

# Strategies for Gold Reserves Replacement: The Costs of Finding and Acquiring Gold

*What are the true costs of finding gold and how do they compare with current costs of acquisitions?  
How does your company's reserves replacement and growth strategy compare with those of your competitors?*

The authoritative analysis of gold reserves replacement and growth strategies from both exploration and acquisition perspectives.

## INFORMATION TO GUIDE STRATEGY

For almost two decades, Metals Economics Group (MEG) has monitored every significant gold acquisition, while serving as the industry's only comprehensive source of information on global exploration spending. Strategies for Gold Reserves Replacement addresses key growth-strategy issues facing the gold mining industry and compares the relative costs per ounce of discovering or acquiring gold in the ground.

This second edition of the study, to be published in May 2009, provides the tools to help you

- Develop growth strategies based on emerging trends and the wisdom of past knowledge
- Measure the effectiveness of your reserves replacement and growth strategy, and your success as an explorer/acquirer compared with your competitors
- Accurately present your exploration and acquisition strategy in the context of historical parameters.

Subscribers receive a print copy and access to an online electronic version of the complete study. Online access includes most of the study's supporting data in a series of spreadsheets, allowing subscribers to tailor the data for further analysis, and easily transfer information into presentations and inhouse reports.

## SECTIONS OF THE STUDY

### Executive Summary

How are gold producers positioned to address current conditions?

The Executive Summary provides an overview of the metrics used to compare the relative success of replacing gold reserves by exploration and acquisition, and examines how the profiled gold producers are positioned relative to global gold production, acquisition activity, exploration spending, and discoveries. Recent strategic activities related to gold production and reserves replacement are also discussed.

### Analysis: A Ten-Year Perspective

How does performance stack up over time and inform current strategy?

Includes metrics tables and graphs that compare the performance of the profiled companies relative to global industry performance with respect to exploration, discovery, and acquisition, and discusses their reserves positions.

It gives an authoritative view on

- Level and cost of annual gold reserves replacement by major gold producers
- Relative cost effectiveness of acquisition versus exploration
- Replacement rate of current gold resources in new discoveries relative to production
- Cost of finding gold in new discoveries

### Gold Production Pipeline, 1999-2013

What are the trends in gold production and costs, and the most promising sources for future production?

Details the major new mines and expansions of existing mines brought onstream over the past ten years, and looks at the industry's most advanced and promising projects for future production. It traces the production changes year-by-year for each of the profiled companies, and analyzes trends in mined gold supply and overall cash operating cost. In addition, this section examines the location of gold resources in the development pipeline and the relative risk associated with each location.

### Gold Acquisitions, 1999-2008

What is the context for evaluating successful acquisitions, relative to price paid, location, and stage of development?

Lists the major purchases and divestitures by the profiled companies, and by the industry as a whole, including the relative costs per unit of gold acquired in reserves.

Experience has shown that reported acquisition costs are often misleading—acquirers are often able to add significant reserves shortly after an acquisition. Therefore, to the extent possible, the study compares the reserves acquired at the time of purchase with reserves reported three years later, to help analyze the return on the acquisition cost.

### Gold Exploration Spending, 1999-2008

What trends have emerged in gold exploration spending?

Provides companies' exploration allocations for gold from 1999 to 2008, and includes a database of budgets, as well as total spending by the largest spenders. The study examines in more detail the companies with the top budgets for gold over the period. In addition, it compares year-by-year allocations by these companies and shows the allocation trends during the period. It also compares brownfields vs grassroots and majors vs juniors spending.

### Discoveries, 1997-2008

Are enough new large gold discoveries being made to maintain production requirements?

A comprehensive review of the major gold deposits discovered between 1997 and 2008, including copper-gold deposits. It also provides a list of discoveries considered but not included, so that subscribers can tailor the analysis to meet their own criteria. The analysis of the major discoveries includes an examination of the size distribution and location of discoveries made since 1997, and a comparison of gold discoveries with the gold production of major producers.

### Company Profiles

What are your competitors doing?

A detailed look at how the largest gold producers are replacing or augmenting their reserves. Profiles of the largest gold-producing companies, accounting for more than half of world gold production, cover available activity from 1999 to 2008. The profiles detail each company's

- Reserves replacement
- Production
- Acquisitions and divestitures
- Exploration budgets
- Discoveries
- Gold production pipeline

### Reserves Replacement Metrics Table, 1999-2008

Metrics include

- Average costs of reserves replacement
- Production changes
- Total costs of reserves acquisitions and gold equivalent in acquired reserves and resources
- Reserves development through exploration, with costs of gold in exploration-derived reserves
- Major discoveries during the period, including average grassroots exploration costs of gold per discovery

### Major Gold Producers Profiled (information as available)

- AngloGold Ashanti
- Barrick Gold
- Buenaventura
- Centerra Gold
- China National Gold
- Freeport-McMoRan
- Goldcorp
- Gold Fields
- Harmony Gold
- IAMGOLD
- Kinross Gold
- Lihir Gold
- Navoi Mining
- Newcrest Mining
- Newmont Mining
- Ok Tedi
- Polyus Gold
- Rio Tinto
- Sumitomo Metal Mining
- Yamana Gold
- Zijin Mining

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### **CONTACT**

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