

Mineral Industry Surveys

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SILVER IN JUNE 2012

U.S. mines produced 87,700 kilograms (kg) of silver in June 2012, a 4% increase compared with revised May 2012 silver production and a 5% decrease compared with that of June 2011. The average daily production rate in June was 2,920 kg. Production for the first half of 2012 of 497,000 kg was 13% less than that in the first half of 2011 and 10% less than production in the second half of 2011. The main reason behind this decline was the continued closure of Hecla Mining Co.'s (Coeur d'Alene, ID) Lucky Friday Mine in Idaho.

The average Handy and Harman silver price for June 2012 was \$28.11 per troy ounce, which was a slight decrease compared with that of May 2012 and 22% less than that of June 2011.

Coeur d'Alene Mines Corp. (Coeur d'Alene) produced 304 metric tons (t) of silver in the first half of 2012; this was a 10% increase compared with first half silver production in 2011. An 18% increase in silver production at the company's Palmarejo Mine in Mexico and a 70% increase in production at the company's Rochester Mine, near Winnemucca, NV, were the principal contributors to the overall production increase. Coeur d'Alene's Martha Mine in Santa Cruz Province, Argentina, had high operating costs and low production with a short remaining expected mine life after 10 years of production. Coeur d'Alene expected to cease active mining operations by September 30 (Coeur d'Alene Mines Corp., 2012, p. 3).

Hecla produced 84 t of silver in the first half of 2012; this was a 43% decrease compared with first half 2011 silver production. Production from the company's Greens Creek Mine, AK, was 15% less than that in the first half of 2011 because of ground support rehabilitation work that diverted personnel and equipment away from production. Rehabilitation work continued at the Silver Shaft at the company's Lucky Friday Mine, ID, where production had been suspended since the beginning of 2012. Work at the Silver Shaft was expected to be

completed in December 2012, after which work crews were expected to be brought back in order to prepare the mine for production in early 2013 (Hecla Mining Co., 2012).

In June, U.S. Silver Corp. (Toronto, Ontario, Canada) and RX Gold & Silver Inc. (Toronto) signed a definitive agreement to combine the two companies, which will be known as U.S. Silver & Gold Inc., pending shareholder approval. U.S. Silver owned and (or) operated the Galena, Coeur, Caladay, and Dayrock silver-lead-copper mines in Shoshone County, ID. RX Gold & Silver was developing its 100%-owned Drumlummon Mine in Montana. U.S. Silver produced 34 t of silver in the first half of 2012 from its Galena Mine in Idaho, 6% less than production in the first half of 2011 (U.S. Silver Corp., 2012a, b).

References Cited

- Coeur d'Alene Mines Corp., 2012, Coeur reports strong second quarter financial and operating results; provides positive update to 2012 guidance: Coeur d'Alene, ID, Coeur d'Alene Mines Corp. news release, August 7, 24 p. (Accessed September 5, 2012, at <http://www.coeur.com/docs/default-document-library/q2-2012-press-release-final.pdf?sfvrsn=0>.)
- Hecla Mining Co., 2012, Hecla reports second quarter 2012 results and major progress on re-opening of the Lucky Friday Mine: Coeur d'Alene, ID, Hecla Mining Co. news release, August 7. (Accessed September 5, 2012, at <http://investors.hecla-mining.com/phoenix.zhtml?c=63202&p=irol-newsArticle&ID=1723097&highlight=->.)
- U.S. Silver Corp., 2012a, U.S. Silver and RX Gold & Silver announce proposed business combination to create a growth-oriented U.S. precious metals producer: Toronto, Ontario, Canada, U.S. Silver Corp. news release, June 7. (Accessed September 5, 2012, at <http://www.us-silver.com/News-and-Events/News-Releases/News-Release-Details/2012/US-Silver-and-RX-Gold-Silver-announce-proposed-business-combination-to-create-a-growth-oriented-US-precious-metals-prod/default.aspx>.)
- U.S. Silver Corp., 2012b, U.S. Silver Corporation management's discussion and analysis for the second quarter ended June 30, 2012: Toronto, Ontario, Canada, U.S. Silver Corp. news release, August 10, 12 p. (Accessed September 5, 2012, at http://www.us-silver.com/Theme/USSilver/files/doc_financials/Q2 2012 USA MD&A FINAL.pdf.)

TABLE 1
MINE PRODUCTION OF RECOVERABLE SILVER
IN THE UNITED STATES, BY STATE¹

(Kilograms)

	Nevada	Other States ²	Total
<u>2011:^p</u>			
June	19,600	73,100	92,600
July	16,800	74,800	91,500
August	17,200	73,800	91,000
September	14,000	74,400	88,400
October	14,800	69,800	84,700
November	17,600	72,600	90,200
December	17,600	85,500	103,000
January–December	209,000	913,000	1,120,000
<u>2012:</u>			
January ^r	14,500	67,100	81,700
February ^r	16,500	62,600	79,200
March	17,500 ^r	66,300	83,800 ^r
April	19,000 ^r	60,600 ^r	79,600
May ^r	23,600	61,000	84,700
June	21,200	66,500	87,700
January–June	112,000	384,000	497,000

^pPreliminary. ^rRevised.

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

²Includes Alaska, Arizona, California, Colorado, Idaho, Missouri, Montana, New Mexico, South Dakota, and Utah.

TABLE 2
SILVER PRICES

(Dollars per troy ounce)

Engelhard:	
2011:	
Low/date	26.83 Jan. 31
High/date	49.00 Apr. 28
Average	35.28
2012:	
April:	
Low/date	30.62/23
High/date	32.97/2
Average	31.57
May:	
Low/date	27.30/23
High/date	31.18/1
Average	28.91
June:	
Low/date	26.48/28
High/date	29.68/6
Average	28.14
Year to date:	
Low/date	26.48 June 28
High/date	36.95 Feb. 29
Average	31.10
Handy and Harman:	
2011, Average	35.26
2012:	
April	31.55
May	28.79
June	28.11
Year to date	31.07
London Final: ¹	
2011, Average	35.12
2012:	
April	31.55
May	28.67
June	28.04
Year to date	31.00

¹Reported as "London Spot/US Equiv."

Source: Platts Metals Week.

TABLE 3
U.S. IMPORTS OF SILVER, BY COUNTRY¹

Period and country	Bullion		Doré		Ores and concentrates ²		Ash and residues		Total	
	Silver content (kilograms)	Value (thousands)	Silver content (kilograms)	Value (thousands)	Silver content (kilograms)	Value (thousands)	Silver content (kilograms)	Value (thousands)	Silver content (kilograms)	Value (thousands)
2011	5,250,000	\$5,660,000	1,070,000	\$1,530,000	84,200	\$31,900	114	\$27	6,410,000	\$7,220,000
2012:										
April	338,000	348,000	68,800	105,000	5,610	2,320	68	43	413,000	455,000
May	373,000	351,000	59,300	82,800	5,870	2,460	--	--	439,000	437,000
June:										
Argentina	5,460	5,020	1,000	847	--	--	--	--	6,470	5,870
Canada	136,000	125,000	--	--	5,550	2,270	--	--	142,000	127,000
Chile	5,000	4,610	702	1,140	--	--	--	--	5,700	5,750
Colombia	--	--	763	686	--	--	--	--	763	686
Dominican Republic	--	--	27	30	--	--	--	--	27	30
Ecuador	--	--	11	5	--	--	--	--	11	5
Guatemala	--	--	21	19	--	--	--	--	21	19
Italy	--	--	107	95	--	--	--	--	107	95
Jamaica	--	--	7	6	--	--	--	--	7	6
Mexico	181,000	165,000	50,700	67,500	--	--	--	--	232,000	233,000
Morocco	5,570	4,850	--	--	--	--	--	--	5,570	4,850
Nicaragua	--	--	80	75	--	--	--	--	80	75
Panama	29	23	67	61	--	--	--	--	96	84
Peru	2,560	2,410	6,400	15,500	--	--	--	--	8,960	18,000
Taiwan	695	615	--	--	--	--	--	--	695	615
Total	337,000	307,000	59,900	86,000	5,550	2,270	--	--	402,000	396,000
January-June	2,250,000	2,240,000	521,000	718,000	35,700	15,000	102	53	2,800,000	2,980,000

-- Zero.

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

²Includes silver content of base metal ores and concentrates.

Source: U.S. Census Bureau.

TABLE 4
U.S. IMPORTS OF SILVER, BY COUNTRY¹

Period and country	Other unwrought silver (gross weight)		Metal powder (gross weight)		Silver nitrate (gross weight)		Semimanufactured forms ² (gross weight)		Waste and scrap (gross weight)	
	Quantity (kilograms)	Value (thousands)	Quantity (kilograms)	Value (thousands)	Quantity (kilograms)	Value (thousands)	Quantity (kilograms)	Value (thousands)	Quantity (kilograms)	Value (thousands)
2011	217,000	\$108,000	344,000	\$214,000	1,870	\$727	690,000	\$796,000	8,820,000	\$519,000
2012:										
April	7,510	7,610	43,500	32,600	118	118	8,790	9,200	563,000	44,100
May	1,420	1,340	53,900	38,600	221	219	36,300	37,300	775,000	46,100
June:										
Bahamas, The	--	--	--	--	--	--	--	--	17	556
Belgium	--	--	--	--	168	6	--	--	28,000	555
Brazil	--	--	--	--	--	--	--	--	34,000	152
Canada	92	86	5,620	308	--	--	22,000	20,200	214,000	14,200
China	--	--	1,640	116	--	--	--	--	43,400	783
Colombia	--	--	1	5	--	--	3	4	8,270	149
Costa Rica	8	7	--	--	--	--	--	--	117	258
Czech Republic	--	--	--	--	--	--	--	--	558	3
Dominican Republic	307	228	--	--	--	--	--	--	32,300	1,270
Ecuador	--	--	--	--	--	--	--	--	5,670	47
France	--	--	3,150	382	--	--	--	--	--	--
Germany	--	--	52	30	--	--	2	6	981	5,220
Guatemala	--	--	--	--	--	--	--	--	3,750	12
Italy	--	--	4,500	4,000	--	--	25	12	586	27,600
Jamaica	1	6	--	--	--	--	--	--	68	66
Japan	--	--	53,400	50,500	--	--	--	--	18,100	586
Korea, Republic of	--	--	585	65	--	--	--	--	90	22
Mexico	7,750	7,070	--	--	--	--	37,500	33,800	118,000	2,490
Panama	--	--	--	--	--	--	245	81	2,940	58
Singapore	--	--	--	--	--	--	--	--	348	1,040
Sweden	--	--	177	88	--	--	--	--	--	--
Switzerland	6	6	--	--	--	--	1	3	--	--
Taiwan	--	--	--	--	--	--	--	--	90	70
Trinidad and Tobago	--	--	--	--	--	--	--	--	9,600	8
United Kingdom	--	--	--	--	--	--	--	--	66,600	1,390
Other	--	--	--	--	5	3	1	2	143	573
Total	8,160	7,400	69,200	55,500	173	9	59,700	54,200	588,000	57,100
January-June	34,500	34,200	245,000	185,000	756	365	217,000	217,000	3,540,000	297,000

-- Zero.

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

²Containing 99.5% or more by weight of silver.

Source: U.S. Census Bureau.

TABLE 5
U.S. EXPORTS OF SILVER¹

Period and country	Bullion		Doré		Ores and concentrates ²		Total	
	Silver content (kilograms)	Value (thousands)	Silver content (kilograms)	Value (thousands)	Silver content (kilograms)	Value (thousands)	Silver content (kilograms)	Value (thousands)
2011	625,000	\$673,000	107,000	\$133,000	172,000	\$94,200	904,000	\$900,000
2012:								
April	51,100	51,700	762	763	7,790	7,610	59,700	60,100
May	82,100	76,600	2,100	2,110	1,590	1,530	85,800	80,300
June:								
Australia	892	544	--	--	--	--	892	544
Belgium	2,220	848	--	--	--	--	2,220	848
Canada	2,100	2,040	--	--	--	--	2,100	2,040
China	--	--	--	--	1,740	1,420	1,740	1,420
Czech Republic	130	128	--	--	--	--	130	128
Germany	--	--	5	4	254	289	259	293
Hong Kong	28	24	--	--	--	--	28	24
Japan	37,900	33,400	--	--	--	--	37,900	33,400
Malaysia	26	28	--	--	--	--	26	28
Mexico	33,700	30,800	--	--	--	--	33,700	30,800
New Zealand	56	50	39	34	--	--	95	84
Pakistan	228	210	--	--	--	--	228	210
Singapore	4	3	142	139	--	--	146	142
United Arab Emirates	--	--	759	711	--	--	759	711
United Kingdom	37,300	35,900	311	288	--	--	37,600	36,200
Other	29	22	23	21	--	--	52	43
Total	115,000	104,000	1,280	1,200	2,000	1,710	118,000	107,000
January-June	350,000	337,000	37,200	41,100	19,200	18,700	406,000	397,000

-- Zero.

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

²Includes silver content of base metal ores and concentrates.

Source: U.S. Census Bureau.

TABLE 6
U.S. EXPORTS OF SILVER¹

Period and country	Other unwrought silver (gross weight)		Metal powder (gross weight)		Silver nitrate (gross weight)		Semimanufactured forms ² (gross weight)		Waste and scrap (gross weight)	
	Quantity (kilograms)	Value (thousands)	Quantity (kilograms)	Value (thousands)	Quantity (kilograms)	Value (thousands)	Quantity (kilograms)	Value (thousands)	Quantity (kilograms)	Value (thousands)
2011	193,000	\$169,000	1,080,000	\$1,120,000	54,400	\$7,130	1,080,000	\$807,000	4,450,000	\$3,440,000
2012:										
April	13,000	14,100	82,000	90,700	3,800	925	41,600	36,000	1,040,000	176,000
May	22,700	34,800	85,100	89,300	3,730	486	68,300	61,800	884,000	167,000
June:										
Australia	58	26	--	--	--	--	159	79	--	--
Belgium	--	--	759	762	--	--	--	--	122,000	15,400
Brazil	--	--	170	170	--	--	735	672	--	--
Canada	8,660	8,620	6,900	1,500	4,220	341	24,600	24,200	186,000	21,700
China	230	180	13,300	4,000	--	--	680	379	415	1,160
Costa Rica	192	184	--	--	143	18	133	106	--	--
Dominican Republic	86	81	--	--	6	4	46	30	--	--
France	259	155	7,550	6,920	1	3	76	51	144	4,790
Germany	215	215	5,400	6,130	18	3	1,510	1,280	178,000	24,500
Hong Kong	318	271	6,290	7,310	--	--	385	199	19	14
India	1,960	1,140	--	--	--	--	305	160	--	--
Israel	--	--	--	--	5	5	239	138	--	--
Italy	--	--	105	128	--	--	85	43	128,000	49,600
Japan	23	26	8,810	9,340	--	--	180	90	140,000	17,000
Korea, Republic of	338	449	6,320	6,360	200	120	--	--	115	1,610
Malaysia	--	--	399	527	--	--	186	126	--	--
Mexico	1,040	1,120	1,120	942	10	8	6,820	3,580	95	475
Netherlands	--	--	1,020	783	--	--	15	8	(3)	19
Peru	--	--	--	--	601	23	--	--	--	--
Saudi Arabia	--	--	--	--	--	--	1,260	628	--	--
Singapore	32	32	10,600	1,380	--	--	778	373	362	8
Spain	--	--	--	--	--	--	861	789	30	150
Sweden	--	--	24	24	--	--	366	245	187,000	10,500
Switzerland	24	24	--	--	25	11	56	28	--	--
Taiwan	17	19	22,500	22,400	--	--	283	150	--	--
Thailand	386	147	200	185	--	--	746	397	--	--
United Arab Emirates	40	21	--	--	--	--	120	84	35,100	9,770
United Kingdom	176	176	4,260	4,650	--	--	180	90	--	--
Other	104	77	6	6	73	18	978	506	5	184
Total	14,200	13,000	95,700	73,500	5,300	554	41,700	34,400	977,000	157,000
January-June	87,100	101,000	456,000	434,000	25,500	3,530	330,000	282,000	4,080,000	1,060,000

-- Zero.

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

²Containing 99.5% or more by weight of silver.

³Less than ½ unit.