



## **Publication of Gold Survey 2007 - Update 1**

### ***Global gold mine production up as Chinese pursue world leader status***

At the 4th Precious and Base Metals Seminar today in London, GFMS presented their half-year findings at the launch of Gold Survey 2007 – Update 1. Executive Chairman Philip Klapwijk noted an overall rise in global gold mine production for the six months to June of almost 3% year-on-year.

Dominating the global shift, remarkable growth was recorded in Indonesia, primarily due to substantial gains at the giant copper-gold Grasberg mine, which lifted the country's first-half gold production by 83% compared to the same 2006 period. China posted very strong growth in gold mine production year-on-year, to total 129 tonnes for the first-half of 2007.

Mitigating the rise seen in Asia, other continents including Africa and Latin America showed losses to gold production, the latter trimming almost 25 tonnes off first half gold output compared to 2006.

Globally total cash costs rose sharply across-the-board, increasing on average by 21% year-on-year for the first half of 2007. The most significant rise was seen in Australia, where several of the country's major mines experienced surging cost increases of over US\$100/oz. Nevertheless, with the increase in gold price, simple cash margins on a global basis were maintained at just below US\$300/oz.

Looking ahead, output in the second half may prove more muted, potentially recording a modest decline, due in part to an expected fall in Indonesian production. Nevertheless, GFMS expects mine output for the full year to grow moderately. China, which has established itself as the world's second largest producer after seven years of strong, continued growth looks set to become the new world leader, especially if South Africa continues to decline. Recent production announcements have been made at three notable operations, namely Tanjianshan, Jinfeng and CSH 217, with output expected to ramp up through the rest of the year.

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**About Gold Survey 2007 - Update 1:** In just 40 pages, *Update 1* identifies the most important economic, sociopolitical and market-specific issues facing the gold market. The publication can be ordered from GFMS for £215 or US\$395 / €325 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), Online Shop: <http://shop.gfms.co.uk>

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