



**GOLD CORE**

# A COMPREHENSIVE GUIDE TO

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# The American Silver Eagle



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## Introduction

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The American Eagle 1 ounce Silver bullion coin is the official U.S. national silver bullion coin, and is the world's most widely sold 1 oz silver coin. The Silver Eagle is issued by the famous U.S. Mint and its 1 oz silver content of .999 fine silver is guaranteed by U.S. legislation and is therefore backed by the U.S. Government.

The coin is highly stylised and is reputed for its high quality finish, essentially pure silver content, and its historical design. The U.S. Mint first launched the Silver Eagle in late 1986, and it has been in constant demand since that time, with particularly high demand in the last 6 years.

American Eagle 1 ounce Silver bullion coin is the world's most widely sold 1 oz silver coin.



## Dimensions and Physical Specifications

**T**he American Silver Eagle is acknowledged as one of the most beautiful silver coins in the world. This makes it a favourite of both collectors and bullion buyers.

The American Eagle Silver is a 1 troy ounce coin of 0.999 fine silver. Specifically, this means that the coin weighs 31.103 grams and the silver content of the coin is 31.072 grams. The American Eagle has a diameter of 40.6mm, a thickness of 2.98mm and its edges have a reeded texture.

The Eagle has only ever been produced in a 1 oz form, and unlike other well-known bullion coins, smaller fractional denomination Silver Eagles such as a ½ oz version were never created.

The American Eagle Silver is a 1 troy ounce coin of 0.999 fine silver and is only produced in a 1 oz form.

## Description

The obverse of the coin displays an image of the Goddess Liberty, and is known as the “Walking Liberty”. The version on the Eagle is based on an original design by Adolph A. Weinman which was first used on the 1917 U.S. silver half dollar. The design is neo-classical and features Liberty draped in a U.S. flag, holding branches, and walking eastwards towards the rising sun. The scene is surrounded by the letters ‘L I B E R T Y’ and in smaller letters to the right ‘IN GOD WE TRUST’. The year of issue is specified below the main image.



2015 American Eagle Obverse



2013 American Eagle Reverse

The reverse of the coin features a heraldic eagle design by John Mercanti, created especially for the 1986 launch of the coin. Mercanti was a sculptor and engraver at the U.S. Mint and went on to attain the distinguished role of Chief Engraver of the U.S. Mint. The 1oz coin design portrays the eagle behind a shield, and is similar in composition to the eagle found on the U.S. One Dollar bill. Above the Eagle are 13 stars representing the first thirteen colonies of the U.S. A circular arc above the scene contains

the words “UNITED STATES OF AMERICA”, and in a circular arc below “1 OZ. FINE SILVER ~ ONE DOLLAR”.

The American Eagle is a legal tender coin with a face value of \$1, but, as with most bullion coins, this face value is symbolic given that the market value of the silver in the coin is much higher than the \$1 face value.

Silver Eagle bullion coins do not have mint marks. The U.S. Mint also produces American Eagle Silver proof coins in a number of high quality finishes such as normal proof, burnished proof and reverse proof. These proof coins contain tiny mint marks, for example, W for the West Point mint, S for San Francisco or P for Philadelphia.



West Point American Eagle

## United States Mint



**UNITED STATES MINT**

The United States Mint founded in 1792 is the official mint of the U.S. Government. It is a bureau of the United States Department of Treasury, and is headquartered in Philadelphia. In addition to Philadelphia, the Mint operates minting facilities at its branches in Denver - Colorado, San Francisco, and at the West Point facility in upstate New York. The U.S. Mint produces U.S. circulation coinage, proof and commemorative coins and medals, and of course silver, gold and platinum American Eagle bullion coins.

## Manufacturing and Refining

In addition to the goal of creating a legendary national silver bullion coin for store of wealth buyers and collectors, one of the complementary reasons for the launch of the Silver American Eagle in 1986 was to use up silver from the U.S. Strategic and Critical Materials Stockpile. This silver stockpile was one of the strategic materials stockpiles the U.S. had set up in the 1960s in cases of national emergency.



**West Point Mint Facility**

The silver stockpile was established in 1968 via a 165 million ounce silver deposit by the U.S. Treasury and was stored in San Francisco and West Point. In 1986 the stockpile totalled approximately 140 million ozs.

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The U.S. Mint then began drawing from this stockpile and this was the source of metal for Silver Eagle coins from 1986 to 2002. By 2002 the stockpile became depleted. For production since

1982 the Mint began entering the U.S. open market to acquire the raw material silver, and continues to do so to the present day.

## Trading

While individuals can order Silver Eagle proof coins directly from the U.S. Mint, the Mint only sells new uncirculated bullion Eagles to one of its 12 Authorised Purchasers (APs) who have been appointed by the Mint. These APs must place minimum orders of at least 25,000 coins. The APs then sell the coins to the public or else to other dealers who then

**The US Mint charge per coin is based on the London Silver Fix plus a premium for manufacture and distribution of \$2 per coin.**

trade with the public. The price per coin that the Mint charges the APs is based on the London Silver Fix plus a premium for manufacture and distribution of \$2 per coin.

## Production Statistics

The Mint's San Francisco and West Point production facilities have produced large quantities of American Eagle Silver bullion coins since 1986 when in the first year 5.4 million Silver Eagles were produced. Production more than doubled in 1987 to 11.3 million coins before settling into a pattern of between 3 million and 7 million coins per annum between 1988 and 1999. Production switched primarily to West Point after the stockpiles had been drawn down.

Between 2000 and 2007, as the precious metals bull market took hold, production (and demand) for American Silver Eagles increased noticeably to between 8 million and 10 million coins per annum. Then something very interesting happened. In

2008 as the global financial crisis unfolded, demand for American Eagles soared dramatically.

After producing 9 million Silver Eagles in 2007, the U.S. Mint doubled production and sales to an impressive 20.5 million 1oz Silver Eagles coins in 2008. Demand remained relentless however due to on-going investor concern about the problematic financial system, and production of Silver Eagles rose to 30.4 million in 2009, 34.7 million in 2010, and a massive 40 million coins in 2011. Production in 2012 remained elevated with 33.7 million Silver Eagles minted and sold.

**More Silver Eagles produced in the 2008-2012 period than in the entire 22 years prior to that: 159 million in 2008-2012 versus 152 million in 1986-2007.**

There were therefore more Silver Eagles produced and sold in the 2008-2012 period than in the entire 22 years prior to that: 159 million in 2008-2012 versus 152 million in 1986-2007. In January 2013 demand was so strong that half way through the month the

U.S. Mint ran out of supply and had to postpone shipments until February. On 7th January 2013 demand was an incredible 4 million, the highest one day total ever. Overall in January 2013, production hit 7.5 million ounces. There was another demand spike in April 2013 and production hit 4.1 million.

Overall, for the first half of 2013, the Mint had produced an all-time mid-year high of over 25 million Silver Eagles and been forced to put dealers orders on an allocation basis, in addition to having to ramp up production using the San Francisco Mint to assist West Point. Silver Eagle premiums also rose dramatically in 2013 from between \$1 and \$3.50 per coin to between \$5 and \$8 per coin.

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## History

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There had been a long history of U.S. Silver dollars prior to the American Silver Eagle. All of these earlier silver dollars circulated as currency. The original silver dollar issued from 1794 to 1803 was created at the behest of Thomas Jefferson. From 1840 to 1873 a ‘Seated Liberty’ silver dollar circulated. From 1878 to 1921 the silver dollar was known as a ‘Liberty Head’ or ‘Morgan Dollar’. Following this, a silver ‘Peace Dollar’ was issued from 1921 to 1928 and again from 1934 until 1935. Then there was a 50 year gap before silver dollars in the form of the American Eagle began to be produced.



Thomas Jefferson

**The Silver American Eagle coin was officially created by enactment of the ‘Liberty Coin Act’ on 9th July 1985.**

The Silver American Eagle coin was officially created by enactment of the ‘Liberty Coin Act’ (Public Law 99-61) on 9th July 1985 by the 99th U.S. Congress. Title 2 of the Act, the ‘Liberty Coin Act’, defined the physical specifications of the coin, the source of silver supply to be used (from the silver stockpile), the legal tender status of the coin, and authorised the U.S. Treasury Secretary to mint and issue the coins. The Title took effect on 1st October 1985 but specified that coins could not be issued or sold before 1st September 1986.

U.S. coinage was 90% silver until 1945 and by 1970 it was reduced to 40% silver.

Since 1970, U.S. coinage is produced from base metal and the U.S. authorities are looking to phase out metal altogether and use synthetic materials instead. There is a continuing dialogue to go one step further and get rid of physical coinage and go digital.

## Why Own American Eagle silver bullion coins

-  The American Eagle Silver bullion coin has a highly liquid market. The U.S. Mint has produced and sold over 335 million Silver Eagles since 1986, in other words, 335 million ounces of silver. This is over 10,000 tonnes of silver.
-  Silver Eagles are widely held and well known globally so they have a huge secondary market and a large dealer network.
-  The bullion Silver Eagle contains 1 troy ounce of .999 fine silver and is easy to value since, excluding premiums, its price roughly tracks the world silver price.
-  Silver Eagles are a simple way to add a tangible silver asset to an investment portfolio and silver is proven to have a low correlation with most traditional investment asset classes, thereby providing portfolio diversification benefits.
-  The American Eagle Silver bullion coin is congressionally authorised by the U.S. Congress and its weight and purity of silver is backed by the U.S. Government.
-  New sales of Silver Eagles from the U.S. Mint will be in uncirculated condition. Purchases on the secondary market will also be in uncirculated condition since the American Eagle has never circulated as currency.
-  The 1 ounce denomination makes the coin easy to transport and carry and this divisibility may also be useful if a partial investment needs to be traded in the future.
-  The American Eagle is an eligible investment for U.S. investors for U.S. Individual Retirement Accounts (IRAs).



Silver Eagles have a low unit cost since the silver price per ounce is far lower than that of gold, thus providing a low cost alternative for increasing precious metals ownership.

## WRITTEN BY

GoldCore

## ABOUT GOLD CORE

GoldCore are respected international bullion dealers who are experts in the execution and logistics of the highly specialised precious metals market. GoldCore have been providing precious metal investment solutions for an International client base since 2003. Today, our team of experts service all investor classes from private individuals to companies and institutional investors. Whether you are a small or large investor looking to take delivery or arrange for secure, trusted insured storage, GoldCore has a solution to suit your needs.

## CONTACT GOLD CORE

### Ireland

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GoldCore Ltd  
14 Fitzwilliam Square  
Dublin 2  
Ireland

Low Call Ireland  
1 850 GOLD IE

Ireland Phone  
+353 1 632 5010

### England

---

No. 1 Cornhill  
London EC3V 3ND  
England

UK Phone  
+44 (0) 203 086 9200

UK Fax  
+44 (0) 203 031 1046

### USA

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USA Phone  
+1 302 635 1160



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