

# Mineral Industry Surveys

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## LEAD IN FEBRUARY 2008

Domestic mine production (recoverable) of lead in February was 36,900 metric tons (t), according to data compiled by the U.S. Geological Survey. Average daily mine production in February was 1,270 t, about 4% higher than that in January. Year-to-date mine production through February 2008 was around 4% higher than that of the same period of 2007. Secondary refinery production of lead decreased about 6% compared with that of the previous month.

According to Platts Metals Week, the average North American producer price for lead in February was \$1.47 per pound, about a 2% decrease from that of the previous month. The London Metal Exchange cash price in February averaged \$3,079 per metric ton, up about 18% from that of the previous month.

Hecla Mining Company (Coeur d'Alene, ID) announced that it had signed an agreement to acquire the majority of the assets of Independence Lead Mines Company (ILM) (Wallace, ID). In return, Hecla agreed to distribute around 7 million common shares of its stock to ILM shareholders. Included in the acquisition were ILM's mining claims pertaining to the Lucky Friday Mine as well as other property in the Coeur d'Alene mining district (Hecla Mining Company, 2008b). In a separate transaction, Hecla announced that it had reached an agreement with Rio Tinto plc (London, United Kingdom) to acquire two of its subsidiaries, Kennecott Greens Creek Mining Company and Kennecott Juneau Mining Company for about \$700 million. These subsidiaries held a 70% interest in the Greens Creek Mine in Alaska, and a Hecla subsidiary owned the remaining portion. The deal gave Hecla 100% control of Greens Creek, which produced around 21,000 t of lead in concentrate in 2007 (Hecla Mining Company, 2008a).

The China National Resources Recycling Association (CRRA) reported that China's output of recycled lead was expected to account for 30% of its total lead output by 2011, compared with 15% in 2006. According to the CRRA, China produced 320,000 t of recycled lead during the first three quarters of 2007, up almost 7% from the same time period in the previous year. The Chinese Government had been supporting the use of lead scrap instead of concentrate for lead ingot production, in part because it was less resource intensive (Platts Metals Week, 2008).

In Australia, Terramin Australia Limited (Adelaide, South Australia) announced that its underground Angas zinc-lead mine was on track for commissioning in June 2008. The mine, located near the town of Strathalbyn, was expected to produce around 14,000 metric tons per year of lead in concentrate when in full production (CRU Lead Monitor, 2008). The concentrate produced at the mine was to be transported by covered truck to Port Adelaide for shipment to the Port Pirie lead smelter (Terramin Australia Limited, 2008, p. 4).

## References Cited

- CRU Lead Monitor, 2008, Mine news: CRU Lead Monitor, February, p. 7.
- Hecla Mining Company, 2008a, Hecla acquires 70.3% of Greens Creek Mine for \$750 million: Coeur d'Alene, ID, Hecla Mining Company news release, February 12, 2 p.
- Hecla Mining Company, 2008b, Hecla to acquire assets of Independence Lead Mines: Coeur d'Alene, ID, Hecla Mining Company news release, February 13, 2 p.
- Platts Metals Week, 2008, Recycled lead gains in China: Platts Metals Week, February 4, p. 9.
- Terramin Australia Limited, 2008, Annual Report 2007: Adelaide, Australia, Terramin Australia Limited, 66 p.

TABLE 1  
SALIENT LEAD STATISTICS IN THE UNITED STATES<sup>1</sup>

(Metric tons, lead content, unless otherwise specified)

	2007		2008		
	Year	January-February	January	February	January-February
<b>Production:</b>					
Mine (recoverable)	434,000	71,900	38,000 <sup>r</sup>	36,900	74,900
<b>Secondary refinery:</b>					
Reported by smelters/refineries	1,170,000	191,000	102,000	95,900	198,000
Estimated	11,700	1,930	1,020	959	1,980
Recovered from copper-base scrap <sup>c</sup>	15,000	2,500	1,250	1,250	2,500
Total secondary	1,200,000	196,000	104,000	98,200	202,000
<b>Stocks, end of period:</b>					
Secondary smelters and consumers	63,100	49,200	53,100	52,600	52,600
<b>Imports for consumption:</b>					
Base bullion	1,990	259	20	118	138
Refined metal	264,000	37,800	24,400	26,100	50,500
<b>Consumption:</b>					
Reported	1,500,000	250,000	136,000 <sup>r</sup>	134,000	269,000
Undistributed <sup>c</sup>	45,100	7,880	4,070 <sup>r</sup>	4,010	8,080
Total	1,550,000	258,000	140,000 <sup>r</sup>	138,000	277,000
<b>Exports:</b>					
Ore and concentrate	300,000	7,340	10,100	7,960	18,100
Bullion	170	34	16	19	35
Wrought and unwrought lead	56,400	6,810	5,770	7,260	13,000
TEL/TML preparations, based on lead compounds	2,740	2,210	249	197	447
Exports (gross weight): Scrap	129,000	15,300	14,300	23,800	38,000
<b>Platts Metals Week North American producer price (cents per pound)</b>					
	123.84	86.91	150.03	146.88	148.46

<sup>c</sup>Estimated. <sup>r</sup>Revised.

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

TABLE 2  
MONTHLY AVERAGE LEAD PRICES

	North American producer price cents/lb	LME		Sterling exchange rate dollars/£
		\$/metric ton	£/metric ton	
<b>2007:</b>				
February	87.11	1,778.56	907.92	1.958947
November	163.42	3,327.01	1,606.69	2.070720
December	160.63	2,595.28	1,287.31	2.016050
Year	123.84	2,579.02	1,288.41	2.001715
<b>2008:</b>				
January	150.03	2,606.85	1,323.11	1.970238
February	146.88	3,078.82	1,567.15	1.964600

Source: Platts Metals Week.

TABLE 3  
CONSUMPTION OF PURCHASED LEAD-BASE SCRAP<sup>1</sup>

(Metric tons, gross weight)

Item	Stocks		Consumption	Stocks
	January 31, 2008	Net receipts		February 29, 2008
Battery-lead	27,000	96,200	101,000	21,700
Soft lead	W	W	W	W
Drosses and residues	W	W	W	W
Other <sup>2</sup>	1,050	7,340	7,400	997
Total	28,100	104,000	109,000	22,700
Percent change from preceding month	XX	-11.6	-4.8	-19.0

W Withheld to avoid disclosing company proprietary data; included with "Other." XX Not applicable.

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

<sup>2</sup>Includes solder, common babbitt, antimonial lead, cable covering, type metals, and other lead-base scrap.

TABLE 4  
LEAD, TIN, AND ANTIMONY RECOVERED FROM  
LEAD-BASE SCRAP IN FEBRUARY 2008<sup>1</sup>

(Metric tons)

Product recovered	Secondary metal content		
	Lead	Tin	Antimony
Soft and calcium lead	50,000	--	--
Remelt lead	W	--	--
Antimonial lead	10,900	(2)	(2)
Other <sup>3</sup>	35,100	(2)	(2)
Total lead-base	95,900	140	294

W Withheld to avoid disclosing company proprietary data; included in "Other."  
-- Zero.

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

<sup>2</sup>Withheld to avoid disclosing company proprietary data; included in "Total."

<sup>3</sup>Includes cable lead, lead-base babbitt, solder, type metals, and other products.

TABLE 5  
CONSUMPTION OF LEAD IN THE UNITED STATES<sup>1</sup>

(Metric tons, lead content)

Use	2007		2008		
	January-December	January-February	January	February	January-February
<b>Metal products:</b>					
Ammunition, shot and bullets	75,400	13,700	6,380	6,200	12,600
Brass and bronze, billet and ingots	3,190	642	351	323	674
Cable covering, power and communication and calking lead, building construction	8,020	1,970	678	567	1,250
Casting metals	29,900	3,250	2,640 <sup>r</sup>	2,640	5,280
Sheet lead, pipes, traps and other extruded products	29,700	5,200	2,270	2,310	4,570
Solder	7,000	1,300	586	587	1,170
Storage batteries, including oxides	1,300,000	216,000	120,000 <sup>r</sup>	117,000	237,000
Terne metal, type metal, and other metal products <sup>2</sup>	16,700	297	1,400	1,400	2,800
<b>Total metal products</b>	<b>1,470,000</b>	<b>242,000</b>	<b>134,000<sup>r</sup></b>	<b>132,000</b>	<b>265,000</b>
Other oxides and miscellaneous	28,000	7,560	1,990 <sup>r</sup>	1,990	3,980
<b>Total reported</b>	<b>1,500,000</b>	<b>250,000</b>	<b>136,000<sup>r</sup></b>	<b>134,000</b>	<b>269,000</b>
Undistributed <sup>e</sup>	45,100	7,880	4,070 <sup>r</sup>	4,010	8,080
<b>Grand total</b>	<b>1,550,000</b>	<b>258,000</b>	<b>140,000<sup>r</sup></b>	<b>138,000</b>	<b>277,000</b>

<sup>e</sup>Estimated. <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 lead consumed in foil, collapsible tubes, annealing, plating, galvanizing, and fishing weights.

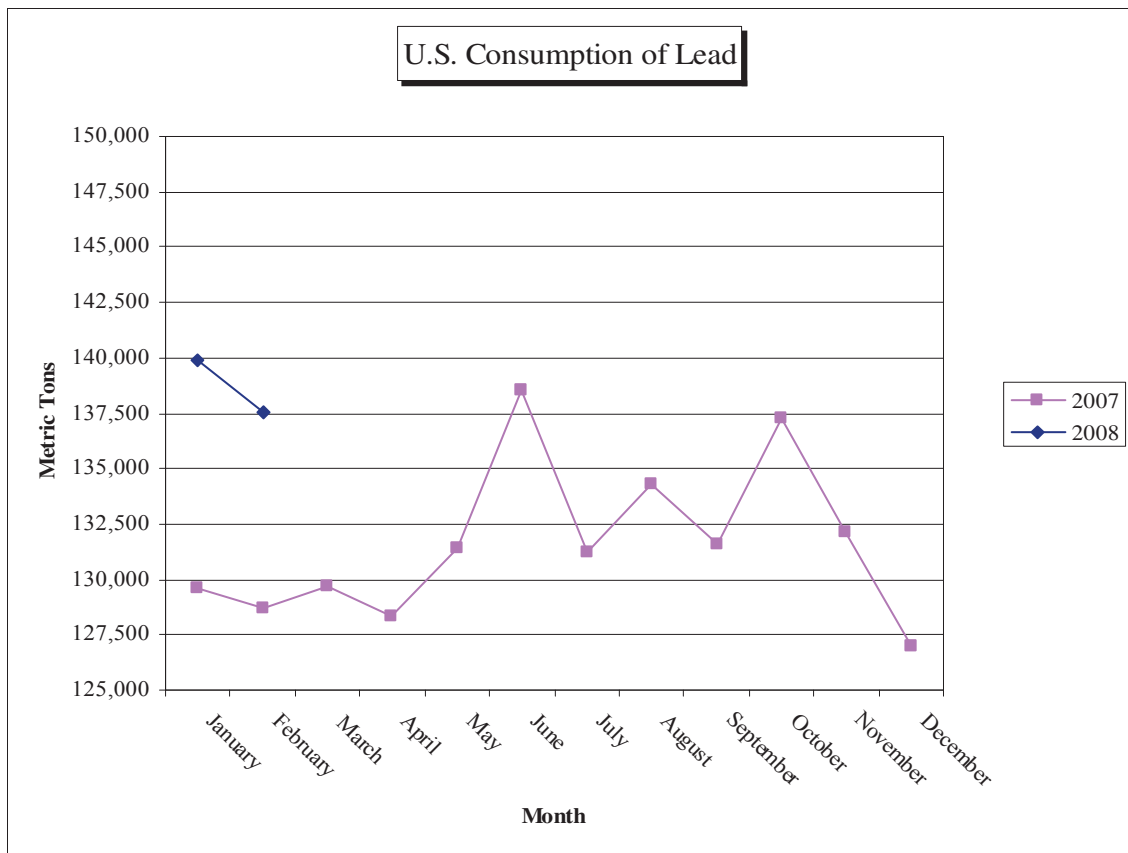


TABLE 6  
CONSUMER AND SECONDARY SMELTER STOCKS, RECEIPTS, AND CONSUMPTION OF LEAD<sup>1</sup>

(Metric tons, lead content)

Type of material	Stocks		Net receipts	Consumption	Stocks
	January 31, 2008	February 29, 2008			
Soft lead	25,000	72,700	71,900	25,800	
Antimonial lead	15,200	29,400	26,900	17,800	
Lead alloys	W	W	W	W	
Copper-base scrap	W	W	W	W	
Total	53,100	133,000	134,000	52,600	

W Withheld to avoid disclosing company proprietary data; included in "Total."

<sup>1</sup>Data are rounded to no more than three significant digits.

TABLE 7  
U.S. EXPORTS OF LEAD, BY CLASS<sup>1</sup>

(Metric tons)

	2007		2008		
	February	Year	January	February	January-February
Lead content:					
Ore and concentrates	2,130	300,000	10,100	7,960	18,100
Bullion	22	170	16	19	35
Materials excluding scrap	4,120	56,400	5,770	7,260	13,000
TEL/TML preparations, based on lead compounds	1,750	2,740	249	197	447
Total	8,010	359,000	16,100	15,400	31,600
Gross weight: Scrap	6,720	129,000	14,300	23,800	38,000

<sup>1</sup>Data are rounded to more than three significant digits; may not add to totals shown.

Source: U.S. Census Bureau.

TABLE 8  
U.S. IMPORTS OF LEAD BY TYPE OF MATERIALS AND BY COUNTRY OF ORIGIN<sup>1</sup>

(Metric tons, lead content)

Country of origin	General imports					Imports for consumption				
	2007		2008			2007		2008		
	Year	January- February	January	February	January- February	Year	January- February	January	February	January- February
<b>Ore, matte, etc.:</b>										
Canada	--	--	--	41	41	--	--	--	41	41
Mexico	--	--	7	--	7	--	--	7	--	7
Total	--	--	7	41	48	--	--	7	41	48
<b>Base bullion:</b>										
Colombia	1,860	259	20	98	118	1,860	259	20	98	118
Other	127	--	--	20	20	127	--	--	20	20
Total	1,990	259	20	118	138	1,990	259	20	118	138
<b>Pigs and bars:</b>										
Canada	208,000	31,300	19,900	20,900	40,800	208,000	31,300	19,900	20,900	40,800
Mexico	35,600	2,480	3,140	3,550	6,690	35,600	2,480	3,140	3,550	6,690
Peru	16,500	3,930	656	1,490	2,150	16,500	3,930	656	1,490	2,150
Other	3,860	138	734 <sup>r</sup>	150	884	3,860	138	734 <sup>r</sup>	150	884
Total	264,000	37,800	24,400	26,100	50,500	264,000	37,800	24,400	26,100	50,500
Grand total	266,000	38,100	24,400	26,300	50,700	266,000	38,100	24,400	26,300	50,700

<sup>r</sup>Revised. -- Zero.

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

Source: U.S. Census Bureau.