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MEDIA RELEASE**Promising outlook for gold says leading expert**

Sydney, 2 June 2014 – Several factors could support further increases in the gold price for the second half of 2014, according to Joe Foster, Portfolio Manager of Van Eck Global's gold strategies.

Speaking on the outlook for gold recently, Foster said geopolitical risks, and lingering concerns about developed economies could favour the gold price over the coming months.

"Geopolitical risks in emerging markets have probably been the main driver of gold this year. Investors' concern of political unrest and a possible contraction in Thailand, Venezuela, Ukraine, and Turkey has led to an outflow of capital. With no resolution in sight for many of these countries, we think these geopolitical risks will continue to underpin the gold price throughout the year.

"Economic growth in China and its banking system is also a concern for investors. After clocking double-digit growth rates over the last three decades, China's economy has slowed as the government repositions activity to rely more on domestic demand. Despite those efforts, China's first-quarter annualised growth rate of 7.4% was the lowest level in 18 months. Any further signs of a slowdown in China could create financial risks that drive investors to gold.," Mr Foster said.

According to Foster, changes in gold demand in India and China could also generate further gains in the gold price.

"In the second half of 2013, gold demand out of India dropped off significantly because of exchange controls and import restrictions that were placed on the Indian gold market. There are talks this year about India reversing or relaxing many of those controls. If so, that could be another catalyst that could move gold prices higher later in the year.

"As for gold demand in China, in a recent report the World Gold Council predicts that it will remain flat in 2014. While some analysts have put a negative spin on this, we see it as positive for gold. Last year saw unprecedented demand as the Chinese stepped in to take advantage of the collapse in gold prices. Demand that approaches similar levels this year would still be very supportive of gold. The Gold Council further reckons that Chinese demand will rise about 25% in the next four years, which would likely be another significant factor supporting its price," Mr Foster said.

"The current US recovery is now longer than the average for post-World War II recoveries, yet growth has been half the average and unemployment has never been higher at this stage in past recoveries. The withdrawal of US Fed stimulus may have unintended consequences, putting further pressure on a weak US economy. Gold could respond favourably if the Fed finds it needs to reverse its tapering initiative..

"On a more positive note, we believe valuations on gold stocks are very attractive. Mergers and acquisition activity is on the radar for gold miners around the globe, including those in Australia. Assets are the cheapest they have been in years and bigger gold miners will be considering their options.," Mr Foster said.

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hard assets, emerging markets, precious metals including gold, and other alternative asset classes. Van Eck Global has offices around the world and managed approximately US\$33 billion in investor assets as of 31 March, 2014.

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