

Mineral Industry Surveys

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GOLD IN JANUARY 2005

U.S. mines produced 21,100 kilograms (kg) of gold in January 2005, a 13% decrease compared with that of December 2004, according to the U.S. Geological Survey. Production of gold in Nevada was down by 14% over the same period. Domestic production and Nevada's mine production of gold in January 2005 were each 4% higher as compared with that of January 2004.

Engelhard Industries' average gold price for January was \$425.76 per troy ounce, 4% less than the average December 2004 price and 3% more than the average January 2004 price.

Imports of gold increased in December by 41% compared with those for November, owing to a large increase in imports from Peru. Exports of gold increased in December by 13% compared with those for November, owing to a large increase in exports to Switzerland.

New Jersey Mining Company (Kellogg, ID) announced plans to begin processing gold ore from three gold/silver properties in the Coeur d'Alene Mining District of Idaho in May. Golden Chest Mine and New Jersey Mine would likely be the first two mines to start production of gold ore. Later, after final approval from the U.S. Forest Service, the Silver Strand Mine would join the other two mines in production of gold and silver (Platts Metals Week, 2005b).

Barrick Gold Corporation (Toronto, Ontario, Canada) predicted its gold production would increase 40% by 2007. It expected that three mines would start up in 2005, one in 2006, and two others by 2009. The three mines scheduled to open in 2005 were the Tulawaka Mine in Tanzania, Laguans Norte Mine in Peru, and Veladelo Mine in Argentina, with the Cowal Mine in Australia to start production in early 2006. The last two mines, East Archimedes (NV) and Pascua-Lama (Chile/Argentina) were still in the permitting phase, and did not have expected startup dates. Barrick produced 154,000 kg in 2004, which was down from 171,000 kg in 2003 (Barrick Gold Corporation, 2005).

Goldcorp Inc. (Toronto, Ontario, Canada) announced that gold production in 2004 increased 4% to 19,500 kg as compared with 2003 production of 18,800 kg. The Wharf Mine (Lawrence, SD) increased its annual production in 2004 by 7% to 2,360 kg of gold compared with 2,200 kg in 2003. The increase at the Wharf Mine was attributed to increases in recovery rates (Goldcorp Inc., 2005).

Glamis Gold Ltd. (Reno, NV) announced that it produced 7,290 kg of gold in 2004, up slightly from that of 2003. Gold production from the two-thirds owned Marigold Mine in Nevada was down slightly, as expansion construction was recently completed. Glamis projected that its gold production in 2005 would increase 70% to 12,400 kg with Marigold Mine's contribution of 4,200 kg of gold in 2005 (Glamis Gold Ltd., 2005).

AngloGold Ashanti Ltd. (Johannesburg, South Africa) announced plans to increase gold production at the Cuiabá Mine in southeastern Brazil. Currently the mine produces 5,910 kilograms per year (kg/yr) of gold. AngloGold estimated that, after the expansion, the annual production would increase to 7,780 kg/yr, and the life of the mine would extend another 6 years to 2019. Construction was expected to begin in December, with production from the expansion to begin in second quarter 2007 (AngloGold Ashanti Ltd., 2005).

Sino Gold Ltd. (Sydney, New South Wales, Australia) received approval from China's Government to begin construction on the Jinfeng gold mine in the Guizhou Province in southwestern China. The mine was projected to produce 5,600 kg/yr in late 2006, thus making it the second largest mine in China. Sino estimated that the project had reserves of 64,500 kg of gold (Sino Gold Ltd., 2005).

Barclays Global Investors NA's Shares Comex Gold Trust started trading on the American Stock Exchange on January 28. The launch of the commodity-backed exchange-traded fund (ETF) by Barclays marked the second ETF launched in the

United States, following the World Gold Council's StreetTracks, which was on the New York Stock Exchange (Bresnick, 2005).

The United Kingdom's finance minister urged industrial nations to push for the sale of the International Monetary Fund's (IMF) holding of gold to fund debt relief for developing nations. Many analysts believed that the IMF holdings of 3,217,000 kg of gold would not be sold (Platts Metals Week, 2005d).

The Kazakh National Bank (Kazakhstan) projected that in 2005 it would purchase about 3,200 kg of gold (Platts Metals Week, 2005a). In other global bank news, two European banks sold \$22.37 million worth of gold or gold receivables during January. These recent transactions reduced the balance of gold held by the European Central Bank to \$165.488 million (Platts Metals Week, 2005c).

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

(Kilograms)

	California	Nevada	Other States ²	Total
2004:				
January	198	16,900	3,210	20,300
February	245	15,500	2,890	18,700
March	243	20,800	3,160	24,200
April	283	15,500	2,850	18,600
May	241	18,400	3,000	21,700
June	1,070	18,600	3,190	22,800
July	182	18,100	3,250	21,500
August	164	17,400	3,300	20,900
September	174	18,400	3,510	22,100
October	164	17,200 ^r	3,180 ^r	20,600 ^r
November	137	18,300 ^r	3,950	22,400 ^r
December	W	20,500 ^r	3,890 ^r	24,400 ^r
January-December	3,100	216,000 ^r	39,400 ^r	258,000 ^r
2005, January	W	17,600	3,490	21,100

^rRevised. W Withheld to avoid disclosing company propriety data; included with "Other States."

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, Washington, and State indicated by symbol W.

TABLE 2
GOLD PRICES

(Dollars per troy ounce)

Engelhard Industries:	
2004:	
Low/date	376.29 May 10
High/date	455.62 December 2
Average	410.52
2005, January:	
Low/date	421.36/10
High/date	432.88/3
Average	425.76
Handy and Harman:	
2004, average	409.21
2005, January	424.39
London Final:	
2004, average	409.21
2005, January	424.03

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:							
October	351	21,000	9,820	31,200	2,210	226	8,990
November	100	14,100	5,390	19,600	2,400	2,530	5,540
December:							
Brazil	--	--	2,200	2,200	--	--	--
Canada	169	--	6,920	7,090	111	2 ⁵	--
Chile	--	1,400	1,030	2,430	--	4,240 ⁵	--
Colombia	--	2,600	263	2,860	40	--	--
Dominican Republic	--	--	1	1	636 ⁵	--	--
Germany	--	--	--	--	--	(6) ⁵	3,000 ⁵
Honduras	--	133	157	290	--	245	--
Hong Kong	--	--	65	65	1	--	--
Japan	--	--	--	--	--	--	1,890 ⁵
Mexico	--	192	92	284	581 ⁵	--	--
Nicaragua	--	172	--	172	--	--	--
Panama	--	74	47	121	--	--	--
Peru	--	12,100	--	12,100	--	--	--
United Kingdom	--	--	1	1	--	3	869 ⁵
Other	1	43	41	85	156 ⁵	25 ⁵	15 ⁵
Total	169	16,700	10,800	27,700	1,530	4,510	5,770
Year to date	1,860	142,000	139,000	283,000	20,500	10,900	60,000
Exports:							
2003	826	131,000	220,000	352,000	159,000	874	565,000
2004:							
October	139	10,900	13,300	24,400	73,200	94	85,100
November	95	12,000	9,240	21,300	146,000	22	105,000
December:							
Argentina	--	--	59	59	--	--	--
Canada	--	--	1	1	8,090 ⁵	--	22,100 ⁵
China	--	--	--	--	--	--	647 ⁵
Congo	--	--	265	265	--	--	--
Dominican Republic	70 ⁵	--	--	70	--	--	3,500 ⁵
Germany	--	--	--	--	1,520 ⁵	--	400 ⁵
Guatemala	--	--	140	140	5	--	--
Hong Kong	--	--	8	8	--	--	423 ⁵
Israel	--	--	45	45	--	--	3,810 ⁵
Japan	--	--	--	--	34	14	1,390 ⁵
Malaysia	--	--	88	88	3	25	--
Mexico	--	--	957	957	--	2 ⁵	--
Panama	--	--	--	--	--	--	323 ⁵
Singapore	--	--	--	--	--	--	78,200 ⁵
Switzerland	--	17,300	4,100	21,400	884 ⁵	--	--
United Kingdom	--	12	993	1,000	13,900 ⁵	24	--
Other	5 ⁵	--	60	65	15 ⁵	29	154 ⁵
Total	75	17,400	6,710	24,100	24,400	94	111,000
Year to date	1,150	142,000	114,000	257,000	725,000	647	1,170,000

-- 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.