

Mineral Industry Surveys

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GOLD IN SEPTEMBER 2009

U.S. mines produced 18,200 kilograms (kg) of gold in September, a slight decrease compared with revised August production, according to the U.S. Geological Survey. Production of gold in the third quarter of 2009 was 54,300 kg compared with the 54,400 kg in the second quarter of 2009 and 60,900 kg in third quarter 2008. The average daily gold production for U.S. mines was 606 kilograms per day (kg/d) in September, compared with 597 kg/d for August, 594 kg/d for year-to-date 2009, and 638 kg/d for full year 2008.

The average Engelhard Industries' gold price was \$999.11 per troy ounce for September, a 5% increase as compared with the average gold price in August. The gold price began the month at \$957.27 per troy ounce, the lowest point of the month, and reached its high of \$1,020.88 per troy ounce on September 17. The price fluctuated for the remainder of September, and ended the month at \$998.09 per troy ounce.

On September 8, the world's leading gold-producing company, Barrick Gold Corp. (Toronto, Ontario, Canada), announced a \$3 billion share offering; the bulk of the proceeds would fund the elimination of Barrick's gold hedges. Some analysts believed that this announcement was the main reason behind the increase in the price of gold. Once Barrick buys back 168,000 kg from its hedge book, the industry's remaining hedge book will be concentrated in AngloGold Ashanti Ltd.'s (Johannesburg, South Africa) holdings, which were 137,000 kg of gold at the end of the second quarter of 2009 (Kilbey, 2009).

The International Monetary Fund (IMF) announced a plan to sell one-eighth of the agency's gold reserves, up to 403,300 kg, with the sales to be conducted under safeguards against disruption to the gold market. The IMF will first sell the gold directly to central banks or other official sectors before selling on the open market. Profits will be used to increase the fund's resources for lending to low-income countries (Kosich, 2009).

Gryphon Gold Corp. (Vancouver, British Columbia, Canada) released details of a prefeasibility study for its Borealis gold project, 20 kilometers (km) southwest of Hawthorne, NV. The mine was projected to be an open-pit heap leach operation with a 5-year mine life and an average gold production of 1,500 kilograms per year (kg/yr). The deposit also contains gold in sulfide ore, which would require further processing before leaching, and may provide expansion opportunities (Mining Journal, 2009).

Western Standard Metals Ltd. (Vancouver) purchased the Almaden gold project in Idaho from Freegold Ventures Ltd. (Vancouver). In 1997, a prefeasibility study found that the open-pit heap leach operation with a 5-year mine life would have an average gold production of 3,000 kg/yr (Platts Metals Week, 2009).

According to Metals Economics Group (Halifax, Nova Scotia, Canada), the worldwide nonferrous exploration budget fell to \$8.4 billion in 2009, down 40% from the \$14 billion in 2008, because of the global recession (Metals Economics Group, 2009).

References Cited

- Kilbey, Ben, 2009, Barrick helped gold's foray above \$1,000/oz—analysts: Platts Metals Week, v. 80, no. 37, September 14, p. 1, 14.
- Kosich, Dorothy, 2009, IMF will sell up to 403.3 tonnes of gold—could begin next week: Mineweb, September 21, 1 p. (Accessed September 21, 2009, at <http://mineweb.com/mineweb/view/mineweb/en/page34?oid=89504&sn=Detail>.)
- Platts Metals Week, 2009, Western Standard buys Freegold project: Platts Metals Week, v. 80, no. 40, October 5, p. 15.
- Metals Economics Group, 2009, Worldwide nonferrous exploration budgets decline 40% in 2009: Halifax, Nova Scotia, Canada, Metals Economics Group press release, September 24, 1 p.
- Mining Journal, 2009, Gryphon Gold revises Borealis project plan: Mining Journal, September 25, p. 1.

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

(Kilograms)

	Nevada	Other States ²	Total
2008: ^P			
September	15,100	5,160	20,200
October	16,000	4,610	20,600
November	15,900	4,850	20,700
December	19,100	5,410	24,500
January-December	178,000	55,400	233,000
2009:			
January	13,500	3,900	17,400
February	12,000	4,220	16,200
March	14,000	5,930	19,900
April	12,600	4,940	17,500
May	12,400	5,810	18,200
June	13,400 ^r	5,250 ^r	18,700 ^r
July	12,400 ^r	5,140 ^r	17,600 ^r
August	12,700 ^r	5,780 ^r	18,500 ^r
September	13,400	4,810	18,200
January-September	116,000	45,800	162,000

^PPreliminary. ^rRevised.

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

²Includes Alaska, Arizona, California, Colorado, Idaho, Montana, New Mexico,

TABLE 2
GOLD PRICES

(Dollars per troy ounce)

Engelhard Industries:	
2008:	
Low/date	714.36 Oct. 24
High/date	1,013.62 Mar. 17
Average	767.57
2009:	
August:	
Low/date	934.99/17
High/date	966.29/6
Average	951.65
September:	
Low/date	957.27/1
High/date	1,020.88/17
Average	999.11
Year to date:	
Low/date	812.03 Jan. 15
High/date	1,020.88 Sep. 17
Average	932.20
Handy and Harman:	
2008, Average	766.00
2009:	
August	949.33
September	996.76
Year to date	930.47
London Final:	
2008, Average	765.79
2009:	
August	949.38
September	996.59
Year to date	930.60

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:							
2008	27,500	85,100	118,000	231,000	36,500	322	102,000
2009:							
July	2,870	14,500	12,300	29,700	3,060	32	5,080
August:							
Canada	20	--	4,640 ⁵	4,660	90 ⁵	2 ⁵	--
Chile	--	160	480	640	(6)	--	--
Colombia	--	1,520	1,140	2,660	29	--	--
Costa Rica	--	41 ⁵	--	41	126 ⁵	--	--
Dominican Republic	--	18 ⁵	--	18	856	--	--
El Salvador	--	--	--	--	273	--	--
Guatemala	--	606 ⁵	--	606	121 ⁵	--	--
Guyana	--	236 ⁵	--	236	--	--	--
Honduras	--	225 ⁵	--	225	437	--	--
Mexico	135 ⁵	6,110 ⁵	2,200	8,440	1,170 ⁵	6	--
Nicaragua	--	93 ⁵	11	104	133 ⁵	2	--
Panama	--	51 ⁵	94	146	33	--	--
Peru	--	1,530 ⁵	--	1,530	--	--	--
Switzerland	--	--	166	166	--	(6)	--
United Kingdom	--	86 ⁵	393	478	--	--	--
Other	--	137 ⁵	327 ⁵	464 ⁵	113 ⁵	40 ⁵	40 ⁵
Total	155	10,800	9,450	20,400	3,380	50	40
Year to date	39,900	91,700	86,000	218,000	26,400	320	26,000
Exports:							
2008	2,430	106,000	460,000	568,000	886,000	1,200	2,920,000
2009:							
July	129	4,760	25,800	30,700	23,500	32	210,000
August:							
Australia	--	--	4,620	4,620	--	--	--
Canada	--	--	104 ⁵	104	4,290 ⁵	--	46,300 ⁵
China	--	--	--	--	--	--	36,700 ⁵
Dominican Republic	2 ⁵	--	--	2	--	--	26,000 ⁵
Germany	--	--	--	--	--	1 ⁵	403 ⁵
Hong Kong	59	--	514 ⁵	573	1 ⁵	3	--
India	--	--	2,000	2,000	--	19	--
Ireland	4	--	--	4	--	--	2,830
Israel	--	--	--	--	--	--	198 ⁵
Italy	--	--	--	--	9 ⁵	--	208 ⁵
Korea, Republic of	22 ⁵	--	--	22	--	--	359 ⁵
Malaysia	--	--	33 ⁵	33	--	--	8,390 ⁵
Mexico	52 ⁵	--	262 ⁵	314	--	6	434
Singapore	--	--	27 ⁵	27	--	--	98,000 ⁵
Switzerland	--	8,960 ⁵	611	9,580	1,890 ⁵	2	--
Taiwan	--	--	--	--	--	--	13,900 ⁵
United Kingdom	20	3	17,300 ⁵	17,300	18,500 ⁵	6 ⁵	--
Other	69	--	11 ⁵	80	71	2	--
Total	226 ⁵	8,970	25,500	34,700	24,700	39	234,000
Year to date	1,280	66,600	191,000	259,000	476,000	213	1,720,000

-- 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 ½ unit.

Source: U.S. Census Bureau.