

Mineral Industry Surveys

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GOLD IN APRIL 2004

U.S. mines produced 18,600 kilograms (kg) of gold in April 2004, according to the U.S. Geological Survey, a 20% decrease compared with that of March 2004. Production of gold was down 19% in California and down 22% in Nevada over the same period. Total mine production for April was 7% less than that of April 2003.

Gold

Ghana's high court approved the merger of Ghana's Ashanti Goldfields Co. Ltd. with South Africa's AngloGold Ltd. closing the deal that created the world's largest gold producer. The merger to form Ashanti Goldfields Company Ltd. became effective April 26 (Metal Bulletin Daily, 2004).

Import taxes on gold bars into Vietnam were reduced to 1% from 3%. Also, the gold import tax for other than gold bars was lowered to 0.5% from 1%. These decreases are expected to reduce the volume of gold imported into the country through illegal channels. Of the estimated 50,000 kg of gold imported each year into Vietnam, only 10,000 kg of gold is imported through official means. The rest is smuggled. With lower import taxes, 20,000 to 25,000 kg of gold are expected to be imported through official channels in 2004 (Platts Metals Week, 2004d).

N M Rothschild & Sons Ltd. announced that it was withdrawing from commodities trading, including gold. As a consequence, Rothschild withdrew from the twice-daily London gold fixing group that it had chaired. Rothschild will continue to provide advice, project financing, corporate banking, and other services to its natural resources and mining clients around the world (American Metal Market, 2004).

The Bank of France indicated that it may sell up to 500,000 kg of gold within the limits of the next central bank gold agreement. Gold reserves would be sold to ease France's financial position. France's gold reserve of over 3 million kg is the world's fourth largest and the highest share of total gold

reserves among the 14 national signatories of the new central bank agreement (Mining Journal, 2004).

The London Bullion Market Association (LBMA) reported that the number of gold ounces transferred rose 1% in March compared with transfers in February, rising to 485,000 kg (15.6 million ounces). Compared with those of March 2003, the number of ounces transferred was 7% lower. The number of gold transfers rose more than 2% in March compared with those of February, and the number of gold transfers decreased 2% over the number of transfers in March 2003 (Platts Metals Week, 2004a).

In response to the strong South African rand, Harmony Gold Mining Co. Ltd., South Africa's largest gold producer, reported that it would shut four of its shafts and consider the closure of another two shafts. These closures would decrease gold output by 7,200 kg (230,000 ounces) (Platts Metals Week, 2004c). Harmony has negotiated with representatives of respective mine worker unions and agreed to save as many jobs as possible (Platts Metals Week, 2004b).

CPM Group reported that the world's gold supply rose 2.8% to 3.44 million kg (111 million ounces) in 2003, but predicts that gold supply will decline 2.2% to 3.36 million kg (108.1 million ounces) in 2004. Global mine output decreased 0.6% in 2003, but 2003 secondary gold supply increased 10.8%. Both components of gold supply, mine production and recycled scrap, were forecasted to fall in 2004. In 2004, U.S. gold production is expected to fall once. Australian output may also decline, while South African and Canadian production is expected to remain unchanged. CPM also expects that the steady rise in industrial gold demand, especially for dental, medical, and electronics applications, will continue in 2004, increasing by 2.2%; industrial demand rose 2.3% in 2003 (Platts Metals Week, 2004e).

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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				
April	425	15,800	3,810	20,100
May	396	17,700	3,610	21,700
June	381	21,300 ^r	4,080	25,800 ^r
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 ^r	45,700	277,000 ^r
2004:				
January	229	16,400	3,440 ^r	19,800 ^r
February	274	15,200	2,890 ^r	18,400 ^r
March	274	19,800 ^r	3,160 ^r	23,200 ^r
April	222	15,500	2,800	18,600
January-April	998	66,900	12,100	79,900

^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:	
February:	
Low/date	394.57/26
High/date	417.36/13
Average	405.86
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
Year to date:	
Low/date	391.81 March 3
High/date	428.63 April 1
Average	408.56
Handy and Harman:	
2003, average	363.51
2004:	
February	404.52
March	405.99
April	403.96
Year to date	407.14
London Final:	
2003, average	363.51
2004:	
February	404.88
March	406.67
April	403.26
Year to date	407.15

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:							
January	150	7,980	18,000	26,100	974	327	2,010
February	38	13,400	15,200	28,700	1,420	922	779
March:							
Australia	1	--	7	8	--	--	--
Brazil	--	--	821	821	(5)	--	--
Canada	--	--	9,120	9,120	196	1	--
Chile	--	--	450	450	--	--	--
Colombia	--	3,970	391	4,360	35	--	--
Dominican Republic	--	--	--	--	644	13	--
Germany	--	--	--	--	--	(5) ⁶	1,020 ⁶
Honduras	--	314	--	314	--	353	--
Japan	--	--	--	--	--	--	6,340 ⁶
Mexico	6 ⁶	215	2,440	2,660	116	--	--
Nicaragua	--	420	--	420	--	--	--
Peru	--	4,680	--	4,680	--	--	--
Switzerland	--	--	108	108	--	--	--
Venezuela	--	--	421	421	--	--	--
Other	--	26	106	132	109	--	--
Total	7	9,620	13,900	23,500	1,100	368	7,350
Year to date	195	31,000	47,000	78,300	3,490	1,620	10,100
Exports:							
2003	826	131,000	220,000	352,000	159,000	874	565,000
2004:							
January	67	10,800	14,500	25,400	28,000	76	71,100
February	90	9,490	9,070	18,600	51,000	45	93,600
March:							
Australia	1	--	--	1	--	--	154 ⁶
Belgium	1	--	--	1	3,180	--	--
Canada	1	--	42	43	7,680	--	25,100 ⁶
China	--	--	5	5	--	--	1,760 ⁶
Dominican Republic	75	--	--	75	--	--	30,800 ⁶
Germany	4	(5)	--	5	594	--	603 ⁶
Guatemala	--	--	131	131	110	--	--
Hong Kong	1	--	1	2	2	--	2,290 ⁶
Israel	--	--	--	--	--	--	14,300 ⁶
Italy	--	--	8	8	3,220	--	--
Korea, Republic of	--	--	--	--	--	--	227 ⁶
Mexico	5	--	1,600	1,610	--	1	--
Netherlands	--	--	--	--	--	--	10,400 ⁶
Panama	--	--	--	--	--	--	313 ⁶
Switzerland	--	11,300	926	12,200	743	--	--
United Kingdom	16	--	5,420	5,440	30,000	17	307 ⁶
Other	--	2	164	166	40	1	80 ⁶
Total	104	11,300	8,300	19,700	45,500	19	86,400
Year to date	261	31,600	31,900	63,800	124,000	140	251,000

-- 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."

⁵Less than 1/2 unit.

⁶All or part of these data have been referred to the U.S. Census Bureau for verification.

Source: U.S. Census Bureau.

TABLE 4
LEADING GOLD-PRODUCING MINES IN THE UNITED STATES IN FIRST QUARTER OF 2004, IN ORDER OF OUTPUT[†]

Rank	Mine	County and State	Operator	Kilograms
1	Newmont Nevada operations ²	Various counties, NV	Newmont Gold Company	16,900
2	Betze-Post/Goldstrike	Eureka, NV	Barrick Gold Corporation	9,880
3	Cortez	Lander, NV	Placer Dome Inc.	8,790
4	Round Mountain	Nye, NV	Round Mountain Gold Corporation	5,820
5	Meikle/Goldstrike	Elko, NV	Barrick Gold Corporation	4,790
6	Fort Knox ³	Fairbanks, AK	Fairbanks Gold Mining Inc.	2,360
7	Cresson	Teller, CO	Cripple Creek & Victor Gold Mining Co.	2,240
8	Bingham Canyon ⁴	Salt Lake, UT	Kennecott Utah Copper Corp.	2,150
9	Turquoise Ridge	Humboldt, NV	Placer Dome Inc.	1,760
10	Jerritt Canyon	Elko, NV	Independence Mining Company, Inc.	1,510
11	Marigold	Humboldt, NV	Glamis Gold Ltd.	802
12	Kettle River	Ferry, WA	Kinross Gold Corporation	788
13	Greens Creek	Juneau, AK	Kennecott Greens Creek Mining Co.	754
14	Florida Canyon	Pershing, NV	Florida Canyon Mining, Inc.	696
15	Wharf	Lawrence, SD	Wharf Resources, Ltd.	594
16	Denton-Rawhide	Mineral, NV	Kennecott Rawhide Mining Co.	427
17	Bald Mountain	White Pine, NV	Placer Dome Inc.	402
18	Rochester	Pershing, NV	Coeur d'Alene Mines Corp.	357
19	Montana Tunnels	Jefferson, MT	Montana Tunnels Mining, Inc.	335
20	Illinois Creek ⁵	Yukon-Koyukuk, AK	American Reclamation Group LLC	225
21	Barney's Canyon	Salt Lake, UT	Kennecott Barney's Canyon Mining Co.	218
22	Briggs	Inyo, CA	Canyon Resources Corp.	177
23	Rand	Kern, CA	Glamis Rand Mining Co.	149
24	Castle Mountain	San Bernardino, CA	Viceroy Resources Corporation	125
25	Golden Sunlight	Jefferson, MT	Placer Dome Inc.	69
XX	Homestake	Lawrence, SD	Homestake Mining Company	(6)
XX	McCoy/Cove	Lander, NV	Newmont Gold Company	(6)
XX	Mesquite	Imperial, CA	do.	(6)
XX	Midas	Elko, NV	Euro-Nevada Mining Co.	(6)
XX	Ruby Hill	Eureka, NV	Homestake Mining Company	(6)

⁶Estimated. 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 first quarter of 2004.

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

³Mine production refers to gold equivalent produced.

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

⁵Source: Alaska's Mineral Industry 2003: A Summary.

⁶Production information for Homestake, McCoy/Cove, 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 quarterly reports, Securities and Exchange Commission's 10-Q reports, and company news releases.