E U R O P E A N   G O L D   C E N T R E

information on gold, the only store of value, and international companies in gold mining and exploration

G O L D V I E W

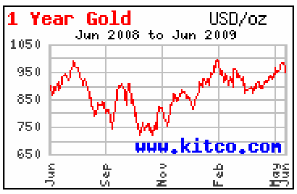
Grasp of the future gold price tendency

July 2 – 3, 2009, Guangzhou, China   http://events.cbichina.com/con/gold2009/index.html

June 2009

pouring gold at Minefinders'Dolores Mine

I N T H I S I S S U E



GOLD SEEMS READY TO SURPRISE THE WORLD OF INTERNATIONAL FINANCE

GOLD HAS NOT LOST ITS SHINE AS SOME SAY AND THE NON-BELIEVERS SHOULD WONDER WHY THE GOLD PRICE IS SHOWING THIS STRENGTH. WILL THE RESOURCE STOCKS FINALLY FOLLOW?

The recent development of **the gold price** warrants more attention than usual. Quite a few of the gold watchers had turned negative with their predictions, using the old familiar reasons like that gold has lost its historical function as a money standard, that there is no shortage of gold in sight in the next few years and that there would be no reasons to expect an increase in the demand for gold. In the meantime, gold has just gone its own way and edged up to above the US$950 per ounce level.

In the last few weeks, I have seen some interesting developments here. First of all, the official acknowledgement that **the Chinese government has begun to accumulate gold**, a very significant step. If only they would put a small percentage of their foreign currency (read: US dollars) reserves into the yellow metal with which they have ages of history…….. Then, the obvious **elasticity of the international demand for gold** which shows that the declining demand from the Middle East and India is easily replaced by the demand from other sources. And not to forget the **growing awareness of gold** by the public as a better way to have money than money itself. I heard that several very well-paid creative celebrities now want part of their rewards being paid in gold…. And how about the announcement that in Germany, ATM's will be installed where the people can buy their wafers of gold directly from the wall….? At least you could call that a remarkable initiative……! I have said it before and I am saying it now again: **gold seems ready to surprise the world of international finance………**

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EDITORIAL COMMENT –continued

I wrote the above words a few weeks ago in the May issue of **"MINING IN AFRICA"** when gold was at US$ 956.50. At the time I write this, gold has been edging up towards the still magical level of US$ 1,000 per ounce. As before, it came very close to breaking it but it again retreated due to all kind of "reasons". As you can read further in this issue, there are no real reasons. What we are dealing with are only short-term reactions from those who think of gold only as a replacement for other type of investments in times of crises. It is just crazy that gold is down just because the dollar has a day of a hick-up. Reading the daily comments on the gold price makes me often think of one of the best lessons I took when I was a young analyst. I heard the big boss of one of my country's largest pension funds say when he was asked what he thought about the interest rates: "I only talk about interest rates when I am very drunk, there is nothing sensible to say about it when you are sober….". Really, it is amazing what people who have some of the best possible and most prestigious jobs in the world's financial communities, sometimes say about gold, they are so prejudiced that they seem to forget that they got their brains to be able to think. I would like to add one of my one-liners: "Those who have no doubts, have nothing to think about".

No matter how you look at it, gold is in a highly interesting phase. It certainly is not in a phase of not being noticed. Ignoring it can prove to be a very costly affair. Understanding it is not easy, not understanding it is common. But gold is back on the map and likely to be here for a long time. For many, gold may not be an investment but they should look at it as an insurance. Those investors should not question to buy shares or gold, they should buy shares ànd gold. And when the investment demand for gold will rise, there will be that real shortage of the yellow metal. The shortage, or rather the lack of it, that the negative minds on gold always use to joke about the positive minds on gold. Isn't there a saying "who laughs last, laughs best"? Anyway, gold is back and I am glad **GOLDVIEW** is back too!

Those of you who have been reading the issues of **GOLDVIEW** in the past, will notice that not only the lay-out but also the format has become a little different. The content of this publication will go **back to the basis**, meaning that it will focus more specifically on gold than before. From time to time, there may be also attention for other metals and minerals but that will be more an exception than a rule. The reason for this is my belief that **gold will play a more significant role in the international world of finance** than it did since the yellow metal started its recovery in 2002/2003. Therefore, you will find more particular information on gold, the mining of and exploration for it, and the worldwide discussions about it. The new chapter **GOLD NUGGETS** is part of it.

A second change in direction that you will notice in the next few months is that my attention for mining and exploration companies will **no longer be restricted to Canadian based and/or –listed companies**. In line with my opinion that in this era of globalization and worldwide financial setbacks, investors should broaden their perspective to the world economy, rather than focus on a national basis, I now **open the door for other international companies** mining and exploring for gold. The consequence will be that I will make an effort to present you with interesting companies with specific activities and qualities.

In this issue, I have decided to present you with a **FEATURED COMPANY** that the longer-term readers among you may very well remember. In 2004, I introduced **Minefinders Corporation** (NYSE Amex-MFN, TSX-MFL) to my audience and in 2005, the heading of an Update Report said: "Minefinders delivers: the Dolores will be a mine". I remember that at that time, many in the financial community had their doubts on the viability of the project as a mine and on the ability of the management to proceed from an exploration company to a real gold producer. Well, it may have taken some more time than planned originally, but **the Dolores Mine is there and running and the management is also still there**. They have realized what they believed in all along and as you can read, there is more successful development to come. Also for the longer-term shareholders, it has been worth the wait.

Furthermore, this issue includes two contributed articles. One of a writer that I recently discovered and to my pleasure I can say. **Sara Patterson** has her own particular way of looking at the subject of gold and its markets in the article **"Poke the Bear"**. She is absolutely different in her approach and thus a welcome addition to the circle of writers I value. I like her **sharp mind, intelligence and certainly her humour**, something that we could certainly use in this rather monotone and often not surprising world of gold comments.

The second article comes from two of the most down-to-earth writers in this field, the brothers **Eric and David Coffin** who have been building their reputation with their Hard Rock Advisory firm, their tough articles and their no-nonsense presentations at mining conferences. Their article **"Reboot…"** gives their solid comments on the recent developments in the metal markets. I am always interested in their views.

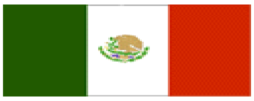
Your attention for the highly informative and interesting contents of this issue is recommended and I sincerely hope that you will enjoy what you read.

Henk J. Krasenberg

F E A T U R E D   C O M P A N Y

MINEFINDERS CORPORATION LTD

per June 9: NYSE Amex-MFN $ 8.75, TSX-MFL C$ 9.67, shares outstanding 59.0 million



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THE DOLORES MINE

After 14 years of extensive exploration and development, Minefinders has brought The Dolores Mine, situated approximately 250km west of the city of Chihuahua on the northern part of the Sierra Madre Trend, to **production from heap-leaching operations**. Mining operations commenced in October 2007 and operations are running 24 hours per day, moving in excess of 100,000 tonnes per day. Ore has been stacked on the leach pads constantly since September 2008. **The first doré pour was completed in November 2008** (see the picture on the front page) and since that time, doré production has been steadily increasing. The mine was **cash-flow positive already in February of this year**.

The currently used estimated production figures of the Dolores Mine are related to the NI 43-101 reserve calculations, updated in March 2008. The **proven and probable reserves report to 99.3 million tonnes containing 2.44 million ounces of gold and 126.64 million ounces of silver**. Total average cash operating costs per ounce of gold and ounce of gold-equivalent silver, based on a ratio of silver to gold of 52:1, are estimated at $297 for the life of the mine. The updated economics indicate a pre-tax undiscounted net present value of $831 and a pre-tax internal rate of return of 26% using the base cash price.

As per May 1, 2009, **commercial production was achieved** which was on schedule. This means that including the ounces that have been produced in the pre-production period, **the total production figures could come to around 100,000 ounces of gold and 2 million ounces of silver for 2009**.

As can be calculated from the currently established reserves, the production from the Dolores beyond 2009 would be rather stable at approximately 20% higher figures, but all along the development of the mine, management has been considering increasing the production by increasing the high-grade recoveries, expanding the mine into areas of additional mineralization, starting possible underground operations and building a mill.

Exploration drilling on the Dolores property has defined extensive high-grade mineralization below the existing pit as well as surface mineralization extending up to 1km from the pit. A feasibility study of these possibilities is underway and it is expected to present the findings in the first half of 2010. Should this study turn out positive and lead to a construction decision, the mill could be in place in 2012. Processing the highest grade ore material through **a mill circuit could significantly improve cash flows and profitability of the Dolores Mine**.

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FEATURED COMPANY

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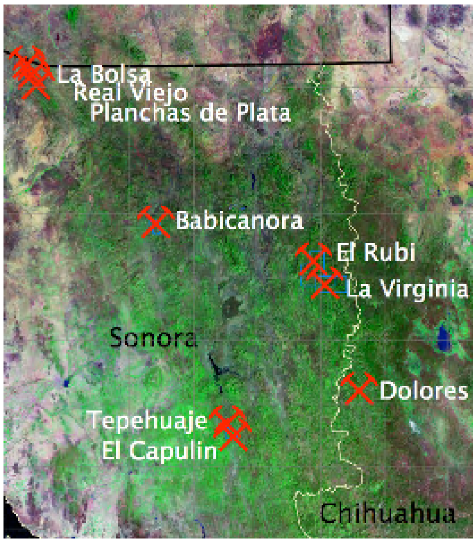
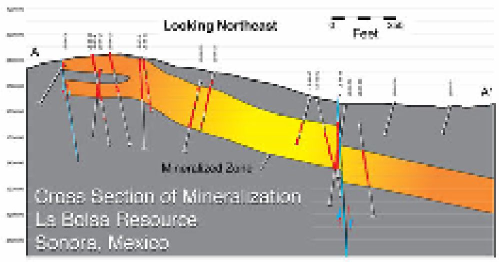
MINEFINDERS' PIPELINE OF OTHER PROJECTS IN MEXICO

Over the years, Minefinders has been acquiring additional land holdings for future exploration. All these acquisitions are on the same Sierra Madre trend where so many mines have been coming forward from the exploration programs. The projects have been selected to function as a pipeline to Minefinders with the purpose to bring new mines from exploration to production.
The most significant project that could be the next mine in line is the



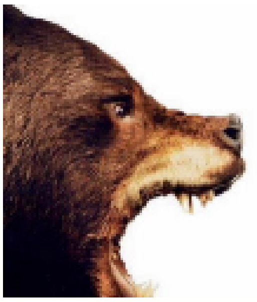
LA BOLSA

This is the most advanced project of all the pipeline projects. The La Bolsa deposit has excellent logistics, access and metallurgy. It has **significant potential for growth and development into a low capital cost, low cost gold producer**.
A **resource base was already established** in 1998 and includes 208,000 ounces of gold and 2.1 million ounces of silver at a 0.3 g/t gold only cutoff.
During the development of the Dolores Mine, further work was done on at the La Bolsa, taking the necessary material out for metallurgical testing. Two weeks ago, Minefinders reported the final results from recent metallurgical **tests confirm high amenability of La Bolsa ores to standard heap-leach recovery of gold** at moderate to coarse crush sizes. Column-leach gold recoveries average 78.8% for the 9.5mm (-3/8 inch) crush, 74.3% for the 15.8mm (-5/8 inch) crush and 73.1% for the 25mm (-1 inch) crush size. Overall reagent consumptions were moderate to low. These metallurgical results and results from current drilling will be incorporated into an updated resource model and pre-feasibility study.



Minefinders expects to **complete a National Instrument 43-101 compliant technical report before the end of 2009**, incorporating results from 15,539 meters of previous drilling and the 1,500 meter drill program currently in process at La Bolsa. *"Now that our flagship Dolores gold and silver mine has reached commercial production, La Bolsa represents a value opportunity for Minefinders," said Tench Page, Vice-President Exploration. "La Bolsa has the potential to be a low-cost mining operation and if the resource update and pre-feasibility study produce positive results, the property is in position to be quickly advanced to production."*

I think it is worthwhile to follow the further development of Minefinders. Judging from the share price, quite a few substantial investors seem to have come back after they have left while the completion of the Dolores Mine was taking so much time. Look at the chart of the TSX share price and you will see that the presence of the real gold has a convincing impact. As I said in my earlier comment, there is more to come. The production of 100,000 ounces of gold and 2 million ounces of silver over 2009, on top of the strong financial position, will enable Minefinders all they want to do. I want to point out that the financing of the Dolores Mines was effectuated without real dilution. The cash flow will be sufficient to meet the requirements of paying back the financial loan facilities. With expected life of mine cash costs of under $ 300 per ounce gold equivalent, there will be profit too. In addition, there are two more reasons I like Minefinders. At the current market cap, the present Proven & Probable Reserves of Gold Equivalent are valued at $ 100 per ounce; compared with some of its peer gold producers this is very low. Also, the current market cap represents a steep discount from the NPV. *The conclusion is warranted that Minefinders is still a very much undervalued situation.* Considering this, the outlook of further expansion of the reserves, a possible mill at the Dolores Mine and the further development of the La Bolsa, Minefinders deserves your full attention as an investment candidate.



POKE THE BEAR

(resource investment commentary with teeth)

by

Sara Patterson

My Blue Haven

When we all keep dashing en masse from port to starboard and back again, it's little wonder that the boat is rocking.

At least, that's the oversimplified model of resource investment, wherein one is led to believe that investors hoard gold stocks with every Eeyore-esque headline (tangentially, the major news outlets' copywriters should probably have been on some sort of suicide watch over the past eight months) and then dump them abruptly the minute there's a better game in town. And I have little doubt that this model holds true for many, but frankly, no one really likes the kid who takes his ball and goes home.

One of gold's greatest PR issues, as I see it, is its perception as an almost exclusively safe-haven sector. To be sure, the glittery umbrella is a good one to have, particularly when everyone else is getting rained on, but to be a foul-weather friend is to overlook the true nature--and true capacity--of the resource market.

As Jon Nadler, quoted by Doug Hornig, put it, "People see the gains in stocks and they think, 'Let's take a little bit of money off the gold table and put it into where the action is'." This characterization is telling and all too accurate, reflecting a North American investment public that is wont to run like rats from a sinking ship before remembering that they're barreling headlong into the ocean.

Because not only is the safe-haven-vs.-risk-taking mindset inherently flawed--any portfolio worth its salt should contain both, and that means money that remains on the gold table--but it's almost absurd to surmise, as many sometimes do, that the natural resource sector is devoid of action. Breezing past gold because Cramer popped a vein over something else is akin to waving away the dessert cart because one despises the taste of plain white flour--and life without the occasional cupcake is no life at all.

The fact is that a vibrant tangle of a sector pops and fizzes beneath the mask of each day's metals prices. And, crucially, the metals *themselves* and the metals *stocks* are two sides of the same constantly-appreciating coin; keeping money on the gold table does not just mean taking a nap in one's bullion bunker, nor does investing on the venture exchange mean drifting away from the sector's safe harbor. Juniors are working like they've never worked before, forming partnerships that were once no more than lofty conjecture over a fifth and sixth PDAC cocktail. Majors are employing new technologies and expanding into new areas, working not just with renewed focus but with eyes trained more firmly on the future of the sector as a whole. Capital is being raised, as it was even during the high-risk mental ward that was late 2008, and wheels aren't just turning; they are being reinvented.

What we are now seeing as a result is a sector that is at once more cohesive and more diverse. Those seeking graceful long-term arcs of steady progress can find what they're looking for just as easily as those who would rather play fast and loose with higher-risk, shorter-term peaks. How easily we forget that today's gold price is just that--the price of gold today. And while that price will, one might venture to say, continue to ratchet exponentially higher, what is perhaps more important is that the sector's moving parts continue to move, with increasing efficiency and possibly, if you'll allow the flowery rhetoric, even grace.

Sara Patterson
pokethebearblog.blogspot.com

REBOOT...

by

Eric & David Coffin

The greatest economic realignment since Genghis Kahn took over Eurasia's trade routes is continuing apace. The west remains mired in an assets contraction of its own making, and the east is refocused on channelling its growth engines into domestic consumption. The resource sector, which is our focus and which has been governed by those growth engines for a decade and half, is indicating at least the expectation of continuing gains in the east. That does not mean we ignore what is going on the developed west, plus Japan.

Most of the planned bad news on the US banking system is now on the table or at least anticipated, in some form. The stress test requirements for US banks at $75 billion of new capital required are workable, though heavily dilutive. There are legitimate doubts that this will actually be sufficient given the depth of the hole these banks have dug. And, there is still much to be done on making various derivatives markets more transparent so that can be properly figured into the mess. More shoes may drop on western banking, and particularly in Europe that has been less willing to write down its losses. At best a long period of capital accumulation is still ahead in order to deal with the over leverage that caused the problem. However, the LIBOR rate has shrunk enough to indicate commercial banks feel they are sorting each other out, and the TED spread between US T-bill and Eurodollar rates has slipped back below 50 basis points that is the top end of "normal" risk. So while some banks are still of necessity scooping up capital to their own accounts, it's clear others believe they can gauge how to risk the capital that they do have for lending, and that they are finding non-government homes for capital that they are again comfortable with.

European economic stats continue to look worse than hoped for, in large part on the back of weak German exports. Japan's numbers are equally awful, and for much the same reason. Both Germany and Japan do have workable banking systems, and a fair bit of cash in their economies (actually a lot of when the trillions of dollars in Japanese have been stashing in their Postal accounts for nearly two decades are included). Both Germany and Japan have focused on selling finished goods to, primarily, their higher income "developed" peers. It will take a while yet before the efficiencies this particular export focus has required of these economies can be translated into workable gains selling to lower wage emerging markets. But, both Germany and Japan do have the pieces in place with which to do this revamping. The same can not be said of Russia, which is seeing its GDP simply crashing. This is being blamed on weak prices for commodities, and oil in particular. It has as much to do with hubris during the good times when the oligarchs grew a serious indebtedness on the back of inefficient industries. Finding the capital to repair this will now be much tougher, and especially given Moscow's penchant for reacquiring workable projects, with or without owner consent. Russia is now seen more as a gauge of growth rather than one of its engines. It plus the aforementioned "developed exporters" are the three economies that will offer the best view of trade-flow changes in higher wage economies.

On the demand side of the resource equation, we are looking at a number of geopolitical waypoints with as much interest as we are bare statistics. The most important this year has been the recent solid gains for the ruling Congress party in India's national election. This outcome included a down turn for regionally based parties that have been important to forming a government on the subcontinent. We consider this important for several reasons. It indicates that the world's largest democracy senses the road to continued growth is paved by a national consensus. Though we tend to use "nation" and "economy" as interchangeable geographic units, this is really only so when all of a nation is singing from the same songbook. Furthermore, the continuity of government in a country where this has been difficult (understandably given the breadth of India's culture), is a signal that this electorate is comfortable with a status quo that has been generating growth, and is looking forward hopefully to the future.

Also to the good is the increasing thaw between mainland China and Taiwan. The 60 years of angst and Cold War rhetoric that has forced these "two Chinas" to conduct relationships through Hong Kong has needed to find some realistic endpoint. Whether the thaw is partly due to the debt crisis changing priorities, or is more simply a time-has-come event, those who watch the cross-straights patter increasingly consider it to be real. This has been a major thorn in the side of regional relations. Some may argue that it means Communist China will just be that much more able to throw its weight around. We would reply that China is growing into an increasingly important player regardless of its border outline, and that doing so with the fewest irritants is the best way to ease everyone into the new reality.

Attitude is a major ingredient of growth, or decline. The surge in Mumbai's stock exchange after the election, which held at a 17% gain after a week of trading, underscores India determination to maintain its growth path. Add to this a newfound desire in neighboring Pakistan to sort out its own, and still very threatening, internal political problems and you see the makings of South Asia's continued economic rise. The decline of "two Chinas" rhetoric is equally a signal that East Asia wants to heal old wounds in the cause of a better future. These moves in the globe's two most important growth centers result from the belief that prosperity can be internally governed.

Even rising tensions in Peru's Amazon region where indigenous peoples seek some greater say in the region's natural gas sector weighs to progress. Peru is the strongest growth economy in Latin America. Brazil's gas importers would rather not have to deal with this, but Peru's indigenous groups are seeking out a better deal rather than a halt to the new prosperity. *--continued*

REBOOT…

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Though the HRA focus in Peru is Andean hardrock potential rather than Amazonia (at least at this point), this is a new irritant we are watching with interest, and some degree of concern. That said, we do sense this is another old wound that may finally be dealt with now that Peru sees itself on a growth path. It is during periods of great change such as the one we find ourselves in when a myriad of old disputes can finally be laid to rest and allow a stronger focus on more productive pursuits.

Now for some even more Pollyannaish musings, right? Not so much. We have watched recent discussion of "green shoots" with some interest, while wondering at their focus on this or that bit of statistical input for meaning. The numbers do have meaning, and in particular for the Western economies in which most of them are generated. They will be important for gauging the mood of western markets for some time to come. But real economic impetus remains in those areas were the "shoots" began to sprout long before western banking killed off its empire. India, China and Peru are all expected to sustain decent, positive growth rates this year by even the dourest of prognosticators. There is no pretense, from us or these economies' own seers, that the fragile West couldn't still wreak serious damage to their growth. However, a belief that working around the West Mess is the best way to ensure growth is building outside of the industrialized nations. That is the most important green shoot we see at work, at least from the perspective of resources and in due course for the global economy as a whole.

Meanwhile, the auto sector contraction does continue apace, and the various western housing bubbles haven't deflated enough to bottom prices. Stressed US banks have been sourcing the capital they need, while those in the UK have been dealing with warning of a potential downgrade by Moody's on their country's sovereign debt ranking. Whether that potential loss of AAA status for the UK government is because of or despite of its bank nationalizations will be souring a lot of gin & tonic patter over the next few months. It is already having a broader impact on markets.

The stretching out of Britain's debt mess augured by a lower sovereign ranking is already being reflected across the pond. US T-bill rates are already shifting upwards in expectation that Washington is in for similar treatment. This is another chink in the greenback's reserve currency armor. Calls to reorder the global currency system by shifting it away from the US$ as the reserve currency are already on the table. A re-ranking of US government debt would surely increase these calls, and we expect to see Indian soon join China and Brazil in calling for trade arrangements using their own currencies. It will take a while before the move away from reserve-currency pricing of trade is replaced by a meaningful number of bilateral pricing schemes. It is not however too soon to view some commodity moves in these terms.

No one questions that the gains for copper since February resulted from Chinese buying, nor would many question that it has been copper's gains that pulled other metal prices higher. There has been a nearly continuous decline since mid March of London Metal Exchange (LME) stockpiles that are the most important gauge of excess supply for base metals. This inventory has already lost over half of the excess copper that began building in it as last autumn's debt crash approached, and it now sits at about seven days of global demand. Even though we are comfortable stockpiling of copper in China is not likely to exert downward pressure at some future point, copper does simply need to consolidate this year's gains. For that reason we are focusing accumulation in the copper space on growth stories in that are still playing price catch-up from last autumn's trouncing, and we are not yet ready to move too far down the food chain in the base metals space. But we do think there is reason to be in copper stories. A weakening US$ could put some upward pressure on most commodities, though this may be limited given the economic times. As significant this time around are signals from China of a stronger Yuan. Price support for the red metal has been at the 30,000 Yuan/tonne level that Shanghai buyers have been using as a base, which is about $2 per pound. If the Yuan does strengthen to a meaningful degree that will support copper's dollar based pricing without an actual cost increase for its main buyer.

Gold has gained 4% through the past week. The yellow metal is moving from its recent to role as a fear barometer back into its traditional pastime of trending in opposition to the US$. We expect that to continue, and we watch the strengthening Indian Rupee as an important harbinger of gold's price potential. India has long been the most important physical market for gold and silver. It was the destocking of gold out of India that held its price in check during the first quarter despite the increased investment buying of the metal in other markets. There has seen support at the Rupees 1400/gram level in India, which has been an upward shifting target level in Dollars of late that currently equates to about US$930 per ounce. Just how an improved mood within India will impact that economy's gold habits is an open question. Crisis selling in India does not mean buying will resume now because Indians are feeling better about things. It may however mean they will again be gold holders rather than sellers. That would smooth the way to a higher gold price as the dollar weakens.

There has recently been a greater shift towards asset rich juniors and some target rich gold explorers that are both funded and active. When the gold price is rising, it is normal to see longer term gold players shift some gains on more senior stocks in the sector to these riskier gold equities. If the weakening US$ pushes gold back towards its recently established highs some of these companies will become take-over candidates, and others will be see gains in expectation of further take-over. The pieces have already been put in place for this to happen.

The resource heavy Toronto Stock Exchange wrote almost as much business as the New York Stock Exchange did in the first quarter of this year (when the C$ was weaker than it is now). The first and largest chunk of that went to gold players, and the expectation now is that some of those funds are about to be used for shopping. As a closing note, there has been a more recent dollop of funding into the copper space since most of the gold player coffers have been filled. We are just now starting to see expectations for that cash tickling the price of low hanging red metal fruit.

Eric and David Coffin

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David Coffin and Eric Coffin produce the Hard Rock Analyst publications, newsletters that focus on metals explorers, developers and producers as well as metals and equity markets in general. You can add yourself to the HRA FREE MAILING LIST to get notifications about free articles, analyses and reports.
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G O L D   N U G G E T S

Gold and gold receivables held by euro zone central banks fell by 18 million euros to 240.766 billion euros ($333.9 billion) in the week ending June 5. Gold holding fell because of sales by two euro zone central banks, consistent with the 2004 Central Bank Gold Agreement.

South Africa's gold output, which has been in chronic decline for decades and last year slumped to its lowest level since 1922, would continue to fall up to 2014, new research analysis by Frost & Sullivan suggests. The fall in production saw the country slump to third position, behind China and the US, having already forfeited its production leadership to China in 2007. Further, the country's position might also be threatened by Australia in 2009.

"Currently as I see it, gold price will remain (come down) around at $870-880. Gold price can not stay in the $900-$1000 range for long," GFMS chief executive Paul Walker told reporters at a news conference in Tokyo. "But certainly, gold will be up to higher levels by 2010 thanks to strong macroeconomic fundamentals and inflation worries," he added.

Philip Klapwijk, Chairman of GFMS at the London launch of the report said: "Gold price may have pulled back a fair bit from the February highs but that was largely just the market's reaction to jewellery demand crumbling and scrap booming. It's far from game over for investors and it will be that crowd which sets the price alight".

Goldcorp. raised $840 million by the issuance of convertible senior notes. The company produced almost 1.7 million ounces of gold in 2008.

China's gold reserves increased to 33.89 million ounces by the end of April, ranking fifth in the world. Before that, the country's gold reserve had been around 19.29 million ounces since 2002.

Gold jewellery sales remained largely flat in May as stable prices attracted expatriates leaving on summer holidays, the chairman of the Abu Dhabi Gold Jewellery Group said yesterday. In Dubai jewellery sales dropped by around 40 percent in May, hit by fewer tourists and tighter budgets, retailers said

Zimbabwe's gold mines are dusting themselves off after the unity government deregulated the industry, ending a two-decade state monopoly on buying the precious metal after years of plunging production. That's slowly changing since the unity government between President Robert Mugabe and his one-time rival, Prime Minister Morgan Tsvangirai, deregulated the industry in March.

To everyone's surprise, about 74% of investors in India, the world's largest gold consumer, said they prefer purchasing gold and related products at current price levels, according to a survey.