



Publication of *Gold Survey 2006 - Update 2*

A 2% fall last year sees mine supply return to 2004 levels

Global gold mine production fell to 2,467 tonnes in 2006, a reduction of 2% against the previous year, roughly in line with output in 2004. This was a central finding in GFMS' latest market release, *Gold Survey 2006 - Update 2*. Dr Paul Walker, CEO of the London-based precious metals consultancy, presented the findings of the report in Toronto today.

According to the report, the gold mining sector's lacklustre production levels were attributable to temporary negative factors at a number of major operations. Walker elaborated: "The Kumtor mine in Kyrgyzstan and Batu Hijau in Indonesia both suffered pit wall stability issues, while the temporary closure of the main shaft at South Deep in South Africa slashed output from the mine by half." The operators of the world's two largest gold producing mines, namely Freeport-McMoRan and Newmont at Grasberg and Yanacocha respectively have both reported substantial reductions in 2006, presently estimated at a combined 75 tonnes for the year.

On a country basis, production was hardest hit in Indonesia and South Africa, due partly to factors outlined above. Moderating part of the fall, strong results across much of Latin America, through the ramping up of a number of new mines, most significantly in Argentina thanks to Barrick's Veladero, and Brazil, where Goldcorp's Amapari and Yamana's Jacobina made notable contributions.

Giving guidance for the coming year, Walker indicated that with recoveries from a number of temporary operational setbacks, continued project commissioning and new mines ramping up, mine supply is forecast to achieve a modest level of growth in 2007.

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Gold Survey 2006 - Update 2 Gold Survey Update 2, published in January, provides a thorough and comprehensive interim analysis of the most recent developments in the gold market. In just 40 pages, Update 2 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, Web Site: www.gfms.co.uk, Online Shop: <http://shop.gfms.co.uk>

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