



GOLD OUTPUT SET TO RISE AGAIN IN 2010

SOUTH AFRICA FALLS TO THIRD LARGEST GOLD PRODUCER

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Global gold mine production grew by 6 per cent in 2009 to a six year high, but South Africa - once the largest producer in the world – saw its production levels fall by 5% and consequently to third place behind China and Australia in the league table of gold producing countries.

These figures are contained in the latest Gold Survey Update from leading international precious metals consultancy, GFMS, which analyses production levels in all producer countries.

Although still short of production peaks reached in the early years of the decade, GFMS forecasts that mining output will grow again in 2010, as new mines increase production, outweighing the declines in more mature producers like South Africa and the USA.

Despite the decline in South Africa - which was the nation's smallest decline in 5 years – output in the African region overall grew by 4%. Four of the world's top ten global output increases came from the region, led by a doubling in output in Burkina Faso.

The South Africa picture was mixed. Several accidents which necessitated closures hit production, but some mines showed their first gains for many years.

Internationally the fastest growing output figures were posted by Indonesia, Tanzania and China. World output was 2,553 tonnes in 2009, compared with 2,409 in 2008.

This 6% increase in mine production was far outstripped by a 26.6% increase in the supply of old gold scrap to a record high of 1,541 tonnes. GFMS says: "...record gold prices and the economic crisis were the chief drivers for the sharp increase". The largest percentage increases in scrap supply came from Europe and India.

-ENDS-

Please contact TopLine Communications for interview opportunities:

[TopLine Communications](http://www.toplinecomms.com)
gfms@toplinecomms.com
0207 886 0856

Notes to Editors about Gold Survey Update 2:

In just 40 pages, *Update 2* identifies the most important economic, socio-political and market-specific issues facing the gold market. The publication can be ordered from GFMS for £250 / US\$460 / €350 per copy. For orders and to receive further product information please contact Toby Brymer - Tel: +44 (0)20 7478 1750, Fax: +44 (0)20 7478 1779, Email: sales@gfms.co.uk Web Site: www.gfms.co.uk Online Shop: <http://shop.gfms.co.uk>

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