

# Mineral Industry Surveys

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## GOLD IN SEPTEMBER 2008

U.S. mines produced 20,300 kilograms (kg) of gold in September 2008, a 5% increase compared with revised August production, according to the U.S. Geological Survey. Domestic mine production of gold in the third quarter of 2008 was 60,200 kg, slightly lower than production in the third quarter of 2007. The average daily gold production for U.S. mines was 677 kilograms per day (kg/d) in September, compared with 652 kg/d for 2007 and 616 kg/d for the first 9 months of 2008.

The average Engelhard Industries' gold price was \$832.36 per troy ounce for September, down slightly compared with the average gold price in August. At the beginning of September, the price was about \$800 per troy ounce; the price dropped to \$742.66 per troy ounce, the lowest point in the first 9 months of 2008, by September 11. After this low, the price steadily increased to \$907.19 per troy ounce on September 29 and then dropped to \$886.65 per troy ounce on September 30.

Coeur d'Alene Mines Corp. (Coeur d'Alene, ID) announced the termination of the permitting process for a dry-stack tailings disposal facility at the Kensington Mine in Alaska. The U.S. Environmental Protection Agency had concerns and delayed the permits for the dry-stack facility plans. Coeur planned to proceed with an earlier plan to dispose of tailings in a small lake near the mine. The original plans were contested, and the mining permits were halted by the Ninth Circuit Court of Appeals, but Coeur has appealed the case to the U.S. Supreme Court, where a decision was expected in early 2009 (Coeur d'Alene Mines Corp., 2008).

NovaGold Resources Inc. (Vancouver, British Columbia, Canada) announced that the State of Alaska had approved its plans for the mine and tailings storage facility at its Rock Creek Mine near Nome, AK. Production started at the mine; however, the mine must meet a number of environmental and operations thresholds over the next 15, 30, and 90 days to ensure compliance with State and Federal regulators. The Nome operations have mined and stockpiled 450,000 metric tons (t) of

ore representing about 2 months of throughput (NovaGold Resources Inc., 2008b).

Freeport-McMoRan Copper & Gold Inc. (Phoenix, AZ) announced that on September 10, a small-scale wall failure took place at its Grasberg Mine in Indonesia. The area of the event has limited access to high-grade material, and no injuries or major damage was reported. The short-term plan was to mine low-grade material while assessment and remediation efforts continued. The 2008 estimated annual gold sales were reduced by 6,000 kg to 37,000 kg (Freeport-McMoRan Copper & Gold Inc., 2008).

### Update

On November 24, NovaGold announced the suspension of mining at Rock Creek Mine owing to the failure to meet Federal and State environmental regulations. NovaGold had also faced problems with electrical failures and extreme weather conditions. The company accepted the resignation of the Vice President of Operations effective December 31, 2008 (NovaGold Resources Inc., 2008a).

### References Cited

- Coeur d'Alene Mines Corp., 2008, Coeur continues appeals in Supreme Court for the original Kensington tailings plan permitting; is terminating permitting process for alternative tailings plan: Coeur d'Alene, ID, Coeur d'Alene Mines Corp. press release, September 23, 2 p.
- Freeport-McMoRan Copper & Gold Inc., 2008, Freeport-McMoRan Copper & Gold Inc. reports small scale failure at Grasberg open pit & updates sales outlook: Phoenix, AZ, Freeport-McMoRan Copper & Gold Inc. news release, September 10, 2 p.
- NovaGold Resources Inc., 2008a, NovaGold provides update on financial outlook and Rock Creek Project in Alaska: Vancouver, British Columbia, Canada, NovaGold Resources Inc. news release, November 24, 2 p.
- NovaGold Resources Inc., 2008b, NovaGold starts gold production at Rock Creek Mine in Nome, Alaska: Vancouver, British Columbia, Canada, NovaGold Resources Inc. news release, September 19, 2 p.

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

(Kilograms)

	Nevada	Other States <sup>2</sup>	Total
<u>2007:<sup>P</sup></u>			
September	16,300	4,190	20,400
October	14,500	4,420	18,900
November	15,000	4,360	19,300
December	17,600	4,820	22,400
January-December	186,000	52,400	238,000
<u>2008:</u>			
January <sup>r</sup>	13,500	3,890	17,400
February <sup>r</sup>	12,000	4,090	16,100
March <sup>r</sup>	14,400	4,130	18,600
April <sup>r</sup>	12,000	4,090	16,100
May <sup>r</sup>	13,700	4,730	18,400
June <sup>r</sup>	16,600	4,540	21,200
July <sup>r</sup>	15,500	5,100	20,600
August <sup>r</sup>	14,600	4,630	19,300
September	15,400	4,920	20,300
January-September	128,000	40,100	168,000

<sup>P</sup>Preliminary. <sup>r</sup>Revised.

<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, Montana, New Mexico, South Dakota, and Utah.

TABLE 2  
GOLD PRICES

(Dollars per troy ounce)

Engelhard Industries:	
2007:	
Low/date	610.08 Jan. 10
High/date	843.18 Nov. 8
Average	698.95
2008:	
August:	
Low/date	788.49/15
High/date	914.70/1
Average	840.28
September:	
Low/date	742.66/11
High/date	907.19/29
Average	832.36
Year to date:	
Low/date	742.66 Sep. 11
High/date	1,013.62 Mar. 17
Average	773.44
Handy and Harman:	
2007, Average	696.86
2008:	
August	838.30
September	830.30
Year to date	771.53
London Final:	
2007, Average	696.66
2008:	
August	839.03
September	829.93
Year to date	771.41

Source: Platts Metals Week.

TABLE 3  
U.S. IMPORTS AND EXPORTS OF GOLD<sup>1</sup>

(Kilograms of gold content, unless otherwise specified)

Period and country	Ores and concentrates <sup>2</sup>	Doré and precipitates	Refined bullion <sup>3</sup>	Total <sup>4</sup>	Waste and scrap (gross weight)	Metal powder (gross weight)	Gold compounds (gross weight)
<b>Imports for consumption:</b>							
2007:	846	56,000	113,000	170,000	42,600	1,120	162,000
2008:							
June	1,450	4,770	10,400	16,700	3,680	54	27,100
July	773	9,270	6,500	16,500	2,850	63	24,300
<b>August:</b>							
Canada	9 <sup>5</sup>	4 <sup>5</sup>	8,420	8,430	208	--	--
Chile	--	622	400	1,020	--	--	--
Colombia	--	1,100	210	1,310	1 <sup>5</sup>	--	--
Costa Rica	--	147	--	147	125 <sup>5</sup>	--	--
Dominican Republic	--	2	5	7	464 <sup>5</sup>	--	--
Ecuador	--	231	--	231	1	--	--
El Salvador	--	--	--	--	198 <sup>5</sup>	--	--
Honduras	--	208	--	208	191 <sup>5</sup>	--	--
Mexico	50	1,280	550	1,880	632 <sup>5</sup>	--	--
Nicaragua	--	209	--	209	71 <sup>5</sup>	--	--
Peru	--	628	--	628	--	--	--
Switzerland	--	225 <sup>5</sup>	302	527	--	(6) <sup>5</sup>	--
United Kingdom	--	--	963 <sup>5</sup>	963	--	--	--
Other	5 <sup>5</sup>	21 <sup>5</sup>	149 <sup>5</sup>	175	109 <sup>5</sup>	1 <sup>5</sup>	--
Total	64	4,670	11,000	15,700	2,000	1	--
Year to date	13,300	47,000	91,600	152,000	24,700	214	83,500
<b>Exports:</b>							
2007:	3,190	123,000	392,000	519,000	616,000	2,840	2,150,000
2008:							
June	510	8,990	24,100	33,600	95,700	259	359,000
July	112	7,940	48,000	56,100	113,000	73	187,000
<b>August:</b>							
Barbados	--	--	--	--	--	--	446 <sup>5</sup>
Canada	--	2 <sup>5</sup>	2,780 <sup>5</sup>	2,780	11,500 <sup>5</sup>	1 <sup>5</sup>	37,100 <sup>5</sup>
China	--	--	--	--	--	--	1,440 <sup>5</sup>
Dominican Republic	--	--	--	--	--	--	21,500 <sup>5</sup>
Germany	--	--	--	--	37,200 <sup>5</sup>	(6)	218 <sup>5</sup>
India	1 <sup>5</sup>	1	4,490	4,490	--	--	--
Ireland	--	--	--	--	--	--	3,040 <sup>5</sup>
Israel	--	--	--	--	--	--	6,680 <sup>5</sup>
Mexico	68 <sup>5</sup>	--	524 <sup>5</sup>	592	--	(6) <sup>5</sup>	548 <sup>5</sup>
Netherlands	--	--	--	--	--	--	30,200 <sup>5</sup>
Philippines	--	19	--	19	--	--	1,630 <sup>5</sup>
Singapore	--	--	--	--	--	10	72,400 <sup>5</sup>
Switzerland	2 <sup>5</sup>	9,440	329	9,770	--	--	--
Taiwan	--	--	--	--	--	--	21,100 <sup>5</sup>
United Arab Emirates	--	--	1,930	1,930	--	--	--
United Kingdom	--	3	7,770	7,770	14,000 <sup>5</sup>	62 <sup>5</sup>	212 <sup>5</sup>
Other	8 <sup>5</sup>	--	248 <sup>5</sup>	256	42 <sup>5</sup>	58 <sup>5</sup>	355 <sup>5</sup>
Total	79	9,460	18,100	27,600	62,700	131	197,000
Year to date	1,820	66,500	328,000	397,000	596,000	985	2,030,000

-- Zero.

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

<sup>2</sup>Includes gold content of base metal ores, concentrates, and matte imported for refining.

<sup>3</sup>Bullion also moves in both directions between U.S. markets and foreign stocks on deposit in the Federal Reserve Bank. Monetary gold excluded.

<sup>4</sup>"Waste and scrap," "Metal powder," and "Gold compounds" not included in "Total."

<sup>5</sup>All or part of these data have been referred to the U.S. Census Bureau for verification.

<sup>6</sup>Less than ½ unit.

Source: U.S. Census Bureau.