

Mineral Industry Surveys

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SILVER IN AUGUST 2004

U.S. mines produced 105,000 kilograms (kg) of silver in August 2004, according to the U.S. Geological Survey. Compared with that of July, production of silver was down by about 2%. A 5% increase in production in Nevada was more than offset by a 4% decrease in production in the other silver-producing States.

On August 26, 2004, Pan American Silver Corp., Vancouver, British Columbia, Canada, announced that it had concluded the purchase of an 88% interest in the Morococha silver mine in central Peru for \$36 million. For the year to date through August 2004, the Morococha Mine produced more than 62 metric tons (t) of silver, along with significant amounts of byproduct copper, lead, and zinc (Pan American Silver Corp., 2004).

Mexico's Industrias Peñoles, S.A. de C.V., announced that it had made a public tender offer through the Lima Stock Exchange to acquire up to 50% of the public stock of the Peruvian firm Compañía Minera Milpo, S.A.A., at \$6.85 per share. The transaction reportedly could be worth up to \$108 million in cash. Peñoles is a mining group with integrated operations in the smelting and refining of nonferrous metals. Compañía Minera Milpo, S.A.A., is a Peruvian company that

produces zinc, lead, and copper concentrates, with operations in Peru and Chile. Milpo's El Porvenir Mine in Peru produced 130 t of silver in 2003 and was considering the development of its Cerro Lindo project, which reportedly could produce an additional 65 metric tons per year of silver when completed. Peñoles claimed to be the world's leading silver miner but may have lost this title in 2004 to BHP Billiton, whose Cannington Mine in Australia was expected to produce substantially more silver in 2004 than in 2003 (BHP Billiton, 2004; Industrias Peñoles, S.A. de C.V., 2004).

References Cited

- BHP Billiton, 2004, Cannington to increase capacity to 2.4 million tons per annum: Melbourne, Victoria, Australia, BHP Billiton news release, March 4, 1 p.
- Industrias Peñoles, S.A. de C.V., 2004, Public tender offer for up to 51% of the capital stock of Compañía Minera Milpo, S.A.A.: Mexico City, Mexico, Industrias Peñoles, S.A. de C.V., press release, September 28, 1 p.
- Pan American Silver Corp., 2004, Pan American completes acquisition of Morococha silver mine: Vancouver, British Columbia, Canada, Pan American Silver Corp. news release, August 26, 2 p.

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

(Kilograms)

	Nevada	Other States ²	Total
2003:^P			
August	28,800	68,100	96,900
September	31,900	73,700	106,000
October	27,700	77,600	105,000
November	30,600	75,400	106,000
December	28,300	81,200	109,000
January-December	322,000	914,000	1,240,000
2004:			
January	24,400	90,900	115,000
February	22,600	67,000	89,600
March	24,500	72,300	96,800
April	23,200	72,000	95,200
May	25,700	73,400	99,100
June	26,200	78,700	105,000
July	22,800	84,300	107,000
August	23,900	81,300	105,000
January-August	193,000	620,000	813,000

^PPreliminary.

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

²Includes Alaska, Arizona, California, Colorado, Idaho, Missouri, Montana, Utah, and Washington.

TABLE 2
SILVER PRICES

(Dollars per troy ounce)

Engelhard Industries:	
2003:	
Low/date	4.39 March 24
High/date	5.98 December 31
Average	4.91
2004:	
June:	
Low/date	5.70/16
High/date	6.18/24
Average	5.88
July:	
Low/date	5.91/1
High/date	6.77/16
Average	6.39
August:	
Low/date	6.54/12
High/date	6.97/20
Average	6.72
Year to date:	
Low/date	5.60 May 13
High/date	8.23 April 7
Average	6.51
Handy and Harman:	
2003, Average	
	4.91
2004:	
June	5.88
July	6.38
August	6.71
Year to date	6.51
London Final: ¹	
2003, Average	
	4.88
2004:	
June	5.86
July	6.31
August	6.66
Year to date	6.47

¹Reported as "London Spot/US Equiv."

Source: Platts Metals Week.

TABLE 3
U.S. IMPORTS OF SILVER, BY COUNTRY¹

Period and country	Bullion		Doré		Ores and concentrates ²		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)
2003	4,000,000	\$630,000	233,000	\$72,200	2,540	\$1,370	1,340	\$266	4,240,000	\$703,000
2004:										
May	262,000	56,000	23,500	7,730	--	--	1,270	282	287,000	64,000
June	263,000	50,800	26,100	7,800	--	--	372	86	289,000	58,700
July:										
Canada	56,900 ³	12,400	374	60	1,120 ³	987	--	--	58,400	13,500
Chile	5,500	1,060	--	--	--	--	--	--	5,500	1,060
France	--	--	149	33	--	--	--	--	149	33
Italy	--	--	302	71	--	--	--	--	302	71
Mexico	103,000	20,100	24,500 ³	8,590	--	--	--	--	127,000	28,700
Panama	5 ³	9	--	--	--	--	--	--	5	9
Peru	37,000	7,070	6,380	1,510	--	--	--	--	43,300	8,580
Poland	20,000	3,740	--	--	--	--	--	--	20,000	3,740
Taiwan	--	--	--	--	--	--	563	132	563	132
Total	222,000	44,400	31,700	10,300	1,120	987	563	132	256,000	55,800
Year to date	1,970,000	409,000	189,000	64,700	1,910	1,150	4,130	934	2,170,000	476,000

-- Zero.

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

²Includes silver content of base metal ores and concentrates.

³All 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 COUNTRY¹

Period and country	Other unwrought silver (gross weight)		Metal powder (gross weight)		Silver nitrate (gross weight)		Semimanufactured forms ² (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)
2003	281,000	\$42,200	20,800	\$4,160	661	\$96	17,000	\$2,700	886,000	\$107,000
2004:										
May	54,100	11,000	2,500	603	27	12	5,480	1,110	143,000	10,700
June	16,100	3,070	2,030	495	--	--	3,720	713	70,900	13,500
July:										
Argentina	--	--	--	--	--	--	--	--	5	108
Australia	--	--	--	--	--	--	--	--	9	180
Brazil	--	--	--	--	--	--	2,430	653	--	--
Canada	19,200 ³	4,060	--	--	--	--	--	--	9,390	1,100
China	--	--	--	--	200	28	--	--	--	--
Colombia	--	--	--	--	--	--	--	--	2	21
Costa Rica	--	--	--	--	--	--	--	--	506	779
Dominican Republic	1 ³	10	--	--	--	--	--	--	429	248
France	--	--	294	67	--	--	--	--	264	34
Germany	--	--	308	87	--	--	586	129	313	761
Guatemala	--	--	--	--	--	--	--	--	3	60
Hong Kong	--	--	--	--	--	--	--	--	1	8
India	1 ³	2	--	--	--	--	--	--	--	--
Ireland	--	--	--	--	--	--	--	--	13	145
Italy	--	--	--	--	--	--	--	--	27	501
Japan	--	--	--	--	--	--	--	--	3,780	283
Korea, Republic of	--	--	--	--	--	--	--	--	1,340	29
Mexico	40,000	8,000	--	--	--	--	--	--	51,000	4,890
Netherlands	--	--	218	37	--	--	--	--	--	--
New Zealand	--	--	--	--	--	--	--	--	89	150
Peru	--	--	--	--	--	--	2,540	494	--	--
Philippines	--	--	--	--	--	--	--	--	6	69
Russia	--	--	--	--	51	9	--	--	--	--
Singapore	--	--	--	--	--	--	--	--	7	122
Taiwan	--	--	--	--	--	--	--	--	24	12
United Kingdom	--	--	--	--	--	--	--	--	635	756
Venezuela	--	--	--	--	--	--	--	--	238	2,500
Total	59,200	12,100	820	191	251	37	5,560	1,280	68,100	12,800
Year to date	167,000	32,700	15,400	3,820	278	49	25,400	5,750	455,000	75,800

-- Zero.

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

²Containing 99.5% or more by weight of silver.

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

Source: U.S. Census Bureau.

TABLE 5
U.S. EXPORTS OF SILVER¹

Period and country	Bullion		Doré		Ores and concentrates ²		Total	
	Silver content (kilograms)	Value (thousands)	Silver content (kilograms)	Value (thousands)	Silver content (kilograms)	Value (thousands)	Silver content (kilograms)	Value (thousands)
2003	135,000	\$20,700	19,800	\$3,200	57,900	\$16,200	212,000	\$40,300
2004:								
May	65,500	12,600	7,800	1,620	110	20	73,400	14,300
June	50,900	11,600	12,500	2,550	379	57	63,800	14,200
July:								
Armenia	--	--	--	--	28	6	28	6
Belgium	--	--	195	47	--	--	195	47
Canada	577 ³	108	--	--	--	--	577	108
Dominican Republic	--	--	--	--	79	17	79	17
Hong Kong	37	7	--	--	--	--	37	7
Mexico	1,640	296	75	14	--	--	1,720	309
Netherlands	62	18	--	--	--	--	62	18
Singapore	--	--	165	41	--	--	165	41
Switzerland	--	--	5,750 ³	1,880	--	--	5,750	1,880
Uruguay	1,660 ³	494	--	--	--	--	1,660	494
Total	3,970	921	6,190	1,990	107	23	10,300	2,930
Year to date	160,000	33,700	37,800	8,520	897	162	198,000	42,400

-- Zero.

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

²Includes silver content of base metal ores and concentrates.

³All 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 SILVER¹

Period and country	Other unwrought silver (gross weight)		Metal powder (gross weight)		Silver nitrate (gross weight)		Semimanufactured forms ² (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)
2003	26,000	\$5,470	473,000	\$81,500	69,200	\$9,120	344,000	\$59,400	2,020,000	\$410,000
2004:										
May	4,160	899	82,000	14,100	6,790	695	18,700	3,310	169,000	29,900
June	2,030	384	61,800	10,700	9,170	908	16,900	3,020	160,000	33,700
July:										
Australia	--	--	--	--	--	--	3,280	641	--	--
Bahrain	--	--	--	--	--	--	112	19	--	--
Belgium	--	--	--	--	--	--	724	123	11,500	2,630
Brazil	--	--	--	--	--	--	241	41	--	--
Canada	464	99	1,340	238	3,090 ³	271	17,500	3,220	32,200	5,330
China	--	--	35	6	--	--	256	43	26,000	4,300
Dominican Republic	546	122	--	--	--	--	72	12	--	--
Finland	--	--	290	49	--	--	--	--	--	--
France	188	38	3,230	550	--	--	517	102	--	--
Germany	23	3	6,240	1,060	--	--	655	121	35,500	7,690
Honduras	--	--	--	--	--	--	94	16	--	--
Hong Kong	21	5	1,880	319	--	--	1,120	190	116	15
India	81	11	--	--	--	--	--	--	909	118
Italy	193	43	--	--	--	--	358	61	6,580	850
Japan	--	--	10,900	1,960	--	--	234	40	2,510	2,390
Korea, Republic of	12	3	16,200	2,780	--	--	59 ³	13	1,530	199
Lebanon	--	--	149	27	--	--	--	--	--	--
Mexico	--	--	1,100	187	295 ³	42	1,330 ³	313	--	--
Philippines	--	--	--	--	--	--	108	17	--	--
Poland	--	--	--	--	--	--	190	32	--	--
Saudi Arabia	--	--	--	--	--	--	--	--	13,400	2,630
Singapore	--	--	365	62	14	3	501	85	--	--
Spain	--	--	--	--	--	--	720	122	--	--
Sweden	--	--	--	--	--	--	--	--	3,090	402
Taiwan	--	--	5,730	975	--	--	320	57	436	185
Thailand	--	--	--	--	--	--	--	--	824	159
United Kingdom	--	--	4,110	709	--	--	1,450	246	10,300	1,910
Vietnam	97	23	--	--	--	--	--	--	342	44
Other	81 ³	22	96 ³	18	220 ³	41	149	26	25	36
Total	1,710	369	51,600	8,940	3,620	357	30,000	5,540	145,000	28,900
Year to date	22,000	4,780	409,000	70,700	37,600	3,970	136,000	24,200	1,220,000	240,000

-- Zero.

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

²Containing 99.5% or more by weight of silver.

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

Source: U.S. Census Bureau.