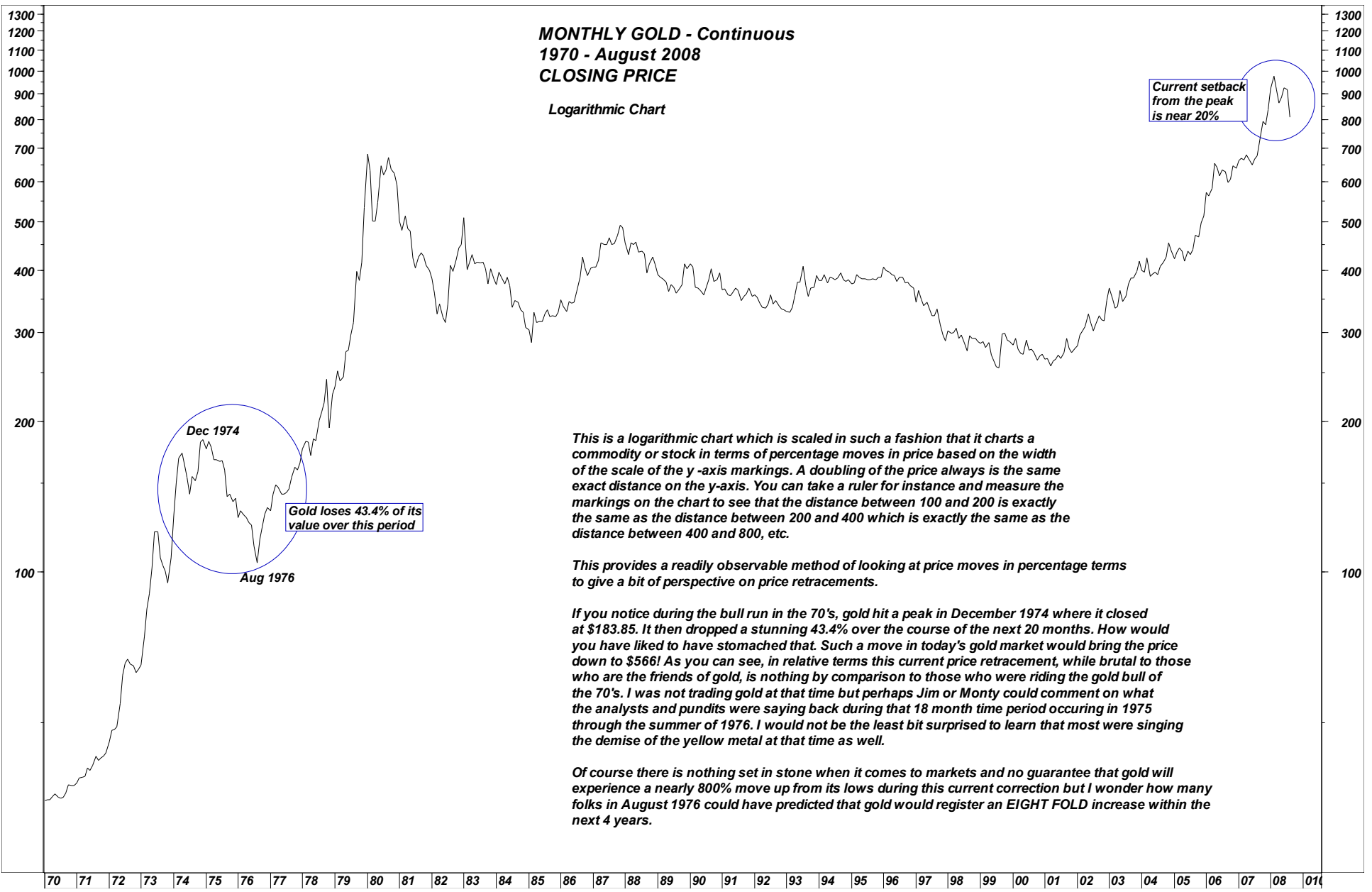


**MONTHLY GOLD - Continuous
1970 - August 2008
CLOSING PRICE**

Logarithmic Chart



Dec 1974
Aug 1976

Gold loses 43.4% of its value over this period

Current setback from the peak is near 20%

This is a logarithmic chart which is scaled in such a fashion that it charts a commodity or stock in terms of percentage moves in price based on the width of the scale of the y-axis markings. A doubling of the price always is the same exact distance on the y-axis. You can take a ruler for instance and measure the markings on the chart to see that the distance between 100 and 200 is exactly the same as the distance between 200 and 400 which is exactly the same as the distance between 400 and 800, etc.

This provides a readily observable method of looking at price moves in percentage terms to give a bit of perspective on price retracements.

If you notice during the bull run in the 70's, gold hit a peak in December 1974 where it closed at \$183.85. It then dropped a stunning 43.4% over the course of the next 20 months. How would you have liked to have stomached that. Such a move in today's gold market would bring the price down to \$566! As you can see, in relative terms this current price retracement, while brutal to those who are the friends of gold, is nothing by comparison to those who were riding the gold bull of the 70's. I was not trading gold at that time but perhaps Jim or Monty could comment on what the analysts and pundits were saying back during that 18 month time period occurring in 1975 through the summer of 1976. I would not be the least bit surprised to learn that most were singing the demise of the yellow metal at that time as well.

Of course there is nothing set in stone when it comes to markets and no guarantee that gold will experience a nearly 800% move up from its lows during this current correction but I wonder how many folks in August 1976 could have predicted that gold would register an EIGHT FOLD increase within the next 4 years.