Demand for Silver Grows with New and Old Uses, Dillon Gage Metals Says

Electronics, solar power, health care and nano-particles will keep silver a good investment

Dallas-December 14, 2011--Silver rallied to $48.70 an ounce in April, and after giving back 40 percent of its value by September, has started to recover. Silver has grown as an investment vehicle in the last decade and has a number of things going for it on the industrial side, **Dillon Gage Metals** says.

"Silver is much more than jewelry and sterling tableware," says Terry Hanlon, President of **Dillon Gage Metals**. "It's not just for wedding presents and birthday gifts but has widespread uses throughout the economy."

Strong, malleable silver can be made into various forms, wires and threads. It's a good electrical and thermal conductor for all types of circuits and connections, Hanlon notes. Silver conducts rather than absorbs heat and can endure temperature swings, making it an excellent soldering agent for joints that undergo expansion or contraction in heat and cold. It's also a reflector and has anti-bacterial properties.

World industrial demand for silver could reach a record 665.9 million ounces in 2015 versus 487.4 million in 2010, according to a Gold Fields Mineral Services (GFMS) study for The Silver Institute, released in early April.

Electrical and electronics uses are major sources of demand for silver and were a record 242.9 million ounces globally last year, according to GFMS. Used in switches and contacts, silver is one of the best electrical and thermal conduits.

Cell phones consumed 13 million ounces of silver globally last year and computers used 22 million ounces, according to GFMS. Thick-film photovoltaic modules utilized 47 million ounces in 2010, while automobiles used 36 million ounces. Solar power has boosted silver demand considerably in recent years.

Silver is found in batteries in everything from cell phones, cameras, calculators and toys to pacemakers and hearing aids. Silver conductive inks are used in printed electronics, and the metal is utilized as a coating material for DVDs and other optical data storage media. It is employed as a catalyst in chemical reactions, such as formaldehyde manufacturing.

Brazing or joining of materials is enhanced by silver's fluidity and strength. Silver brazing alloys are used in applications ranging from air conditioning and refrigeration equipment to power distribution devices in the electrical engineering and auto industries.

New uses of silver center on its conductive properties in solid state lighting and Radio Frequency Identification or RFID tags. Supercapacitors – devices that store and release energy indefinitely with no loss of performance – are a potential growth area, according to GFMS. Supercapacitors are used in solar panels and hydrogen fuel-cell car batteries.

According to GFMS, silver's use in medical applications could grow rapidly over the next five years. Silver is used in water purification and is found in wound treatments, dressings and creams. Catheters and medical implantation devices, including prosthetic heart valves and vascular grafts, often contain silver.

Tiny particles called nanosilver are of growing interest to industry and policy makers. Silver products and applications using nanosilver include water filters, pigments, photographics and wound treatments. Nanosilver is included in coatings, plastics, textiles and medical devices. Nano-sized particles of silver fight bacteria and mold, and are used for food storage.

"Silver is hardly just ornamental," says Hanlon. "It has existing and growing new uses that suggest prices can strengthen over the next few years." As demand for silver continues to expand, investors will want to consider silver as long-term investment, he says. Investment options include bars, ranging from one ounce to 1,000 ounces, along with one-ounce silver coins from U.S. and foreign government and private mints. "And like any investment, you should research who you purchase from," Hanlon advises.

Dillon Gage Metals offers bullion trading, online trading of physical metal and futures, jewelry trading and liquidation, refining services, and rare coins and estate liquidations.

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Dillon Gage Inc. (DillonGage.com) was founded in 1976, and its companies include:

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- Dillon Gage Refinery**,** state of the art refinery located in Dallas, Texas. (dillongage.com/metals/refining) 888.436.3489
- FizTrade Online Trading offers real-time trading for bid and ask markets for gold, silver platinum and palladium. (FizTrade.com) 800.375.4653
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