

# Golden grabs

BY ANTHONY FENSOM

*Gold prices have hit a series of record highs in 2025 on safe-haven buying by investors and central bank demand. Can Australian miners capitalise on the yellow metal's gains?*



**IN LATE APRIL**, gold climbed above US\$3500 per ounce for the first time ever amid worries over US tariffs and the Federal Reserve's independence. This year's gain of around 30 per cent has buoyed sentiment among traders, with predictions that the precious metal could reach US\$4000 in 2025.

ASX-listed gold stocks have benefited from the euphoria, with Evolution Mining up 62 per cent, Newmont Corporation up 50 per cent and Northern Star Resources up 33 per cent from the start of 2025, as of close of trade on 20 June.

'Higher gold prices are flowing onto increased earnings expectations for Australia's listed gold producers,' says Peter Hwang, Managing Director of Superior Resources.

'Ultimately, this should lead to increased exploration activity, facilitating the next big wave of gold discoveries.'

Analysts suggest further trade tensions between the United States and China could drive more investor buying, with the gold price also supported by central bank purchases and exchange-traded funds (ETFs).

'The early days of the Trump administration have corresponded with heightened US economic uncertainty, consumer anxiety, and a weaker US dollar, buttressing investor demand for gold as a tail risk and geoeconomic hedge,' State Street Global Advisors' Aakash Doshi told *Australian Financial Review*.

Goldman Sachs Research has predicted the gold price could reach US\$3700 an ounce by year-end, backed by 'multi-year demand from central banks' along with ETFs buying in anticipation of lower interest rates.

Bank of America analysts are also bullish, arguing gold could reach US\$4000 an ounce within the next year, particularly as global central banks shift from holding US Treasuries and dollars to more gold.

However, Citigroup warns the price could fall below US\$3000 by year-end as economic conditions improve in the world's biggest economy.

'We see investment demand for gold abating in late 2025 and 2026, as ultimately, we see [US] President Trump's popularity and US growth "put" kicking in, especially as the US midterms come into focus,' the analysts were quoted saying by Kitco.

ANZ Research argues the gold price is likely to consolidate before staging another rally towards US\$3600 per ounce by year-end.

'Longer term, we expect gold to peak later in 2025, followed by a gradual decline in 2026 as economic growth prospects improve and global trade uncertainty diminishes. A rapid breakthrough in trade negotiations or a significant improvement in the US's economic

outlook are key downside risks to this view,' it said in an 11 June report.

The World Gold Council's (WGC's) latest 'Gold Demand Trends' showed total gold demand rose by one per cent in the first quarter of 2025 to 1206 tonnes, boosted by a 170 per cent increase in ETF demand for the precious metal. Central banks added another 244 tonnes to global reserves, marking their 16th consecutive year of net buying, the 30 April report said.

'It's been a bumpy start to the year for global markets as trade turmoil, unpredictable US policy announcements, sustained geopolitical tensions and a return of recessionary fears have created a highly uncertain environment for investors. In this context, investment demand for gold has paved the way for the highest level of first quarter demand since 2016,' WGC Senior Markets Analyst Louise Street said in a statement.

#### **EARNINGS BOOST**

Australia's gold export earnings are projected to reach \$36 billion in fiscal 2025, up from \$33 billion in fiscal 2024, helped by rising export volumes and higher prices, according to the Office of the Chief Economist's March 2025 'Resources and energy quarterly'.



Exploration drilling by Superior Resources at its Queensland projects

Currently the world's third-largest producer, Australian gold output is projected to reach 377 tonnes a year by fiscal 2030, up from 289 tonnes in fiscal 2024, with output lifting across multiple large-scale operations and as new projects come online.

Among these, Westgold's Great Fingall project is expected to produce its first ore in the fourth quarter of fiscal 2025, while De Grey Mining's Hemi mine is expected to commence production in 2026. In May 2025, Northern Star Resources announced it had completed its \$3.25-billion acquisition of De Grey Mining, marking a consolidation of gold assets in Western Australia.

Also in Western Australia, Meeka Metals expects its first gold sales in early July 2025 from its Murchison gold project.

Gold mining has also returned to the Northern Territory's Barkly region after a two-decade hiatus, with the commencement of Tennant Mining's Nobles Nob operation, announced in May 2025.

In New South Wales, Newmont plans to extend its Cadia underground mine operation through to 2050, while Evolution Mining received approval to continue its Cowal operation through to 2042.

Higher gold prices have boosted explorers, with the sector attracting \$621 million in financing during the March quarter 2025, more than double the same period last year, according to BDO.

Merger and acquisition activity has also increased, including South Africa-based Gold Fields' \$3.7-billion

acquisition of Gold Road Resources and Ramelius Resources' \$2.4-billion acquisition of Spartan Resources, BDO noted.

In Queensland, Superior Resources plans to update the financial model for its Steam Engine gold project based on higher prices, with a feasibility study and an updated mineral resource also progressing.

'We are expecting a dramatic uplift in project economics, particularly since the gold price is now significantly higher than the \$3250 per ounce assumption of our 2024 scoping study,' Hwang says.

In April, the company announced maiden drilling at its Windmill East prospect, confirming high-grade gold mineralisation of up to 16 grams per tonne.

'As we have only tested about 10 per cent of the known prospective areas of mineralisation, we hold strong conviction about the potential of the project,' Hwang says.

Also in Queensland, Native Mineral Resources expects first gold pour by the end of July 2025 at its Blackjack gold project in Charters Towers. Blackjack is among several North Queensland assets where the company aims to restart gold production, along with its Far Fanning deposit.

'Australia is the perfect environment for gold exploration, and with higher prices and increased investor activity, there's never been a better time for miners to capitalise on the excitement,' Hwang says. ↩



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