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GOLD EXPLORATION

With Global Capital Returning, Can South Africa Keep Up the Pace?

MOORE JOHANNESBURG · MINING · SEPTEMBER 2026

A Shrinking Exploration Pipeline

South Africa's gold story has historically been defined by production. But exploration spend gives a more forward-looking view of the sector.

In The Gold Papers, Dr Duarte F. da Silva presents a sharp long-term decline in South African gold exploration expenditure:

R6.2 billion	R738 million
Real exploration spend in 2006¹	Real exploration spend in 2025¹

Based on those figures, real exploration expenditure has fallen by roughly 88% over the period.

Dr da Silva also expresses the change in US dollar terms as approximately US\$900 million to US\$43 million¹, illustrating how significantly South Africa's position in the global competition for exploration capital has weakened.

Why The Decline Matters

Exploration is the front end of the mining pipeline.

Today's drilling determines which resources can become tomorrow's reserves, projects and operating mines. When exploration investment falls over a sustained period, the effect is not necessarily visible immediately. It appears later through thinner project pipelines, fewer discoveries and fewer options for replacing declining production.

This is particularly relevant for South African gold, where existing operations are mature and production has fallen from roughly 1,000 tonnes a year in 1970 to around 90 tonnes today¹.



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The Capital Gap

An estimated R12 billion a year is the level of exploration expenditure South Africa would need to compete more effectively for global exploration capital¹.

Against actual 2025 expenditure of approximately R738 million, that points to a funding gap of more than 90% relative to that benchmark¹. With South Africa attracting less than 1% of global exploration expenditure, its challenge is not simply geological potential. It is also the ability to attract sufficient investment capital into the work required to test, define and develop that potential.

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What might the lost investment look like?

Dr da Silva goes one step further by modelling alternative exploration-investment scenarios over a 20-year period.

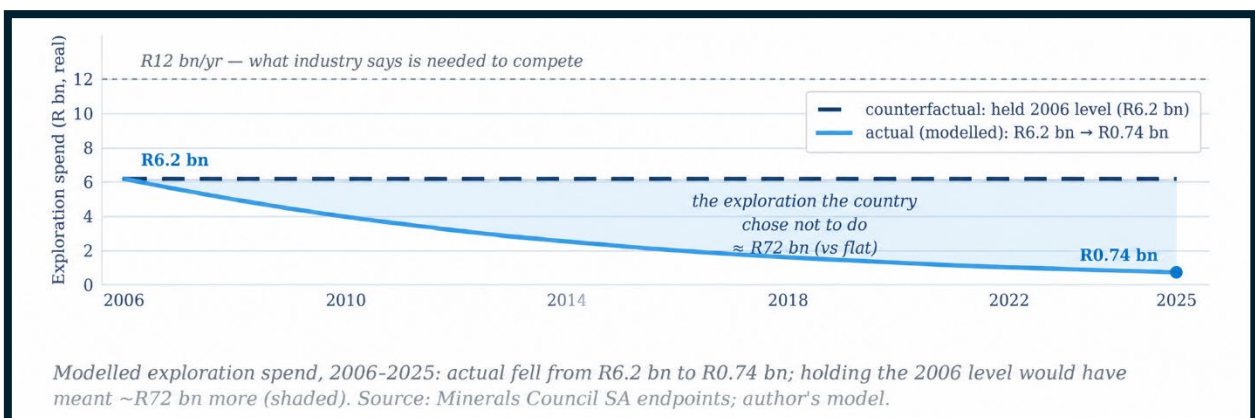
Using the reported 2006 and 2025 figures and modelling the decline between them, he estimates cumulative real exploration expenditure of approximately R52 billion. Had annual expenditure remained at the 2006 level of R6.2 billion, cumulative spend would have reached approximately R124 billion.

At the industry-estimated competitive level of R12 billion a year cited in the paper, cumulative exploration investment would have reached approximately R240 billion.

These are counterfactual estimates modelled by Dr da Silva rather than reported expenditure figures. They illustrate the potential scale of the exploration investment gap rather than the number or value of discoveries that additional spending would necessarily have produced.

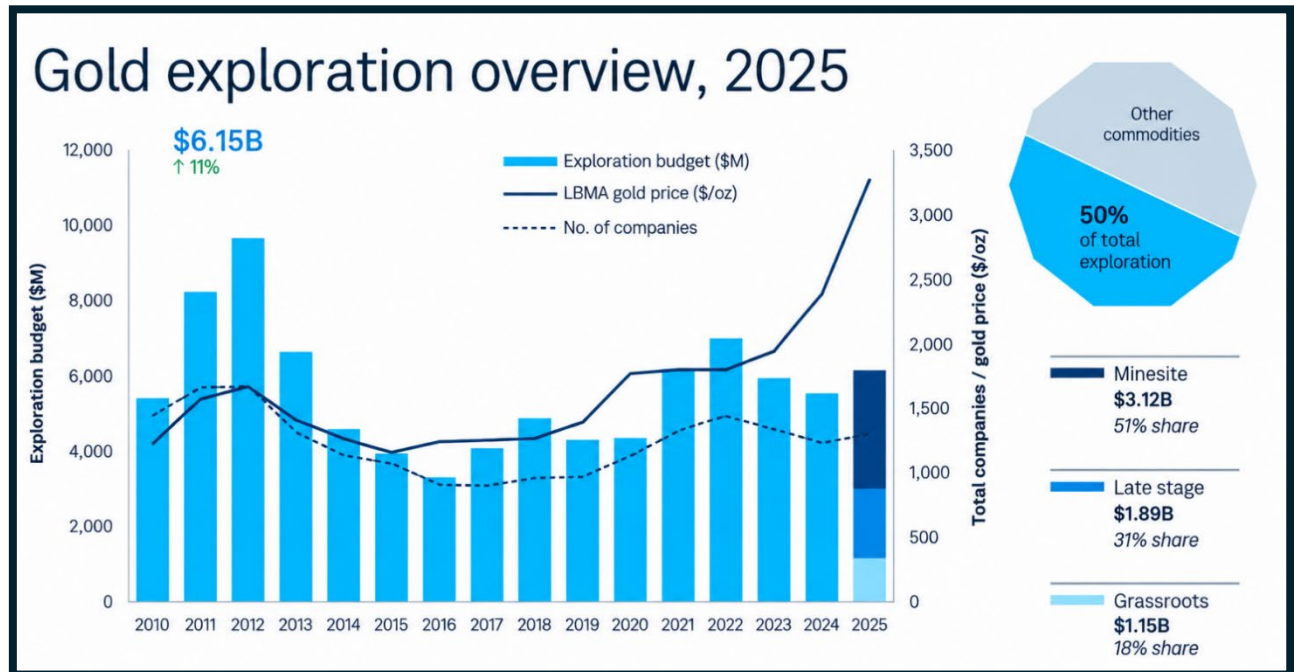
THE EXPLORATION SOUTH AFRICA DIDN'T DO

Actual Spend Against a Do-Nothing-Special Counterfactual



The exploration South Africa didn't do. Modelled real spend fell ~10.6 per cent a year from R6.2 bn to R0.74 bn (cumulative ~R52 bn). Holding the 2006 level would have meant ~R124 bn, a shortfall of ~R72 bn (shaded); spending the ~R12 bn/yr the industry says is needed to compete would have meant ~R240 bn, a shortfall of ~R188 bn.

THE GLOBAL PICTURE



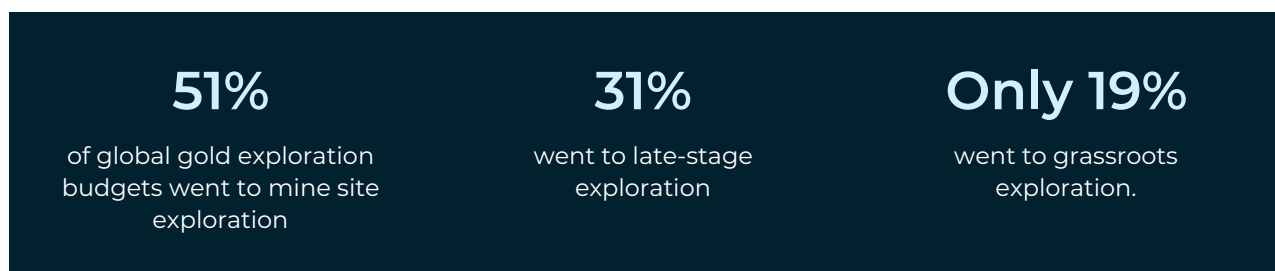
Source: S&P Global Market Intelligence – S&P Global

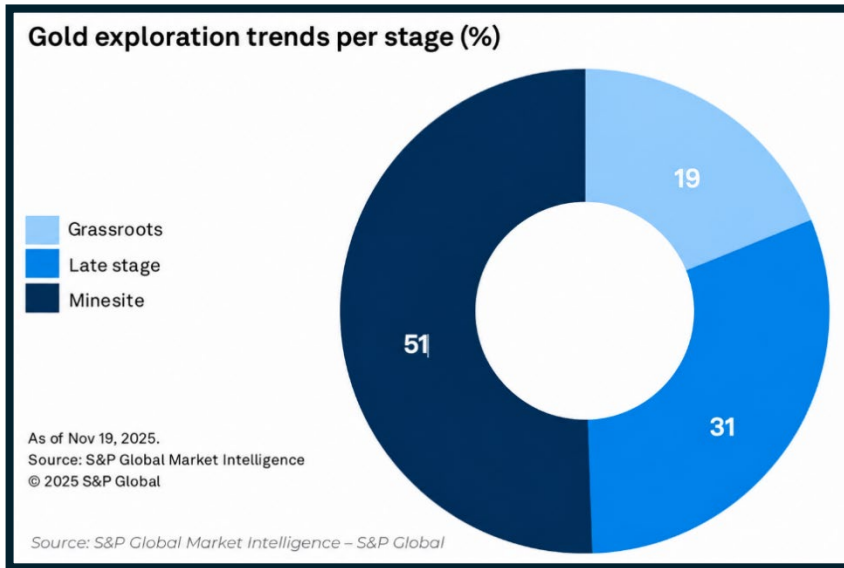
Gold exploration is recovering worldwide

According to S&P Global Market Intelligence, worldwide gold exploration budgets increased 11% to US\$6.15 billion in 2025. This was the first annual increase in three years.

Gold represented almost 50% of the global non-ferrous exploration budget, its highest share in three years, while the number of companies exploring for gold increased 5% to 1,298. Record gold prices were a major catalyst. But the recovery comes with an important qualification. Capital is returning but it is staying close to existing mines².

The industry remains relatively risk conscious. In 2025:





S&P Global's analysis therefore identifies a tension at the centre of the current gold cycle.

Companies are spending more, but much of that capital is being used to extend existing mines, expand known resources and move advanced projects towards production. Those investments can support near-term output, but they do less to create entirely new project pipelines.

Major producers are leading the trend. They accounted for 57% of global gold exploration budgets in 2025, investing approximately US\$3.5 billion, up 15% year on year.

Persistent underinvestment in grassroots exploration could create a longer-term supply challenge.

That matters because exploration operates on long timelines. A strong gold price today can improve cash flow almost immediately. A new discovery can take years, and often, much longer to become an operating mine.

The sector therefore faces a capital-allocation question:

How much should be spent maximising today's assets, and how much should be invested in finding tomorrow's?

For South Africa, this question is even more pronounced.

Sources

¹ Dr Duarte F. da Silva, The Gold Papers, Volume Four, 2026, Paper Thirteen, pp. 50–53; Paper Eleven, p. 6.

² Cesar Pastrana, S&P Global Market Intelligence, Gold Exploration Trends: Overview 2025, 6 December 2025.

About Moore Johannesburg

Moore Johannesburg provides a comprehensive range of audit, tax, advisory and risk services to entrepreneurs, privately held and publicly listed businesses, and high-net-worth individuals.

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7th

National
Ranking

3

Cities


40+

Scholarship
Students

4

Offices

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568

Offices


\$5.3B

Revenue


234

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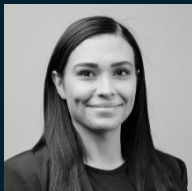


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