

Mineral Industry Surveys

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GOLD IN JUNE 2018

Production of gold by U.S. mines was about 17,400 kilograms (kg) in June, a 3% increase compared with May production and an 18% decrease compared with June 2017 production. Output during the first 6 months of 2018 was 104,000 kg, 11% less than during the first 6 months of 2017 (fig. 1, table 1). All of the major producing companies reported declines in output in 2018.

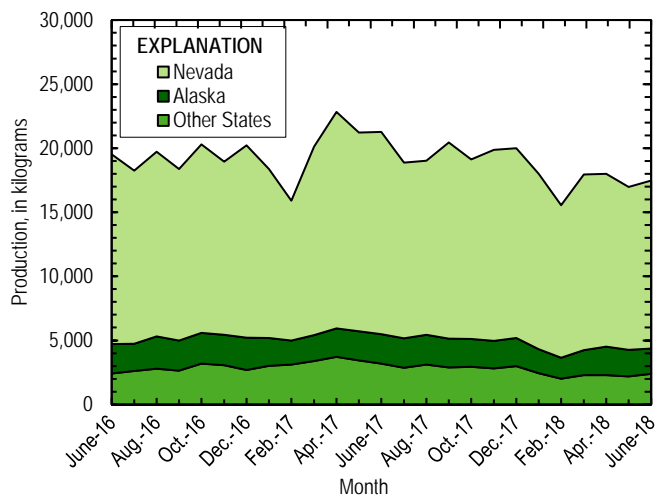


Figure 1. Domestic gold mine production from June 2016 through June 2018.

Barrick Gold Corp.’s production from its Nevada operations was about 32,600 kg of gold in the first 6 months of 2018, 22% lower than that in the first 6 months of 2017 because of lower ore grades and lower recovery at the mill (Barrick Gold Corp., 2018a, p. 29; 2018b, p. 4). Newmont Mining Corp.’s Nevada gold production during the first 6 months of 2018 was 24,400 kg, 5% less than the first 6 months of 2017, and production from the Cripple Creek Mine in Colorado was 4,200 kg, 47% less compared with production during the first 6 months of 2017. The main reasons for the production decreases in Nevada were lower ore grades and mill recovery at the Twin Creeks Mine. The Cripple Creek Mine also had lower ore grades and recovery, but the mine was also building up its concentrate inventory (Newmont Mining Corp., 2018, p. 58–59). Production

at Kinross Gold Corp.’s Fort Knox Mine in Alaska was affected by lower ore grades and a minor pit wall failure in the first quarter of 2018. For the first 6 months of 2018, the mine produced about 4,710 kg of gold equivalent, an 18% decrease compared with that of the first 6 months of 2017. The Kettle River-Buckhorn Mine ceased production in the fourth quarter of 2017 and did not produce any gold in 2018 (Kinross Gold Corp., 2018a, p. 3, 9).

Based on unrounded data, the average daily gold production for U.S. mines was about 582 kg in June 2018, about 546 kg for May 2018, 574 kg for year to date 2018, and about 649 kg for the full year of 2017.

Prices

The average Engelhard gold price was \$1,284.54 per troy ounce for June 2018, a \$22.35 per troy ounce decrease from the average price in May 2018 and a \$20.41 per troy ounce increase compared with the average gold price in June 2017 (table 2). This was the lowest average monthly price to date in 2018 (fig. 2). Some experts suggested that the gold price decreased because more investors were investing in the stronger U.S. dollar than in gold (Pakiam and Rowling, 2018). The daily price in June ranged between a high of \$1,306.87 per troy ounce on June 14 and a low of \$1,253.78 per troy ounce on June 29.

Industry News

Aquila Resources Inc. received all the required State and Federal permits to start preconstruction on its Back Forty zinc and gold project in Menominee County, Michigan. The company planned to complete the open pit feasibility study in August (Aquila Resource Inc., 2018).

Kinross announced that it was starting the Gilmore expansion project at its Fort Knox Mine in Alaska. The project would extend the life of the mine by 6 years to 2027 with leaching to continue until 2030 with an additional 47,000 kg of gold equivalent. The plan consisted of two stages of multi-phased laybacks at the existing open pit and the construction of a new heap leach pad (Kinross Gold Corp., 2018b).

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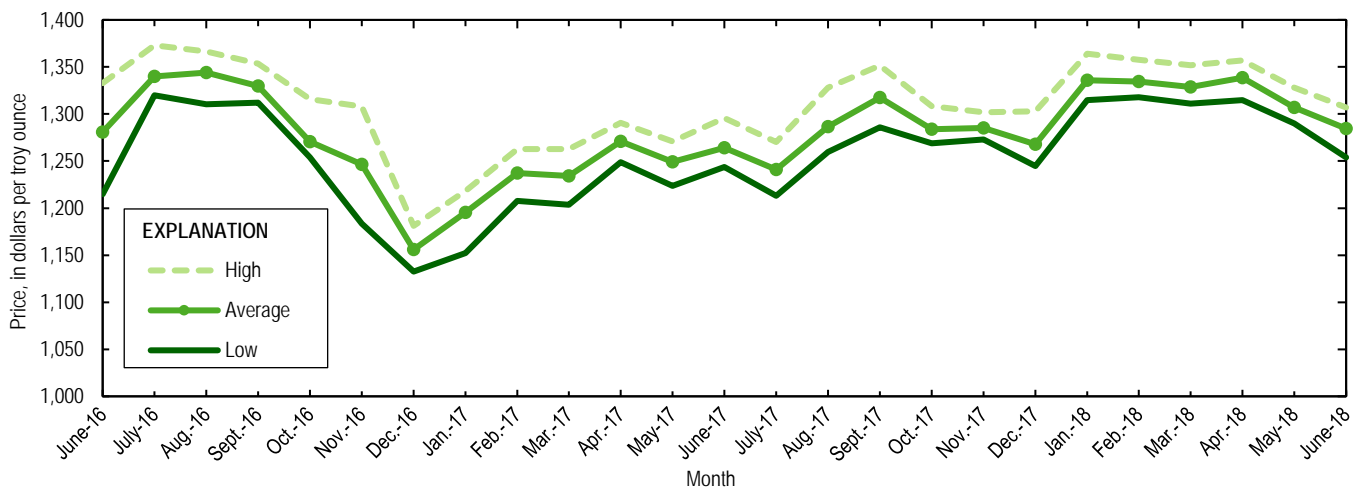


Figure 2. Engelhard monthly gold prices for June 2016 through June 2018. Source: Platts Metals Week.

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

(Kilograms)

	Alaska	Nevada	Other States ²	Total
2017:^P				
January	2,160	13,200	3,020	18,300
February	1,880	10,900	3,110	15,900
March	2,040	14,700	3,380	20,100
April	2,210	16,900	3,720	22,800
May	2,270	15,500	3,440	21,200
June	2,280	15,800	3,200	21,200
July	2,290	13,700	2,870	18,900
August	2,310	13,600	3,120	19,000
September	2,260	15,300	2,890	20,500
October	2,190	14,000	2,930	19,200
November	2,150	14,900	2,820	19,800
December	2,200	14,800	3,000	20,000
Total	26,200	173,000	37,500	237,000
2018:				
January	1,870	13,700	2,440 ^r	18,000
February	1,640	11,900	2,010 ^r	15,500
March	1,940	13,700	2,300 ^r	18,000
April	2,210 ^r	13,500	2,300 ^r	18,000
May	2,070 ^r	12,700	2,200 ^r	16,900
June	1,970	13,100	2,400	17,400
Total	11,700	78,500	13,600	104,000

^PPreliminary. ^rRevised.

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

²Includes Arizona, California, Colorado, Idaho, Michigan, Montana, New Mexico, South Carolina, South Dakota, Utah, and Washington.

TABLE 2
GOLD PRICES

(Dollars per troy ounce)

	Price	Date
Engelhard:		
2017:		
Low	1,152.10	Jan. 3
High	1,351.44	Sep. 8
Average	1,261.04	XX
2018:		
May:		
Low	1,289.84	May 18
High	1,327.90	May 11
Average	1,306.89	XX
June:		
Low	1,253.78	Jun. 29
High	1,306.87	Jun. 14
Average	1,284.54	XX
Year to Date:		
Low	1,253.78	Jun. 29
High	1,363.96	Jan. 25
Average	1,321.31	XX
Handy and Harman:		
2017, Average	1,257.53	XX
2018:		
May	1,303.45	XX
June	1,281.57	XX
Year to Date	1,317.52	XX
London Final:		
2017, Average	1,257.13	XX
2018:		
May	1,303.03 ^r	XX
June	1,283.56	XX
Year to Date	1,319.28	XX

XX Not applicable. ^rRevised.

Source: Platts Metals Week.

TABLE 3
U.S. IMPORTS AND EXPORTS OF GOLD¹

(Kilograms, gold content unless otherwise specified)

Country or locality	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:							
2017	342	154,000	99,900	255,000	18,300	216	1,980
2018:							
May	--	11,700	7,790	19,500	1,190	22	1,530
June:							
Argentina	--	323	--	323	--	--	--
Brazil	--	390	--	390	--	--	--
Canada	2	512	3,550	4,060	485	7	--
Chile	--	511	--	511	32	--	--
Colombia	--	711	57	768	5	--	--
Dominican Republic	--	119	--	119	52	--	--
Ecuador	--	228	--	228	38	--	--
Guyana	--	--	277	277	--	--	--
Japan	--	--	--	--	--	(5)	161
Malaysia	--	--	--	--	161	(5)	--
Mexico	--	5,420	807	6,230	483	5	--
Nicaragua	--	313	209	522	65	--	--
Peru	--	1,480	1,740	3,220	--	--	--
United Arab Emirates	--	--	140	140	--	--	--
Other	16	216	222	454	313	21	5
Total	18	10,200	7,000	17,200	1,640	33	166
January-June	63	67,200	41,000	108,000	7,300	159	2,690
Exports:							
2017	3,610	176,000	281,000	461,000	114,000	382	766,000
2018:							
May	633	10,700	16,800	28,100	4,550	22	1,630
June:							
Canada	--	18	98	116	8,190	1	60
China	273	--	7,180	7,460	36	1	141
Germany	59	--	(5)	59	562	(5)	1
Hong Kong	--	5,000	25	5,030	--	--	--
India	--	1,880	63	1,940	--	12	4
Italy	--	637	--	637	--	6	--
Korea, Republic of	--	--	--	--	1	--	37,200
Mexico	--	--	161	161	--	--	81
Singapore	--	1	58	59	--	--	603
Switzerland	--	9,770	1,490	11,300	--	--	--
United Arab Emirates	--	648	--	648	--	--	--
United Kingdom	--	1	12,100	12,200	10	4	2
Other	139	3	29	171	42	10	121
Total	471	18,000	21,300	39,700	8,840	34	38,200
January-June	2,890	88,400	156,000	247,000	56,500	201	131,000

-- 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" are not included in "Total."

⁵Less than ½ unit.

Source: U.S. Census Bureau.