

Mineral Industry Surveys

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SILVER IN JULY 2007

U.S. mines produced 97,000 kilograms (kg) of silver in July, a 10% decrease compared with June production of 107,000 kg, according to the U.S. Geological Survey. The daily production rate of silver in July was 3,130 kg, and was 12% lower than the June rate of 3,570 kg and only slightly more than the 2006 annual daily production rate of 3,120 kg. Silver production in the United States in July 2007 was slightly higher than July 2006 production of 95,800 kg.

Englehard Industries' silver price peaked at \$13.63 per troy ounce on July 2 and averaged \$13.03 per troy ounce in July, a minor decrease from the average June price of \$13.16 per troy ounce, and a 16% increase compared with the average July 2006 price of \$11.28 per troy ounce.

First Majestic Silver Corp. (Vancouver, British Columbia, Canada) reported that silver production for the second quarter 2007 increased by 9% from that in the first quarter of 2007 to 24,300 kg. This was an increase of 298% compared with production in the second quarter of 2006. This increase is due to higher production at the La Parilla Mine in Mexico, and management is confident that increased silver production will continue into the third and fourth quarters of 2007 (First Majestic Silver Corp., 2007).

U.S. Silver Corporation (Toronto, Ontario, Canada) announced that diamond drilling on the 3400 level at its underground Galena Mine, near Wallace, ID, encountered 6

meters (m) of siderite-tetrahedrite mineralization grading 1,990 grams per metric ton (g/t) silver and 3.41% copper. This intercept on the 3400 level is significant because it extends ore grade mineralization to the west (U.S. Silver Corporation, 2007).

Fortuna Silver Mines Inc. (Vancouver, British Columbia, Canada) announced drill results from its San Jose silver-gold deposit in Oaxaca, Mexico. San Jose was being explored and developed as a joint venture between Fortuna (76%) and Continuum Resources Ltd. (Vancouver, British Columbia, Canada) (24%). One drill hole averaged 10.9 g/t gold and 588 g/t silver over 25 m (Fortuna Silver Mines, Inc., 2007).

References Cited

- First Majestic Silver Corp., 2007, Second quarter silver production increases: Vancouver, British Columbia, Canada, First Majestic Silver Corp. news release, July 26. (Accessed September 14, 2007, via <http://www.firstmajestic.com>.)
- Fortuna Silver Mines, Inc., 2007, Fortuna drills 25.1 m averaging 10.9 g/t Au + 588 g/t Ag at San Jose: Vancouver, British Columbia, Canada, Fortuna Silver Mines Inc. news release, July 16, 3 p. (Accessed October 23, 2007, via <http://www.fortunasilver.com>.)
- U.S. Silver Corporation, 2007, U.S. Silver Corporation drills 19.8 feet grading 63.90 opt silver, 3.41% copper on the 3400 level of the Galena Mine: Toronto, Ontario, Canada, U.S. Silver Corporation news release, July 25, 3 p. (Accessed September 10, 2007, via <http://www.us-silver.com>.)

TABLE 1
MINE PRODUCTION OF RECOVERABLE
SILVER IN THE UNITED STATES¹

	Kilograms
2006: ^p	
July	95,800
August	99,400
September	100,000
October	100,000
November	97,700
December	98,300
January-December	<u>1,140,000</u>
2007:	
January	98,800
February	92,100
March	109,000
April	94,900
May	110,000
June	107,000
July	97,000
January-July	<u>709,000</u>

^pPreliminary.

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

TABLE 2
SILVER PRICES

(Dollars per troy ounce)

<u>Engelhard Industries:</u>	
<u>2006:</u>	
Low/date	8.85 Jan. 5 and 18
High/date	14.89 May 11
Average	11.61
<u>2007:</u>	
<u>June:</u>	
Low/date	12.36/24
High/date	13.79/4
Average	13.16
<u>July:</u>	
Low/date	12.47/5
High/date	13.63/2
Average	13.03
<u>Year to date:</u>	
Low/date	12.32 Jan. 10
High/date	14.69 Feb. 26
Average	13.33
<u>Handy and Harman:</u>	
2006, Average	11.57
<u>2007:</u>	
June	13.15
July	12.94
Year to date	13.29
<u>London Final:¹</u>	
2006, Average	11.57
<u>2007:</u>	
June	13.14
July	12.91
Year to date	13.27

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)
2006	4,280,000	\$1,520,000	286,000	\$134,000	--	--	4,800	\$1,110	4,570,000	\$1,660,000
2007:										
April	347,000	151,000	43,700	19,100	--	--	266	63	391,000	170,000
May	347,000	148,000	45,000	18,400	231	99	600	141	393,000	166,000
June:										
Australia	3,600	1,560	--	--	--	--	--	--	3,600	1,560
Canada	114,000	47,800	--	--	--	--	--	--	114,000	47,800
Chile	3,000	1,330	7,880 ³	4,190	--	--	--	--	10,900	5,520
Colombia	--	--	626	266	--	--	--	--	626	266
Germany	263 ³	34	--	--	--	--	--	--	263	34
Guatemala	--	--	--	--	150 ³	31	--	--	150	31
Honduras	--	--	44	20	--	--	--	--	44	20
Mexico	217,000	92,600	5,570 ³	3,410	--	--	--	--	222,000	96,100
Panama	--	--	25 ³	7	--	--	--	--	25	7
Peru	32,300	13,800	--	--	--	--	--	--	32,300	13,800
Taiwan	--	--	--	--	--	--	520 ³	123	520	123
Total	370,000	157,000	14,200	7,900	150	31	520	123	385,000	165,000
Year to date	2,180,000	930,000	206,000	88,100	381	130	3,980	898	2,390,000	1,020,000

-- 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)
2006	259,000	\$91,300	30,700	\$5,690	1,260	\$255	194,000	\$71,500	2,510,000	\$275,000
2007:										
April	24,700	10,800	5,160	890	--	--	41,100	14,500	337,000	39,000
May	12,400	5,210 ⁴	2,370	415	5	5	63,800	24,900	358,000	46,300
June:										
Argentina	--	--	--	--	--	--	--	--	3	48
Australia	--	--	18 ³	3	--	--	--	--	62	82
Austria	--	--	--	--	--	--	--	--	2	46
Brazil	--	--	--	--	--	--	--	--	11	410
Canada	1,840 ³	736	140 ³	24	--	--	--	--	52,800	7,400
China	--	--	--	--	--	--	--	--	25,800	975
Czech Republic	--	--	--	--	--	--	--	--	17	7
Dominican Republic	--	--	--	--	--	--	--	--	27	84
Germany	(4) ³	6	1,140 ³	192	--	--	3,380 ³	1,850	1,380	4,670
Guatemala	--	--	--	--	--	--	--	--	9	162
Hong Kong	696 ³	125	--	--	--	--	--	--	--	--
Israel	--	--	228 ³	39	--	--	--	--	113	10
Italy	17 ³	10	--	--	--	--	--	--	173	3,230
Japan	--	--	895 ³	152	--	--	--	--	11,100	10,500
Korea, Republic of	--	--	20 ³	3	--	--	--	--	1,000	33
Malaysia	--	--	--	--	--	--	--	--	85,800	820
Mexico	18 ³	4	75 ³	13	--	--	10,100 ³	185	146,000	3,160
Netherlands	--	--	1,180 ³	51	--	--	--	--	2	4
Peru	320 ³	170	--	--	--	--	7,790	3,230	--	--
Philippines	--	--	--	--	--	--	--	--	100	7
Poland	115 ³	27	--	--	--	--	--	--	--	--
Singapore	--	--	--	--	--	--	--	--	243	599
South Africa	--	--	--	--	--	--	--	--	5	102
Switzerland	150	68	--	--	--	--	--	--	--	--
Taiwan	--	--	523 ³	29	--	--	--	--	30	1,140
United Kingdom	--	--	--	--	--	--	(4) ³	8	17,100	5,270
Other	--	--	--	--	--	--	--	--	--	--
Total	3,150	1,150	4,210	506	--	--	21,300	5,270	342,000	38,700
Year to date	130,000	45,600	22,500	3,560	322	79	240,000	87,400	1,970,000	252,000

¹Revised. -- Zero.

²Data are rounded to no more than three significant digits; may not add to totals shown.

³Containing 99.5% or more by weight of silver.

⁴All or part of these data have been referred to the U.S. Census Bureau for verification.

⁵Less than ½ unit.

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)
2006	1,500,000	\$586,000	85,400	\$33,600	3,150	\$4,040	1,580,000	\$624,000
2007:								
April	5,220	2,380	5,980	2,620	888	152	12,100	5,150
May	4,960	2,340	3,680	1,530	1,070	152	9,720	4,340
June:								
Canada	98 ³	28	--	--	--	--	98	28
Dominican Republic	287 ³	52	--	--	--	--	287	52
France	--	--	--	--	95 ³	15	95	15
Germany	3,840 ³	1,000	--	--	--	--	3,840	1,000
India	18,500	8,310	--	--	--	--	18,500	8,310
Mexico	24	4	--	--	--	--	24	4
Morocco	53 ³	16	--	--	--	--	53	16
Norway	--	--	650	91	--	--	650	91
Spain	--	--	58	33	--	--	58	33
Switzerland	--	--	1,580	576	--	--	1,580	576
United Kingdom	--	--	798	260	--	--	798	260
Total	22,800	9,410	3,090	960	95	15	26,000	10,400
Year to date	100,000	43,600	31,700	13,400	6,800	3,140	139,000	601,000

¹Revised. -- 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)
2006	85,600	\$30,800	1,460,000	\$255,000	62,300	\$6,450	526,000	\$91,200	4,890,000	\$1,140,000
2007:										
April	7,700	2,900	116,000	19,800	3,580	344	49,300	9,080	476,000	178,000
May	6,980	2,340 ^r	142,000	26,500	4,890	304	34,100	6,060	148,000	188,000
June:										
Belgium	21	8	415 ³	72	--	--	--	--	5,400	6,290
Canada	733 ³	207	3,160 ³	540	684 ³	30	6,790 ³	1,180	16,500	19,400
China	104 ³	58	15,500 ³	2,640	--	--	361 ³	79	10,400	7,830
Czech Republic	--	--	15 ³	3	--	--	--	--	120	36
Dominican Republic	21	10	547 ³	93	--	--	107 ³	18	--	--
France	--	--	6,400 ³	1,090	--	--	1,380 ³	255	--	--
Germany	545 ³	85	23,400 ³	3,980	68 ³	10	6,260 ³	1,070	15,500	9,210
Hong Kong	437	169	1,710 ³	291	--	--	1,560 ³	268	76	382
India	560 ³	106	--	--	--	--	58 ³	10	--	--
Italy	50 ³	11	232 ³	39	--	--	223 ³	35	28,100	15,900
Japan	--	--	27,600 ³	6,030	--	--	265 ³	52	670	10,900
Korea, Republic of	38 ³	8	21,000 ³	3,580	--	--	124 ³	20	347	1,060
Lebanon	--	--	308 ³	52	--	--	--	--	--	--
Malaysia	--	--	--	--	--	--	315 ³	53	--	--
Mexico	382 ³	88	806 ³	142	--	--	21,300 ³	3,670	--	--
Netherlands	--	--	1,900 ³	323	--	--	--	--	50	250
New Zealand	19 ³	6	20 ³	5	--	--	--	--	--	--
Philippines	--	--	--	--	--	--	153 ³	28	--	--
Saudi Arabia	--	--	--	--	--	--	--	--	555	2,780
Singapore	--	--	1,470 ³	250	--	--	1,020 ³	178	71	354
South Africa	--	--	--	--	--	--	--	--	15	260
Sweden	--	--	--	--	--	--	17 ³	3	384	1,920
Switzerland	--	--	--	--	--	--	257 ³	55	909	10,100
Taiwan	37 ³	8	11,500 ³	2,060	--	--	339 ³	59	--	--
Thailand	651 ³	96	2,450 ³	417	--	--	273 ³	49	--	--
United Kingdom	--	--	10,000 ³	1,740	--	--	2,270 ³	393	6,600	90,300
Other	156 ³	64	21 ³	10	91 ³	12	210 ³	47	6	18
Total	3,750	924	129,000	23,400	843	52	43,300	7,510	85,600	177,000
Year to date	43,700	14,800	863,000	151,000	30,600	3,570	265,000	46,900	2,090,000	987,000

^rRevised. -- 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.