



DEPARTMENT OF CONSERVATION

Managing California's Working Lands

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GOLD UP, BUT OVERALL MINING PRODUCTIVITY DOWN IN CALIFORNIA, ACCORDING TO CALIFORNIA GEOLOGICAL SURVEY REPORT

SACRAMENTO – Although gold production increased significantly, the overall value of commodities mined in California fell considerably in 2010, according to a California Geological Survey (CGS) report.

At \$2.9 billion, California ranked sixth in the nation for value of non-fuel mineral production behind Alaska, Minnesota, Utah, Arizona and Nevada, accounting for approximately 4.2 percent of the nation's total production. In 2009, California ranked fourth, accounting for about 6.3 percent of the national total.

“The lion's share of mining in California is for construction-grade sand and gravel, and with the recessionary downturn in construction in the state, it's no surprise that production showed a significant decrease,” said California's State Geologist, Dr. John Parrish, head of CGS.

Gold and silver were the only metals produced in California in 2010, and gold accounted for 99.9 percent of the total value. Due in part to an increase in the per-ounce price, the value of gold produced in California rose from \$138.5 million in 2009 to \$239.7 million. Actual production increased by 24 percent, from 159,900 Troy ounces in 2009 to 198,980 Troy ounces in 2010. New Gold Inc.'s Mesquite Mine in Imperial County produced 169,000 Troy ounces, while the Atna Resource Ltd. Briggs Mine in Inyo County produced about 25,000 Troy ounces. Silver is a secondary commodity of gold production.

In January, the Golden Queen Mining Company Inc. received a conditional use permit from Kern County to mine gold and silver from its Soledad Mountain Project located south of the city of Mojave. Approximately 905 acres of the 2,500-acre site will be mined with gold and silver as the primary commodities produced, as well as construction aggregate to be produced as a secondary commodity. The Soledad Mountain area has been mined sporadically since the early 20th century.

Construction-grade sand and gravel (aggregate) continued to be California's leading industrial mineral commodity, with an estimated total value of \$809 million for 82 million tons produced. Boron and portland cement were the second- and third-leading products.

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California Mineral Report 2-2-2

California produced more than two dozen industrial minerals, leading the nation in diatomite and natural sodium sulfate production. It was the only U.S. source of boron compounds and rare earth minerals.

“In late 2010, mining operations for rare earth elements were restarted at the Mountain Pass mine in San Bernardino County,” noted John Clinkenbeard, head of CGS’ Mineral Resources Program. “The Mountain Pass mine produced almost continuously from 1952 to 2002. It is the largest known deposit of rare earths in the United States and was the world’s leading producer of these important minerals for many years. Rare earth elements are critical to many of our modern technologies, and can be found in magnets, batteries, electronics, among many other things we use every day.”

There were about 700 active mines in California producing non-fuel minerals during 2010. Approximately 5,300 people were employed at those mines and associated processing facilities.

The CGS report is based on preliminary data compiled by the U.S. Geological Survey.

CGS’s Mineral Land Classification Project, a mandate of the Surface Mining and Reclamation Act, provides local lead agencies with mineral resource maps and reports to assist them in land-use planning and mineral resource conservation. To date, CGS has completed mineral resource studies in about one third of the state.

ABOUT THE CALIFORNIA DEPARTMENT OF CONSERVATION: In addition to mapping and classifying areas containing mineral deposits, the DOC studies and maps earthquakes and other geologic phenomena; ensures reclamation of land used for mining; regulates oil, gas, and geothermal wells; and administers agricultural and open-space land conservation programs. More information about DOC programs is available at www.conservation.ca.gov.

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