

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 JUNE 2004

U.S. mines produced 22,800 kilograms (kg) of gold in June 2004, an 8% increase compared with that of May, according to the U.S. Geological Survey. Production of gold in California was up by 380% over the same period as a result of secondary gold recovery from previously stacked heaps at the Mesquite Mine in June. Total gold production for the second quarter of 2004 was 8% less than that for the second quarter of 2003 and the production in June was 12% less than that of June 2003. Table 4 in this report lists the top 30 gold-producing mines in the United States for the first half of 2004.

Domestic.—Newmont Mining Corp. and Barrick Gold Corp. forged ahead with their plans to withdraw from the power grid and have an independent power supply for their Nevada-based gold operations. Barrick has approval from the Nevada Public Utilities Commission to build its own natural gas electricity generation plant near its Betze-Post Goldstrike Mine. Barrick is the first company to get this far in the withdrawal process, which was created as part of the electric power utility partial-deregulation legislation passed by the Nevada legislature in 2001 (Metal Bulletin Daily, 2004).

International.—The World Gold Council reported that world gold demand rose by 11% to 780,000 kg (31.5 million troy ounces) in the first quarter of 2004 compared with demand in the same quarter in 2003. Demand for jewelry increased by 12% in the first quarter to 604,000 kg (19 million ounces) compared with the depressed levels of a year earlier. Recovery in jewelry demand was reported in India, Vietnam, and Turkey (World Gold Council, 2004).

Gold Fields Mineral Services Ltd. reported that global gold dehedging began to increase in the first quarter of 2004. The hedge book was cut by 85,000 kg (2.7 million ounces). The cut was more than double that measured in the previous quarter and left the adjusted book at 2.1 million kg (67.6 million ounces),

which is equivalent to 83% of the 2003 global gold mine production (Gold Fields Mineral Services Ltd., 2004).

China is now the world's third-largest gold consumer and the fourth-largest gold producer. In 2003, China consumed 230,000 kg of gold, and produced 200,000 kg of gold (Antaike, 2004).

Russian police arrested criminals involved in the illegal sale of gold jewelry in Moscow. Thirty kilograms of gold and precious stones worth \$1.5 million were confiscated. The items were not being sold on the black market but through Moscow's official retail network. All jewelry items had foreign hallmarks, which cannot be sold legally in Russia (Platts Metals Week, 2004b).

Six gold producers have made a commitment to honor the International Cyanide Management code, a voluntary program for companies involved in gold production. It covers nine key areas of mining and cyanide management: production, transportation, handling, storage, decommissioning of facilities, worker safety, emergency response, training, and communications with the public. The companies which made the commitment are: AngloGold Ashanti Ltd., Barrick Gold Corp., Kinross Gold Corp., Newmont Mining Co., Placer Dome Inc., and Rio Tinto Plc (Platts Metals Week, 2004a).

References Cited

- Antaike, 2004, Precious & minor metals monthly: Antaike, no. 53, July, p. 2.
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TABLE 1
MINE PRODUCTION OF RECOVERABLE GOLD
IN THE UNITED STATES, BY STATE¹

(Kilograms)

	California	Nevada	Other States ²	Total
2003:^p				
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
2004:				
January	229	16,400	3,210 ^r	19,800
February	274	15,200	2,890	18,400
March	274	19,800	3,160	23,200
April	222	15,000	2,800	18,000
May	217 ^r	18,000 ^r	2,950	21,100 ^r
June	1,040	18,700	2,990	22,800
January-June	2,250	103,000	18,000	123,000

^pPreliminary. ^rRevised.

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

²Includes 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:	
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
June:	
Low/date	386.15/11
High/date	405.59/28
Average	393.69
Year to date:	
Low/date	376.29 May 10
High/date	428.63 April 1
Average	402.19
Handy and Harman:	
2003, average	363.51
2004:	
April	403.96
May	383.94
June	392.73
Year to date	400.87
London Final:	
2003, average	363.51
2004:	
April	403.26
May	383.78
June	392.37
Year to date	400.79

Source: Platts Metals Week.

TABLE 3
U.S. IMPORTS AND EXPORTS OF GOLD¹

(Kilograms of gold content, unless otherwise specified)

Period and country	Ores and concentrates ²	Doré and precipitates	Refined bullion ³	Total ⁴	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:							
March	7	9,620	13,900	23,500	1,100	368	7,350
April	5	11,400	11,200	22,600	1,140	291	6,950
May:							
Brazil	--	--	408	408	(5)	--	--
Canada	36	1	9,400	9,440	237	3	--
Chile	--	--	400	400	--	--	--
Colombia	--	2,780	336	3,120	23	--	--
Dominican Republic	--	--	64 ⁶	64	802	18	--
Germany	--	--	--	--	--	--	1,200 ⁶
Honduras	--	353	--	353	15	311	--
Mexico	12 ⁶	193	304	509	917	--	--
Nicaragua	--	349	--	349	--	--	--
Peru	--	3,010	--	3,010	--	--	--
Venezuela	--	--	218	215	--	--	--
Other	1	--	163	164	173	8 ⁶	26 ⁶
Total	49	6,680	11,300	18,000	2,170	341	1,230
Year to date	249	49,100	69,500	119,000	6,790	2,250	18,300
Exports:							
2003	826	131,000	220,000	352,000	159,000	874	565,000
2004:							
March	104	11,300	8,300	19,700	45,500	19	86,400
April	91	10,300	4,550	14,900	73,300	37	66,100
May:							
Belgium	--	--	--	--	125	--	--
Canada	--	--	1	1	5,000	1	34,300 ⁶
China	--	--	7 ⁶	7	--	14	2,130 ⁶
Dominican Republic	41	--	--	41	--	--	4,410 ⁶
France	--	--	--	--	--	1	--
Germany	--	--	3	3	18,600	(5) ⁶	243 ⁶
Honduras	--	--	--	--	--	--	621 ⁶
Hong Kong	--	--	2	2	--	(5)	2,280 ⁶
Israel	--	--	26	26	--	1	7,640 ⁶
Mexico	--	--	1,740	1,740	--	3	--
Netherlands	--	--	--	--	--	--	15,700 ⁶
Panama	--	--	--	--	--	--	295 ⁶
Singapore	--	--	980	980	--	--	59,800 ⁶
Sri Lanka	--	--	--	--	--	--	200 ⁶
Sweden	--	--	--	--	313	--	--
Switzerland	--	12,400	1,430	13,800	--	--	--
United Arab Emirates	--	--	997	997	--	--	--
United Kingdom	--	7	1,940	1,950	44,800	41	--
Other	--	--	142	142	165	(5)	--
Total	41	12,400	7,270	19,700	69,100	58	128,000
Year to date	393	54,300	43,700	98,400	267,000	234	445,000

-- Zero.

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

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

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

⁴"Waste and scrap," "Metal powder," and "Gold compounds" not included in "Total."

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

⁶Less than 1/2 unit.

Source: U.S. Census Bureau.

TABLE 4
LEADING GOLD-PRODUCING MINES IN THE UNITED STATES FOR THE FIRST HALF OF 2004, IN ORDER OF OUTPUT¹

Rank	Mine	County and State	Operator	Kilograms
1	Newmont Nevada operations ²	Various counties, NV	Newmont Gold Company	32,600
2	Betze-Post/Goldstrike	Eureka, NV	Barrick Gold Corporation	20,300
3	Cortez	Lander, NV	Cortez Gold Mines, Inc.	17,800
4	Round Mountain	Nye, NV	Round Mountain Gold Corporation	11,900
5	Meikle/Goldstrike	Elko, NV	Barrick Gold Corporation	8,900
6	Fort Knox ³	Fairbanks, AK	Kinross Fairbanks Gold Mining Incorporated	4,820
7	Cresson	Teller, CO	Cripple Creek & Victor Gold Mining Co.	4,610
8	Bingham Canyon ⁴	Salt Lake, UT	Kennecott Utah Copper Corp.	3,980
9	Jerritt Canyon	Elko, NV	Queenstake Resources, Inc.	3,418
10	Turquoise Ridge	Humboldt, NV	Placer Dome Inc.	2,990
11	Marigold	Humboldt, NV	Glamis Gold Ltd.	1,800
12	Kettle River	Ferry, WA	Kinross Gold Corporation	1,480
13	Greens Creek	Juneau, AK	Kennecott Greens Creek Mining Company	1,460
14	Florida Canyon	Pershing, NV	Florida Canyon Mining, Inc.	1,270
15	Wharf	Lawrence, SD	Wharf Resources, Inc.	1,270
16	Rochester	Pershing, NV	Coeur d'Alene Mines Corp.	855
17	Bald Mountain	White Pine, NV	Placer Dome Inc.	790
18	Denton-Rawhide	Mineral, NV	Kennecott Rawhide Mining Co.	645
19	Montana Tunnels	Jefferson, MT	Montana Tunnels Mining, Inc.	519
20	Illinois Creek ⁵	Yukon-Koyukuk, AK	American Reclamation Group LLC	450
21	Briggs	Inyo, CA	Canyon Resources Corp.	444
22	Barney's Canyon	Salt Lake, UT	Kennecott Barney's Canyon Mining Co.	342
23	Rand	Kern, CA	Glamis Rand Mining Co.	258
24	Castle Mountain	San Bernardino, CA	Viceroy Gold Corporation	189
25	Golden Sunlight	Jefferson, MT	Golden Sunlight Mines, Inc.	75
XX	Bagdad	Yavapai, AZ	Phelps Dodge Corp.	(6)
XX	Homestake	Lawrence, SD	Homestake Mining Company	(6)
XX	Mesquite	Imperial, CA	Western Goldfields, Inc.	(6)
XX	Midas	Elko, NV	Newmont Gold Company	(6)
XX	Ruby Hill	Eureka, NV	Homestake Mining Company	(6)

XX Not applicable.

¹Data are rounded to no more than three significant digits; these mines accounted for more than 99% of the U.S. gold production through the second quarter of 2004.

²Includes Battle Mountain Gold, Carlin Mines Complex, Gold Quarry, Lone Tree, Twin Creeks, and Reona.

³Mine production refers to gold equivalent produced.

⁴Mine production refers to total quantity of gold produced in concentrates.

⁵Estimate from Alaska's Mineral Industry 2003: A Summary Report.

⁶Production information for Bagdad, Homestake, Mesquite, Midas, and Ruby Hill is withheld; mines are among the top 30 gold-producing mines in the United States, but are not shown in rank order to avoid disclosing company proprietary data.

Sources: Company annual reports, Securities and Exchange Commission's 10-K reports and company news releases.