

NEVADA
Mining Association

ANNUAL CONVENTION 2013

LAKE TAHOE, NEVADA



NEVADA ECONOMY 2013:
**THE ROLE OF THE STATE'S
MINING INDUSTRY**

APPLIED
ANALYSIS 

September 7, 2013

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GLOBAL OUTLOOK

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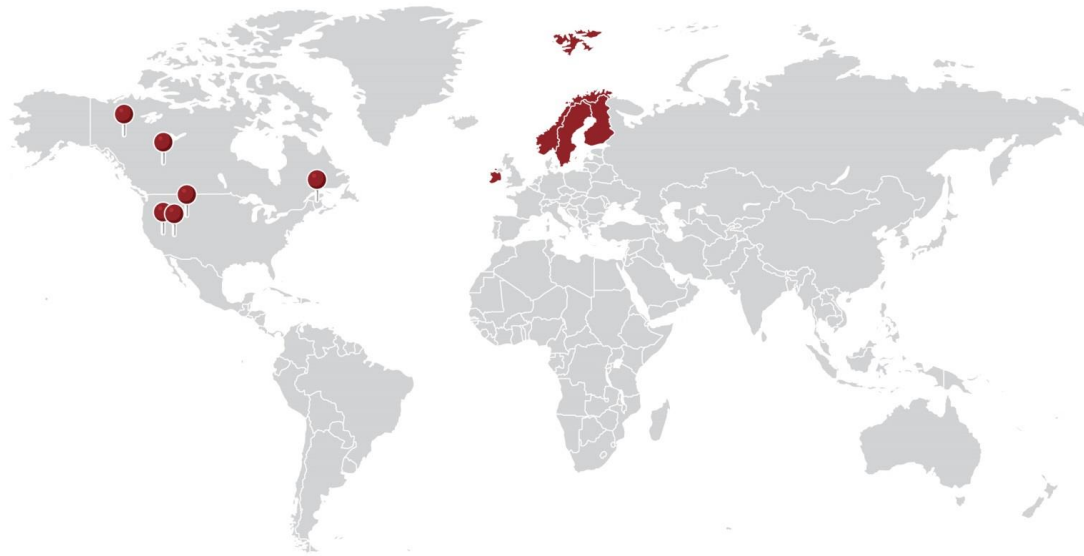


September 7, 2013

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POLICY POTENTIAL INDEX



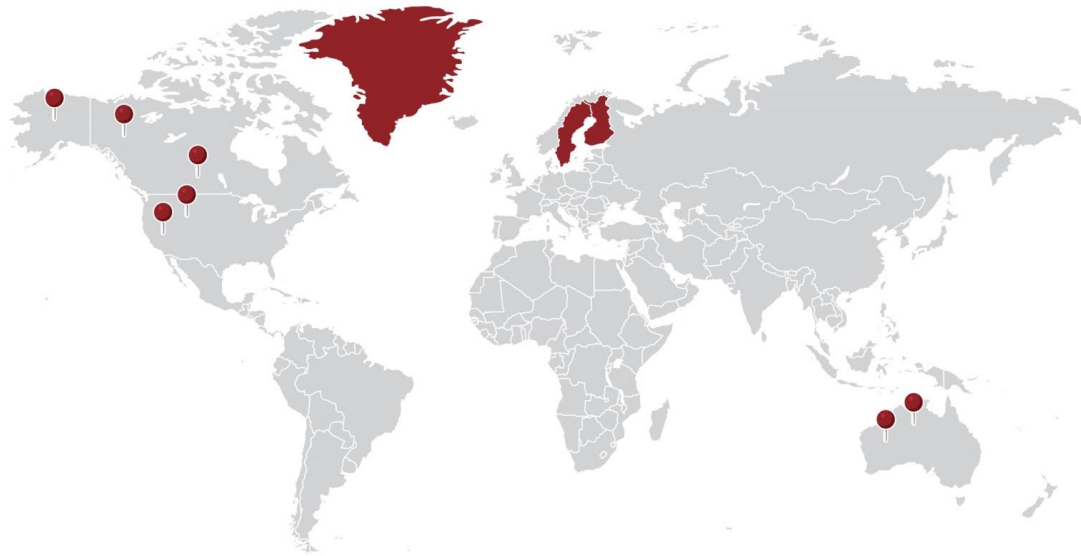
	Country	Score
1	Finland	95.5
2	Sweden	93.6
3	Alberta	92.6
4	New Brunswick	90.8
5	Wyoming	90.1
6	Ireland	89.7
7	Nevada	85.3
8	Yukon	83.8
9	Utah	83.8
10	Norway	82.4

Source: Fraser Institute Survey of Mining Companies (2012/2013) and Applied Analysis





CURRENT MINERAL POTENTIAL INDEX



	Country	Score
1	Greenland	0.76
2	Finland	0.74
3	Sweden	0.73
4	Nevada	0.72
5	Saskatchewan	0.72
6	Alaska	0.72
7	Yukon	0.71
8	Wyoming	0.71
9	W. Australia	0.67
10	Northern Territory	0.65

Source: Fraser Institute Survey of Mining Companies (2012/2013) and Applied Analysis

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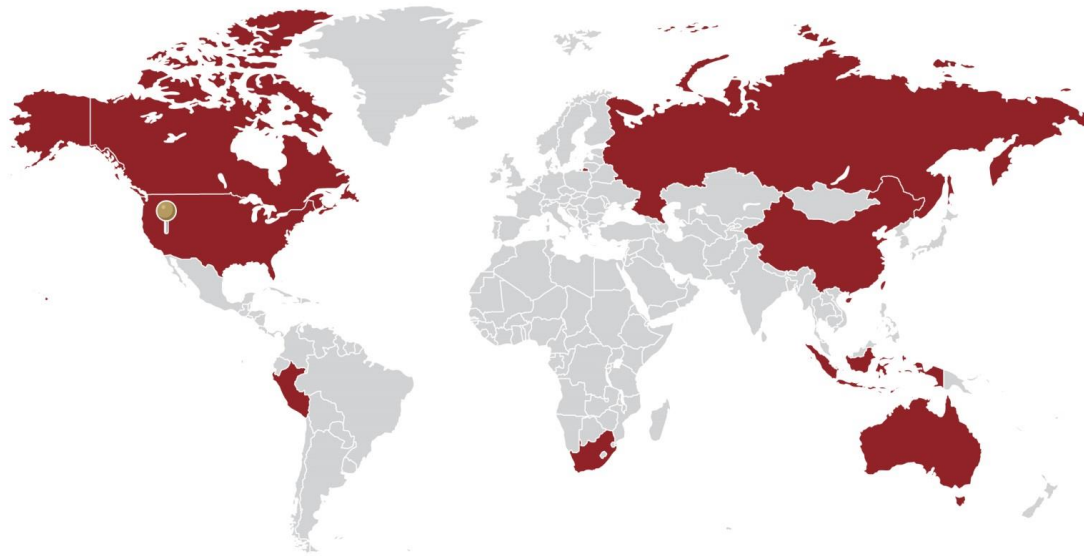
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GLOBAL GOLD PRODUCTION



	Country	Percent of Total
1	Other	24.1%
2	China	13.6%
3	Australia	9.7%
4	United States	8.8%
5	Russia	7.5%
6	South Africa	6.8%
7	Peru	6.2%
8	Nevada	5.9%
9	Canada	3.6%
10	Indonesia	3.6%

Source: U.S Geological Survey (2011), Nevada Division of Minerals (2011) and Applied Analysis

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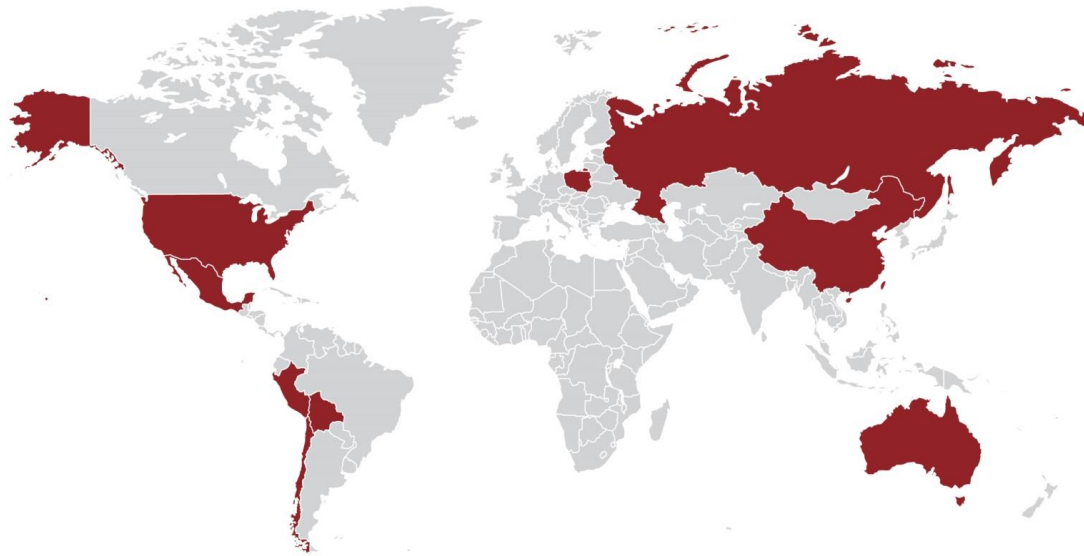
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APPLIED
ANALYSIS



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GLOBAL SILVER PRODUCTION



	Country	Percent of Total
1	Mexico	17.8%
2	China	15.9%
3	Other	15.5%
4	Peru	14.6%
5	Australia	7.4%
6	Russia	5.8%
7	Chile	5.5%
8	Bolivia	5.2%
9	Poland	5.0%
10	United States	4.8%
12	Nevada	0.9%

Source: U.S Geological Survey (2011), Nevada Division of Minerals (2011) and Applied Analysis

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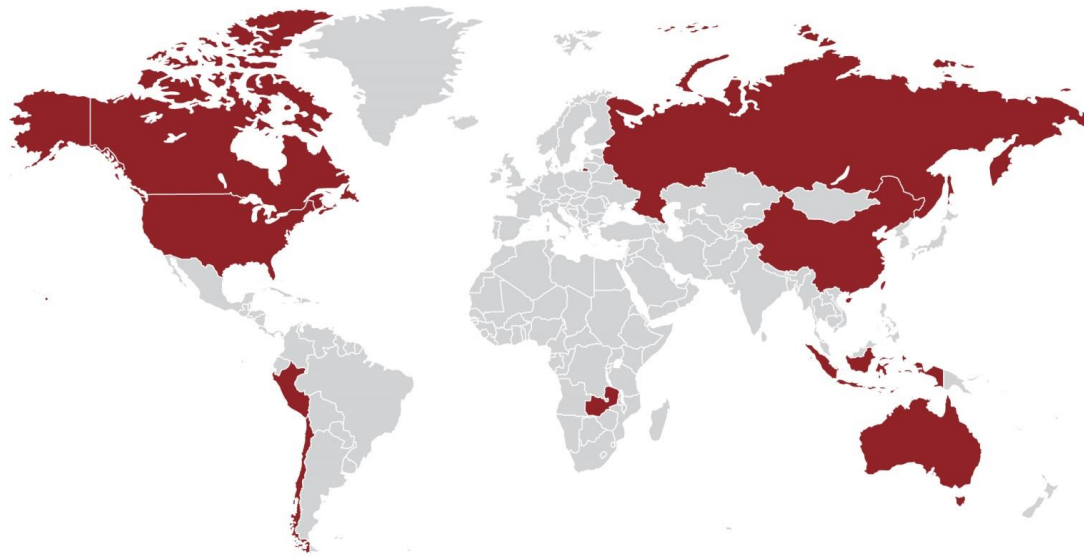
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APPLIED
ANALYSIS



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GLOBAL COPPER PRODUCTION



	Country	Percent of Total
1	Chile	32.7%
2	Other	12.2%
3	China	8.1%
4	Peru	7.7%
5	United States	6.9%
6	Australia	6.0%
7	Russia	4.4%
8	Zambia	4.1%
9	Canada	3.5%
10	Indonesia	3.4%
15	Nevada	0.3%

Source: U.S Geological Survey (2011), Nevada Division of Minerals (2011) and Applied Analysis

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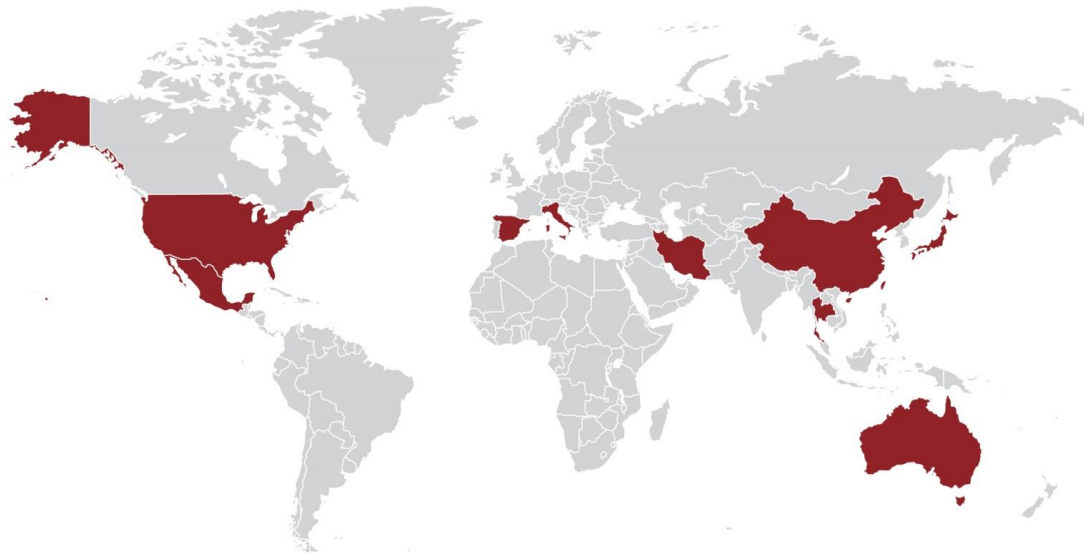
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GLOBAL GYPSUM PRODUCTION



	Country	Percent of Total
1	China	32.2%
2	Other	9.7%
3	Iran	8.7%
4	Spain	7.7%
5	Thailand	6.6%
6	United States	6.0%
7	Japan	3.8%
8	Italy	2.8%
9	Mexico	2.6%
10	Australia	2.3%
23	Nevada	0.6%

Source: U.S Geological Survey (2011), Nevada Division of Minerals (2011) and Applied Analysis

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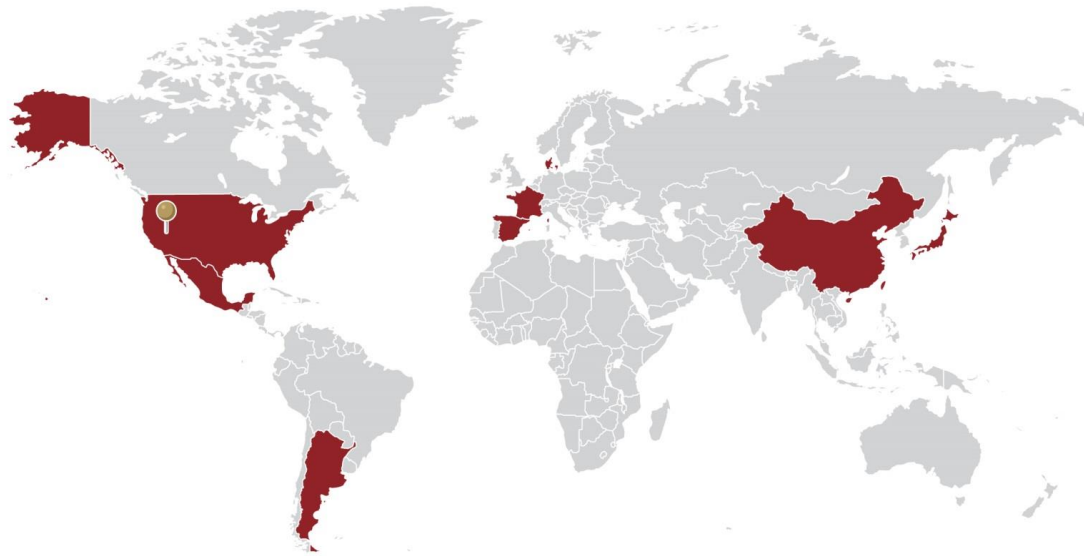
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GLOBAL DIATOMITE PRODUCTION



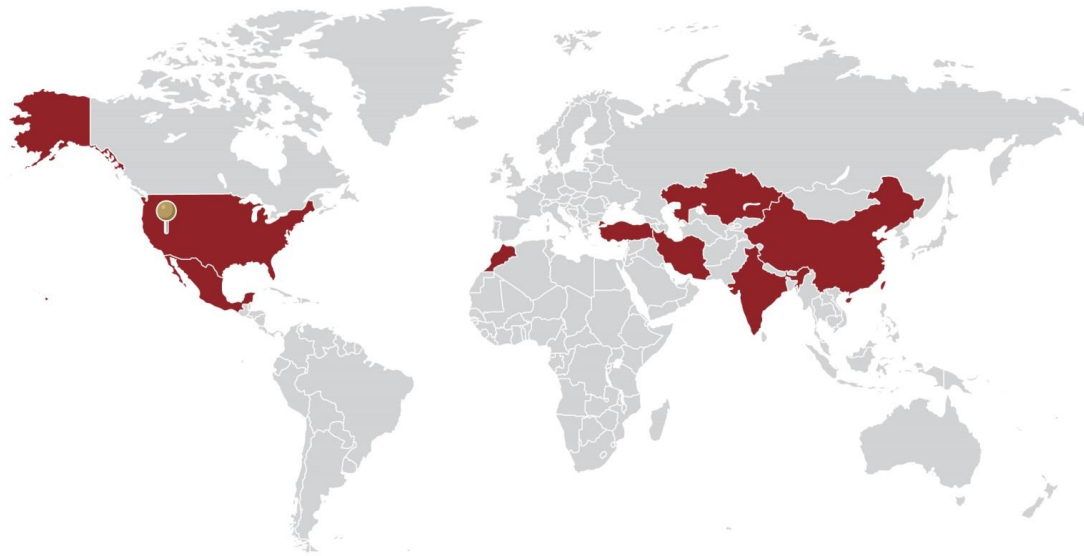
	Country	Percent of Total
1	United States	38.7%
2	Nevada	21.6%
3	China	21.0%
4	Denmark	10.7%
5	Other	7.6%
6	Japan	4.8%
7	Mexico	4.3%
8	France	3.6%
9	Argentina	3.0%
10	Spain	2.4%

Source: U.S Geological Survey (2011), Nevada Division of Minerals (2011) and Applied Analysis



B

GLOBAL BARITE PRODUCTION



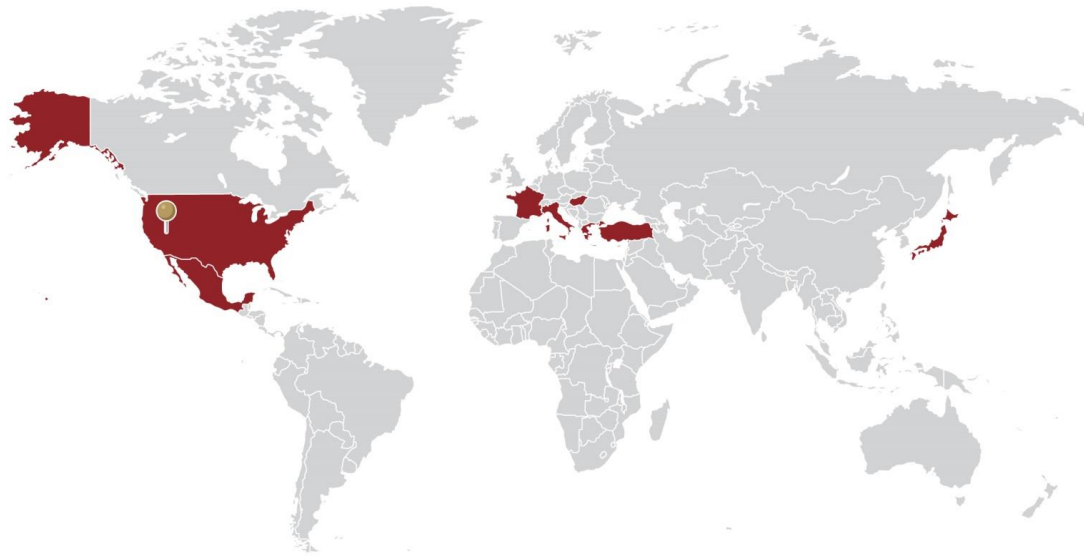
	Country	Percent of Total
1	China	49.0%
2	India	16.1%
3	United States	8.5%
4	Nevada	7.9%
5	Morocco	7.2%
6	Iran	4.2%
7	Turkey	2.7%
8	Other	2.6%
9	Kazakhstan	2.4%
10	Mexico	1.9%

Source: U.S Geological Survey (2011), Nevada Division of Minerals (2011) and Applied Analysis



P

GLOBAL PERLITE PRODUCTION



	Country	Percent of Total
1	Greece	28.2%
2	United States	23.7%
3	Japan	16.9%
4	Turkey	14.1%
5	Other	8.5%
6	Hungary	3.7%
7	Italy	3.4%
8	Mexico	1.7%
9	Nevada	0.5%

Source: U.S Geological Survey (2011), Nevada Division of Minerals (2011) and Applied Analysis





POLICY FACTORS INFLUENCING NEVADA MINING

- Rank the following policy factors relative to how they will influence your company's decisions to make future investments in Nevada:

Policy Factor	Score	
	Average	Median
Uncertainty about state tax structure	7.8	8
Regulatory uncertainty	7.2	8
Environmental regulation uncertainty	7.2	8
Political stability on a state level	6.6	8
Availability of labor/skilled workforce	7.4	8
Duplication/inconsistencies in regulatory environment	6.9	8
Uncertainty about national tax structure	6.7	7
Uncertainty about future protected areas	6.1	7
Infrastructure	6.3	7
Political stability on a national level	6.1	7
Labor/employment agreements	5.3	6
Socioeconomic or local community development conditions or agreements	5.7	6
Trade barriers	4.1	5

Increasing importance ↑

Source: NVMA Member Survey

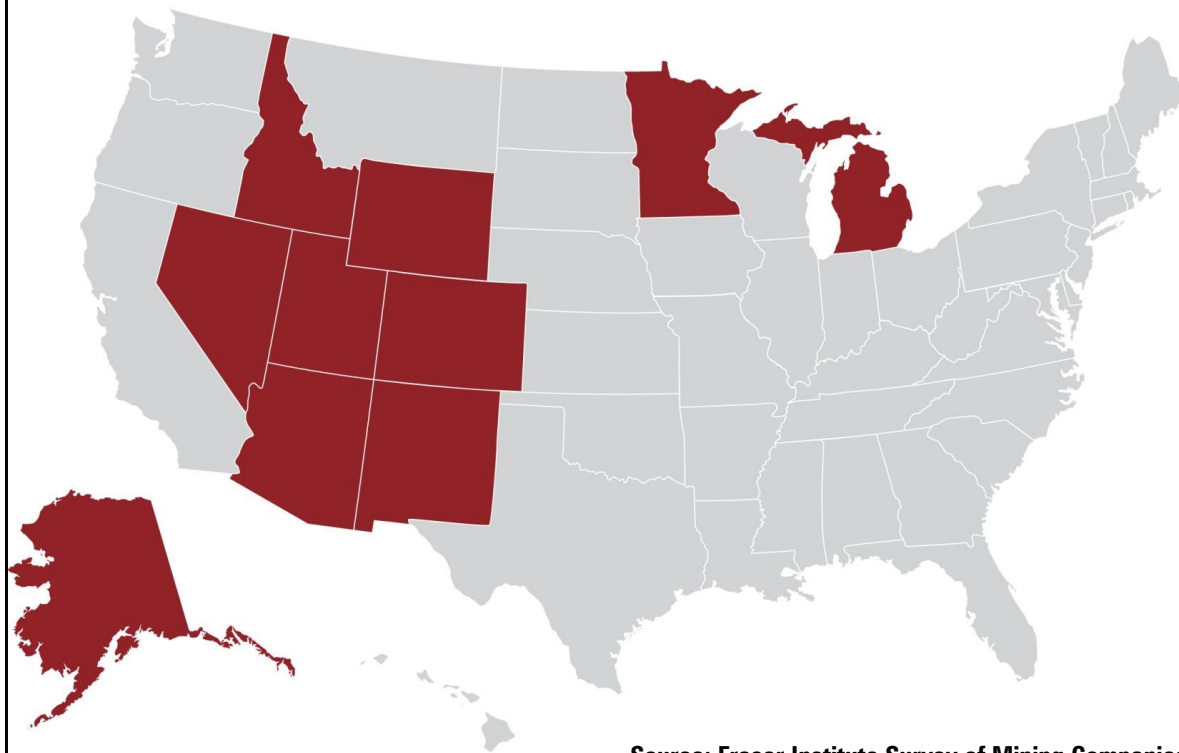


THE ROLE OF THE STATE'S MINING INDUSTRY





POLICY POTENTIAL INDEX



	State	Score
1	Wyoming	90.1
2	Nevada	85.3
3	Utah	83.8
4	Alaska	75.5
5	Arizona	64.2
6	Michigan	62.3
7	Colorado	61.9
8	Idaho	61.6
9	Minnesota	58.1
10	New Mexico	56.2

Source: Fraser Institute Survey of Mining Companies (2012/2013) and Applied Analysis

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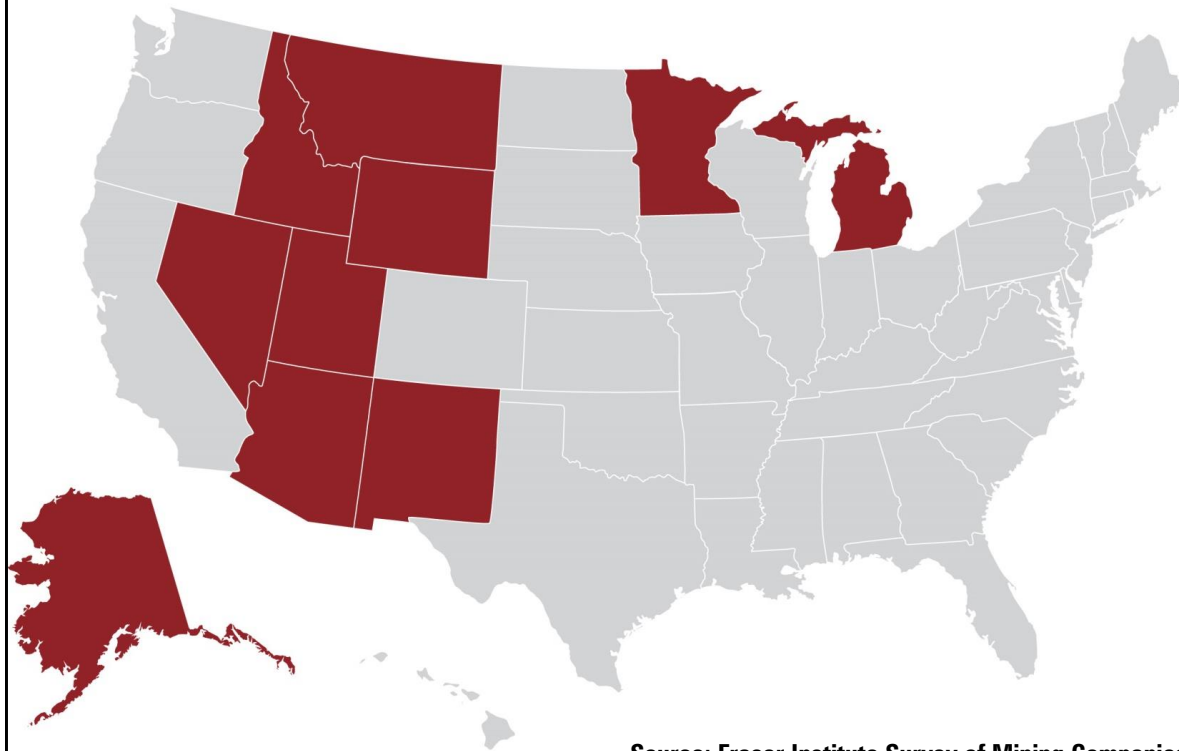
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CURRENT MINERAL POTENTIAL INDEX



	State	Score
1	Nevada	0.72
2	Alaska	0.72
3	Wyoming	0.71
4	Utah	0.61
5	Arizona	0.60
6	Idaho	0.52
7	New Mexico	0.46
8	Minnesota	0.43
9	Michigan	0.43
10	Montana	0.41

Source: Fraser Institute Survey of Mining Companies (2012/2013) and Applied Analysis

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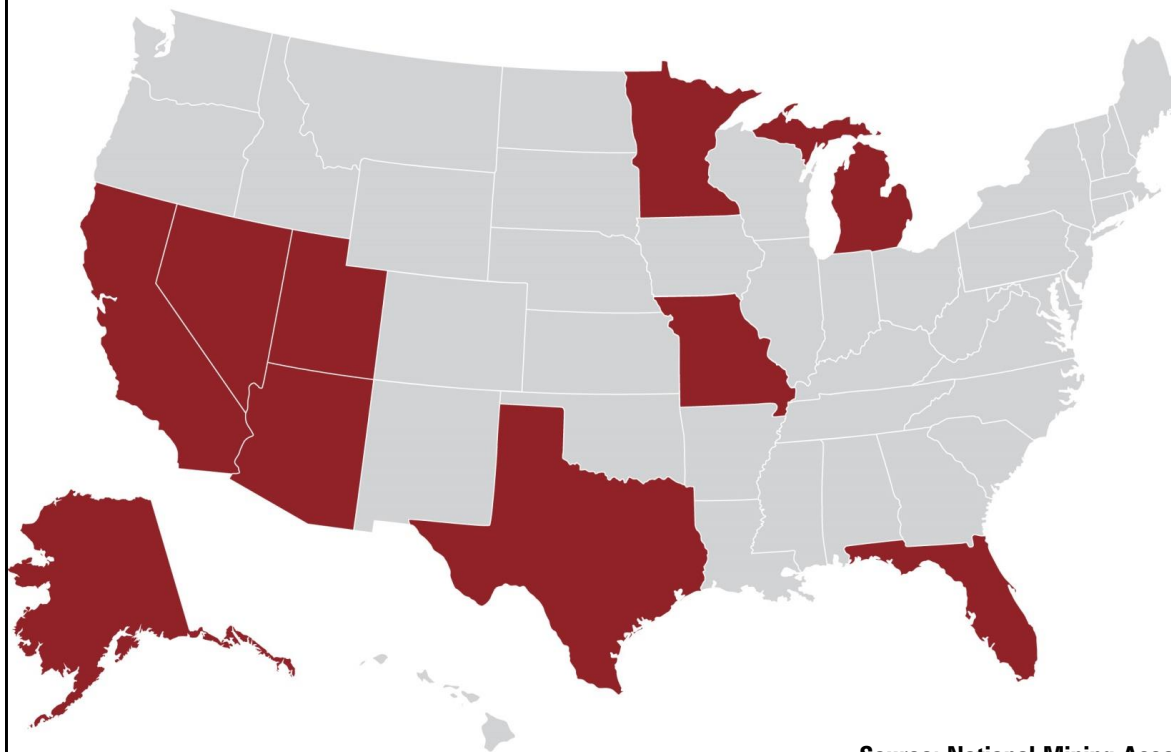
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US NON-FUEL MINERAL PRODUCTION



	State	Percent of Total
1	Nevada	14.6%
2	Arizona	10.5%
3	Minnesota	5.9%
4	Florida	4.8%
5	California	4.7%
6	Alaska	4.6%
7	Utah	4.6%
8	Texas	4.4%
9	Missouri	3.5%
10	Michigan	2.9%

Source: National Mining Association (2012) and Applied Analysis

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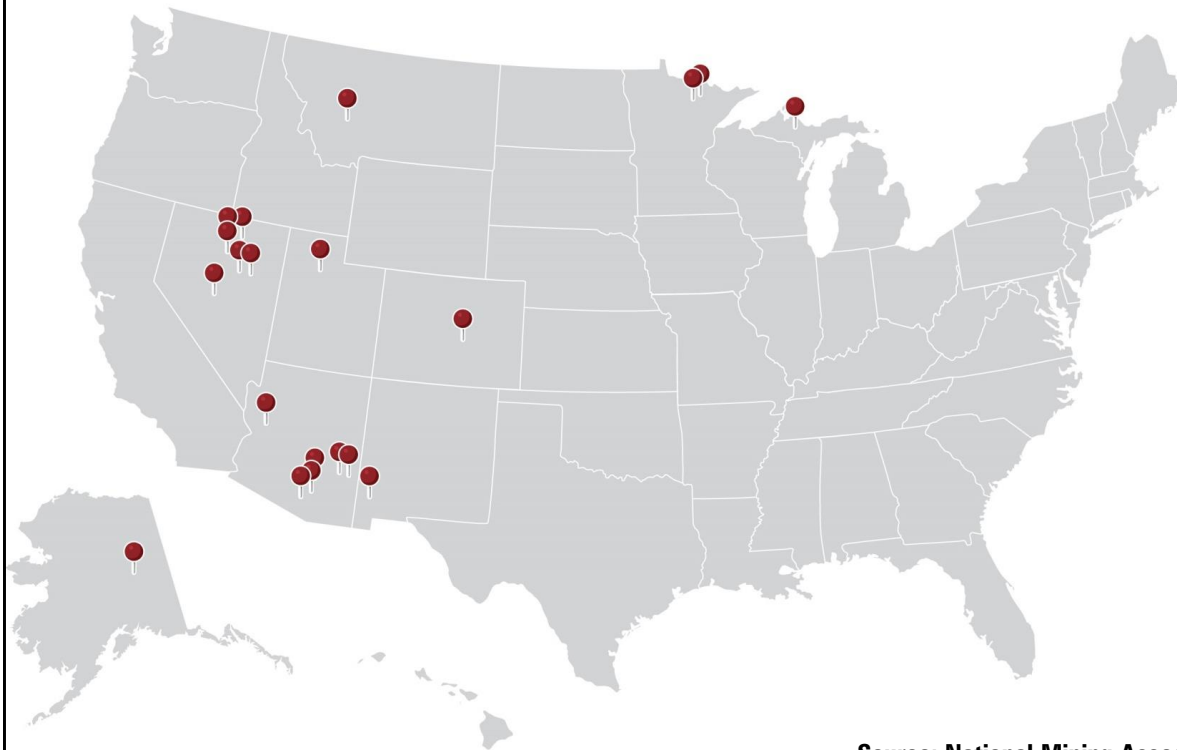
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TOP MINERAL-PRODUCING MINES



7 of the top 20 mineral-producing mines in the United States are located in Nevada.

Source: National Mining Association (2010) and Applied Analysis

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APPLIED
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ECONOMIC FACTORS INFLUENCING NEVADA MINING

- Rank the following economic factors relative to how they will influence your company's decisions to make future investments in Nevada:

Increasing importance ↑

Economic Factor	Score	
	Average	Median
Mineral price trends	8.0	10
Availability of capital	7.4	8
North America economy	6.9	8
Cost of capital	7.0	8
Global economy	6.1	7
U.S. economy	6.2	7
Nevada economy	5.9	6
Stock market performance	5.4	5
Asia Pacific economy	5.3	5
South America economy	4.6	5
Europe economy	4.7	5
Africa economy	4.1	4
Middle East economy	3.7	3

Source: NVMA Member Survey



DAILY GOLD PRICE



Source: London Bullion Market Association



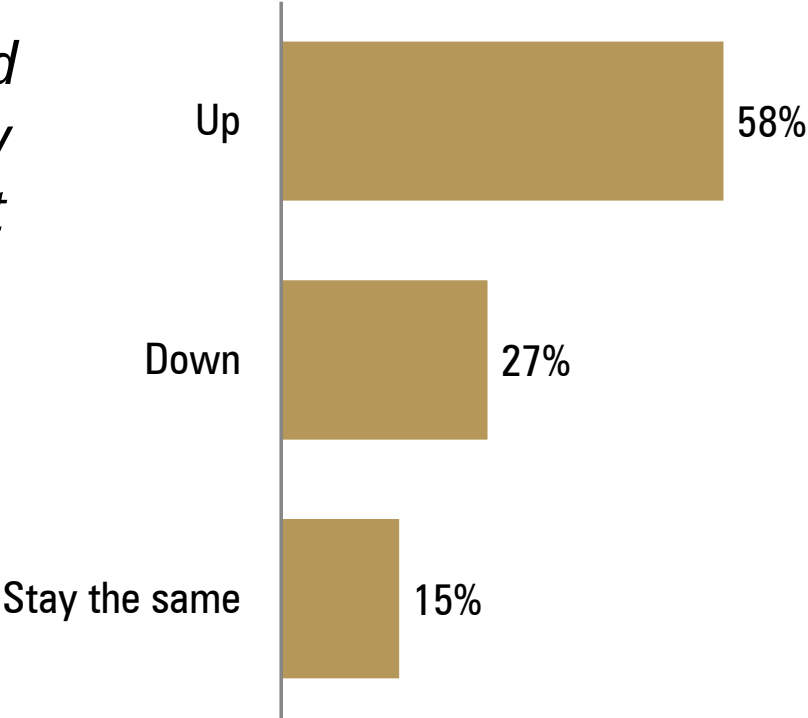
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NVMA MEMBERS' GOLD PRICE PREDICTIONS

- *Will the price of gold go up, down, or stay the same in the next 12 months?*

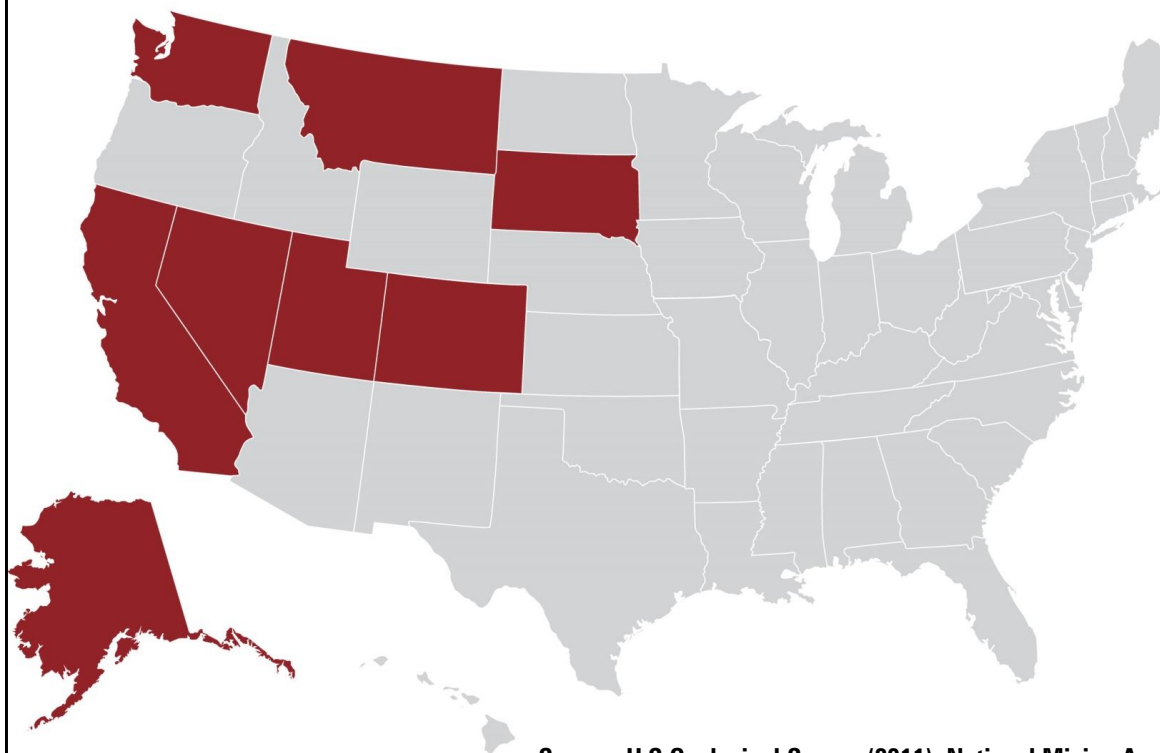


Source: NVMA Member Survey





US GOLD PRODUCTION



	State	Percent of Total
1	Nevada	73.5%
2	Alaska	10.9%
3	Utah	5.0%
4	Colorado	3.6%
5	California	2.7%
6	Washington	2.3%
7	South Dakota	0.9%
8	Montana	0.8%

Source: U.S Geological Survey (2011), National Mining Association (2011) and Applied Analysis

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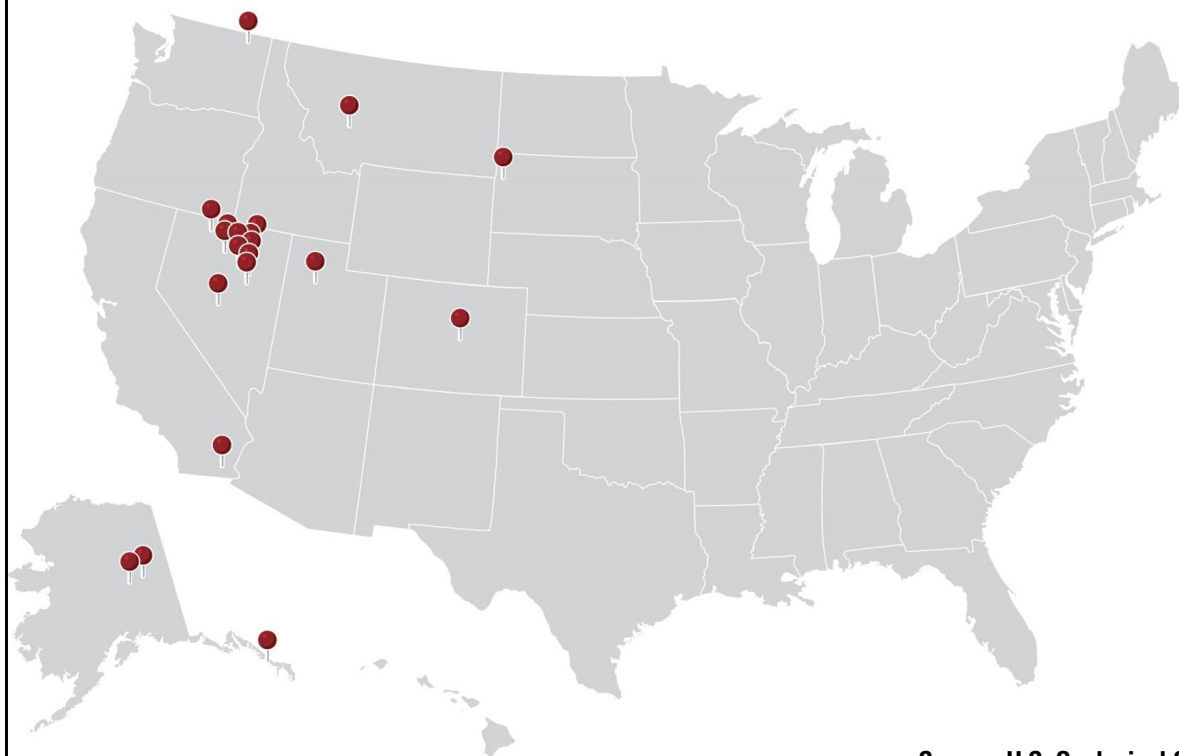
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APPLIED
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TOP GOLD-PRODUCING MINES



**11 of the
top 20
gold-
producing
mines in
the United
States are
located in
Nevada.**

Source: U.S. Geological Survey (2011) and Applied Analysis

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NEVADA ECONOMY HIGHLIGHTS

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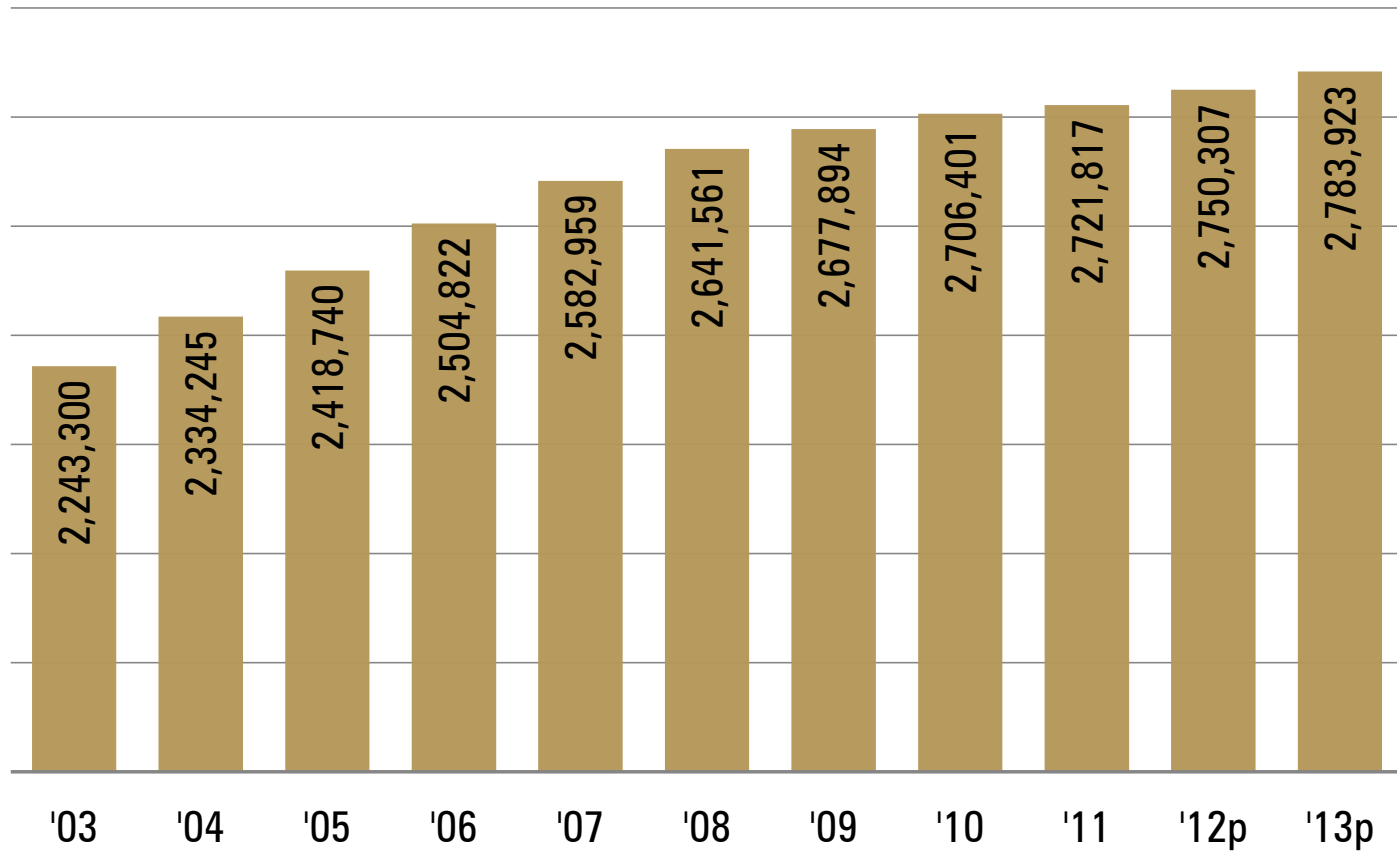
Indicators	Peak		Present		%Δ	
Total Nonfarm Employment	Jan-08	1,292,533	Jul-13	1,155,575	-10.6%	▼
Average Weekly Hours Worked	Dec-07	37.3	Jul-13	33.8	-9.4%	▼
Unemployment Rate	Feb-07	4.3%	Jul-13	9.9%	+5.6%	▲
Initial UI Claims	Feb-06	129,012	Jul-13	209,680	+62.5%	▲
Private Businesses	Q4-08	75,809	Q1-13	71,961	-5.1%	▼
Personal Income (Billions)	Q3-08	\$106.7	Q1-13	\$103.7	-2.8%	▼
Residential Units Permitted	Mar-06	49,520	Jun-13	9,714	-80.4%	▼
Housing Price Index	Q4-06	406.4	Q2-13	195.7	-51.8%	▼
Taxable Retail Sales (Billions)	Mar-07	\$49.6	Jun-13	\$45.2	-8.9%	▼
Gross Gaming Revenue (Billions)	Oct-07	\$13.0	Jul-13	\$10.8	-16.6%	▼
Visitor Volume (Millions)	Dec-07	54.6	Mar-13	52.1	-4.7%	▼
Hotel Occupancy	Jun-07	85.2%	Mar-13	79.3%	-6.0%	▼



Indicators	Prior Year		Present		%Δ	
Total Nonfarm Employment	Jul-12	1,133,325	Jul-13	1,155,575	+2.0%	▲
Average Weekly Hours Worked	Jul-12	34.0	Jul-13	33.8	-0.8%	▼
Unemployment Rate	Jul-12	12.1%	Jul-13	9.9%	-2.2%	▼
Initial UI Claims	Jul-12	223,906	Jul-13	209,680	-6.4%	▼
Private Businesses	Q1-12	70,360	Q1-13	71,961	+2.3%	▲
Personal Income (Billions)	Q1-12	\$101.1	Q1-13	\$103.7	+2.5%	▲
Residential Units Permitted	Jun-12	6,624	Jun-13	9,714	+46.6%	▲
Housing Price Index	Q2-12	184.2	Q2-13	195.7	+6.3%	▲
Taxable Retail Sales (Billions)	Jun-12	\$43.0	Jun-13	\$45.2	+5.2%	▲
Gross Gaming Revenue (Billions)	Jul-12	\$10.9	Jul-13	\$10.8	-0.3%	▼
Visitor Volume (Millions)	Mar-12	51.7	Mar-13	52.1	+0.8%	▲
Hotel Occupancy	Mar-12	78.8%	Mar-13	79.3%	+0.5%	▲



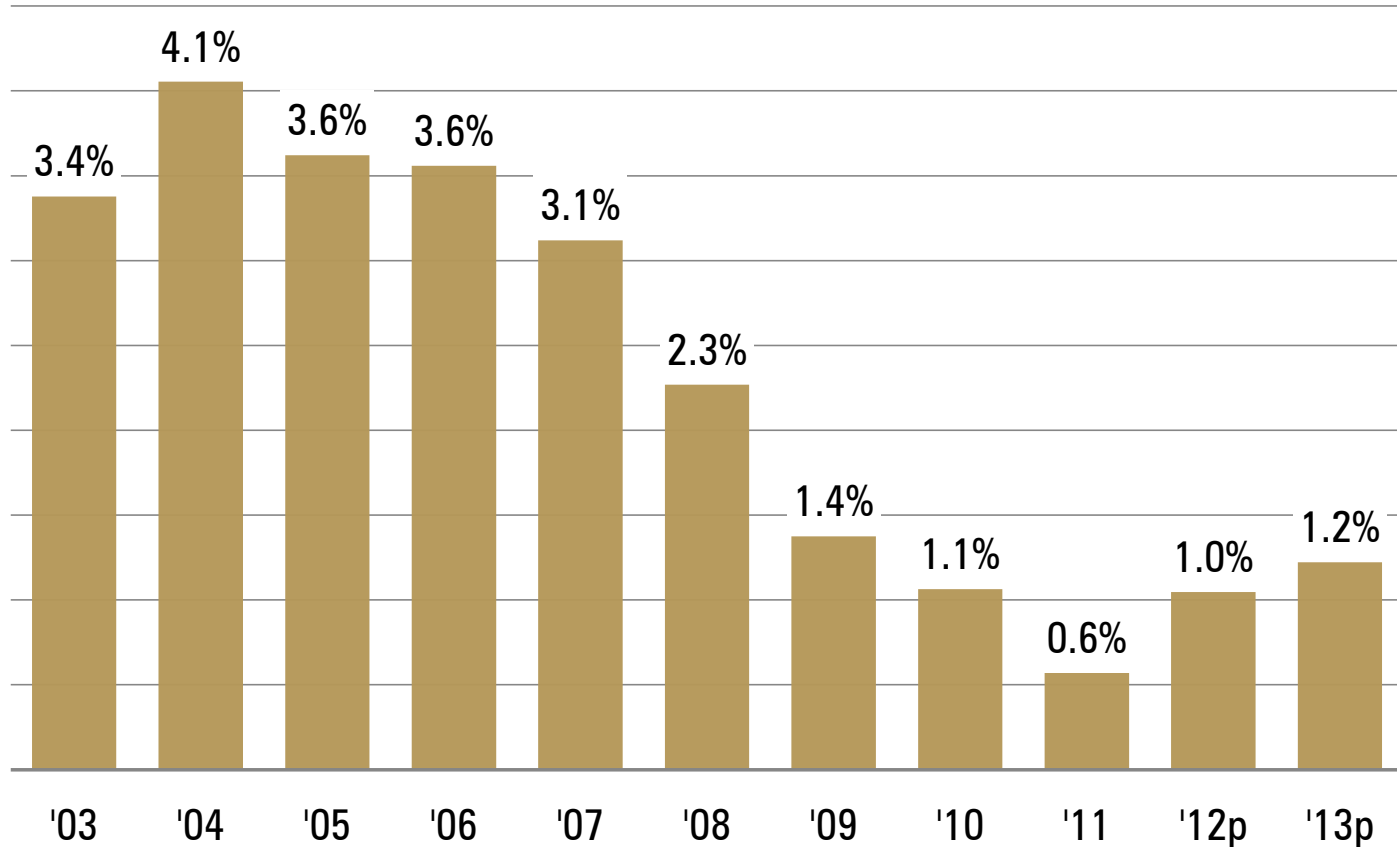
NEVADA POPULATION



Source: Nevada State Demographer and Applied Analysis



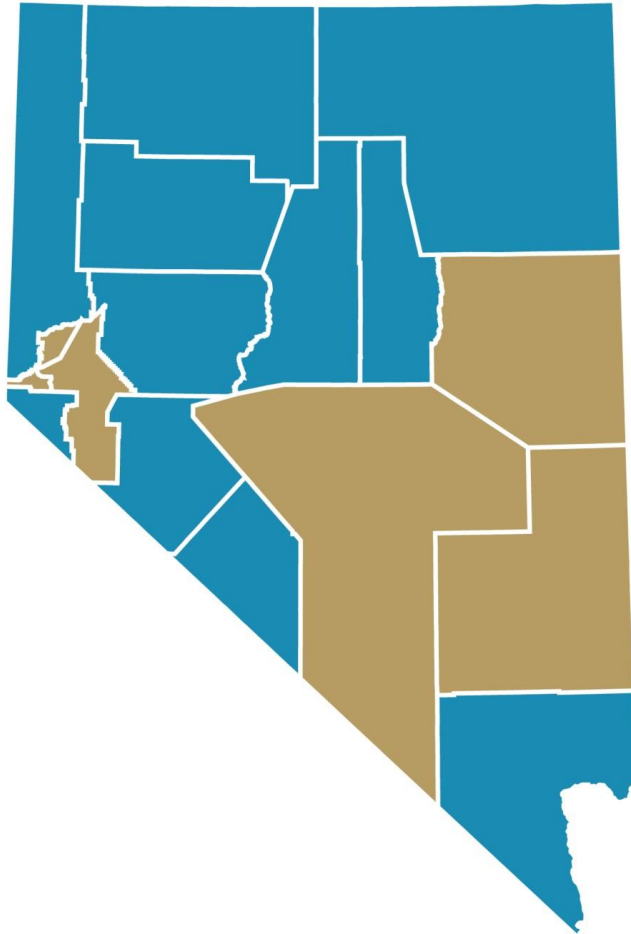
NEVADA POPULATION GROWTH



Source: Nevada State Demographer and Applied Analysis



NEVADA POPULATION GROWTH BY COUNTY

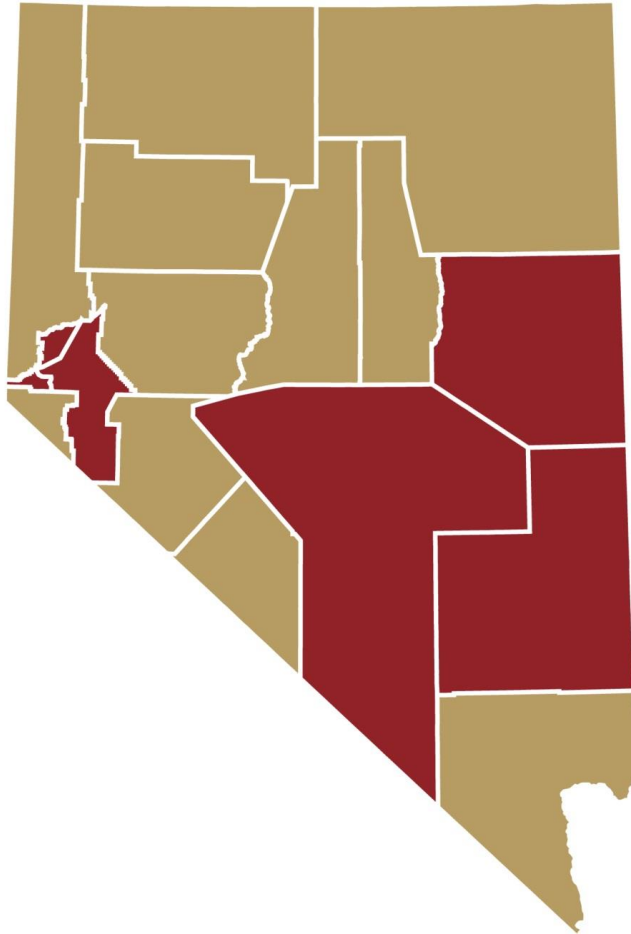


POSITIVE YEAR-OVER-YEAR GROWTH	PERCENT CHANGE
ESMERALDA	4.2%
LANDER	3.9%
ELKO	3.8%
PERSHING	2.4%
CLARK	2.1%
MINERAL	1.7%
HUMBOLDT	1.5%
WASHOE	1.4%
EUREKA	0.9%
DOUGLAS	0.7%
CHURCHILL	0.4%

Source: Nevada State Demographer and Applied Analysis



NEVADA POPULATION GROWTH BY COUNTY

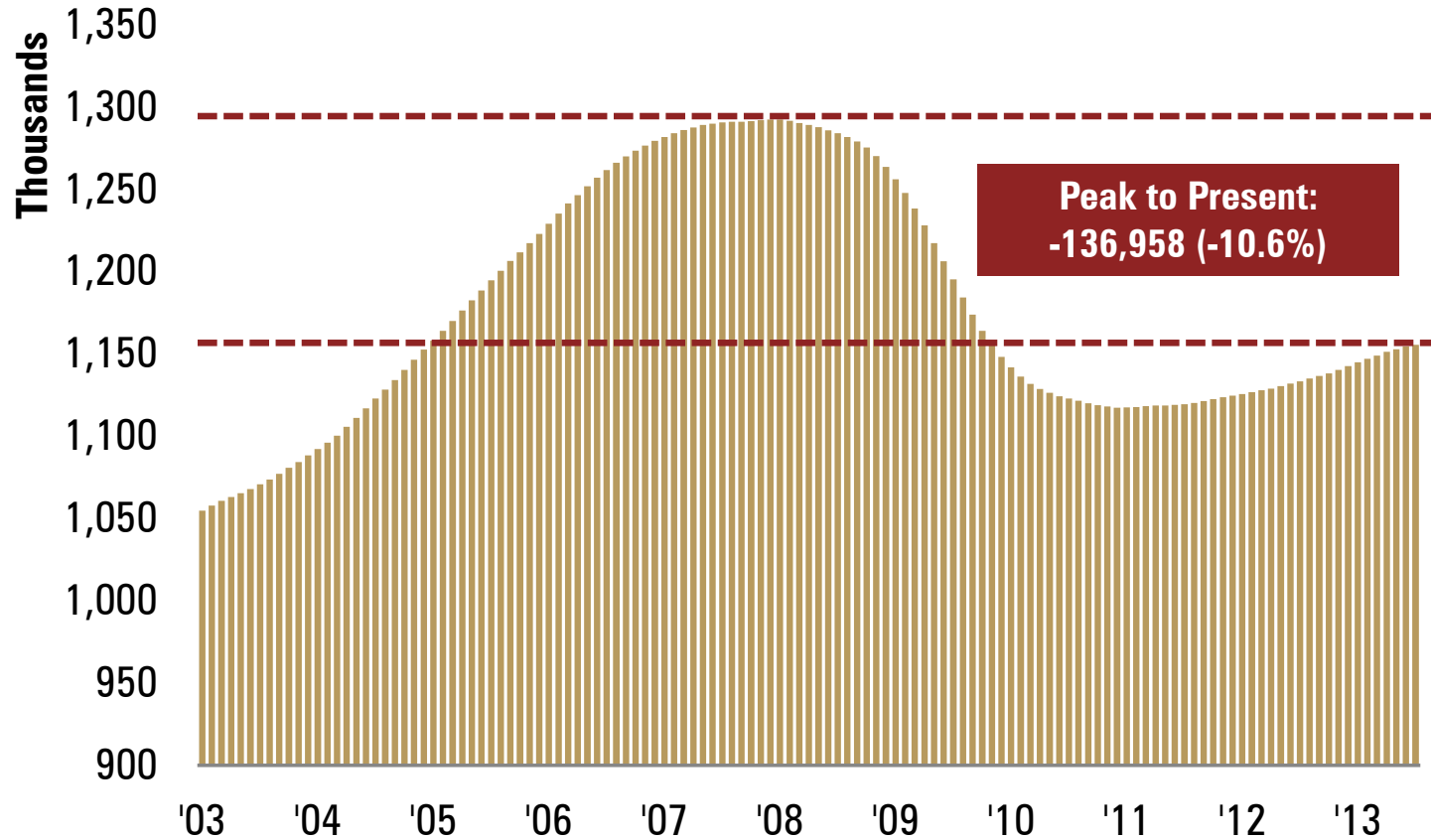


NEGATIVE YEAR-OVER-YEAR GROWTH	PERCENT CHANGE
LINCOLN	-3.5%
CARSON CITY	-1.1%
WHITE PINE	-0.6%
NYE	-0.5%
STOREY	-0.5%
LYON	-0.4%

Source: Nevada State Demographer and Applied Analysis



NEVADA EMPLOYMENT TRAILING 12-MONTH AVERAGE



Source: Nevada Department of Employment, Training and Rehabilitation; U.S. Bureau of Labor Statistics and Applied Analysis

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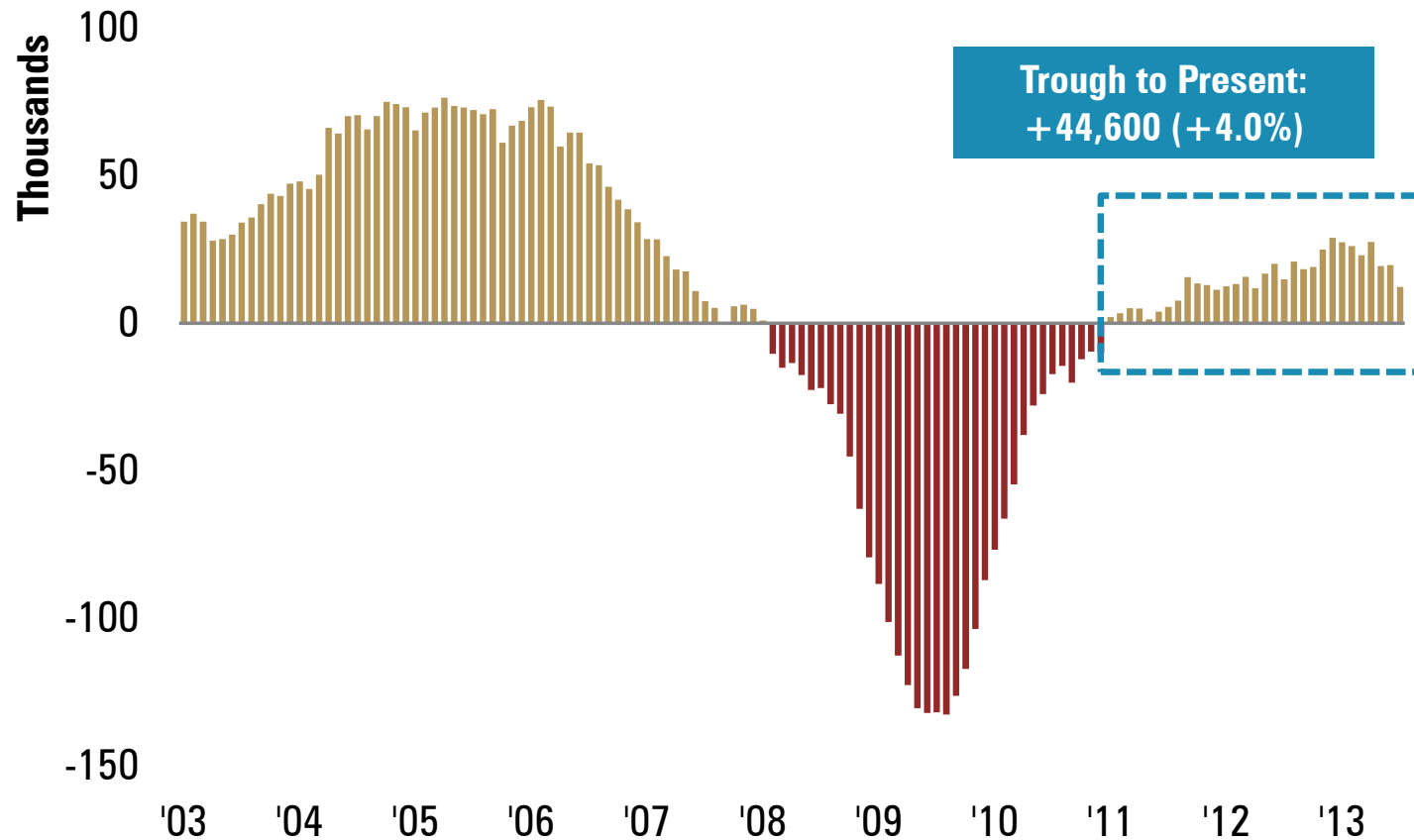
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NEVADA EMPLOYMENT GROWTH



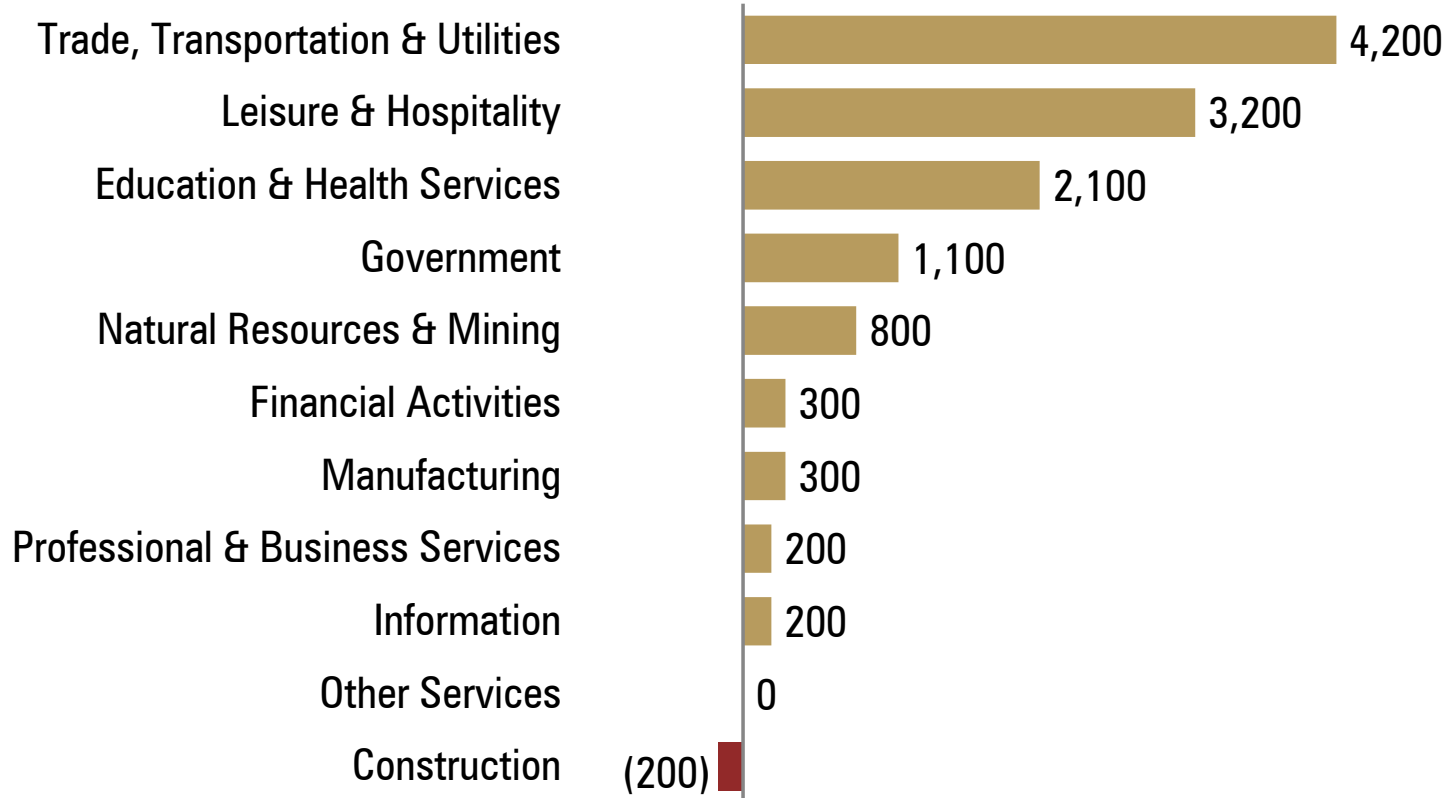
Source: Nevada Department of Employment, Training and Rehabilitation; U.S. Bureau of Labor Statistics and Applied Analysis



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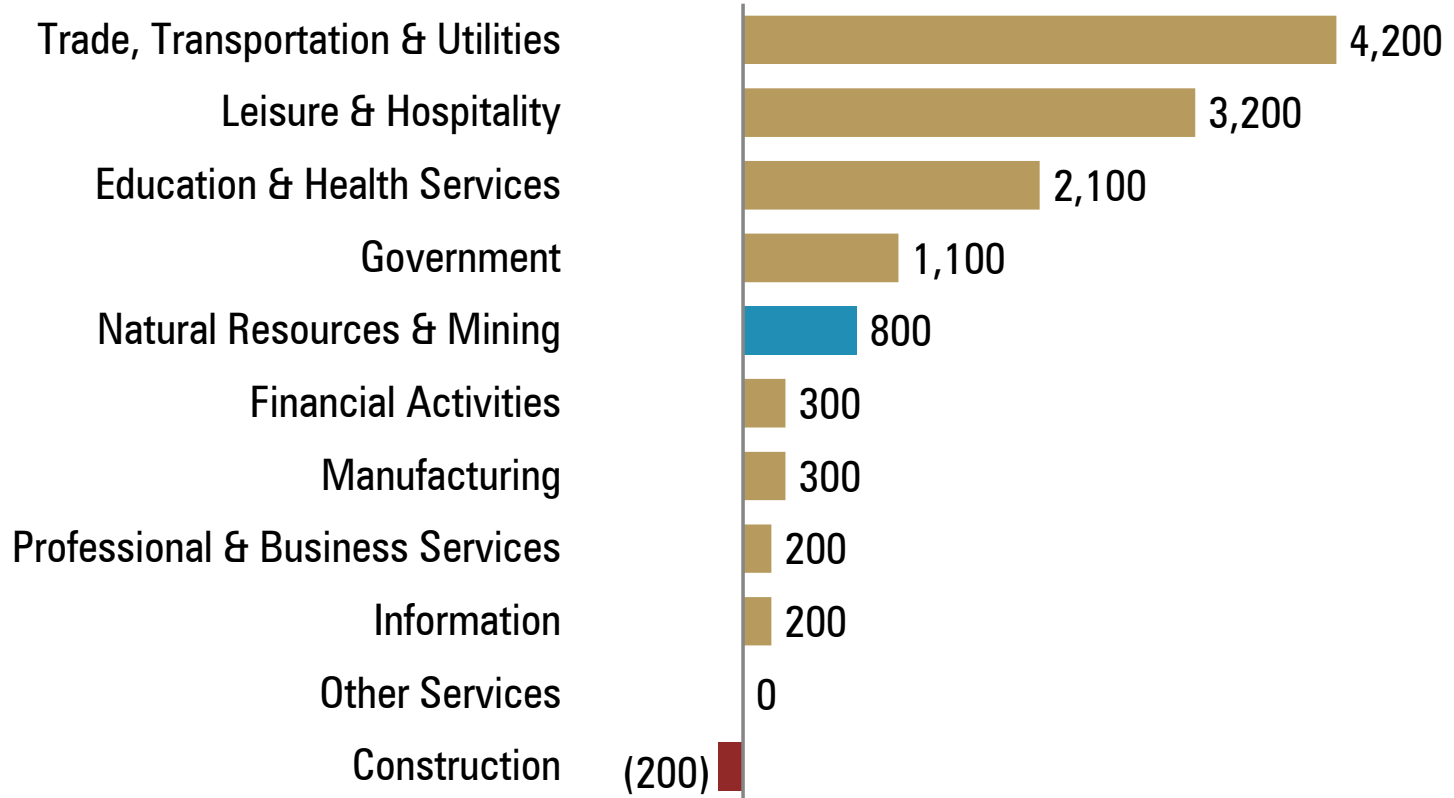
NEVADA EMPLOYMENT GROWTH BY SECTOR



Source: Nevada Department of Employment, Training and Rehabilitation



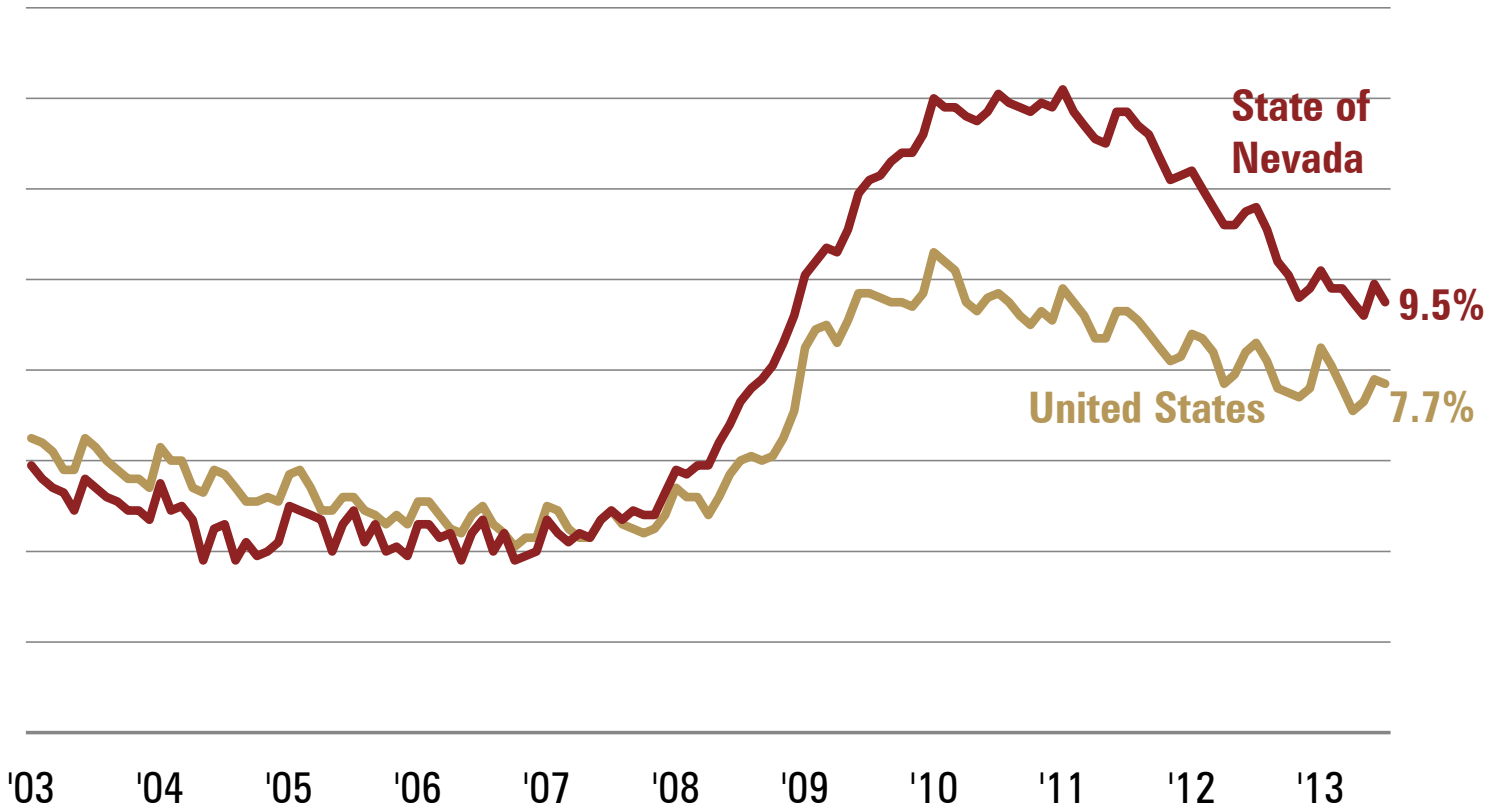
NEVADA EMPLOYMENT GROWTH BY SECTOR



Source: Nevada Department of Employment, Training and Rehabilitation



UNEMPLOYMENT RATE COMPARISON NEVADA AND THE UNITED STATES



Source: U.S. Bureau of Labor Statistics and Applied Analysis

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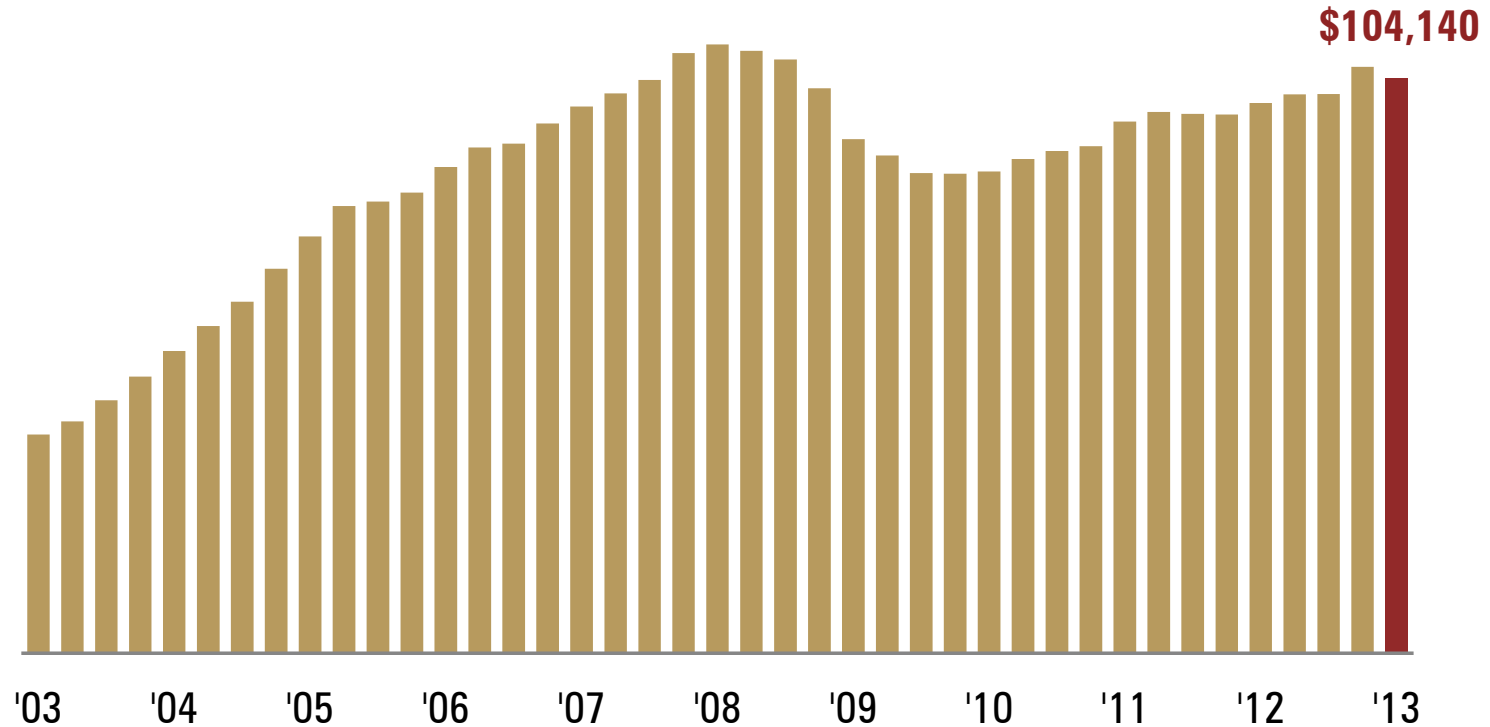
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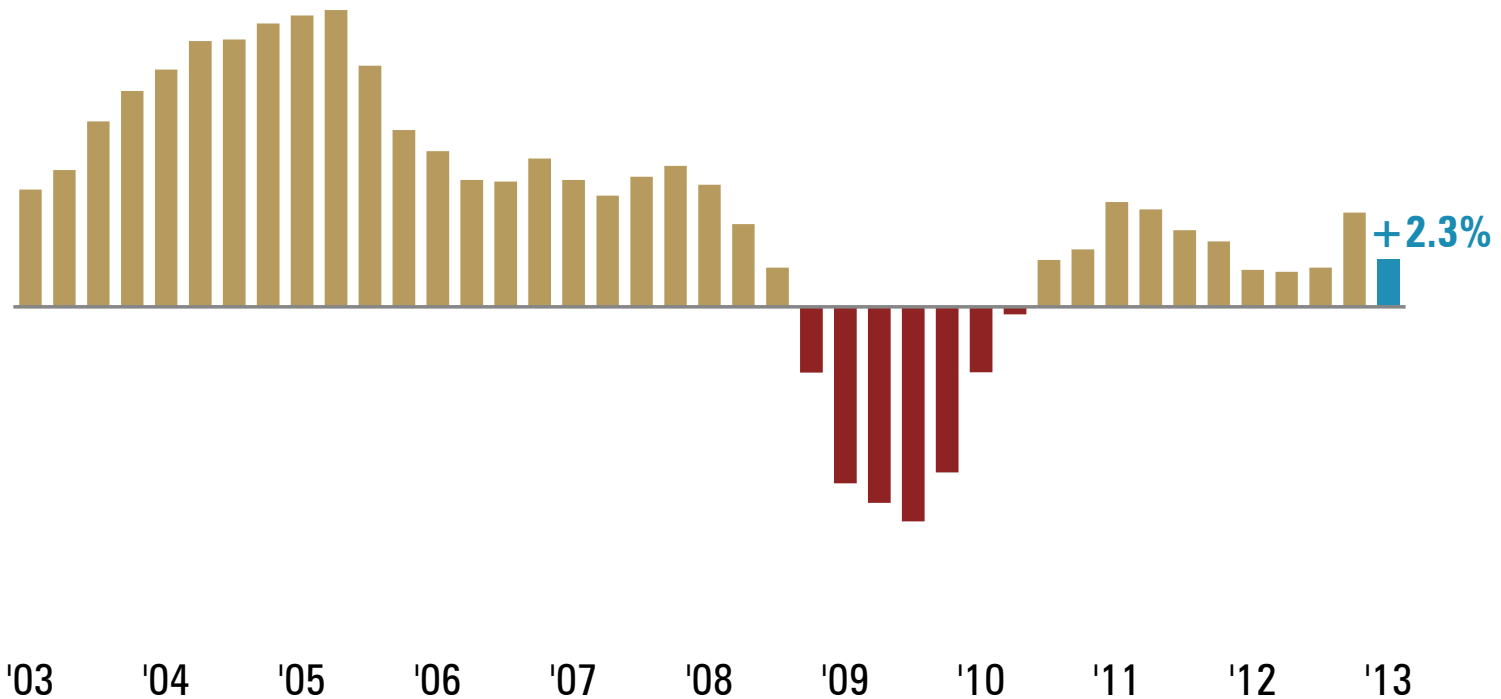
NEVADA PERSONAL INCOME IN MILLIONS



Source: U.S. Bureau of Economic Analysis



NEVADA PERSONAL INCOME GROWTH



Source: U.S. Bureau of Economic Analysis

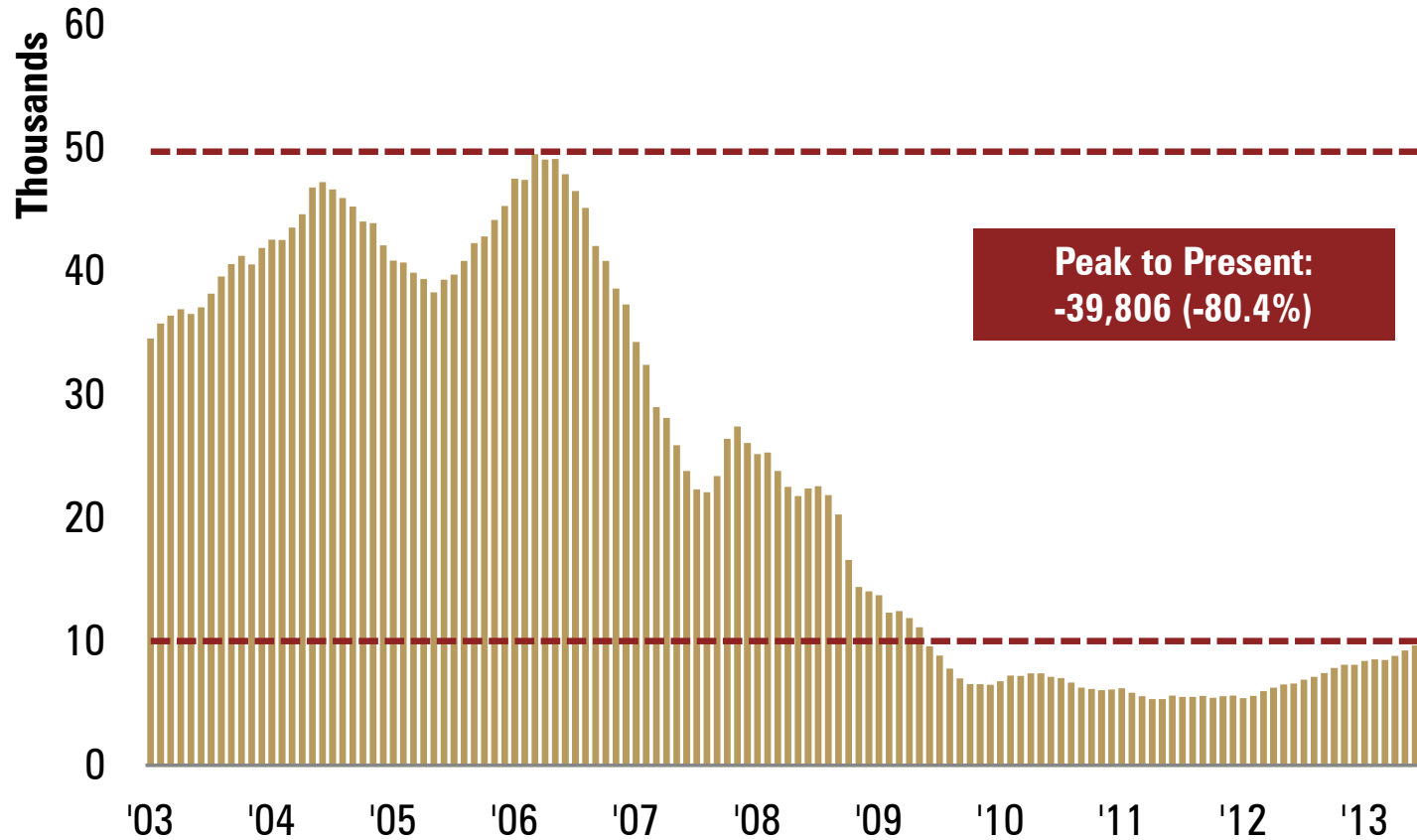
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NEVADA RESIDENTIAL UNITS PERMITTED



Source: UNLV CBER and Applied Analysis

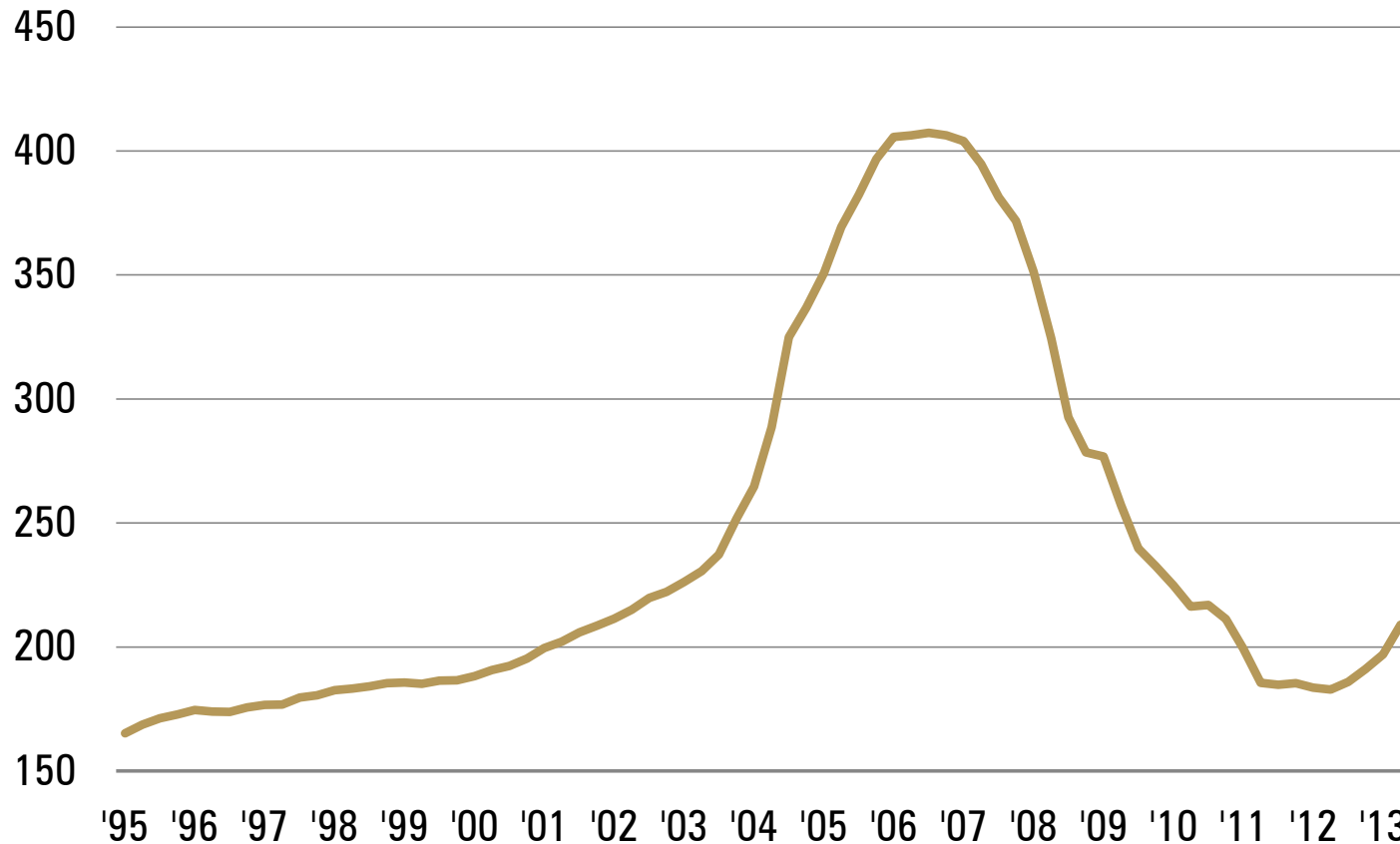
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THE ROLE OF THE STATE'S MINING INDUSTRY

APPLIED
ANALYSIS



NEVADA HOUSING PRICE INDEX



Source: Federal Housing Finance Agency

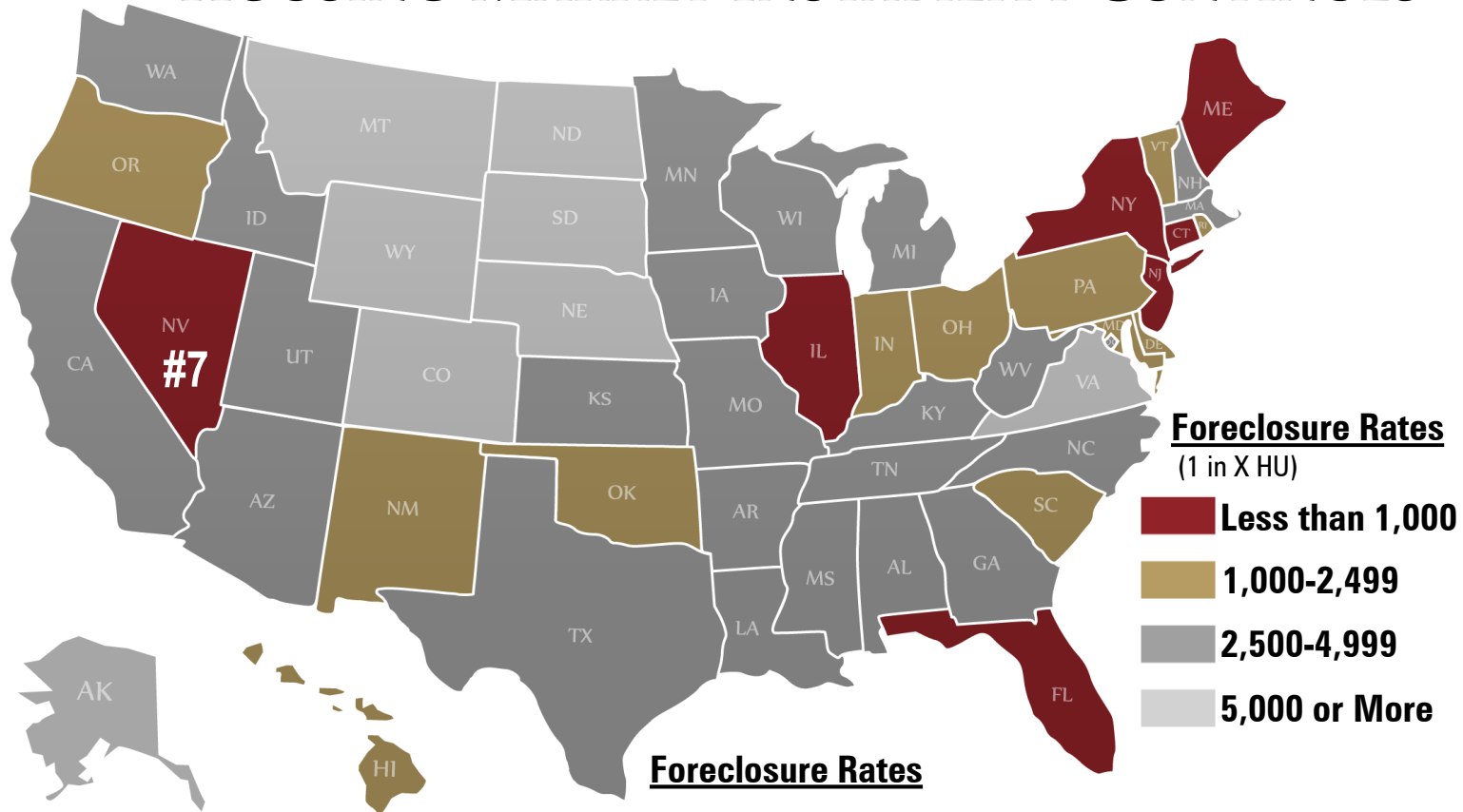
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HOUSING MARKET INSTABILITY CONTINUES



Foreclosure Rates
(1 in X HU)

- Less than 1,000**
- 1,000-2,499**
- 2,500-4,999**
- 5,000 or More**

Foreclosure Rates

United States: 1 in 1,001 Units
 Nevada: 1 in 731 Units
 Clark County: 1 in 613 Units

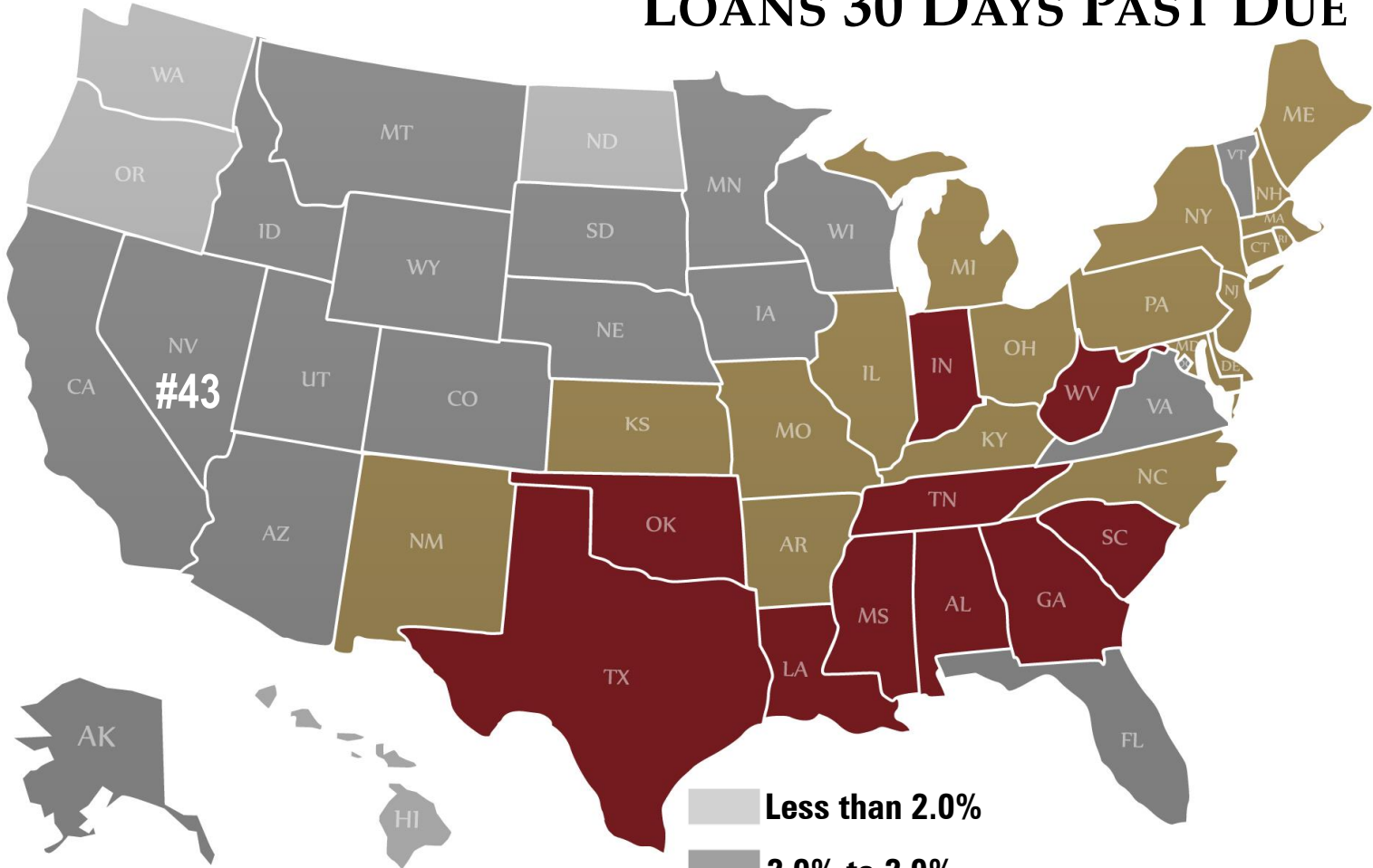
Source: RealtyTrac (July 2013)



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LOANS 30 DAYS PAST DUE

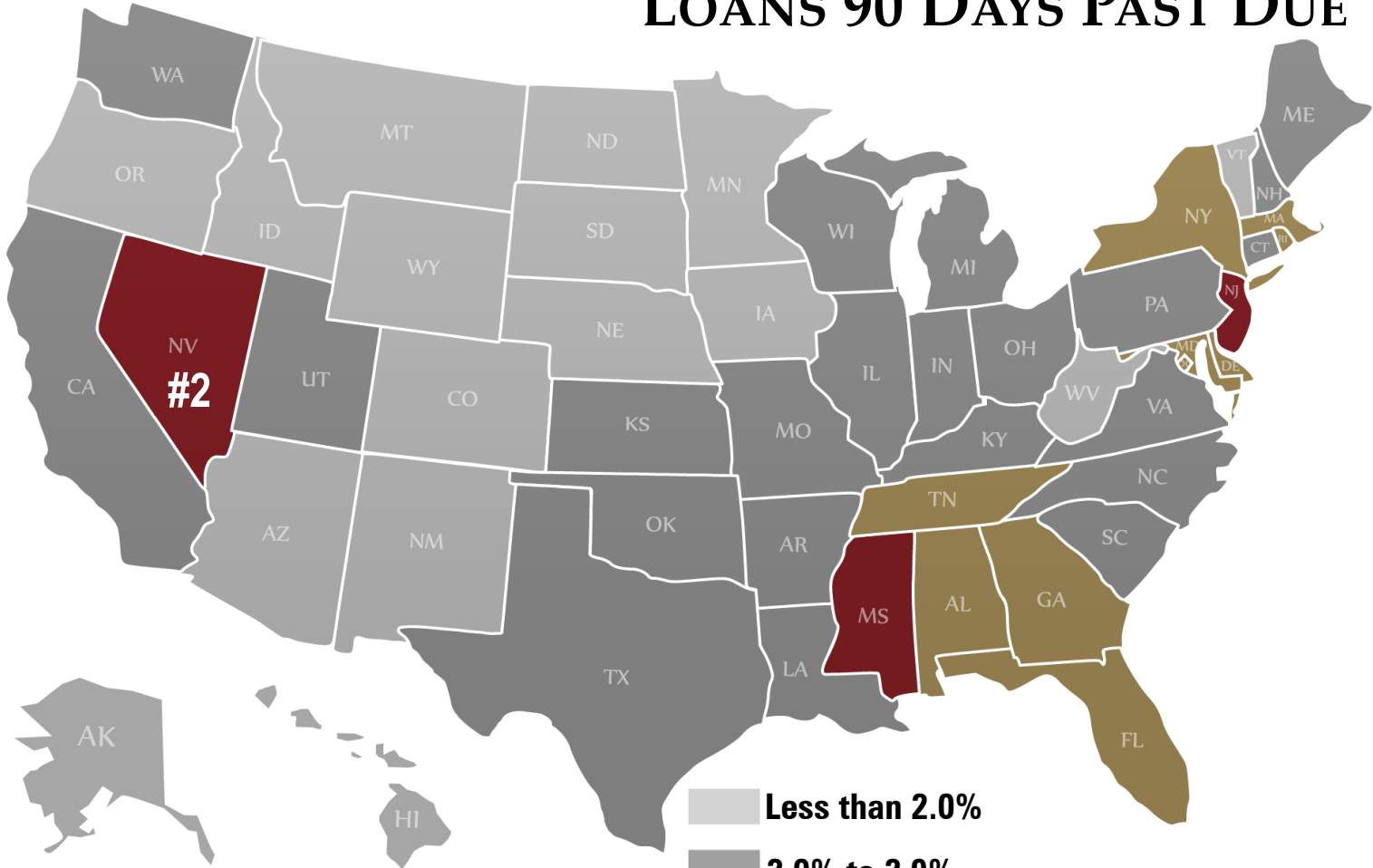


US Average: 3.2%
Nevada: 2.3%

- Less than 2.0%
- 2.0% to 2.9%
- 3.0% to 3.9%
- 4.0% or More

Source: Mortgage Bankers Association Q2 2013

LOANS 90 DAYS PAST DUE

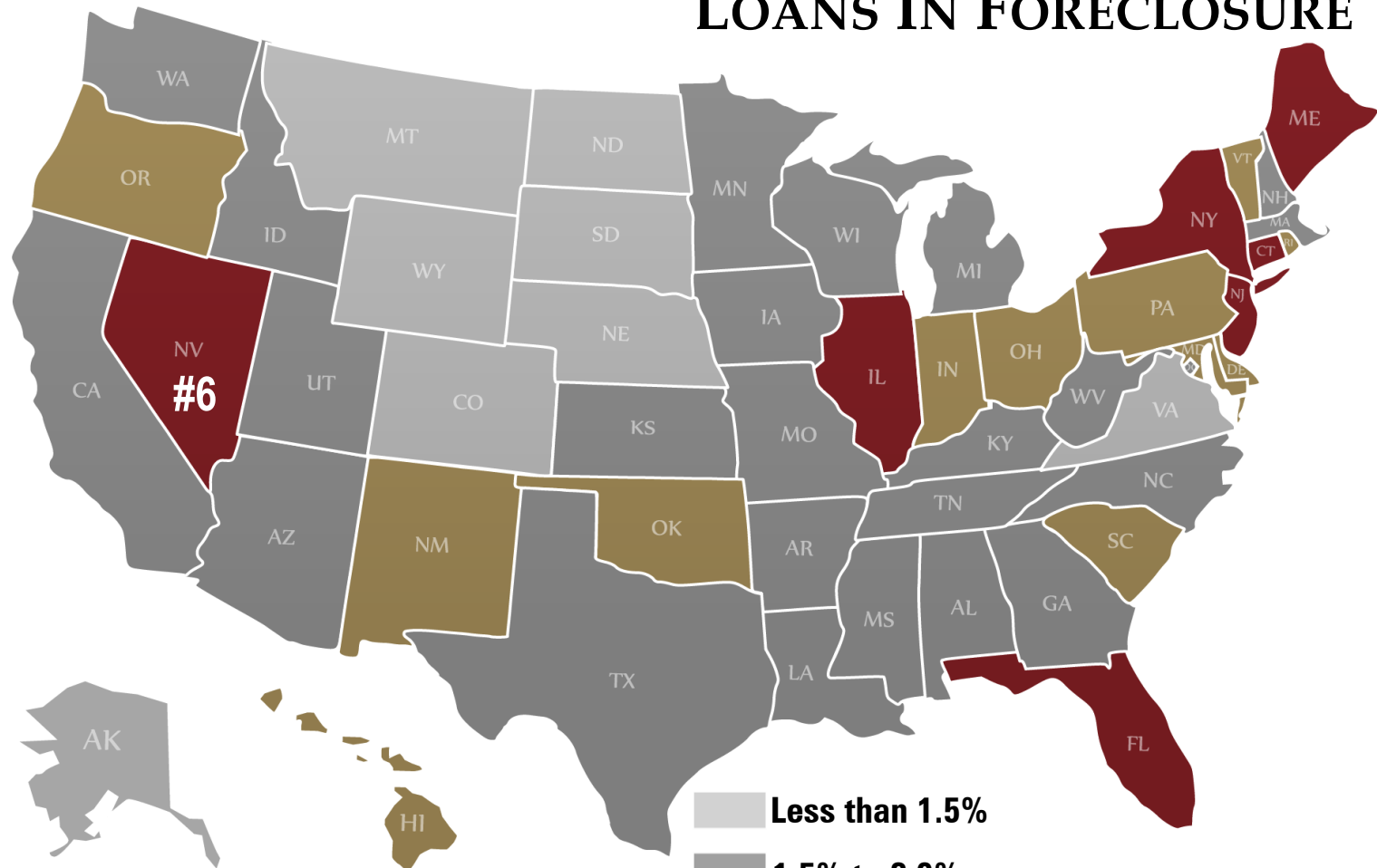


Nevada: 4.2%
US Average: 2.6%

- Less than 2.0%
- 2.0% to 2.9%
- 3.0% to 3.9%
- 4.0% or More

Source: Mortgage Bankers Association Q2 2013

LOANS IN FORECLOSURE

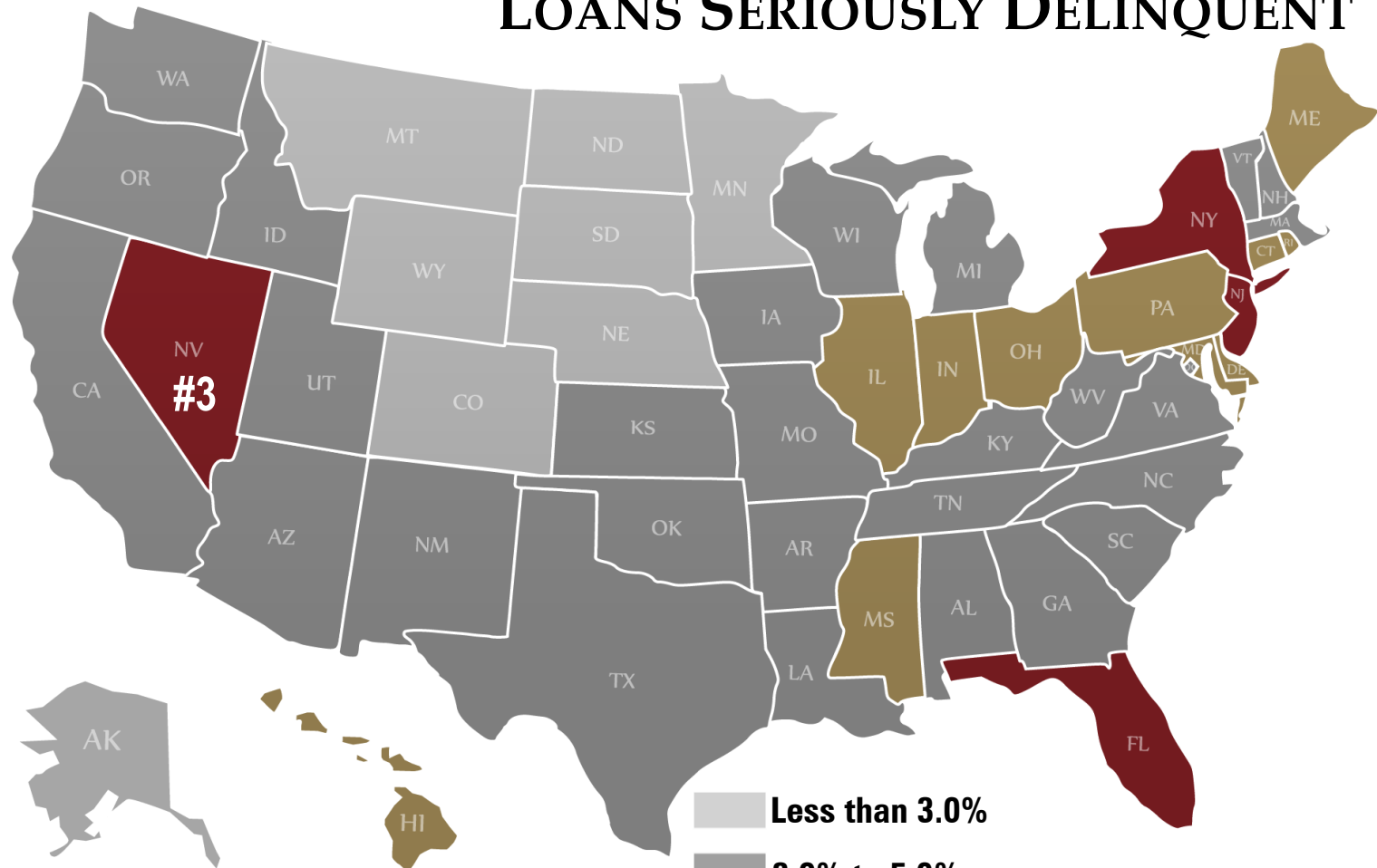


Nevada: 5.2%
US Average: 3.3%

- Less than 1.5%
- 1.5% to 2.9%
- 3.0% to 4.4%
- 4.5% or More

Source: Mortgage Bankers Association Q2 2013

LOANS SERIOUSLY DELINQUENT

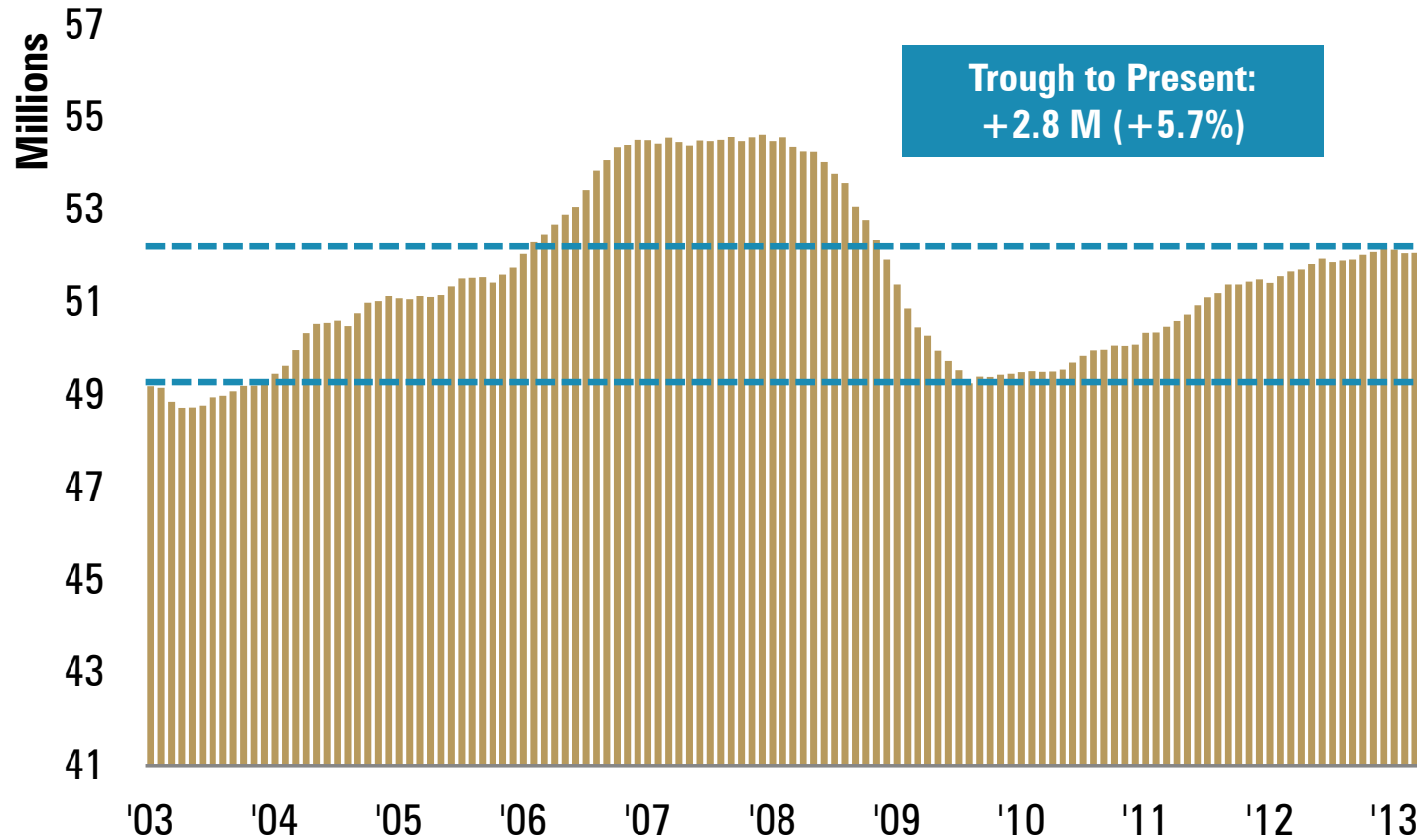


Nevada: 9.4%
US Average: 5.9%

- Less than 3.0%
- 3.0% to 5.9%
- 6.0% to 8.9%
- 9.0% or More

Source: Mortgage Bankers Association Q2 2013

NEVADA VISITOR VOLUME TRAILING 12-MONTH TOTAL



Source: Nevada Commission on Tourism

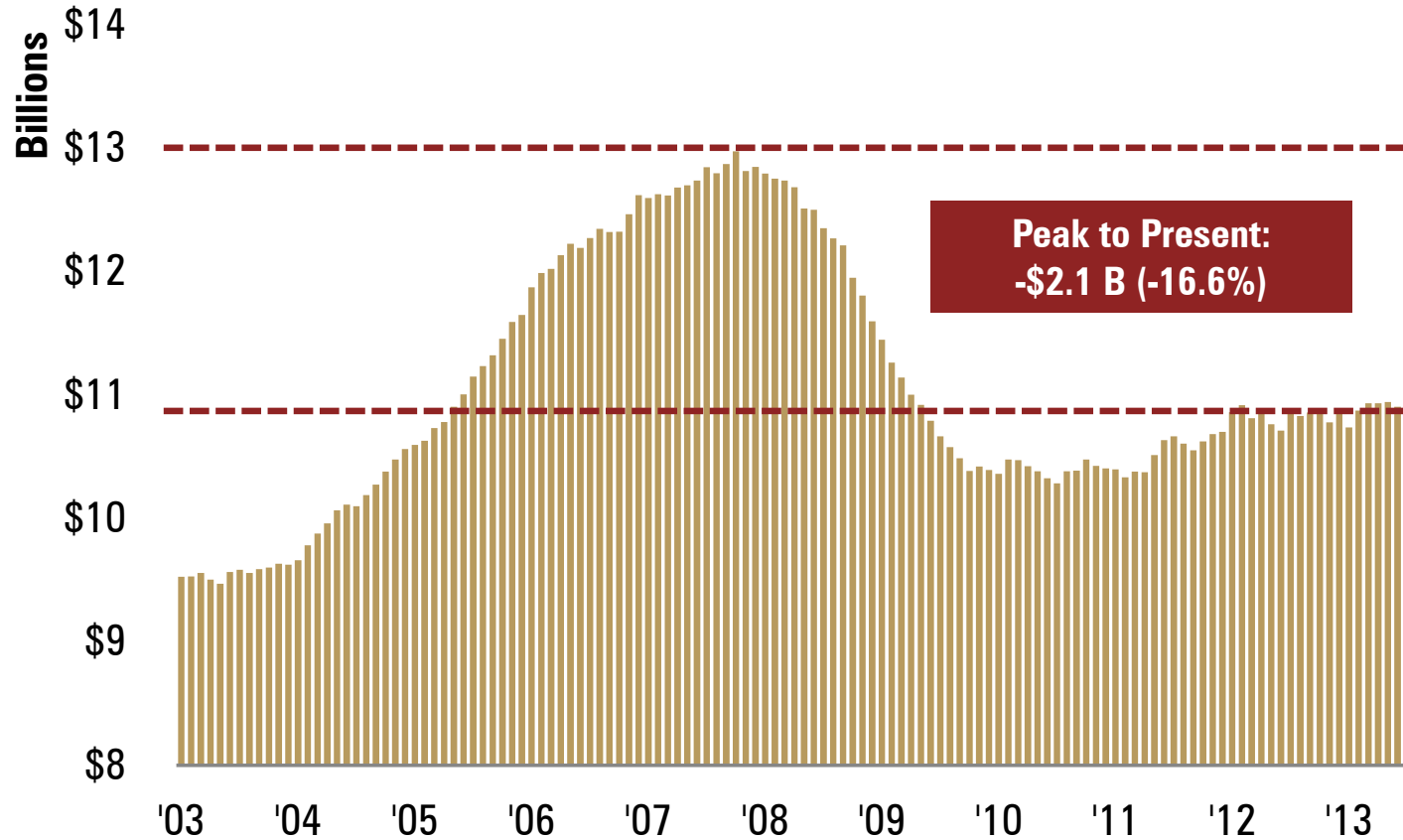
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NEVADA GROSS GAMING REVENUE TRAILING 12-MONTH TOTAL



Source: Nevada Gaming Control Board



NEVADA'S TOURISM ECONOMY

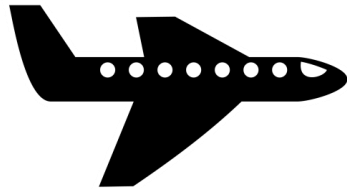
ANNUAL GROWTH (TRAILING 12 MONTHS)



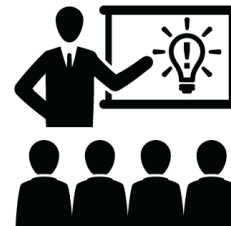
**Visitor
Volume**
+0.8%



**Occupancy
Rate**
+0.5%



**Airport
Traffic**
-0.8%



**Convention
Attendance**
+1.2%



**Highway
Traffic**
+14.2%



**Gaming
Revenue**
-0.3%

Source: Nevada Commission on Tourism, Nevada Gaming Control Board and Applied Analysis





NEVADA FISCAL HIGHLIGHTS

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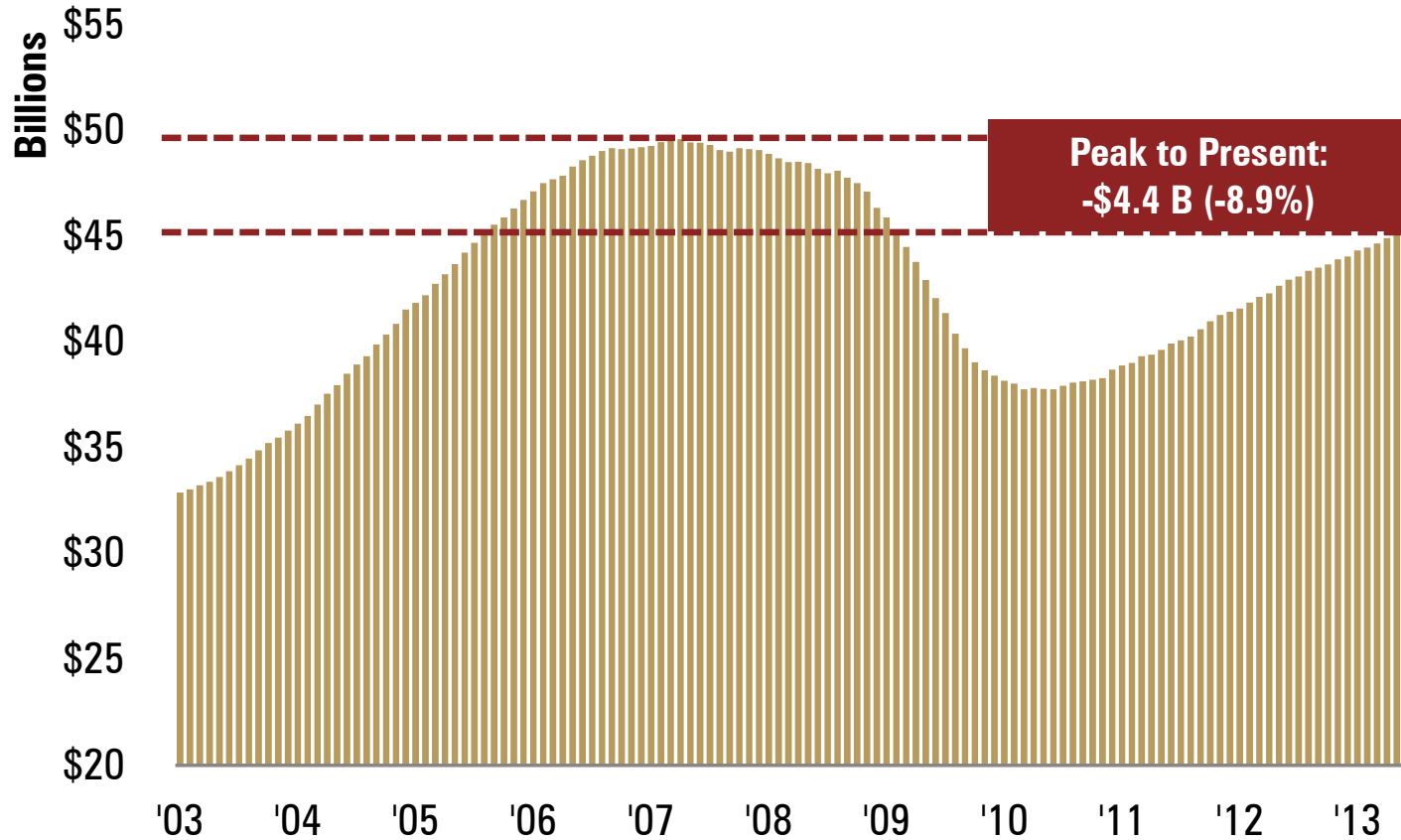
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NEVADA TAXABLE RETAIL SALES TRAILING 12-MONTH TOTAL



Source: Nevada Department of Taxation and Applied Analysis

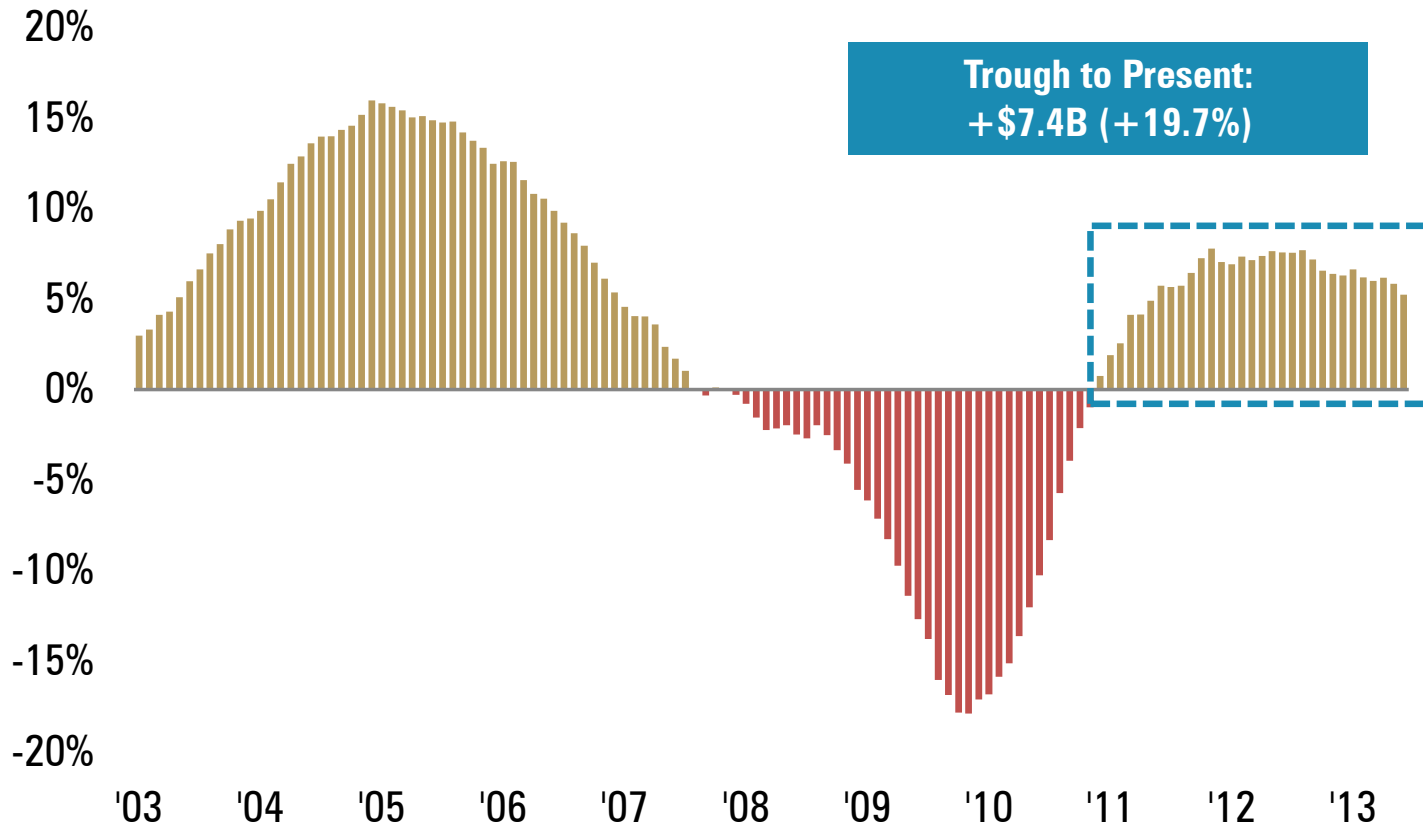
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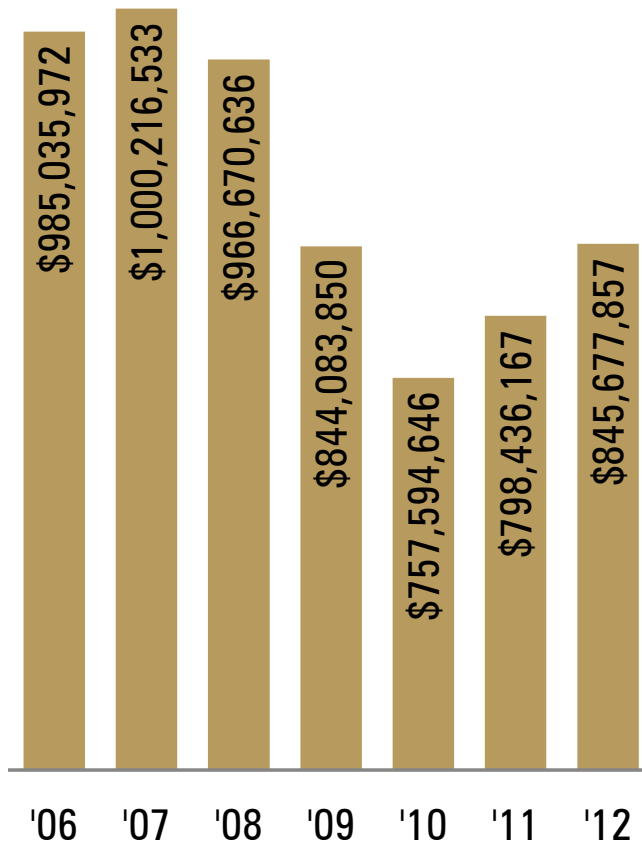
NEVADA TAXABLE RETAIL SALES GROWTH



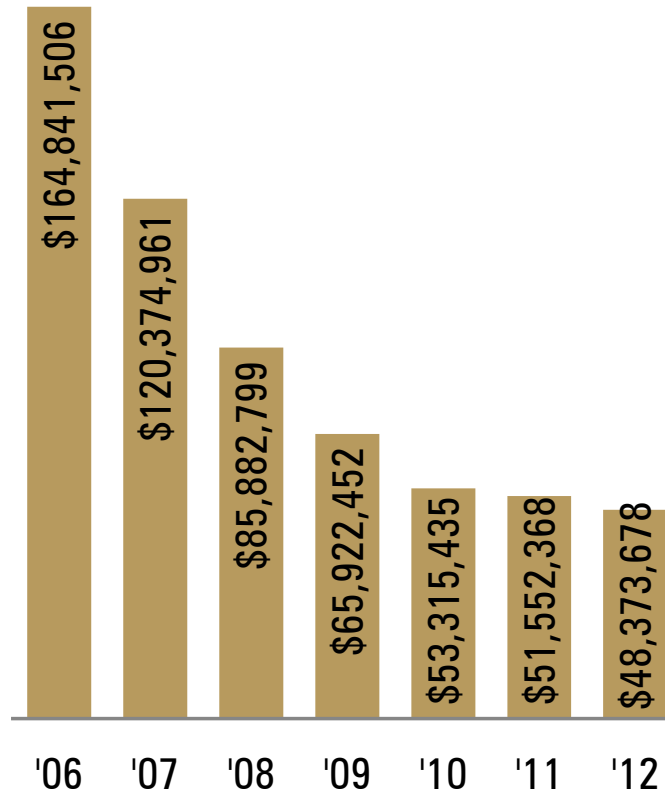
Source: Nevada Department of Taxation and Applied Analysis



NEVADA SALES TAX COLLECTIONS (STATE PORTION)



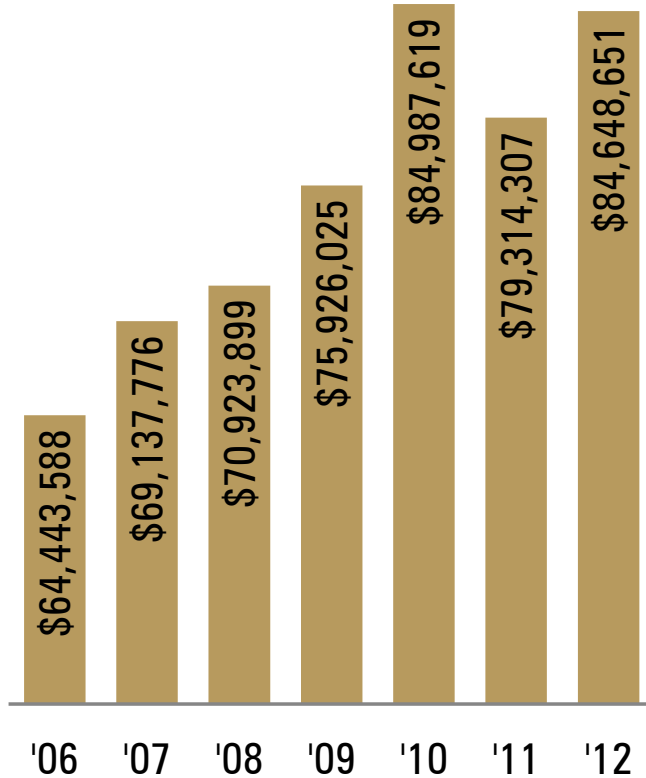
NEVADA REAL PROPERTY TRANSFER TAX COLLECTIONS



Source: Nevada Department of Taxation and Applied Analysis

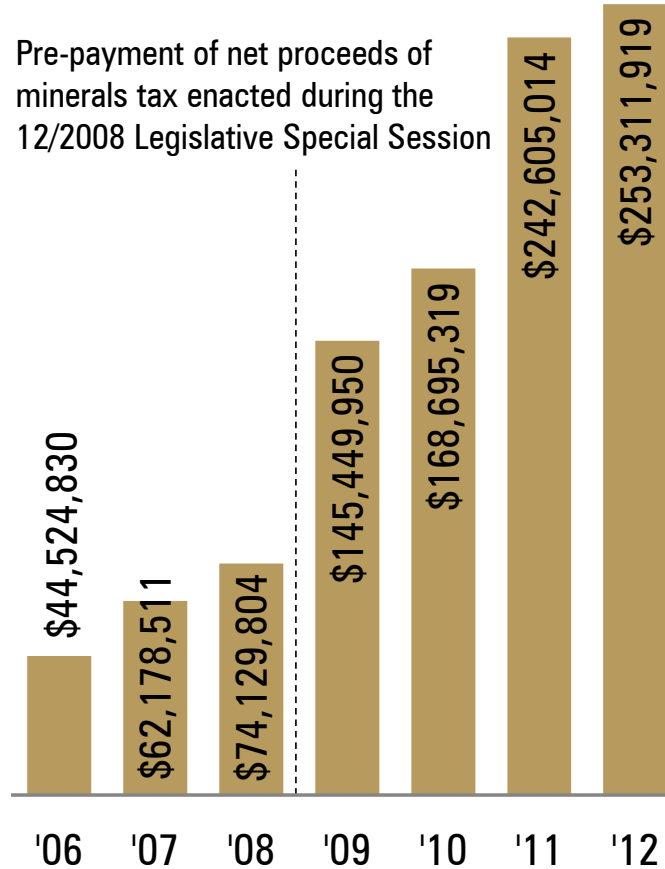


NEVADA PROPERTY TAX COLLECTIONS (STATE PORTION)



NEVADA NET PROCEEDS OF MINERALS TAX COLLECTIONS

Pre-payment of net proceeds of minerals tax enacted during the 12/2008 Legislative Special Session



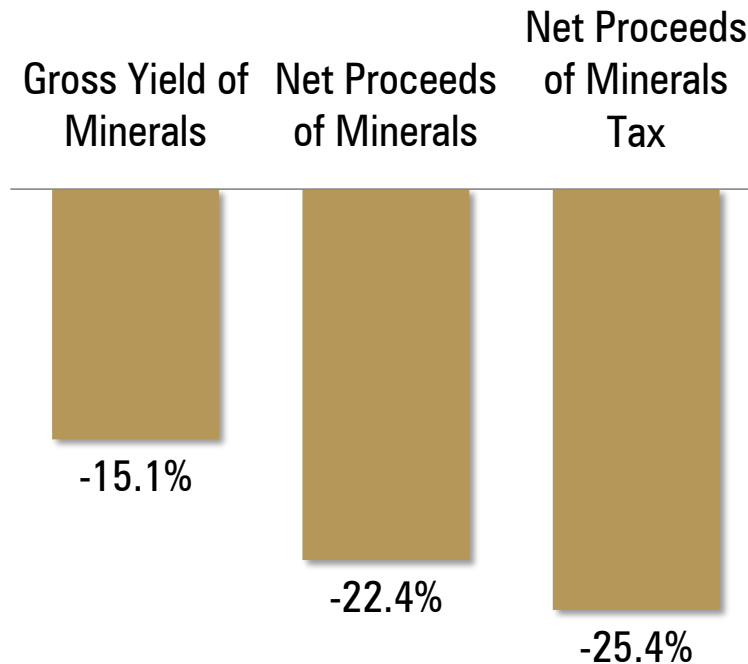
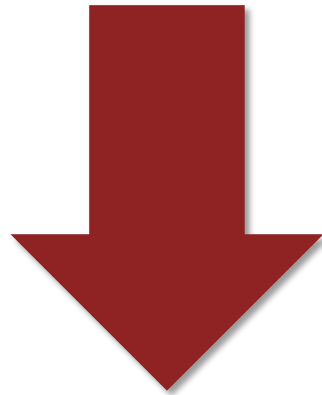
Source: Nevada Department of Taxation and Applied Analysis





2013 FISCAL OUTLOOK MINING OPERATORS

- *Industry average trend for 2013 (compared to 2012):*



Source: NVMA Member Survey

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THE ROLE OF MINING

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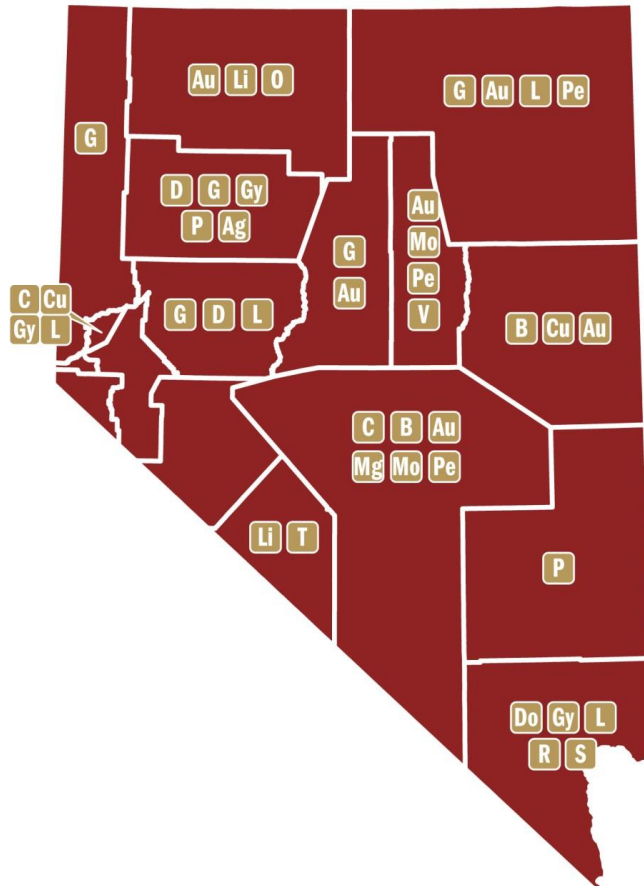
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EXISTING MINING ACTIVITY



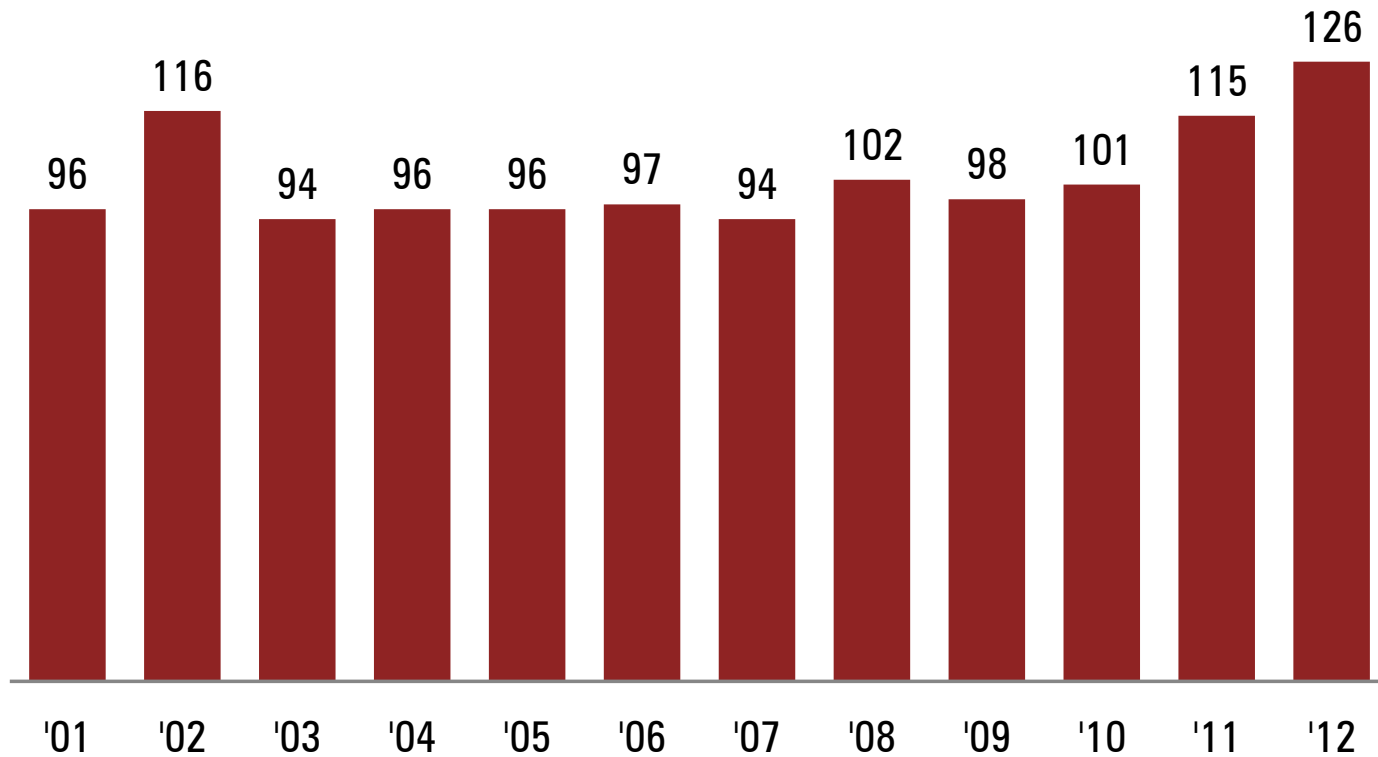
- | | |
|----------------------------|----------------------|
| B Barium | Mg Magnesium |
| C Clays | Mo Molybdenum |
| Cu Copper | O Opals |
| D Diatomite | P Perlite |
| Do Dolomite | Pe Petroleum |
| G Geothermal Energy | R Rare Earths |
| Au Gold | S Silica |
| Gy Gypsum | Ag Silver |
| L Lime | T Turquoise |
| Li Lithium | V Vanadium |

126 Mining Operators

Source: NVMA and Nevada Department of Taxation



TREND IN NUMBER OF OPERATORS



Source: Nevada Department of Taxation





MINING INDUSTRY'S PRESENCE IN NEVADA

- *In what year was your company established in Nevada?*

Oldest Respondent Company: 1918
Youngest Respondent Company: 2012

Average Year
Established:

1984



Source: NVMA Member Survey

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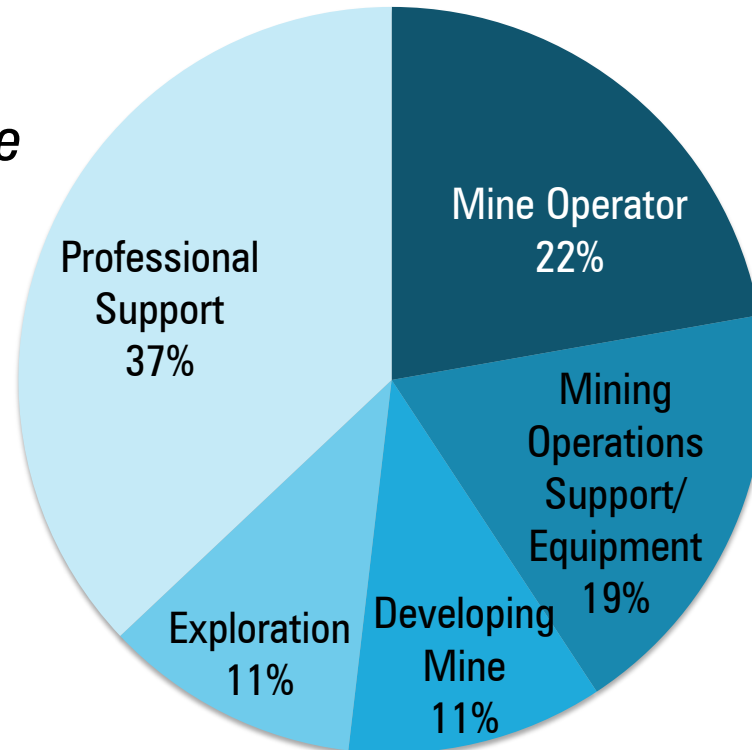
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THE MINING INDUSTRY EXTENDS BEYOND MINE OPERATORS

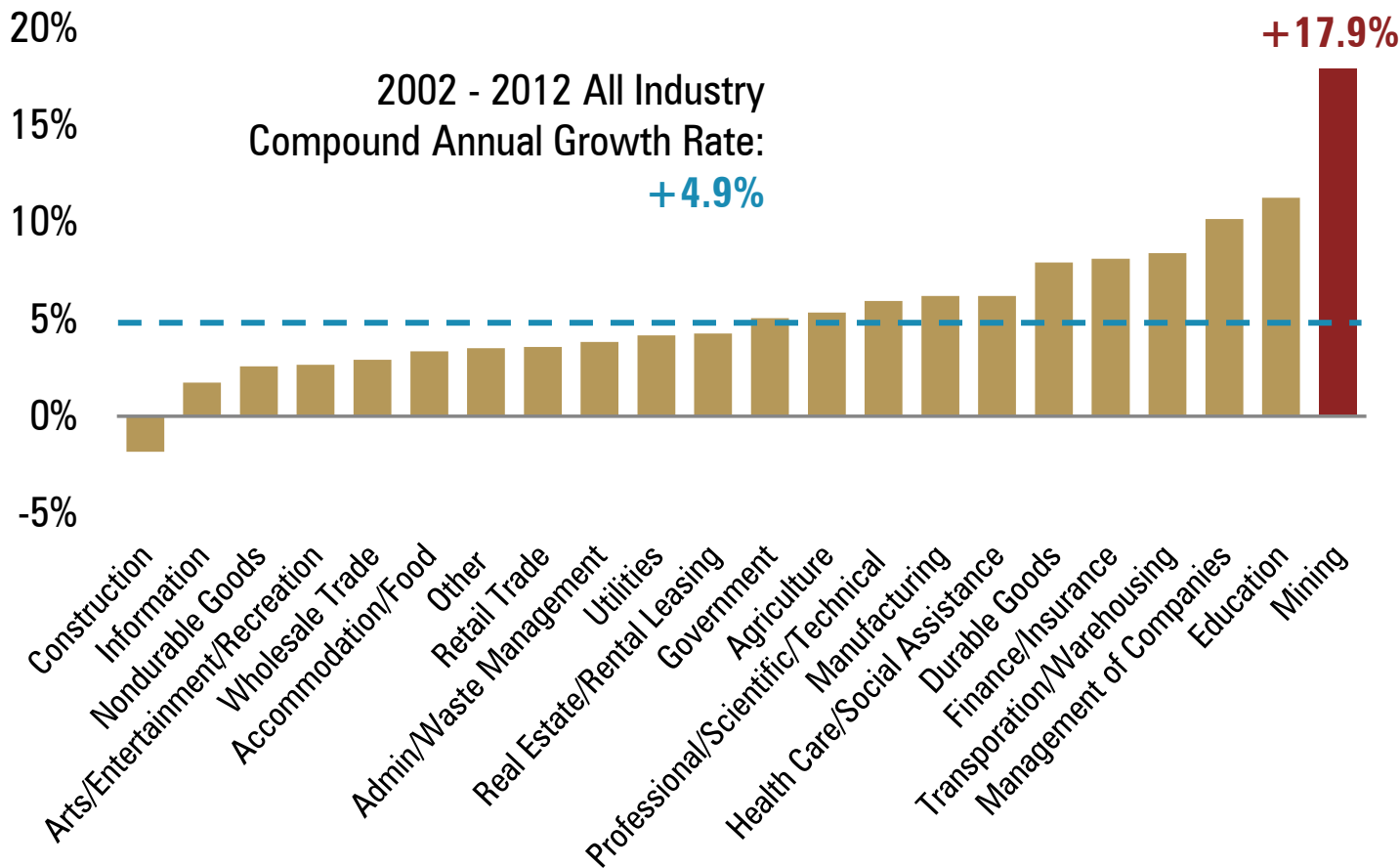
- *What role does your company fill within the mining industry?*



Source: NVMA Member Survey



NEVADA GDP GROWTH BY SECTOR



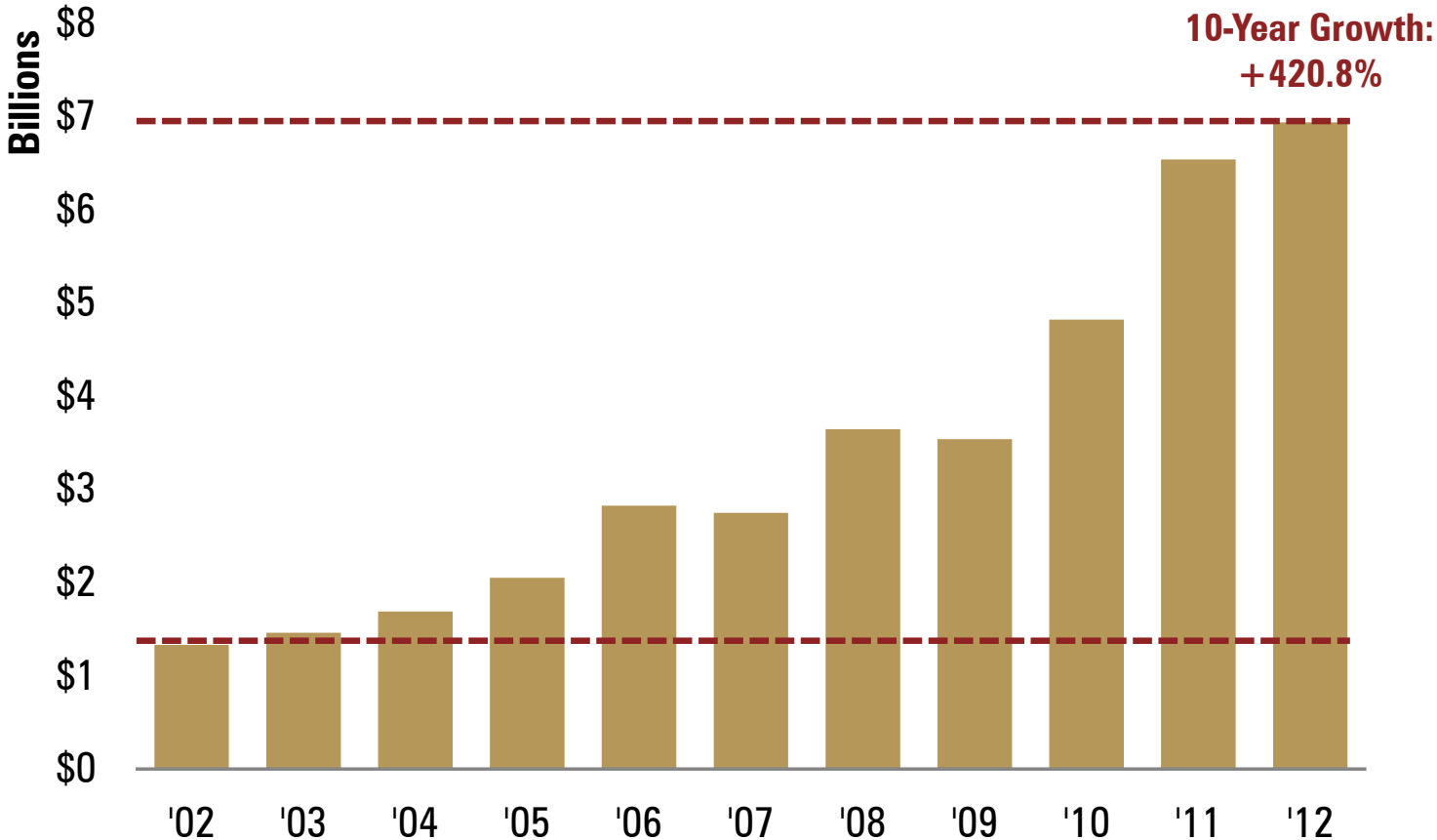
Source: U.S. Bureau of Economic Analysis



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NEVADA MINING GDP



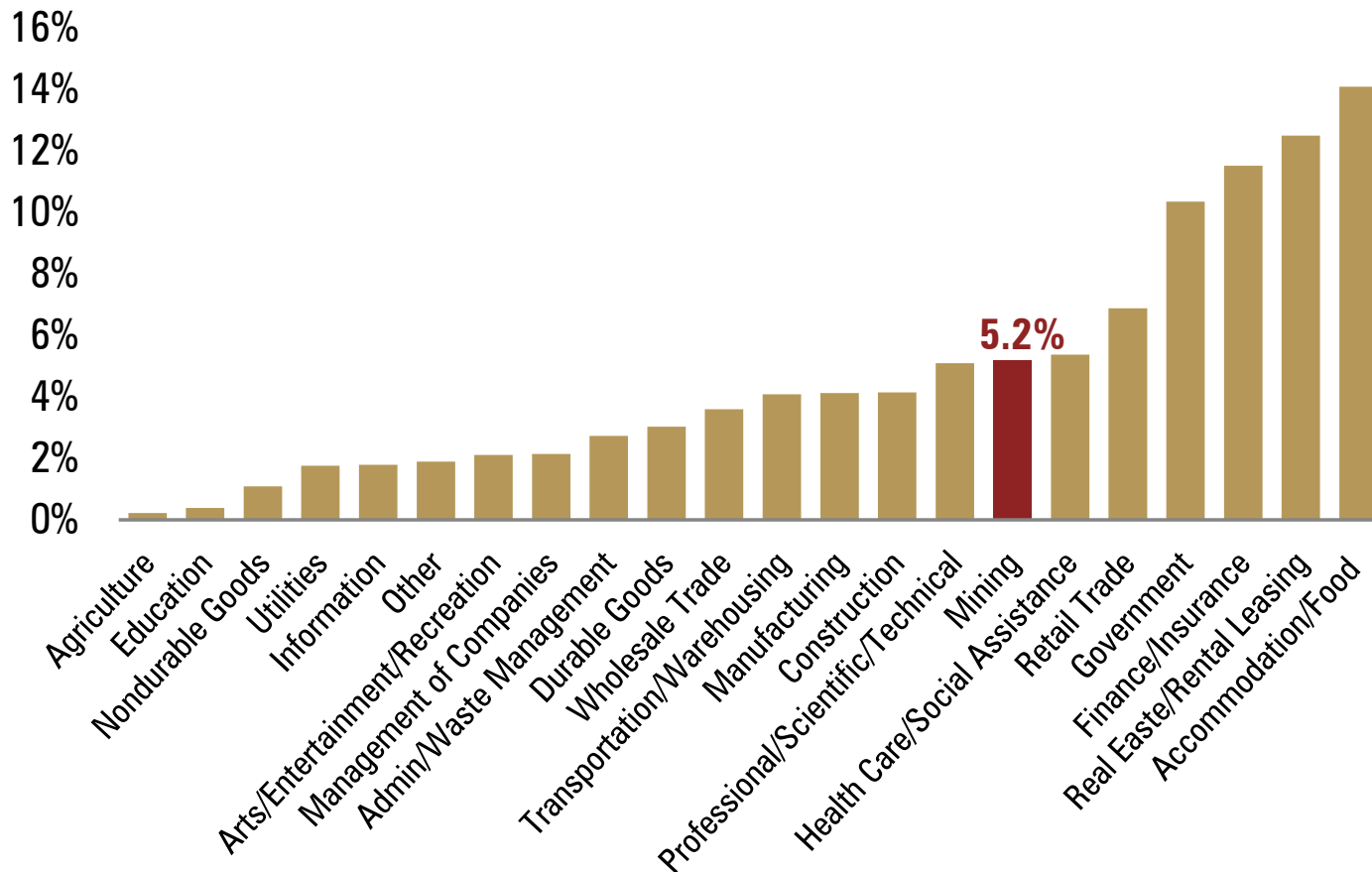
Source: U.S. Bureau of Economic Analysis



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INDUSTRY GDP AS SHARE OF TOTAL BY SECTOR



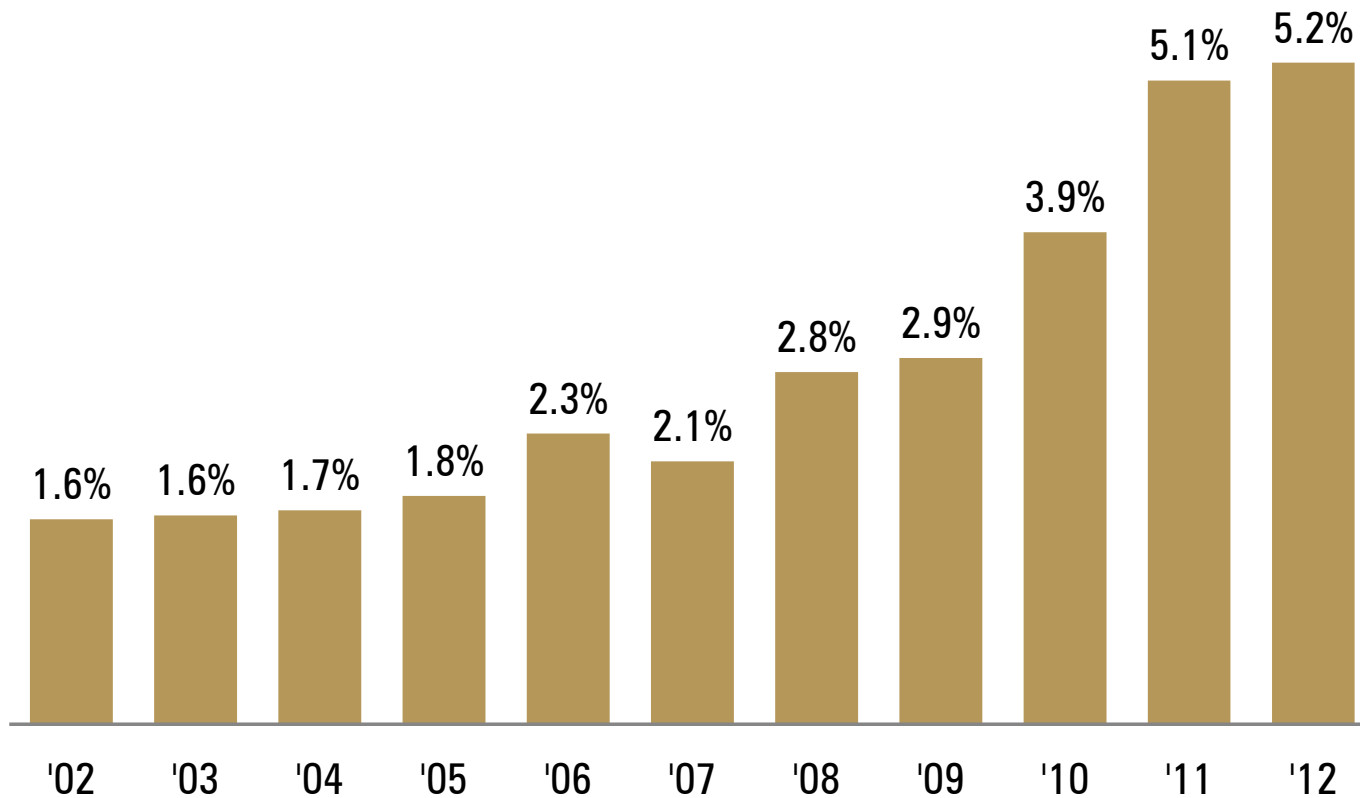
Source: U.S. Bureau of Economic Analysis



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MINING GDP AS SHARE OF TOTAL



Source: U.S. Bureau of Economic Analysis

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NEW PROJECTS AND INVESTMENTS

Goldrush (Eureka) moves forward; processing options to be added

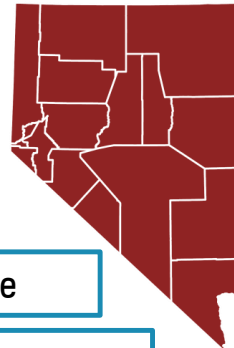
Acquired patented materials research

New excavator (\$1.4 million)

Ongoing testing in recovery methods and cyanide neutralization

Long Canyon (Elko) continues to move forward

Possible new facility for mining operations support in Elko



Significant reserves measured and indicated in developing mine in No. NV; \$320 million capital investment with planned future development reaching more than \$1 billion total

Expanded established reserves and mine life

Return to mining at Florida Canyon Mine

New warehouse built (\$1.2 million)

More than \$6 million invested in exploration (drilling and ancillary activities) in Pershing with new gold and silver resources identified along the Oreana trend

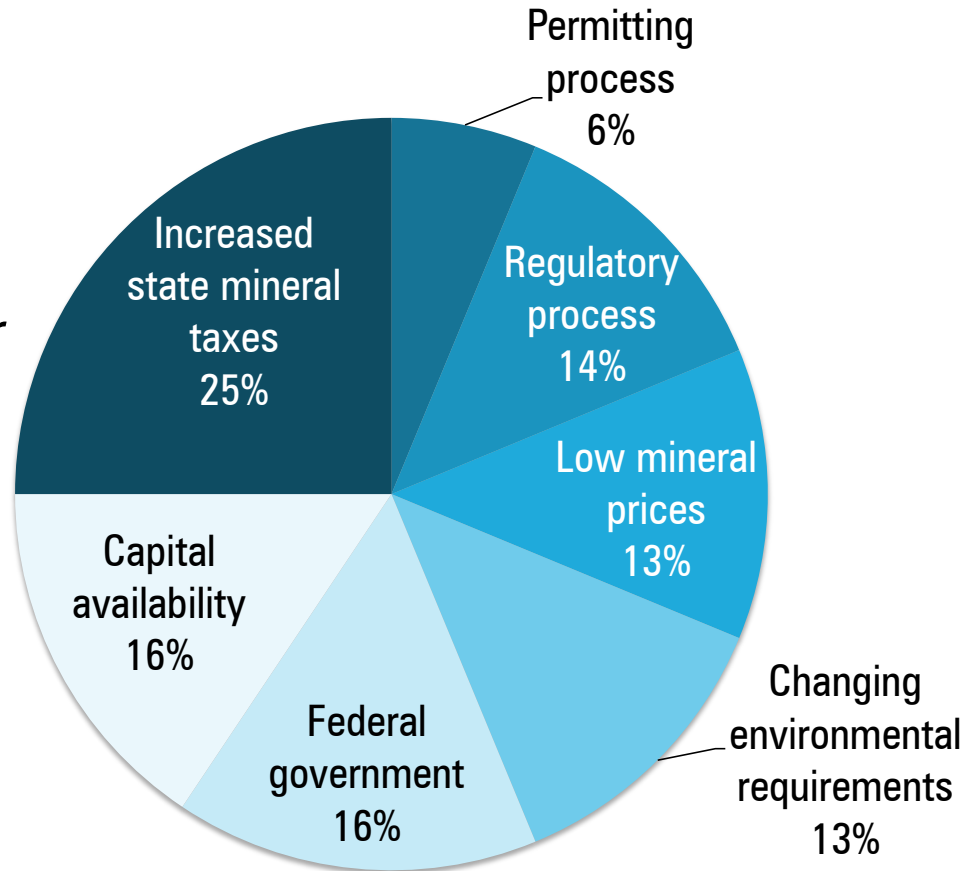
Source: NVMA Member Survey





TOP CHALLENGES TO FUTURE GROWTH

- *What is the greatest threat to your business today?*



Source: NVMA Member Survey





TOP CHALLENGES TO FUTURE GROWTH



Source: NVMA Member Survey

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MINING EMPLOYMENT

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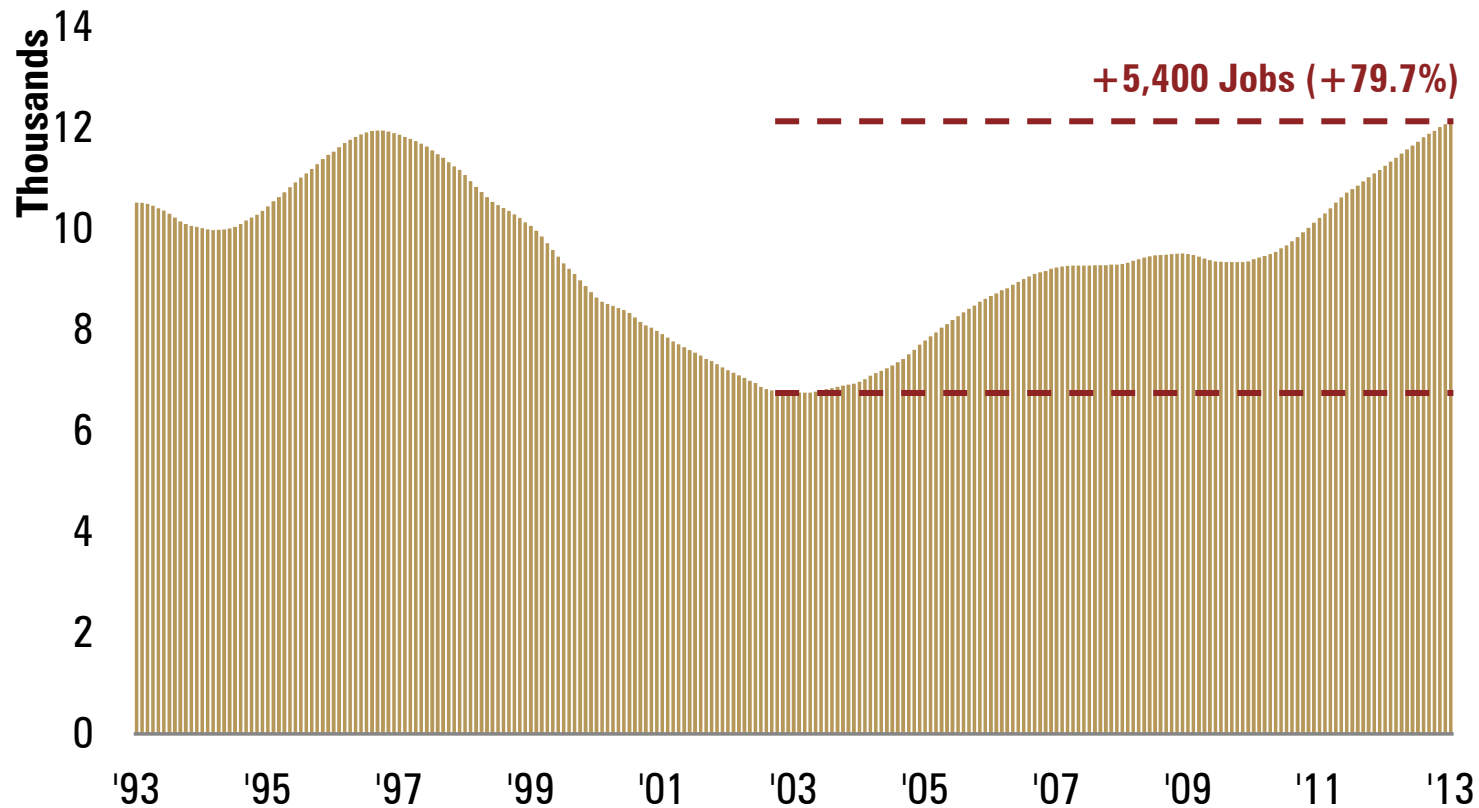
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MINING EMPLOYMENT IN NEVADA TRAILING 12-MONTH AVERAGE



Source: Nevada Department of Employment, Training and Rehabilitation

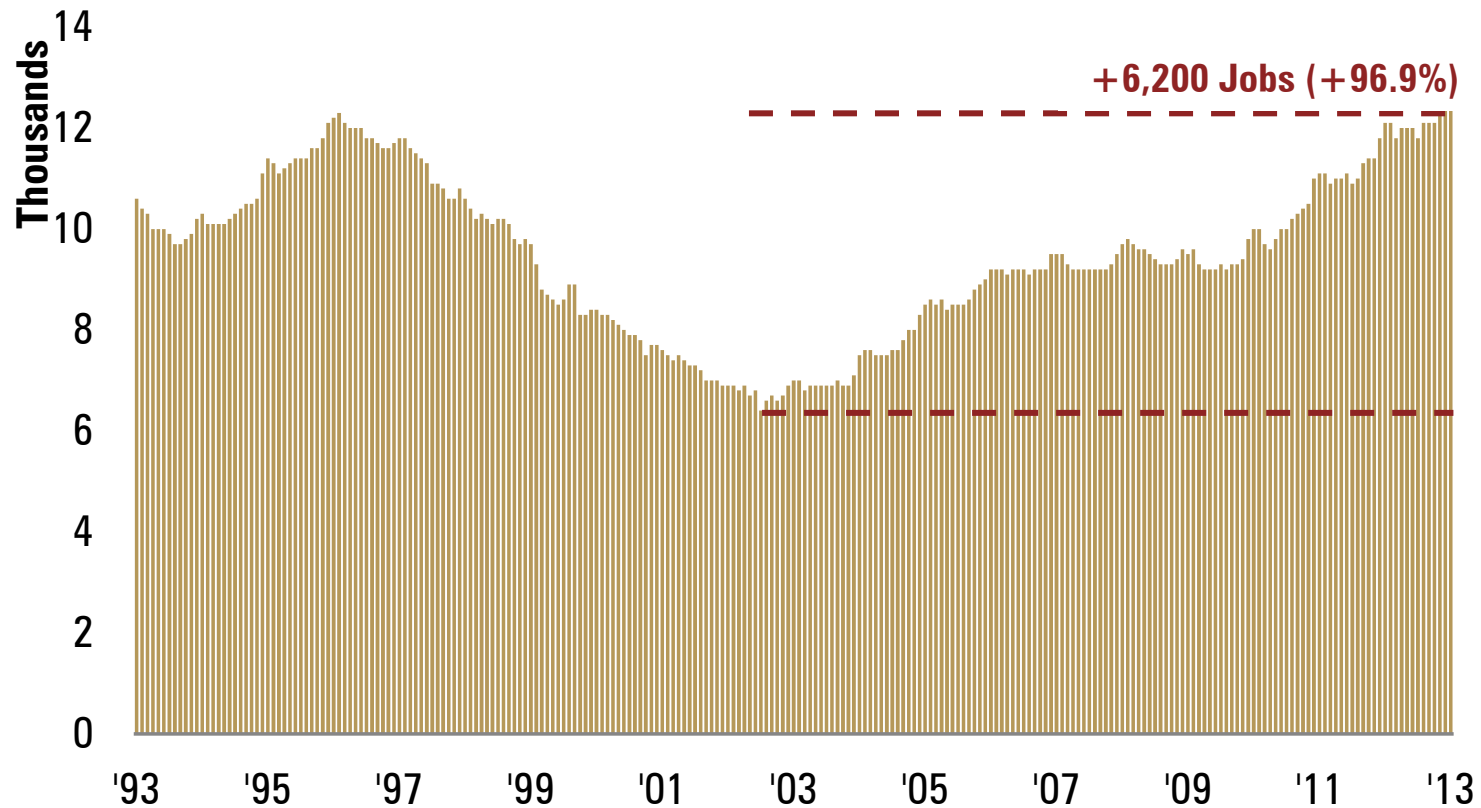
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MINING EMPLOYMENT IN NEVADA



Source: Nevada Department of Employment, Training and Rehabilitation

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NEVADA MINING IS DIVERSE

- *What percentage of your workforce do women comprise?*

16%



Industry Percentage

28%



Average Percentage of Workforce at
Each Respondent Company

Source: NVMA Member Survey

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NEVADA MINING IS DIVERSE

- *What percentage of your workforce do non-gender minorities comprise?*

18%



Industry Percentage

11%



Average Percentage of Workforce at
Each Respondent Company

Source: NVMA Member Survey

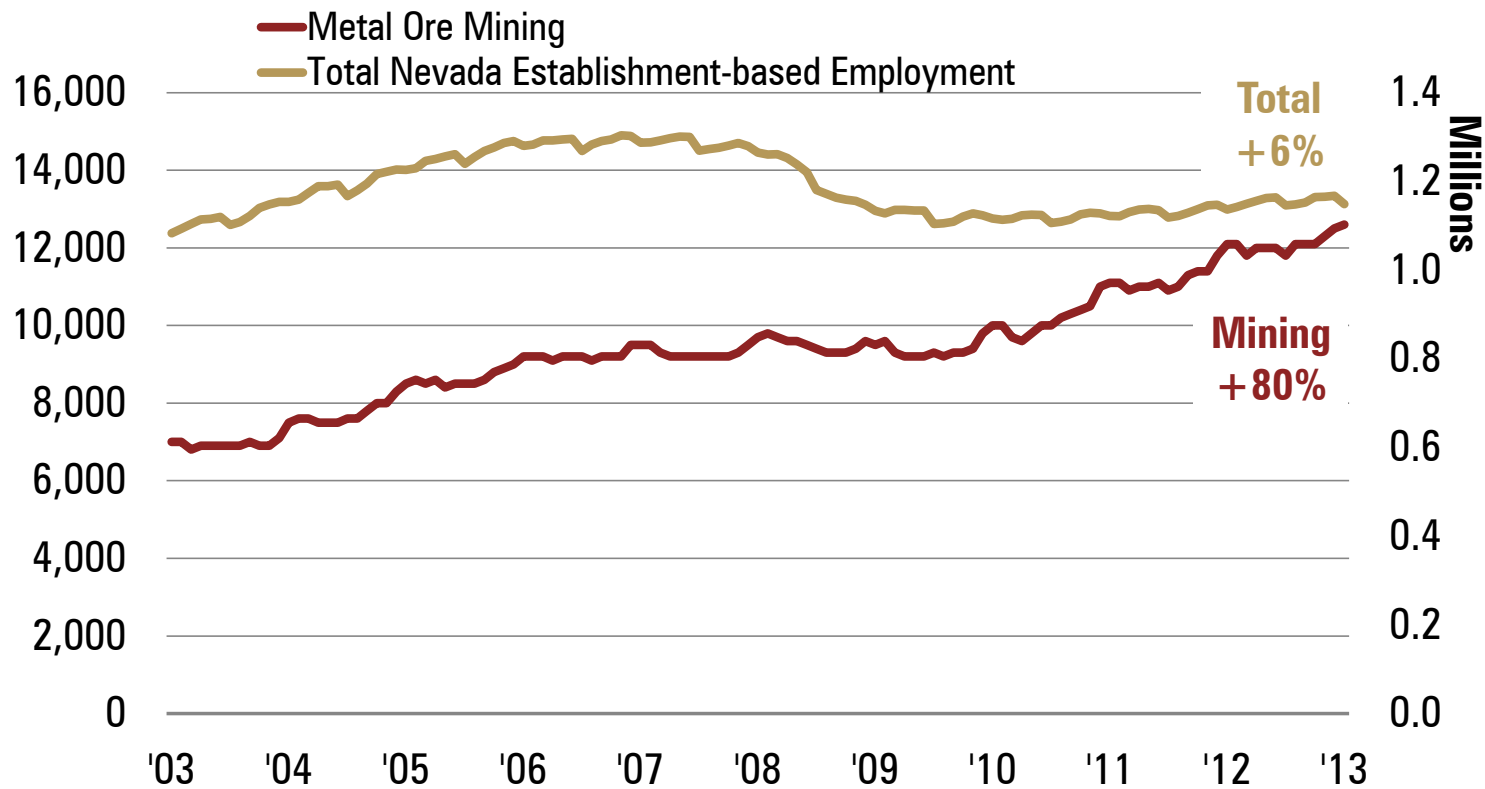
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NEVADA MINING VS. TOTAL EMPLOYMENT 10-YEAR GROWTH



Source: Nevada Department of Employment, Training and Rehabilitation



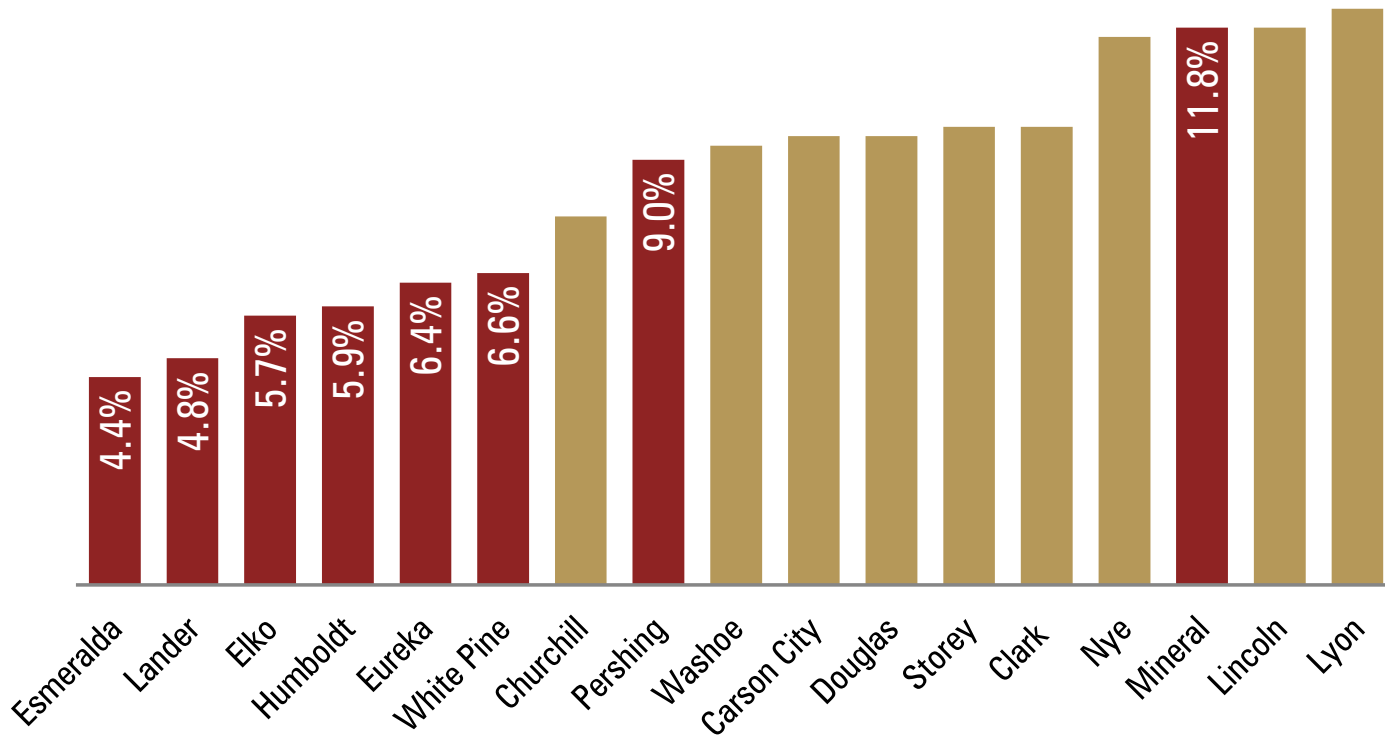
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UNEMPLOYMENT RATE COMPARISON

NEVADA COUNTIES; JULY 2013

■ Counties with Major Mining Interests



Source: U.S. Bureau of Labor Statistics and Applied Analysis



MINING AS A SHARE OF TOTAL EMPLOYMENT



Source: Nevada Department of Employment, Training and Rehabilitation

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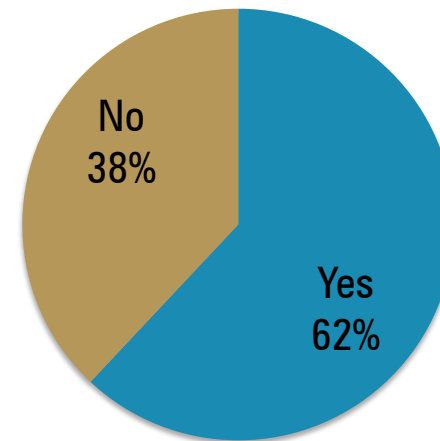
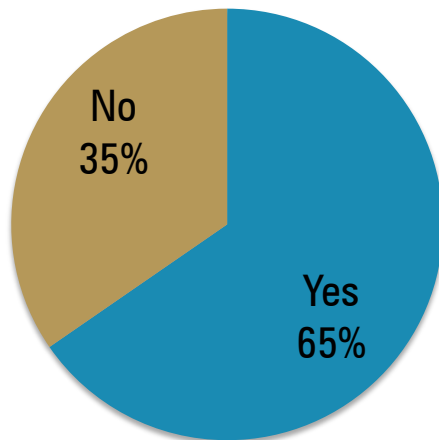
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NEVADA MINING IS HIRING

- *Excluding replacements due to attrition, did you hire new employees in **2012**?*
- *Have you hired and/or will you hire new employees in **2013**?*



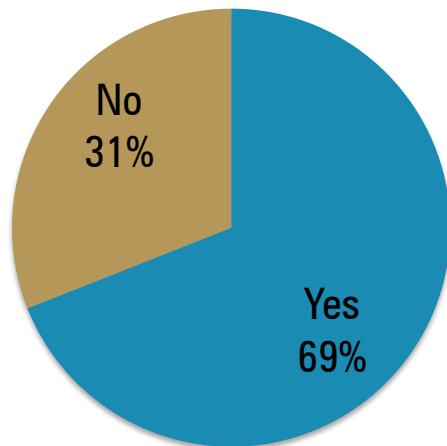
Source: NVMA Member Survey



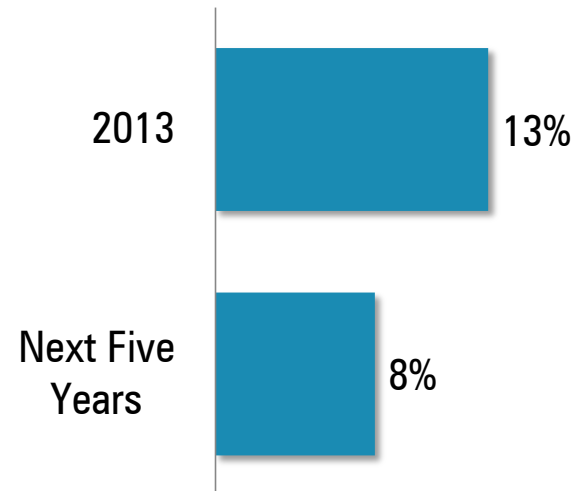


FUTURE HIRING OUTLOOK

- *Do you expect to hire new employees in the next five years?*



- Expected average annual growth rate:



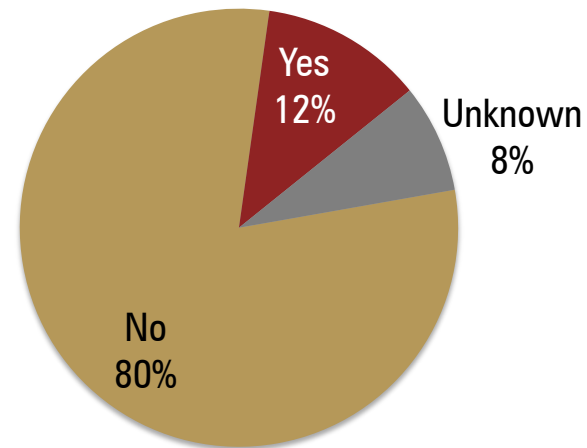
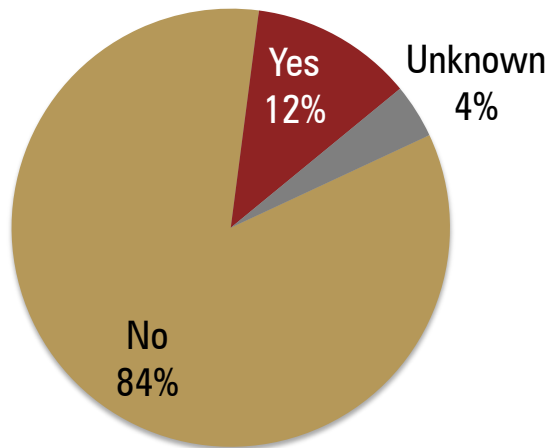
Source: NVMA Member Survey





FUTURE REDUCTIONS OUTLOOK

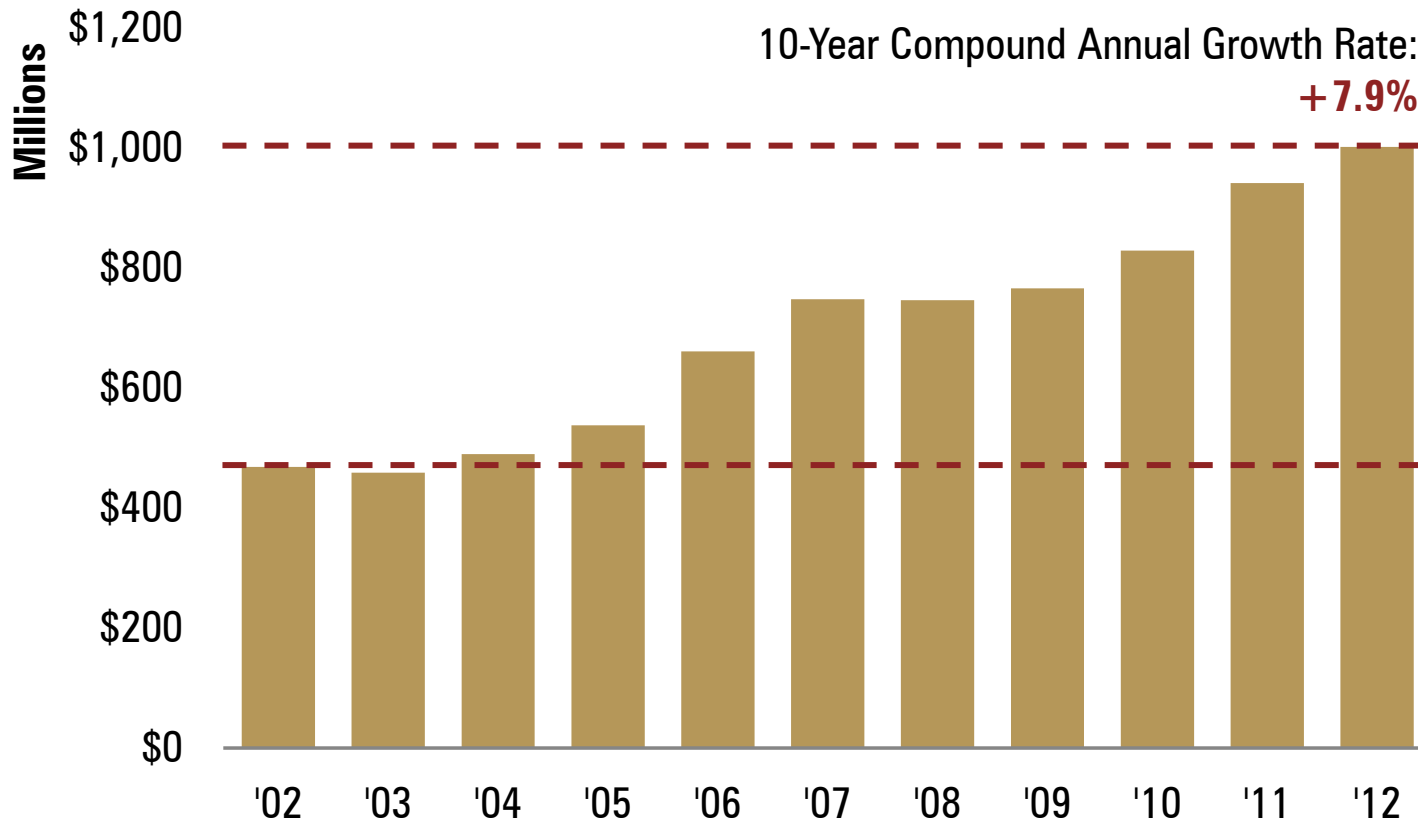
- *Do you expect to reduce your workforce in the next year?*
- *Do you expect to reduce your workforce in the next five years?*



Source: NVMA Member Survey



NEVADA SALARIES AND WAGES METAL ORE MINING



Source: Nevada Department of Employment, Training and Rehabilitation

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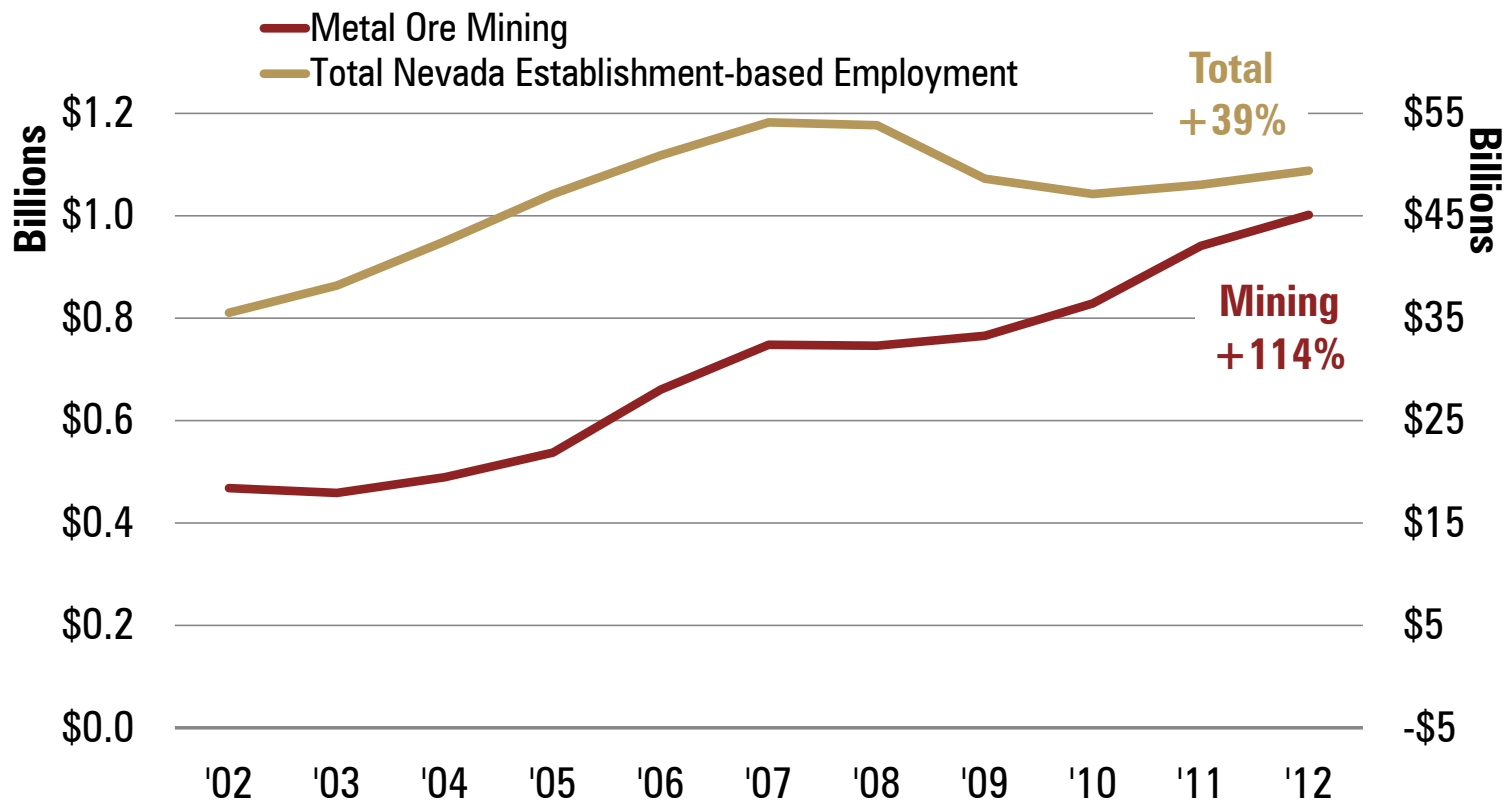
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NEVADA MINING VS. TOTAL SALARIES AND WAGES 10-YEAR GROWTH



Source: Nevada Department of Employment, Training and Rehabilitation

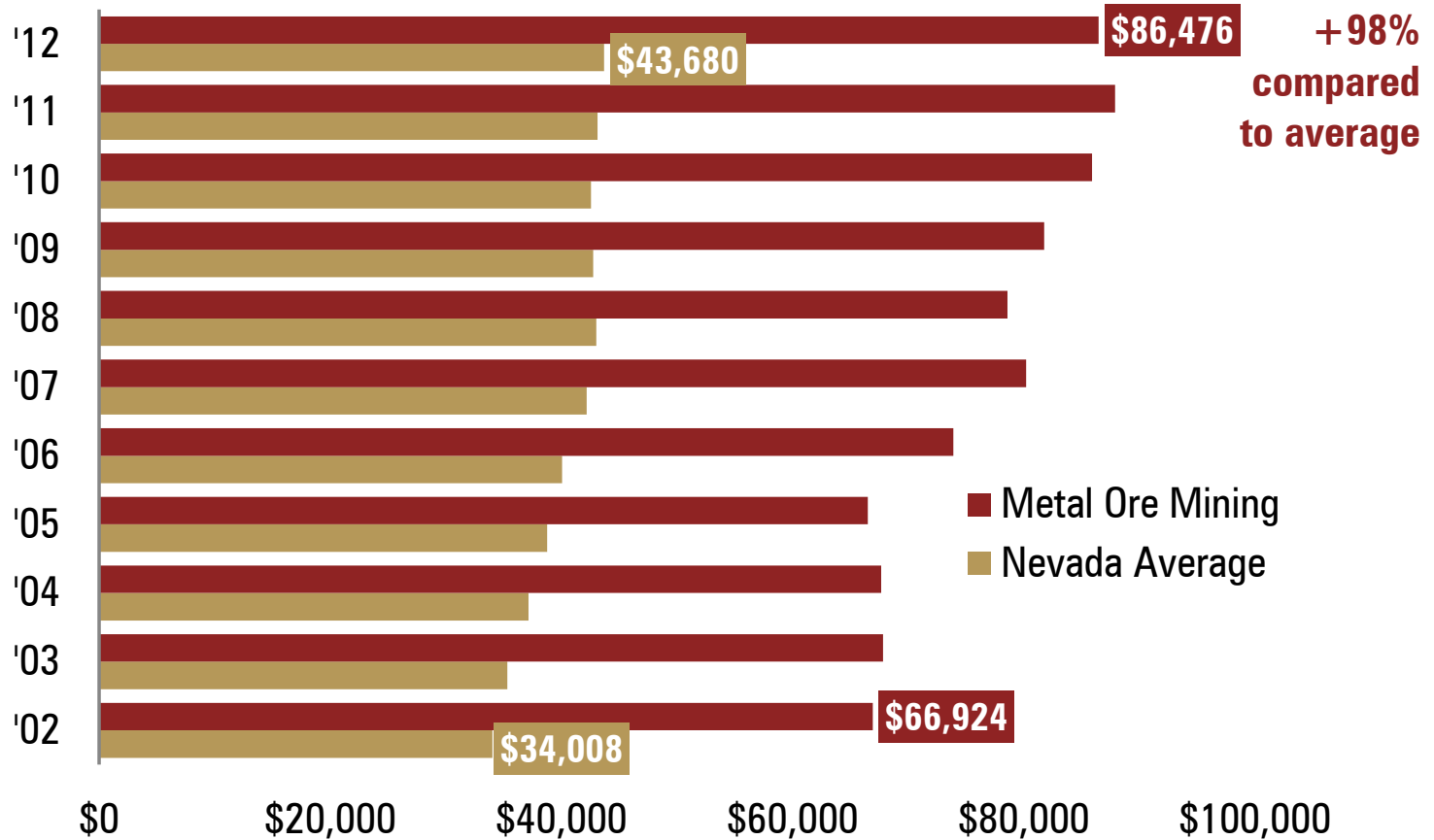
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NEVADA AVERAGE ANNUAL WAGES METAL ORE MINING VS. TOTAL

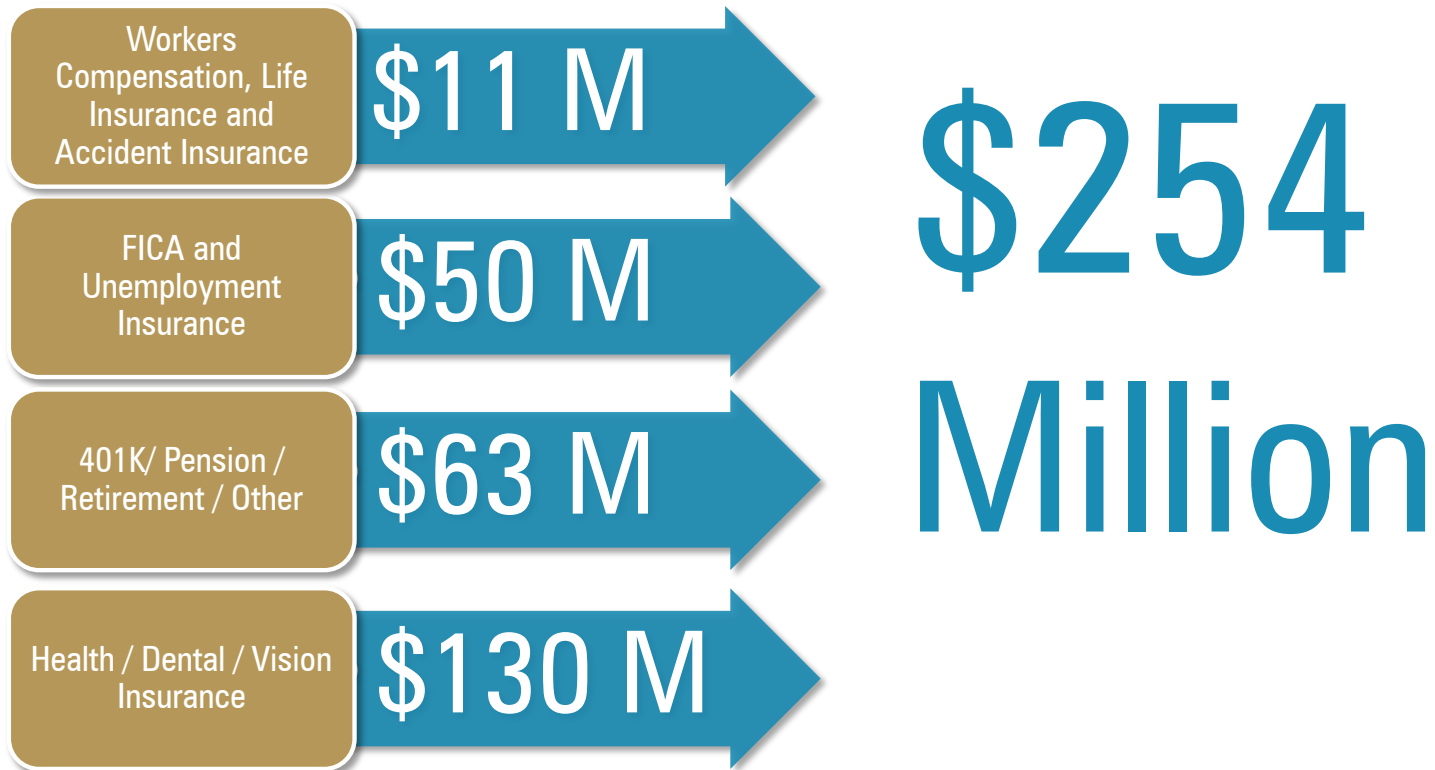


Source: Nevada Department of Employment, Training and Rehabilitation





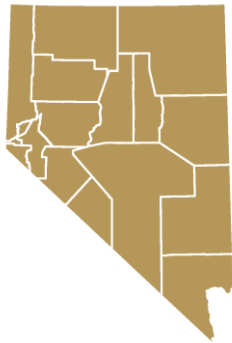
BENEFITS PAID BY NEVADA MINING



Source: NVMA Member Survey



HEALTH INSURANCE COST AS A PERCENT OF WAGES



8%

15%

Source: Nevada Department of Taxation, Modified Business Tax Quarterly Statistics (June 2013)

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HEALTH CARE COVERAGE

- Percent of Nevada private sector establishments that offer health insurance to employees:
- *Nevada mining industry-wide health care coverage rate:*

55%

93%

Source: NVMA Member Survey and Kaiser Family Foundation





ECONOMIC IMPACT

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ECONOMIC IMPACT CATEGORIES

DIRECT Jobs, wages and output sourced directly to mining industry



ECONOMIC IMPACT CATEGORIES

INDIRECT Impact of mining industry suppliers and vendors



DIRECT Jobs, wages and output sourced directly to mining industry



ECONOMIC IMPACT CATEGORIES

INDUCED

Impact of direct mining industry employee spending in local community

INDIRECT

Impact of mining industry suppliers and vendors



DIRECT

Jobs, wages and output sourced directly to mining industry



ECONOMIC IMPACT CATEGORIES

INDUCED

Impact of direct mining industry employee spending in local community

INDIRECT

Impact of mining industry suppliers and vendors



DIRECT

Jobs, wages and output sourced directly to mining industry

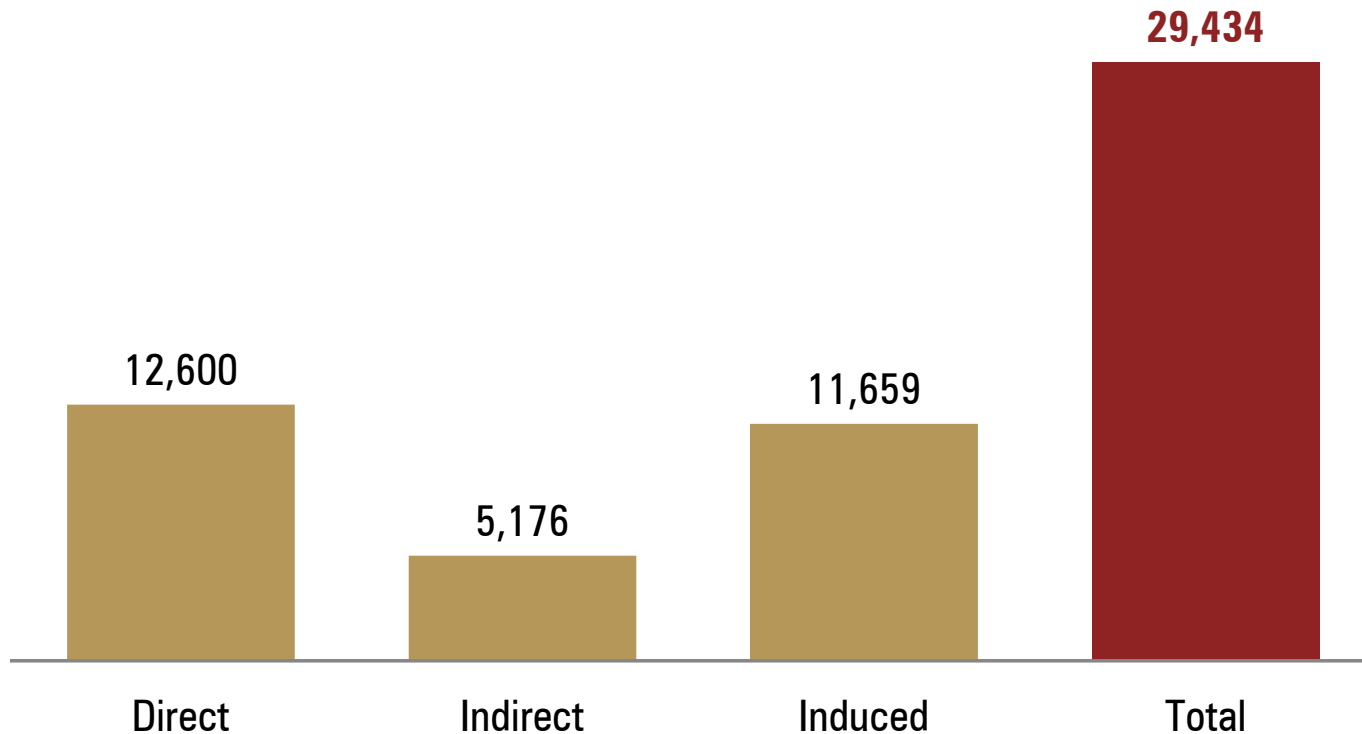
TOTAL

Sum of direct, indirect and induced impacts



EMPLOYMENT IMPACTS

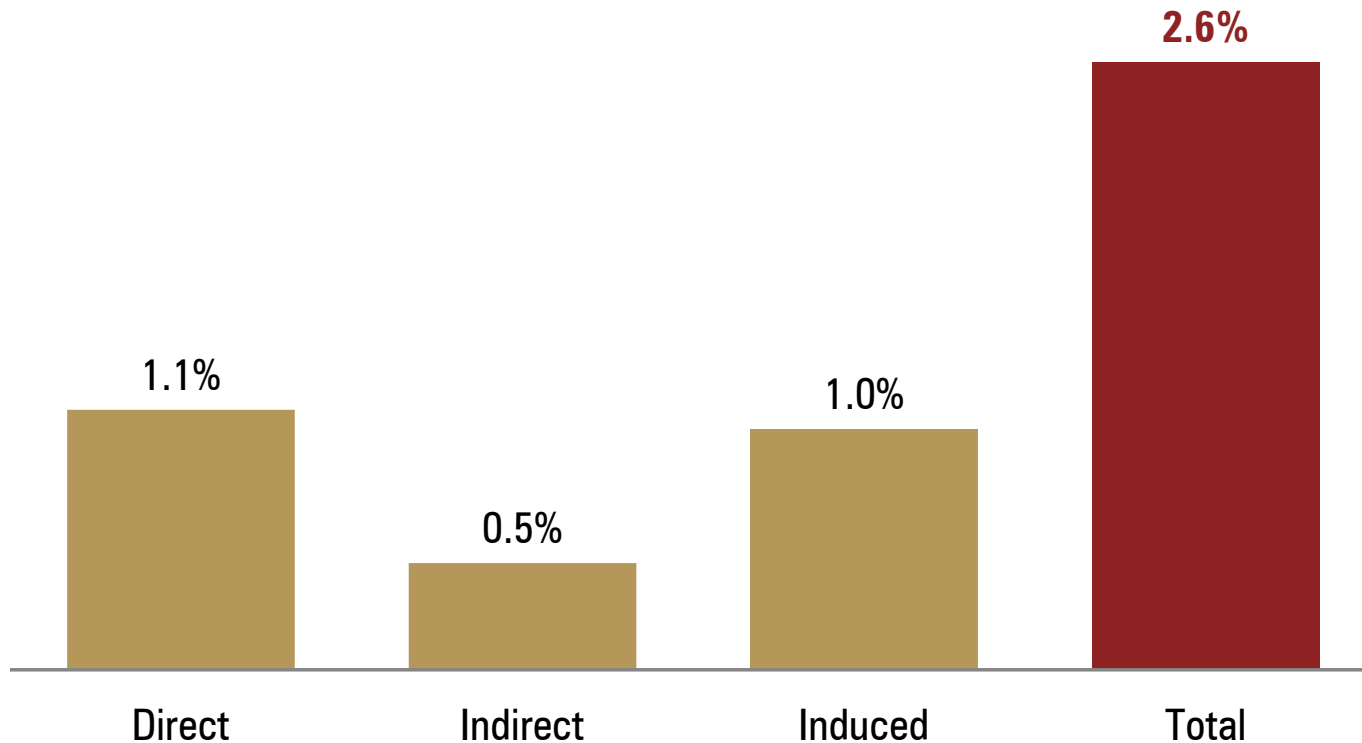
NEVADA MINING INDUSTRY OPERATIONS (2012)



Source: Nevada Department of Employment, Training and Rehabilitation; Nevada Department of Taxation; IMPLAN; Applied Analysis



MINING EMPLOYMENT IMPACTS AS SHARE OF TOTAL NEVADA EMPLOYMENT



Source: Nevada Department of Employment, Training and Rehabilitation; Nevada Department of Taxation; IMPLAN; Applied Analysis

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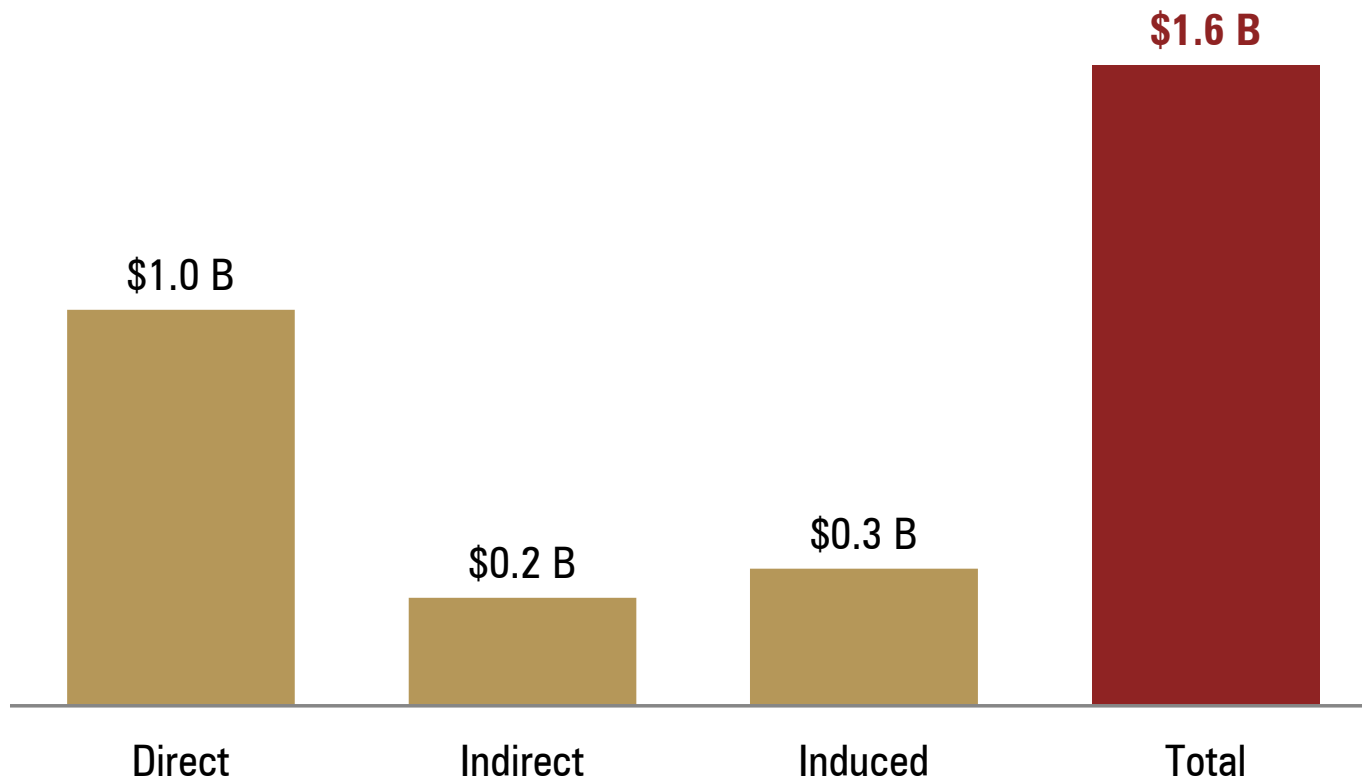
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WAGE AND SALARY IMPACTS

NEVADA MINING INDUSTRY OPERATIONS (2012)



Source: Nevada Department of Employment, Training and Rehabilitation; Nevada Department of Taxation; IMPLAN; Applied Analysis

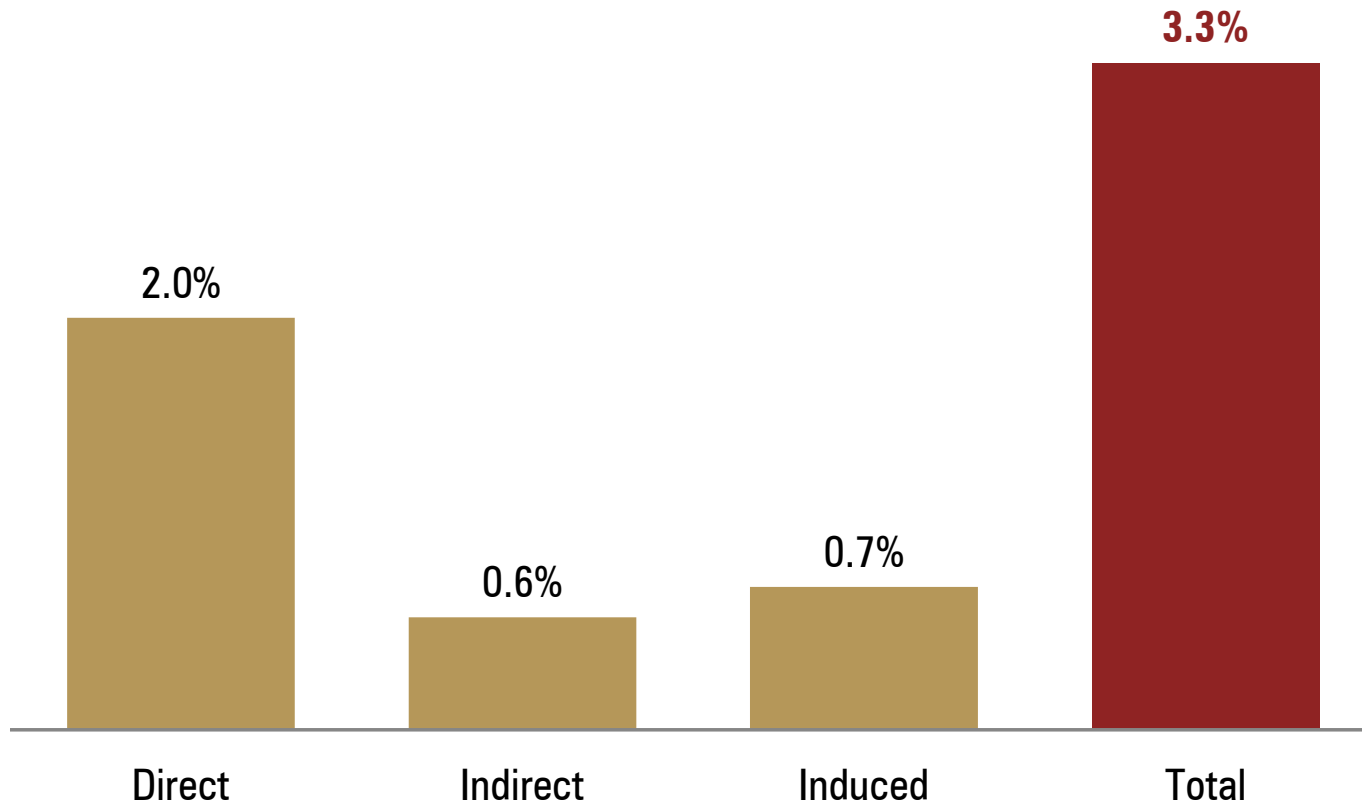
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MINING WAGES/SALARIES IMPACTS AS SHARE OF TOTAL NEVADA WAGES/SALARIES

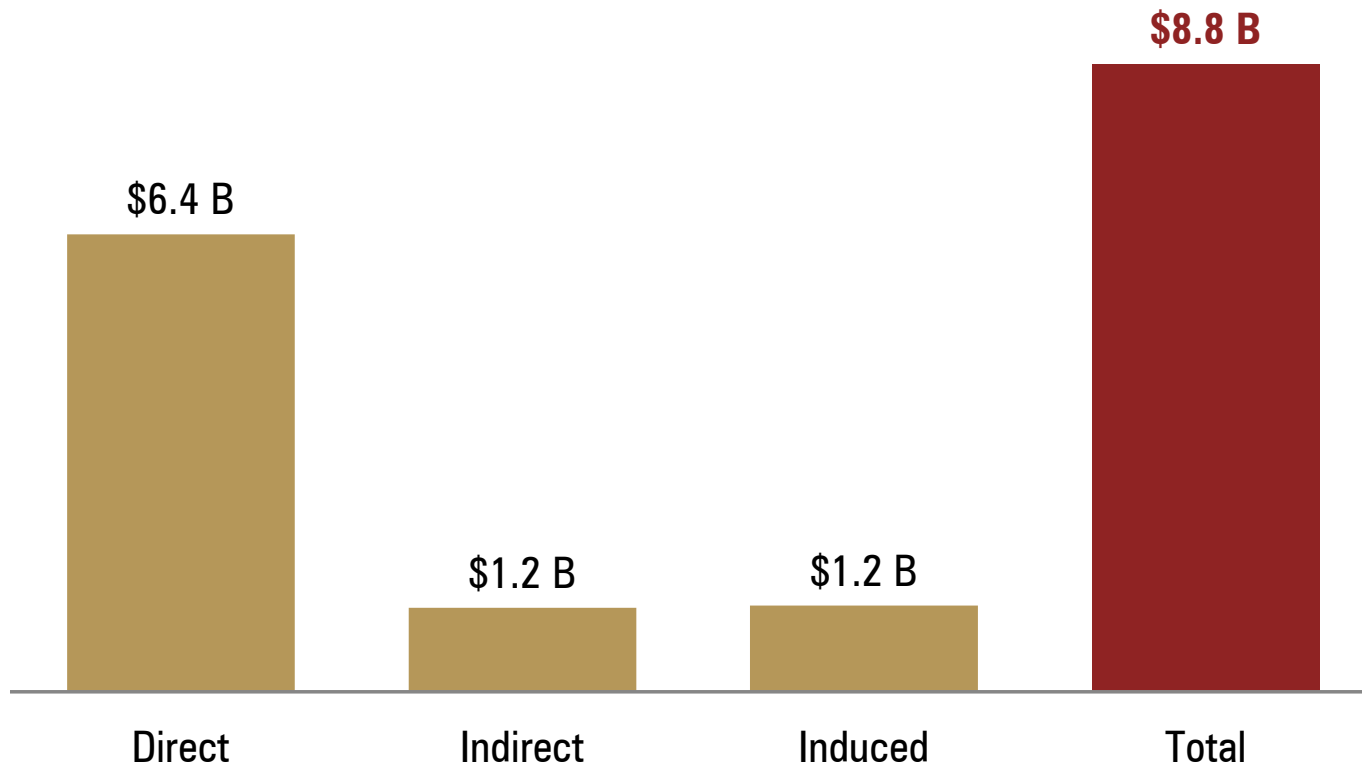


Source: Nevada Department of Employment, Training and Rehabilitation; Nevada Department of Taxation; IMPLAN; Applied Analysis



ECONOMIC OUTPUT

NEVADA MINING INDUSTRY OPERATIONS (2012)



Source: U.S. Bureau of Economic Analysis; Nevada Department of Taxation; IMPLAN; Applied Analysis

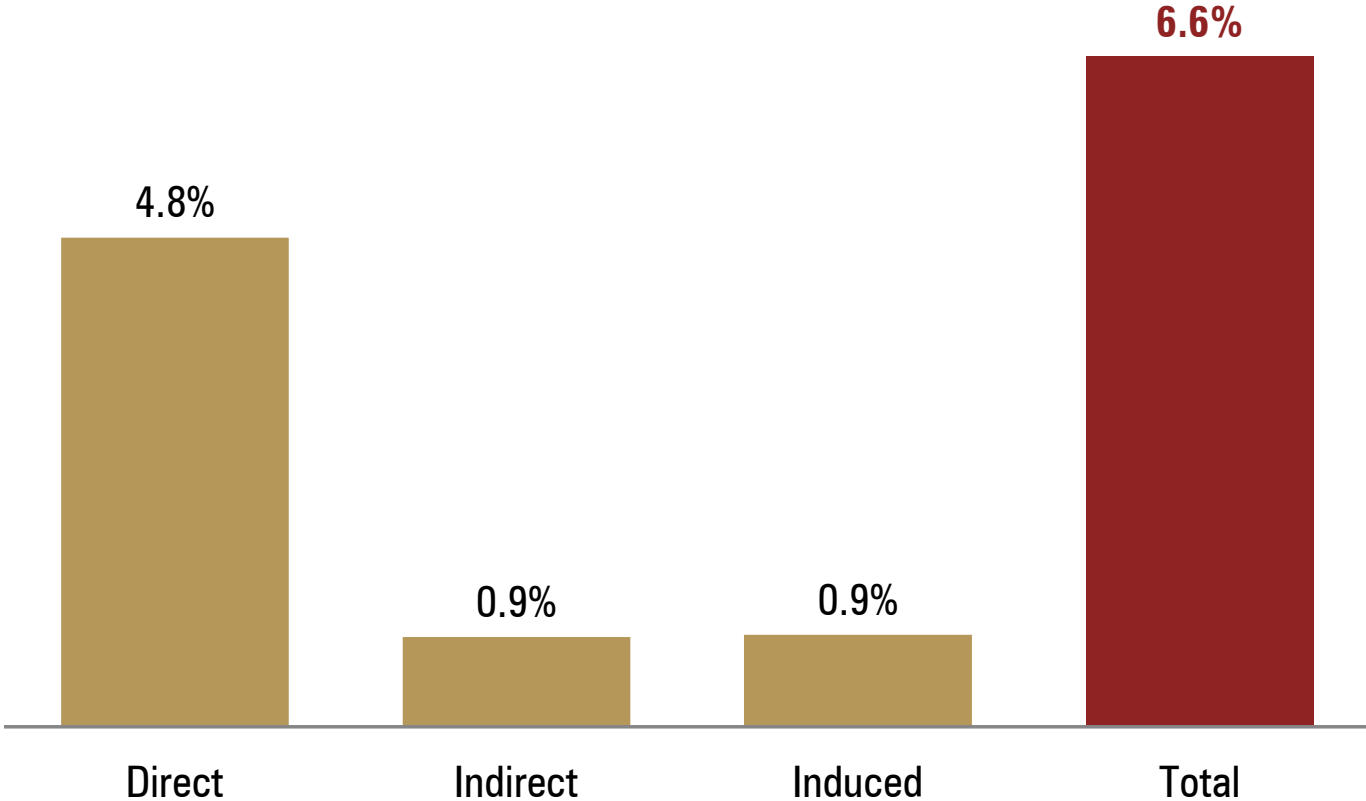
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MINING ECONOMIC OUTPUT AS SHARE OF NEVADA TOTAL GDP



Source: U.S. Bureau of Economic Analysis; Nevada Department of Taxation; IMPLAN; Applied Analysis





FISCAL IMPACT

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NET PROCEEDS OF MINERALS TAX PAID BY NEVADA MINING (2012)

**Total net proceeds of minerals tax paid:
\$239.8 Million**



Source: Nevada Department of Taxation

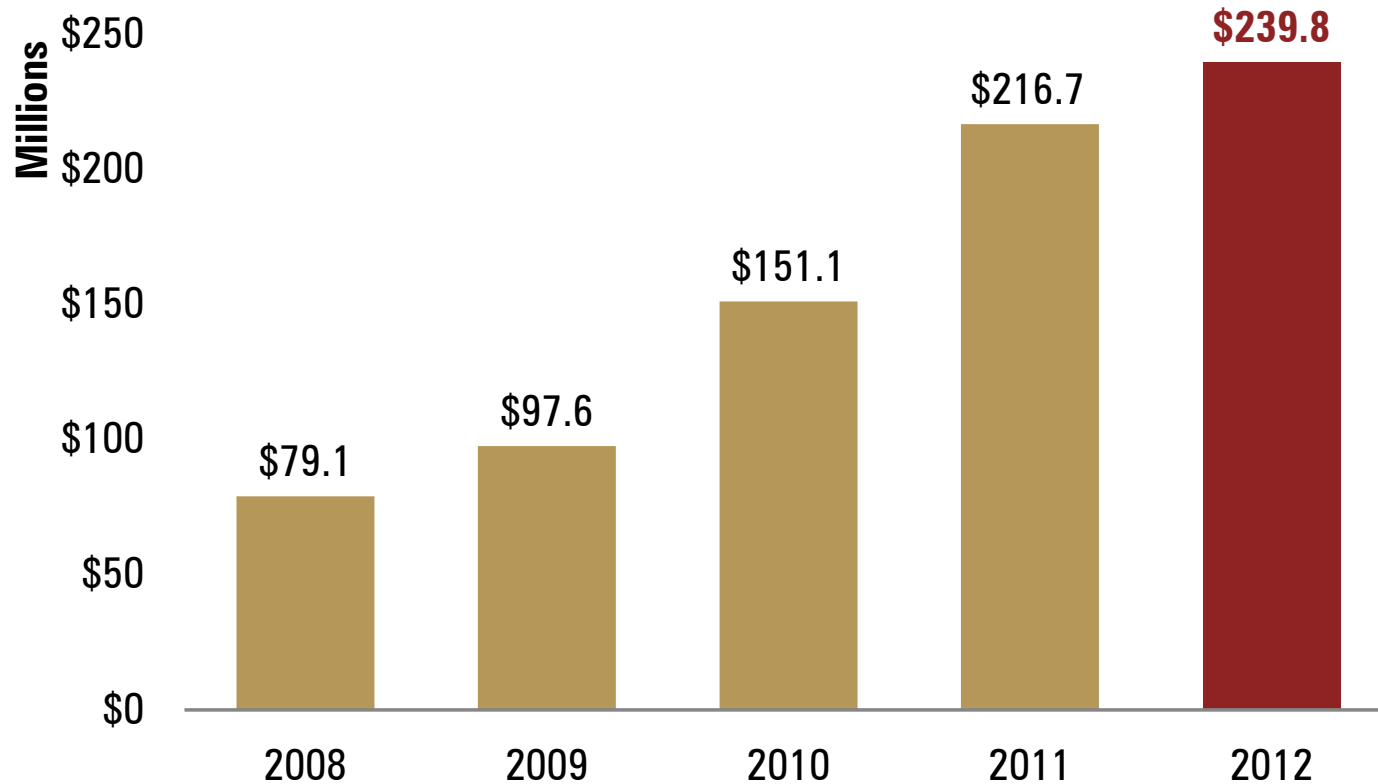
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NET PROCEEDS OF MINERALS TAX PAID BY NEVADA MINING



Source: Nevada Department of Taxation

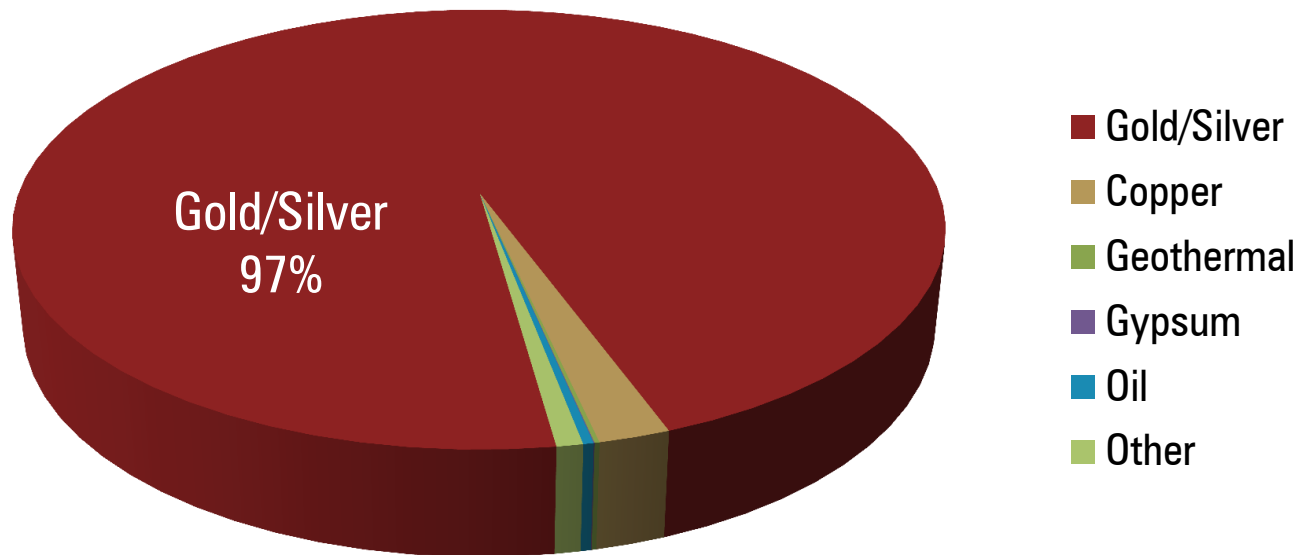
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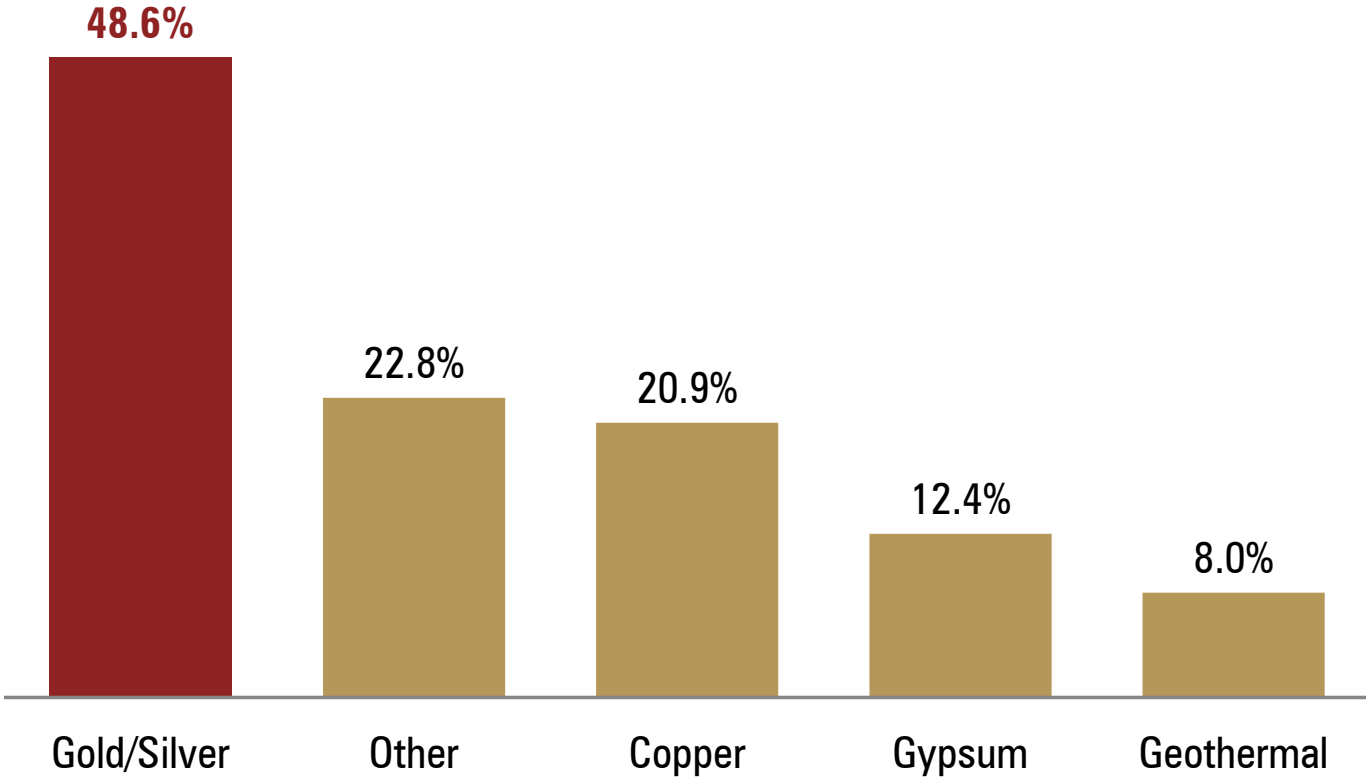
SHARE OF NET PROCEEDS TAX GENERATED BY SPECIFIC MINERALS (2012)



Source: Nevada Department of Taxation



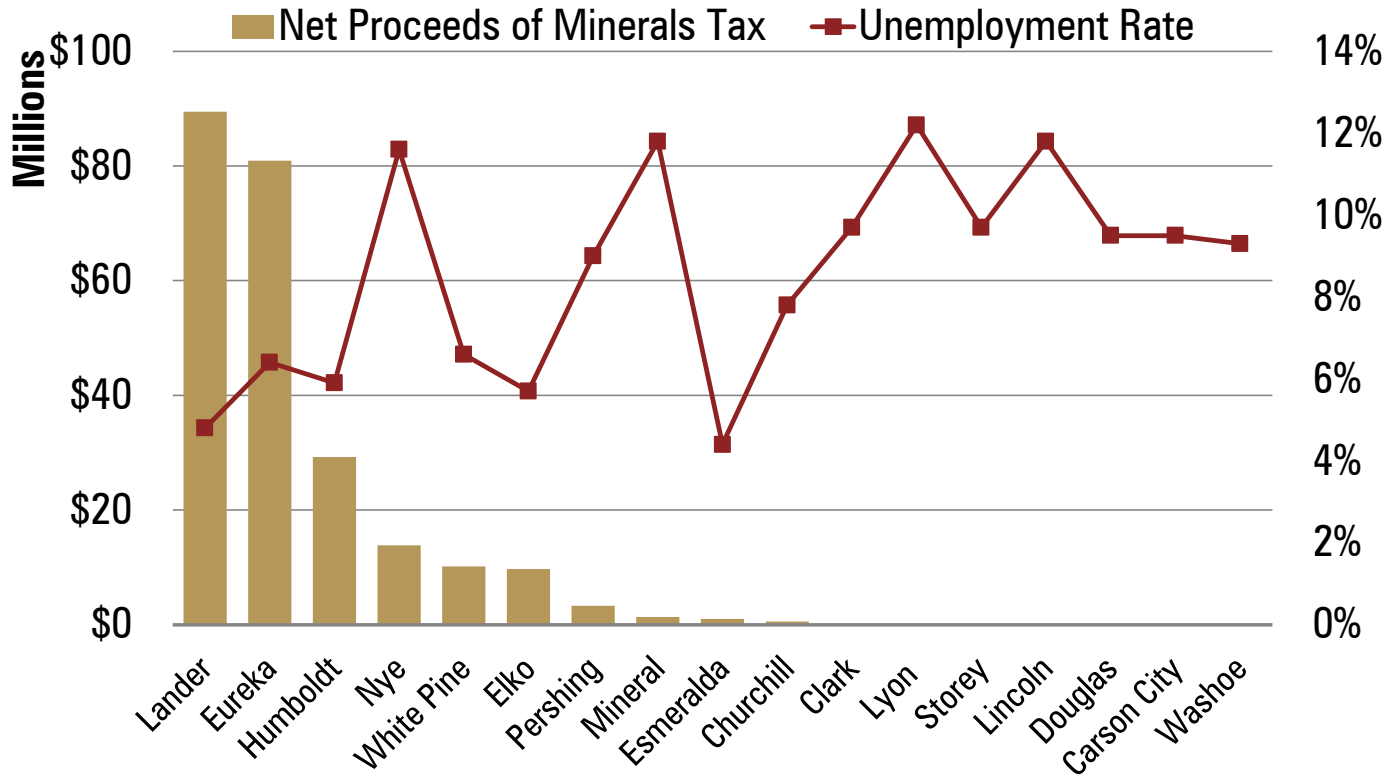
RATIO OF NET PROCEEDS TO GROSS PROCEEDS (2012)



Source: Nevada Department of Taxation



NET PROCEEDS OF MINERALS TAX VS. UNEMPLOYMENT RATE



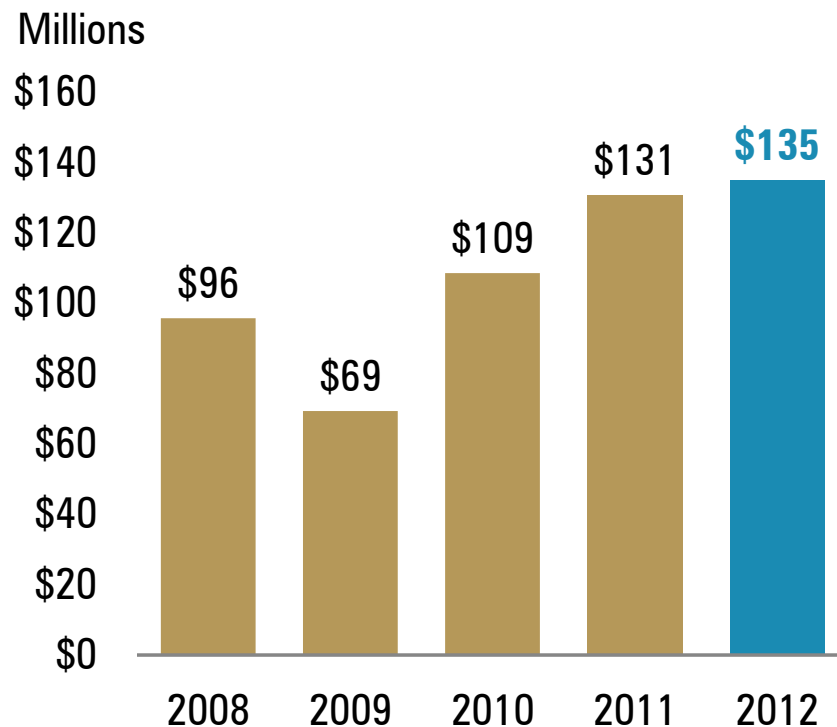
Source: U.S. Bureau of Labor Statistics; Nevada Department of Taxation





ESTIMATED DIRECT SALES/USE TAX PAID BY NEVADA MINING

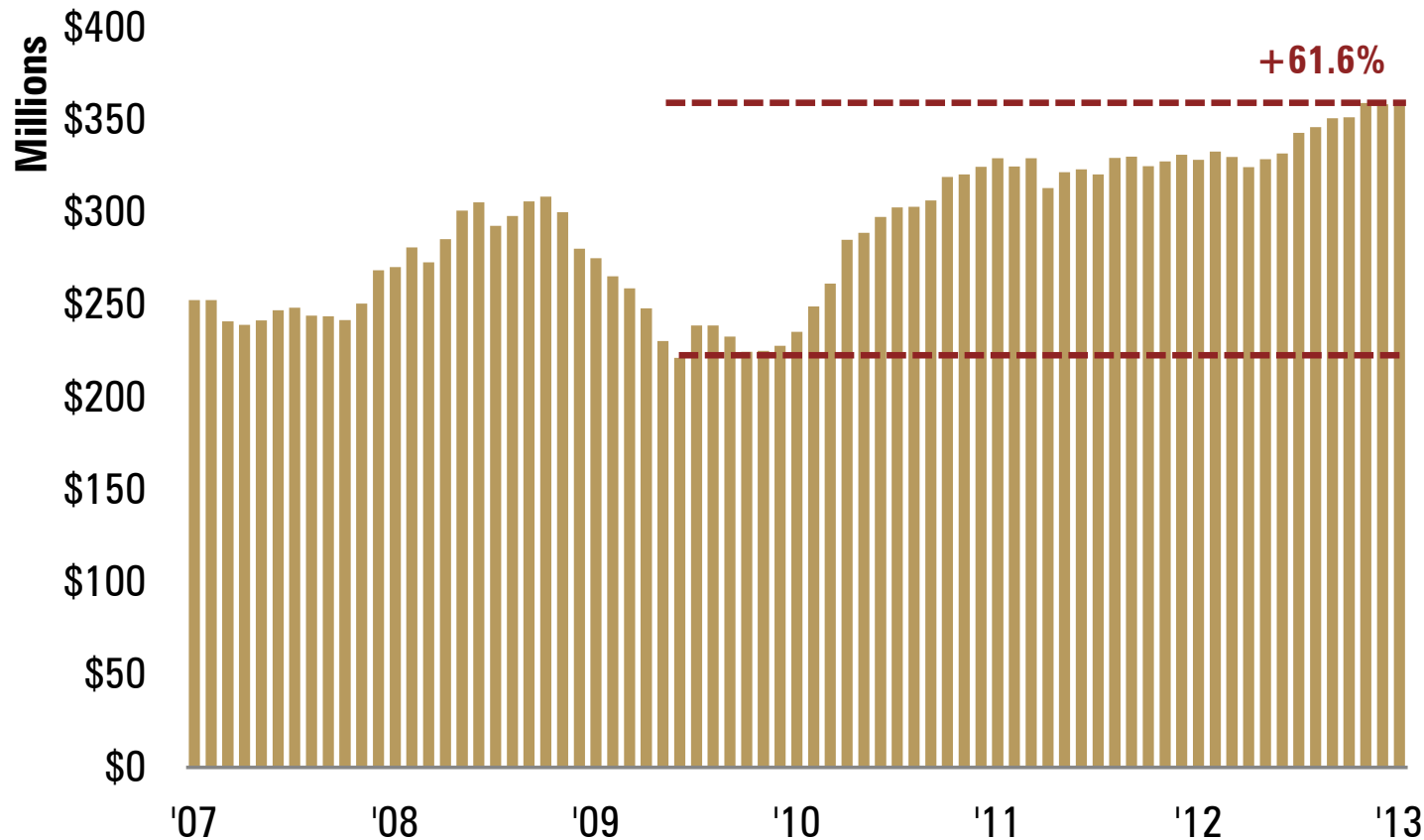
- *Estimated direct sales/use tax paid by Nevada mining:*



Source: NVMA Member Survey (2011, 2012); Natural Resource Industry Institute (2008 – 2010), NV Dept of Taxation and industry surveys



NEVADA TAXABLE RETAIL SALES MINING/MINING SUPPORT (TRAILING 12-MONTH TOTAL)



2,200

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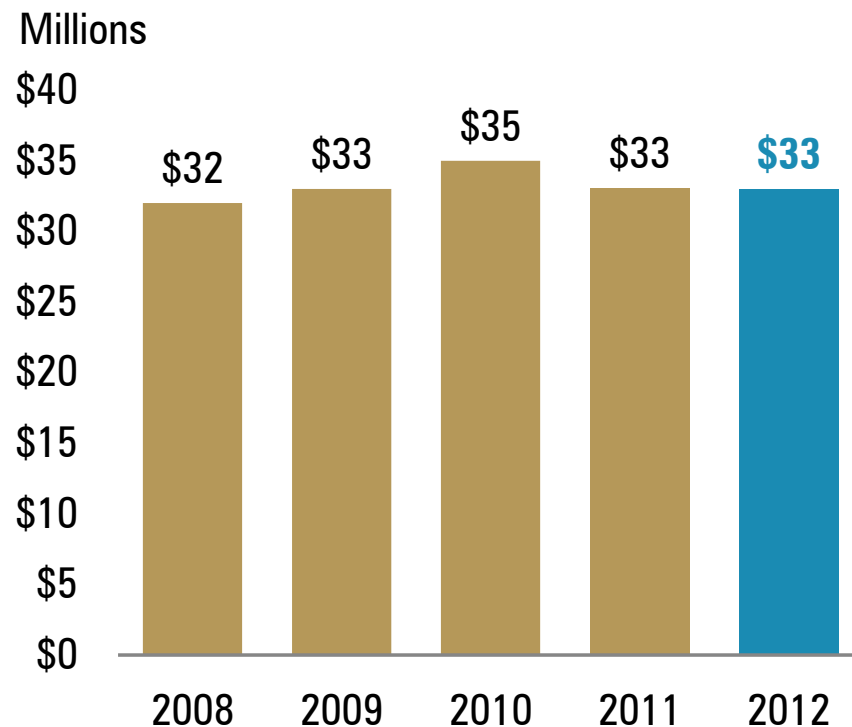
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ESTIMATED DIRECT PROPERTY TAX PAID BY NEVADA MINING

- *Estimated direct property tax paid by Nevada mining:*



Source: NVMA Member Survey (2011, 2012); Natural Resource Industry Institute (2008 – 2010), NV Dept of Taxation and industry surveys

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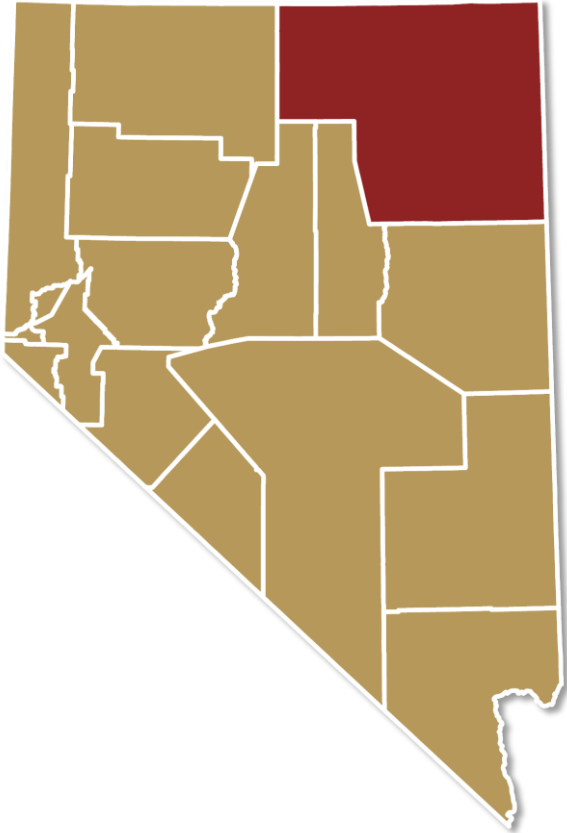
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TOP TEN HIGHEST TAXPAYERS

ELKO COUNTY



TAXPAYER – ELKO COUNTY	SEC/UNSEC ROLL
PEPPERMILL PROPERTIES	\$41.4 M
UNION PACIFIC RAILROAD	\$39.3 M
SIERRA PACIFIC POWER	\$38.8 M
BARRICK GOLDSTRIKE	\$25.2 M
WENDOVER CASINOS INC	\$23.6 M
CTC OF NEVADA	\$19.3 M
NEWMONT	\$18.3 M
CACTUS PETES INC	\$16.3 M
ELKO ACQUISITIONS LLC	\$10.1 M
PHC-ELKO INC	\$9.2 M

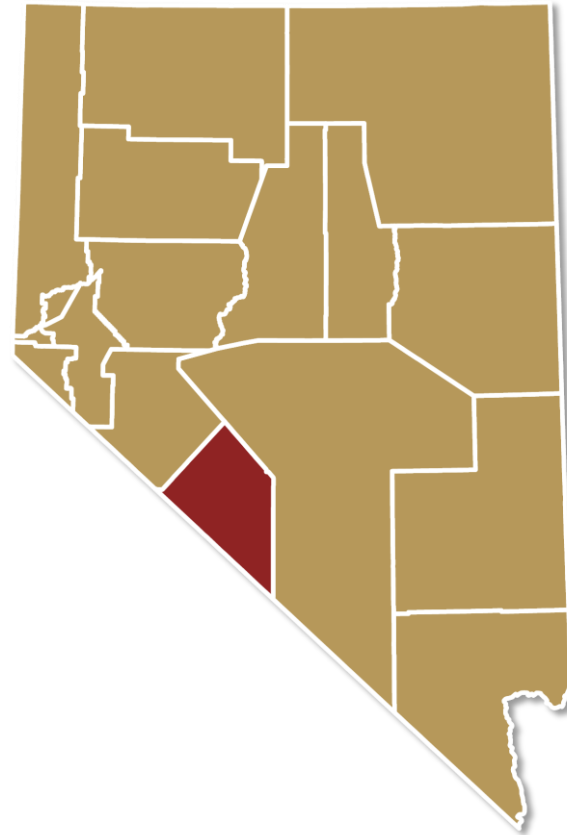
Source: Nevada Department of Taxation



TOP TEN HIGHEST TAXPAYERS

ESMERALDA COUNTY

TAXPAYER – ESMERALDA COUNTY	SEC/UNSEC ROLL
SIERRA PACIFIC POWER	\$9.8 M
SOUTHWEST AIRLINES	\$8.2 M
CHEMETALL FOOTE	\$4.5 M
VALLEY ELECTRIC	\$2.1 M
JAMES BOYCE	\$1.3 M
U.S. AIRWAYS	\$1.1 M
GOLDEN PHOENIX	\$0.6 M
CASHMAN EQUIPMENT	\$0.5 M
IRELAND INC	\$0.5 M
TRIPLE D RANCHES	\$0.3 M

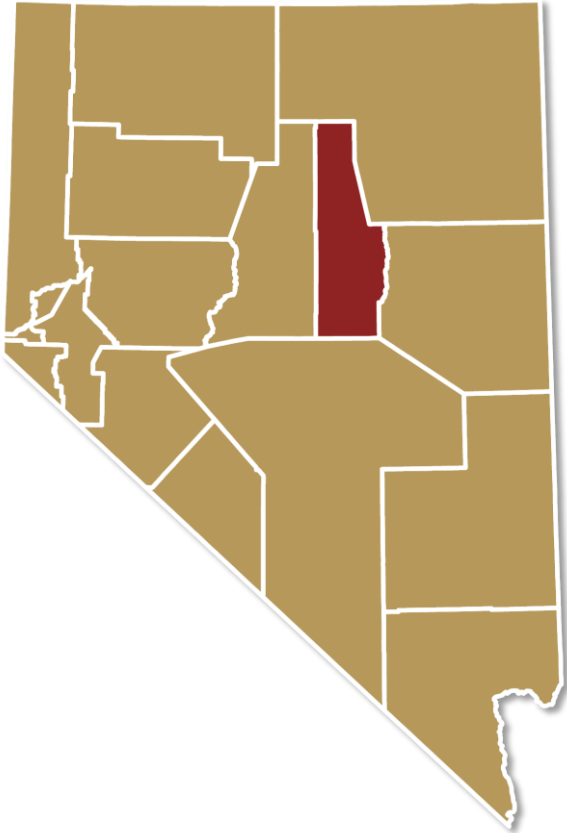


Source: Nevada Department of Taxation



TOP TEN HIGHEST TAXPAYERS

EUREKA COUNTY



TAXPAYER – EUREKA COUNTY	SEC/UNSEC ROLL
NEWMONT	\$341.1 M
BARRICK GOLDSTRIKE	\$128.5 M
SIERRA PACIFIC POWER	\$15.3 M
HOMESTAKE MINING (BARRICK)	\$14.0 M
UNION PACIFIC RAILROAD	\$7.6 M
AT&T COMMUNICATIONS	\$4.2 M
ELKO LAND & LIVESTOCK	\$3.3 M
SMALL MINE DEVELOPMENT LLC	\$3.1 M
MT WHEELER POWER	\$2.6 M
BARROID/HALIBURTON	\$2.0 M

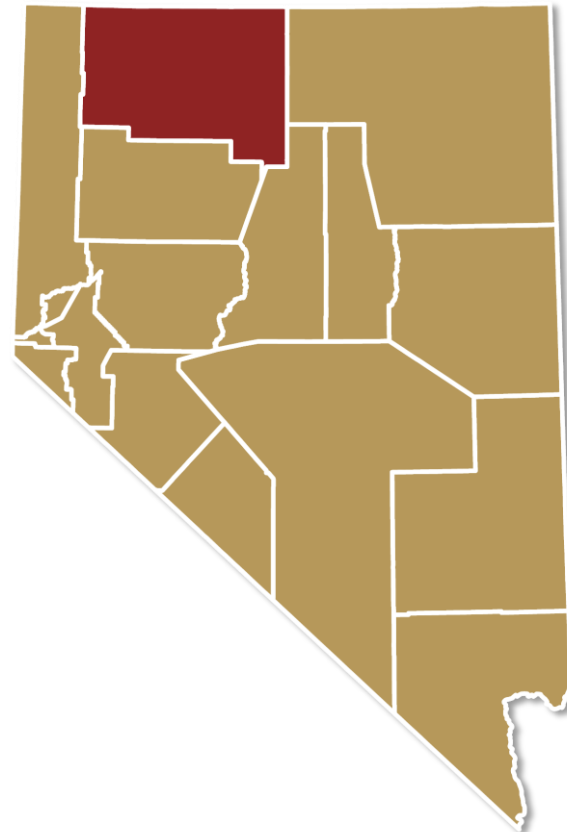
Source: Nevada Department of Taxation



TOP TEN HIGHEST TAXPAYERS

HUMBOLDT COUNTY

TAXPAYER – HUMBOLDT COUNTY	SEC/UNSEC ROLL
NEWMONT	\$125.8 M
TURQUOISE RIDGE	\$40.4 M
SIERRA PACIFIC POWER	\$38.9 M
IDAHO POWER CO	\$34.6 M
MARIGOLD MINING CO	\$23.2 M
UNION PACIFIC RAILROAD	\$21.7 M
HYCROFT RESOURCES AND DEVELOPMENT	\$10.8 M
SOUTHWEST GAS	\$10.6 M
NGP BLUE MOUNTAIN	\$7.5 M
WINNEMUCCA FARMS	\$6.0 M

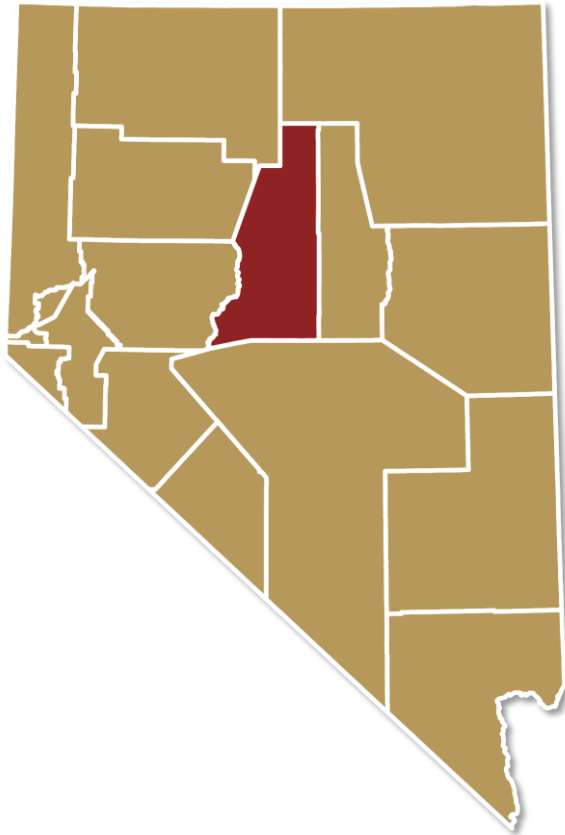


Source: Nevada Department of Taxation



TOP TEN HIGHEST TAXPAYERS

LANDER COUNTY



TAXPAYER – LANDER COUNTY	SEC/UNSEC ROLL
BARRICK GOLD MINES	\$140.6 M
NEWMONT MINING CO	\$100.3 M
SIERRA PACIFIC POWER	\$33.4 M
UNION PACIFIC RAILROAD	\$6.2 M
AT&T COMMUNICATIONS	\$5.2 M
BEOWAVE POWER	\$3.9 M
ALASKA AIRLINES	\$2.3 M
MILPARK	\$2.0 M
DYNO NOBEL, INC	\$1.7 M
SOUTHWEST GAS	\$1.6 M

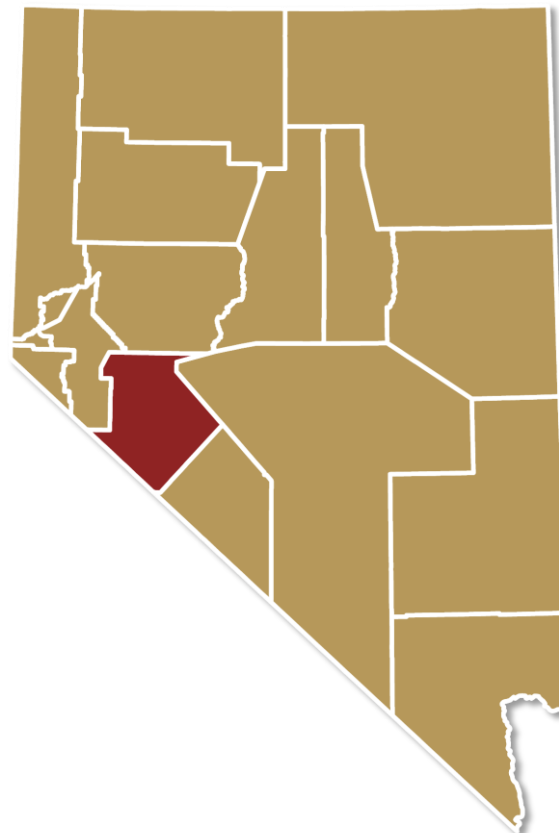
Source: Nevada Department of Taxation



TOP TEN HIGHEST TAXPAYERS

MINERAL COUNTY

TAXPAYER – MINERAL COUNTY	SEC/UNSEC ROLL
SIERRA PACIFIC POWER	\$17.9 M
DAY & ZIMMERMAN	\$16.5 M
RAWHIDE MINING LLC	\$9.4 M
SOUTHWEST AIRLINES CO	\$2.8 M
TERRA-GEN DIXIE VALLEY	\$2.6 M
NO. NV ASSET HOLDING	\$1.5 M
SKY VIEW ACADEMY LLC	\$1.4 M
U.S. AIRWAYS	\$1.1 M
AEROJET GENERAL CORP	\$1.1 M
SOUTHERN CALIFORNIA EDISON	\$0.9 M

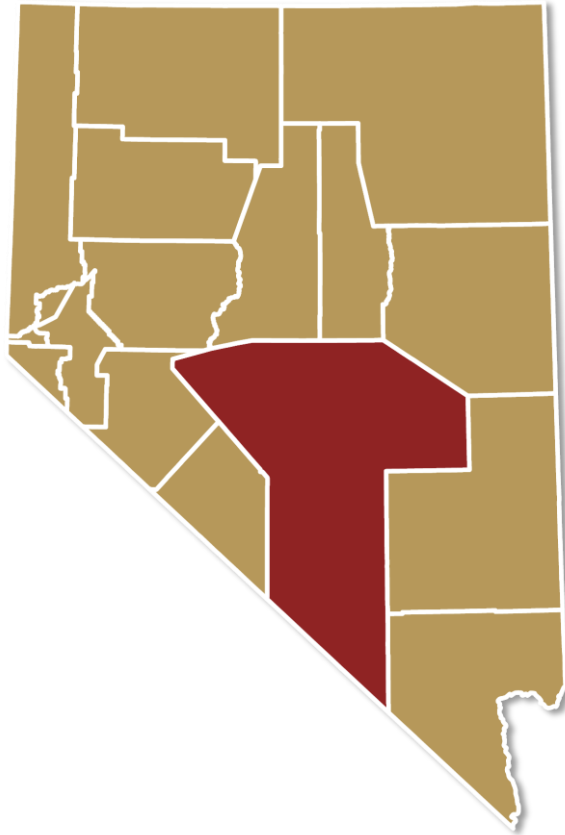


Source: Nevada Department of Taxation



TOP TEN HIGHEST TAXPAYERS

NYE COUNTY



TAXPAYER – NYE COUNTY	SEC/UNSEC ROLL
ROUND MOUNTAIN GOLD	\$59.8 M
NATIONAL SECURITIES	\$52.7 M
VALLEY ELECTRIC	\$24.8 M
CCA WESTERN PROP	\$21.1 M
SIERRA PACIFIC POWER	\$20.9 M
WAL-MART	\$12.1 M
SOUTHWEST AIRLINES	\$9.0 M
AT&T NEVADA	\$6.8 M
U.S. AIRWAYS	\$5.7 M
HOME DEPOT	\$4.3 M

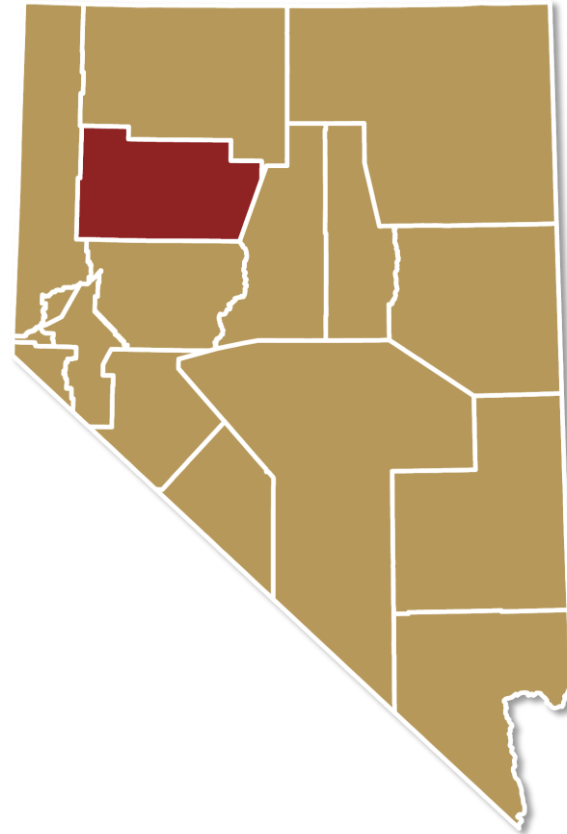
Source: Nevada Department of Taxation



TOP TEN HIGHEST TAXPAYERS

PERSHING COUNTY

TAXPAYER – PERSHING COUNTY	SEC/UNSEC ROLL
SIERRA PACIFIC POWER	\$34.4 M
UNION PACIFIC RAILROAD	\$12.9 M
SOUTHWEST GAS	\$11.3 M
COEUR ROCHESTER INC	\$11.3 M
FLORIDA CANYON/ STANDARD GOLD	\$9.1 M
ORMAT NEVADA	\$6.2 M
E P MINERALS	\$5.2 M
FIRST GOLD	\$3.5 M
PRESKO ENERGY	\$2.1 M
HPT TA OPERATING CORP	\$1.3 M



Source: Nevada Department of Taxation



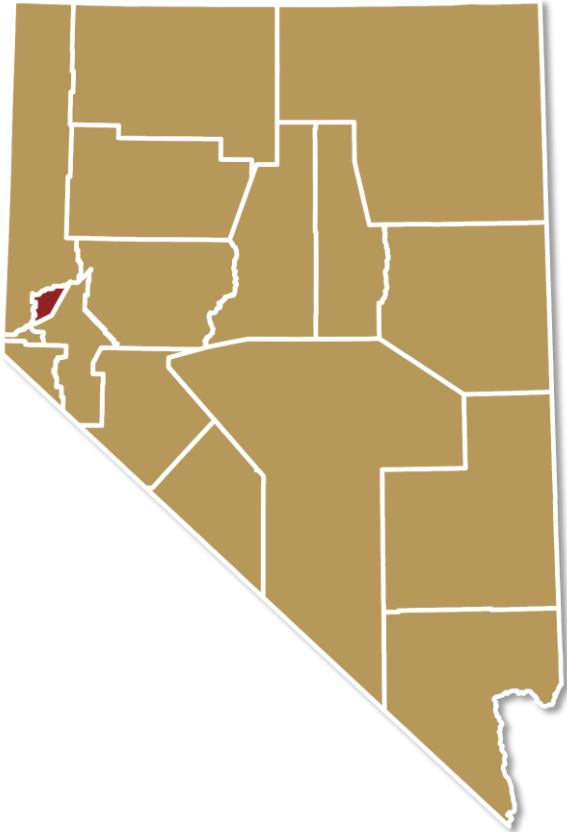
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TOP TEN HIGHEST TAXPAYERS

STOREY COUNTY



TAXPAYER – STOREY COUNTY	SEC/UNSEC ROLL
SIERRA PACIFIC POWER	\$134.9 M
TAHOE RENO INDUSTRIAL	\$25.7 M
WAL-MART STORES EAST	\$24.9 M
BARRICK GOLDSTRIKE	\$21.5 M
JAMES HARDIE BUILDING PRODUCT	\$20.5 M
PROLOGIS	\$15.3 M
COLE PM MCCARRAN	\$10.9 M
MEPT USA PARKWAY	\$9.5 M
EAGLE CPT LLC	\$9.3 M
PCCP RENO INDUSTRIAL	\$7.5 M

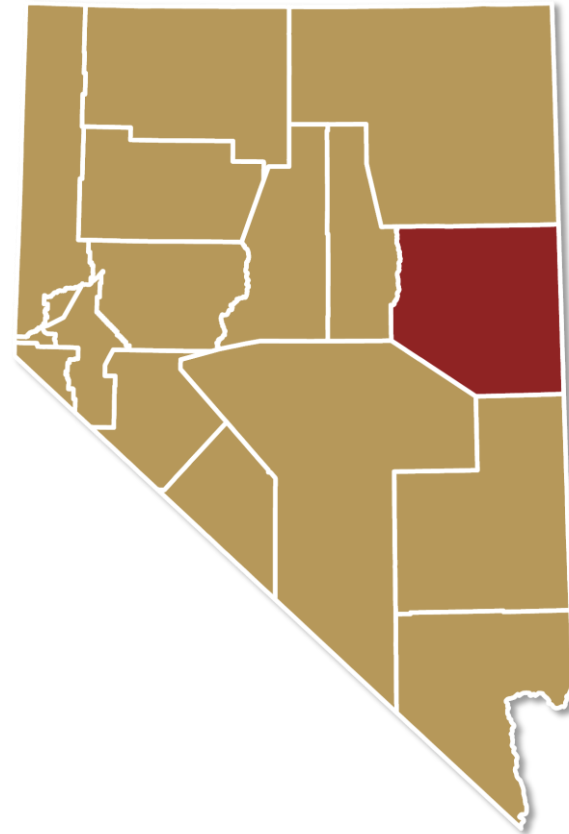
Source: Nevada Department of Taxation



TOP TEN HIGHEST TAXPAYERS

WHITE PINE COUNTY

TAXPAYER – WHITE PINE COUNTY	SEC/UNSEC ROLL
ROBINSON NEVADA MINING CO	\$46.6 M
BARRICK GOLD	\$21.8 M
AT&T COMMUNICATIONS	\$11.5 M
MT WHEELER POWER	\$7.9 M
SIERRA PACIFIC POWER	\$5.8 M
AT&T NEVADA	\$1.7 M
WEST WASATCH HOTEL	\$1.6 M
AMERICAN AIRLINES	\$1.5 M
PROSPECTOR ENTERPRISES	\$1.4 M
CJM LTD PARTNERSHIP	\$1.4 M



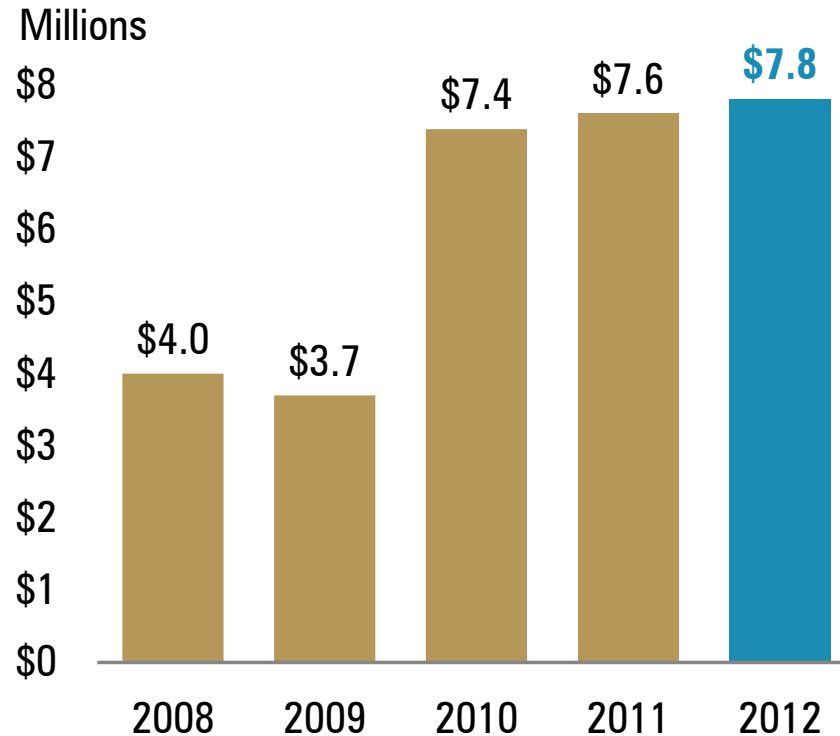
Source: Nevada Department of Taxation





ESTIMATED MODIFIED BUSINESS TAX PAID BY NEVADA MINING

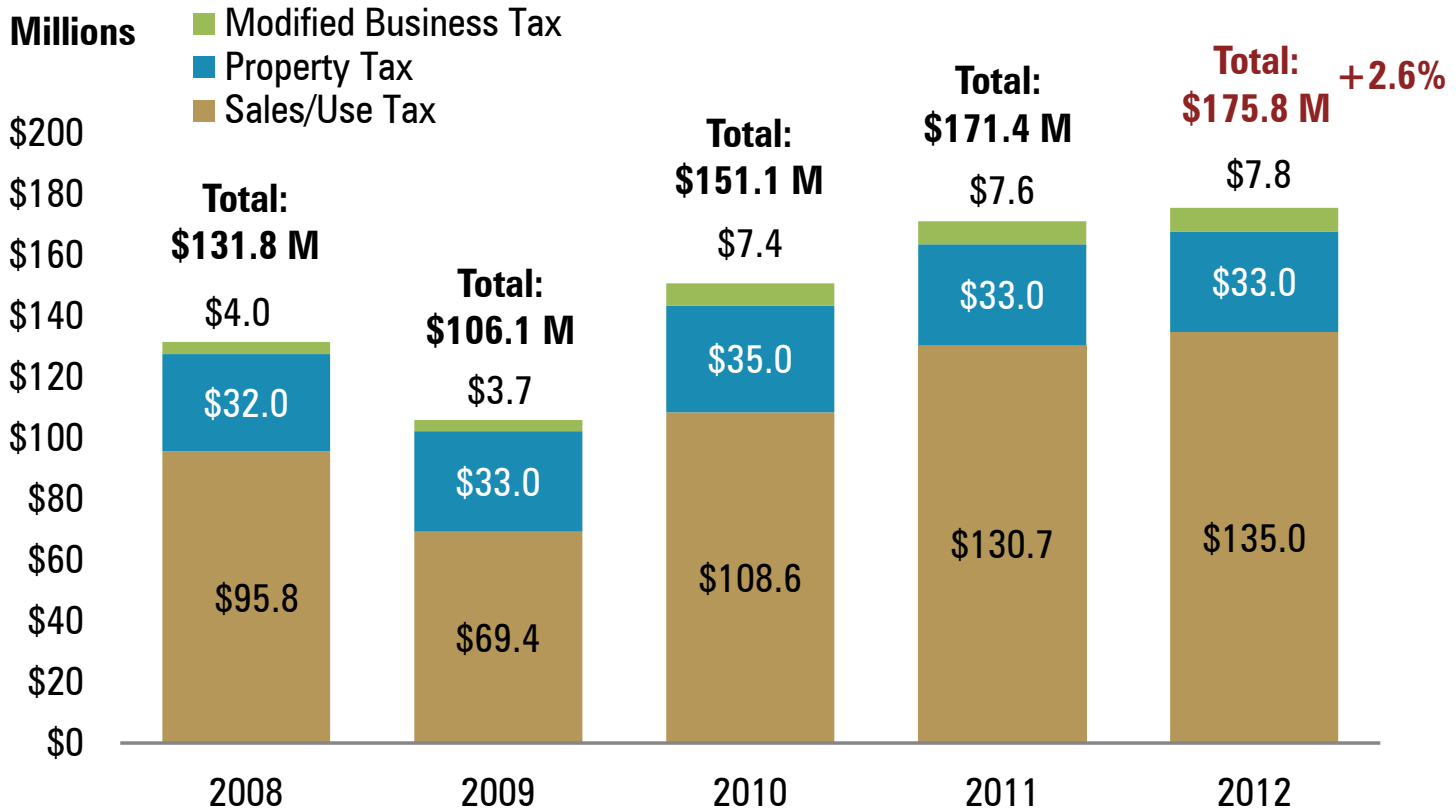
- *Estimated modified business tax paid by Nevada mining:*



Source: NVMA Member Survey (2011, 2012); Natural Resource Industry Institute (2008 – 2010), NV Dept of Taxation and industry surveys



ESTIMATED TOTAL NON-MINING SPECIFIC TAX PAID BY NEVADA MINING



Source: NVMA Member Survey (2011, 2012); Natural Resource Industry Institute (2008 – 2010), NV Dept of Taxation and industry surveys

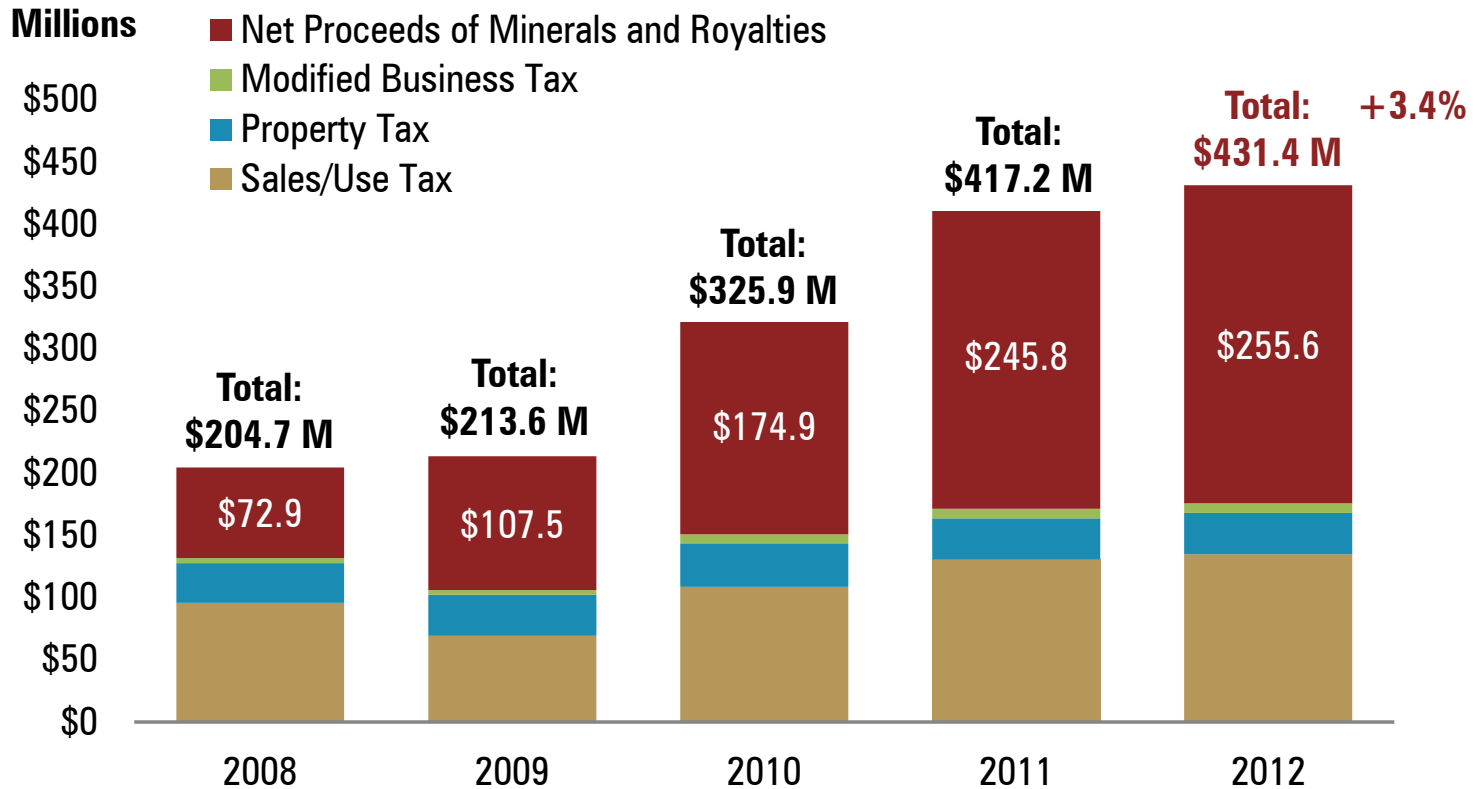


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ESTIMATED TOTAL MINING AND NON-MINING SPECIFIC MAJOR TAXES PAID BY NEVADA MINING



Source: NVMA Member Survey (2011, 2012); Natural Resource Industry Institute (2008 – 2010), NV Dept of Taxation and industry surveys



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COMMUNITY AND ENVIRONMENT

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CHARITABLE GIVING BY NEVADA MINING

- *What is the approximate amount of charitable gifts donated by your company in calendar year 2012?*



Monetary donations to non-profit/
charitable organizations:

\$8.5 Million



Educational scholarships:

\$3.0 Million



Higher education:

\$0.5 Million



Capital improvements in local
communities:

\$0.1 Million

Source: NVMA Member Survey





CHARITABLE GIVING BY NEVADA MINING

- *What is the approximate amount of volunteer hours tracked by your company in calendar year 2012?*



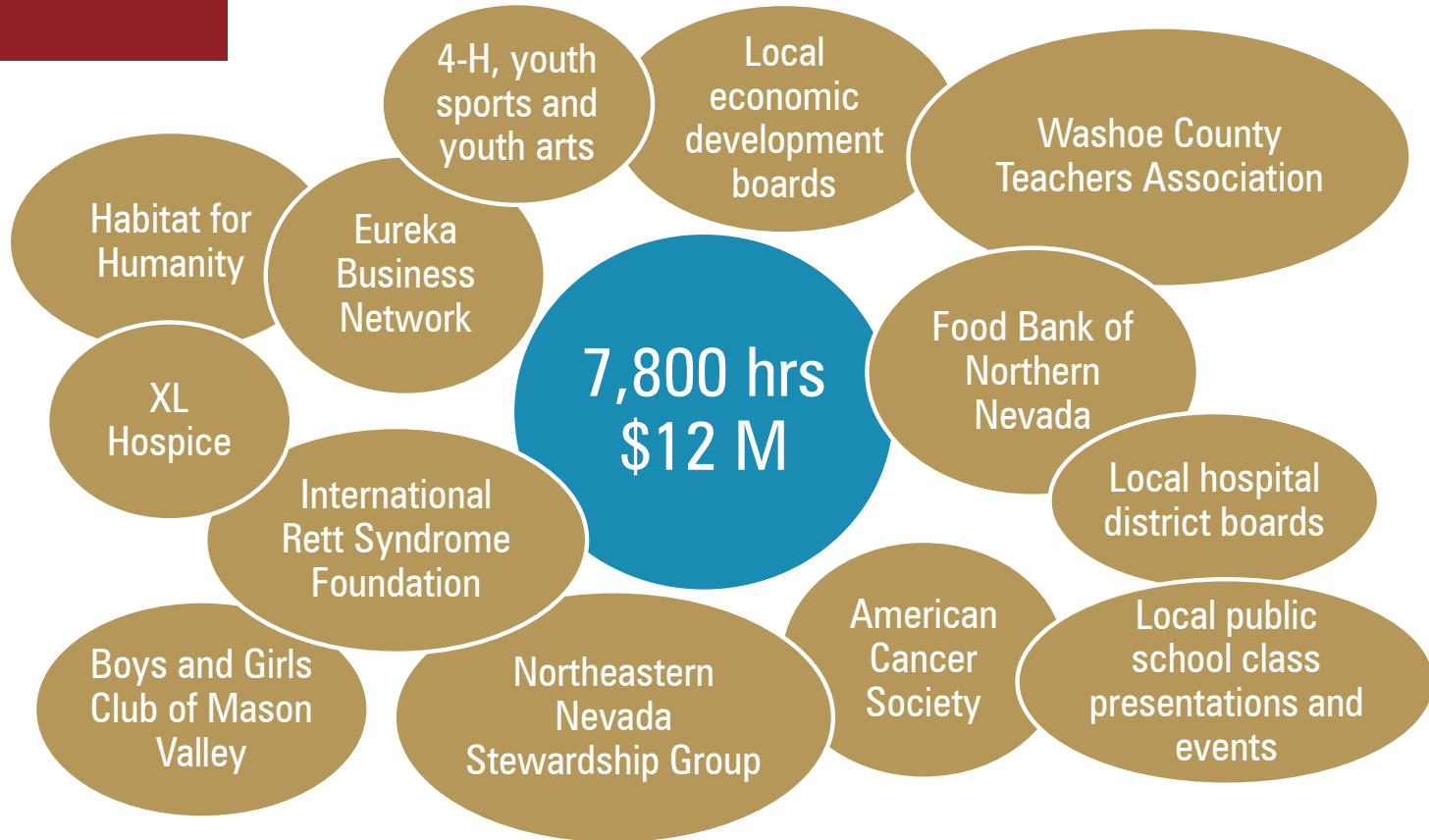
Volunteer time:
7,800 hours

Source: NVMA Member Survey





COMMUNITY RELATIONSHIPS (EXAMPLES, 2012)



Source: NVMA Member Survey





ENVIRONMENTAL ACCOMPLISHMENTS BY NEVADA MINING...



Retained ISO 14001 Environmental
Management Certifications



Certification achieved and retained under
the International Cyanide Management
Code by several NVMA members

Source: NVMA Member Survey





ENVIRONMENTAL ACCOMPLISHMENTS...

Bat habitat restoration



Mojave tortoise, flora and fauna preservation work



Wildlife and wild horse water source improvements



Source: NVMA Member Survey





ENVIRONMENTAL ACCOMPLISHMENTS...

Replaced all lighting with energy efficient ballasts



Use of solar energy to reduce natural gas consumption by 75 percent

Entire mine switched to LED lighting resulting in 50 percent reduction in power usage



Continued reclamation efforts / Drill site and road reclamation of all on-going exploration projects completed

Source: NVMA Member Survey





ENVIRONMENTAL ACCOMPLISHMENTS...

Design of De-watered Tailings Storage facility (Dry Stack) that will reduce water consumption for tailings management by 65 percent

Installation of Phase-II of the Electra-Therm Green machine geothermal power generator

Managed the release of hexavalent chromium to protect the environment and limit employee exposure

Lowered chemical use

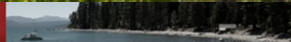
Development of land use plan for an integrated mining/industrial/commercial/recreational complex annexed to the City of Yerington for 13,000 acres that will tier off of mine development to provide sustainable economic activities during and after mining

Source: NVMA Member Survey

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SUMMARY OF NEVADA MINING IMPACTS

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Economic
Output

IMPACT

In 2012, the Nevada mining industry:

- Reported continued significant investments in existing operations, new exploration and support activities
- Generated more than \$6.4 billion in direct economic output



%
Fiscal

IMPACT

In 2012, the Nevada mining industry:

- Paid \$176 million in non-mining specific taxes
- Paid \$256 million in taxes specific only to the mining industry





Employment

IMPACT

In 2012, the Nevada mining industry:

- Directly employed 12,600 workers in the metal ore mining sector
- Paid more than \$1.0 billion in wages and salaries





Community

IMPACT

In 2012, the Nevada mining industry:

- Donated \$12 million to non-profit/charitable organizations
- Gave 7,800 volunteer hours to a variety of causes
- Demonstrated a commitment to the health of Nevada's environment and wildlife



%
Fiscal

State and local taxes paid: \$431 million


Community

Charitable gifts: \$12 million

Volunteer hours: 7,800


Employment

Direct employment: 12,600

Total employment impacts: 29,400

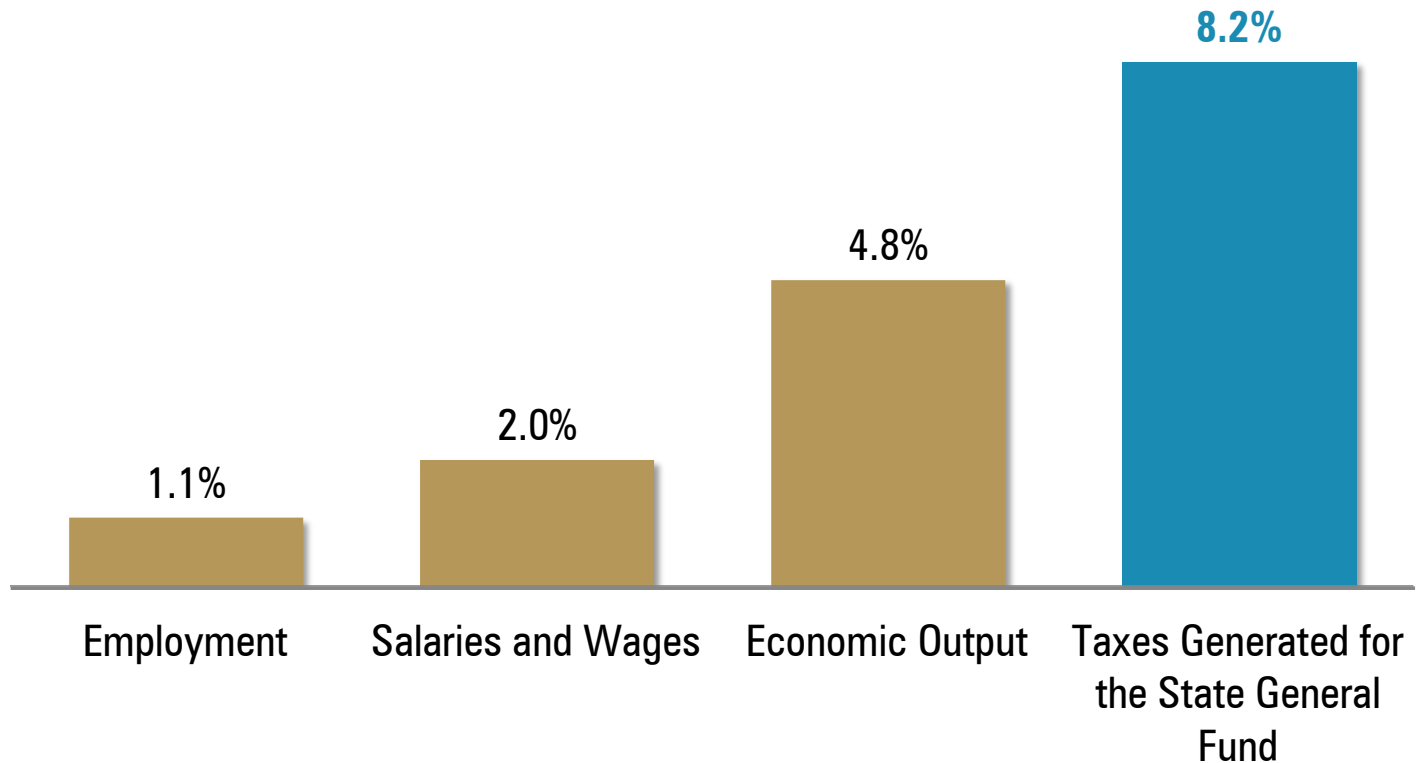

Economic Output

Direct output: \$6.4 billion

Total economic output: \$8.8 billion



BOTTOM LINE: THE ROLE OF THE STATE'S MINING INDUSTRY



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Mining Association

ANNUAL CONVENTION 2013

LAKE TAHOE, NEVADA



NEVADA ECONOMY 2013:
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