



Publication of *Gold Survey 2005 - Update 2*

Global mine production expected to enter a new growth phase in 2006

Global mine production in 2005 stood at 2,494 tonnes, a modest 1% rise from the figure recorded in 2004. This is one of the key findings of GFMS' latest report on the gold market, *Gold Survey 2005 - Update 2*, released today. Philip Klapwijk, Executive Chairman of the London-based precious metals consultancy, gave a summary of the report's findings at a well-attended conference in Toronto.

According to *Update 2*, last year's increase was concentrated slightly towards the second half of the year, as a number of new mines in Latin American countries, including Peru, Mexico and Brazil, made significant contributions. Indonesia showed the greatest year-on-year rise, with a substantial improvement at Grasberg returning the country to just below 2003 levels.

As GFMS point out, these gains were moderated by a sharp drop in South Africa, which took the country to an 82-year production low. Last year's decline of nearly 50 tonnes meant that, in just the past three years, South African mine supply has fallen by a combined 100 tonnes. As Klapwijk noted, "this performance was largely due to the strength of the rand, in 2003 and 2004 and inflationary cost pressures. And although the rand weakened last year, which helped lift domestic gold prices by 7% year-on-year, for many of the marginal operations it was unfortunately too little, too late."

Looking ahead to the first half of 2006, Klapwijk commented that global gold mine production is expected to show another, but stronger, increase, as new mines continue to ramp up to design capacity, which will be added to by large projects due to come on stream in Australia and the United States early in the year. Klapwijk went on to say that, "the forecast year-on-year rise in mine supply during the first six months of this year is noteworthy because it marks the start of a significant phase of growth for the mining industry."

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Gold Survey 2005 - Update 2 provides a thorough and comprehensive interim analysis of the most recent developments in the global gold market. 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 £205 or US\$375 / €315 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, Web Site: www.gfms.co.uk

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