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CHALLENGING CHINA FOR THE TOP SPOT IN GOLD PRODUCTION

Figures recently released show that Australia is challenging China for the title of the world's biggest gold producer, but experts say it is too early to tell if Australia will take over the top spot.

The following information has been extracted from a recent article published by www.abc.net.au/news/2021-05-31.

- According to the China Gold Association, the Asian powerhouse produced 74.44 tonnes of the precious metal in the March 2021 quarter, despite output being down by 9% on the previous year due not only to the pandemic, but also tightening environmental regulations.
- Australia's production of 74 tonnes for the same quarter was worth more than \$5.5 billion at the average gold price for the three months to 31st March 2021.

Melbourne-based analyst Sandra Close, of Surbiton Associates, said Australia's production was about 5,000 ounces less than China's. Dr Close said, "you have to treat the Chinese numbers with caution, but the fact that it's come out about even for this quarter, does suggest that we may be on the way to overtaking China in the long run. But it is far too early to draw such conclusions".

China Plans to Expand its Mining Operations in Australia

The figures published have been released amidst an ongoing trade war between the two countries, and come as some Chinese-owned gold mines in Australia aim to either expand or restart operations.



- Both the China and Australian flags fly above the Paddington gold operations near Kalgoorlie in Western Australia. The mine is operated by Norton Gold Fields, which has been wholly owned by China's Zijin Mining Group since 2015. In April last year, Zijin announced a \$552m expansion of its Paddington operations that processes refractory and low-grade ore sources. The project was originally expected to begin production in July this year, but it is understood that it has experienced some delays. Zijin expects to maintain production levels of around five to six tonnes of gold a year through Paddington after the expansion is complete.
- Meanwhile, at Focus Minerals, in which China's Shandong Gold holds a 49% stake, has begun the environmental approvals process for a potential restart of its Coolgardie operation (about 50km west of Kalgoorlie in WA). The company last year estimated it would cost \$48 million to restart mining at Coolgardie, which was closed in 2013 amid a gold price crash. Among the deposits Focus hopes to mine is an area known as Brilliant, near the south-east boundary of the Coolgardie townsite, which the company says will require detailed planning to manage any potential environmental and social impacts.

Australia's Top Performing Mining Operations in the March 2021 Quarter

1. Newcrest's Cadia East Mine in New South Wales was Australia's largest-producing gold operation, with 179,546 ounces.
2. The Newmont-owned Boddington mine in Western Australia, with 152,000 ounces, and the
3. Tanami Operations in the Northern Territory at 117,000 ounces rounded out the nation's top three.
4. But Kalgoorlie's Super Pit, which has been operating since 1989, was the big mover, up into fourth spot, with 111,278 ounces as its new Australian owners look to ramp up production.

With gold performing as it is on global commodity markets the future for the industry looks settled.

Information substantially sourced and rewritten from content at <https://www.abc.net.au/news/2021-05-31/australia-challenging-china-as-world-s-biggest-gold-producer/100178322>