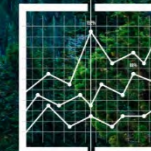


THE ROLE OF THE STATE'S MINING INDUSTRY

Nevada Mining Association
2014 Annual Convention



NEVADA ECONOMY 2014

NEVADA
Mining Association

APPLIED
ANALYSIS 



INDUSTRY OUTLOOK

NEVADA
Mining Association

THE ROLE OF THE STATE'S
MINING INDUSTRY

NEVADA ECONOMY 2014

Nevada Mining Association
2014 Annual Convention

APPLIED
ANALYSIS 



Policy Perception Index



| | Country | Score | Vs. Prior Year |
|---|---------|-------|----------------|
| 1 | Sweden | 95.2 | ▲ |
| 2 | Finland | 94.3 | ▼ |
| 3 | Alberta | 93.4 | ▲ |
| 4 | Ireland | 93.4 | ▲ |
| 5 | Wyoming | 92.6 | ▲ |
| 8 | Nevada | 87.7 | ▲ |

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



Best Practices Mineral Potential Index



| | Country | Score | Vs. Prior Year |
|---|------------------|-------|----------------|
| 1 | Alaska | 0.83 | ▲ |
| 2 | W. Aus. | 0.82 | ▲ |
| 3 | Nevada | 0.82 | ▲ |
| 4 | Chile | 0.80 | ▲ |
| 5 | British Columbia | 0.80 | ▲ |

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



Investment Attractiveness Index



| | Country | Score | Vs. Prior Year |
|---|-----------------|-------|----------------|
| 1 | W. Aus. | 85.3 | ▲ |
| 2 | Nevada | 84.2 | ▲ |
| 3 | Nfld./ Labrador | 81.3 | ▲ |
| 4 | Finland | 80.2 | ▲ |
| 5 | Alaska | 80.2 | ▲ |

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



NEVADA'S **TOP 5 QUALITIES**



SECURITY
SITUATION

71%

Encourages Investment

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



SECURITY
SITUATION

71%

Encourages Investment



MINERAL
POTENTIAL

68%

Encourages Investment

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



SECURITY
SITUATION

71%

Encourages Investment



MINERAL
POTENTIAL

68%

Encourages Investment



GEOLOGICAL
DATABASE

57%

Encourages Investment

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



SECURITY
SITUATION

71%

Encourages Investment



MINERAL
POTENTIAL

68%

Encourages Investment



GEOLOGICAL
DATABASE

57%

Encourages Investment



AVAILABLE
LABOR AND SKILLS

55%

Encourages Investment

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



SECURITY
SITUATION

71%

Encourages Investment



MINERAL
POTENTIAL

68%

Encourages Investment



GEOLOGICAL
DATABASE

57%

Encourages Investment



AVAILABLE
LABOR AND SKILLS

55%

Encourages Investment



POLITICAL
STABILITY

55%

Encourages Investment

Source: Fraser Institute Survey of Mining Companies (2013) 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:

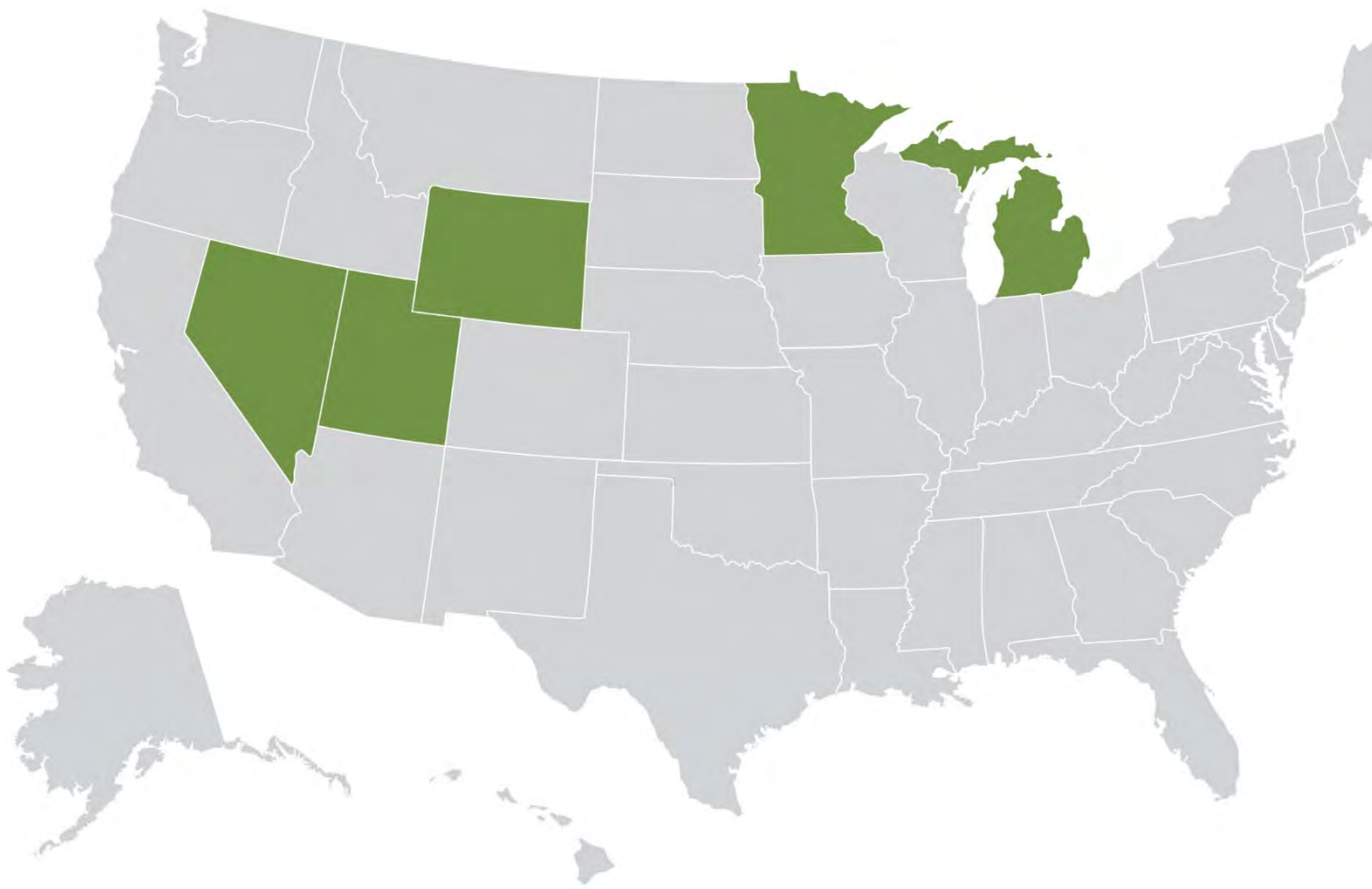
| Policy Factor | Score | |
|---|-------|------|
| | 2014 | 2013 |
| Environmental regulation uncertainty | 8.3 | 7.2 |
| Regulatory uncertainty | 7.9 | 7.2 |
| Duplication/inconsistencies in regulatory environment | 7.8 | 6.9 |
| Uncertainty about state tax structure | 7.7 | 7.8 |
| Availability of labor/skilled workforce | 7.6 | 7.4 |
| Uncertainty about national tax structure | 7.6 | 6.7 |
| Infrastructure | 7.1 | 6.3 |
| Uncertainty about future protected areas | 7.0 | 6.1 |
| Political stability on a national level | 7.0 | 6.1 |
| Political stability on a state level | 6.7 | 6.6 |
| Socioeconomic or local community development conditions or agreements | 6.6 | 5.7 |
| Labor/employment agreements | 6.2 | 5.3 |
| Trade barriers | 5.0 | 4.1 |

Increasing importance

Source: NVMA Member Survey (2013 and 2014)



Policy Perception Index

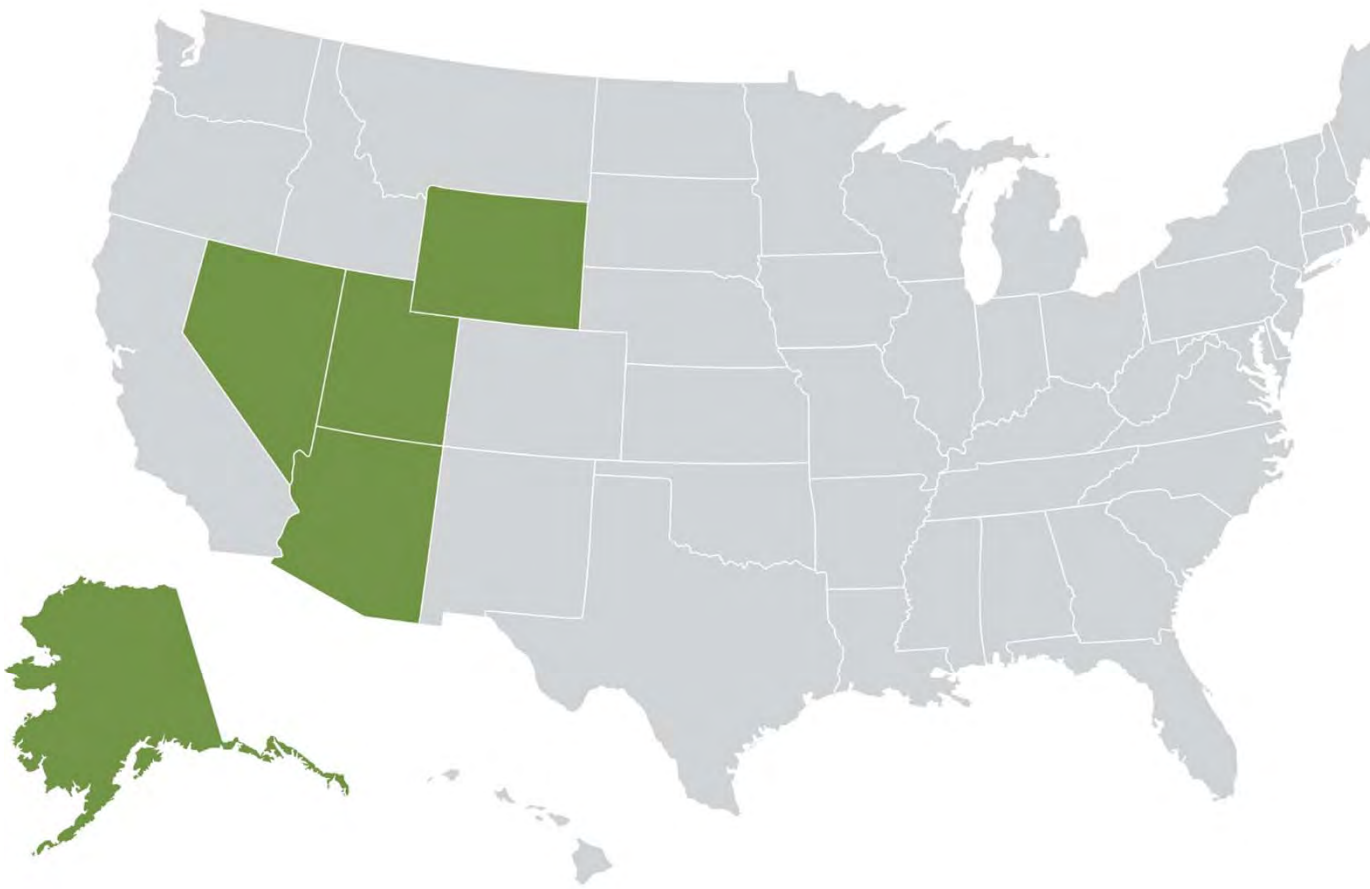


| | State | Score | Vs. Prior Year |
|---|-----------|-------|----------------|
| 1 | Wyoming | 92.6 | ▲ |
| 2 | Nevada | 87.7 | ▲ |
| 3 | Minnesota | 79.3 | ▲ |
| 4 | Utah | 78.1 | ▼ |
| 5 | Michigan | 77.8 | ▲ |

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



Best Practices Mineral Potential Index

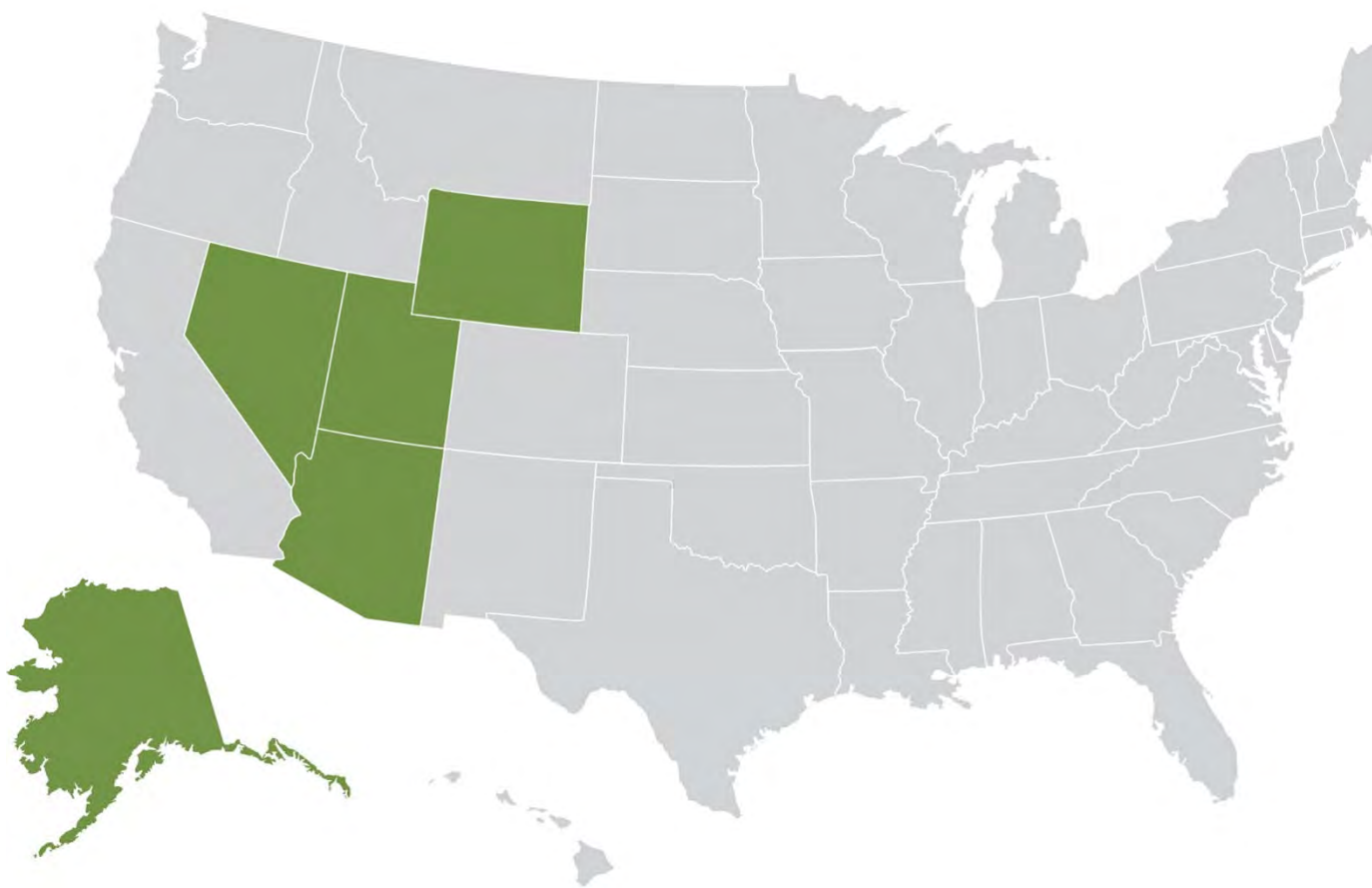


| | State | Score | Vs. Prior Year |
|---|---------|-------|----------------|
| 1 | Alaska | 0.83 | ▲ |
| 2 | Nevada | 0.82 | ▲ |
| 3 | Utah | 0.74 | ▲ |
| 4 | Arizona | 0.70 | ▲ |
| 5 | Wyoming | 0.66 | ▼ |

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



Investment Attractiveness Index

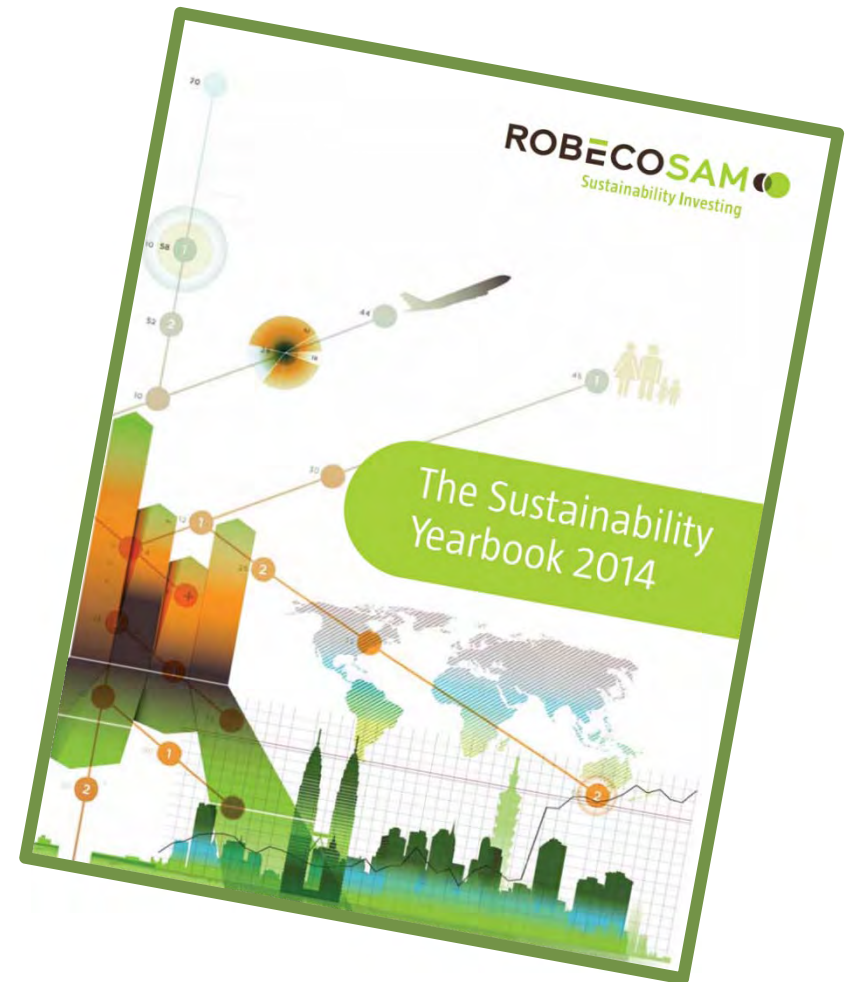


| | State | Score | Vs. Prior Year |
|---|---------|-------|----------------|
| 1 | Nevada | 84.2 | ▲ |
| 2 | Alaska | 80.2 | ▲ |
| 3 | Wyoming | 76.6 | ▼ |
| 4 | Utah | 75.4 | ▲ |
| 5 | Arizona | 72.4 | ▲ |

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

Corporate Sustainability Assessment

- 2,500 publicly traded companies have an opportunity to participate
- Companies fill out industry-specific questionnaires and are evaluated based on a range of financially relevant sustainability criteria covering economic, environmental and social dimensions
- Scores range from 0 to 100; companies are then ranked against others in the industry



Source: RobecoSAM

2014 SUSTAINABILITY LEADERS

METALS & MINING INDUSTRY



RobecoSAM
GOLD CLASS

Anglo American PLC



RobecoSAM
SILVER CLASS

Newmont Mining Corp
Teck Resources Ltd



RobecoSAM
BRONZE CLASS

Barrick Gold Corp
Gold Fields Ltd

Sustainability YEARBOOK MEMBERS

AngloGold Ashanti Ltd
BHP Billiton Ltd
Glencore Xstrata PLC

Goldcorp Inc
Kinross Gold Corp

Mitsubishi Materials Corp
Rio Tinto PLC

 NEVADA MINING ASSOCIATION **MEMBER**

Source: RobecoSAM



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 ↑

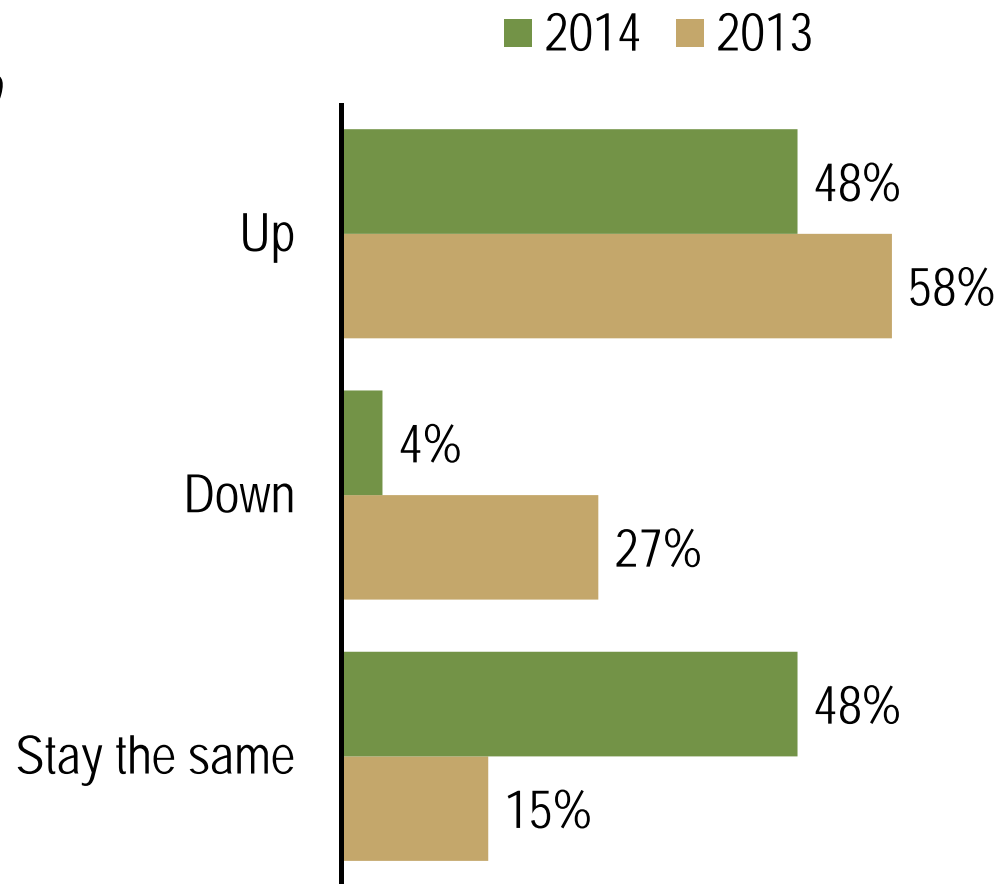
| Policy Factor | Score | |
|--------------------------|-------|------|
| | 2014 | 2013 |
| Mineral price trends | 7.9 | 8.0 |
| Availability of capital | 7.3 | 7.4 |
| Cost of capital | 7.2 | 7.0 |
| Global economy | 7.0 | 6.1 |
| North America economy | 6.9 | 6.9 |
| U.S. economy | 6.1 | 6.2 |
| Stock market performance | 5.6 | 5.4 |
| Nevada economy | 5.4 | 5.9 |
| South America economy | 5.1 | 4.6 |
| Asia Pacific economy | 4.8 | 5.3 |
| Europe economy | 4.4 | 4.7 |
| Africa economy | 4.2 | 4.1 |
| Middle East economy | 4.0 | 3.7 |

Source: NVMA Member Survey (2013 and 2014)



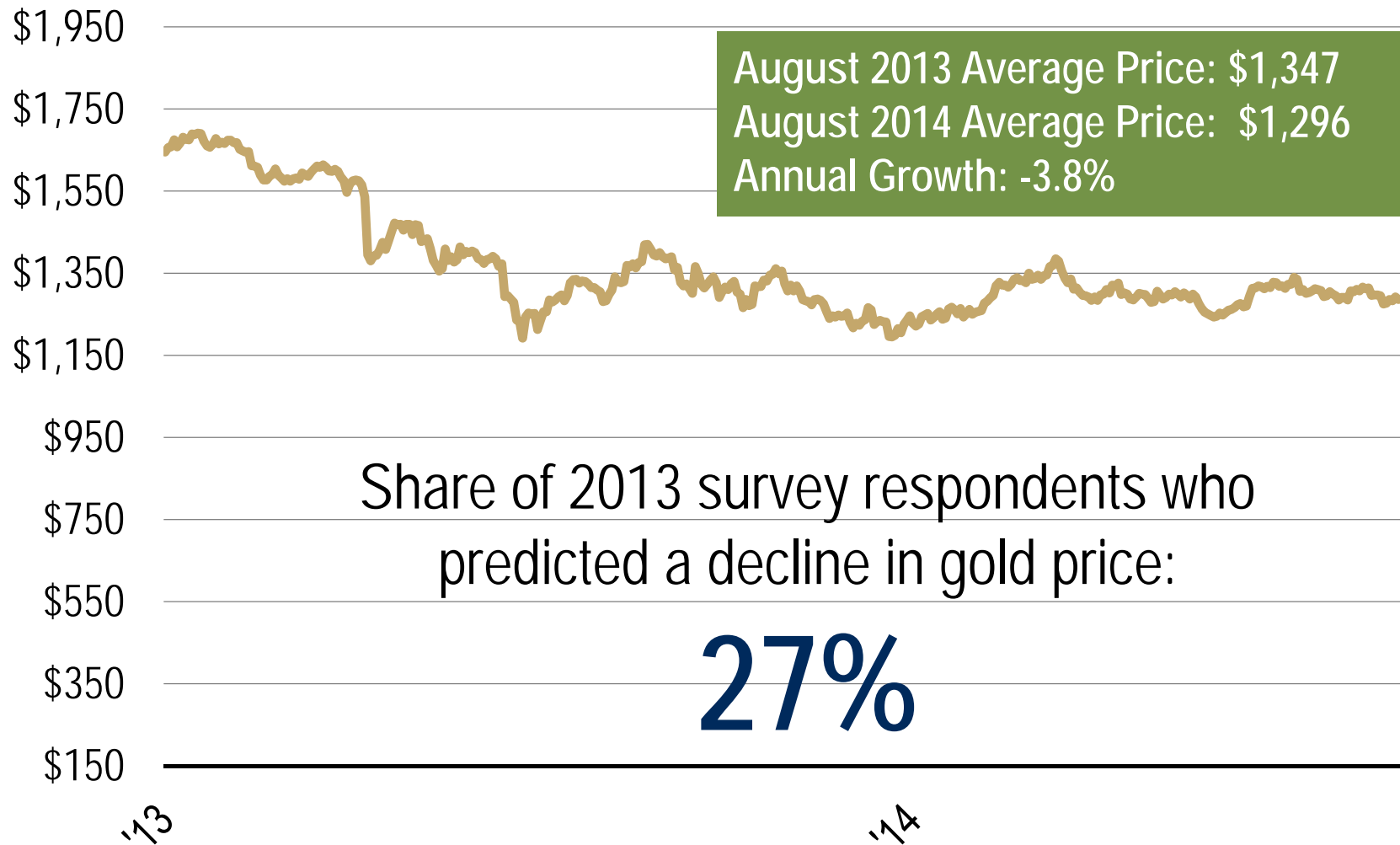
NVMA Members' Gold Price Predictions

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



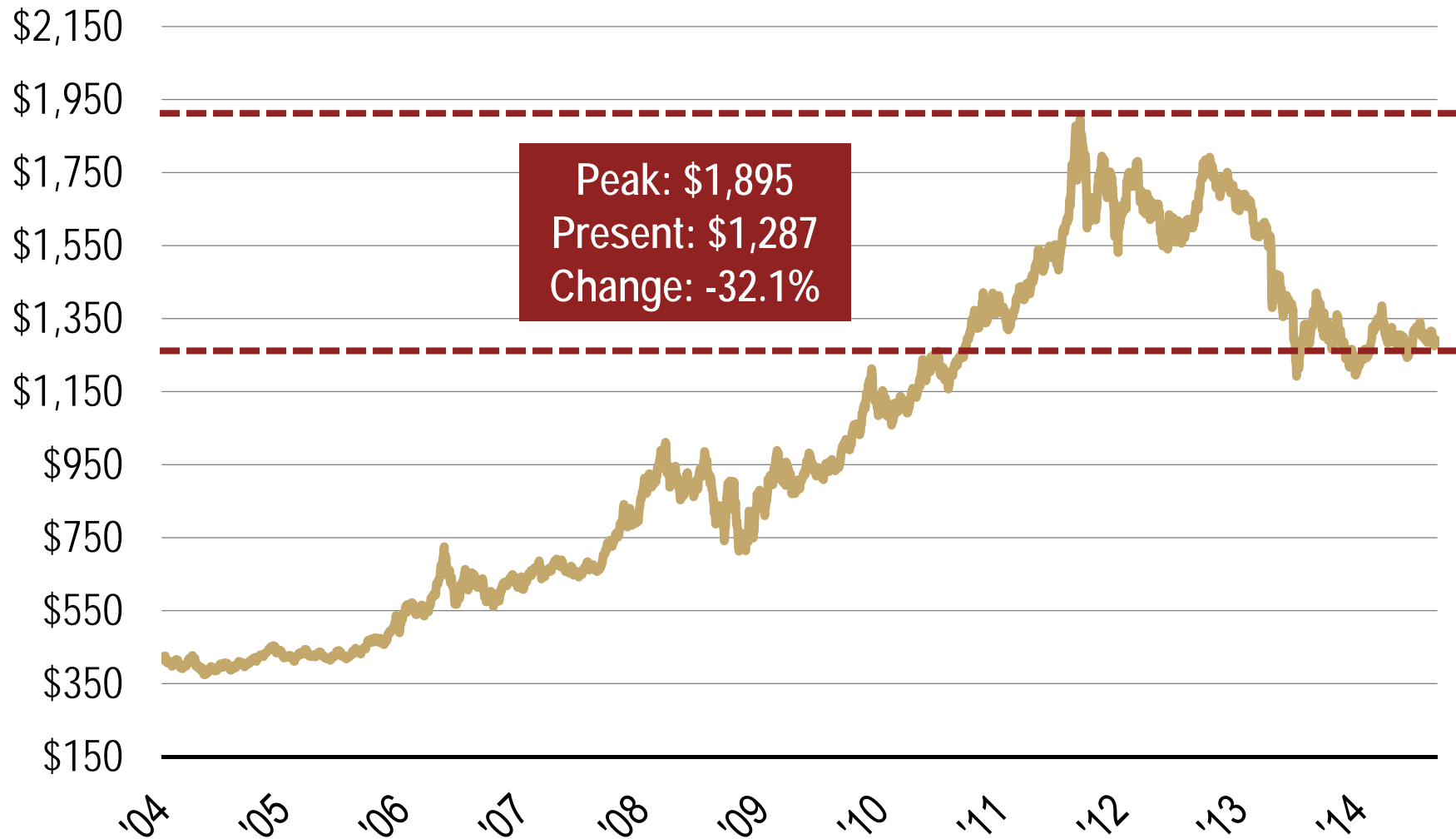
Source: NVMA Member Survey (2014)

Daily Gold Price



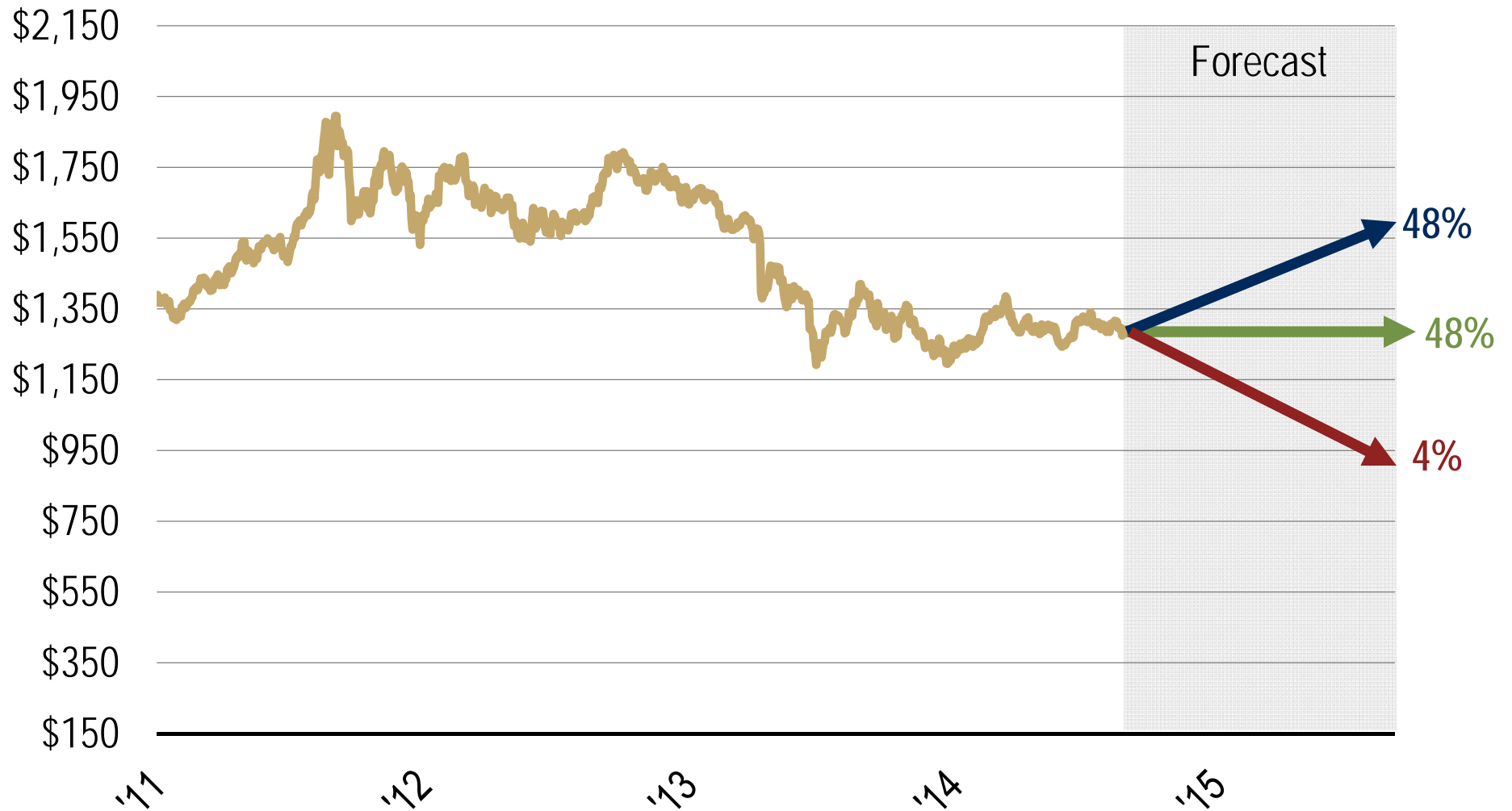
Source: London Bullion Market Association and NVMA Member Survey (2013)

Daily Gold Price



Source: London Bullion Market Association

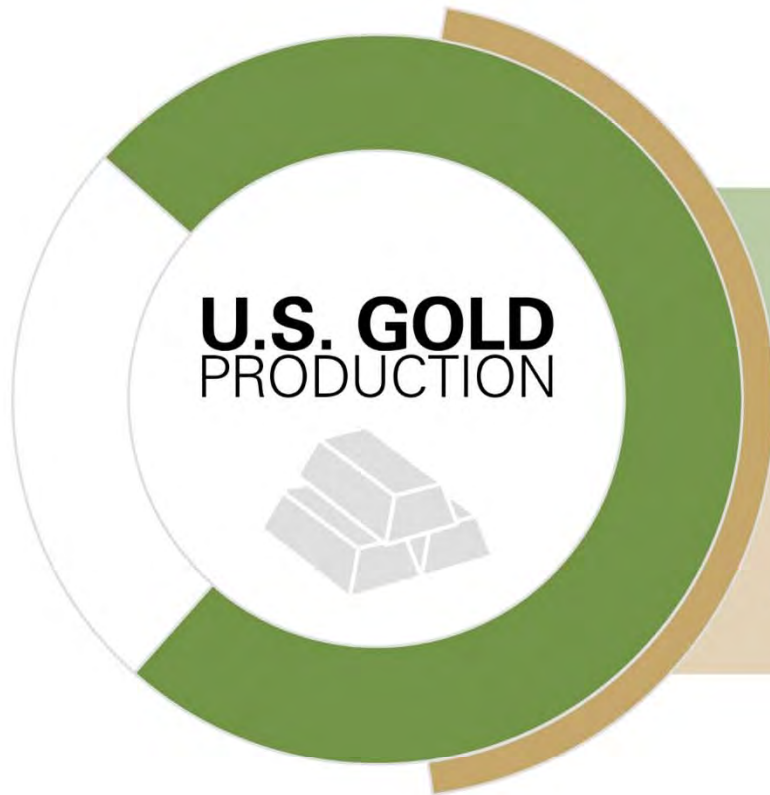
Daily Gold Price



Source: London Bullion Market Association and NVMA Member Survey (2014)





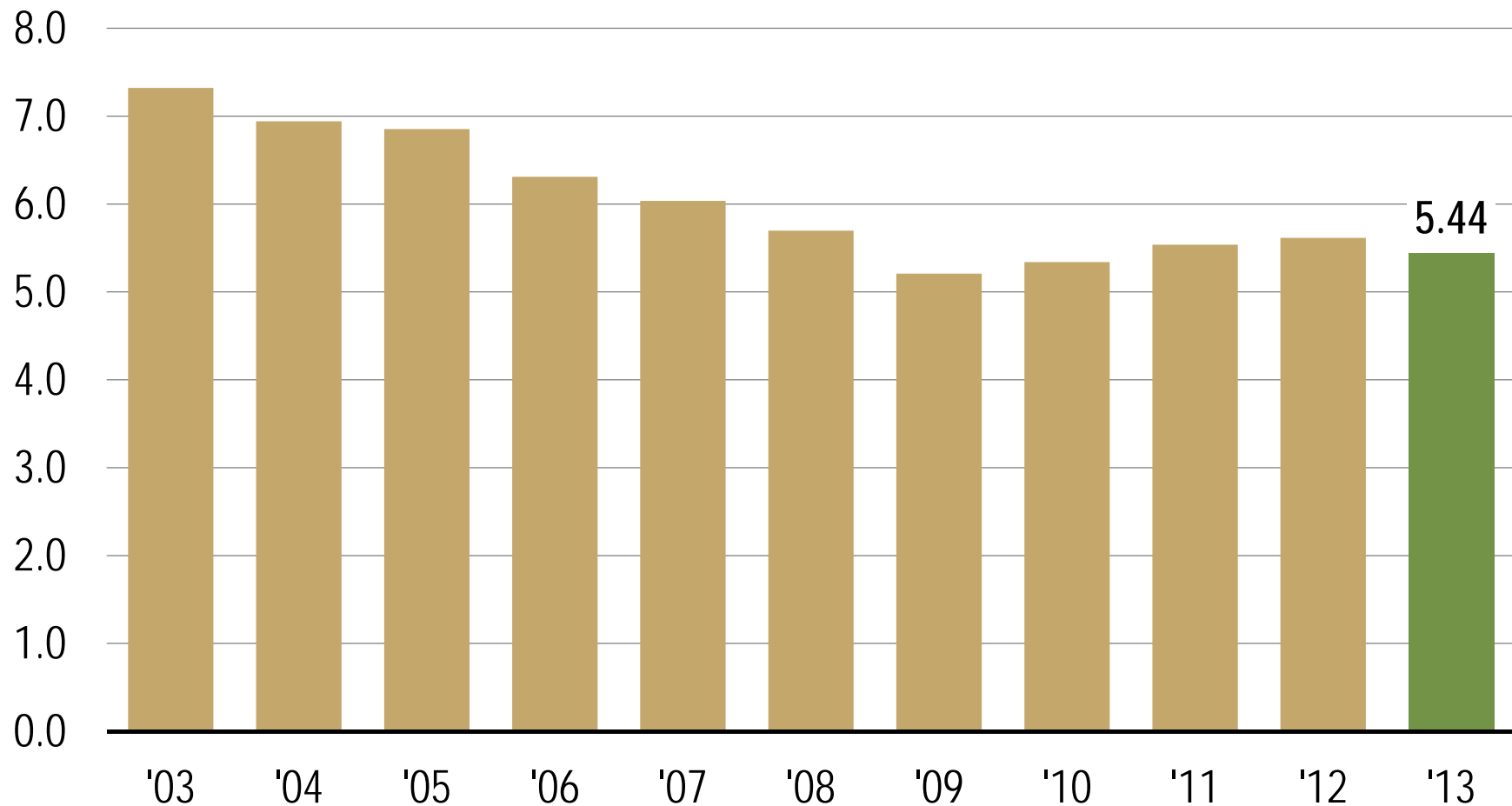


75% PRODUCED IN **NEVADA**

45% PRODUCED IN 3 MINES:
GOLDSTRIKE, CORTEZ & CARLIN-NEVADA COMPLEX

Nevada Gold Production

(in Millions of Troy Ounces)



Source: Nevada Division of Minerals



Anticipated Change in Mineral Values

2014-2015

GOLD



SILVER



COPPER



Source: NVMA Member Survey (2014)



SPOTLIGHT ON **ALL-IN SUSTAINING COSTS**

The mining industry previously reported cash costs, which is the cost of mining an ounce of gold and selling it.

Definition of Cash Costs

Per Ounce of Gold

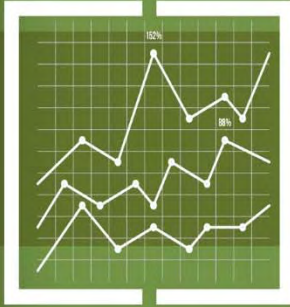
| | |
|--|--------------|
| Direct mining expenses | \$XXX |
| Stripping and mine development adjustments | XXX |
| Third-party smelting, refining and transport | XXX |
| By-product credits | (XXX) |
| <u>Other</u> | <u>XXX</u> |
| Cash Operating Costs | \$XXX |
| Royalties | XXX |
| <u>Production taxes</u> | <u>XXX</u> |
| Total Cash Costs | \$XXX |

Source: Denver Gold Group and Agnico Eagle

All-In Sustaining Costs (AISC) include additional costs, such as sustaining capital, corporate general and administrative expenses and exploration costs. AISC gives investors a better idea of the real cost of mining gold.

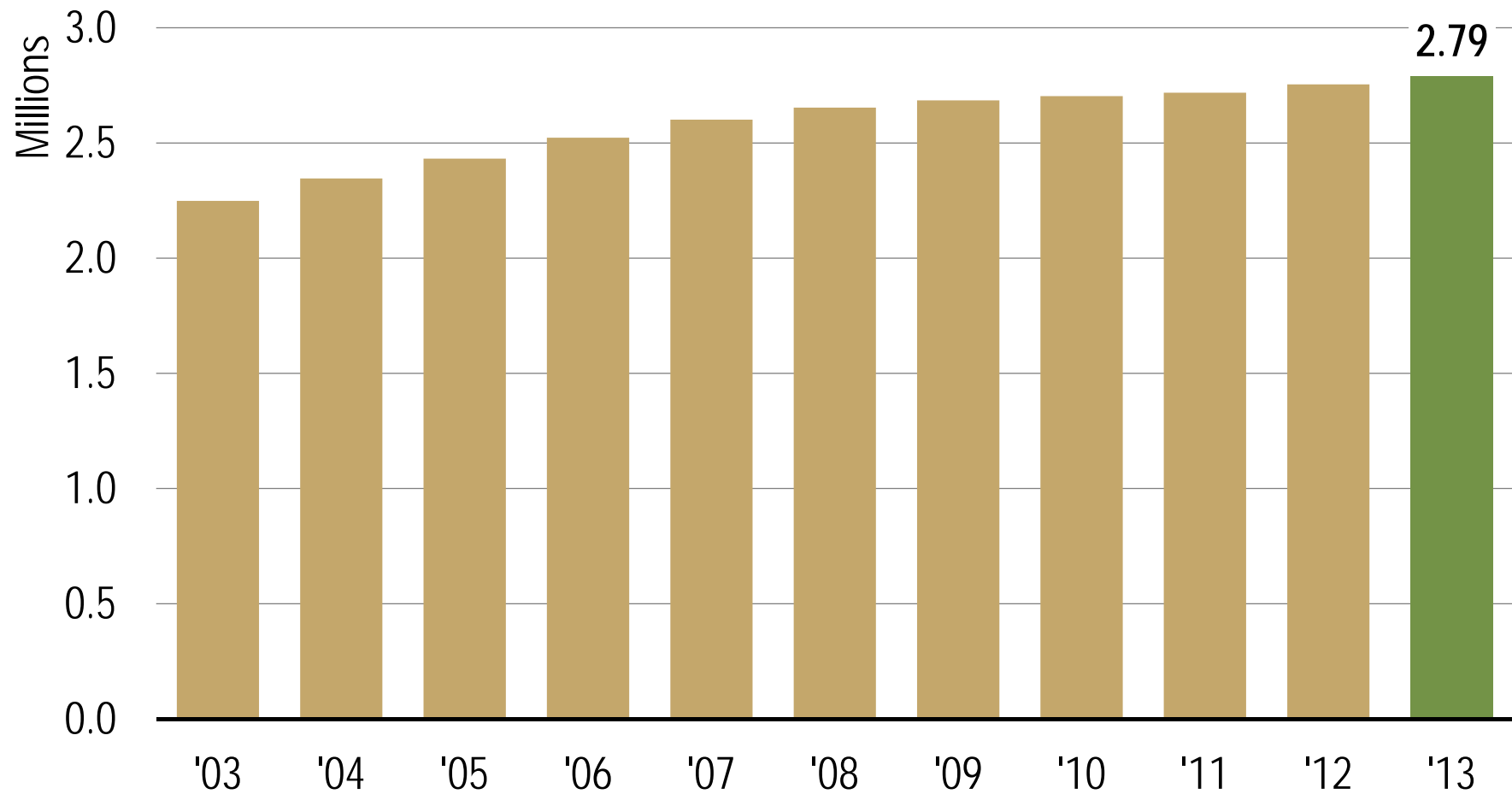
| Selected Company Estimates | 2013 Cash Costs (per ounce) | 2013 AISC (per ounce) | AISC Premium |
|----------------------------|-----------------------------|-----------------------|--------------|
| Goldfields | \$860 | \$1,360 | +58% |
| Newmont Mining | \$675-\$750 | \$1,100-\$1,200 | +60% |
| Kinross | \$690-\$740 | \$1,100-\$1,200 | +62% |
| Centerra | \$406-\$443 | \$1,067-\$1,164 | +163% |
| Agnico Eagle Mines | \$735-\$785 | \$1,110 | +41% |
| Goldcorp | \$700-\$750 | \$1,000-\$1,100 | +47% |
| Barrick Gold | \$610-\$660 | \$950-\$1,050 | +59% |
| Eldorado Gold | \$575-\$590 | \$1,010 | +71% |
| Randgold | \$700-\$750 | \$1,000 | +33% |
| Yamana Gold | \$365 | \$800 | +119% |

Source: Denver Gold Group and Agnico Eagle



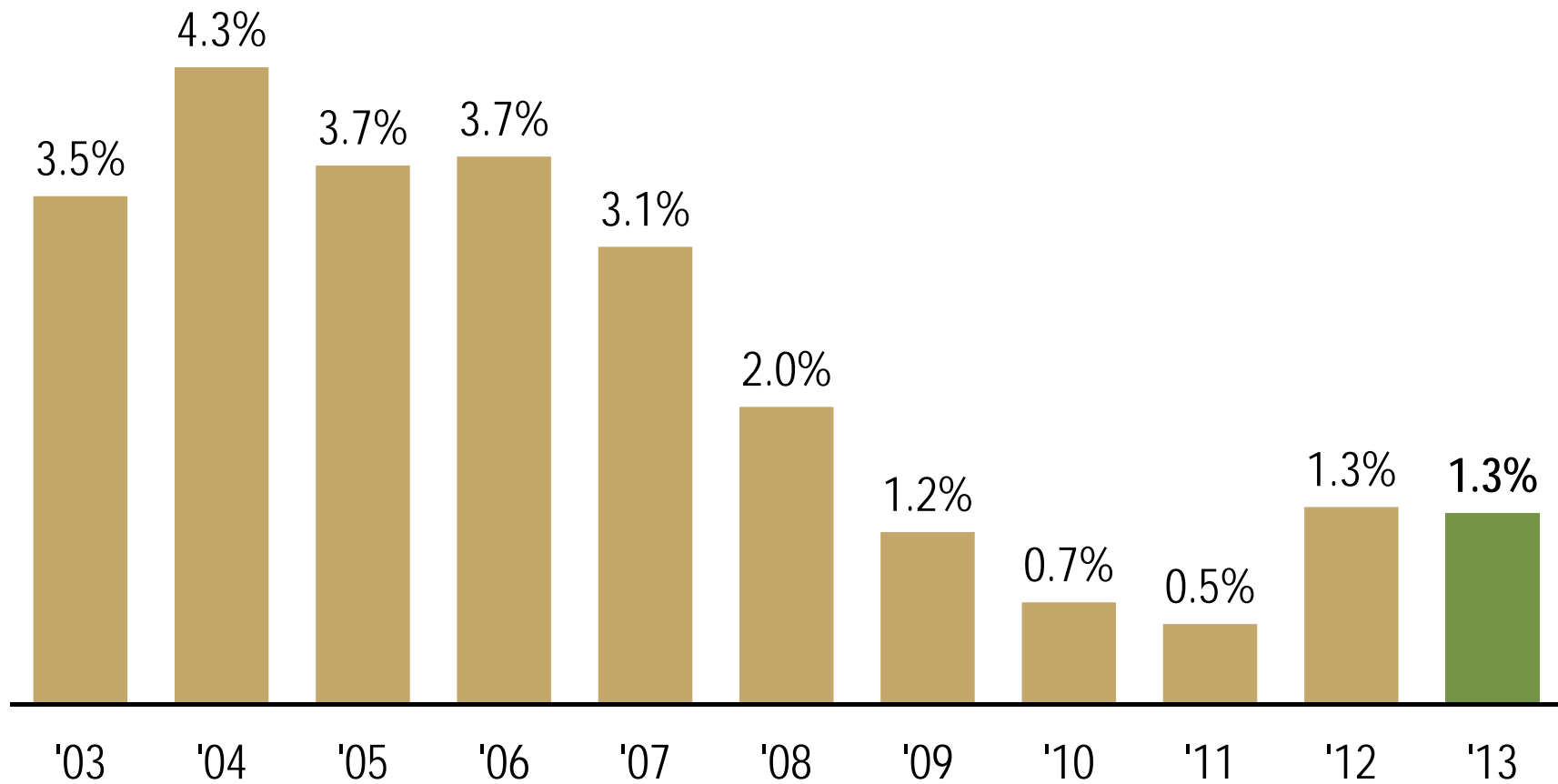
NEVADA ECONOMY HIGHLIGHTS

Nevada Population



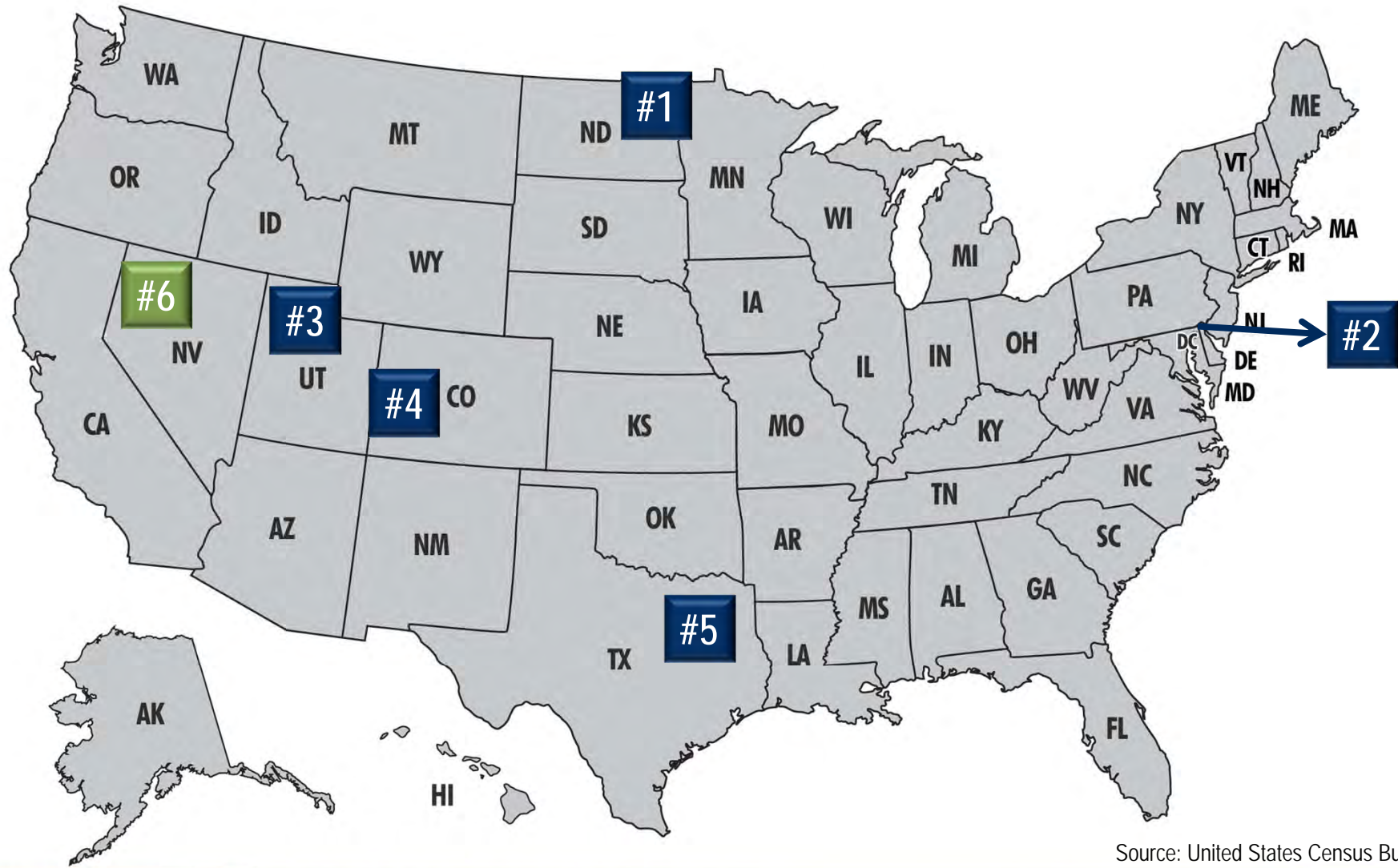
Source: United States Census Bureau

Nevada Population Annual Growth



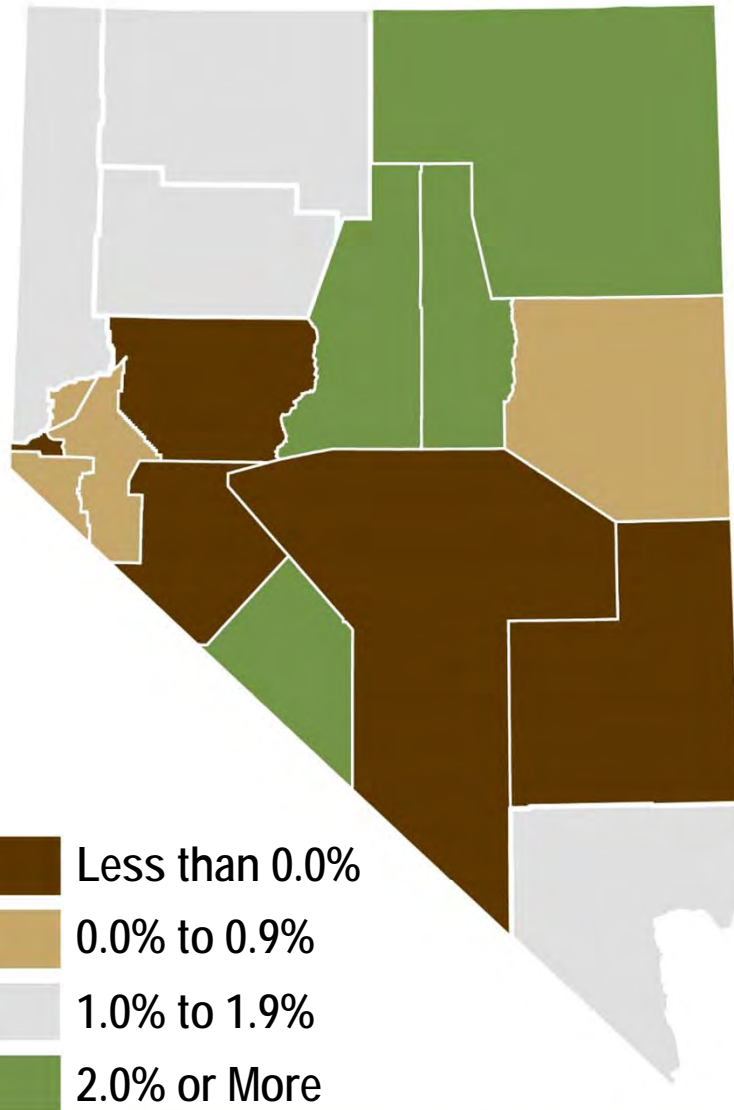
Source: United States Census Bureau

Population Growth 2012-2013



Source: United States Census Bureau

Nevada Population Growth by County

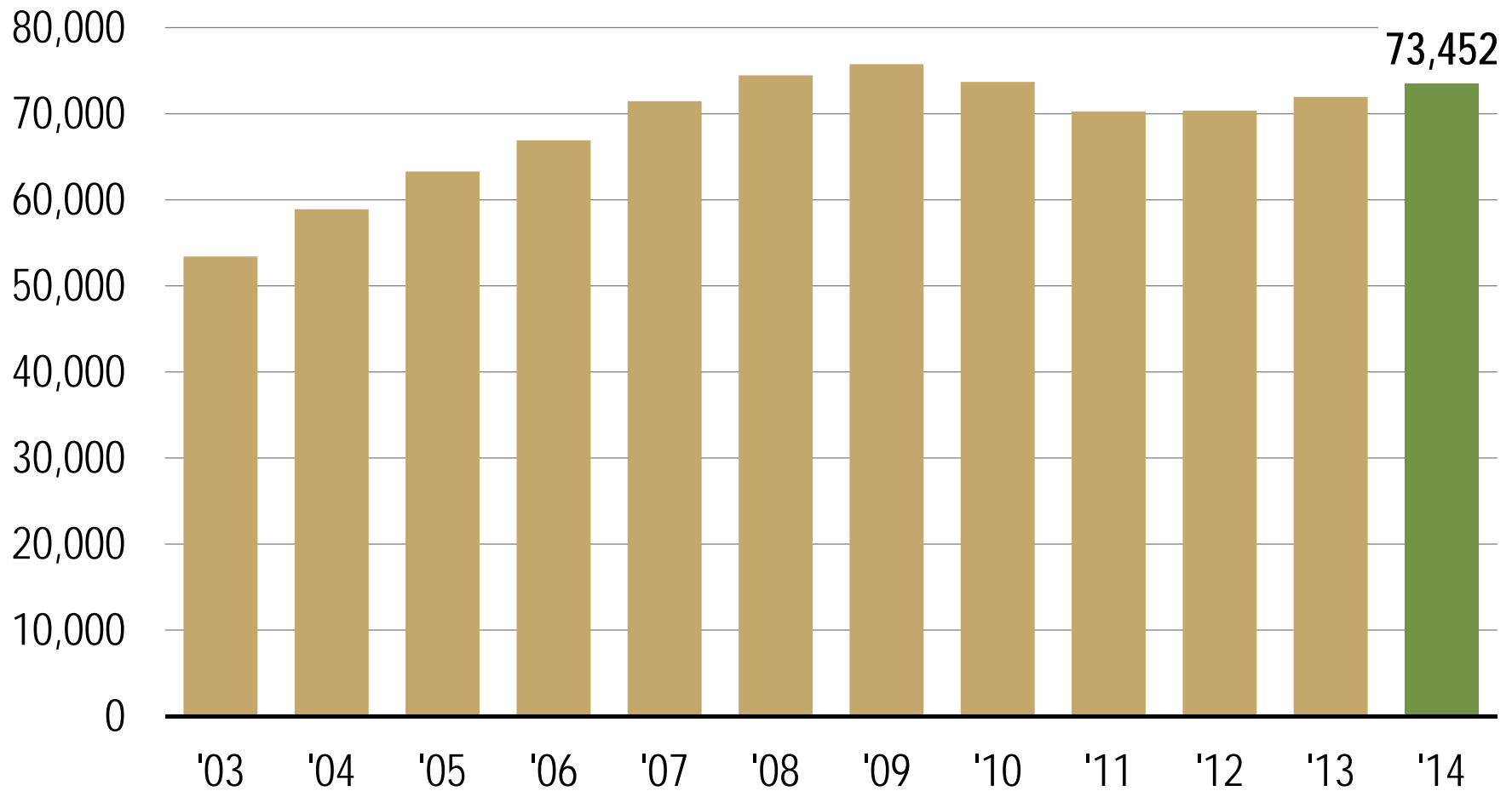


| Annual Population Growth: 2.0% or More | 2012-2013 Growth |
|---|---------------------|
| ESMERALDA | 9.0% |
| EUREKA | 3.6% |
| ELKO | 2.8% |
| LANDER | 2.1% |

| Annual Population Growth: Less than 0.0% | 2012-2013 Growth |
|---|---------------------|
| LINCOLN | -2.1% |
| MINERAL | -1.7% |
| NYE | -1.4% |
| CHURCHILL | -1.1% |
| CARSON CITY | -1.0% |

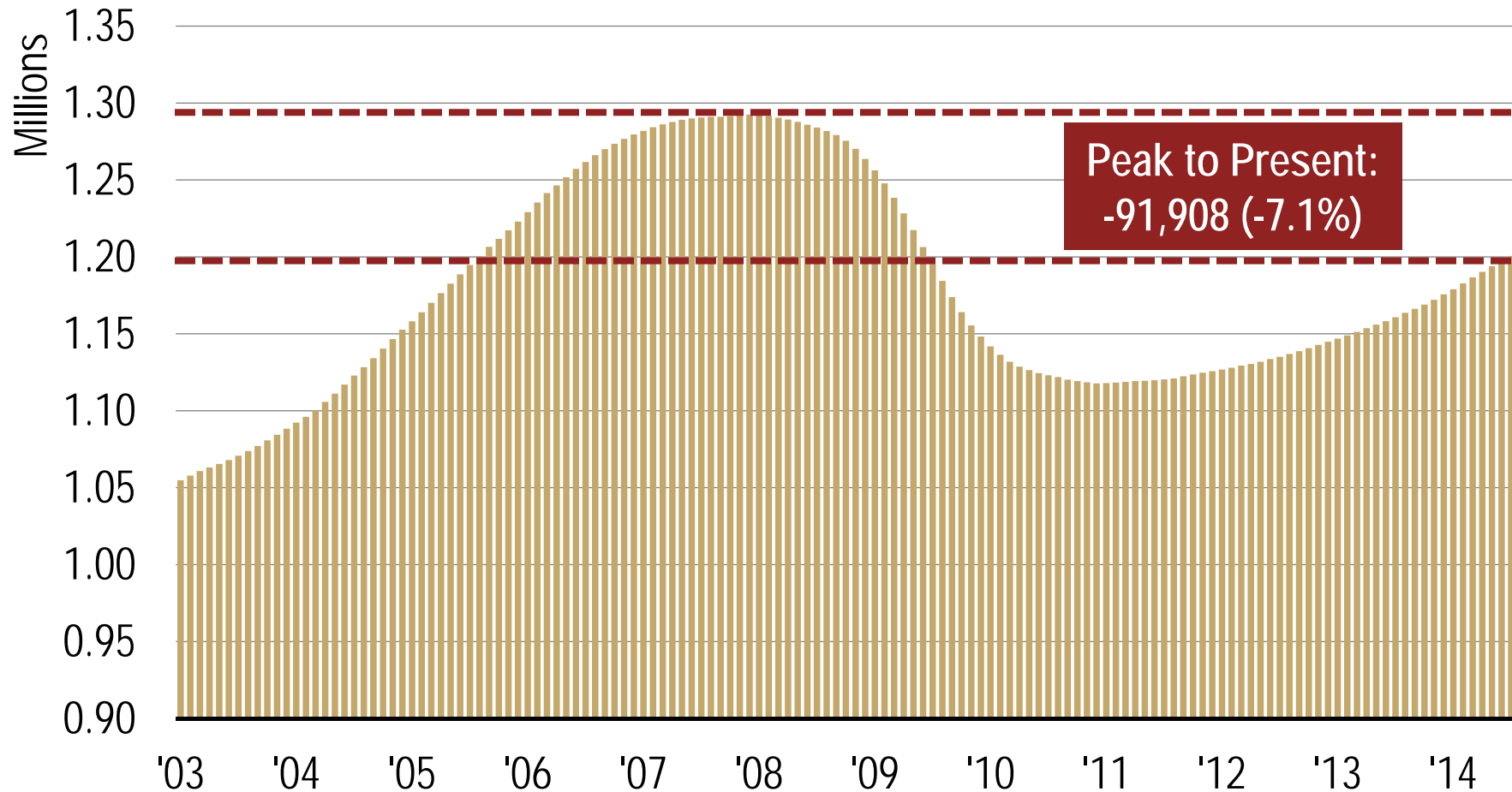
Source: United States Census Bureau and Applied Analysis

Nevada Private Establishments



Source: Nevada Department of Employment, Training & Rehabilitation; Data represent the four quarters ending in the first quarter of each year

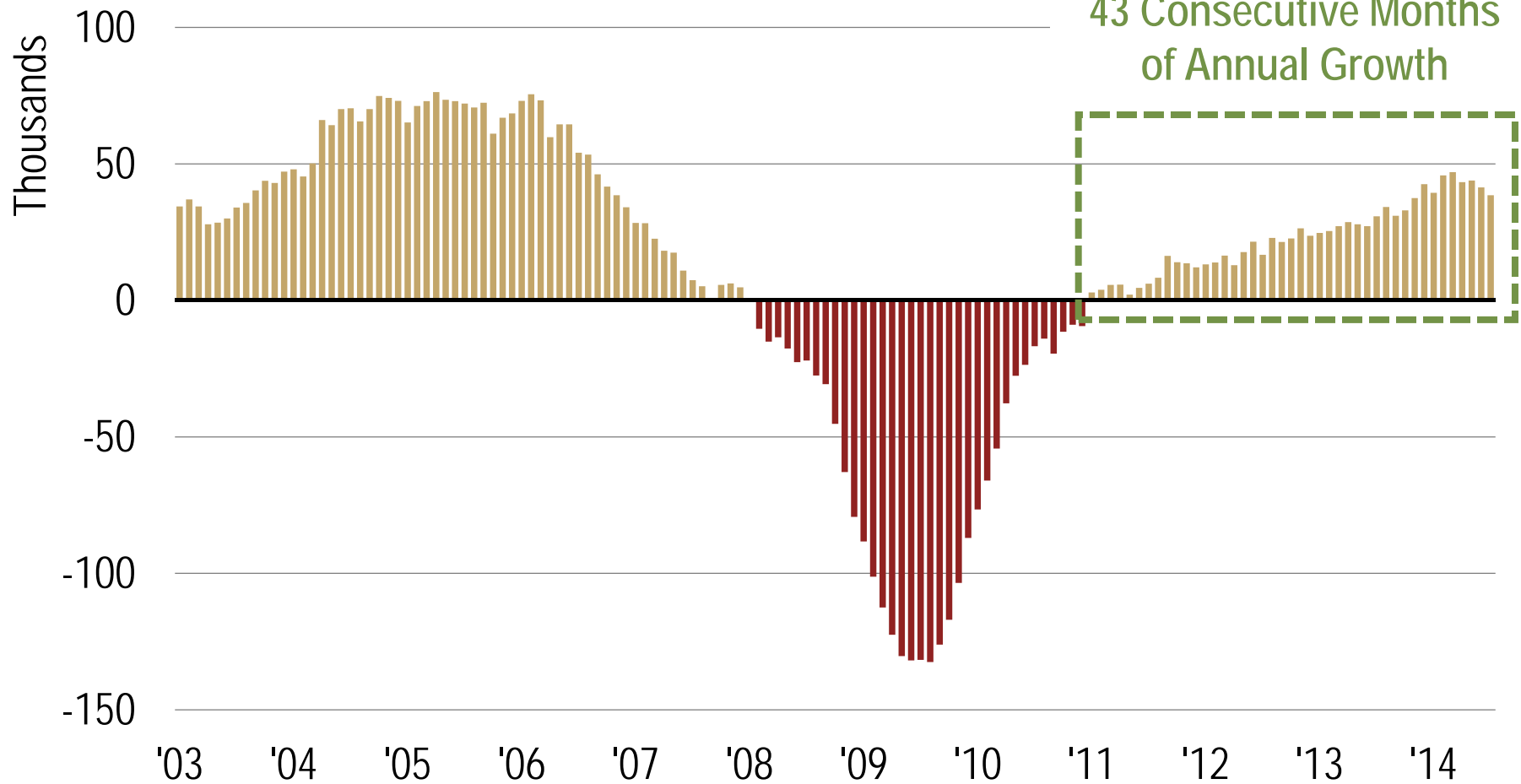
Nevada Employment Trailing 12-Month Averages



Source: United States Bureau of Labor Statistics

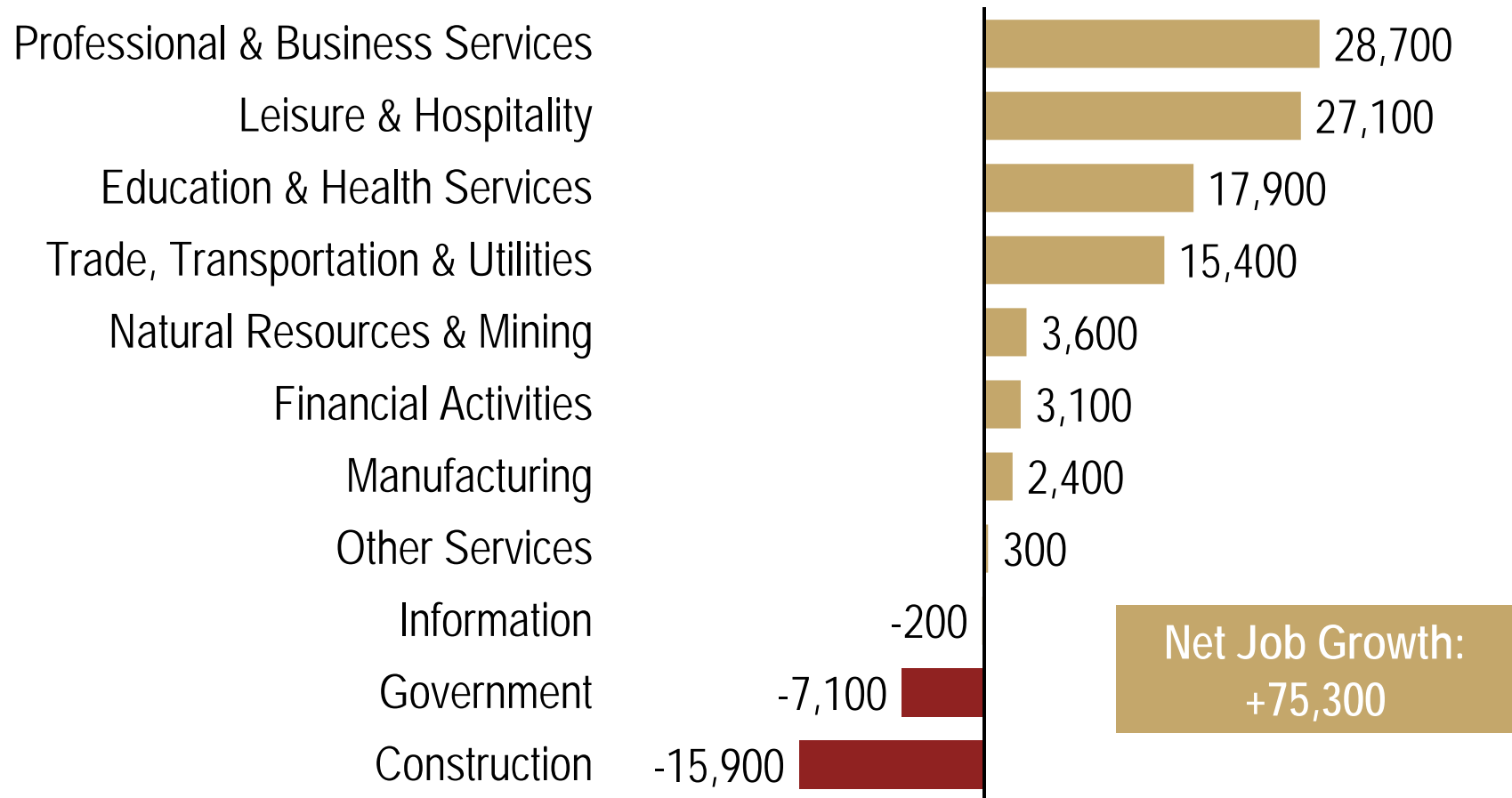
Nevada Employment Annual Growth

43 Consecutive Months
of Annual Growth



Source: United States Bureau of Labor Statistics

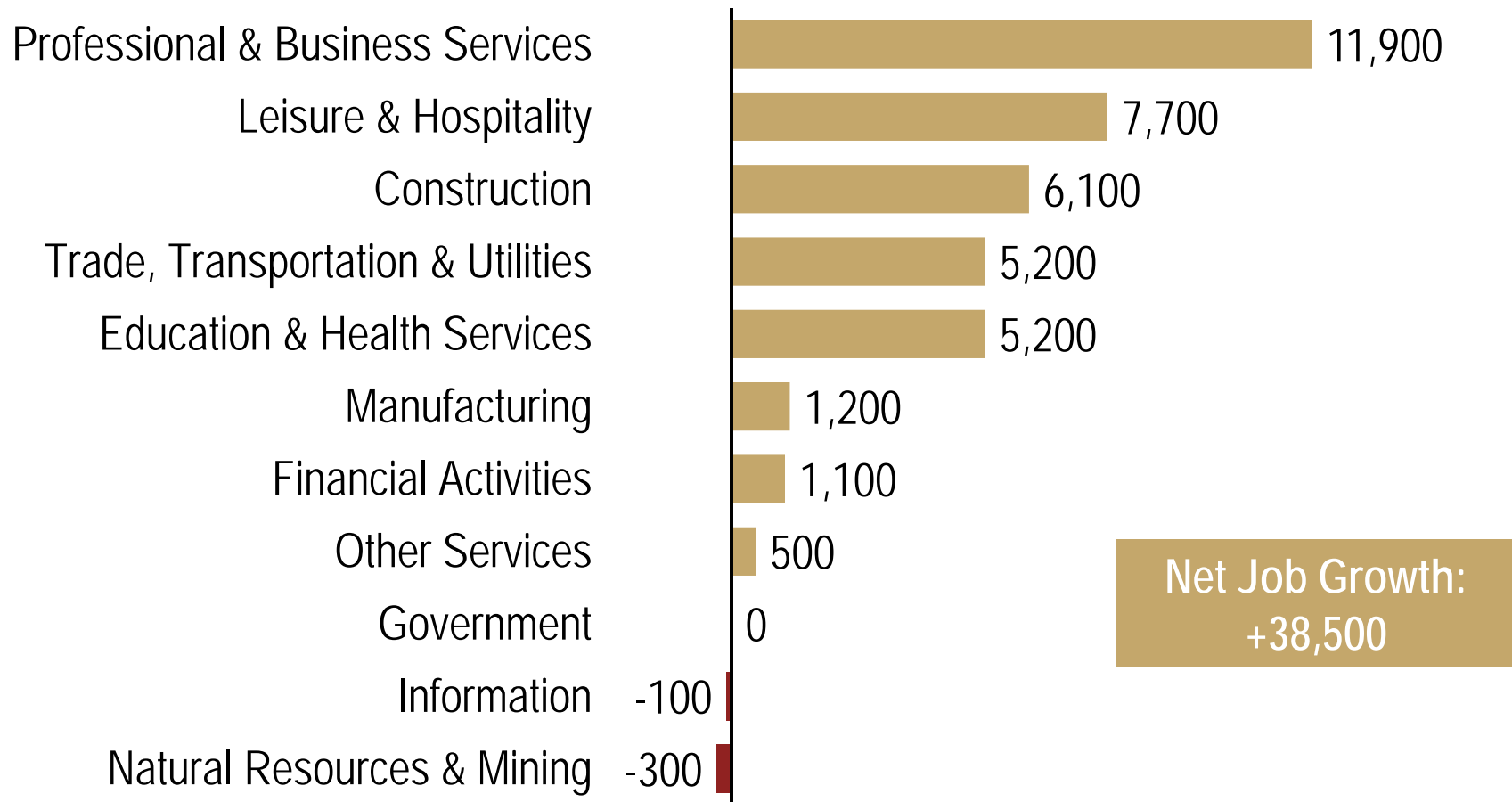
Nevada Employment Growth by Sector Past 5 Years



Source: United States Bureau of Labor Statistics, July 2014 vs. July 2009

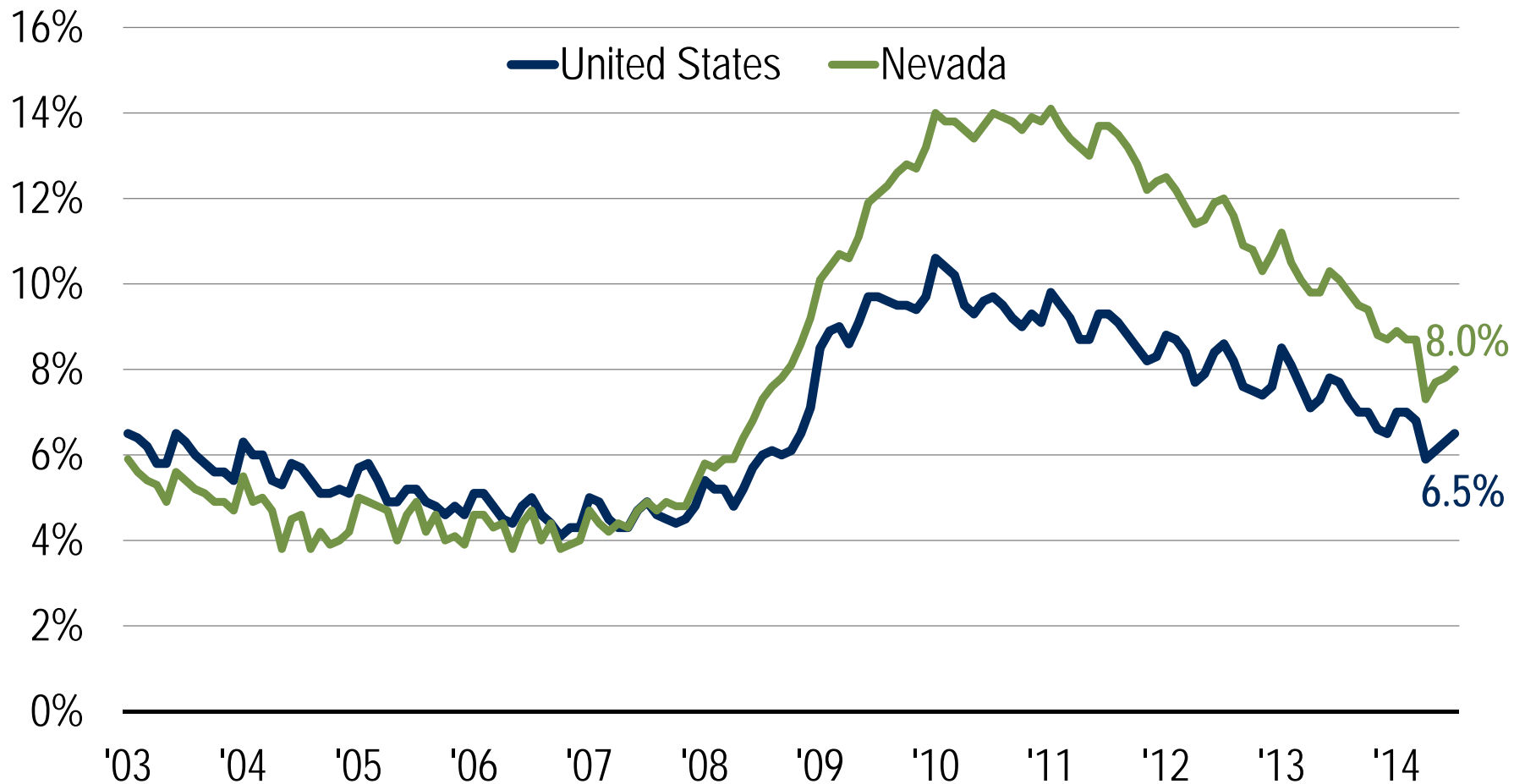
Nevada Employment Growth by Sector

Past 12 Months



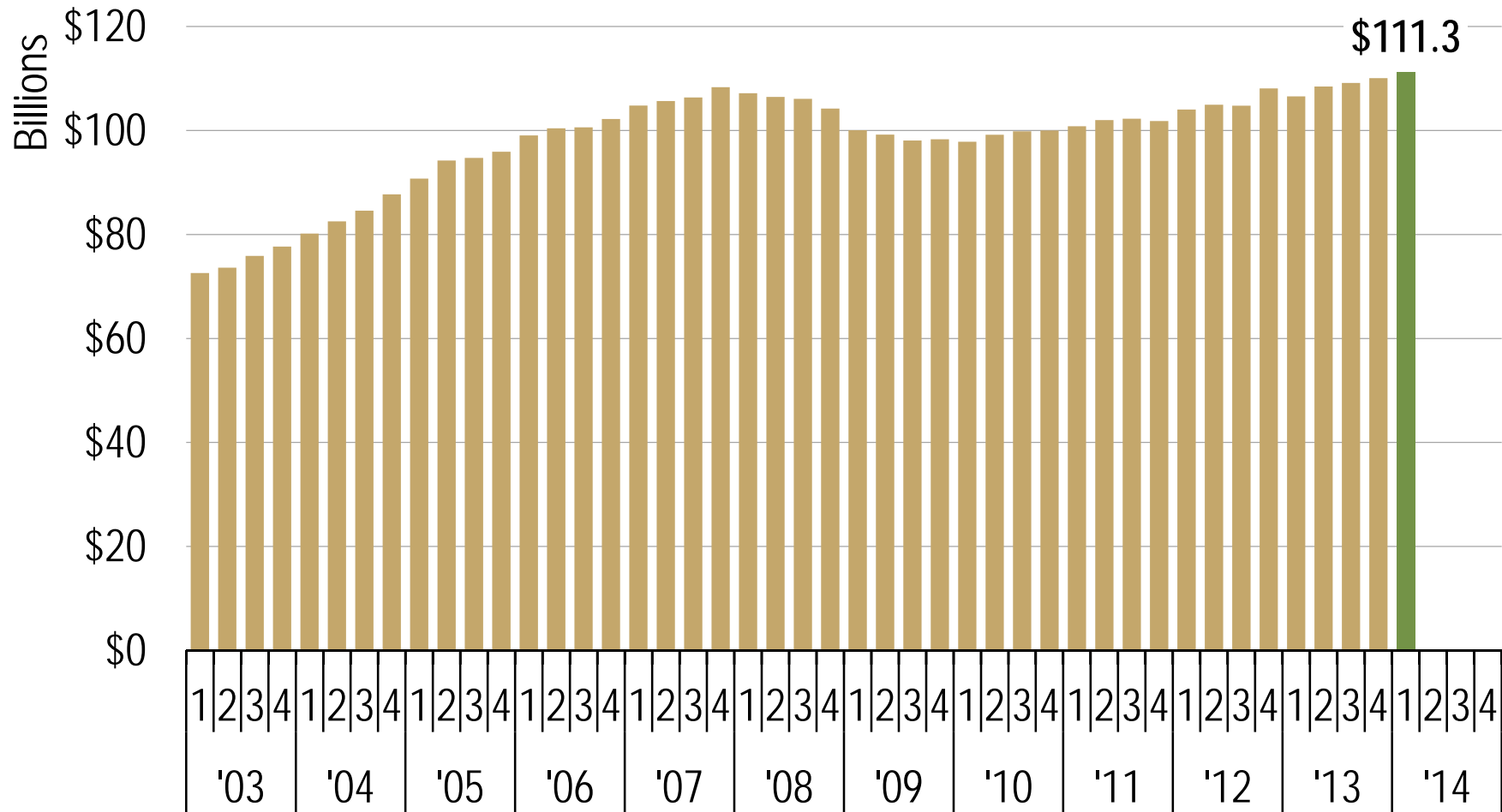
Source: United States Bureau of Labor Statistics, July 2014 vs. July 2013

Unemployment Rates



Source: United States Bureau of Labor Statistics, Not Seasonally Adjusted

Nevada Personal Income



Source: United States Bureau of Economic Analysis, Seasonally Adjusted

“The Nevada Housing Stability Index (NHSI) is intended to monitor the overall health of Nevada’s housing market as opposed to simply the movement in home prices.”



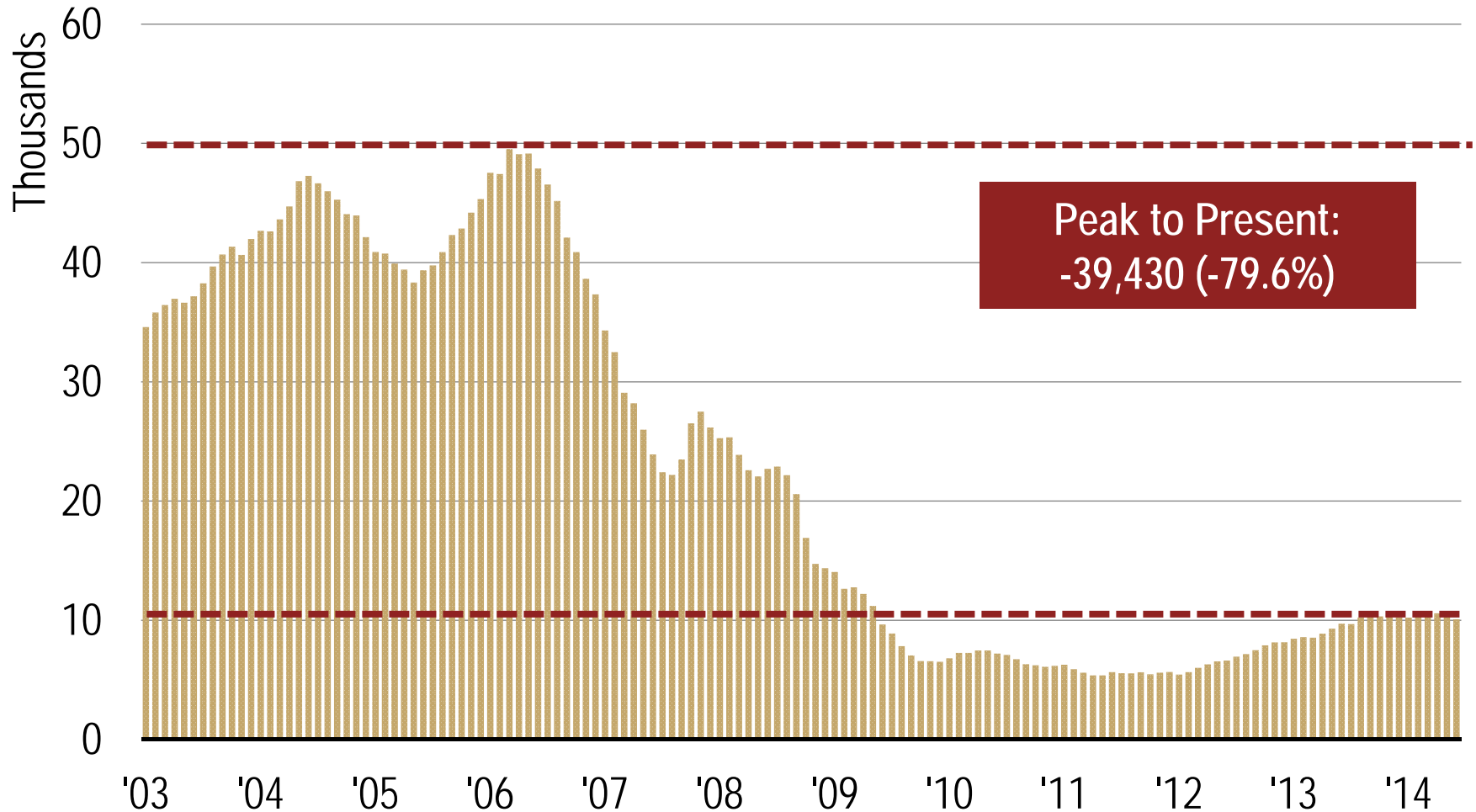
Nevada Housing Stability Index



Source: State of Nevada Department of Business and Industry and Applied Analysis

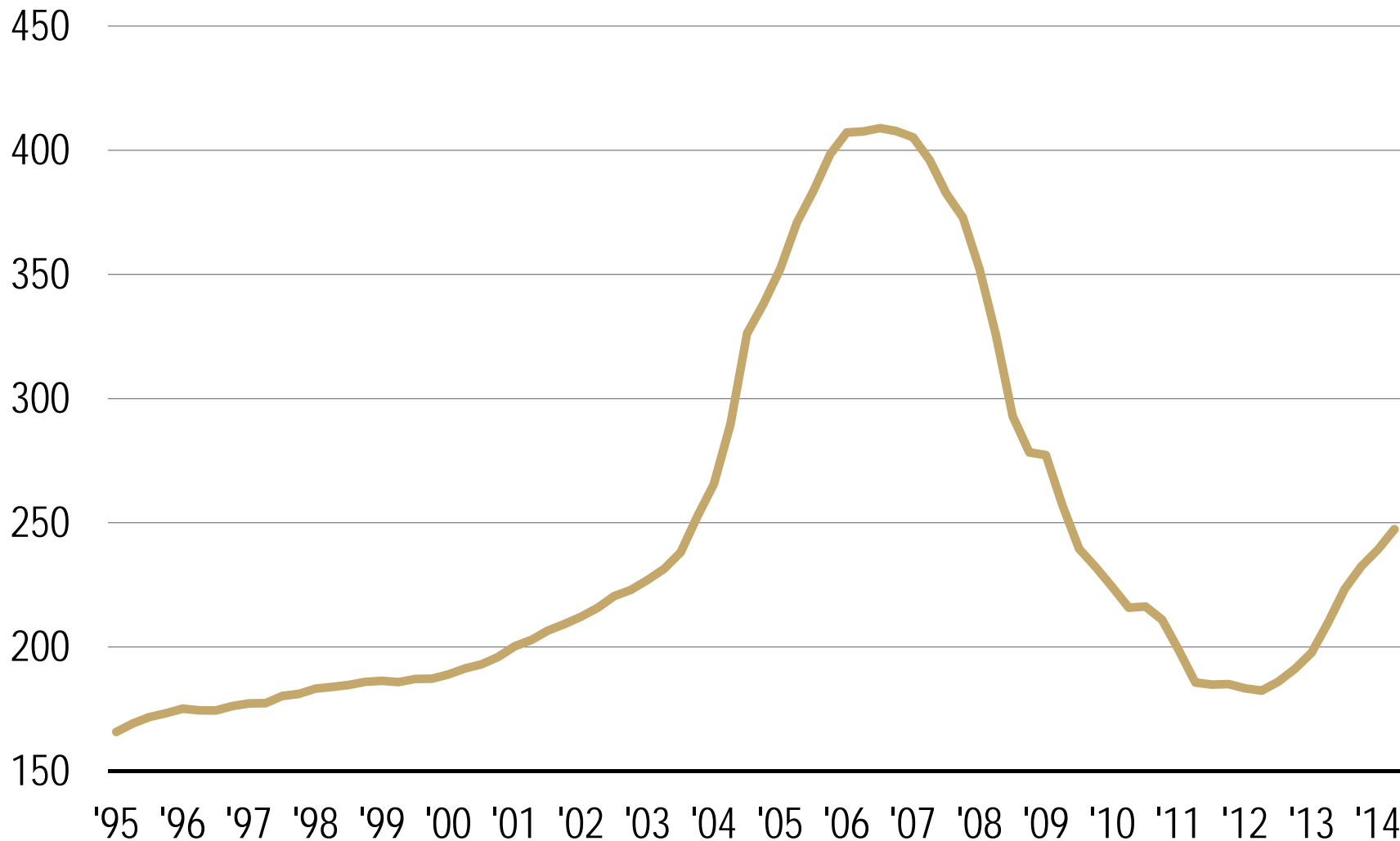
Nevada Residential Units Permitted

Trailing 12-Month Totals



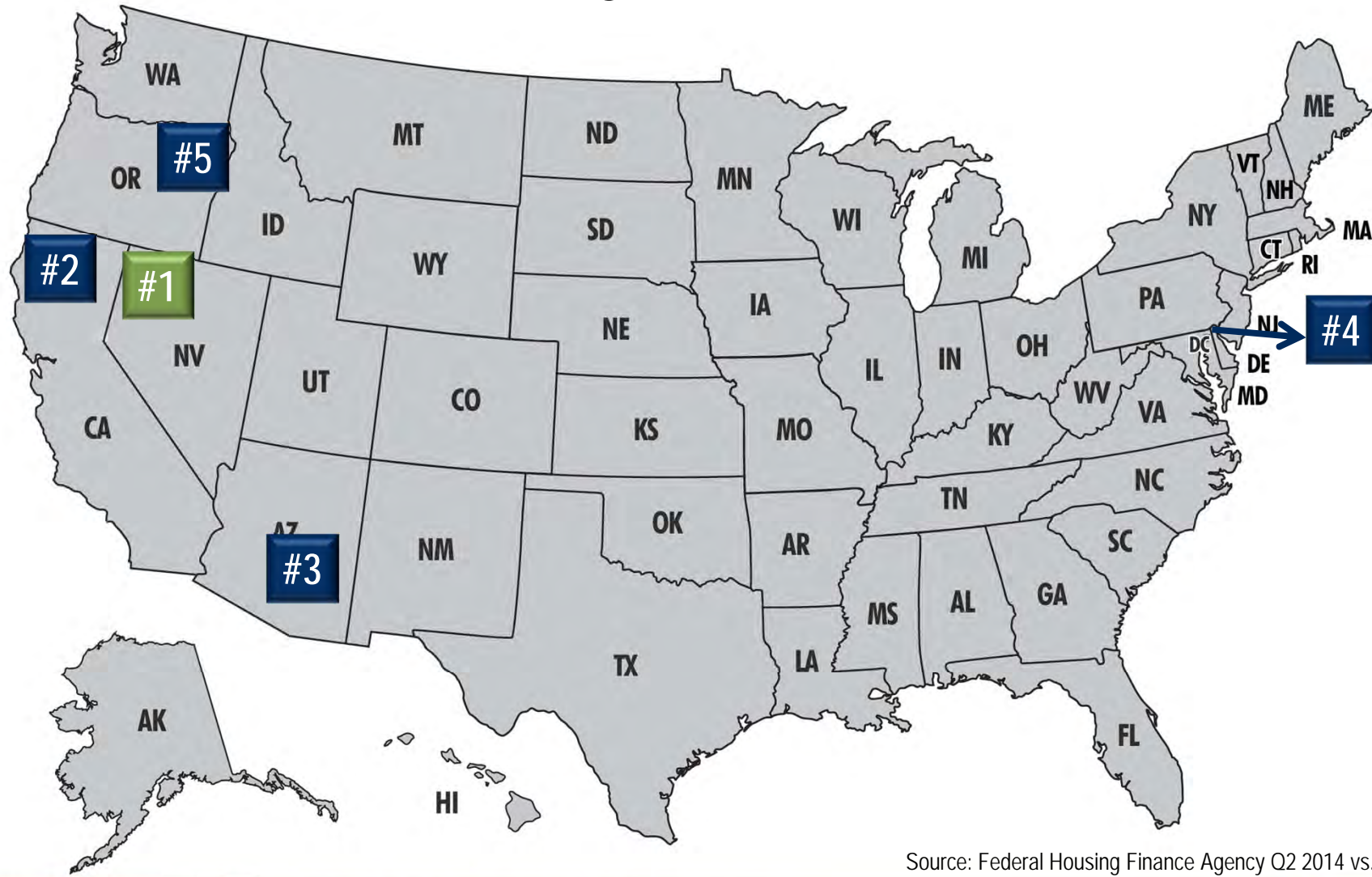
Source: UNLV CBER and Applied Analysis

Nevada Housing Price Index



Source: Federal Housing Finance Agency

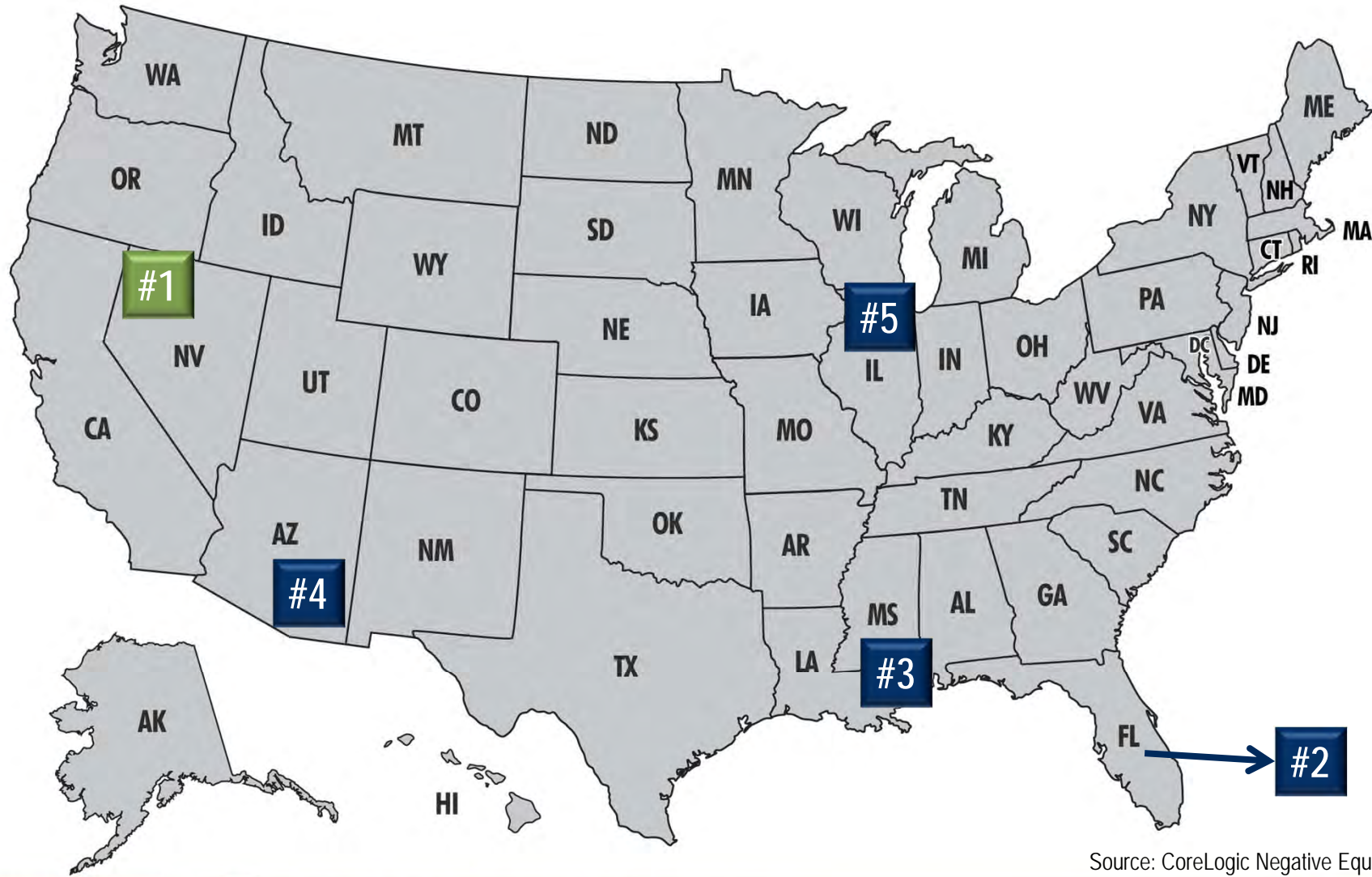
Housing Price Index Annual Growth Rankings



Source: Federal Housing Finance Agency Q2 2014 vs. Q2 2013

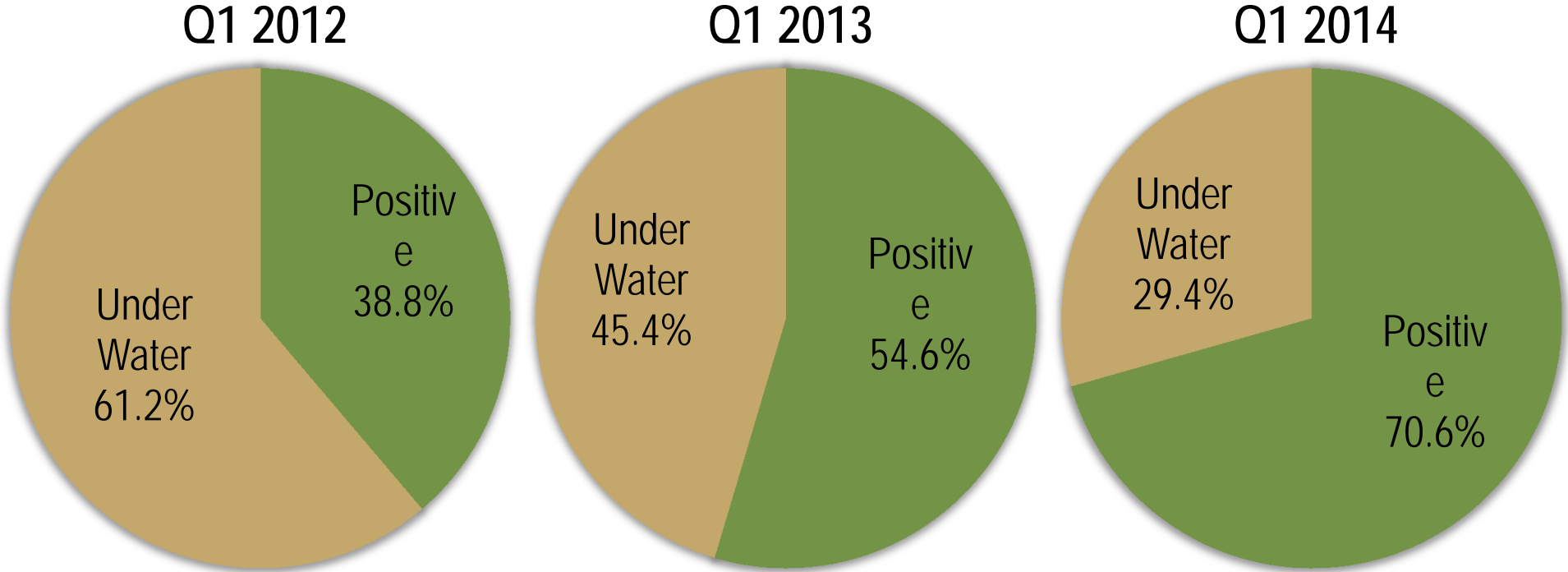
Underwater Homes

Q1 2014



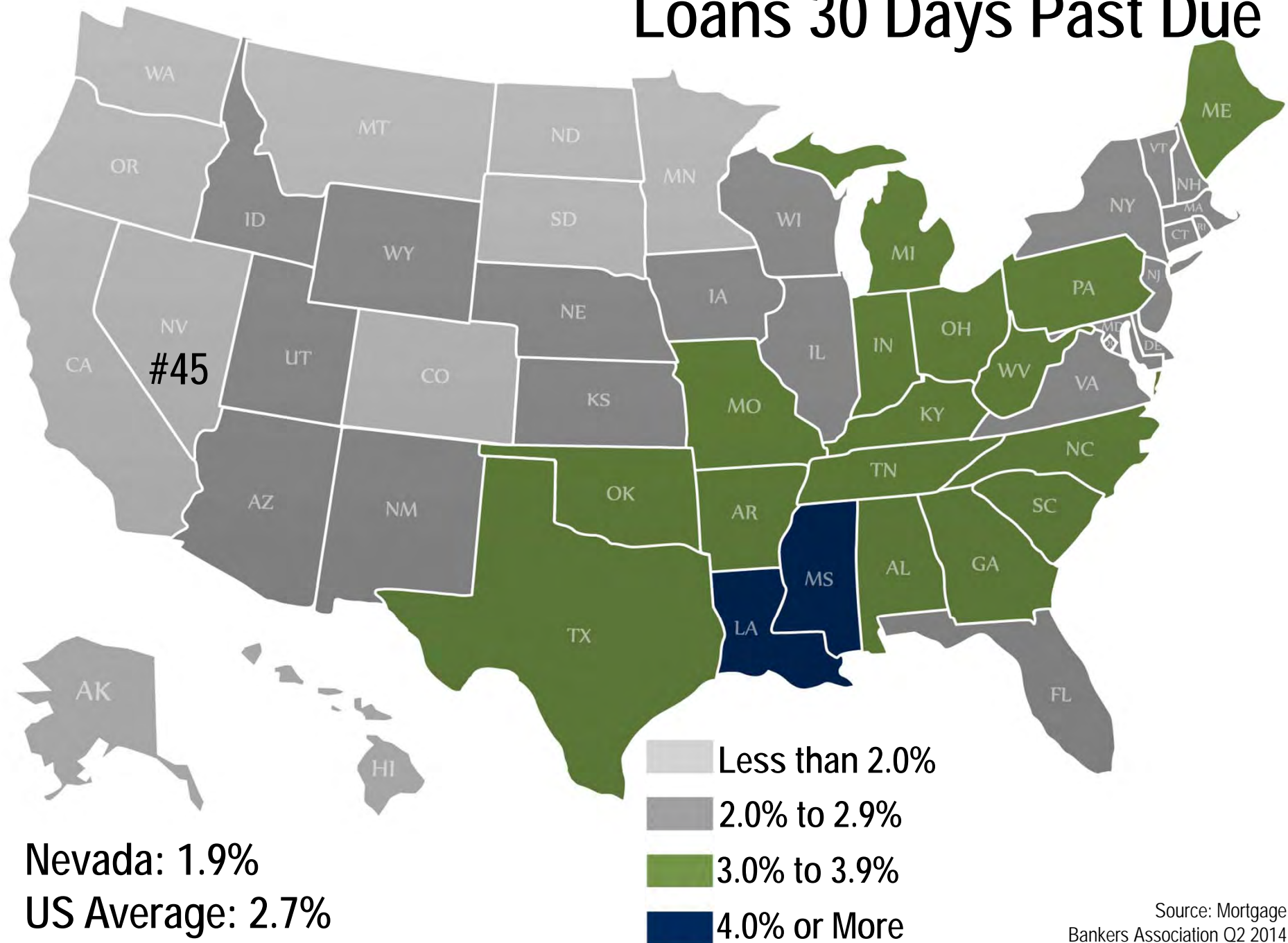
Source: CoreLogic Negative Equity Report

Nevada Homeowner's Equity



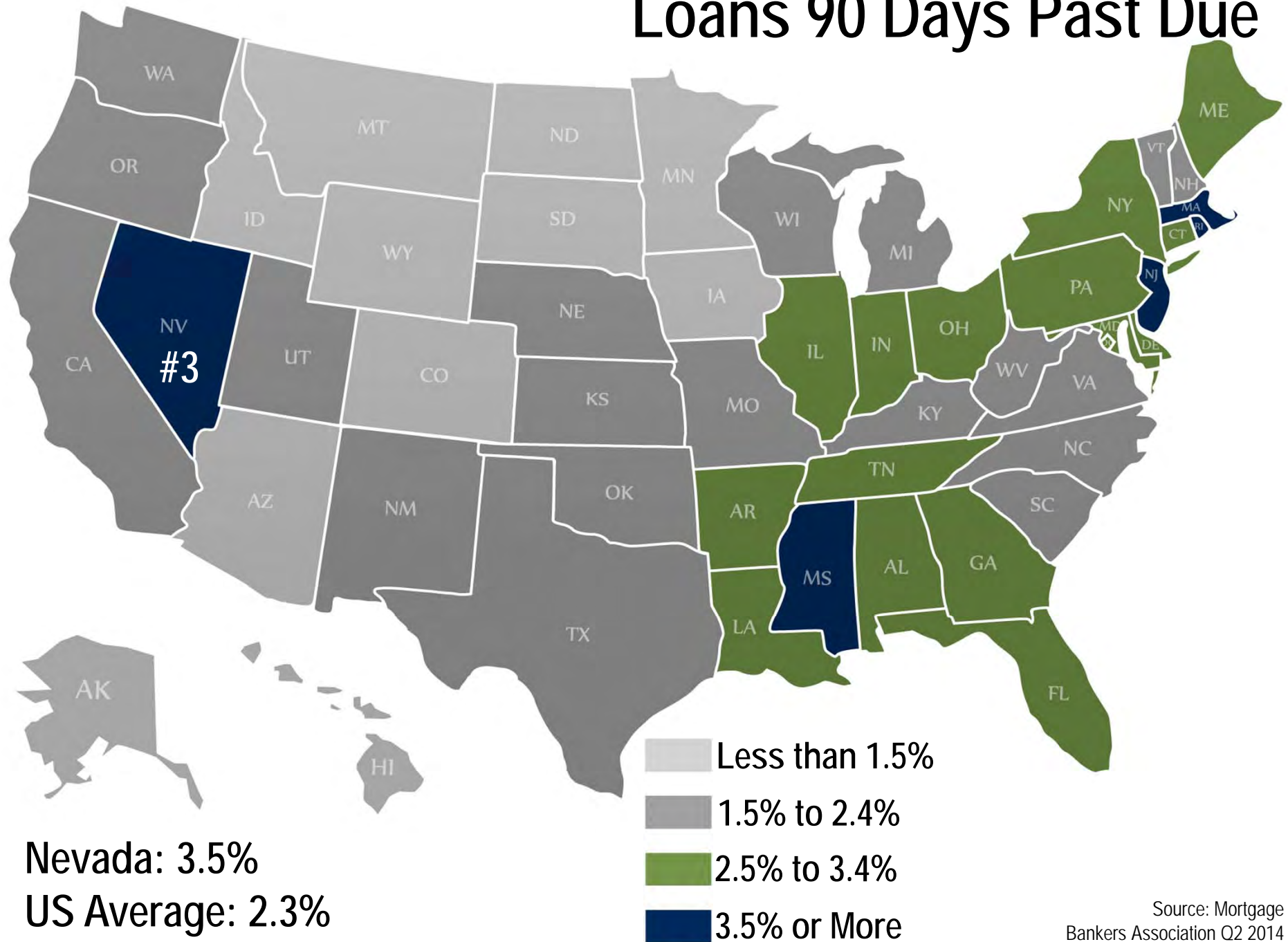
Source: CoreLogic

Loans 30 Days Past Due



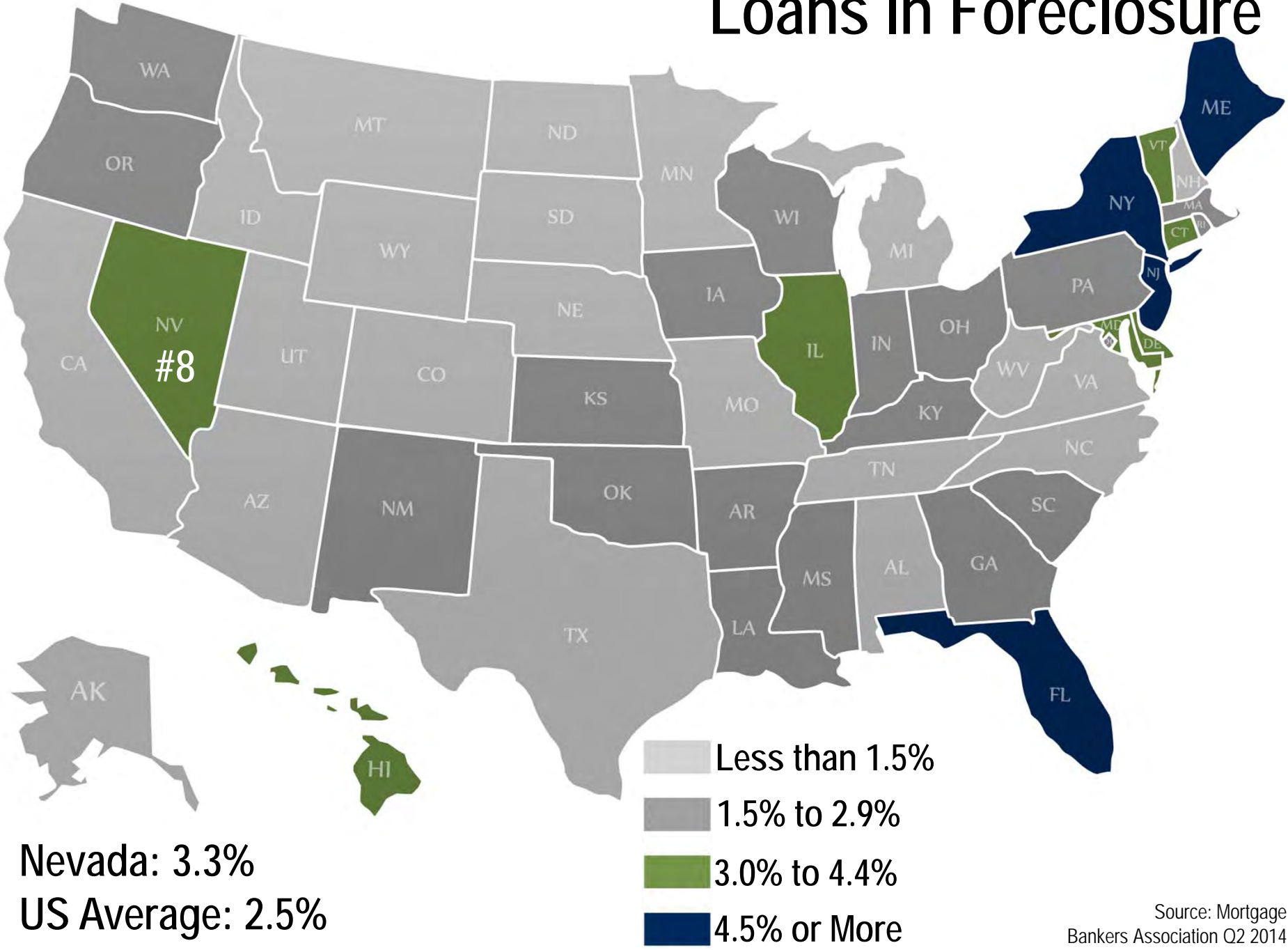
Source: Mortgage Bankers Association Q2 2014

Loans 90 Days Past Due



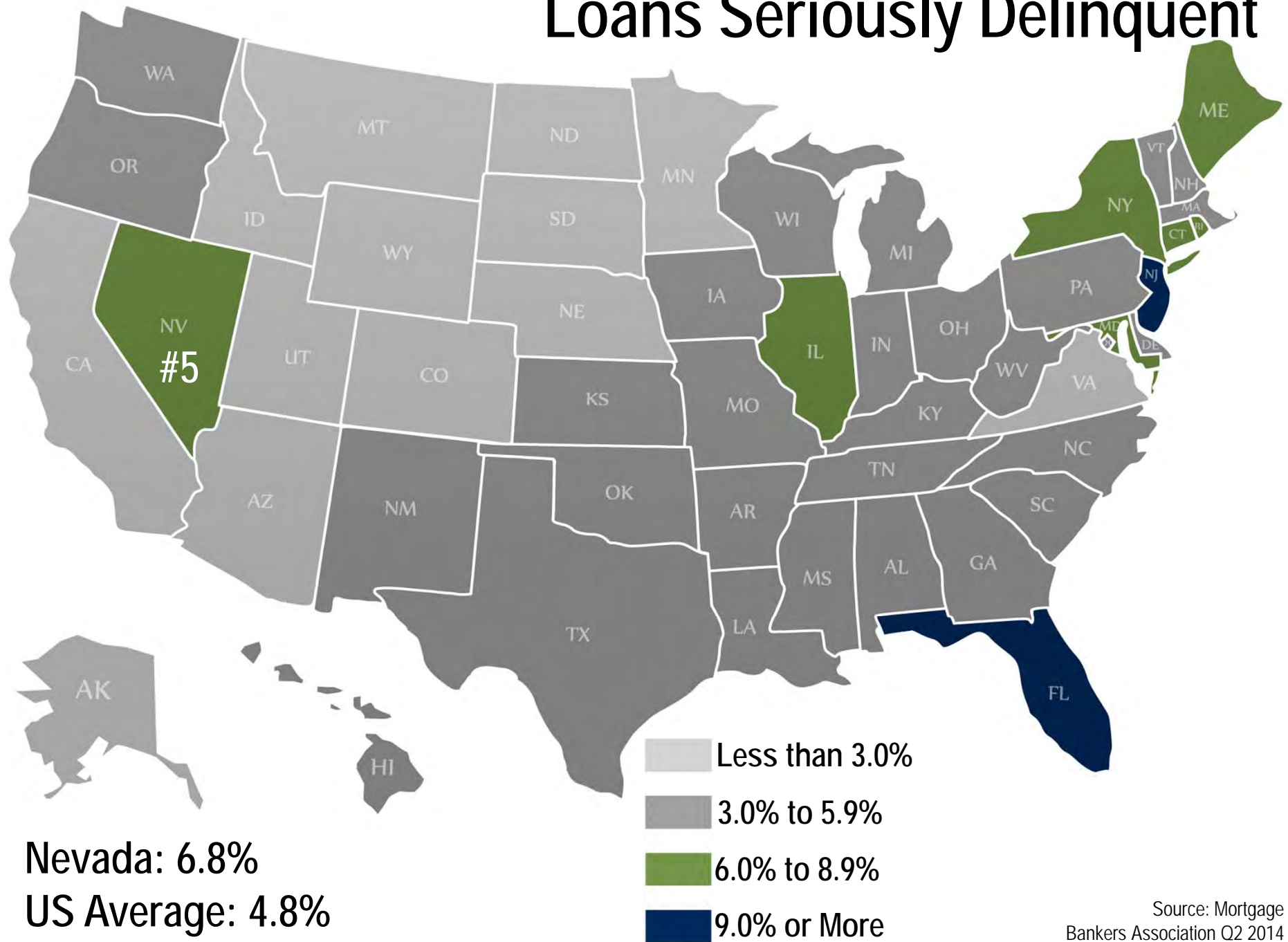
Source: Mortgage Bankers Association Q2 2014

Loans In Foreclosure



Source: Mortgage Bankers Association Q2 2014

Loans Seriously Delinquent



Source: Mortgage Bankers Association Q2 2014

Las Vegas Commercial Vacancy Rates



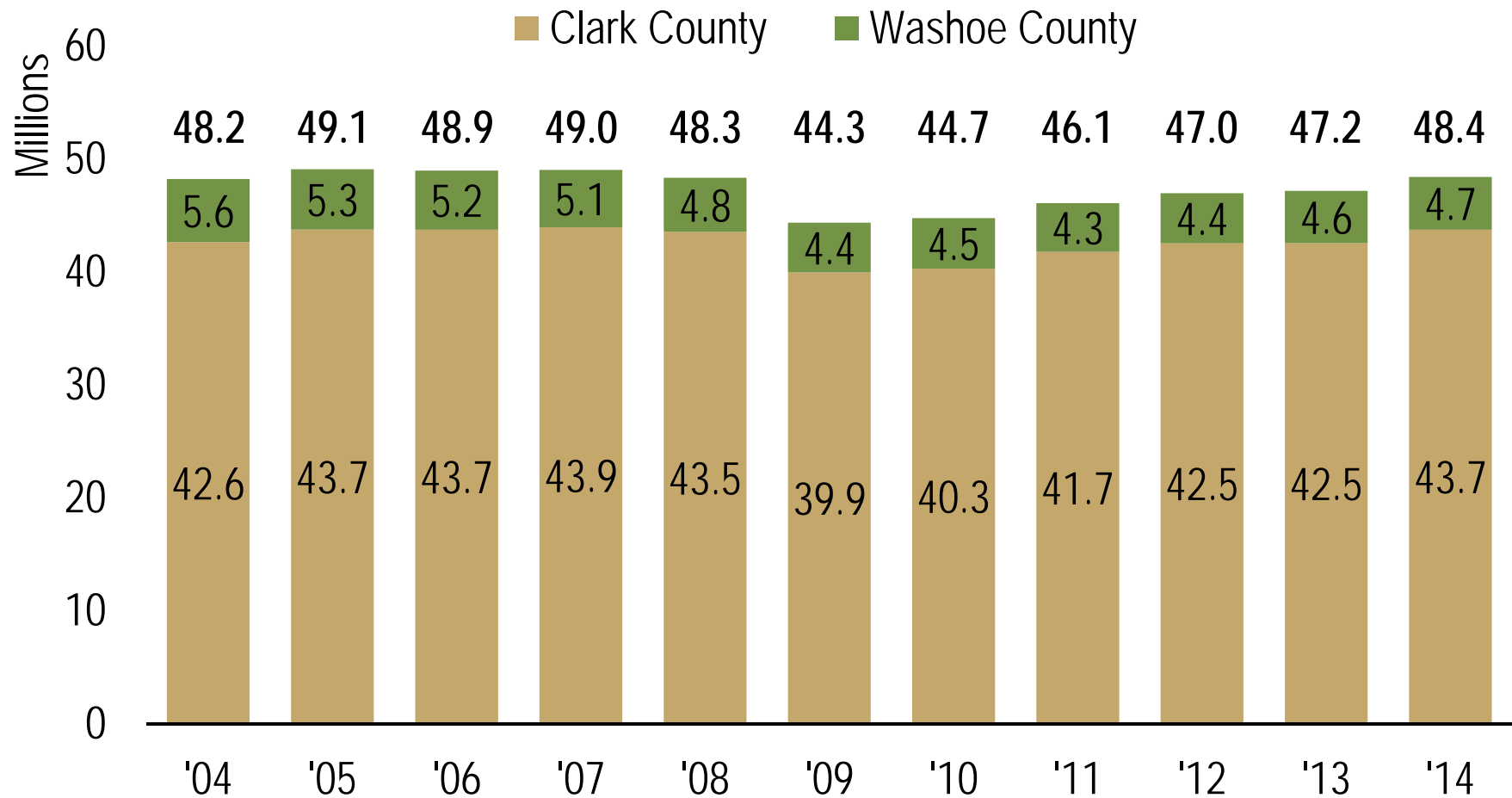
Source: Applied Analysis

Reno Commercial Vacancy Rates



Source: VOIT Real Estate Services

Visitor Volume

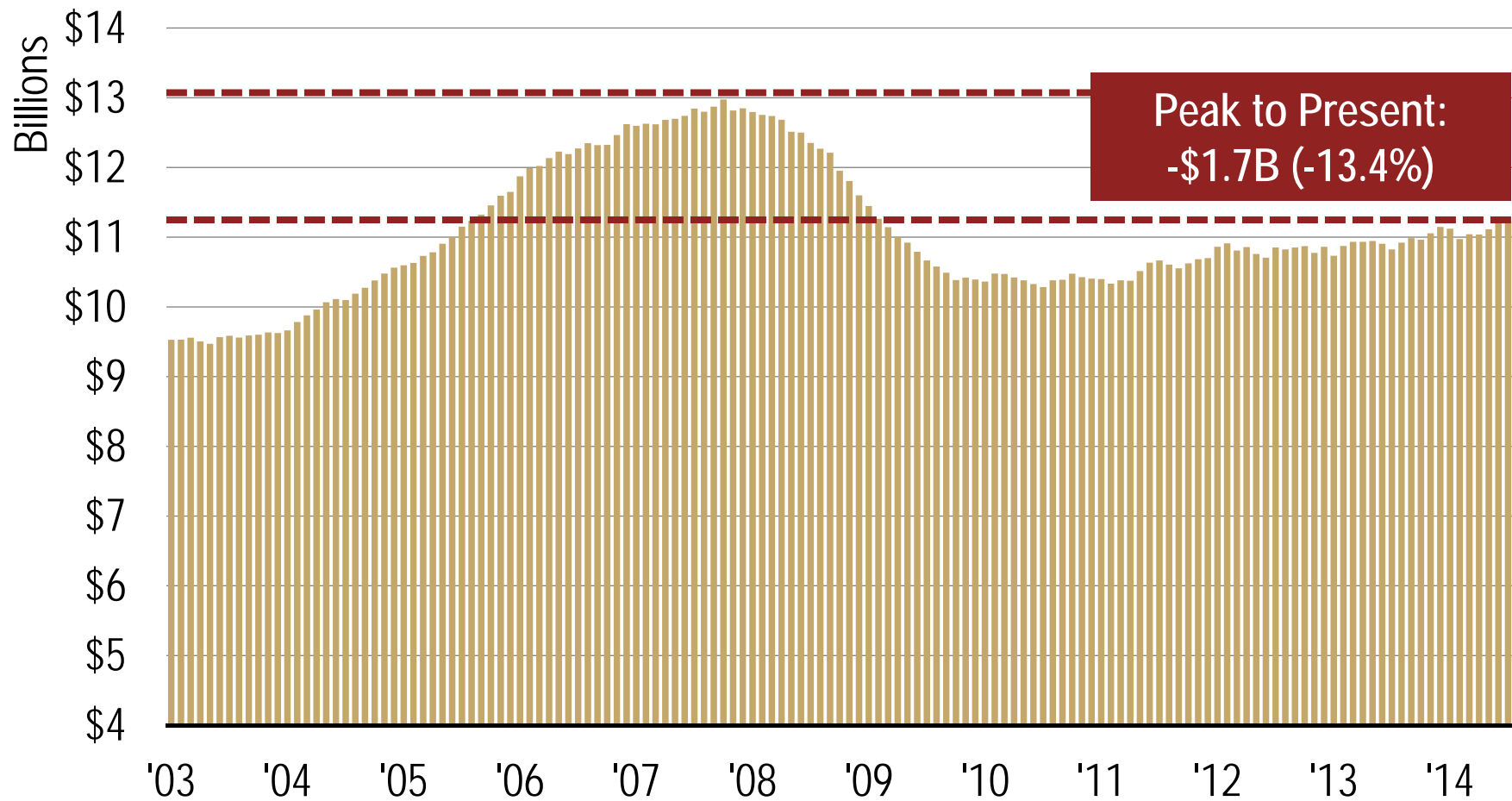


Note: Trailing 12-month totals ending in July of each year.

Source: Las Vegas Convention & Visitors Authority; Reno-Sparks Convention & Visitors Authority

Nevada Gross Gaming Revenue

Trailing 12-Month Totals

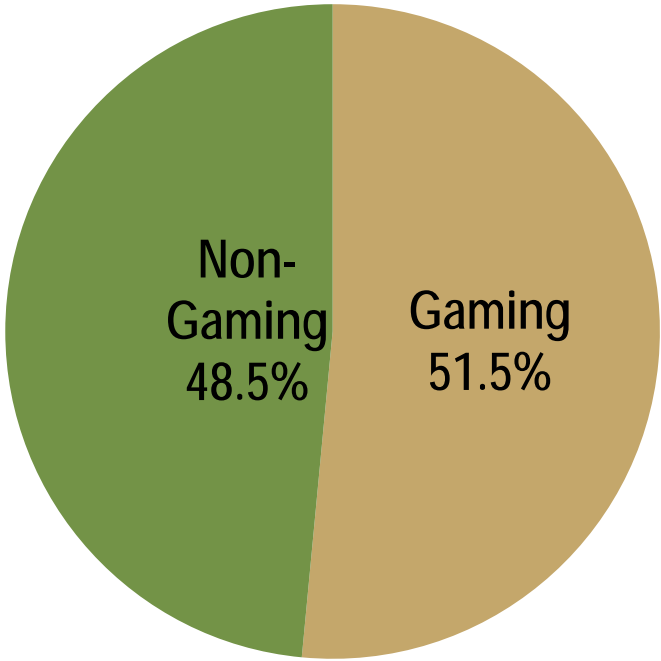


Source: Nevada Gaming Control Board

Total Revenue

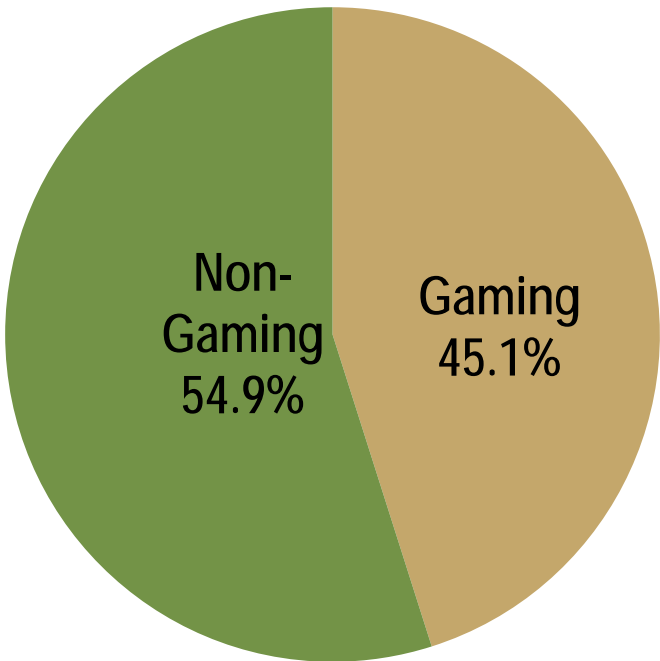
Nevada Casinos with Gaming Revenue of \$1M or More

FY 2003



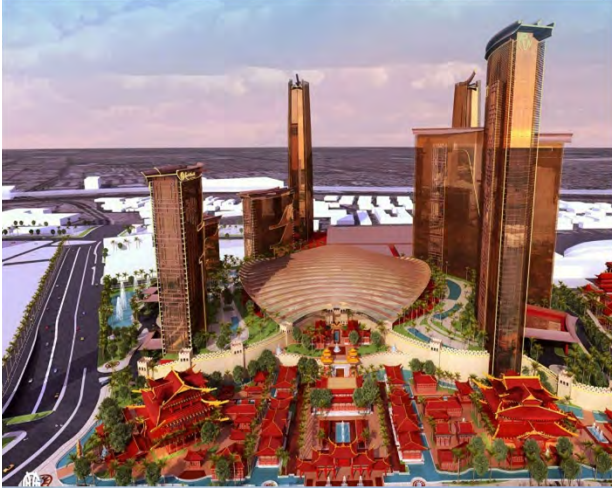
Total Revenue: \$18.0 B

FY 2013



Total Revenue: \$23.1 B

Source: Nevada Gaming Control Board, Gaming Abstract

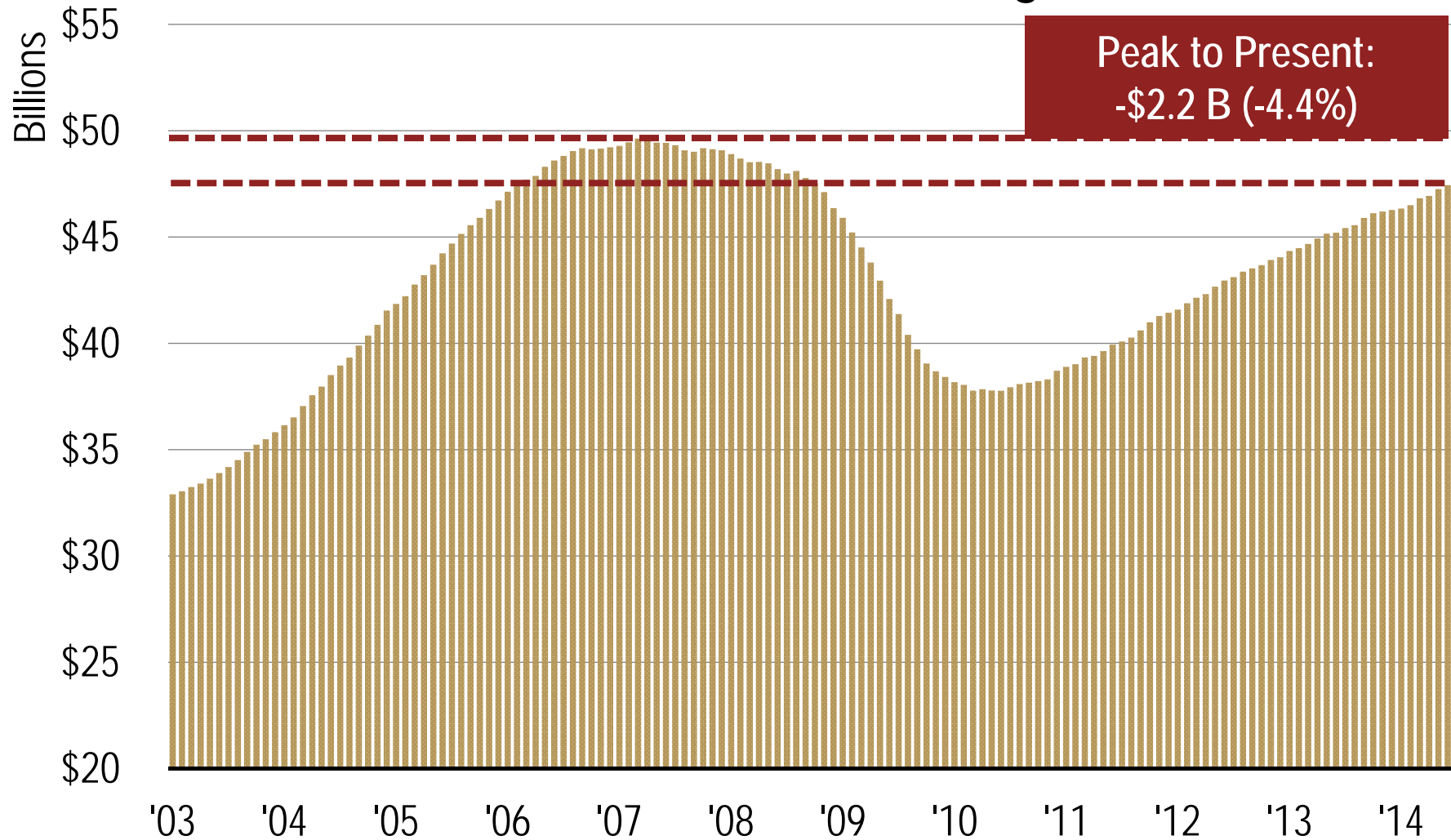




NEVADA FISCAL HIGHLIGHTS

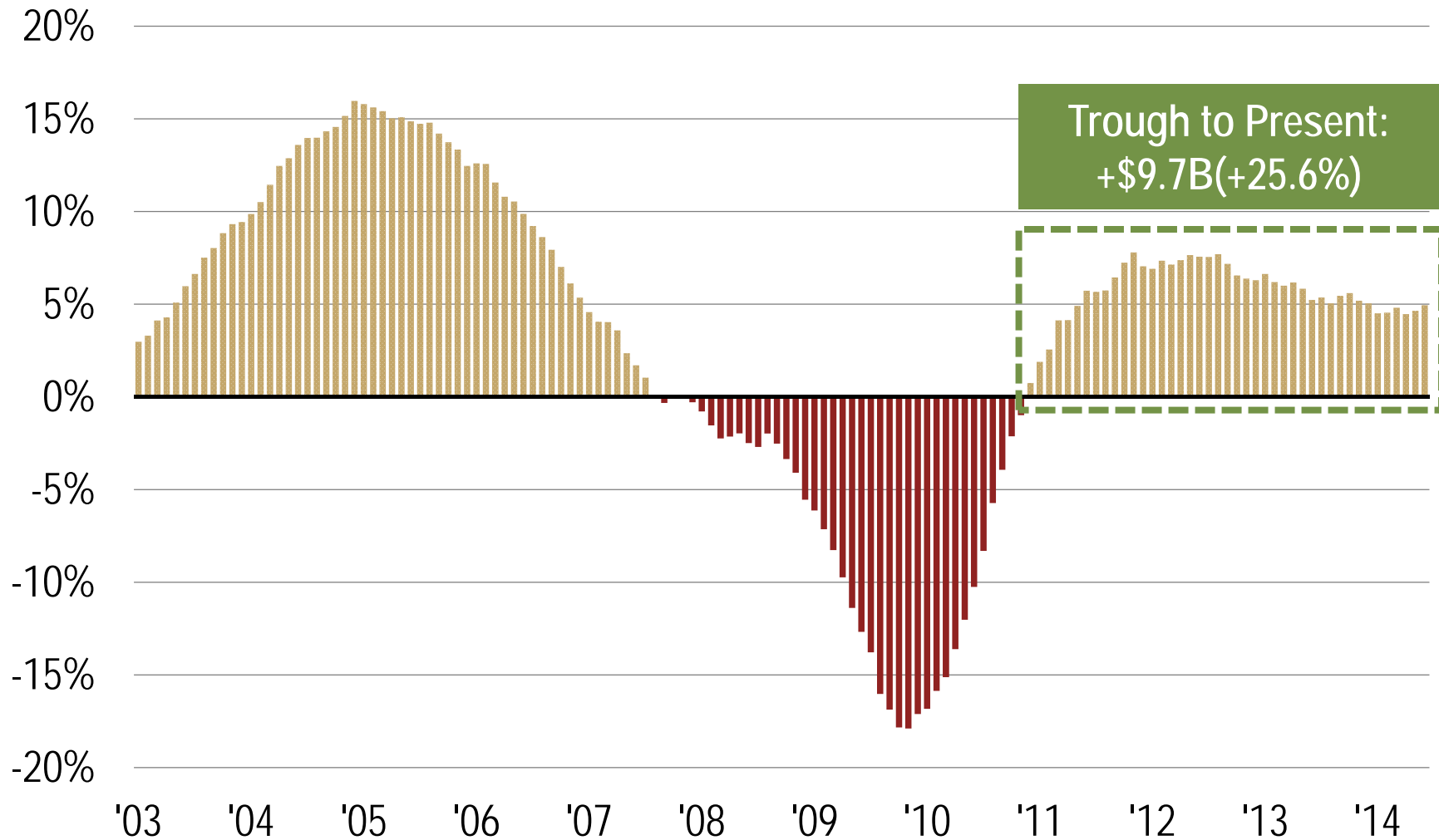
Nevada Taxable Retail Sales

Trailing 12-Month Total



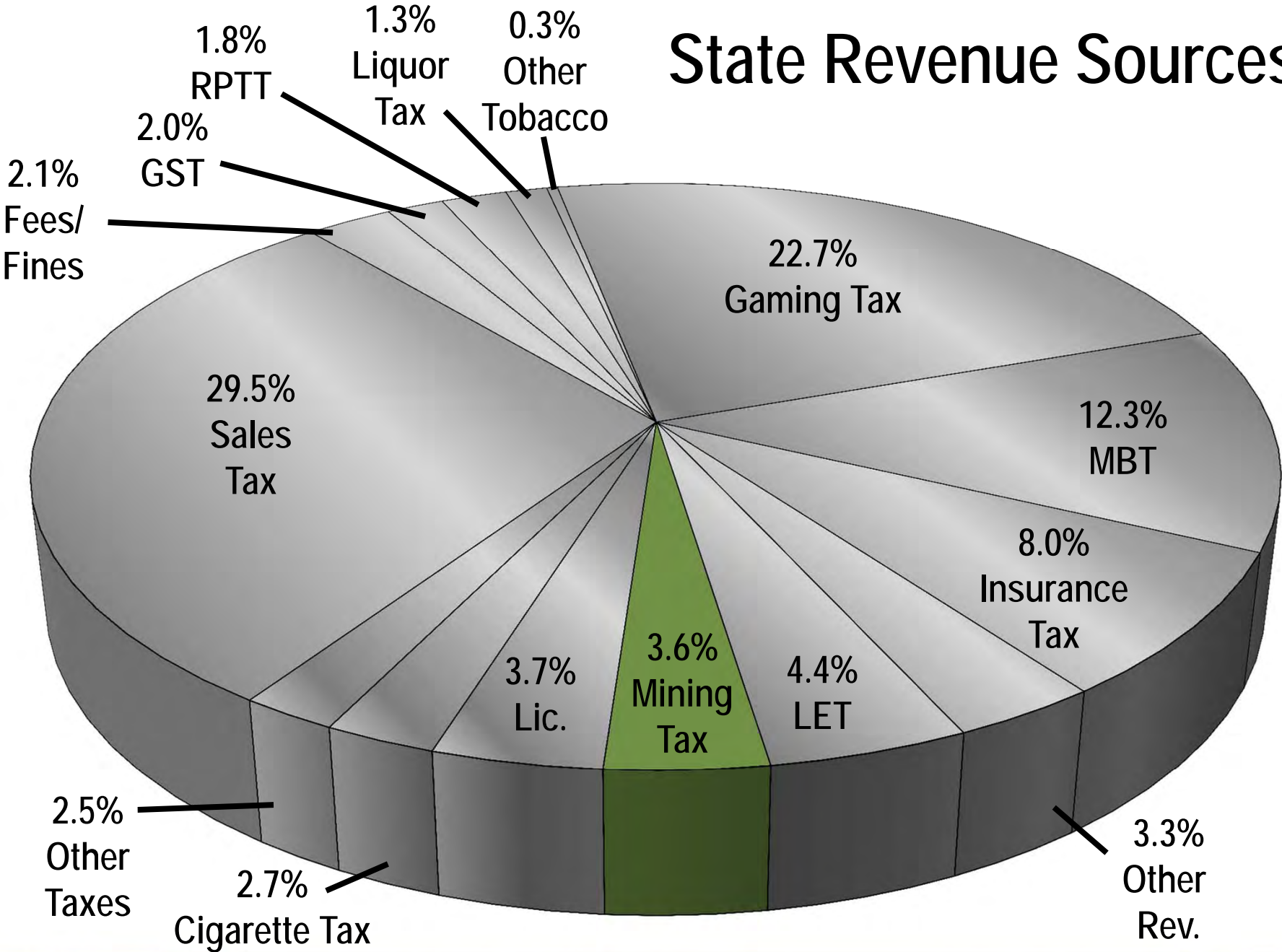
Source: Nevada Department of Taxation and Applied Analysis

Nevada Taxable Retail Sales Growth

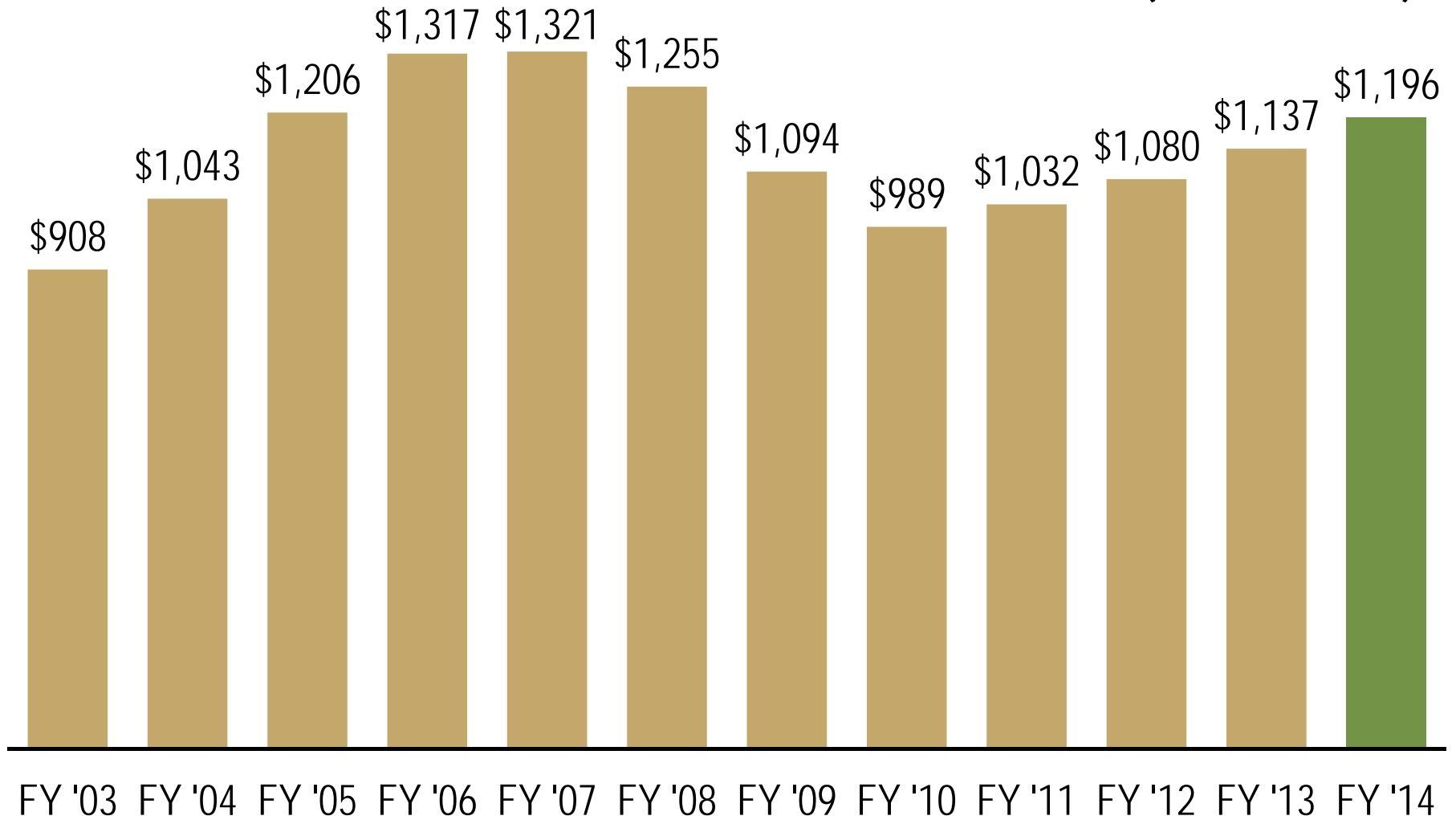


Source: Nevada Department of Taxation and Applied Analysis

State Revenue Sources

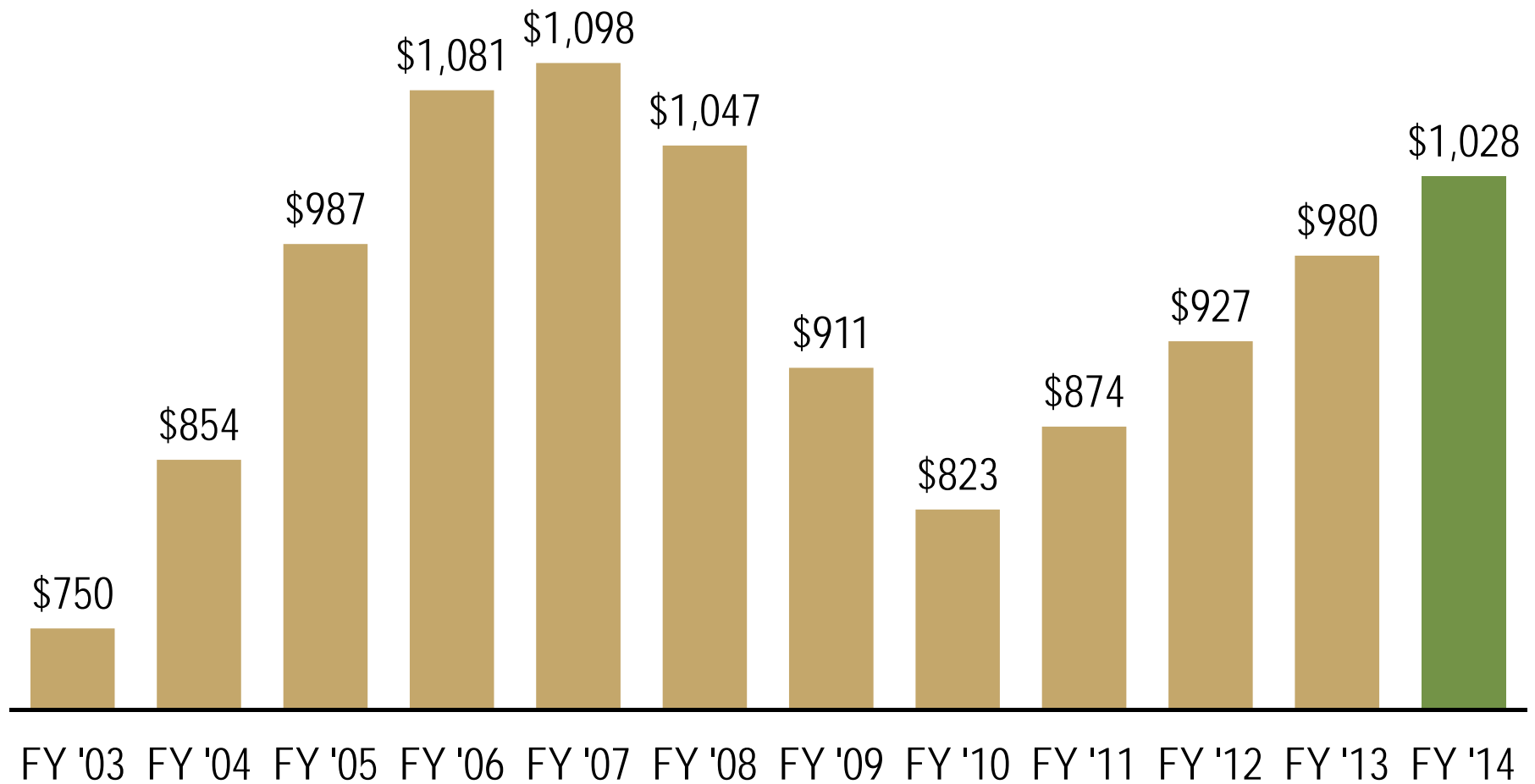


Consolidated Tax Revenue (in Millions)



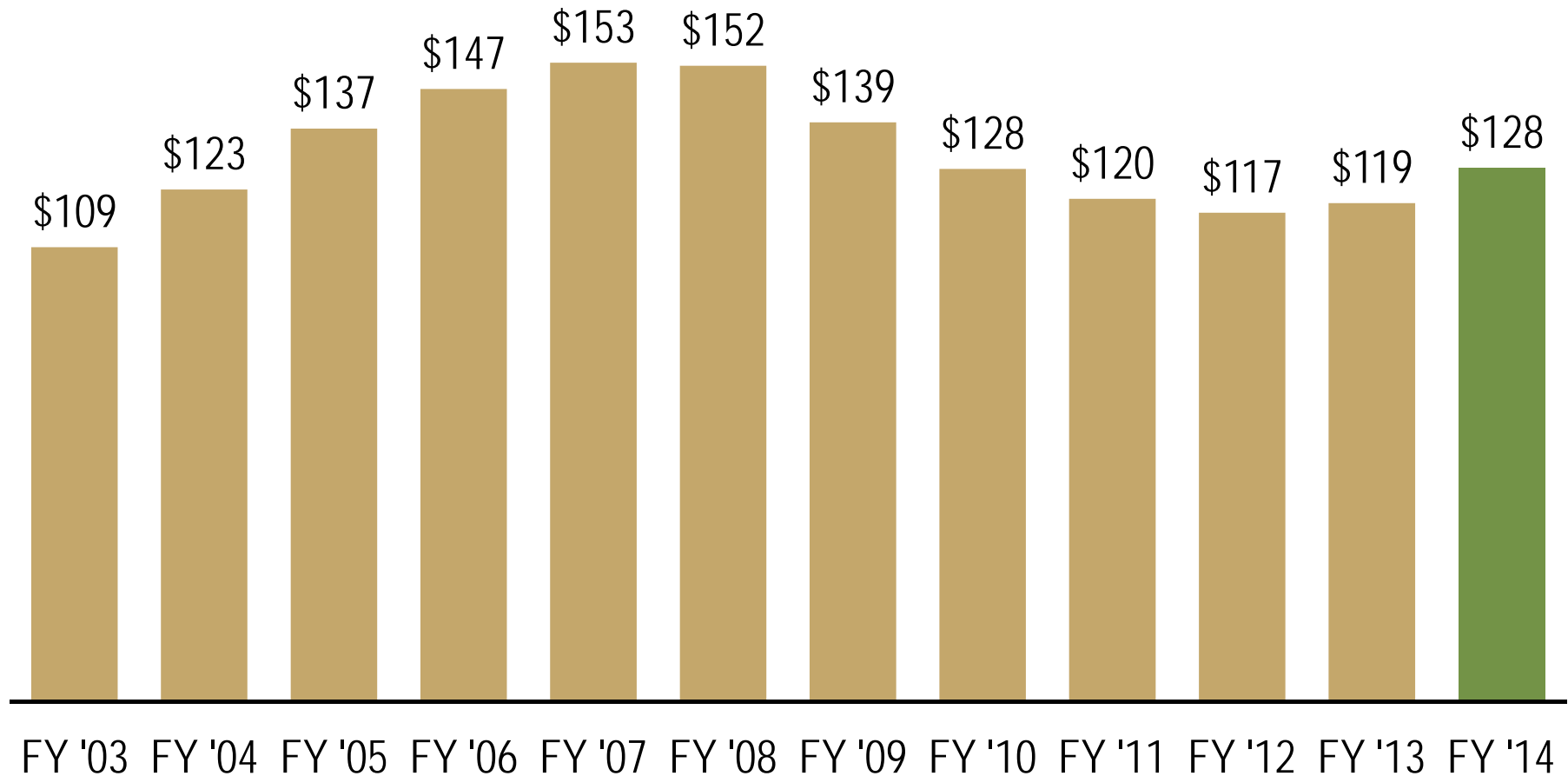
Source: Nevada Department of Taxation

Sales Tax Revenue (in Millions)



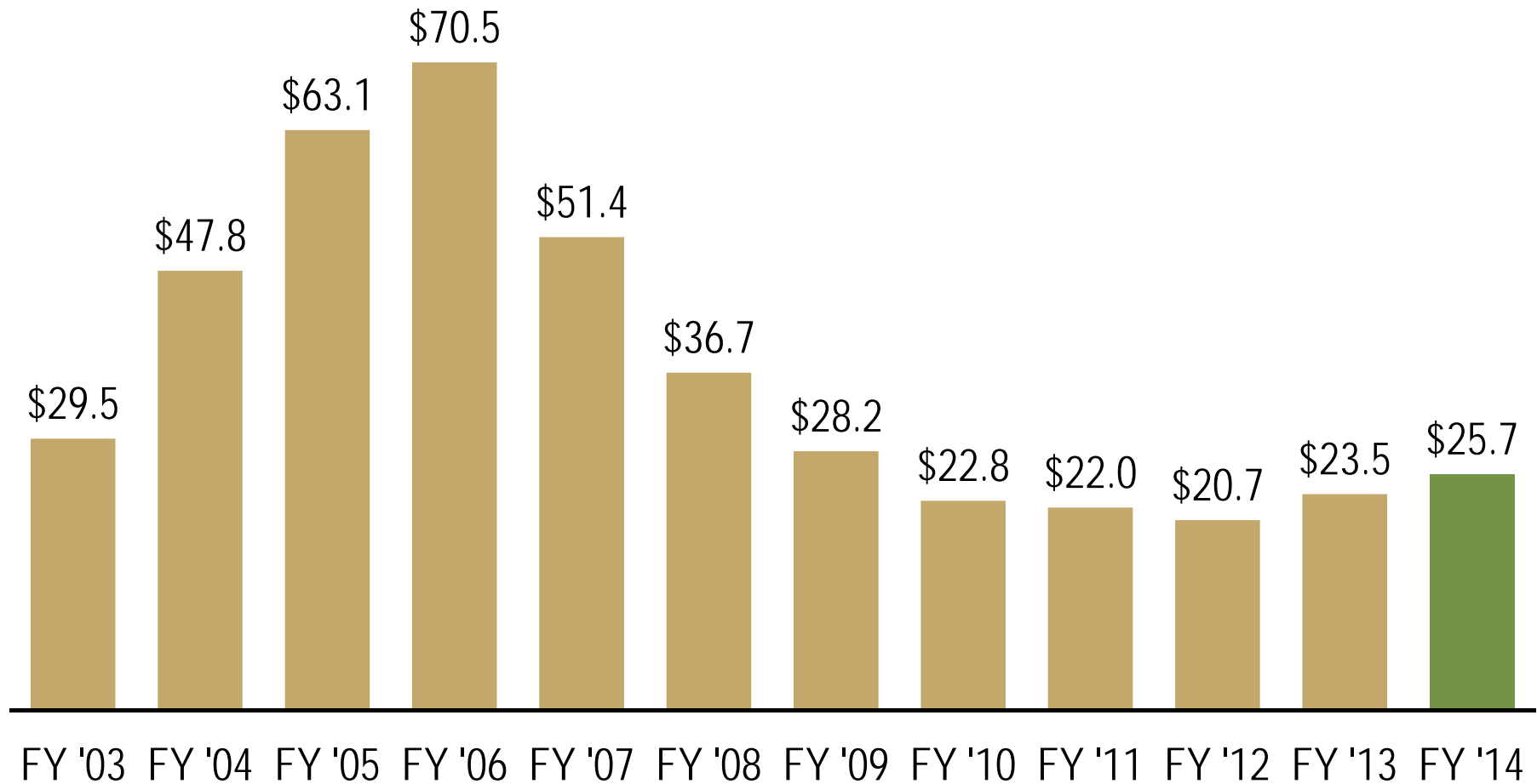
Source: Nevada Department of Taxation

Government Services Tax Revenue (in Millions)



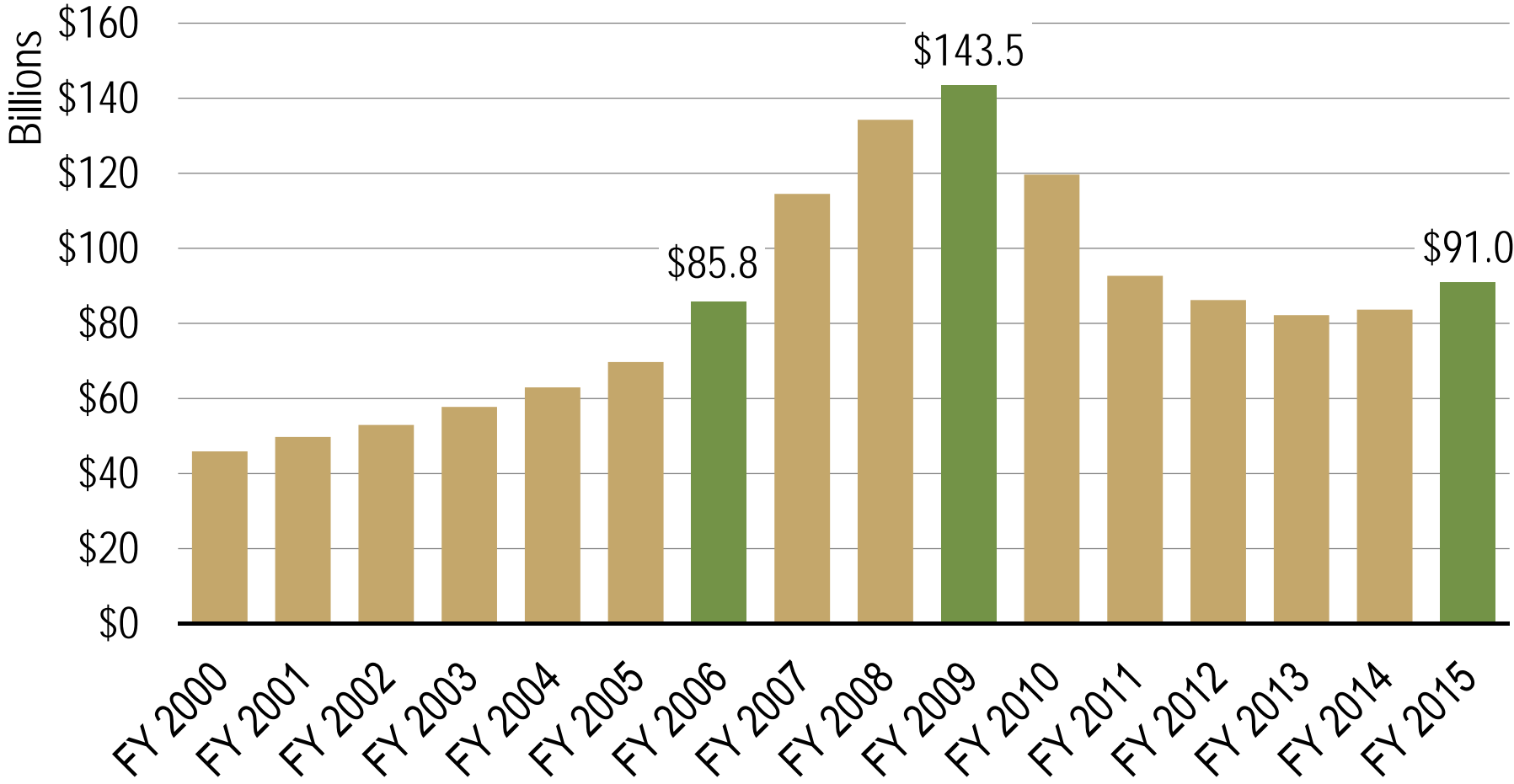
Source: Nevada Department of Taxation

Real Property Transfer Tax Revenue (in Millions)



Source: Nevada Department of Taxation

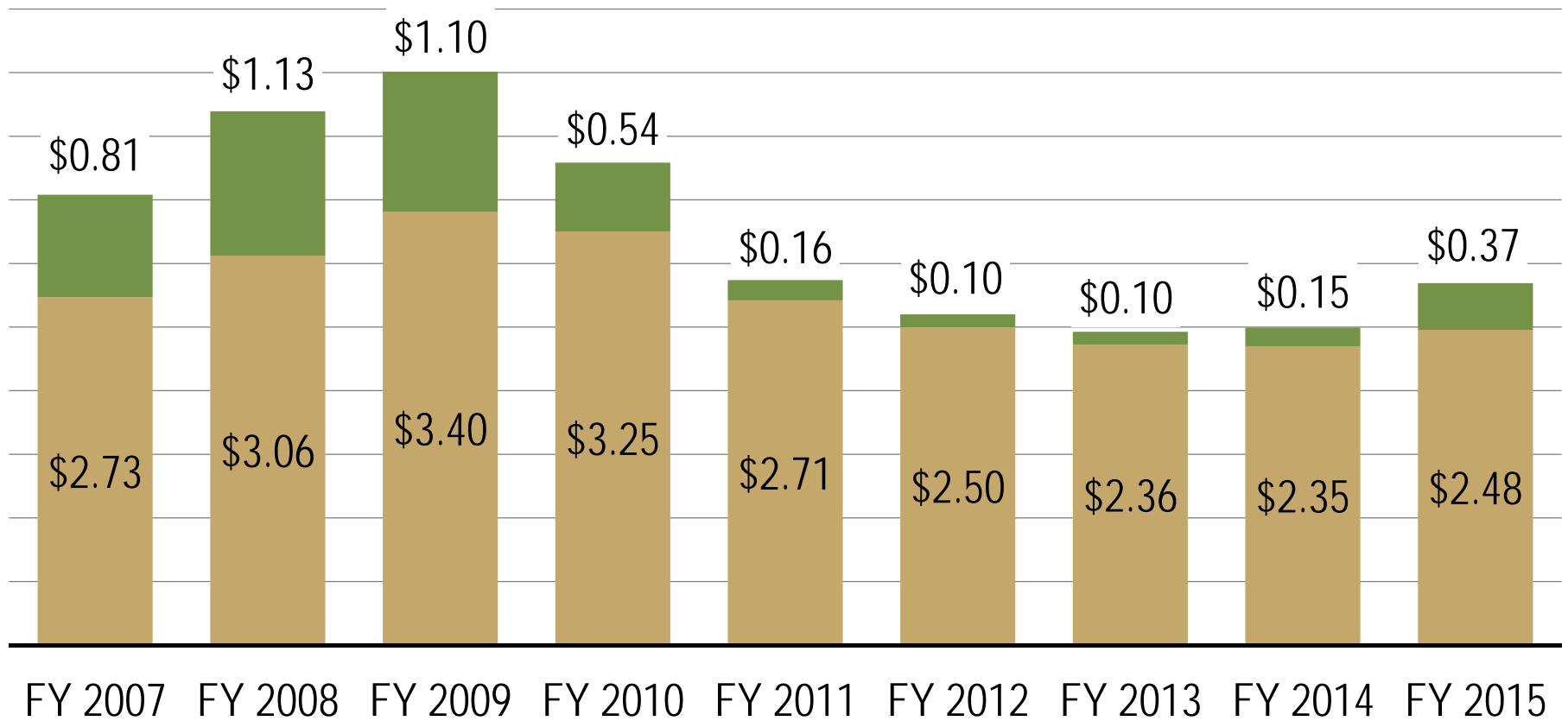
Nevada Assessed Values



Source: Nevada Department of Taxation, Redbook

Property Tax Revenues – Total (in Billions)

■ Projected Tax Revenue ■ Projected Tax Abatement



Source: Nevada Department of Taxation, Redbook



TOP TEN ASSESSED TAXPAYERS NEVADA

| | | |
|----|--------------------------------------|----------------------|
| 1 | MGM Resorts International | \$2,749,674,055 |
| 2 | NV Energy | \$2,478,171,400 |
| 3 | Caesar's Entertainment Corp. | \$1,683,481,585 |
| 4 | Las Vegas Sands | \$971,098,550 |
| 5 | Wynn Resorts Limited | \$760,124,769 |
| 6 | Newmont | \$607,493,266 |
| 7 | Barrick Gold of North America | \$605,498,157 |
| 8 | Ruby Pipeline | \$570,132,900 |
| 9 | Station Casinos | \$516,085,960 |
| 10 | Southwest Gas Company | \$279,485,000 |

 NEVADA MINING ASSOCIATION **MEMBER**

Source: Nevada Department of Taxation;

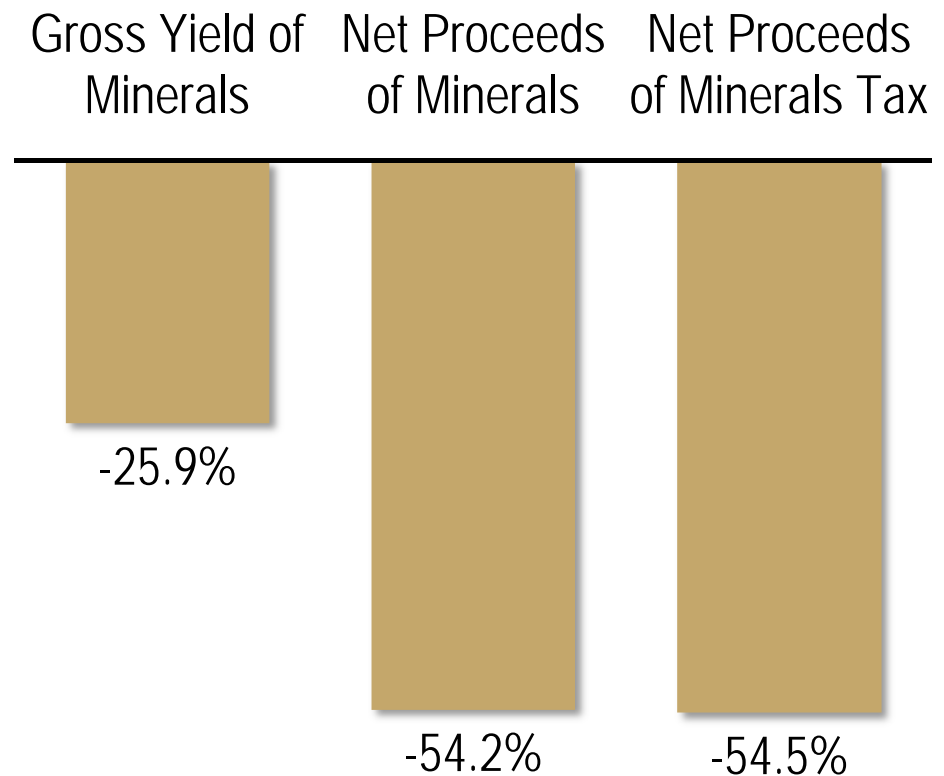
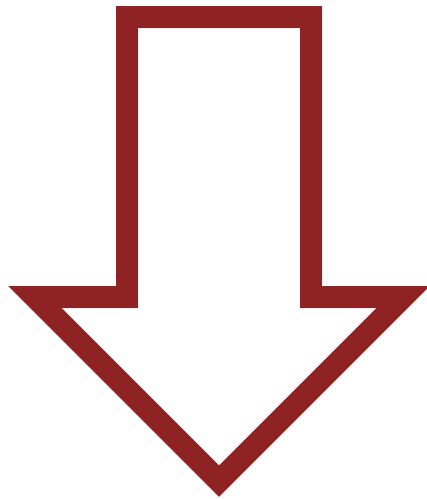
Note: Assessed values include secured and unsecured assets. No values related to gross or net proceeds of minerals are included for mining companies.



2014 Fiscal Outlook

Mining Operators

Industry average trend for 2014 (compared to 2013):



Source: NVMA Member Survey (2014)



THE ROLE OF MINING

NEVADA
Mining Association

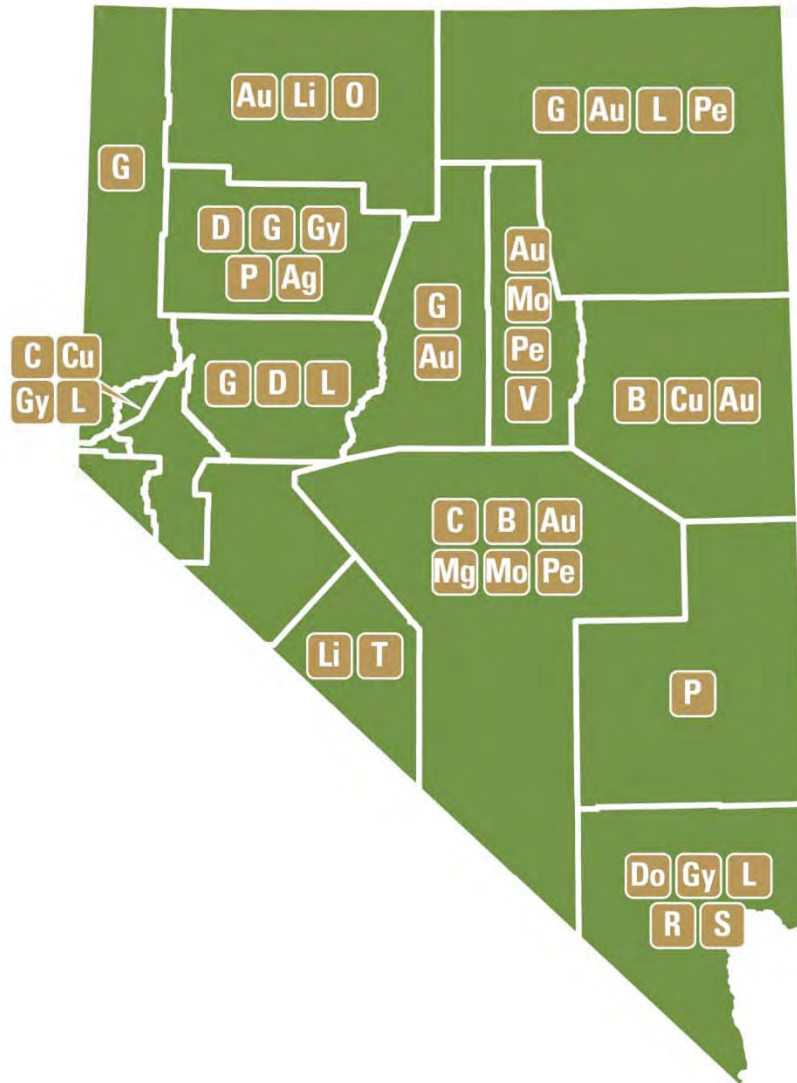
THE ROLE OF THE STATE'S
MINING INDUSTRY

NEVADA ECONOMY 2014

Nevada Mining Association
2014 Annual Convention

APPLIED
ANALYSIS 

Existing Mining Activity

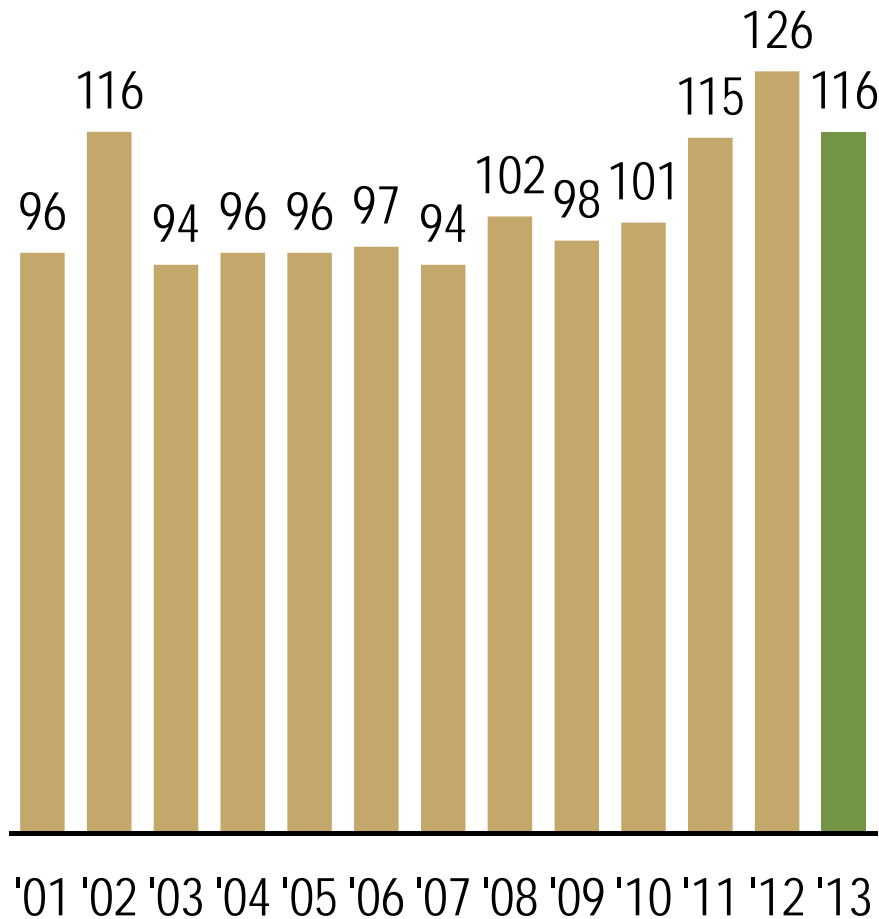


- B** Barium
- C** Clays
- Cu** Copper
- D** Diatomite
- Do** Dolomite
- G** Geothermal Energy
- Au** Gold
- Gy** Gypsum
- L** Lime
- Li** Lithium
- Mg** Magnesium
- Mo** Molybdenum
- O** Opals
- P** Perlite
- Pe** Petroleum
- R** Rare Earths
- S** Silica
- Ag** Silver
- T** Turquoise
- V** Vanadium

116 Mining Operators

Source: NVMA and Nevada Department of Taxation

Trend in Number of Operators



| Net Change in Mining Operators by County | 2012-2013 |
|--|-----------|
| CHURCHILL | +1 |
| CLARK | -2 |
| ELKO | +2 |
| EUREKA | -3 |
| HUMBOLT | -2 |
| LANDER | -2 |
| LINCOLN | -1 |
| LYON | -2 |
| MINERAL | +1 |
| NYE | -2 |

Source: Nevada Department of Taxation



Mining Industry's Presence in Nevada

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

Oldest Respondent Company: 1931

Youngest Respondent Company: 2013

Average Year
Established:

1990



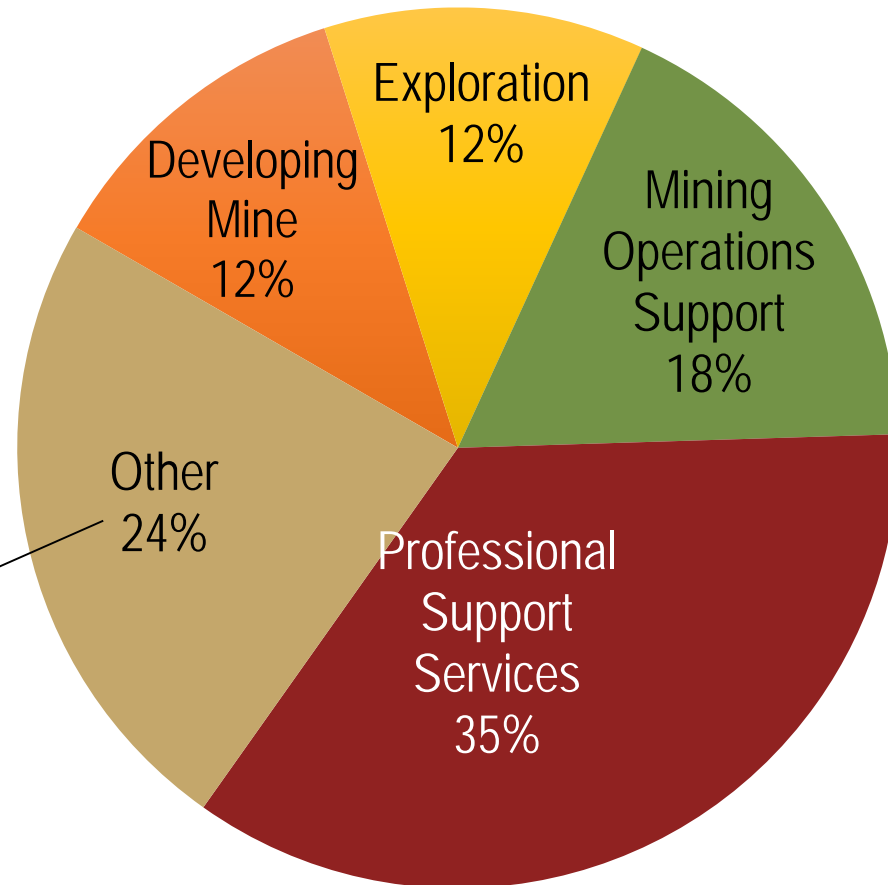
Source: NVMA Member Survey (2014)



The Mining Industry Extends Beyond Mine Operators

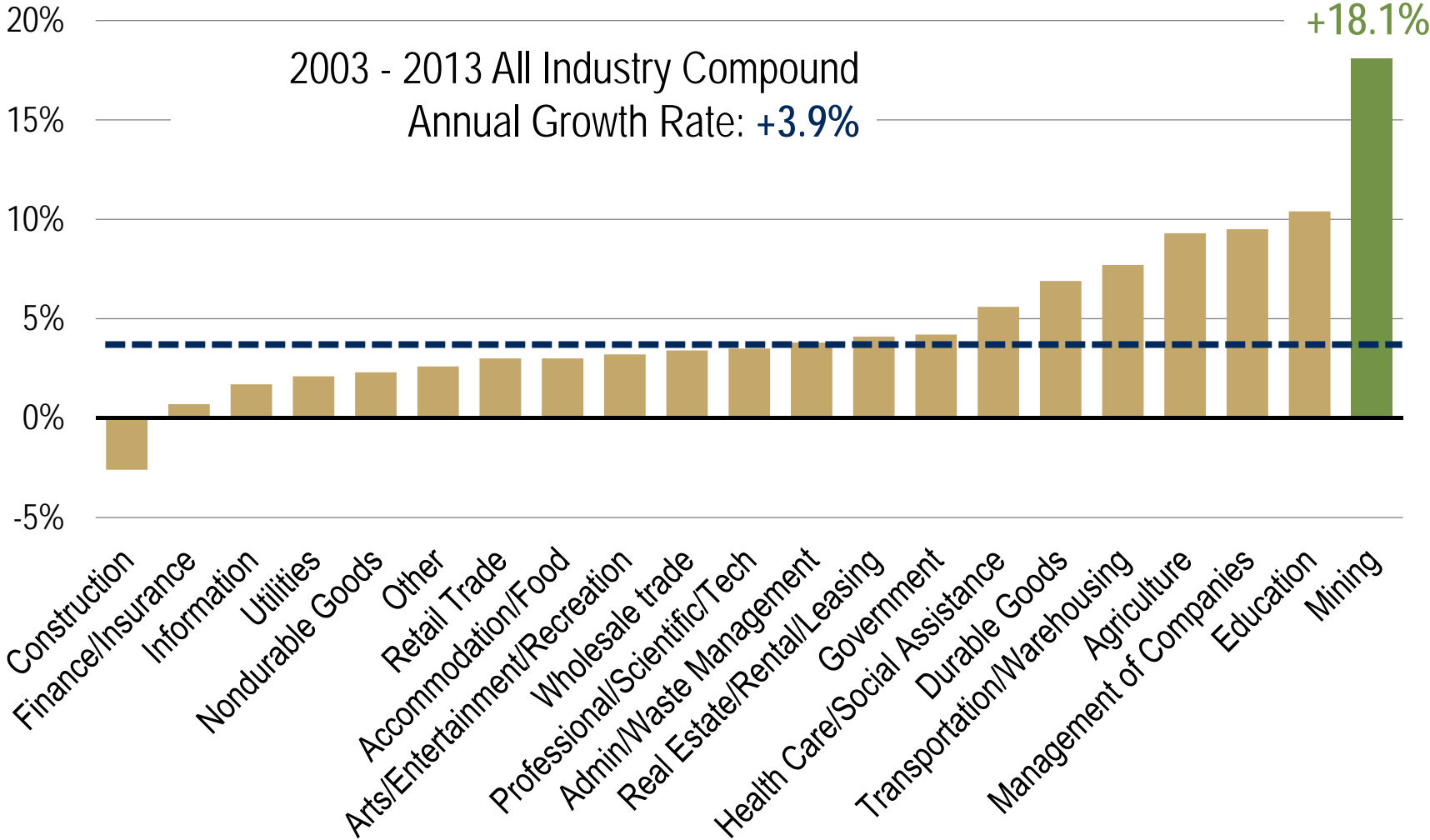
If not a mining operator, describe your type of business?

- Solar Systems
- Recycling Spent Petroleum Products
- Industrial Monitoring Instrumentation
- Equipment Dealers



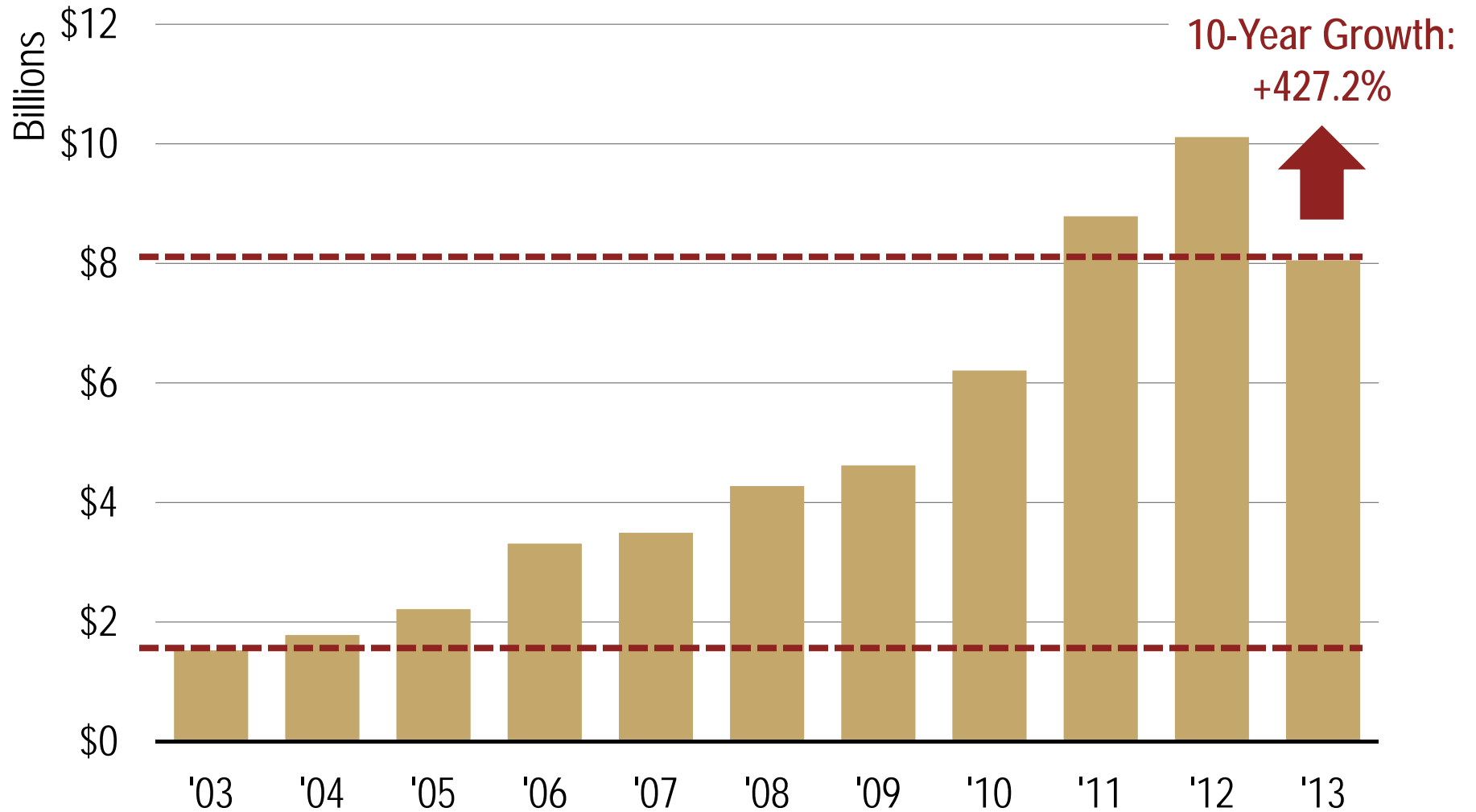
Source: NVMA Member Survey (2014)

Nevada GDP Growth By Sector



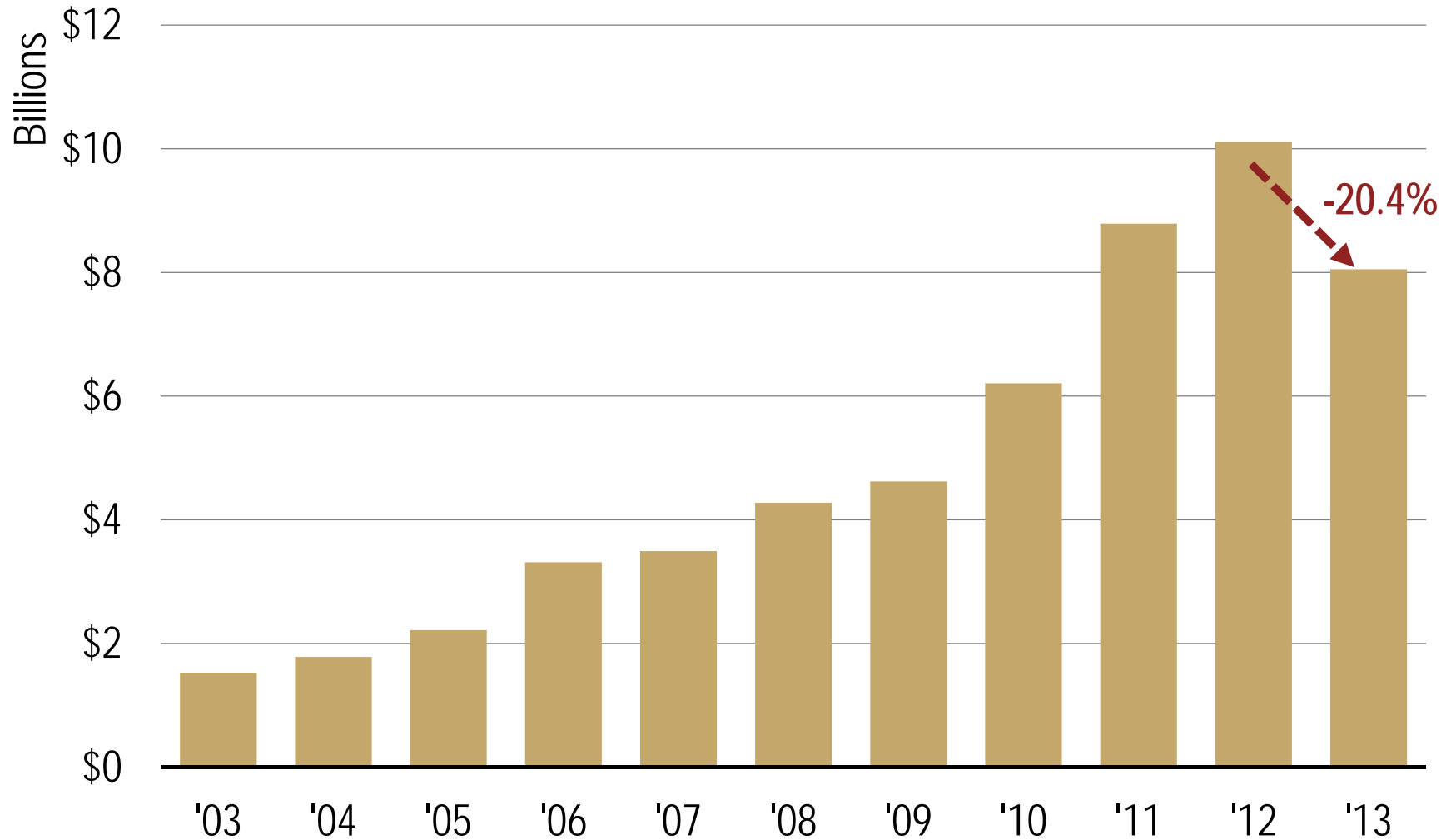
Source: U.S. Bureau of Economic Analysis

Nevada Mining GDP



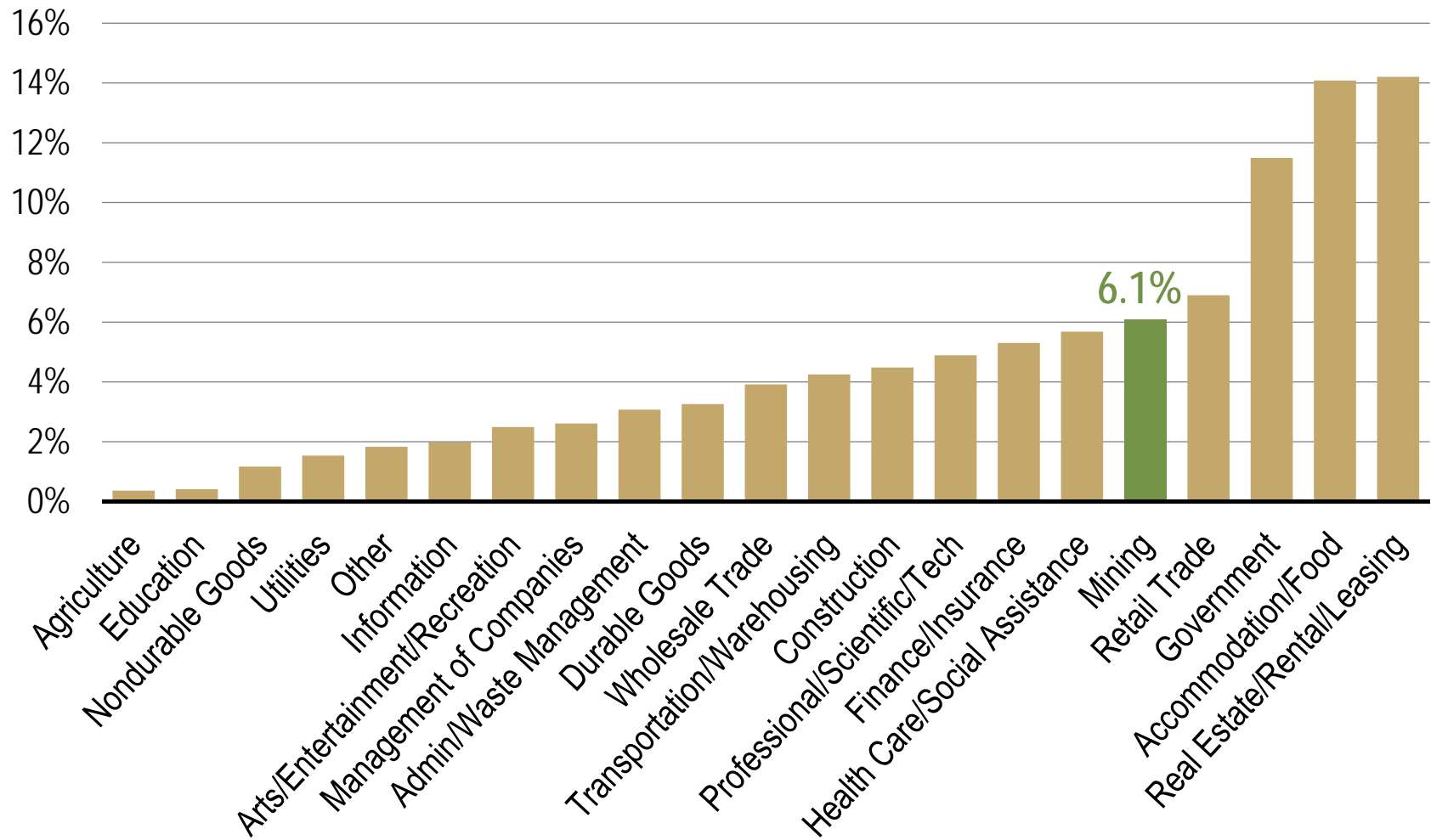
Source: U.S. Bureau of Economic Analysis

Nevada Mining GDP



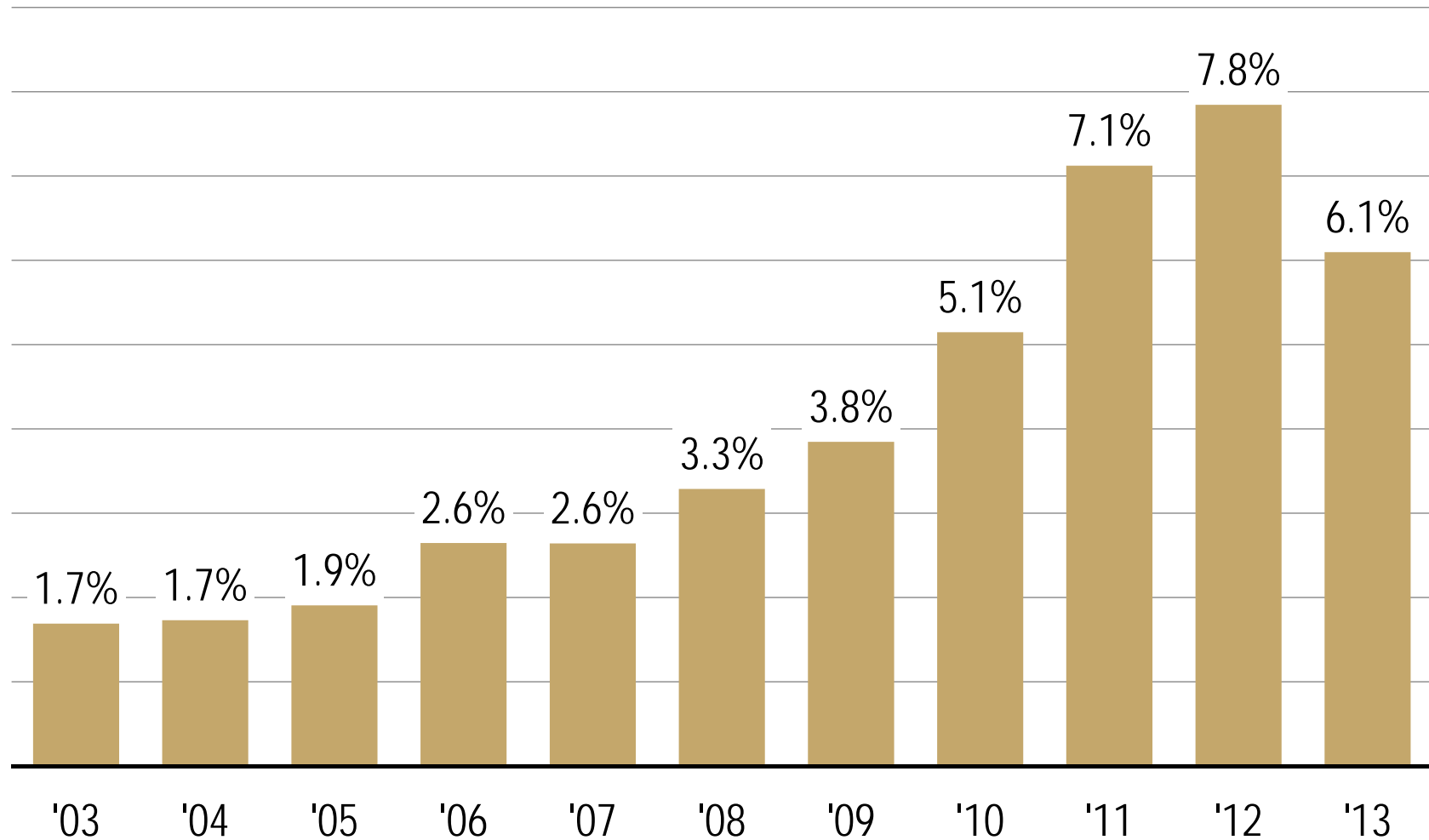
Source: U.S. Bureau of Economic Analysis

Industry GDP as Share of Total By Sector



Source: U.S. Bureau of Economic Analysis

Mining GDP as Share of Total



Source: U.S. Bureau of Economic Analysis



New Projects and Investments



New method of gold processing implemented at the Goldstrike Complex (\$5.5 million in modifications to the autoclave circuit)

\$3.5 million invested in exploration located in Pershing, Eureka and Washoe counties; bulk of investment associated with drilling programs near Lovelock and Eureka

\$4.5 million total spend in 2013, primarily related to exploration and land holding costs

Return to mining at Florida Canyon Mine

Exploration drilling in certain claims expected to be up to \$2 million for 2014

Possible building expansion or new facility

Source: NVMA Member Survey (2014) and Northern Nevada Business Weekly



Greatest Business Threats



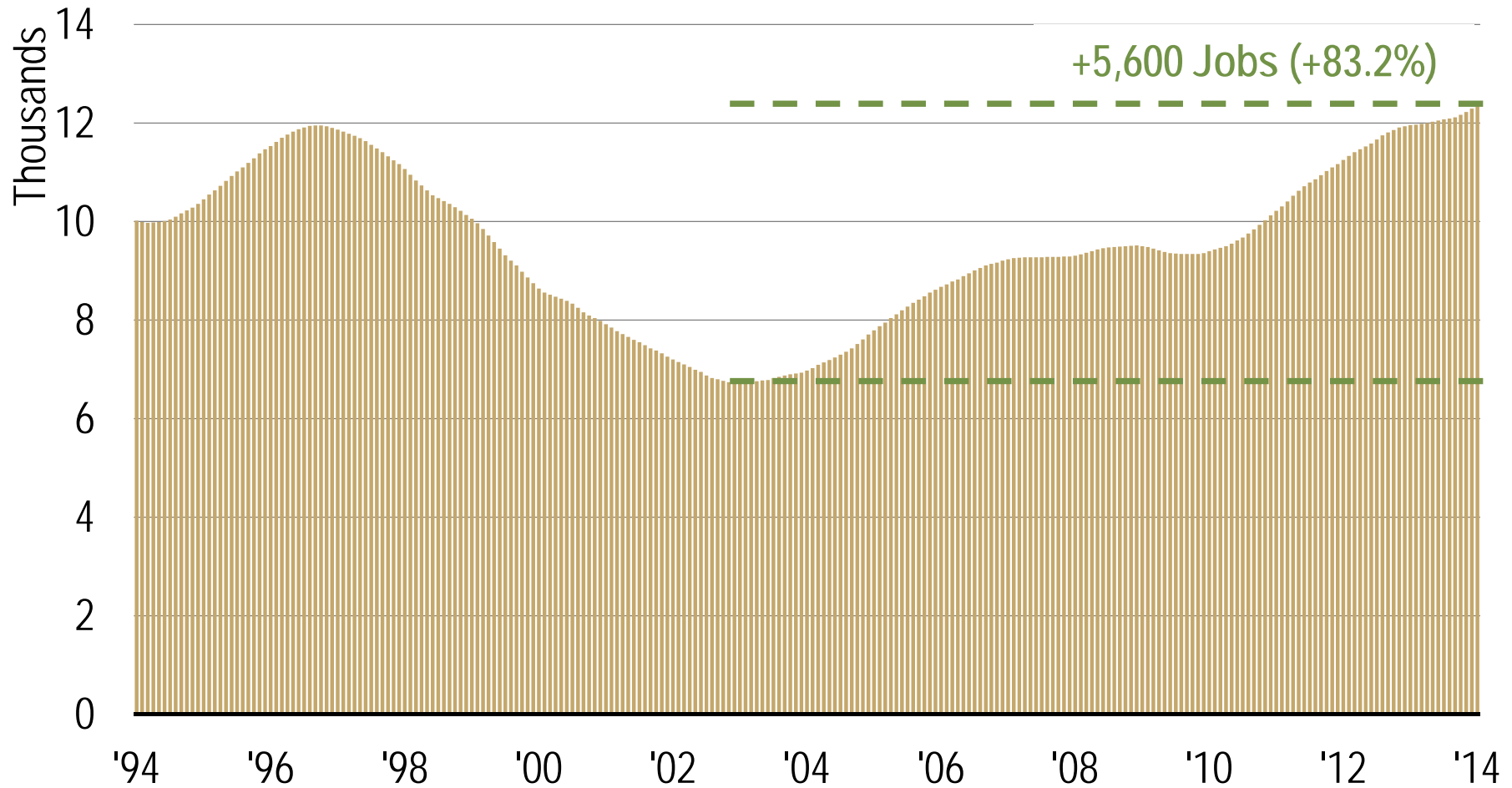
Source: NVMA Member Survey (2014)



MINING EMPLOYMENT

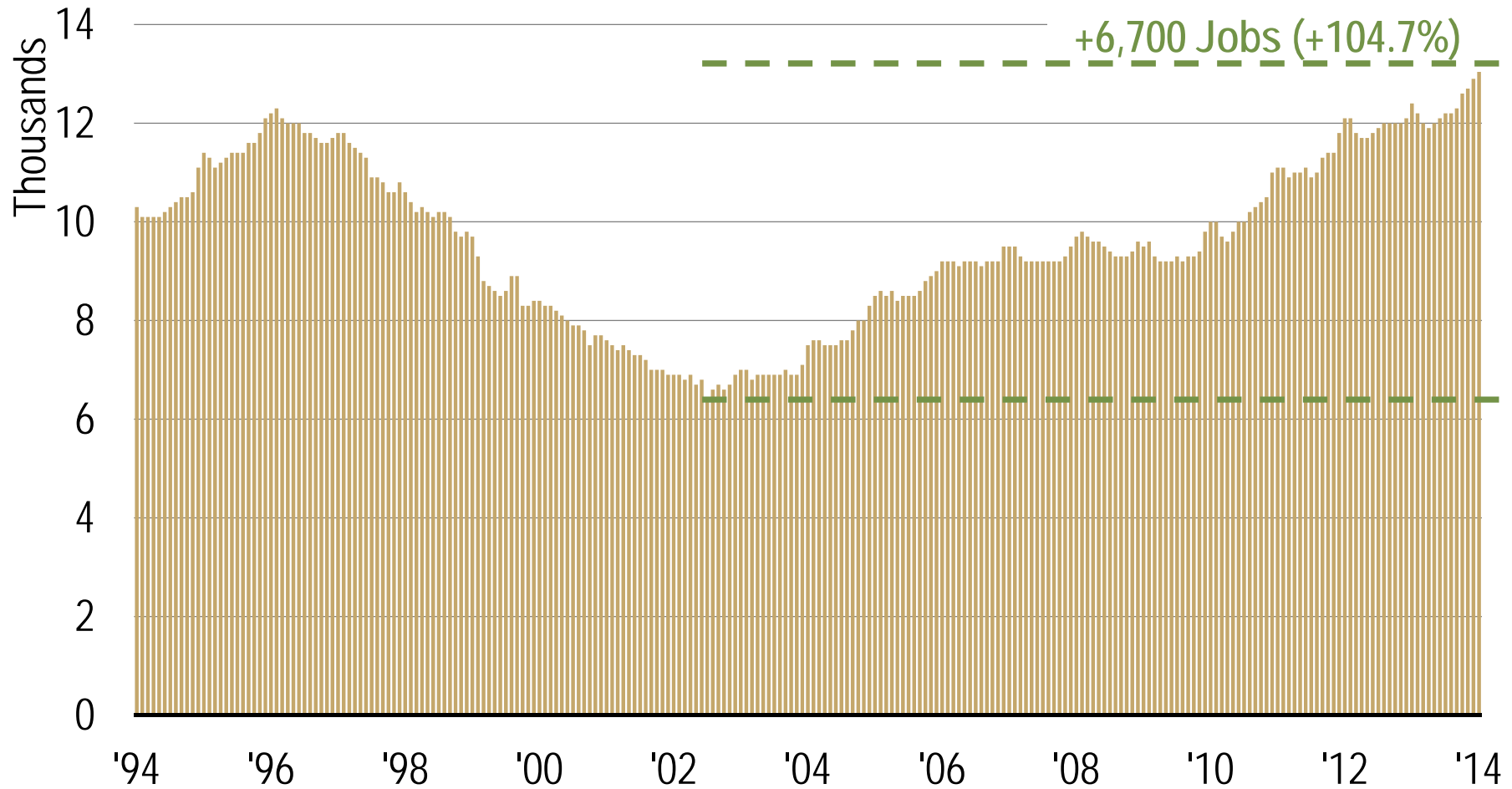
Mining Employment in Nevada

Trailing 12-Month Average



Source: Nevada Department of Employment, Training & Rehabilitation

Mining Employment in Nevada



Source: Nevada Department of Employment, Training & Rehabilitation



Diversity in Nevada Mining

What percentage of your workforce do minority groups comprise?

15%



Women

11%

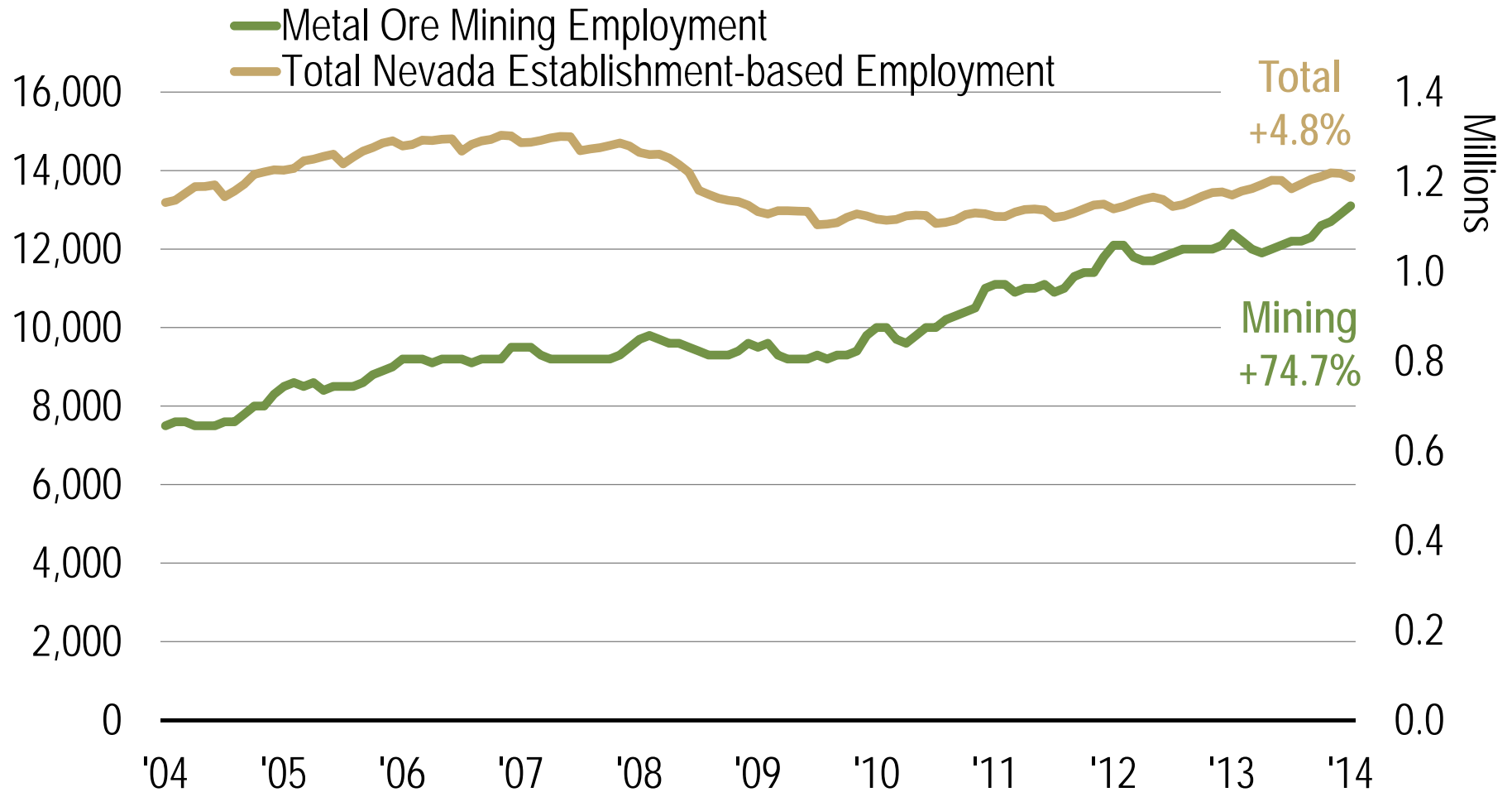


Racial/Ethnic Minorities

Source: NVMA Member Survey (2014)

Nevada Mining vs. Total Employment

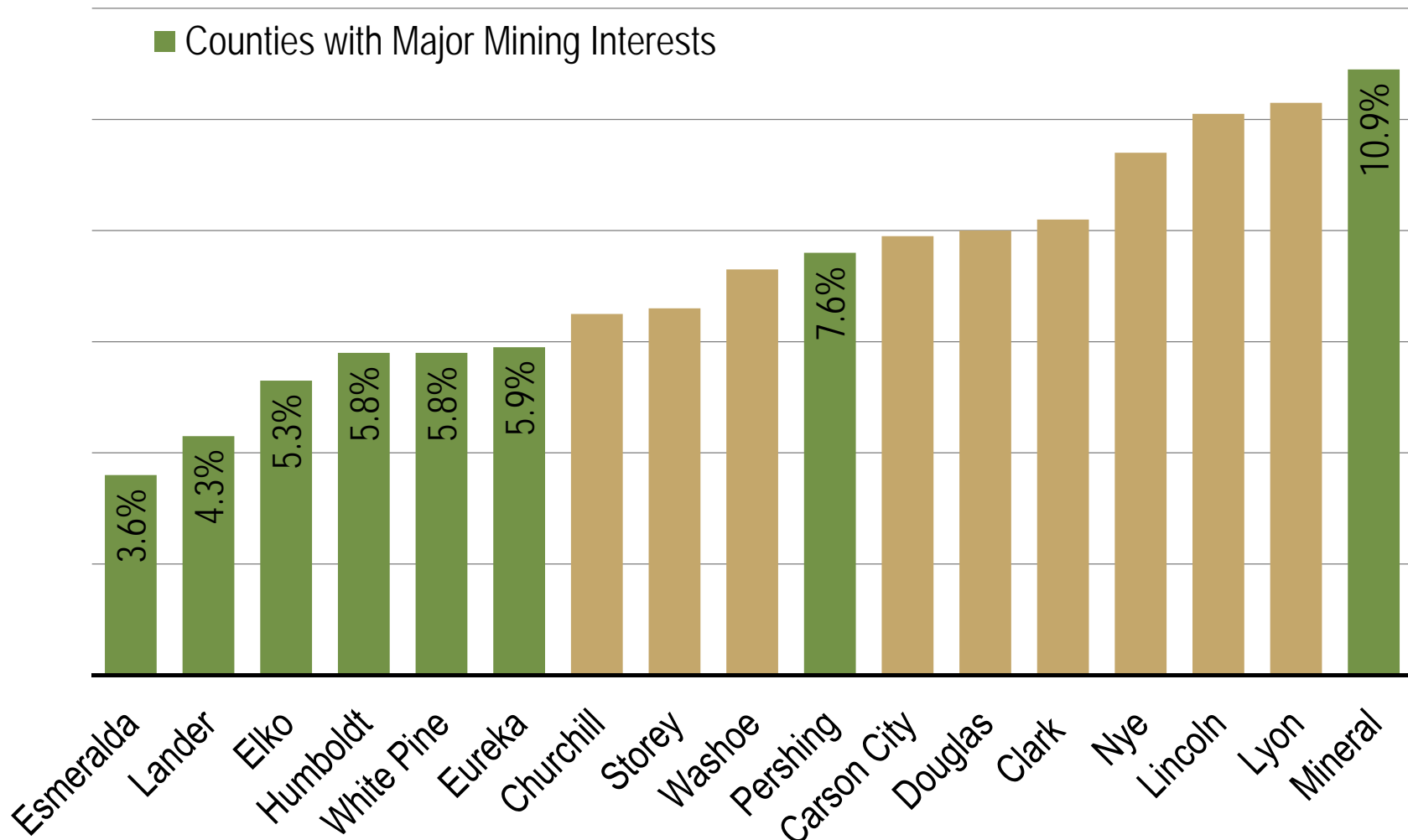
10-Year Growth



Source: Nevada Department of Employment, Training & Rehabilitation

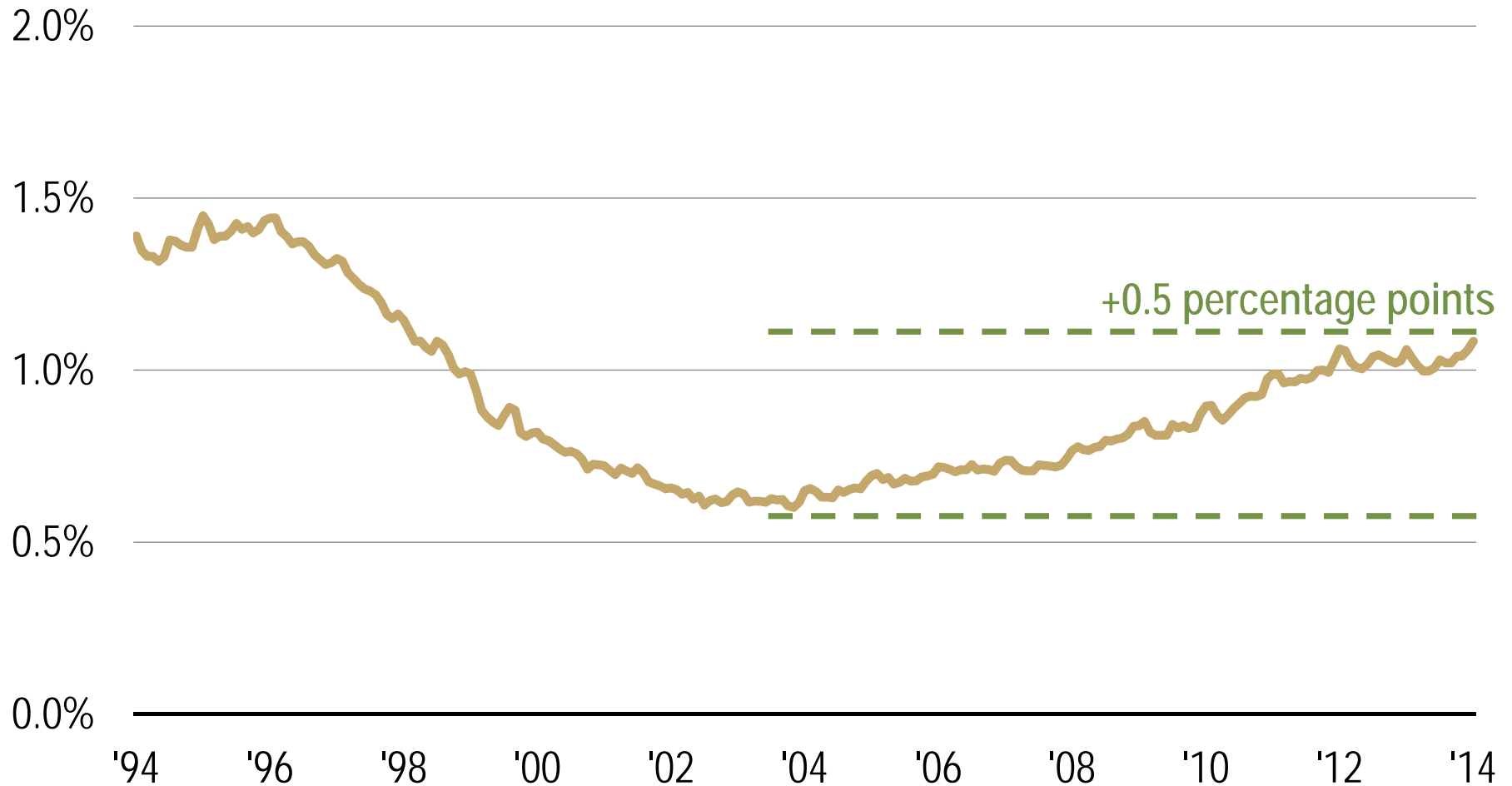
Unemployment Rate Comparison

Nevada Counties; July 2014



Source: Nevada Department of Employment, Training & Rehabilitation & Applied Analysis

Mining as a Share of Total Employment



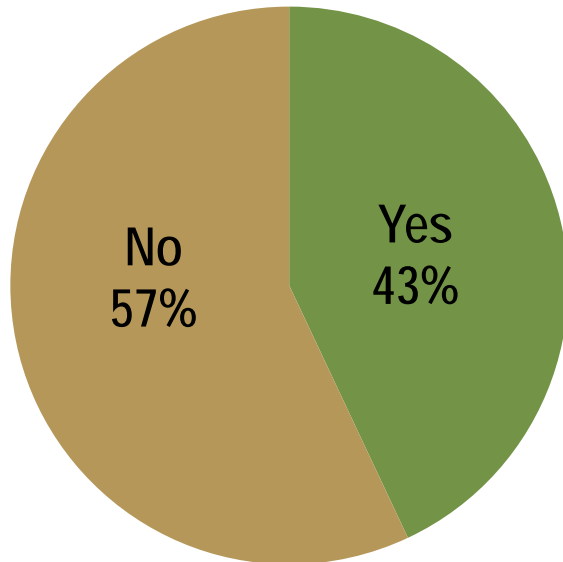
Source: Nevada Department of Employment, Training & Rehabilitation



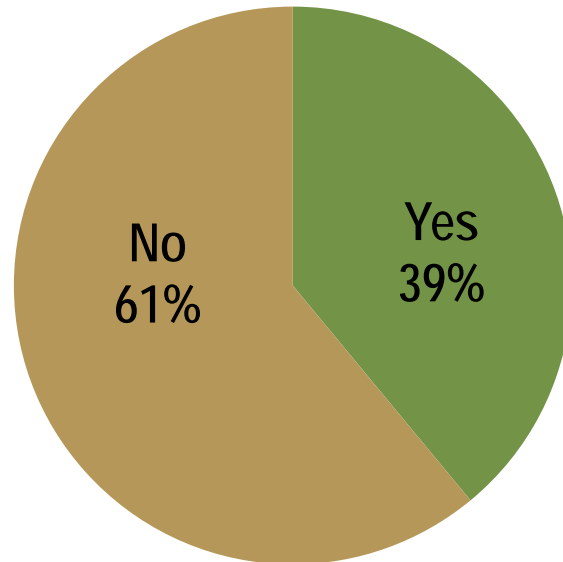
Nevada Mining Workforce Growth

Current and Projected

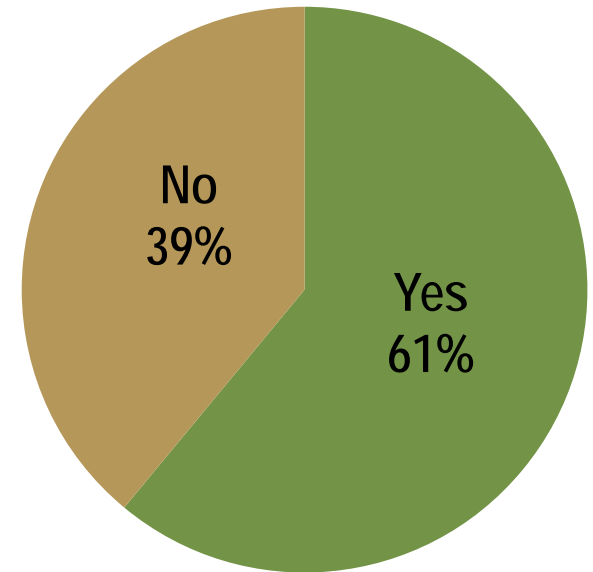
Excluding replacements due to attrition, did you hire new employees in 2013?



Have you hired and/or will you hire new employees in 2014?



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

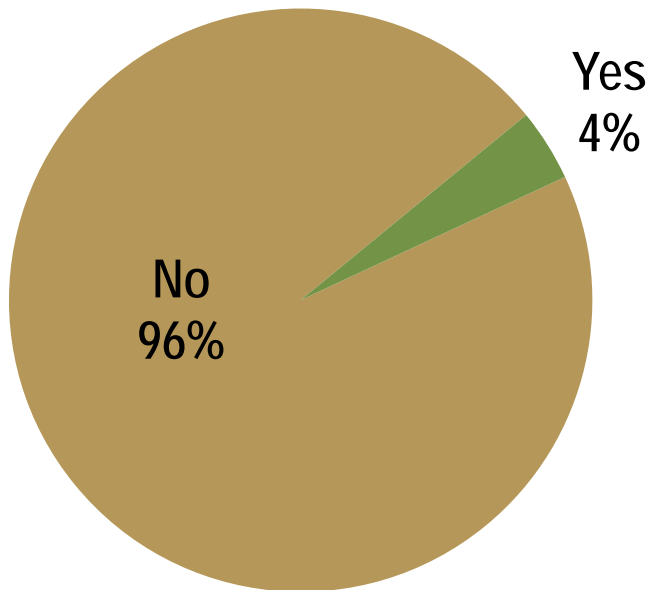


Source: NVMA Member Survey (2014)

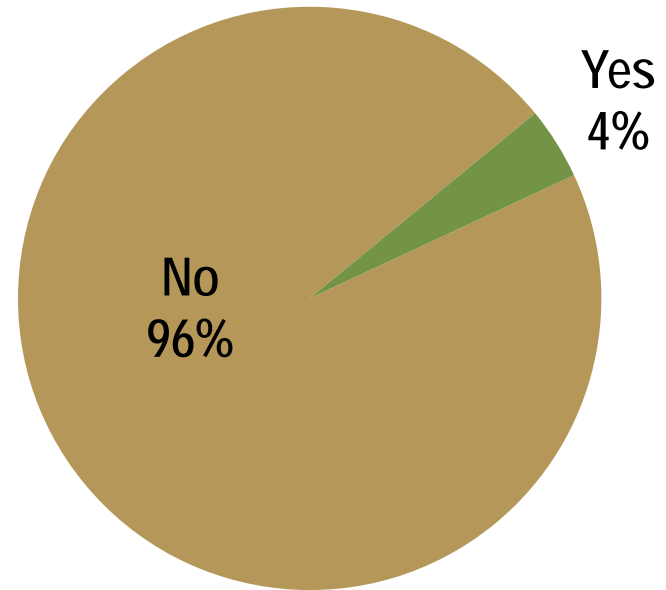


Future Workforce Reductions

Do you expect to reduce your workforce in the next year?

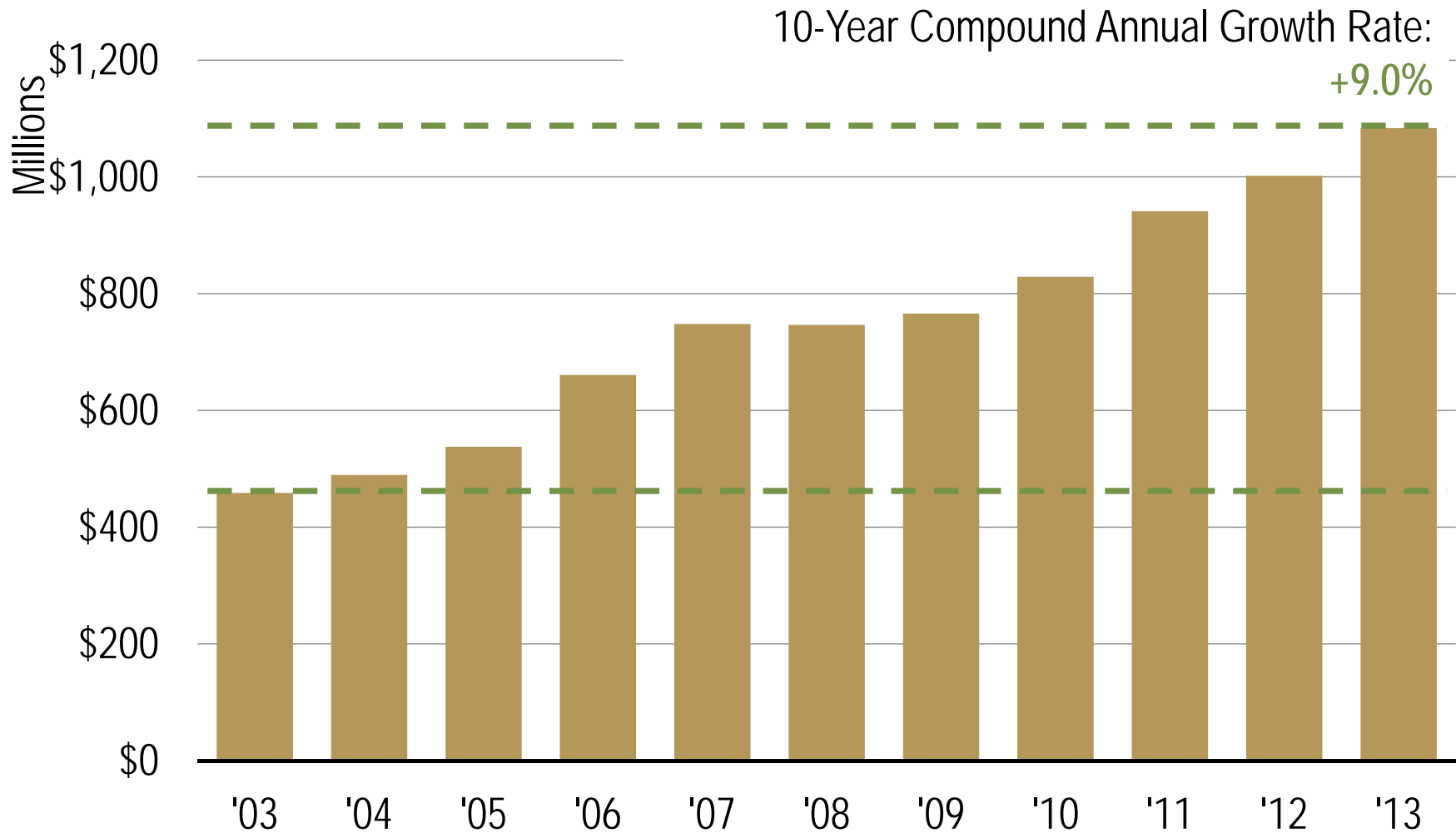


Do you expect to reduce your workforce in the next five years?



Source: NVMA Member Survey (2014)

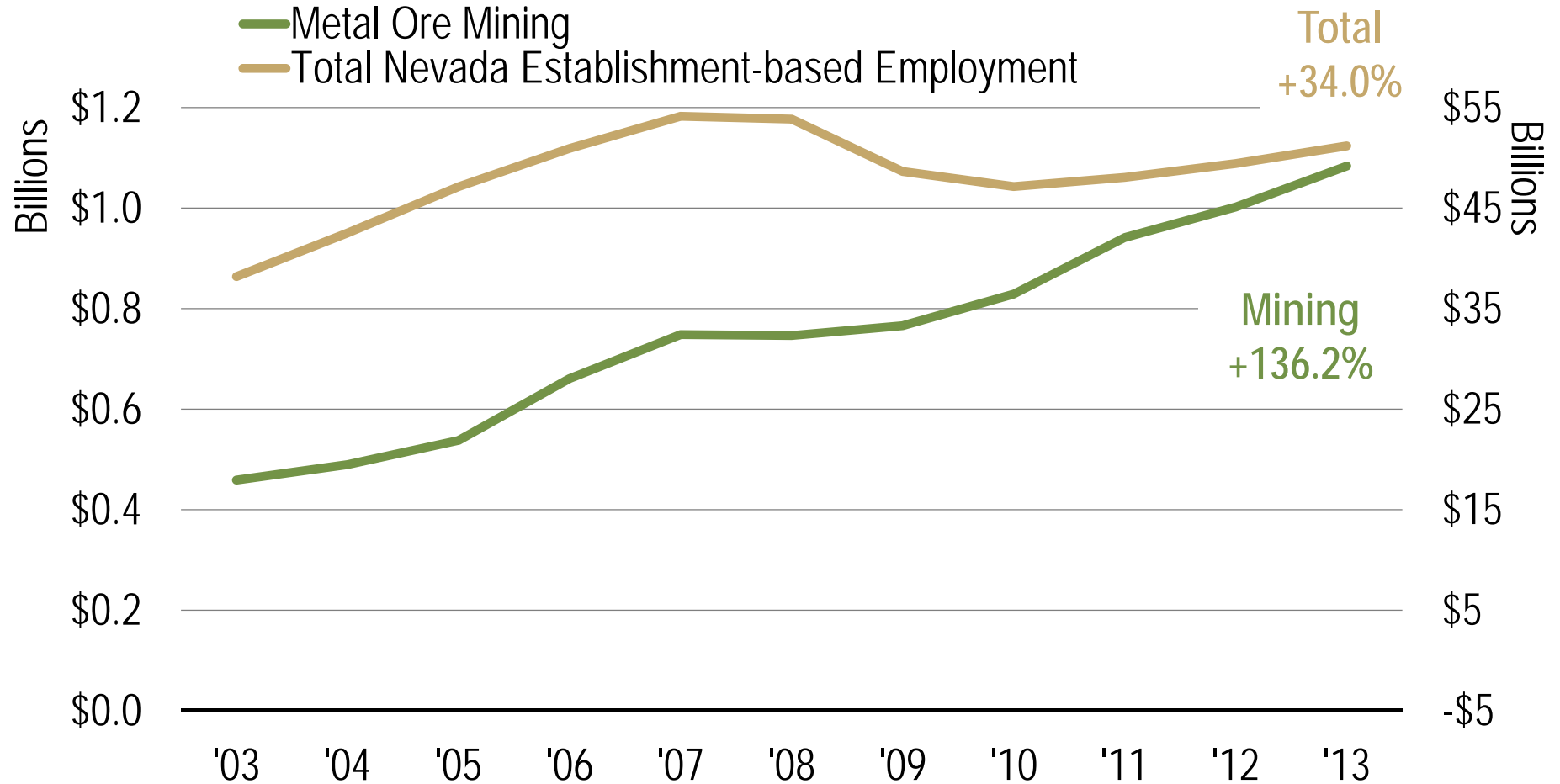
Nevada Salaries and Wages Metal Ore Mining



Source: Nevada Department of Employment, Training & Rehabilitation

Nevada Mining Vs. Total Salaries & Wages

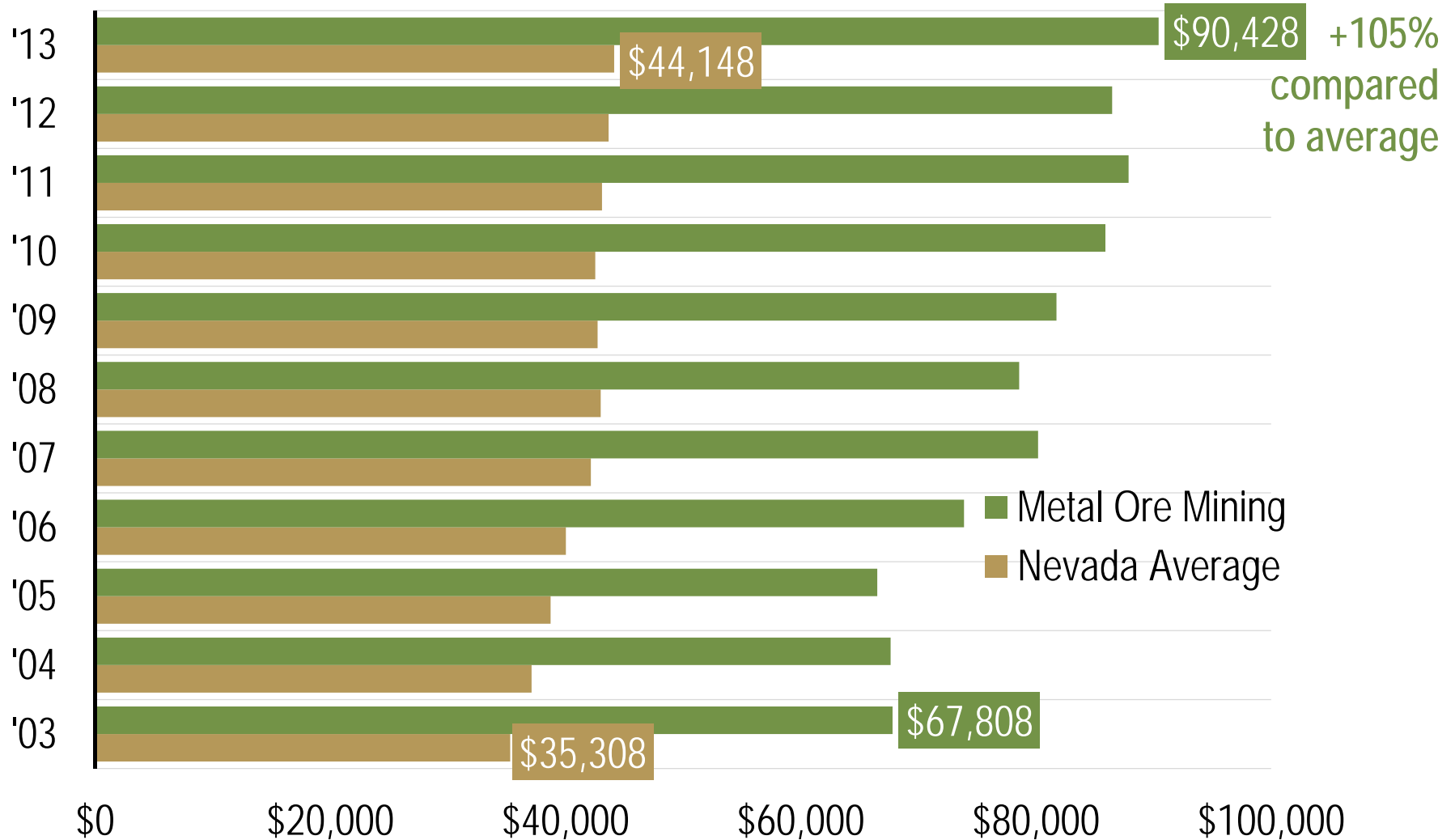
10-Year Growth



Source: Nevada Department of Employment, Training & Rehabilitation

Nevada Average Annual Wages

Metal Ore Mining vs. Total



Source: Nevada Department of Employment, Training & Rehabilitation



Benefits Paid by Nevada Mining



Source: NVMA Member Survey (2014)

Health Insurance Cost as a Percent of Wages



8%



16%

Source: Nevada Department of Taxation, Modified Business Tax Quarterly Statistics (March 2014)



Healthcare Coverage

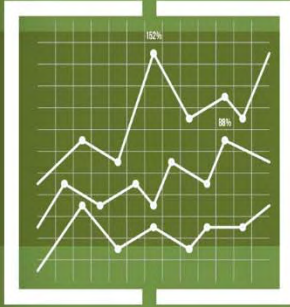
Percent of private sector establishments that offer health insurance to employees:

56%

Nevada mining industry-wide health care coverage rate:

93%

Source: NVMA Member Survey (2014) and Kaiser Family Foundation



ECONOMIC IMPACT

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

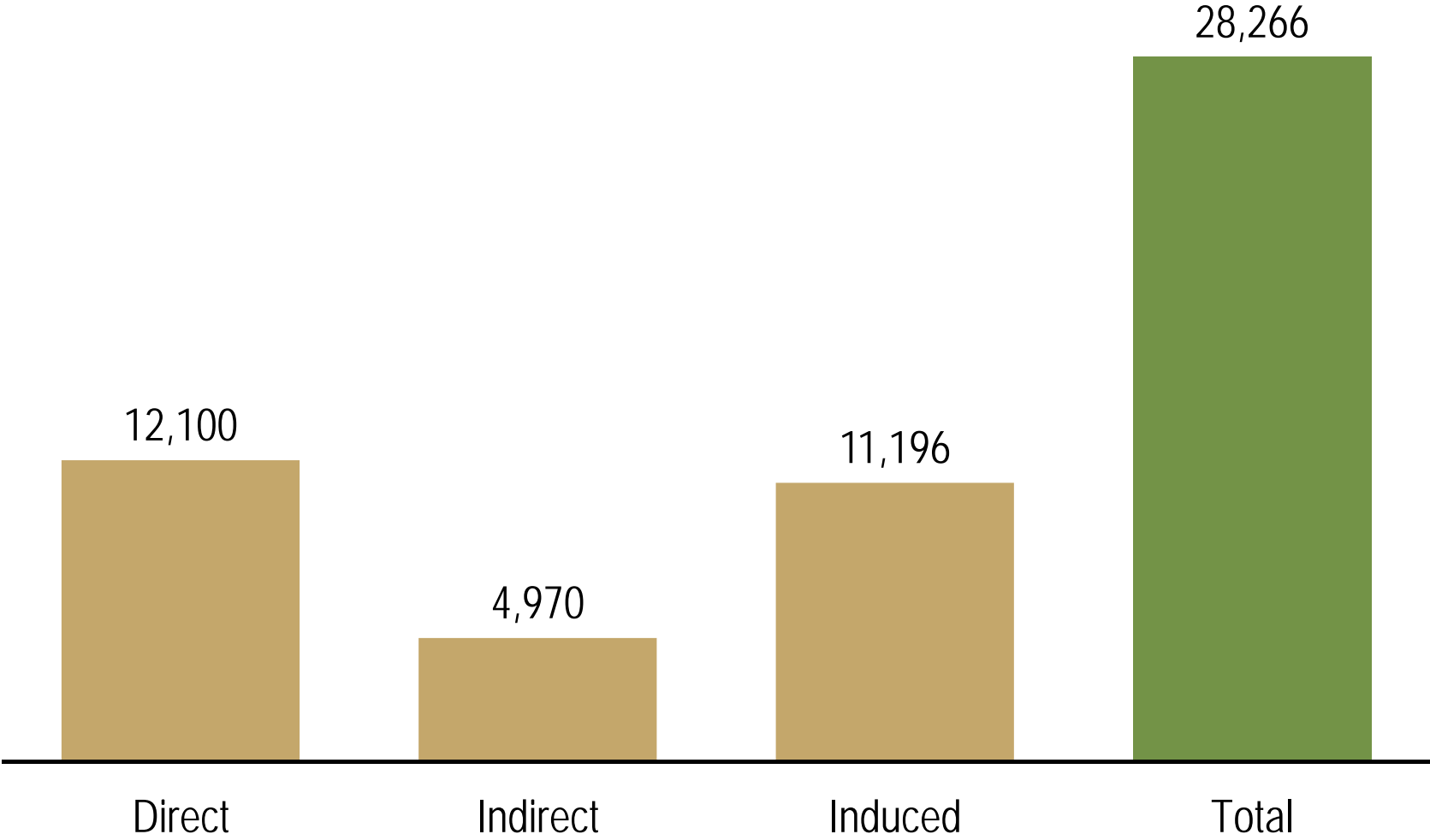


DIRECT Jobs, wages and output sourced directly to mining industry

TOTAL Sum of direct, indirect and induced impacts

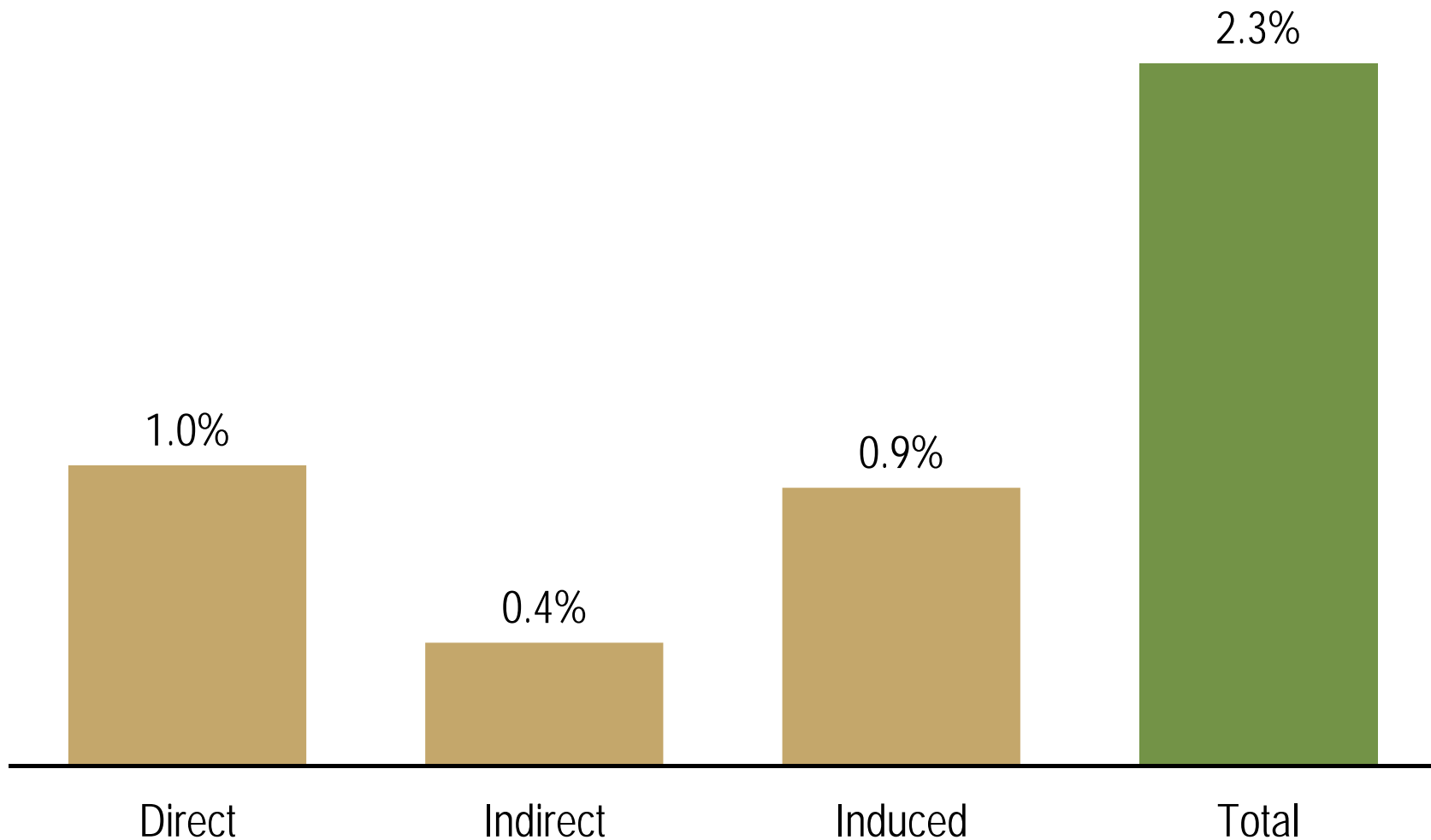
Employment Impacts

Nevada Mining Industry Operations (2013)



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

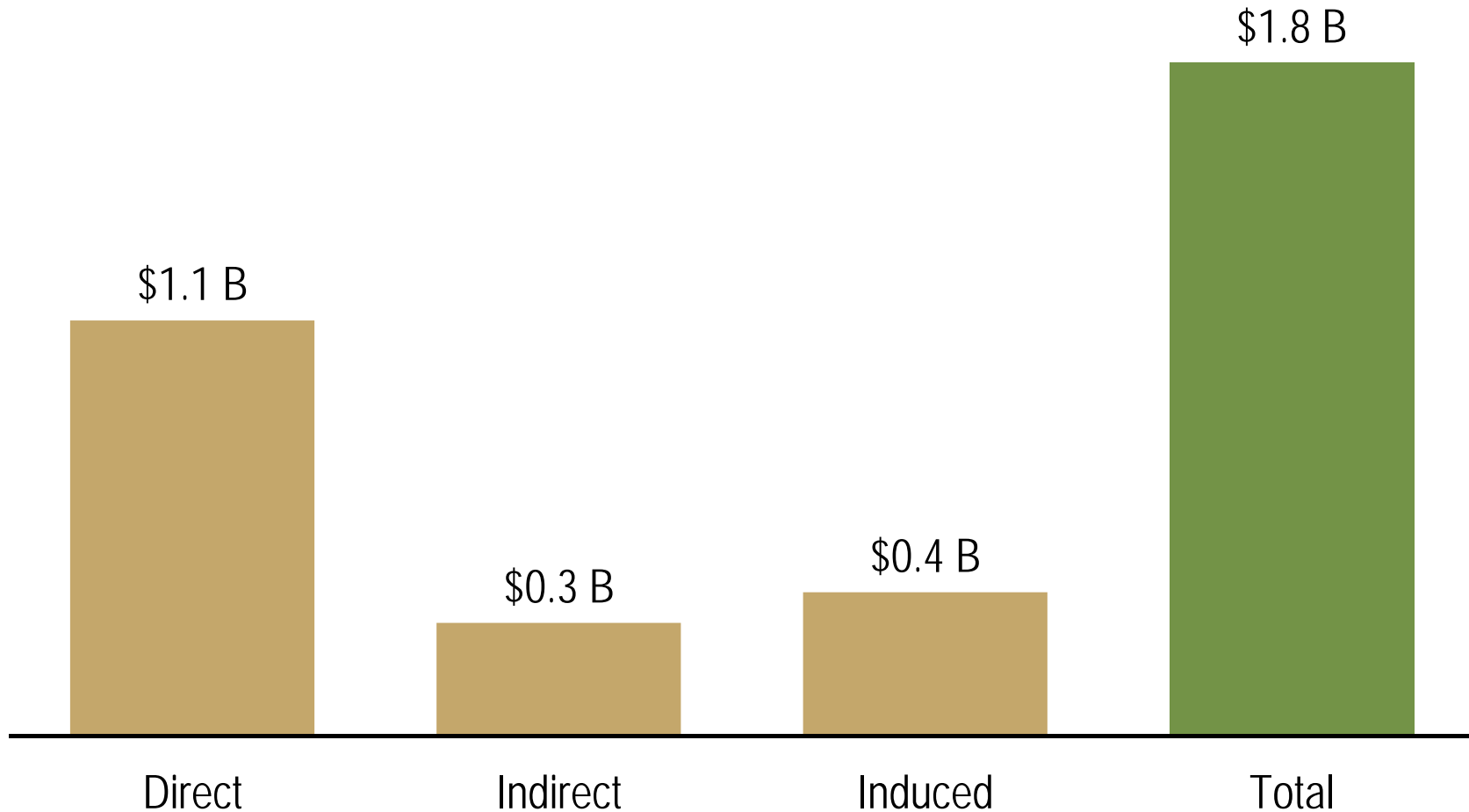
Mining Employment Impacts as Share of Total Nevada Employment



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

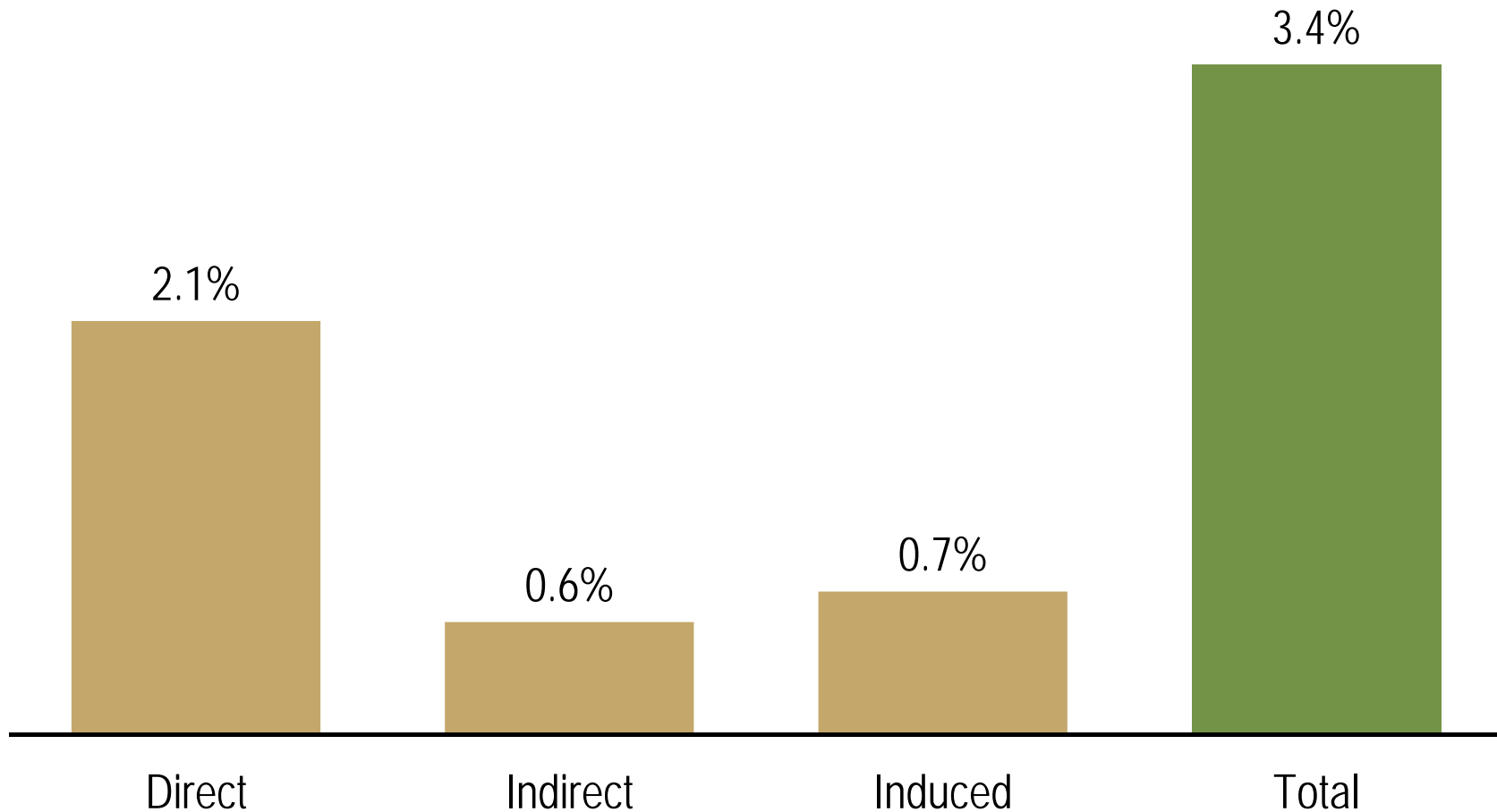
Wage and Salary Impacts

Nevada Mining Industry Operations (2013)



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

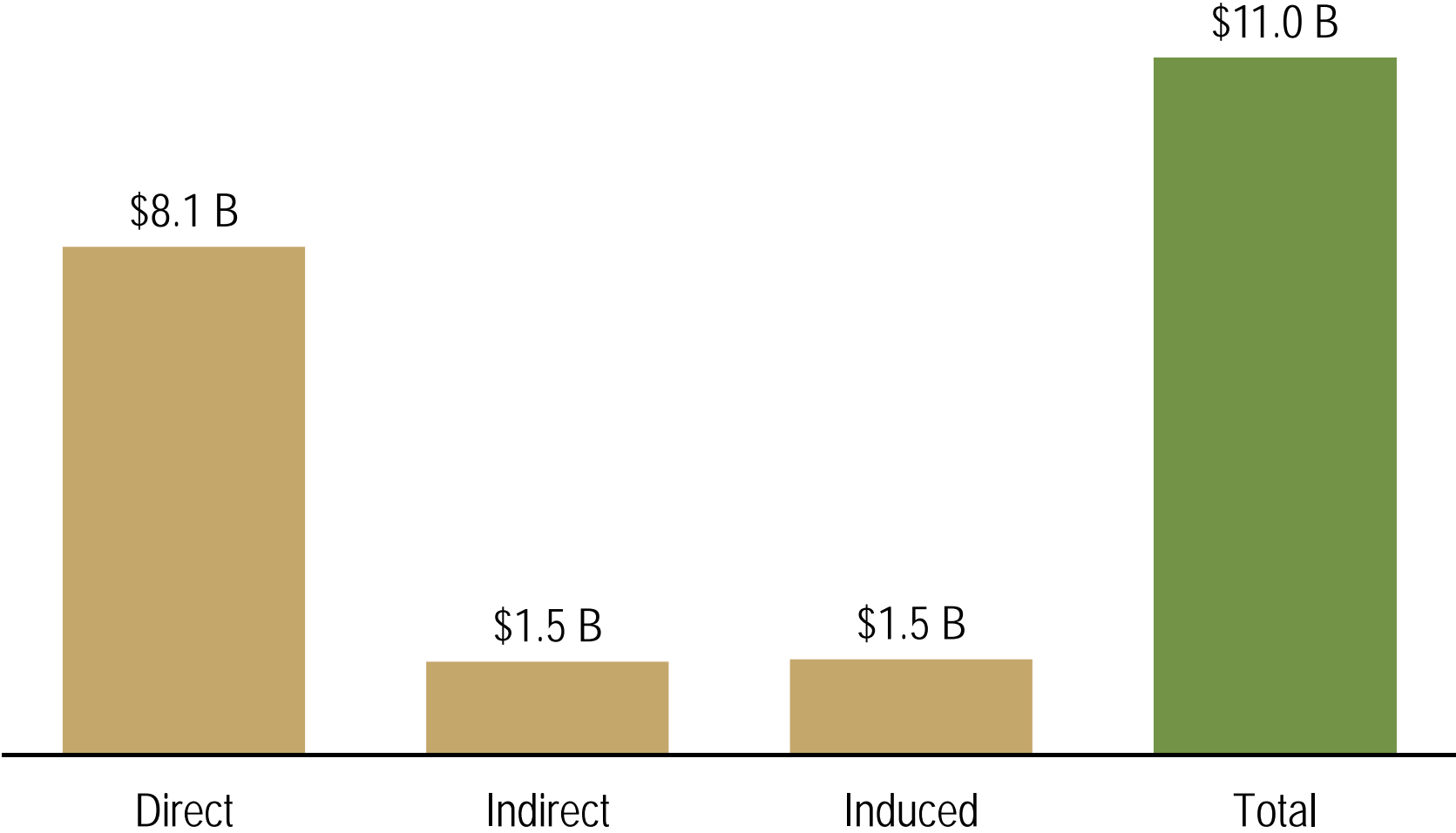
Mining Wages/Salaries Impacts As Share of Total Nevada Wages/Salaries



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

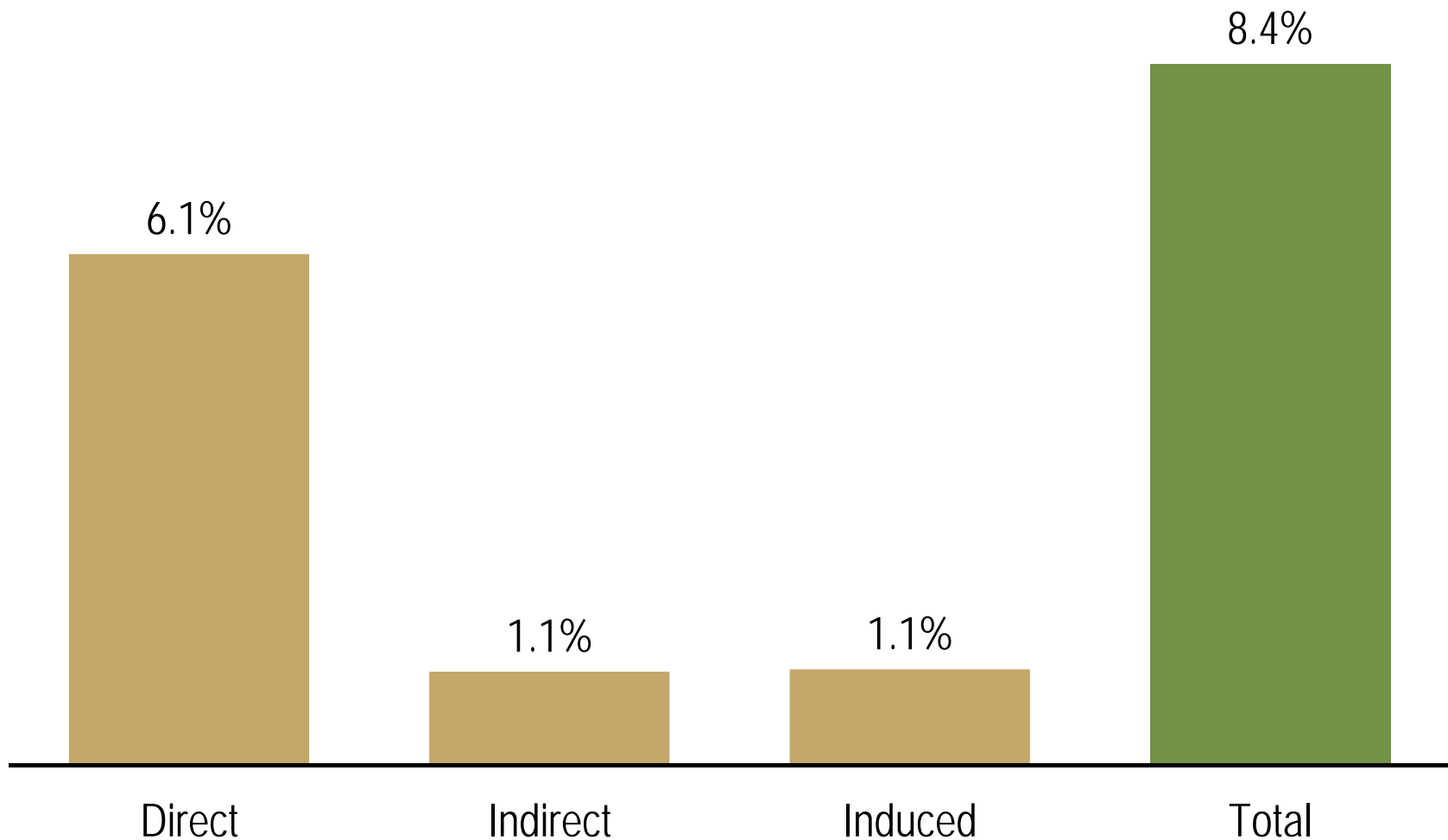
Economic Output

Nevada Mining Industry Operations (2013)



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

Mining Economic Output As Share of Nevada Total GDP

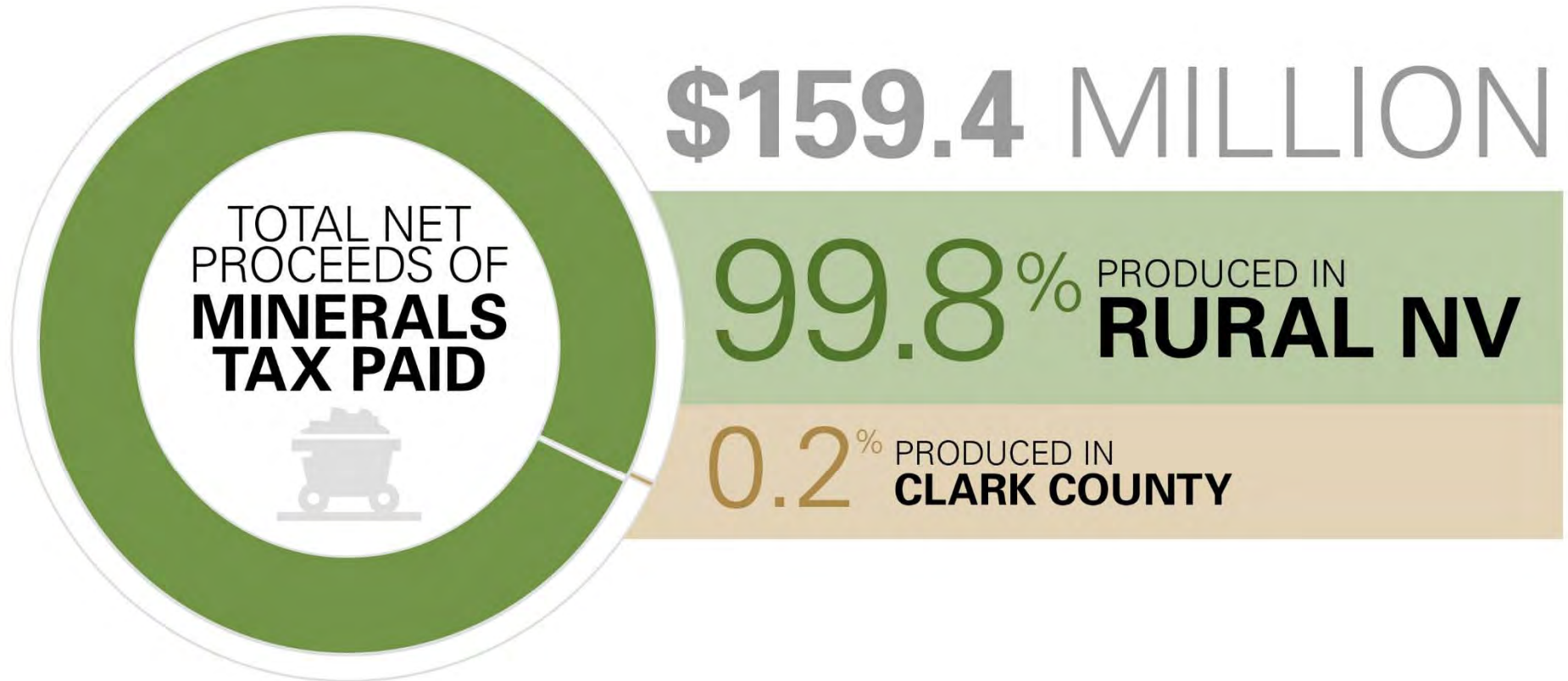


Source: U.S. Bureau of Economic Analysis; Nevada Department of Taxation; IMPLAN; Applied Analysis



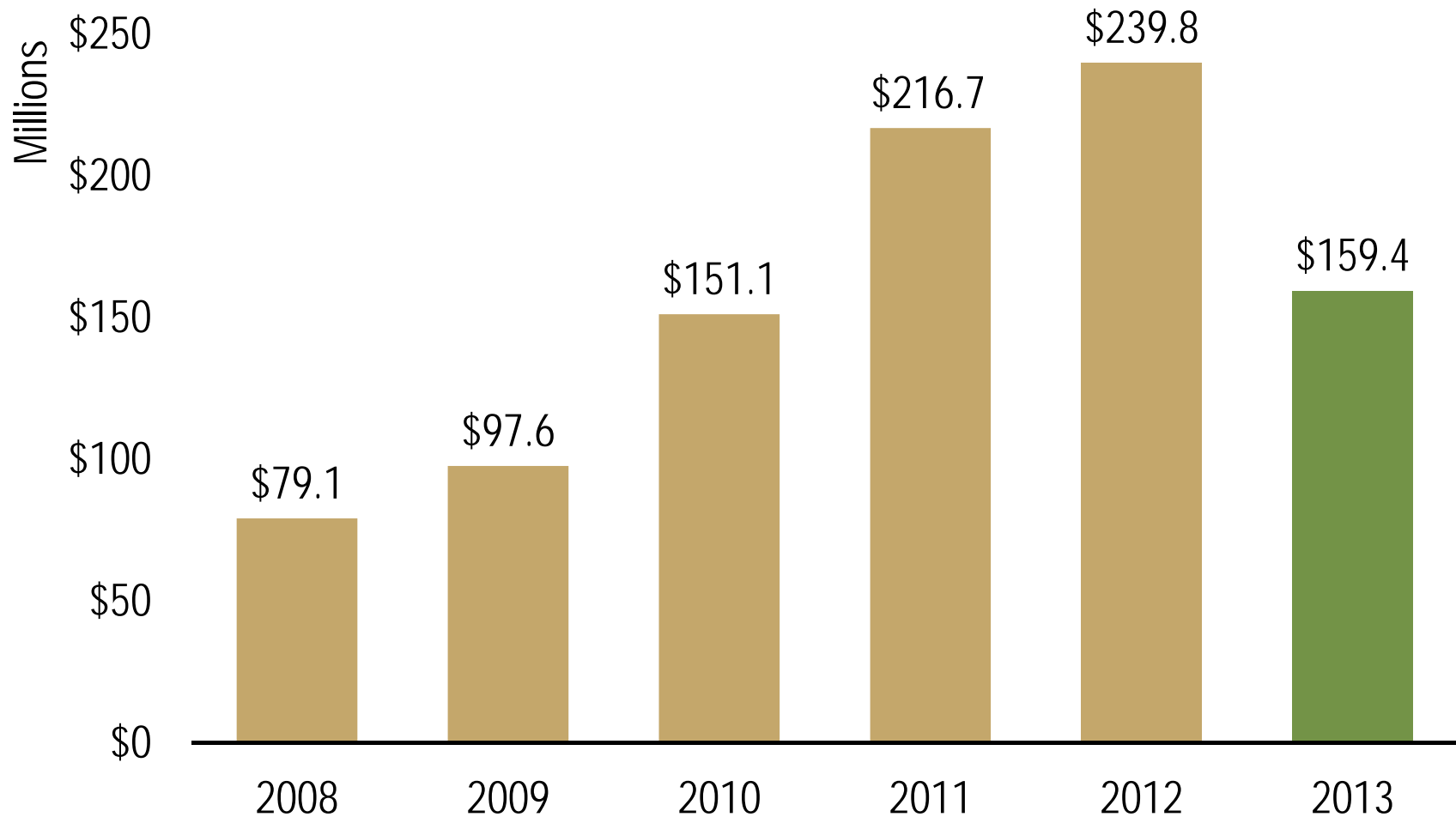
FISCAL IMPACT

Net Proceeds of Minerals Tax Paid by Nevada Mining (2013)



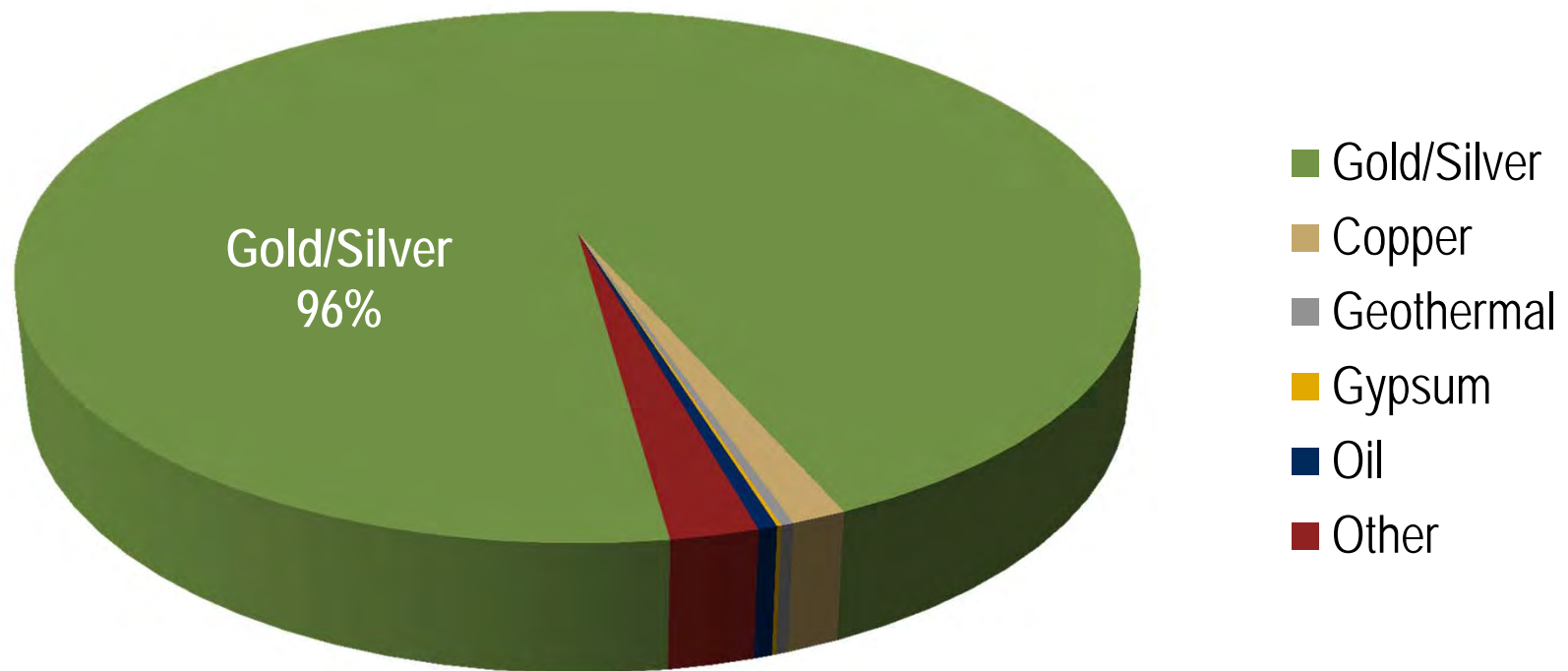
Source: Nevada Department of Taxation

Net Proceeds of Minerals Tax Paid by Nevada Mining



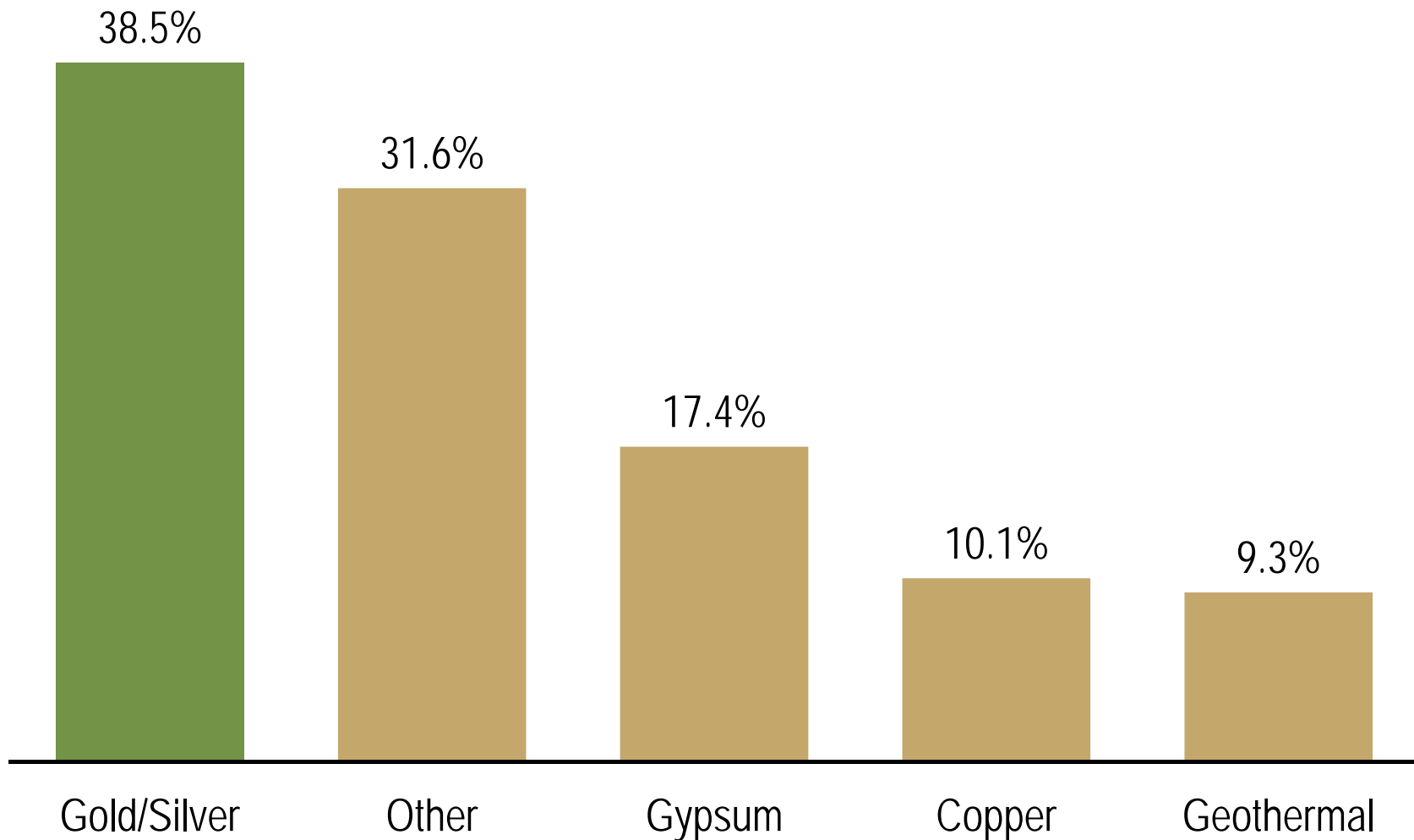
Source: Nevada Department of Taxation

Share of Net Proceeds Tax Generated by Specific Minerals (2013)



Source: Nevada Department of Taxation

Ratio of Net Proceeds to Gross Proceeds (2013)

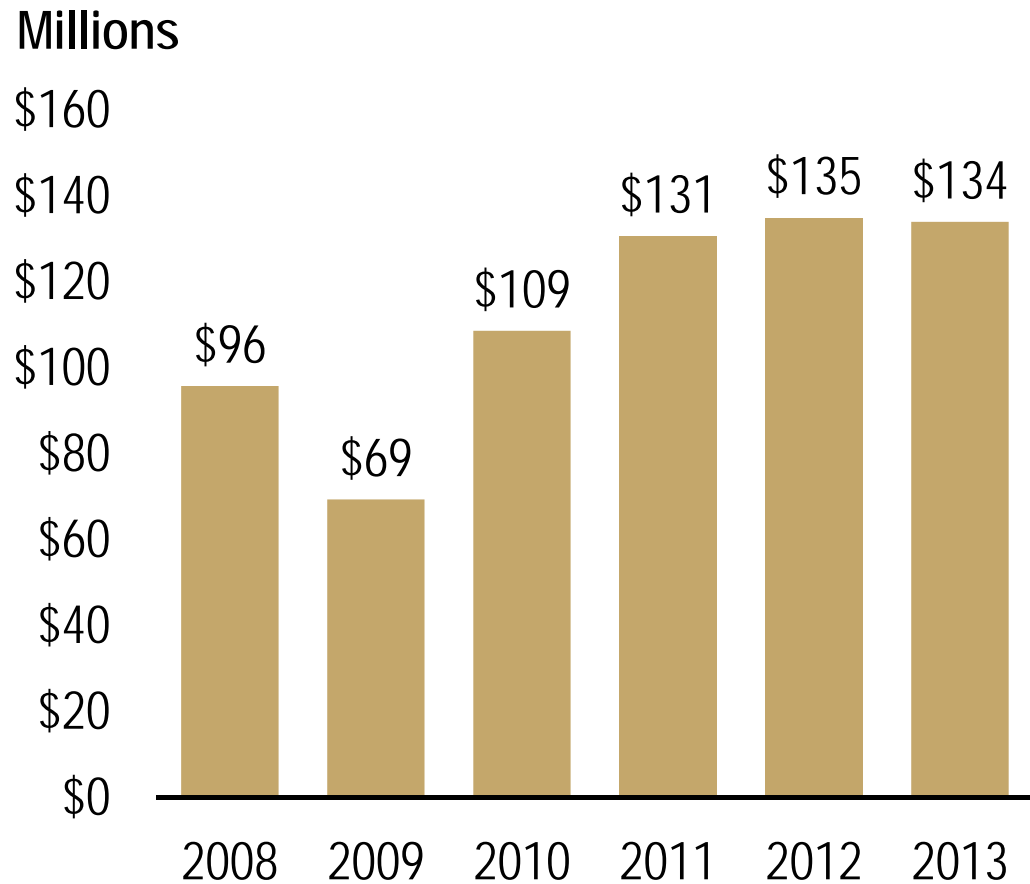


Source: Nevada Department of Taxation



Estimated Direct Sales/Use Tax Paid by Nevada Mining

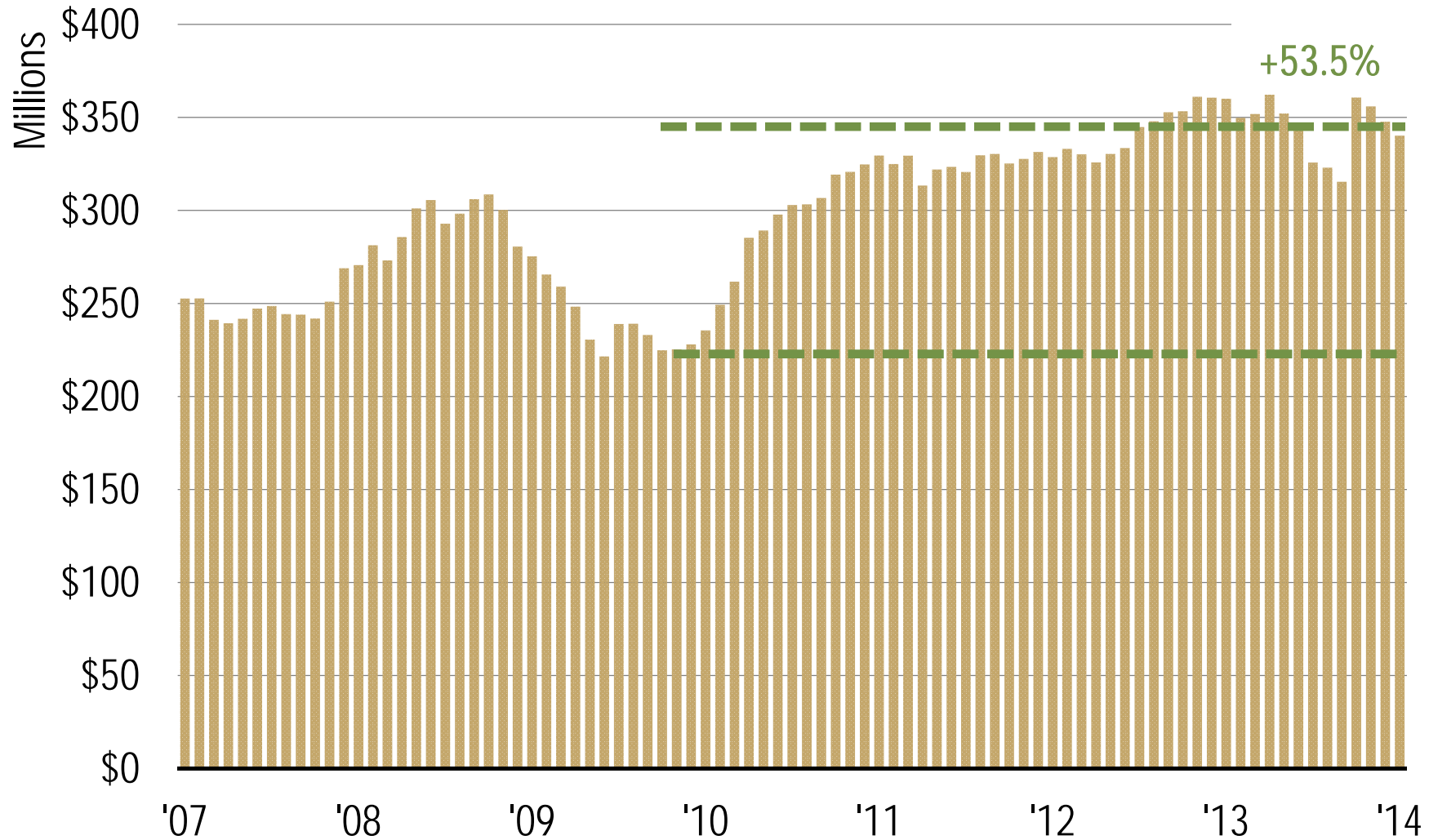
Estimated direct sales/use tax paid by Nevada mining:



Source: NVMA Member Survey (2011, 2012, 2013); Natural Resource Industry Institute (2008 – 2010), NV Dept of Taxation and industry surveys

Nevada Taxable Retail Sales

Mining/Mining Support (Trailing 12-Month Total)

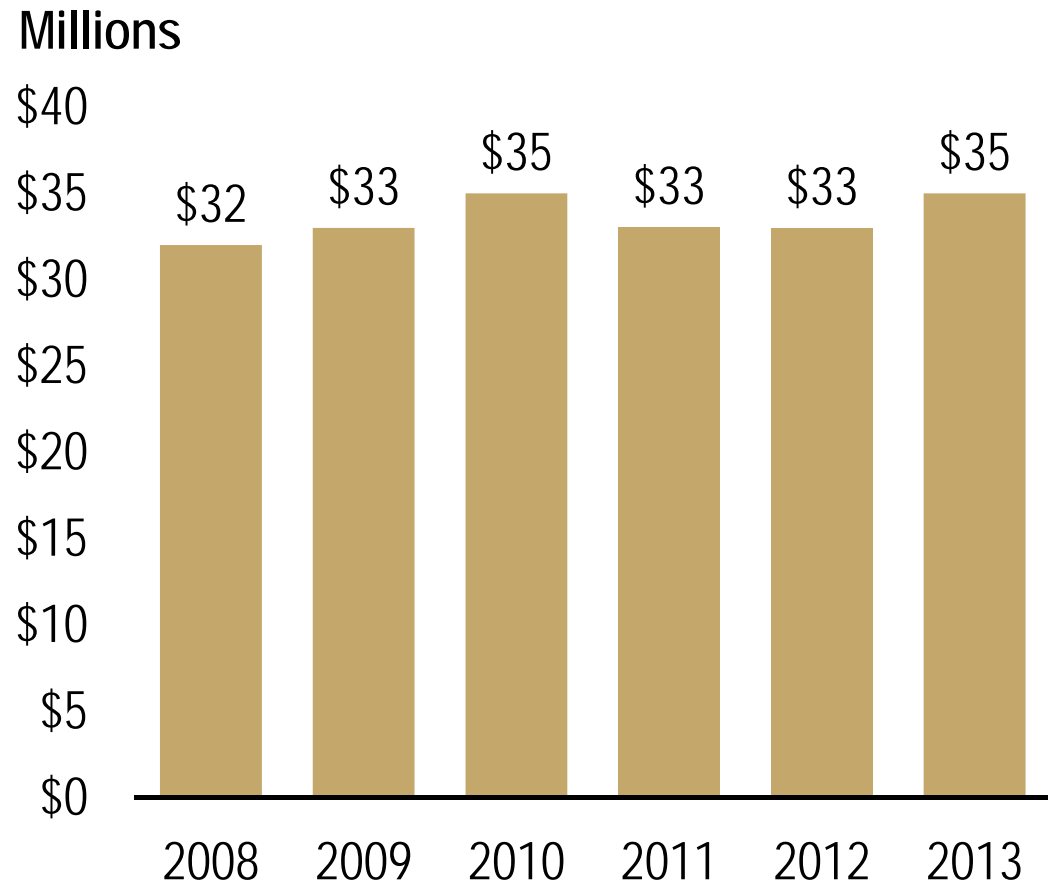


Source: Nevada Department of Taxation



Estimated Direct Property Tax Paid by Nevada Mining

*Estimated direct
property tax paid by
Nevada mining:*



Source: NVMA Member Survey (2011, 2012, 2013); Natural Resource Industry Institute (2008 – 2010), NV Dept of Taxation and industry surveys



TOP TEN ASSESSED TAXPAYERS EUREKA COUNTY

| | | |
|-----------|-----------------------------------|------------------|
| 1 | Newmont | \$371.6 M |
| 2 | Barrick | \$199.2 M |
| 3 | Sierra Pacific Power | \$16.9 M |
| 4 | Union Pacific Railroad | \$8.8 M |
| 5 | Small Mine Development LLC | \$5.7 M |
| 6 | Elko Land & Livestock | \$3.8 M |
| 7 | MT Wheeler Power | \$3.0 M |
| 8 | Online Transmission Project | \$2.8 M |
| 9 | Air Liquide Large Ind. | \$1.9 M |
| 10 | Southwest Gas | \$1.4 M |

 NEVADA MINING ASSOCIATION **MEMBER**

 **OTHER MINING INTERESTS**

Source: Nevada Department of Taxation;
Note: Assessed values include secured and unsecured assets. No values related to gross or net proceeds of minerals are included for mining companies.



TOP TEN ASSESSED TAXPAYERS HUMBOLDT COUNTY

| | | |
|----|-----------------------------------|------------------|
| 1 | Ruby Pipeline LLC | \$222.5 M |
| 2 | Newmont | \$122.0 M |
| 3 | Allied Nevada Gold/Hycroft | \$80.6 M |
| 4 | Barrick | \$61.5 M |
| 5 | Sierra Pacific Power | \$43.0 M |
| 6 | Idaho Power | \$34.8 M |
| 7 | Marigold Mining | \$33.5 M |
| 8 | Union Pacific Railroad | \$24.7 M |
| 9 | NGP Blue Mountain | \$21.7 M |
| 10 | Southwest Gas | \$10.1 M |

 NEVADA MINING ASSOCIATION **MEMBER**

 **OTHER MINING INTERESTS**

Source: Nevada Department of Taxation;
Note: Assessed values include secured and unsecured assets. No values related to gross or net proceeds of minerals are included for mining companies.



TOP TEN ASSESSED TAXPAYERS LANDER COUNTY

| | | |
|-----------|---------------------------|------------------|
| 1 | Barrick Gold Mines | \$220.0 M |
| 2 | Newmont Mining Co | \$107.3 M |
| 3 | Ormat Nevada | \$56.2 M |
| 4 | Sierra Pacific Power | \$37.1 M |
| 5 | Union Pacific Railroad | \$7.2 M |
| 6 | Beowawe Power | \$5.8 M |
| 7 | Milpark | \$3.8 M |
| 8 | NA Degerstrom | \$3.5 M |
| 9 | Ledcor CMI | \$2.2 M |
| 10 | Southwest Gas | \$1.9 M |

 NEVADA MINING ASSOCIATION **MEMBER**

 **OTHER MINING INTERESTS**

Source: Nevada Department of Taxation;
Note: Assessed values include secured and unsecured assets. No values related to gross or net proceeds of minerals are included for mining companies.



TOP TEN ASSESSED TAXPAYERS PERSHING COUNTY

| | | |
|----|----------------------------|----------------|
| 1 | Sierra Pacific Power | \$38.1 M |
| 2 | Union Pacific Railroad | \$14.9 M |
| 3 | Southwest Gas | \$13.0 M |
| 4 | Coeur Rochester Inc | \$7.0 M |
| 5 | Caterpillar Finance | \$7.0 M |
| 6 | Ormat Nevada | \$6.0 M |
| 7 | EP Minerals | \$4.8 M |
| 8 | Allegiant Air | \$1.5 M |
| 9 | Level 3 Communications | \$1.4 M |
| 10 | TA Properties | \$1.0 M |

 NEVADA MINING ASSOCIATION **MEMBER**

 OTHER **MINING INTERESTS**

Source: Nevada Department of Taxation;
Note: Assessed values include secured and unsecured assets. No values related to gross or net proceeds of minerals are included for mining companies.



TOP TEN ASSESSED TAXPAYERS WHITE PINE COUNTY

| | | |
|----|-------------------------------|-----------------|
| 1 | Spring Valley Wind Farm | \$69.6 M |
| 2 | Barrick Gold | \$64.8 M |
| 3 | Robinson Nevada Mining | \$60.5 M |
| 4 | Online Transmission Project | \$30.8 M |
| 5 | Gradient Resources | \$19.0 M |
| 6 | Mt Wheeler | \$7.6 M |
| 7 | Sierra Pacific Power | \$6.4 M |
| 8 | West Wasatch | \$2.1 M |
| 9 | Goeringer, Norman | \$1.6 M |
| 10 | Hotel Nevada | \$1.4 M |

 NEVADA MINING ASSOCIATION **MEMBER**

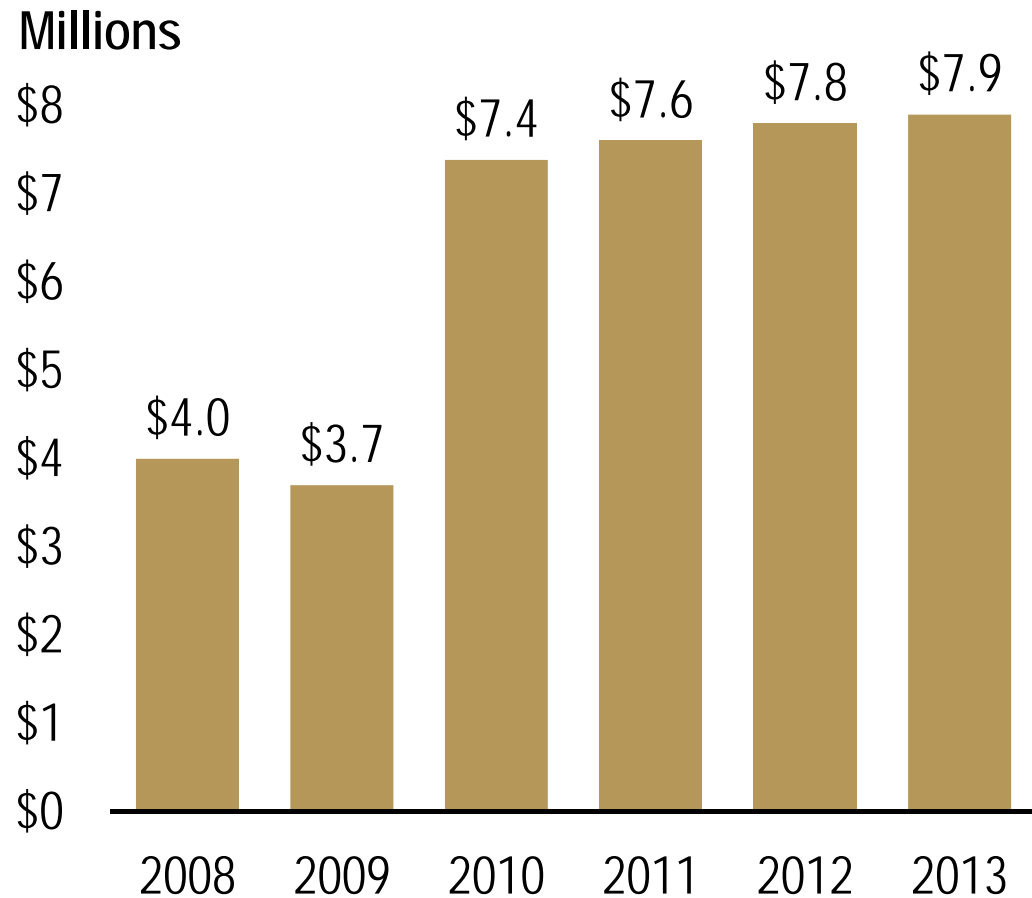
 **OTHER MINING INTERESTS**

Source: Nevada Department of Taxation;
Note: Assessed values include secured and unsecured assets. No values related to gross or net proceeds of minerals are included for mining companies.



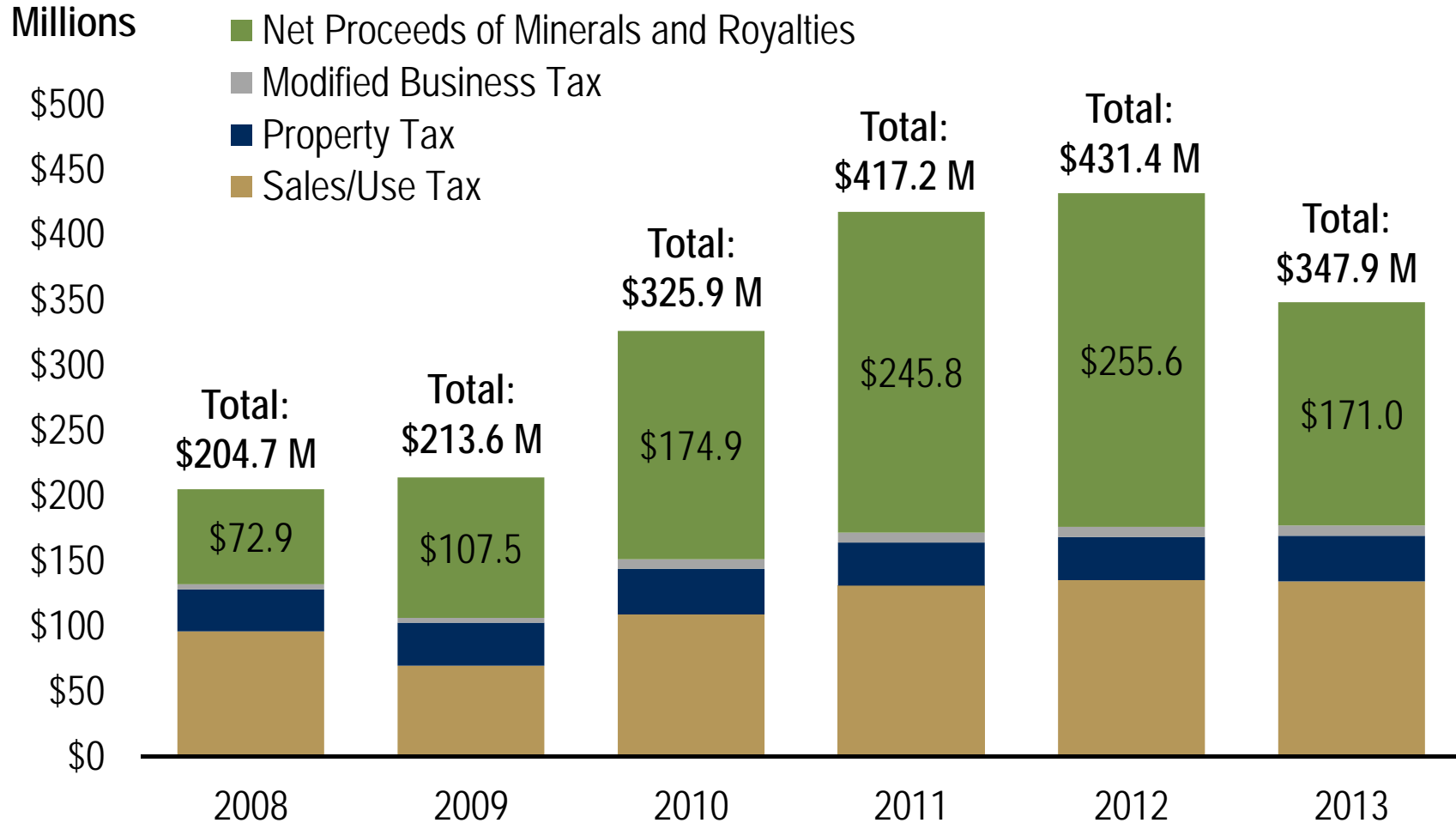
Estimated Modified Business Tax Paid by Nevada Mining

*Estimated modified
business tax paid by
Nevada mining:*



Source: NVMA Member Survey (2011, 2012, 2013); Natural Resource Industry Institute (2008 – 2010), NV Dept of Taxation and industry surveys

Total Estimated Major Taxes Paid by Nevada Mining



Source: NVMA Member Survey (2011, 2012, 2013); Natural Resource Industry Institute (2008 – 2010), NV Dept of Taxation and industry surveys



COMMUNITY AND ENVIRONMENT



Charitable Giving by Nevada Mining

What is the approximate amount of charitable gifts donated by your company in calendar year 2013?



Monetary donations to non-profit/ charitable organizations:

\$8.5 million



Educational scholarships:

\$3.2 million



Higher education:

\$0.7 million



Capital improvements in local communities:

\$0.1 million

Source: NVMA Member Survey (2014)



Charitable Giving by Nevada Mining

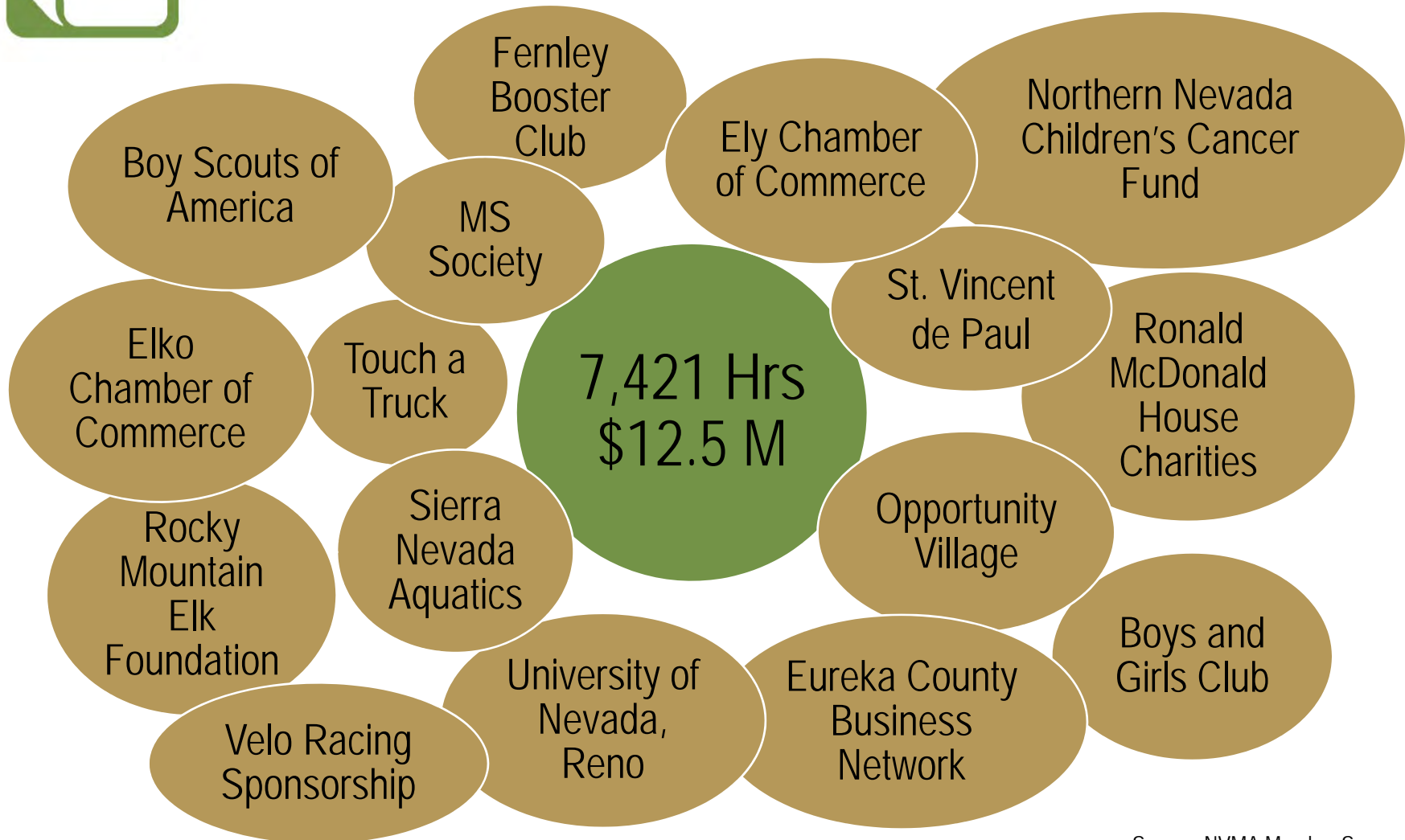
What is the approximate amount of volunteer hours tracked by your company in calendar year 2013?

Volunteer time:
7,421 hours

Source: NVMA Member Survey (2014)



Community Relationships



Source: NVMA Member Survey (2014)



Environmental Accomplishments by Nevada Mining



Source: NVMA Member Survey (2014)



Environmental Accomplishments by Nevada Mining (Continued)



Source: NVMA Member Survey (2014)



SUMMARY OF NEVADA MINING IMPACTS



ECONOMIC
OUTPUT

IMPACT

In 2013, the Nevada mining industry...

- Despite concerns over mineral prices, the industry continued investments in existing operations, new exploration and support activities
- Generated \$8.1 billion in direct economic output

\$

FISCAL

IMPACT

In 2013, the Nevada mining industry...

- Paid \$177 million in non-mining specific taxes
- Paid \$171 million in taxes specific only to the mining industry



EMPLOYMENT

IMPACT

In 2013, the Nevada mining industry...

- Directly employed 12,100 workers in the metal ore mining sector
- Paid nearly \$1.1 billion in wages and salaries



COMMUNITY

IMPACT

In 2013, the Nevada mining industry...

- Donated \$13 million to non-profit/charitable organizations
- Gave 7,400 volunteer hours to a variety of causes
- Demonstrated a sustaining commitment to the health of Nevada's environment and wildlife



FISCAL

State and local
taxes paid:
\$348 M



COMMUNITY

Charitable
gifts:
\$13 M

Volunteer
hours:
7,400



EMPLOYMENT

Direct
employment:
12,100

Total employment
impacts:
28,300

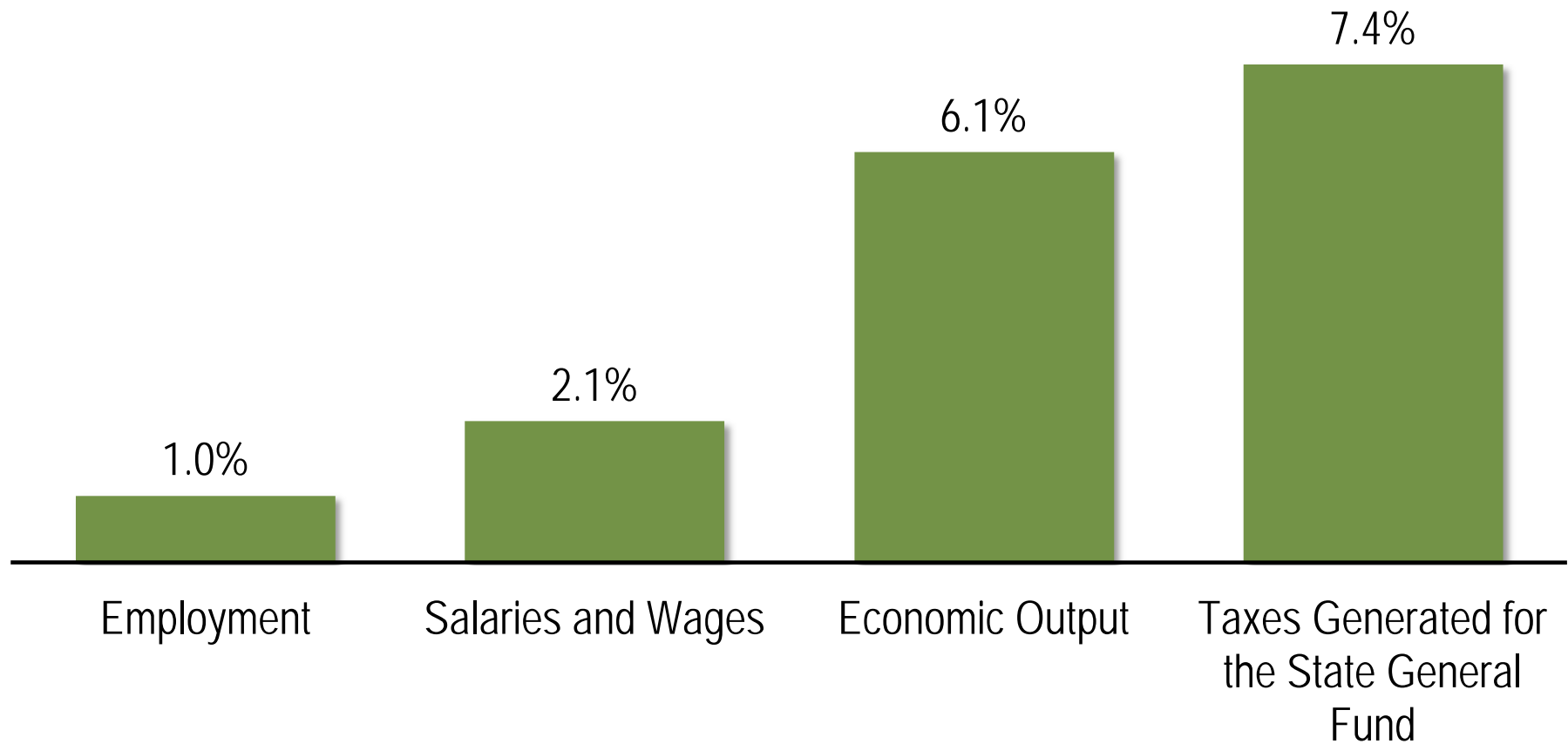


ECONOMIC OUTPUT

Direct
output:
\$8.1 B

Total economic
output:
\$11.0 B

Bottom Line: The Role of the State's Mining Industry



THE ROLE OF THE STATE'S MINING INDUSTRY

Nevada Mining Association
2014 Annual Convention



NEVADA ECONOMY 2014

NEVADA
Mining Association

APPLIED
ANALYSIS 