

CONTENT GUIDE FOR EOSC118

2007 World Gold Market

World Gold Council

This 9 page document reviews 'Gold Market Fundamentals' through the lens of the global investor. It is a nice complement to the Canada Minerals Yearbook which view the gold world through the lens of the mining community.

Use the discussion board on Connect to pose questions, since questions that you have are probably being thought by another one of your fellow students.

Use the following questions to help you through the article:

1. What are the main “reservoirs” of gold in the global market? **mine production**
2. Where does most of the gold originate from for the demand? **jewellery market**
3. What does ‘recycled gold’ mean? What percentage of the annual global supply does it represent? **- recoverable, reusable, re-refined gold - 25%**
4. What is the most common measure of weight for gold?
troy ounce
5. How long has the global production level been at ~2500 t?
year 1984
6. The ‘production’ costs of mining are factors of what? **- nature and distribution of the ore body**
- nature of mine (open/underground pit), depth, grade
7. What is the average total cost to mine an ounce of gold?
\$401 USD/ounce
8. Which country consumes the most gold? Why? **India industry because of jewellery**
9. Which country is the leader in jewellery manufacture?
Italy
10. Why is gold a valued investment medium?
- investment is rooted in history/derives from its roles as safe haven, store of value and monetary asset
- it doesn't run any risk of becoming worthless