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## McEwen, Goldcorp Founder, Bets Crisis Will Drive Gold to \$5,000

By Stewart Bailey

Feb. 11 (Bloomberg) -- Goldcorp Inc. founder Rob McEwen, who has more than \$100 million in gold investments, said he expects the metal to top \$5,000 an ounce as governments increase the money supply to combat recession.

Bullion will more than double to \$2,000 an ounce by the end of next year before rising to McEwen's target by the end of the cycle, which could take an additional four years, the investor said.

"Politicians around the world are listening to cries from their electorates and they're giving money to all callers," McEwen said yesterday in a telephone interview from Toronto.

McEwen, who founded what is now the world's second-largest gold producer by market value, owns stakes in three Canadian precious-metal explorers worth more than \$100 million. He said he also has a "big, big" holding in bullion. Gold gained for the eighth straight year in 2008 amid investor concern the economy would collapse and government efforts to prevent that would increase inflation.

Gold futures for April delivery rose \$29.10, or 3.2 percent, to \$943.30 an ounce at 11:51 a.m. on the Comex division of the New York Mercantile Exchange, the highest for a most-active contract since July 23. The metal climbed to a record \$1,033.90 on March 17.

McEwen said he started buying bullion in August 2007, at the beginning of the subprime mortgage crisis. Gold has jumped 40 percent since Aug. 1 of that year, touching a high of \$948.20 today, while the Standard & Poor's 500 Index has dropped 43 percent.

"I realized we had reached an inflection point regarding money," McEwen said. "It was all about protecting money, and gold served that purpose."

McEwen is the largest shareholder in Lakewood, Colorado-based U.S. Gold Corp., Vancouver-based Rubicon Minerals Corp. and Spokane, Washington-based Minera Andes Inc. Vancouver-based Goldcorp is the world largest gold producer by market value after Toronto-based Barrick Gold Corp. ■