

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 2012, the value of mine production was about \$12.6 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 in California, Florida, and Texas. Estimated uses were jewelry and arts, 66%; dental, 12%; electrical and electronics, 5%; and other, 17%.

Salient Statistics—United States:	2008	2009	2010	2011	2012^e
Production:					
Mine	233	223	231	234	230
Refinery:					
Primary	168	170	175	220	220
Secondary (new and old scrap)	181	189	198	263	240
Imports for consumption ²	231	320	604	*535	330
Exports ²	567	381	383	*514	710
Consumption, reported	176	150	180	168	150
Stocks, yearend, Treasury ³	8,140	8,140	8,140	8,140	8,140
Price, dollars per ounce ⁴	874	975	1,227	1,572	1,700
Employment, mine and mill, number ⁵	9,560	9,650	10,300	11,200	12,000
Net import reliance ⁶ as a percentage of apparent consumption	E	E	40	E	E

Recycling: In 2012, 240 tons of new and old scrap was recycled, more than the reported consumption.

Import Sources (2008–11):² Mexico, 57%; Canada, 20%; Colombia, 9%; Peru, 3%; and other, 11%.

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 2012 was estimated to be slightly less than the level of 2011. The decreases were mainly from one mine in Nevada and one mine in Utah. These decreases were partly offset by several mines in Nevada that increased the tonnage of ore processed, and one mine in Montana that reached normal operations level after a period of redevelopment in 2010 and 2011.

Worldwide gold production was flat because increases in production from Canada, China, Ghana, Mali, Mexico, Russia, and Tanzania were offset by production losses in Argentina, Australia, Papua New Guinea, and South Africa. 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 and global jewelry consumption continued to drop because the price of gold continued to increase and a depressed economic environment curtailed consumer spending. In 2012, other industrial applications for gold also dropped as consumers found cheaper substitutes. The estimated gold price in 2012 was 8% higher than the price in 2011. In the first 10 months of 2012, Engelhard's daily price of gold ranged from a low of \$1,543.27 per troy ounce on May 30 to a high of \$1,795.45 per troy ounce in early October. The price increased steadily until March, when the price fell through May, before recovering and starting to increase again until October when it started to decline again.

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With the increase in the price of gold and the global economic instability that began in 2008, investment in gold continued to increase, 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.

World Mine Production and Reserves: Reserve data for Brazil, Chile, Ghana, and Peru were revised based on information from the respective country Governments.

	Mine production		Reserves ⁷
	<u>2011</u>	<u>2012^e</u>	
United States	234	230	3,000
Australia	258	250	7,400
Brazil	62	56	2,600
Canada	97	102	920
Chile	45	45	3,900
China	362	370	1,900
Ghana	80	89	1,600
Indonesia	96	95	3,000
Mexico	84	87	1,400
Papua New Guinea	66	60	1,200
Peru	164	165	2,200
Russia	200	205	5,000
South Africa	181	170	6,000
Uzbekistan	91	90	1,700
Other countries	<u>640</u>	<u>645</u>	<u>10,000</u>
World total (rounded)	2,660	2,700	52,000

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: 220 (2008), 0 (2009), 0 (2010), -4 (2011), and 0 (2012, 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 2012, the price was estimated by the USGS based on monthly data from January through October.

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.

*Corrections posted on July 3, 2013.