



Publication of *Gold Survey 2007 - Update 2*

Global Gold Mine Output Slips by 1% in 2007 - China Dethrones South Africa to Become World's Largest Gold Producer

Global gold mine production recorded only a modest contraction of just over 1% to total 2,444 tonnes in 2007, according to London-based precious metals consultancy GFMS as it presented its latest market release, *Gold Survey 2007 - Update 2*, in Toronto today.

Speaking at the launch, GFMS' Executive Chairman, Philip Klapwijk, drew attention to an historic event: through continued growth China became the number one gold producing country in 2007, taking the title from South Africa which had held the accolade since 1905. Another core finding discussed in *Update 2* was that in 2007, companies have been faced with an increasingly difficult operating environment, where competition for consumables, labour and key plant items have hampered forthcoming projects and existing operations worldwide.

At a country level, Peruvian and South African production were worst hit in 2007, the former falling by a provisional 17% to its lowest level in five years. The United States and Canada also suffered declines. In addition to China, higher mine output was seen in Indonesia, Brazil and Ghana, while Australian production was relatively stable.

GFMS recorded an average rise in world total cash costs of 24% for the nine months ended September, partially attributable to increased mine development activities among many producers. However, the consultancy identified that simple cash margins had remained stable at just below \$300/oz, with the benefit of the higher prices seen in the second half of 2007. Nevertheless, in the third quarter, average world total cash costs breached the \$400/oz mark for the first time.

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About *Gold Survey 2007 - Update 2*: 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 Elena Patimova 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>

Note to Editors about GFMS Limited:

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

Press Contacts: Philip Klapwijk or Paul Walker, GFMS Limited, Hedges House, 153-155 Regent Street, London, W1B 4JE, UK, tel: +44 (0)20 7478 1777, fax: +44 (0)20 7478 1779, email: gold@gfms.co.uk, web site: www.gfms.co.uk

