

GOLD

(Data in metric tons¹ of gold content unless otherwise noted)

Domestic Production and Use: Gold was produced at about 50 lode mines, a few large placer mines (all in Alaska), and numerous smaller placer mines (mostly in Alaska and in the Western States). In addition, a small amount of domestic gold was recovered as a byproduct of processing base metals, chiefly copper. Thirty operations yielded more than 99% of the gold produced in the United States. In 2011, the value of mine production was about \$12.2 billion. Commercial-grade refined gold came from about 2 dozen producers. A few dozen companies, out of several thousand companies and artisans, dominated the fabrication of gold into commercial products. U.S. jewelry manufacturing was heavily concentrated in New York, NY, and Providence, RI; areas with lesser concentrations include California, Florida, and Texas. Estimated uses were jewelry and arts, 54%; dental, 10%; electrical and electronics, 7%; and other, 29%.

Salient Statistics—United States:	2007	2008	2009	2010	2011^e
Production:					
Mine	238	233	223	231	237
Refinery:					
Primary	176	168	170	175	190
Secondary (new and old scrap)	135	181	189	198	225
Imports for consumption ²	170	231	320	604	670
Exports ²	519	567	381	383	470
Consumption, reported	180	176	150	180	200
Stocks, yearend, Treasury ³	8,140	8,140	8,140	8,140	8,140
Price, dollars per ounce ⁴	699	874	975	1,227	1,600
Employment, mine and mill, number ⁵	9,130	9,560	9,630	10,200	10,300
Net import reliance ⁶ as a percentage of apparent consumption	E	E	E	40	36

Recycling: In 2011, 225 tons of new and old scrap was recycled, more than the reported consumption.

Import Sources (2007–10):² Mexico, 49%; Canada, 25%; Colombia, 8%; Peru, 5%; and other, 13%.

Tariff: Most imports of unwrought gold, including bullion and doré, enter the United States duty free.

Depletion Allowance: 15% (Domestic), 14% (Foreign).

Government Stockpile: The U.S. Department of the Treasury maintains stocks of gold (see salient statistics above), and the U.S. Department of Defense administers a Governmentwide secondary precious-metals recovery program.

Events, Trends, and Issues: Domestic gold mine production in 2011 was estimated to be 3% more than the level of 2010. This marks the second consecutive increase in annual domestic production. Increased production from restarted mines in Montana and Nevada and from existing mines in Nevada accounted for much of the increase. These increases were partially offset by decreases in production from mines in Nevada and Utah. Because of the substantial amount of imports of gold products, the United States was not a net exporter of gold in 2010 and 2011. Much of the recent surge in imports is ores and concentrates from Mexico shipped into the United States for processing.

Worldwide gold production continued to increase because increases in production from Australia, Canada, Chile, China, Mexico, and Russia more than offset production losses in Indonesia and Peru. South Africa has stopped its almost decade-long trend of falling gold production. Gold production in China continued to increase, and the country remained the leading gold-producing nation, followed by Australia, the United States, Russia, and South Africa.

Domestic jewelry consumption continued to drop as the price of gold continued to increase. The estimated gold price in 2011 was 30% higher than the price in 2010. In 2010, Engelhard's daily price of gold ranged from a low of \$1,321.89 per troy ounce on January 28 to an alltime high of \$1,881.34 per troy ounce in late August.

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With the increase in the price of gold and the global economic instability, investment in gold has increased, as investors seek safe-haven investments. Gold Exchange-Traded Funds (ETFs) have gained popularity with investors. According to some industry analysts, investing in gold in the traditional manner is not as accessible and carries higher costs owing to insurance, storage, and higher markups. The claimed advantage of the ETF is that the investor can purchase gold ETF shares through a stockbroker without being concerned about these problems. Each share represents one-tenth of an ounce of allocated gold. Demand for physical gold was also high. There were local shortages of gold coins weighing 1 ounce or less.

World Mine Production and Reserves: Reserve data for Australia and Canada were revised based on information from the respective country Governments.

	Mine production		Reserves ⁷
	<u>2010</u>	<u>2011^e</u>	
United States	231	237	3,000
Australia	261	270	7,400
Brazil	58	55	2,400
Canada	91	110	920
Chile	38	45	3,400
China	345	355	1,900
Ghana	82	100	1,400
Indonesia	120	100	3,000
Mexico	73	85	1,400
Papua New Guinea	68	70	1,200
Peru	164	150	2,000
Russia	192	200	5,000
South Africa	189	190	6,000
Uzbekistan	90	90	1,700
Other countries	<u>559</u>	<u>630</u>	<u>10,000</u>
World total (rounded)	2,560	2,700	51,000

World Resources: An assessment of U.S. gold resources indicated 33,000 tons of gold in identified (15,000 tons) and undiscovered (18,000 tons) resources.⁸ Nearly one-quarter of the gold in undiscovered resources was estimated to be contained in porphyry copper deposits. The gold resources in the United States, however, are only a small portion of global gold resources.

Substitutes: Base metals clad with gold alloys are widely used in electrical and electronic products, and in jewelry to economize on gold; many of these products are continually redesigned to maintain high-utility standards with lower gold content. Generally, palladium, platinum, and silver may substitute for gold.

^eEstimated. E Net exporter.

¹One metric ton (1,000 kilograms) = 32,150.7 troy ounces.

²Refined bullion, doré, ores, concentrates, and precipitates.

Excludes:

- a. Waste and scrap.
- b. Official monetary gold.
- c. Gold in fabricated items.
- d. Gold in coins.
- e. Net bullion flow (in tons) to market from foreign stocks at the New York Federal Reserve Bank: 189 (2007), 220 (2008), 0 (2009), 0 (2010), and 0 (2011 estimate).

³Includes gold in Exchange Stabilization Fund. Stocks were valued at the official price of \$42.22 per troy ounce.

⁴Engelhard's average gold price quotation for the year. In 2011, price was estimated by the USGS based on the first 9 months of data.

⁵Data from Mine Safety and Health Administration.

⁶Defined as imports – exports + adjustments for Government and industry stock changes.

⁷See Appendix C for resource/reserve definitions and information concerning data sources.

⁸U.S. Geological Survey National Mineral Resource Assessment Team, 2000, 1998 assessment of undiscovered deposits of gold, silver, copper, lead, and zinc in the United States: U.S. Geological Survey Circular 1178, 21 p.