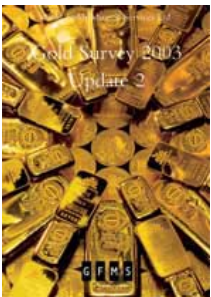




## **Publication of Gold Survey 2003 - Update 2**

***Global mine production stages modest recovery in 2003: output increased 0.4% to reach 2,601 tonnes - its second highest level since records began.***



In spite of reports of mine closures, operational difficulties and lower grades in several of the world's key gold producing regions, GFMS estimate that global gold output in 2003 increased by roughly nine tonnes, or by 0.4% to reach 2,601 tonnes. This is one of the key findings of *Gold Survey 2003 - Update 2*, the consultancy's latest gold market report.

A summary of the findings of *Update 2* was given by metals analyst, Bruce Alway, at a conference today in Toronto. He highlighted production growth in Australia as one of the factors behind the measured rise and noted that "output in the country was 20 tonnes higher year-on-year, the first increase for five years".

Strong growth was also recorded in Peru (+8%), part of which was attributable to higher output at the giant Yanacocha mine, whilst in China, output increased for a tenth successive year to reach an estimated 210 tonnes. Indonesian output was also higher at 164 tonnes, despite operational difficulties at Grasberg, and there were also greater production volumes reported in Kyrgyzstan, Tanzania and Russia.

Concerning output declines, Alway cited lower grades and mine closures in Canada and the United States as responsible for the bulk of the measured 20 tonne drop in production in North America, whilst in South Africa he attributed a part of the estimated 15 tonne reduction in gold output to currency effects. "Nine month cash costs in South Africa were up some \$100/oz compared to the same period in 2002, and as a result mining was suspended at a number of marginal production areas", he commented.

Currency strength was also an issue in Australia and in Canada where nine month cash costs compared to the same period in 2002 were up by \$38/oz and \$26/oz respectively. Alway also remarked that higher global fuel prices and the increase in royalties and production taxes kept costs under pressure with the nine month western world average up over \$40/oz year-on-year.

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***Gold Survey 2003 – Update 2*** provides an initial review of the gold market in 2003 and a forecast for the first half of 2004 with 30 pages of statistics, commentary and analysis on all aspects of world gold supply/demand and on gold prices in various currencies. The publication can be ordered from GFMS for £195 or US\$295 / €290 per copy. For orders and to receive further product information please contact Ms L Perrard on Tel: +44 (0)20 7478 1777, Fax: +44 (0)20 7478 1779, Email: [sales@gfms.co.uk](mailto:sales@gfms.co.uk), Web Site: [www.gfms.co.uk](http://www.gfms.co.uk)

### **About GFMS Limited**

GFMS Limited is one of the world's foremost precious metals consultancies, specialising in research into the global gold, silver, platinum and palladium markets. GFMS is based in London, UK, but has representation in Australia, India and Russia, and a vast range of contacts and associates across the world.

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