

# Mineral Industry Surveys

## For information, contact:

Earle B. Amey, Gold Commodity Specialist  
U.S. Geological Survey  
989 National Center  
Reston, VA 20192  
Telephone: (703) 648-4969  
Fax: (703) 648-7757  
E-mail: eamey@usgs.gov

Mahbood Mahdavi (Data)  
Telephone: (703) 648-7778  
Fax: (703) 648-7975  
E-mail: mmahdavi@usgs.gov  
Wanda G. Wooten (Mine Data)  
Telephone: (703) 648-4980  
Fax: (703) 648-7975  
E-mail: wwooten@usgs.gov

**Internet:** <http://minerals.usgs.gov/minerals>

## GOLD IN MAY 2004

U.S. mines produced 19,600 kilograms (kg) of gold in May, 2004, according to the U.S. Geological Survey, a 9% increase compared with that of April 2004. Production of gold was down 20% in California and up 10% in Nevada over the same period. For the year-on-year comparison, production was 10% less than that of May 2003.

The London Gold Market Ltd. (LGMF) reported that it made two major changes in the arrangements governing its twice-daily fixings. First, the chairman of the fix no longer resides permanently with one member firm, but will rotate annually among all member firms. Under this new arrangement, Scotiabank, through its precious metals division ScotiaMocatta, assumed the first chairmanship of the fix. Secondly, the fix no longer is conducted face-to-face, but is conducted by telephone. LGMF intends to introduce a Web-based commentary on the fixing later in 2004. Current members of LGMF are HSBC plc, Deutsche Bank Group, ScotiaMocatta (Bank of Nova Scotia), and Societe Generale Group (Platts Metals Week, 2004e). The seat of the fifth member was bought from NM Rothchild Sons Ltd. by Barclays Capital plc at an undisclosed price (Platts Metals Week, 2004a).

The Bank of Portugal recently sold 35,000 kg (1.1 million troy ounces) of gold from its reserves. Previous gold sales were 45,000 kg (1.4 million ounces) in March and April 2003, 30,000 kg (1 million ounces) in February 2003, and 15,000 kg (0.5 million ounces) at the end of 2002. The gold sales were carried out under terms of the Washington Agreement that the Portuguese central bank signed along with 14 other European central banks in September 1999 (Platts Metals Week, 2004f). In addition, The Bank of France and the Nederlandsche Bank proposed that 500,000 to 600,000 kg (16 to 19 million ounces) and 100,000 kg (3 million ounces) of gold respectively be sold from its reserves in the 5 years after the second agreement starts with the central banks (Platts Metals Week, 2004b,c).

Gold Bullion Securities (GBS), the gold-based exchange-traded fund promoted by the World Gold Council, almost

doubled its trading since the fund's relaunch last March. Daily trading volumes now average \$23 million per day compared with \$14 million per day earlier in 2004. Each share was backed by one-tenth of a troy ounce of gold deposited at HSBC in London, thereby avoiding insurance, storage, and transportation costs. The fund has gold inventories of 52,000 kg (American Metal Market, 2004).

The London Bullion Market Association (LBMA) reported gold ounces transferred rose 9% in April in comparison with those of March, rising to 529,000 kg (17 million ounces), the highest since February 2003. In comparison with those of April 2003, ounces transferred were 10% higher. The number of gold transfers rose 7.5% in April in comparison with those of March, and the number of gold transfers increased 24% over the number of transfers in comparison with those of April 2003 (Platts Metals Week, 2004d).

Harmony Gold Mining Co. Ltd. reported that the majority of Avgold Ltd. shareholders approved the merger proposed by Harmony on May 3, 2004. The planned merger was then sanctioned by the high court of South Africa and subsequently registered by the Registrar of Companies on May 11, 2004. The merger became operative on May 24, 2004. The inclusion of the Target Mine will enhance Harmony's growth in gold mining projects (Harmony Gold Mining Co. Ltd., 2004).

## References Cited

- American Metal Market, 2004, Trading in GBS gold fund up since relaunch: American Metal Market, v. 112, no. 21-2, May 25, p. 5.
- Harmony Gold Mining Co. Ltd., 2004, Harmony concludes Avgold acquisition as all conditions precedent are met: Johannesburg, South Africa, Harmony Gold Mining Co. Ltd. press release, May 11, 2 p.
- Platts Metals Week, 2004a, Barclays buys London gold fixing seat: Platts Metals Week, v. 75, no. 22, May 31, p. 3.
- Platts Metals Week, 2004b, Dutch central bank to sell 100 mt gold: Platts Metals Week, v. 75, no. 22, May 31, p. 3.
- Platts Metals Week, 2004c, France wants to sell 500-600 mt gold: Platts Metals Week, v. 75, no. 19, May 10, p. 6.

Platts Metals Week, 2004d, Gold transferred, value rose in April: Platts Metals Week, v. 75, no. 20, May 17, p. 13.

Platts Metals Week, 2004e, London gold market announces changes to daily fixing: Platts Metals Week, v. 75, no. 18, May 3, p. 2.

Platts Metals Week, 2004f, Portuguese central bank sells 35 mt of gold: Platts Metals Week, v. 75, no. 20, May 17, p. 14.

TABLE 1  
MINE PRODUCTION OF RECOVERABLE GOLD IN THE UNITED STATES,  
BY STATE<sup>1</sup>

(Kilograms)

	California	Nevada	Other States <sup>2</sup>	Total
<b>2003:<sup>p</sup></b>				
May	396	17,700	3,610	21,700
June	381	21,300	4,080	25,800
July	301	20,600	3,730	24,700
August	306	19,200	3,950	23,500
September	341	20,400	4,000	24,700
October	211	20,300	4,120	24,600
November	246	18,900	3,830	23,000
December	235	17,100	3,910	21,300
January-December	4,270	227,000	45,700	277,000
<b>2004:</b>				
January	229	16,400	3,440	19,800
February	274	15,200	2,890	18,400
March	274	19,800	3,160	23,200
April	222	15,000 <sup>r</sup>	2,800	18,000 <sup>r</sup>
May	177	16,500	2,950	19,600
January-May	1,180	82,800	15,000	99,000

<sup>p</sup>Preliminary. <sup>r</sup>Revised.

<sup>1</sup>Data are rounded to no more than three significant digits; may not add to totals shown.

<sup>2</sup>Includes Alaska, Arizona, Colorado, Idaho, Montana, South Dakota, Utah, and Washington.

TABLE 2  
GOLD PRICES

(Dollars per troy ounce)

Engelhard Industries:	
2003:	
Low/date	321.09 April 7
High/date	417.76 December 31
Average	364.8
2004:	
March:	
Low/date	391.81/3
High/date	425.07/31
Average	408.01
April:	
Low/date	387.31/29
High/date	428.63/1
Average	405.30
May:	
Low/date	376.29/10
High/date	394.92/27
Average	385.22
Year to date:	
Low/date	376.29 May 10
High/date	428.63 April 1
Average	403.89
Handy and Harman:	
2003, average	363.51
2004:	
March	405.99
April	403.96
May	383.94
Year to date	402.50
London Final:	
2003, average	363.51
2004:	
March	406.67
April	403.26
May	383.78
Year to date	402.47

Source: Platts Metals Week.

TABLE 3  
U.S. IMPORTS AND EXPORTS OF GOLD<sup>1</sup>

(Kilograms of gold content, unless otherwise specified)

Period and country	Ores and concentrates <sup>2</sup>	Doré and precipitates	Refined bullion <sup>3</sup>	Total <sup>4</sup>	Waste and scrap (gross weight)	Metal powder (gross weight)	Gold compounds (gross weight)
Imports for consumption:							
2003	1,960	95,200	152,000	249,000	15,000	4,080	31,800
2004:							
February	38	13,400	15,200	28,700	1,420	922	779
March	7	9,620	13,900	23,500	1,100	368	7,350
April:							
Aruba	--	--	133	133	--	--	--
Brazil	--	--	861	861	--	--	--
Canada	3	--	8,500	8,500	148 <sup>5</sup>	17	--
Chile	(6) <sup>5</sup>	--	450	450	--	--	--
Colombia	--	3,940	408	4,350	28	--	--
Dominican Republic	--	--	3	3	696 <sup>5</sup>	--	--
Germany	--	--	1	1	--	--	4,000 <sup>5</sup>
Honduras	--	843	--	843	18	266	--
Japan	--	--	--	--	--	--	2,960 <sup>5</sup>
Mexico	--	255 <sup>5</sup>	284	539	91 <sup>5</sup>	1	--
Nicaragua	--	385	--	385	--	--	--
Peru	--	5,800	35	5,830	--	--	--
Other	2	146	515	663	154 <sup>5</sup>	7 <sup>5</sup>	--
Total	5	11,400	11,200	22,600	1,140	291	6,950
Year to date	200	42,400	58,200	101,000	4,630	1,910	17,100
Exports:							
2003	826	131,000	220,000	352,000	159,000	874	565,000
2004:							
February	90	9,490	9,070	18,600	51,000	45	93,600
March	104	11,300	8,300	19,700	45,500	19	86,400
April:							
Armenia	--	--	11	11	--	28	--
Australia	--	--	--	--	--	--	360 <sup>5</sup>
Brazil	--	--	--	--	--	--	120 <sup>5</sup>
Canada	--	--	1	1	7,830	--	29,300 <sup>5</sup>
China	--	--	18	18	--	--	1,080 <sup>5</sup>
Dominican Republic	62	--	--	62	--	1	17,000 <sup>5</sup>
Germany	--	--	--	--	28,800	(6) <sup>5</sup>	327 <sup>5</sup>
Honduras	--	--	--	--	--	--	324 <sup>5</sup>
Hong Kong	--	--	--	--	--	--	1,640 <sup>5</sup>
Israel	--	--	--	--	--	1	10,100 <sup>5</sup>
Italy	--	--	--	--	557	--	--
Japan	2	--	--	2	23	--	--
Mexico	26	--	1,380	1,410	--	--	--
Netherlands	1 <sup>5</sup>	--	--	1	--	--	375 <sup>5</sup>
Romania	--	--	--	--	--	--	834 <sup>5</sup>
Singapore	--	--	--	--	--	--	3,440 <sup>5</sup>
Switzerland	--	10,300	2,980	13,300	--	--	--
United Kingdom	--	3 <sup>5</sup>	--	3	35,900	7 <sup>5</sup>	1,270 <sup>5</sup>
Other	--	--	154	154	109	--	--
Total	91	10,300	4,550	14,900	73,300	37	66,100
Year to date	352	41,900	36,400	78,700	198,000	176	317,000

-- Zero.

<sup>1</sup>Data are rounded to no more than three significant digits; may not add to totals shown.

<sup>2</sup>Includes gold content of base metal ores, concentrates, and matte imported for refining.

<sup>3</sup>Bullion also moves in both directions between U.S. markets and foreign stocks on deposit in the Federal Reserve Bank. Monetary gold excluded.

<sup>4</sup>"Waste and scrap," "Metal powder," and "Gold compounds" not included in "Total."

<sup>5</sup>All or part of these data have been referred to the U.S. Census Bureau for verification.

<sup>6</sup>Less than 1/2 unit.

Source: U.S. Census Bureau.