

# Mineral Industry Surveys

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## SILVER IN FEBRUARY 2005

U.S. mines produced 88,400 kilograms (kg) of silver in February, a 3% decrease compared with that of January, according to the U.S. Geological Survey. Production of silver in Nevada was up by 34% over the same period. Domestic silver production and Nevada silver production, decreased by 1% and 5%, respectively, compared with that of February 2004. Engelhard Industries' average silver price for February was \$7.05 per troy ounce, 6% more than the average January price, and 9% more than the average February 2004 price. Imports of silver increased in January by 12% compared with those for December. Exports of silver increased in January by 56% compared with those for December, owing to large increases in exports of bullion to the Netherlands.

Coeur d'Alene Mines Corporation (Coeur d'Alene, ID) announced its silver reserves reached 6 million kg at the end of 2004 because of increases in silver reserves at Cerro Bay in Chile and Martha in Argentina. Silver production in 2004 was 439,000 kg, which was 8% higher than that of 2003. Domestic production was 177,000 kg at the Rochester Mine in Nevada and 109,000 kg at the Silver Valley Mine in Idaho. The remaining 152,000 kg was produced at the Cerro Bayo (Chile) and Martha (Argentina) mines (Coeur d'Alene Mines Corporation, 2005).

Pan American Silver Company (Vancouver, British Columbia, Canada) commenced development of an open pit mine at its Alamo Dorado silver project located 320 kilometers south of Hermosillo, Mexico. The new mine was budgeted at \$76.6 million and was expected to produce 156,000 kilograms of silver per year, once fully operational in late 2006 (Pan American Silver Company, 2005).

Hecla Mining Company (Coeur d'Alene, ID) announced that silver production in 2004 was 216,000 kg, which was 29% lower than silver production in 2003. The lower production in 2004 was a result of the labor problems at the milling facilities at Velardena Mexico, which processed ore for the San Sebastian Mine. The Lucky Friday silver mine in Idaho produced 62,000 kg of silver in 2004, which was 9% lower compared with 2003 silver production (Hecla Mining Company, 2005, p 1-2, 9, 17).

Mines Management, Inc. (Spokane, WA) announced the development of the Montanore project at a silver-copper deposit abandon by Noranda Inc. (Toronto, Ontario, Canada) because of low metal prices. The mine was projected to start production in 2010. Mines Management applied to the Montana Department of Environmental Quality to repermit the project, located in northwestern Montana. The project reportedly has gained the support of the Governor of Montana (Mines Management, Inc., 2005).

## References Cited

- Coeur d'Alene Mines Corporation, 2005, Coeur reports increase in silver reserve to a record 196 million ounces at year-end 2004: Coeur d'Alene, ID, Coeur d'Alene Mines Corporation press release, February 22, 3 p.
- Hecla Mining Company, 2005, Hecla reports year end 2004 results; updates reserves and resources; for the period ending December 31, 2004: Coeur d'Alene, ID, Hecla Mining Company press release, February 22, 21 p.
- Mines Management, Inc., 2005, Montana governor supports development of Montanore project: Spokane, WA, Mines Management, Inc. press release, no. 05-03, February 22, 2 p.
- Pan American Silver Company, 2005, Pan American Silver to build Alamo Dorado Silver Mine in Mexico: Vancouver, British Columbia, Canada, Pan American Silver Company press release, February 25, 2 p.

TABLE 1  
MINE PRODUCTION OF RECOVERABLE SILVER  
IN THE UNITED STATES, BY STATE<sup>1</sup>

(Kilograms)

	Nevada	Other States <sup>2</sup>	Total
<b>2004:</b>			
February	22,600	67,000	89,600
March	24,500	72,300	96,800
April	23,200	72,000	95,300
May	25,700	73,300	99,000
June	26,200	80,500	107,000
July	22,900	84,400	107,000
August	24,000	82,100	106,000
September	27,200	82,800	110,000
October	25,100	79,000	104,000
November	22,200	77,900	100,000
December	34,100	82,500	117,000
January-December	302,000	945,000	1,250,000
<b>2005:</b>			
January	16,000	74,800	90,900
February	21,500	66,900	88,400
January-February	37,500	142,000	179,000

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

<sup>2</sup>Includes Alaska, Arizona, California, Colorado, Idaho, Missouri, Montana, Utah, and Washington.

TABLE 2  
SILVER PRICES

(Dollars per troy ounce)

<u>Engelhard Industries:</u>	
<u>2004:</u>	
Low/date	5.60 May 13
High/date	8.23 Apr. 7
Average	6.69
<u>2005:</u>	
<u>January:</u>	
Low/date	6.42/4
High/date	6.88/24
Average	6.65
<u>February:</u>	
Low/date	6.54/8
High/date	7.50/22
Average	7.05
<u>Year to date:</u>	
Low/date	6.42 Jan. 4
High/date	7.50 Feb. 22
Average	6.85
<u>Handy and Harman:</u>	
2004, Average	6.69
<u>2005:</u>	
January	6.66
February	7.07
Year to date	6.86
<u>London Final:<sup>1</sup></u>	
2004, Average	6.65
<u>2005:</u>	
January	6.61
February	7.03
Year to date	6.82

<sup>1</sup>Reported as "London Spot/US Equiv."

Source: Platts Metals Week.

TABLE 3  
U.S. IMPORTS OF SILVER, BY COUNTRY<sup>1</sup>

Period and country	Bullion		Doré		Ores and concentrates <sup>2</sup>		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)
2004:										
November	298,000	\$69,800	27,300	\$9,530	--	--	92	\$26	326,000	\$79,400
December	292,000	67,400	40,700	13,200	--	--	1,130	245	334,000	80,900
Year	3,410,000	728,000	346,000	117,000	2,220	\$1,410	6,710	1,530	3,760,000	848,000
2005:										
January:										
Belgium	118	29	--	--	--	--	--	--	118	29
Canada	69,900	15,400	--	--	--	--	--	--	69,900	15,400
Chile	6,000	1,280	3,150	669	--	--	--	--	9,150	1,950
Honduras	--	--	82	17	--	--	--	--	82	17
Mexico	177,000	38,000	14,700	4,510	--	--	--	--	192,000	42,500
Peru	43,000	9,080	6,260	1,470	--	--	--	--	49,200	10,500
Poland	20,000	4,600	--	--	--	--	--	--	20,000	4,600
Taiwan	--	--	--	--	--	--	69	30	69	30
United Kingdom	34,700 <sup>3</sup>	7,190	--	--	--	--	--	--	34,700	7,190
Total	351,000	75,600	24,200	6,660	--	--	69	30	375,000	82,300

-- Zero.

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

<sup>2</sup>Includes silver content of base metal ores and concentrates.

<sup>3</sup>All or part of these data have been referred to the U.S. Census Bureau for verification.

Source: U.S. Census Bureau.

TABLE 4  
U.S. IMPORTS OF SILVER, BY COUNTRY<sup>1</sup>

Period and country	Other unwrought silver (gross weight)		Metal powder (gross weight)		Silver nitrate (gross weight)		Semimanufactured forms <sup>2</sup> (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)
2004:										
November	25,300	\$5,560	5,180	\$1,510	--	--	10,300	\$2,480	290,000	\$10,100
December	21,200	4,870	1,140	261	--	--	2,730	658	561,000	27,600
Year	342,000	69,600	27,400	6,920	289	\$66	52,300	11,900	2,020,000	162,000
2005:										
January:										
Australia	--	--	--	--	--	--	--	--	10	190
Brazil	--	--	--	--	--	--	1,910	467	11	154
Canada	322	72	500 <sup>3</sup>	65	--	--	--	--	6,560	803
China	--	--	163 <sup>3</sup>	16	--	--	--	--	3,600	226
Colombia	--	--	--	--	--	--	--	--	(4)	9
Costa Rica	--	--	--	--	--	--	--	--	11,900	956
Dominican Republic	--	--	--	--	--	--	--	--	71	382
El Salvador	--	--	--	--	--	--	--	--	42	37
France	--	--	--	--	--	--	--	--	99,300	437
Germany	--	--	465 <sup>3</sup>	122	--	--	--	--	127	207
Hong Kong	--	--	--	--	--	--	--	--	769	100
India	27	7	--	--	--	--	--	--	--	--
Ireland	--	--	--	--	--	--	--	--	27	133
Italy	(4) <sup>3</sup>	7	--	--	--	--	--	--	38,900	1,860
Japan	636 <sup>3</sup>	233	2,000 <sup>3</sup>	580	--	--	--	--	5	65
Jordan	--	--	--	--	--	--	--	--	439	57
Korea, Republic of	--	--	--	--	--	--	--	--	6,320	56
Malaysia	--	--	--	--	--	--	--	--	3	2
Mexico	9,330	2,130	--	--	--	--	846	200	72,300	1,440
Netherlands	--	--	(4) <sup>3</sup>	9	--	--	--	--	--	--
Nicaragua	--	--	--	--	--	--	--	--	5	30
Panama	--	--	--	--	--	--	--	--	39	250
Singapore	--	--	--	--	--	--	--	--	6	104
Switzerland	--	--	300	65	--	--	--	--	--	--
United Kingdom	--	--	130 <sup>3</sup>	22	--	--	--	--	43,200	3,720
Venezuela	--	--	--	--	--	--	--	--	94	443
Total	10,300	2,450	3,560	878	--	--	2,760	667	284,000	11,700

-- Zero.

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

<sup>2</sup>Containing 99.5% or more by weight of silver.

<sup>3</sup>All or part of these data have been referred to the U.S. Census Bureau for verification.

<sup>4</sup>Less than 1/2 unit.

Source: U.S. Census Bureau.

TABLE 5  
U.S. EXPORTS OF SILVER<sup>1</sup>

Period and country	Bullion		Doré		Ores and concentrates <sup>2</sup>		Total	
	Silver content (kilograms)	Value (thousands)	Silver content (kilograms)	Value (thousands)	Silver content (kilograms)	Value (thousands)	Silver content (kilograms)	Value (thousands)
2004:								
November	650	\$89	6,790	\$1,590	38	\$9	7,480	\$1,680
December	2,480	459	9,680	2,600	68	13	12,200	3,070
Year	302,000	64,500	79,800	18,800	1,560	307	384,000	83,600
2005:								
January:								
Armenia	--	--	--	--	60	13	60	13
Canada	662	161	93 <sup>3</sup>	28	--	--	754	190
Ireland	29 <sup>3</sup>	4	--	--	--	--	29	4
Korea, Republic of	--	--	--	--	500	100	500	100
Mexico	934 <sup>3</sup>	168	46	10	--	--	980	178
Netherlands	9,550	2,030	--	--	--	--	9,550	2,030
Norway	--	--	291	63	--	--	291	63
Singapore	--	--	169 <sup>3</sup>	24	--	--	169	24
Switzerland	--	--	6,680	1,470	--	--	6,680	1,470
Trinidad and Tobago	--	--	--	--	28	7	28	7
Total	11,200	2,370	7,280	1,590	589	120	19,000	4,080

-- Zero.

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

<sup>2</sup>Includes silver content of base metal ores and concentrates.

<sup>3</sup>All or part of these data have been referred to the U.S. Census Bureau for verification.

Source: U.S. Census Bureau.

TABLE 6  
U.S. EXPORTS OF SILVER<sup>1</sup>

Period and country	Other unwrought silver (gross weight)		Metal powder (gross weight)		Silver nitrate (gross weight)		Semimanufactured forms <sup>2</sup> (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)
2004:										
November	6,470	\$1,410	61,800	\$10,600	6,800	\$547	17,800	\$3,150	231,000	\$39,900
December	4,790	1,080	60,900	10,600	3,360	342	32,200	5,920	213,000	43,200
Year	39,600	8,690	708,000	122,000	61,500	5,720	269,000	48,300	2,240,000	424,000
2005:										
January:										
Belgium	--	--	102	17	--	--	272	48	6,490	1,840
Brazil	--	--	--	--	219	58	--	--	--	--
Canada	340	80	2,140	367	2,940 <sup>3</sup>	229	6,660	1,160	56,000	8,370
China	--	--	1,020	174	--	--	--	--	47,800	5,310
Dominican Republic	622	137	--	--	--	--	35	6	--	--
France	--	--	1,870	317	--	--	682	122	--	--
Germany	--	--	6,970	1,180	--	--	244	41	12,400	2,990
Hong Kong	--	--	2,510	427	--	--	589	100	3,230	420
Italy	--	--	165	27	--	--	262	45	46,600	8,850
Japan	173 <sup>3</sup>	57	11,100	1,900	--	--	90	15	5,140	1,380
Korea, Republic of	--	--	21,800	3,780	--	--	73	12	1,050	136
Lebanon	--	--	144	26	--	--	--	--	--	--
Lithuania	--	--	--	--	--	--	57	10	--	--
Mexico	36	8	589	100	400 <sup>3</sup>	16	1,600	334	--	--
Netherlands	--	--	--	--	--	--	488	85	--	--
Netherlands Antilles	147	32	--	--	--	--	37	6	--	--
Philippines	--	--	--	--	--	--	111 <sup>3</sup>	17	--	--
Poland	--	--	--	--	--	--	65	11	--	--
Saudi Arabia	--	--	--	--	--	--	--	--	26,000	3,380
Singapore	--	--	742	130	--	--	399	68	--	--
Spain	--	--	--	--	--	--	1,690	288	--	--
Sweden	--	--	--	--	--	--	--	--	3,660	587
Switzerland	--	--	69	12	--	--	30 <sup>3</sup>	12	--	--
Taiwan	--	--	2,930	500	--	--	105 <sup>3</sup>	22	1,980	166
Thailand	--	--	--	--	--	--	--	--	912	170
Trinidad and Tobago	--	--	--	--	--	--	57	15	--	--
United Kingdom	16 <sup>3</sup>	6	3,730	634	--	--	451	79	493	721
Vietnam	--	--	--	--	--	--	--	--	101	13
Other	109	24	16	3	14 <sup>3</sup>	3	76 <sup>3</sup>	17	15	38
Total	1,440	345	55,900	9,600	3,570	306	14,100	2,510	212,000	34,400

-- Zero.

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

<sup>2</sup>Containing 99.5% or more by weight of silver.

<sup>3</sup>All or part of these data have been referred to the U.S. Census Bureau for verification.

Source: U.S. Census Bureau.