

Media Release

7 November 2025

Australian gold miners well positioned should gold rush continue

Australia once again is proving to be the lucky country with the surge in the gold price boosting the profitability of locally listed gold miners, according to Tim Carleton, chief investment officer at Auscap Asset Management.

"The real winners from a gold price trading above US\$4,000 an ounce should be the gold companies," said Carleton. "The current gold price should result in extraordinary profitability for Australian gold miners, with a very healthy return on capital and strong cash generation."

According to Carleton, gold appears to be in its third boom since the dismantling of the Bretton Woods system in 1971. "Should it continue, Australian investors, and Australia more broadly, should be a significant beneficiary. So far, the move in the gold price has been extraordinary. The yellow metal has gained US\$1,000 (32 per cent) in less than two months to 17 October and US\$2,500 (141 per cent) in the past two years. Since the end of 2015, the gold price has gained over 318 per cent to its recent peak of US\$4,381."

According to Carleton, gold demand is being driven by rising central bank demand and investor buying. Over 60 per cent of demand in the first half of calendar year 2025 for gold was for investment, compared to an average of 42 per cent between 2010 and 2023, while purchases for the use of gold in jewellery and technology have fallen as a percentage of total demand in recent years.

"This gold rush is, in other words, being driven by investors. Importantly, that could support the gold price, as there is a strong correlation between the percentage of total gold demand driven by private investment plus central bank demand and the gold price. There are multiple reasons given for central bank and investor demand, including diversifying away from the US dollar, a hedge against inflation, a hedge against other asset classes and US dollar weakness, to name but a few," Carleton said.

As the gold price has risen, the value of gold companies listed on the ASX has surged to around \$146 billion today from \$45 billion at the start of 2024. This is excluding Newcrest Mining, which was previously Australia's largest listed gold company but was taken over by Newmont Corporation in late 2023. The market capitalisation of Newmont has jumped to \$165 billion from \$70 billion over the same time.

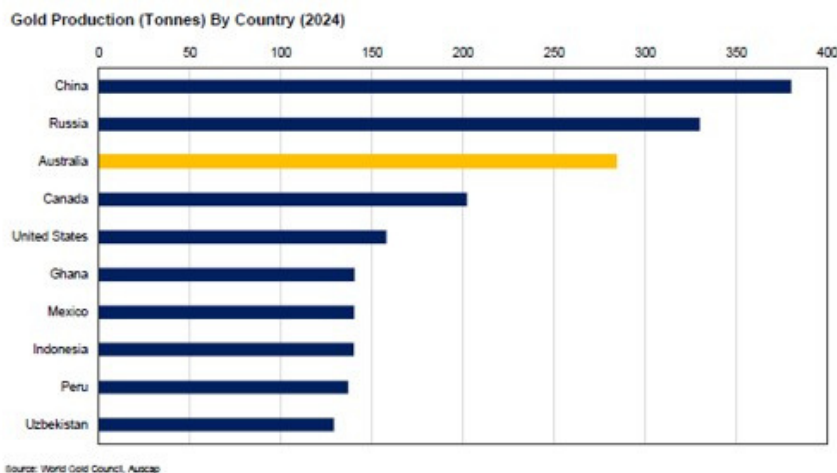
"There are now nine gold companies listed on the ASX with a market capitalisation of greater than \$5 billion, which is up from two at the end of 2023. All of these companies now have a market capitalisation exceeding that of companies such as Penfolds-owner Treasury Wines, regional lender Bank of Queensland and global industrial and medical glove manufacturer Ansell. All of this is a function of the strong gains in the gold price," he says.



Australia as a nation is benefitting significantly from the gold rush, with gold set to become the nation's most valuable export after iron ore. The September 2025 edition of the Resources and Energy Quarterly from the Department of Industry, Science and Resources recently projected gold export earnings to hit \$60 billion in 2025-26, forecast to become Australia's second most valuable export and overtaking LNG.

"The surge in the gold price is proving a boon for Australia's terms of trade, with gold at current prices likely surpassing both LNG and coal to become Australia's second-largest export after iron ore. Australia's fortune in benefitting from almost every commodity boom helps boost Federal and State government coffers," said Carleton.

In 2024, Australia was the third largest gold producer with a 7.8 per cent share of global production, but that share is rising. "We expect domestic production to expand significantly over the coming years, with both an expansion in the current operations of existing gold miners and the development of numerous additional gold mines. The Minerals Council of Australia has suggested that output is anticipated to rise to 369 tonnes in FY2026-27, which would be only marginally below China's output in 2024," says Carleton.



The Auscap funds, the Auscap High Conviction Australian Equities Fund and the Auscap Ex-20 Australian Equities Fund, own several ASX-listed gold companies that have higher quality, lower cost mining operations with strong growth potential and disciplined management teams. The funds' holdings in gold miners Genesis Minerals and Northern Star Resources were some of the largest contributors to returns in September 2025.

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