THE ROLE OF THE STATE’S MINING INDUSTRY
GLOBAL AND NATIONAL IMPACTS OF COVID-19
Effect of the Coronavirus Pandemic
U.S. Mining Industry | 2020

The Global Economy
- Minimally Affected (1-4): 4%
- Moderately Affected (5-7): 19%
- Severely Affected (8-10): 60%
- No Answer: 16%

The National Economy
- Minimally Affected (1-4): 4%
- Moderately Affected (5-7): 22%
- Severely Affected (8-10): 58%
- No Answer: 16%

The U.S. Mining Industry
- Minimally Affected (1-4): 19%
- Moderately Affected (5-7): 36%
- Severely Affected (8-10): 29%
- No Answer: 16%

Source: NvMA 2020 Survey
The Rapid Spread of COVID-19
Cumulative Cases

1/23/20
New Daily COVID-19 Cases
3-Day Rolling Average

Global

United States

Outbreak Spreads Outside China
Coronavirus Declared Pandemic
National State of Emergency
Source: European CDC
New Daily COVID-19 Deaths
3-Day Rolling Average

Global

United States

Source: European CDC
## How the Mining Industry Has Fared

### S&P GICS 12-Month Price Change Ranking | Sector and Industry

<table>
<thead>
<tr>
<th>Ranking</th>
<th>Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Information Technology</td>
</tr>
<tr>
<td>2</td>
<td>Consumer Discretionary</td>
</tr>
<tr>
<td>3</td>
<td>Health Care</td>
</tr>
<tr>
<td>4</td>
<td>Communication Services</td>
</tr>
<tr>
<td><strong>5</strong></td>
<td><strong>MATERIALS</strong></td>
</tr>
<tr>
<td>6</td>
<td>Consumer Staples</td>
</tr>
<tr>
<td>7</td>
<td>Industrials</td>
</tr>
<tr>
<td>8</td>
<td>Real Estate</td>
</tr>
<tr>
<td>9</td>
<td>Utilities</td>
</tr>
<tr>
<td>10</td>
<td>Financials</td>
</tr>
<tr>
<td>11</td>
<td>Energy</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Ranking</th>
<th>Industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Technology Hardware, Storage &amp; Peripherals</td>
</tr>
<tr>
<td>2</td>
<td>COPPER</td>
</tr>
<tr>
<td><strong>3</strong></td>
<td><strong>GOLD</strong></td>
</tr>
<tr>
<td>4</td>
<td>Internet &amp; Direct Marketing Retail</td>
</tr>
<tr>
<td>5</td>
<td>Computer &amp; Electronics Retail</td>
</tr>
<tr>
<td>6</td>
<td>Application Software</td>
</tr>
<tr>
<td>75</td>
<td>Restaurants</td>
</tr>
<tr>
<td>101</td>
<td>Casinos and Gaming</td>
</tr>
<tr>
<td>104</td>
<td>Apparel, Accessories, &amp; Luxury Goods</td>
</tr>
<tr>
<td>111</td>
<td>Hotels, Resorts, and Cruise Lines</td>
</tr>
<tr>
<td>120</td>
<td>Airlines</td>
</tr>
</tbody>
</table>

Note: Ranking between 1(best) and either 11 (sector, worst) or 125 (industry, worst) based on 12-month price-change

Source: S&P 500
How the Mining Industry Has Fared
S&P GICS Year-to-Date Price Change | Sector

Information Technology  28.6%
Consumer Discretionary  23.1%
Communication Services  6.4%
Health Care  4.6%
S&P Overall  2.7%
Consumer Staples  1.7%
Materials  0.8%
Industrials  -6.3%
Real Estate  -8.4%
Utilities  -10.2%
Financials  -21.2%
Energy  -41.0%

Source: S&P 500
### How the Mining Industry Has Fared

S&P GICS Top 10 Year-to-Date Price Change | Industry

<table>
<thead>
<tr>
<th>Sector</th>
<th>Year-to-Date Price Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internet &amp; Direct Marketing Retail</td>
<td>50.7%</td>
</tr>
<tr>
<td>Gold</td>
<td>48.9%</td>
</tr>
<tr>
<td>Wireless Telecommunication Services</td>
<td>41.2%</td>
</tr>
<tr>
<td>Air Freight &amp; Logistics</td>
<td>40.5%</td>
</tr>
<tr>
<td>Technology Hardware, Storage &amp; Peripherals</td>
<td>39.8%</td>
</tr>
<tr>
<td>Application Software</td>
<td>35.7%</td>
</tr>
<tr>
<td>Trucking</td>
<td>30.7%</td>
</tr>
<tr>
<td>Copper</td>
<td>29.6%</td>
</tr>
<tr>
<td>Metal &amp; Glass Containers</td>
<td>28.2%</td>
</tr>
<tr>
<td>Agricultural &amp; Farm Machinery</td>
<td>28.1%</td>
</tr>
</tbody>
</table>

Source: S&P 500
### How the Mining Industry Has Fared

**S&P GICS Bottom 10 Year-to-Date Price Change | Industry**

<table>
<thead>
<tr>
<th>Industry</th>
<th>Year-to-Date Price Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail REITs</td>
<td>-39.5%</td>
</tr>
<tr>
<td>Hotel &amp; Resort REITs</td>
<td>-39.9%</td>
</tr>
<tr>
<td>Specialized Consumer Services</td>
<td>-40.8%</td>
</tr>
<tr>
<td>Airlines</td>
<td>-42.9%</td>
</tr>
<tr>
<td>Hotels, Resorts &amp; Cruise Lines</td>
<td>-42.9%</td>
</tr>
<tr>
<td>Integrated Oil &amp; Gas</td>
<td>-43.6%</td>
</tr>
<tr>
<td>Oil &amp; Gas Exploration &amp; Production</td>
<td>-47.0%</td>
</tr>
<tr>
<td>Oil &amp; Gas Refining &amp; Marketing</td>
<td>-47.4%</td>
</tr>
<tr>
<td>Oil &amp; Gas Equipment &amp; Services</td>
<td>-50.1%</td>
</tr>
<tr>
<td>Department Stores</td>
<td>-53.6%</td>
</tr>
</tbody>
</table>

*Source: S&P 500*
Top 10 Mining Companies in the World
Market Capitalization Change | 2019 to June 2020

Market Capitalization Decreased by an Average of 8.4 Percent

<table>
<thead>
<tr>
<th>Company</th>
<th>2020 H1 Rank</th>
<th>2019 Rank</th>
<th>Rank Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>BHP Group</td>
<td>1</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Rio Tinto</td>
<td>2</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Vale</td>
<td>3</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Newmont Gold Corp</td>
<td>4</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>Barrick Gold Corp</td>
<td>5</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td>Norilsk Nickel</td>
<td>6</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Southern Copper</td>
<td>7</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>Glencore</td>
<td>10</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Anglo American</td>
<td>14</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>Nutrien</td>
<td>15</td>
<td>10</td>
<td></td>
</tr>
</tbody>
</table>

Note: Ranking publication is for top 50 mining companies; average decrease in market cap is only for top 10 companies

Source: Mining.Com
Top 10 Mining Companies in the World
Market Capitalization Change | 2019 to June 2020

Gold and Silver Companies Have Seen Increasing Market Capitalization

<table>
<thead>
<tr>
<th>Company</th>
<th>2020 H1 Rank</th>
<th>2019 Rank</th>
<th>Rank Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>BHP Group</td>
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<td>▼</td>
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<td>▼</td>
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<tr>
<td>Nutrien</td>
<td>15</td>
<td>10</td>
<td>▼</td>
</tr>
</tbody>
</table>

Note: No silver companies rank in the top 10, although several are present in the top 50.

Source: Mining.Com
Top 10 Mining Companies in the World
Market Capitalization Change | 2019 to June 2020

All Other Mining Companies Experienced **Decreasing** Market Capitalization

<table>
<thead>
<tr>
<th>Company</th>
<th>2020 H1 Rank</th>
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Source: Mining.Com
## Global Investment Attractiveness Index

<table>
<thead>
<tr>
<th>2019 Rank</th>
<th>Location</th>
<th>2018 Rank</th>
<th>2019 Score</th>
<th>Index Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Western Australia</td>
<td>2</td>
<td>92.4</td>
<td>▲</td>
</tr>
<tr>
<td>2</td>
<td>Finland</td>
<td>17</td>
<td>92.0</td>
<td>▲</td>
</tr>
<tr>
<td>3</td>
<td>Nevada (US)</td>
<td>1</td>
<td>87.5</td>
<td>▼</td>
</tr>
<tr>
<td>4</td>
<td>Alaska (US)</td>
<td>5</td>
<td>84.1</td>
<td>▲</td>
</tr>
<tr>
<td>5</td>
<td>Portugal</td>
<td>46</td>
<td>83.9</td>
<td>▲</td>
</tr>
</tbody>
</table>

Source: Fraser Institute Survey of Mining Companies (2019) and Applied Analysis
### Global Investment Attractiveness Index

<table>
<thead>
<tr>
<th>Rank</th>
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</tr>
<tr>
<td>5</td>
<td>Portugal</td>
<td>46</td>
<td>83.9</td>
<td></td>
</tr>
</tbody>
</table>

**Canada** Dropped Out of the Top Five Ranking After Holding a Spot for the Last 10 Years

*Source: Fraser Institute Survey of Mining Companies (2019) and Applied Analysis*
Investment Attractiveness Index
United States

<table>
<thead>
<tr>
<th>State</th>
<th>Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>California</td>
<td>46.4</td>
</tr>
<tr>
<td>Washington</td>
<td>51.6</td>
</tr>
<tr>
<td>New Mexico</td>
<td>54.9</td>
</tr>
<tr>
<td>Minnesota</td>
<td>61.5</td>
</tr>
<tr>
<td>Montana</td>
<td>61.9</td>
</tr>
<tr>
<td>Colorado</td>
<td>68.5</td>
</tr>
<tr>
<td>Wyoming</td>
<td>71.4</td>
</tr>
<tr>
<td>Utah</td>
<td>80.5</td>
</tr>
<tr>
<td>Arizona</td>
<td>82.4</td>
</tr>
<tr>
<td>Idaho</td>
<td>82.8</td>
</tr>
<tr>
<td>Alaska</td>
<td>84.2</td>
</tr>
<tr>
<td>Nevada</td>
<td>87.5</td>
</tr>
</tbody>
</table>

Median: 69.9

Source: Fraser Institute Survey of Mining Companies (2019) and Applied Analysis

* Between 5-9 survey respondents
Investment Attractiveness Index Growth
United States

New Mexico: -25.8%
California*: -17.9%
Montana: -14.7%
Minnesota*: -12.6%
Nevada: -5.9%
Utah: -4.5%
Wyoming*: -4.1%
Washington*: -2.6%
Alaska: -2.2%
Arizona: -1.8%
Colorado: -1.2%
Idaho: 3.6%

* Between 5-9 survey respondents

Source: Fraser Institute Survey of Mining Companies (2019) and Applied Analysis
Global At-Risk Mining Projects

275 MINES WORLDWIDE  $8.8 B TOTAL REVENUE AT RISK

Source: S&P Global
Global At-Risk Mining Projects

275 MINES WORLDWIDE  $8.8 B TOTAL REVENUE AT RISK

BASE METALS
55 MINES
$4.4 B REVENUE AT RISK (e.g., copper, zinc, nickel, molybdenum)

BULK COMMODITIES
63 MINES
$616.6 M REVENUE AT RISK (e.g., coal, chromite, iron ore)

PRECIOUS METALS
122 MINES
$3.4 B REVENUE AT RISK (e.g., gold, silver, platinum, palladium)

SPECIALTY METALS
35 MINES
$510.2 M REVENUE AT RISK (e.g., U3O8, diamonds)

Source: S&P Global
239

PERU

NUMBER OF MINES THAT HAVE REOPENED TO SOME DEGREE

HIGHEST REVENUE AT RISK COUNTRY

TOTAL REVENUE AT RISK $8.8B

TOTAL COUNTRIES WITH PROJECTS AT RISK 36

TOTAL PROJECTS AT RISK 275

Source: S&P Global

THE ROLE OF THE STATE’S MINING INDUSTRY
THE ROLE OF THE STATE’S MINING INDUSTRY

Source: S&P Global

TOTAL PROJECTS AT RISK
275

TOTAL COUNTRIES WITH PROJECTS AT RISK
36

TOTAL REVENUE AT RISK
$8.8 B

HIGHEST REVENUE AT RISK COUNTRY
PERU

NUMBER OF MINES THAT HAVE REOPENED TO SOME DEGREE
239
The Role of the State’s Mining Industry

- **United States**: 2.7%
- **Mexico**: 11.5%
- **Peru**: 18.3%
- **Chile**: 12.9%
- **South Africa**: 2.8%
- **Kazakhstan**: 4.5%

**Total Projects at Risk**: 275
- **Total Countries with Projects at Risk**: 36
- **Total Revenue at Risk**: $8.8 B
- **Highest Revenue at Risk Country**: Peru
- **Number of Mines That Have Reopened to Some Degree**: 239

Source: S&P Global
U.S. At-Risk Mining Projects

42 U.S. MINES $402.8 M U.S. REVENUE AT RISK
U.S. At-Risk Mining Projects

42 U.S. MINES  $402.8 M U.S. REVENUE AT RISK

BULK COMMODITIES

38 MINES

$242.0 M REVENUE AT RISK
(E.G., COAL, IRON ORE)

BASE METALS

3 MINES

$156.2 M REVENUE AT RISK
(E.G., COPPER)

SPECIALTY COMMODITIES

1 MINE

$4.7 M REVENUE AT RISK
(E.G., U308)

Source: S&P Global
Expected Recovery From the Coronavirus Pandemic

**Full Recovery**

<table>
<thead>
<tr>
<th>Economic Sector</th>
<th>6 Months or Less</th>
<th>9 Months</th>
<th>1 Year</th>
<th>1.5 Years</th>
<th>2 Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Global Economy</td>
<td>1%</td>
<td>10%</td>
<td>14%</td>
<td>21%</td>
<td></td>
</tr>
<tr>
<td>The National Economy</td>
<td>3%</td>
<td>3%</td>
<td>14%</td>
<td>7%</td>
<td>26%</td>
</tr>
<tr>
<td>The U.S. Mining Industry</td>
<td>11%</td>
<td>11%</td>
<td>21%</td>
<td>18%</td>
<td>15%</td>
</tr>
</tbody>
</table>

Source: NVMA 2020 Survey

75.3% for The U.S. Mining Industry
52.1% for The National Economy
45.2% for The Global Economy
Expected Recovery From the Coronavirus Pandemic

Full Recovery

<table>
<thead>
<tr>
<th>The Global Economy</th>
<th>1%</th>
<th>10%</th>
<th>14%</th>
<th>21%</th>
<th>34%</th>
<th>4%</th>
<th>16%</th>
</tr>
</thead>
<tbody>
<tr>
<td>The National Economy</td>
<td>3%</td>
<td>3%</td>
<td>14%</td>
<td>7%</td>
<td>26%</td>
<td>29%</td>
<td>3%</td>
</tr>
<tr>
<td>The U.S. Mining Industry</td>
<td>11%</td>
<td>11%</td>
<td>21%</td>
<td>18%</td>
<td>15%</td>
<td>4%</td>
<td>4%</td>
</tr>
</tbody>
</table>

6 Months or Less | 9 Months | 1 Year | 1.5 Years | 2 Years | 3 Years or More | It Will Never Fully Recover | No Answer

Source: NvMA 2020 Survey
NEVADA IMPACTS
OF COVID-19
### Effect of the Coronavirus Pandemic

#### Nevada | 2020

<table>
<thead>
<tr>
<th>Category</th>
<th>Minimally Affected (1-4)</th>
<th>Moderately Affected (5-7)</th>
<th>Severely Affected (8-10)</th>
<th>No Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Nevada Economy</td>
<td>7%</td>
<td>18%</td>
<td>59%</td>
<td>16.4%</td>
</tr>
<tr>
<td>The Local Economy</td>
<td>15%</td>
<td>23%</td>
<td>45%</td>
<td>16.4%</td>
</tr>
<tr>
<td>Nevada's Mining Industry</td>
<td>23%</td>
<td>40%</td>
<td>21%</td>
<td>16.4%</td>
</tr>
<tr>
<td>Your Business</td>
<td>27%</td>
<td>26%</td>
<td>30%</td>
<td>16.4%</td>
</tr>
</tbody>
</table>

Source: NvMA 2020 Survey
New Daily COVID-19 Cases in Nevada
3-Day Rolling Average

Source: The Nevada Independent
Daily COVID-19 Deaths in Nevada
3-Day Rolling Average

Source: The Nevada Independent
Confirmed COVID-19 Cases per 100,000 Residents
By State | June 1

Source: John Hopkins University; Nevada Department of Health and Human Services, U.S. Census Bureau
Confirmed COVID-19 Cases per 100,000 Residents
By State | September 1

Source: John Hopkins University; Nevada Department of Health and Human Services, U.S. Census Bureau
Total COVID-19 Cases
Per 1,000 Population by County | September 22

Source: The Nevada Independent; Applied Analysis
Total COVID-19 Cases
Per 1,000 Population by County | September 22

COVID CASES PER 1,000 PEOPLE

ALL COUNTIES
8.5

MINING COUNTIES
8.0

Source: The Nevada Independent; Applied Analysis
Nevada Employment

Great Recession
196,000 Jobs Lost
Over 2.5 Years

COVID-19
280,000 Jobs Lost
in 2 Months

Source: U.S. Bureau of Labor Statistics
Nevada Employment

Source: U.S. Bureau of Labor Statistics
Nevada Unemployment Rate Has Dropped, But the State Has More Unemployed Workers Than During Any Prior Recession

Source: U.S. Bureau of Labor Statistics; Nevada Department of Employment, Training and Rehabilitation; Applied Analysis
Response to the Coronavirus Pandemic

- **The United State's Government**: 40% Very Poorly, 19% Moderately Well, 25% Very Well, 16% No Answer
- **Nevada's State Government**: 38% Very Poorly, 32% Moderately Well, 14% Very Well, 16% No Answer
- **Nevada's Local Government**: 30% Very Poorly, 37% Moderately Well, 16% Very Well, 16% No Answer

Source: NvMA 2020 Survey
CARES Act
Coronavirus Aid, Relief, and Economic Security Act
Paycheck Protection Program (PPP) Loans by Sector
National | August 8

<table>
<thead>
<tr>
<th>Sector</th>
<th>Loans (in billions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional and Business Services</td>
<td>$95.0B</td>
</tr>
<tr>
<td>Trade, Transportation, and Utilities</td>
<td>$87.3B</td>
</tr>
<tr>
<td>Education and Health Services</td>
<td>$79.9B</td>
</tr>
<tr>
<td>Construction</td>
<td>$65.1B</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>$54.1B</td>
</tr>
<tr>
<td>Leisure and Hospitality</td>
<td>$50.7B</td>
</tr>
<tr>
<td>Other Services</td>
<td>$41.3B</td>
</tr>
<tr>
<td>Financial Activities</td>
<td>$27.9B</td>
</tr>
<tr>
<td>Information</td>
<td>$9.3B</td>
</tr>
<tr>
<td>Agriculture, Forestry, Fishing and Hunting</td>
<td>$8.1B</td>
</tr>
<tr>
<td>Mining</td>
<td>$4.5B</td>
</tr>
<tr>
<td>Government</td>
<td>$1.8B</td>
</tr>
</tbody>
</table>

Mining Accounted for the Second Smallest Amount of Loans in the PPP Program

Source: Small Business Administration; Applied Analysis
Paycheck Protection Program (PPP) Loan Share by Sector
National | August 8

- Professional and Business Services: 18.1%
- Trade, Transportation, and Utilities: 16.6%
- Education and Health Services: 15.2%
- Construction: 12.4%
- Manufacturing: 10.3%
- Leisure and Hospitality: 9.7%
- Other Services: 7.9%
- Financial Activities: 5.3%
- Information: 1.8%
- Agriculture, Forestry, Fishing and Hunting: 1.6%
- Mining: 0.9%
- Government: 0.3%

Mining Accounted for the Second Smallest Share of Loans in the PPP Program

Source: Small Business Administration; Applied Analysis
# Estimated CARES Act Aid Funding Allocation

**Nevada | September 18**

<table>
<thead>
<tr>
<th>Name</th>
<th>Estimated Funding</th>
<th>Expiration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paycheck Protection Program (PPP) <em>(2.5x monthly average)</em></td>
<td>$4.2 Billion</td>
<td>August 8, 2020</td>
</tr>
<tr>
<td>Emergency Increase in Unemployment Compensation <em>(© 600 per Week)</em></td>
<td>$3.8 Billion</td>
<td>July 31, 2020</td>
</tr>
<tr>
<td>2020 Recovery Rebates for Individuals <em>(© 1,200 per Adult; © 500 per Child)</em></td>
<td>$2.6 Billion</td>
<td>May 2020</td>
</tr>
<tr>
<td>Coronavirus Relief Fund (State and Local Governments)</td>
<td>$1.3 Billion</td>
<td>December 30, 2020</td>
</tr>
<tr>
<td>Public Health and Social Services Emergency Fund</td>
<td>$1.1 Billion</td>
<td>September 30, 2024</td>
</tr>
<tr>
<td>Subsidy for Certain Loan Payments</td>
<td>$824.5 Million</td>
<td>September 30, 2021</td>
</tr>
<tr>
<td>Pandemic Unemployment Assistance</td>
<td>$642.4 Million</td>
<td>December 31, 2020</td>
</tr>
<tr>
<td>Expansion of the Medicare Hospital Accelerated Payment Program</td>
<td>$617.1 Million</td>
<td>April 26, 2020</td>
</tr>
<tr>
<td>Other</td>
<td>$3.3 Billion</td>
<td>Varies</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>±$18.4 Billion</td>
<td></td>
</tr>
</tbody>
</table>

Note: Preliminary estimates and potentially conservative.

Source: Applied Analysis
Expected Recovery From the Coronavirus Pandemic

Full Recovery

The Nevada Economy
- 4% (6 Months or Less)
- 4% (9 Months)
- 15.1% (1 Year)
- 16.4% (1.5 Years)
- 19.2% (2 Years)

The Local Economy
- 5% (6 Months or Less)
- 7% (9 Months)
- 26.0% (1 Year)
- 11.0% (1.5 Years)
- 15.1% (2 Years)

Nevada’s Mining Industry
- 22% (6 Months or Less)
- 10% (9 Months)
- 16.4% (1 Year)
- 17.8% (1.5 Years)
- 13.7% (2 Years)

Source: NvMA 2020 Survey
Expected Recovery From the Coronavirus Pandemic

Full Recovery

The Nevada Economy
- 4%: 6 Months or Less
- 4%: 9 Months
- 15.1%: 1 Year
- 16.4%: 1.5 Years
- 19.2%: 2 Years
- 16%: 3 Years or More
- 8%: It Will Never Fully Recover
- 16%: No Response

The Local Economy
- 5%: 6 Months or Less
- 7%: 9 Months
- 26.0%: 1 Year
- 11.0%: 1.5 Years
- 15.1%: 2 Years
- 18%: 3 Years or More
- 1%: It Will Never Fully Recover
- 16%: No Response

Nevada’s Mining Industry
- 22%: 6 Months or Less
- 10%: 9 Months
- 16.4%: 1 Year
- 17.8%: 1.5 Years
- 13.7%: 2 Years
- 1%: 3 Years or More
- 3%: It Will Never Fully Recover
- 16%: No Response

Source: NvMA 2020 Survey
Business Revenue
Pre- and Post- COVID-19

2020 Annual Survey Past 12 Months
- Decreased: 39.7%
- Increased: 23.3%
- Remained About the Same: 19.2%
- No Response: 17.8%

2019 Annual Survey Past 12 Months
- Decreased: 16.3%
- Increased: 42.9%
- Remained About the Same: 28.6%
- No Response: 12.2%

Source: NvMA 2019 and 2020 Survey
Business Revenue
Pre- and Post- COVID-19

2020 Annual Survey Next 12 Months

Increase: 39.7%
Remain About the Same: 31.5%
Decrease: 11.0%
No Response: 17.8%

2019 Annual Survey Next 12 Months

Increase: 53.2%
Remain About the Same: 21.3%
Decrease: 17.0%
No Response: 8.5%

Source: NvMA 2019 and 2020 Survey
Changes in Business Operations

Changes In Trades or Purchases

- Yes: 41.1%
- No: 35.6%
- No Response: 23.3%

Changes In New Projects

- Yes: 58.9%
- No: 17.8%
- No Response: 23.3%

Source: NvMA 2020 Survey
OVERALL MINING IMPACTS IN NEVADA
Employment by Sector
Nevada | August 2020

Leisure and Hospitality: 303,300
Trade, Transportation, and Utilities: 236,900
Professional and Business Services: 171,600
Government: 151,500
Education and Health Services: 138,200
Construction: 93,200
Financial Activities: 69,400
Manufacturing: 57,500
Other Services: 37,600
Mining and Logging: 16,300
Information: 13,500

Nevada’s Mining and Logging Sector Employs the Second-Smallest Number of Workers in the State.

### Employment Share by Sector
#### Nevada | August 2020

<table>
<thead>
<tr>
<th>Sector</th>
<th>Employment Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leisure and Hospitality</td>
<td>23.5%</td>
</tr>
<tr>
<td>Trade, Transportation, and Utilities</td>
<td>18.4%</td>
</tr>
<tr>
<td>Professional and Business Services</td>
<td>13.3%</td>
</tr>
<tr>
<td>Government</td>
<td>11.8%</td>
</tr>
<tr>
<td>Education and Health Services</td>
<td>10.7%</td>
</tr>
<tr>
<td>Construction</td>
<td>7.2%</td>
</tr>
<tr>
<td>Financial Activities</td>
<td>5.4%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>4.5%</td>
</tr>
<tr>
<td>Other Services</td>
<td>2.9%</td>
</tr>
<tr>
<td>Mining and Logging</td>
<td>1.3%</td>
</tr>
<tr>
<td>Information</td>
<td>1.0%</td>
</tr>
</tbody>
</table>

Nevada’s Mining and Logging Sector Employs the Second-Smallest Share of Workers in the State.

Employment Change by Sector
Nevada | January 2020 to August 2020

Leisure and Hospitality: -43,700
Professional and Business Services: -32,100
Trade, Transportation, and Utilities: -21,400
Government: -11,700
Education and Health Services: -6,500
Other Services: -3,000
Construction: -2,800
Information: -1,900
Manufacturing: -1,300
Financial Activities: -500
Mining and Logging: 2,600

Nevada’s Mining and Logging was the only sector to add jobs to the workforce since January.

Employment by Sector
Balance of Nevada [Excluding Clark + Washoe County] | August 2020

Leisure and Hospitality: 47,100
Trade, Transportation, and Utilities: 19,900
Government: 19,800
Mining and Logging: 15,400
Education and Health Services: 11,900
Professional and Business Services: 11,400
Manufacturing: 7,300
Construction: 6,100
Financial Activities: 3,500
Other Services: 4,000
Information: 1,100

Nevada’s Mining and Logging Sector Employs the Fourth-Largest Number of Workers in the State.

Employment Share by Sector
Balance of Nevada [Excluding Clark + Washoe County] | August 2020

Leisure and Hospitality: 31.9%
Trade, Transportation, and Utilities: 13.5%
Government: 13.4%
Mining and Logging: 10.4%
Education and Health Services: 8.1%
Professional and Business Services: 7.7%
Manufacturing: 4.9%
Construction: 4.1%
Financial Activities: 2.4%
Other Services: 2.7%
Information: 0.7%

Nevada’s Mining and Logging Sector Employs the Fourth-Largest Share of Workers in the State.

Employment Reductions Because of COVID-19

- No: 58.9%
- Yes: 24.7%
- No Response: 16.4%

Source: NvMA 2020 Survey
<table>
<thead>
<tr>
<th>Industry</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accomodations and Food Services</td>
<td>35.3%</td>
</tr>
<tr>
<td>Unknown Industry</td>
<td>22.9%</td>
</tr>
<tr>
<td>Admin. And Support, Waste Mgmt.</td>
<td>7.2%</td>
</tr>
<tr>
<td>Transportation and Warehousing</td>
<td>6.1%</td>
</tr>
<tr>
<td>Prof., Sci. and Tech. Services</td>
<td>4.0%</td>
</tr>
<tr>
<td>Arts, Entertainment and Recreation</td>
<td>3.6%</td>
</tr>
<tr>
<td>Health Care and Social Assistance</td>
<td>2.7%</td>
</tr>
<tr>
<td>Construction</td>
<td>2.6%</td>
</tr>
<tr>
<td>Real Estate and Rental and Leasing</td>
<td>2.1%</td>
</tr>
<tr>
<td>Other Services</td>
<td>2.1%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>1.7%</td>
</tr>
<tr>
<td>Mgmt. of Companies and Enterprises</td>
<td>1.7%</td>
</tr>
<tr>
<td>Educational Services</td>
<td>1.3%</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>1.2%</td>
</tr>
<tr>
<td>Unclassified Establishments</td>
<td>0.8%</td>
</tr>
<tr>
<td>Public Administration</td>
<td>0.7%</td>
</tr>
<tr>
<td>Information</td>
<td>0.7%</td>
</tr>
<tr>
<td>Finance and Insurance</td>
<td>0.6%</td>
</tr>
<tr>
<td>Mining</td>
<td>0.1%</td>
</tr>
<tr>
<td>Agriculture, Forestry, Fishing &amp; Hunting</td>
<td>0.1%</td>
</tr>
<tr>
<td>Utilities</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

Source: Nevada Department of Employment, Training and Rehabilitation
Relief During COVID-19

Applied For CARES Funding

- Yes: 29%
- No: 55%
- No Response: 16%

Source: NvMA 2020 Survey

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Successful</td>
<td>90.5%</td>
</tr>
<tr>
<td>Unsuccessful</td>
<td>4.8%</td>
</tr>
<tr>
<td>No Answer</td>
<td>4.8%</td>
</tr>
</tbody>
</table>

Source: NvMA 2020 Survey
Paycheck Protection Program (PPP) Loan Count by Sector
Nevada | August 8

Mining Accounted For the Second Smallest Number of Loans in Nevada

Source: Small Business Administration; Applied Analysis
Paycheck Protection Program (PPP) Loan Amount by Sector
Nevada | August 8

- Professional and Business Services: $762.4M
- Trade, Transportation, and Utilities: $700.5M
- Education and Health Services: $641.4M
- Construction: $522.5M
- Manufacturing: $434.4M
- Leisure and Hospitality: $407.1M
- Other Services: $331.9M
- Financial Activities: $224.3M
- Information: $75.0M
- Agriculture, Forestry, Fishing and Hunting: $65.4M
- Mining: $36.5M
- Government: $14.1M

Mining Accounted For the Second Smallest Amount of Loans in Nevada

Source: Small Business Administration; Applied Analysis
Paycheck Protection Program (PPP) Jobs Covered
Nevada | August 8

<table>
<thead>
<tr>
<th>City</th>
<th>Number of Loans</th>
<th>Total Loan Amount</th>
<th>Jobs Covered</th>
</tr>
</thead>
<tbody>
<tr>
<td>Las Vegas</td>
<td>23,083</td>
<td>$703,487,283</td>
<td>94,810</td>
</tr>
<tr>
<td>Reno</td>
<td>5,009</td>
<td>$177,586,472</td>
<td>20,495</td>
</tr>
<tr>
<td>Henderson</td>
<td>4,710</td>
<td>$136,276,913</td>
<td>17,303</td>
</tr>
<tr>
<td>North Las Vegas</td>
<td>1,173</td>
<td>$32,593,082</td>
<td>4,178</td>
</tr>
<tr>
<td>Carson City</td>
<td>877</td>
<td>$33,641,092</td>
<td>3,908</td>
</tr>
<tr>
<td>All Other</td>
<td>5,324</td>
<td>$188,623,517</td>
<td>24,045</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>40,176</strong></td>
<td><strong>$1,272,208,360</strong></td>
<td><strong>164,739</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Loan Amount</th>
<th>Number of Loans</th>
<th>Jobs Covered</th>
</tr>
</thead>
<tbody>
<tr>
<td>$5 million to $10 million</td>
<td>25</td>
<td>9,499</td>
</tr>
<tr>
<td>$2 million to $5 million</td>
<td>175</td>
<td>40,762</td>
</tr>
<tr>
<td>$1 million to $2 million</td>
<td>434</td>
<td>50,408</td>
</tr>
<tr>
<td>$350,000 to $1 million</td>
<td>1,627</td>
<td>88,150</td>
</tr>
<tr>
<td>$150,000 to $350,000</td>
<td>3,333</td>
<td>76,494</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>5,594</strong></td>
<td><strong>265,313</strong></td>
</tr>
</tbody>
</table>

Source: Small Business Administration; Applied Analysis
Paycheck Protection Program (PPP) Jobs Covered by Sector
Nevada | August 8

Professional and Business Services 77,784
Trade, Transportation, and Utilities 71,469
Education and Health Services 65,430
Construction 53,301
Manufacturing 44,316
Leisure and Hospitality 41,530
Other Services 33,863
Financial Activities 22,882
Information 7,648
Agriculture, Forestry, Fishing and Hunting 6,668
Mining 3,721
Government 1,438

PPP Loans Covered 27.2% of Total Mining and Logging Jobs in Nevada from January 2020

Source: Small Business Administration; U.S. Bureau of Labor Statistics; Applied Analysis
Mining Workforce Retention
Next 12 Months

- Increase 27.4%
- Remain About the Same 46.6%
- Decrease 8.2%
- No Response 17.8%

2020 Annual Survey

Previous Year Comparison
- Increase 57.1%
- Decrease 30.6%
- Remain About the Same 6.1%
- No Answer 6.1%

Source: NVMA 2019 and 2020 Survey
Mining Industry Gross Domestic Product
Nevada | Q1 2020

Historical Trend
- Mining and Logging GDP
- Recession

Year-Over-Year Growth
- GDP Growth
- Recession

Source: Bureau of Economic Analysis
The Mining Industry Has the Fourth Lowest GDP Among All Private Industries in the State.

Source: Bureau of Economic Analysis
Gross Domestic Product Growth by Industry (Private)
Nevada | Q1 2019 vs Q1 2020

The Mining Industry Suffered the Greatest Loss in GDP Over the Year. On average, Nevada’s GDP Sourced to Private Industries Grew By 1.4%.

Source: Bureau of Economic Analysis
Gross Domestic Product Growth by Industry (Private)
Nevada | Q4 2019 vs Q1 2020

The Mining Industry Suffered the Greatest Loss in GDP in the First Quarter of 2020. On average, Nevada's GDP Sourced to Private Industries Fell By 2.7%.

Source: Bureau of Economic Analysis
Gross Domestic Product per Employee
Nevada | Q1 2020

Real Estate and Rental/Leasing: $937,245
Information: $387,083
Finance and Insurance: $256,036
Wholesale Trade: $193,333
Mining and Logging: $188,034
Management of Companies and Enterprises: $186,791
Retail Trade: $166,198
Arts, Entertainment, and Recreation: $148,080
Manufacturing: $142,342
Professional, Scientific, and Technical Services: $125,049
Construction: $95,064
Transportation, Warehousing, and Utilities: $85,771
Health Care and Social Assistance: $84,326
Other Services: $78,435
Accommodation and Food Services: $71,635
Educational Services: $67,060
Admin./Support/Waste Mgmt./Remediation Services: $59,030

Nevada Mining and Logging Has the Fifth Highest Worker Productivity of Private Industries in the State.

Source: Bureau of Economic Analysis
Mining GDP Share of All Industry Total
Nevada

Source: Bureau of Economic Analysis
Changes in Business Practices
Nevada Mining Industry Safety Measures

New Safety Protocols
- Yes: 73%
- No: 4%
- No Response: 23%

Intent to Maintain Protocols After Emergency Orders Lifted
- Yes: 52.8%
- No: 45.3%
- No Response: 1.9%

Source: NvMA 2020 Survey
Changes in Business Practices
Nevada Mining Industry Safety Measures

43%

Require Face Masks All of the Time or Most of the Time

Source: NvMA 2020 Survey; flaticon (image)
U.S. At-Risk Mining Projects

42 U.S. MINES
$402.8 M U.S. REVENUE AT RISK

**BULK COMMODITIES**
- 38 MINES
- $242.0 M REVENUE AT RISK
  (E.G., COAL, IRON ORE)

**BASE METALS**
- 3 MINES
- $156.2 M REVENUE AT RISK
  (E.G., COPPER)

**SPECIALTY COMMODITIES**
- 1 MINE
- $4.7 M REVENUE AT RISK
  (E.G., U308)
U.S. At-Risk Mining Projects

42 U.S. MINES $402.8 M U.S. REVENUE AT RISK

BULK COMMODITIES
38 MINES
$242.0 M REVENUE AT RISK (E.G., COAL, IRON ORE)

BASE METALS
3 MINES
$156.2 M REVENUE AT RISK (E.G., COPPER)

SPECIALTY COMMODITIES
1 MINE
$4.7 M REVENUE AT RISK (E.G., U308)

NEVADA COPPER
1 MINE
$38.5 M REVENUE AT RISK

Source: S&P Global
Business Impacts

Top 5 Factors Impacting Businesses

- **State Government Regulation**: 26.0% Very Concerned, 21.9% Extremely Concerned (47.9%)
- **Business Taxes**: 17.8% Very Concerned, 24.7% Extremely Concerned (42.5%)
- **Operational Challenges Created by Coronavirus**: 27.4% Very Concerned, 13.7% Extremely Concerned (41.1%)
- **Federal Government Regulation**: 28.8% Very Concerned, 11.0% Extremely Concerned (39.7%)
- **Hiring/Retaining Quality Employees**: 23.3% Very Concerned, 11.0% Extremely Concerned (34.2%)

Source: NvMA 2020 Survey
Business Impacts
How Has This Changed Since 2019?

<table>
<thead>
<tr>
<th>2020 Annual Survey</th>
<th>2019 Annual Survey</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Government Regulation</td>
<td>47.9%</td>
</tr>
<tr>
<td>Business Taxes</td>
<td>42.5%</td>
</tr>
<tr>
<td>Operational Challenges Created by</td>
<td>41.1%</td>
</tr>
<tr>
<td>Coronavirus</td>
<td>39.7%</td>
</tr>
<tr>
<td>Federal Government Regulation</td>
<td>34.2%</td>
</tr>
<tr>
<td>Hiring/Retaining Quality Employees</td>
<td>47.9%</td>
</tr>
<tr>
<td></td>
<td>36.2%</td>
</tr>
<tr>
<td></td>
<td>30.4%</td>
</tr>
<tr>
<td></td>
<td>36.2%</td>
</tr>
<tr>
<td></td>
<td>61.7%</td>
</tr>
</tbody>
</table>

Source: NVMA 2019 and 2020 Survey
COMMODITY SUPPLY, DEMAND AND PRICING
# Commodity Price Changes

<table>
<thead>
<tr>
<th>COMMODITY</th>
<th>SEPT 2019</th>
<th>SEPT 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gold (per Troy Oz.)</td>
<td>$1,522</td>
<td>$1,906</td>
</tr>
<tr>
<td>Silver (per Troy Oz.)</td>
<td>$18.38</td>
<td>$24.30</td>
</tr>
<tr>
<td>Copper (per Pound)</td>
<td>$2.58</td>
<td>$3.09</td>
</tr>
</tbody>
</table>

Source: NvMA 2020 Survey
## Commodity Price Changes

<table>
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<tr>
<th>COMMODITY</th>
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<th>SEPT 2020</th>
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</tr>
</tbody>
</table>

Source: NvMA 2020 Survey

### Were Your 2019 Predictions Correct?
# Commodity Price Changes

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Sept 2019</th>
<th>Sept 2020</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gold (per Troy Oz.)</td>
<td>$1,522</td>
<td>$1,906</td>
<td>63.8%</td>
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<td>Copper (per Pound)</td>
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<td>$3.09</td>
<td>48.9%</td>
</tr>
</tbody>
</table>

Source: NvMA 2020 Survey
## Commodity Price Changes

<table>
<thead>
<tr>
<th>COMMODITY</th>
<th>SEPTEMBER 2019 (ACTUAL)</th>
<th>SEPTEMBER 2020 (PROJECTED)</th>
<th>INCREASE</th>
<th>DECREASE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gold (per Troy Oz.)</strong></td>
<td>$1,522</td>
<td>$1,906</td>
<td>56.2%</td>
<td>6.8%</td>
</tr>
<tr>
<td><strong>Silver (per Troy Oz.)</strong></td>
<td>$18.38</td>
<td>$24.30</td>
<td>52.1%</td>
<td>5.5%</td>
</tr>
<tr>
<td><strong>Copper (per Pound)</strong></td>
<td>$2.58</td>
<td>$3.09</td>
<td>39.7%</td>
<td>5.5%</td>
</tr>
</tbody>
</table>

Source: NvMA 2020 Survey
Phases of Prices and Supply and Demand During Recessions
Metals and Minerals Monthly Indices | 2010=100

Source: The World Bank; McKinsey and Company
Phases of Prices and Supply and Demand During Recessions
Metals and Minerals Monthly Indices | 2010=100

**Phase I:** Price Shock
Two Weeks to Two Months

**Phase II:** Demand Shock
Three Months to Two Years

Source: The World Bank; McKinsey and Company
Phases of Prices and Supply and Demand During Recessions
Metals and Minerals Monthly Indices | 2010=100

Phase I: Price Shock
Two Weeks to Two Months

Phase II: Demand Shock
Three Months to Two Years

Phase III: New S&D Equilibrium
One Year to Three Years

Source: The World Bank; McKinsey and Company
Phases of Prices and Supply and Demand During Recessions

Metals and Minerals Monthly Indices | 2010=100

Phase I: Price Shock
Two Weeks to Two Months

Phase II: Demand Shock
Three Months to Two Years

Phase III: New S&D Equilibrium
One Year to Three Years

Phase IV: Demand Recovery
One Year to Five Years

Source: The World Bank; McKinsey and Company
The Price of Gold in the United States Currently Stands at $1,906 per Troy Ounce. This Is $161 (-7.8%) Less Than the Peak of $2,067 Reported in August 2020.
Price of Gold
Next 12 Months

Source: London Bullion Market Association; NvMA 2020 Survey

The role of the State's Mining Industry

Applied Analysis

Nevada Mining Association 2020-2021
Average Annual Gold Prices

Source: London Bullion Market Association; FRED; Applied Analysis

Trough-to-Peak
12 Years

Trough-to-Peak
27 Years

Trough-to-Peak
5+ Years

Source: London Bullion Market Association; FRED; Applied Analysis

The Role of the State’s Mining Industry
Inflation-Adjusted Gold Prices
Annual Average

Long-Run Average: $878
2020 Price Is 96.7% Greater Than the Historical Average

Source: London Bullion Market Association; FRED; Applied Analysis
The Price of Silver in the United States Currently Stands at $24.30 per Troy Ounce. This is $24.30 (-50.1%) Less Than the Peak of $48.70 Reported in April 2011.
Price of Silver
Next 12 Months

Source: London Bullion Market Association; NvMA 2020 Survey
The Price of Copper in the United States Currently Stands at $3.09 per Pound. This Is $0.83 (-21.3%) Less Than the Peak of $3.93 Reported in February 2012.
Price of Copper
Next 12 Months

Source: London Metal Exchange; NvMA 2020 Survey
Mineral Production
Pre- and Post- COVID-19

Past 12 Months
- Increased 16.4%
- Remained About the Same 41.1%
- Decreased 21.9%
- No Response 20.5%

Next 12 Months
- Increase 35.6%
- Remain About the Same 34.2%
- Decrease 11.0%
- No Response 19.2%

Source: NvMA 2020 Survey
Commodity Demand
Next 12 Months

- **Copper**
  - Increase: 38.4%
  - Remain About the Same: 34.2%
  - Decrease: 9.6%
  - No Answer: 17.8%

- **Silver**
  - Increase: 42.5%
  - Remain About the Same: 35.6%
  - Decrease: 4.1%
  - No Answer: 17.8%

- **Gold**
  - Increase: 47.9%
  - Remain About the Same: 28.8%
  - Decrease: 5.5%
  - No Answer: 17.8%

Source: NvMA 2020 Survey
Gold Supply Chain Disruptions and the Effect on Demand

**Production**
- Halted Production
- Reduced Supply

**Delivery**
- Travel Regulations
- Increased Delivery Costs

**Traders**
- Limited Supply
- Increased Delivery Cost

**Refineries**
- Reduced Gold Inputs
- Decreased Supply

Source: Visual Capitalist
Gold Supply Chain Disruptions and the Effect on Demand
Passenger Enplanements on U.S. Airlines | 2019 to 2020 5-Month Total

Total Passenger Enplanements

<table>
<thead>
<tr>
<th>Year</th>
<th>Millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>338</td>
</tr>
<tr>
<td>2018</td>
<td>353</td>
</tr>
<tr>
<td>2019</td>
<td>369</td>
</tr>
<tr>
<td>2020</td>
<td>189</td>
</tr>
</tbody>
</table>

Year-Over-Year Growth

<table>
<thead>
<tr>
<th>Year</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>4.6%</td>
</tr>
<tr>
<td>2019</td>
<td>4.3%</td>
</tr>
<tr>
<td>2020</td>
<td>-48.7%</td>
</tr>
</tbody>
</table>

Source: Bureau of Transportation Statistics
2019 MINING IMPACTS
Employment Impacts for Nevada Mining Industry Operations | 2019

Source: U.S. Bureau of Labor Statistics; Nevada Department of Taxation; IMPLAN; Applied Analysis
County Employment
Mining and Natural Resources Employment as Percentage of Total Employment

While Mining Comprises Only 1.4 Percent of Nevada’s Overall Employment, Many Rural Counties Have a Substantially Larger Share

Source: U.S. Bureau of Labor Statistics; Nevada Department of Taxation; IMPLAN; Applied Analysis
Wage and Salary Impacts for Nevada Mining Industry Operations | 2019

Source: U.S. Bureau of Labor Statistics; Nevada Department of Taxation; IMPLAN; Applied Analysis
Value Added Impacts for Nevada Mining Industry Operations | 2019

Source: U.S. Bureau of Labor Statistics; Nevada Department of Taxation; IMPLAN; Applied Analysis
Economic Output for Nevada Mining Industry Operations | 2019

Source: U.S. Bureau of Labor Statistics; Nevada Department of Taxation; IMPLAN; Applied Analysis
Economic Output for Nevada Mining
Supported Sectors Indirect and Induced | 2019

<table>
<thead>
<tr>
<th>Sector</th>
<th>Total Output</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natural Resources and Mining</td>
<td>$840.6 million</td>
</tr>
<tr>
<td>Trade, Transportation and Utilities</td>
<td>$829.8 million</td>
</tr>
<tr>
<td>Financial Activities</td>
<td>$567.4 million</td>
</tr>
<tr>
<td>Information</td>
<td>$269.8 million</td>
</tr>
<tr>
<td>Professional and Business Services</td>
<td>$261.1 million</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>$181.6 million</td>
</tr>
<tr>
<td>Leisure and Hospitality</td>
<td>$155.8 million</td>
</tr>
<tr>
<td>Education and Health Services</td>
<td>$130.2 million</td>
</tr>
<tr>
<td>Construction</td>
<td>$73.1 million</td>
</tr>
<tr>
<td>Government</td>
<td>$38.7 million</td>
</tr>
<tr>
<td>Other Services</td>
<td>$33.0 million</td>
</tr>
<tr>
<td>Total</td>
<td>$3.4 billion</td>
</tr>
</tbody>
</table>

Direct $7.8B (70%)
Indirect $1.9B (17%)
Induced $1.5B (13%)

Total Economic Output $11.2B

Source: U.S. Bureau of Labor Statistics; Nevada Department of Taxation; IMPLAN; Applied Analysis
Total Estimated Major Taxes Paid by Nevada Mining (Millions)

Note: Historical figures may be adjusted to reflect the latest available information.

Source: Nevada Department of Taxation, NvMA Member Survey, Natural Resource Industry Institute (2008 – 2010), Industry Surveys
Total Estimated Major Taxes Paid by Nevada Mining (Millions)

- **General Fund Revenue**: $4,418.6M (97.6%)
- **Mining Contribution**: $109.1M (2.4%)

Source: Nevada Department of Taxation, NvMA Member Survey, Natural Resource Industry Institute (2008 – 2010), Industry Surveys

Note: Historical figures may be adjusted to reflect the latest available information.
Net Proceeds of Minerals Taxes
Including Royalty Receipts

Source: U.S. Bureau of Labor Statistics; Nevada Department of Taxation; IMPLAN; Applied Analysis
Net Proceeds of Minerals Tax
By Mineral Type

$122.7M
Total Net Proceeds Tax Generated

Gold/Silver 92.7%
Copper 1.4%
Geothermal 2.4%
Gypsum 0.07%
Oil 0.2%
Other 3.2%

Source: U.S. Bureau of Labor Statistics; Nevada Department of Taxation; IMPLAN; Applied Analysis
Net Proceeds of Minerals Tax
By Mineral Type

$113.7M
Total Net Proceeds Generated by Gold/Silver

Source: U.S. Bureau of Labor Statistics; Nevada Department of Taxation; IMPLAN; Applied Analysis
Net Proceeds of Minerals Tax
Total by County

- **Eureka**: $37.5
- **Landen**: $32.7
- **Humboldt**: $27.4
- **Elko**: $10.3
- **Nye**: $8.2
- **White Pine**: $3.1
- **Churchill**: $1.4
- **Esmeralda**: $0.9
- **Pershing**: $0.8
- **Clark**: $0.4
- **Washoe**: $0.1
- **Lyon**: $0.0
- **Storey**: $0.0
- **Mineral**: $0.0
- **Lincoln**: $0.0

*Source: U.S. Bureau of Labor Statistics; Nevada Department of Taxation; IMPLAN; Applied Analysis*
Net Proceeds of Minerals Tax
Share by County

Source: U.S. Bureau of Labor Statistics; Nevada Department of Taxation; IMPLAN; Applied Analysis
Net Proceeds of Minerals Tax
Share by County

Eureka, Lander and Humboldt Generate Almost 80.0 Percent of Total Net Proceeds Tax Revenue

Source: U.S. Bureau of Labor Statistics; Nevada Department of Taxation; IMPLAN; Applied Analysis
Effective Tax Rate Comparison
Total Taxes by Industry

- **Casinos and Hotels**: $3,692.2M
- **Trade, Transportation, and Utilities**: $843.7M
- **Professional and Business Services**: $409.2M
- **Manufacturing**: $372.3M
- **Construction**: $342.2M
- **Mining, Quarrying, and Oil and Gas Extraction**: $300.3M
- **Financial Activities**: $278.2M
- **Leisure and Hospitality**: $235.1M
- **Education and Health Services**: $230.8M
- **Government**: $124.5M
- **Other Services**: $82.7M
- **Information**: $61.9M
- **Agriculture, Forestry, Fishing and Hunting**: $8.6M

Note: Casinos and Hotels include tax revenue generated by guests and patrons.
Effective Tax Rate Comparison
Total Taxes per Employee

Casinos and Hotels: $22,420
Mining, Quarrying, and Oil and Gas Extraction: $20,898
Manufacturing: $7,101
Financial Activities: $4,432
Construction: $3,951
Information: $3,825
Trade, Transportation, and Utilities: $3,258
Other Services: $2,471
Professional and Business Services: $2,202
Government: $1,693
Leisure and Hospitality: $1,265
Education and Health Services: $1,087

Average Taxes per Employee: $6,217
Mining Is 236.1% Above the Average

Note: Casinos and Hotels include tax revenue generated by guests and patrons; Agriculture industry is excluded from this analysis.
Nevada Mining Industry Risks
Top 5 Greatest Perceived Risks

- Change in Fiscal (Tax) Policy: 56.2%
- Change in State Government/Regulatory Policies on the Industry: 50.7%
- Access to Qualified Workforce/Aging Workforce: 38.4%
- Exploitation of Environmental Law/Regulations: 35.6%
- Access to Capital and/or Financing for Operations: 31.5%

Source: NvMA 2020 Survey
Nevada Mining Industry Risks
Top 5 Greatest Perceived Risks

- Change in Fiscal (Tax) Policy (Risk Has Worsened 56.2%)
- Change in State Government/Regulatory Policies on the Industry (Risk Has Worsened 50.7%)
- Access to Qualified Workforce/Aging Workforce (Risk Has Stayed the Same 38.4%)
- Exploitation of Environmental Law/Regulations (Risk Has Stayed the Same 38.4%)
- Access to Capital and/or Financing for Operations (Risk Has Stayed the Same 31.5%)

Source: NvMA 2020 Survey
Nevada Mining Industry Risks
Change in Risks

- Change in Fiscal (Tax) Policy: 43.8% Worsened, 23.3% Stayed About the Same
- Change in State Government/Regulatory Policies on the Industry: 39.7% Worsened, 30.1% Stayed About the Same
- Access to Qualified Workforce/Aging Workforce: 47.9% Worsened, 23.3% Stayed About the Same
- Exploitation of Environmental Law/Regulations: 41.1% Worsened, 24.7% Stayed About the Same
- Access to Capital and/or Financing for Operations: 50.7% Worsended, 19.2% Stayed About the Same

Source: NvMA 2020 Survey
Fiscal Shortfalls Impact On Mining

Strategies Should Not Single Out or Negatively Impact Mining: 27.4%
Mining Should Not be Required to Have Increased Taxes: 8.2%
Mining-Specific Taxes Should Be Considered: 1.4%
No Response: 63.0%

Source: NvMA 2020 Survey
Fiscal Shortfalls Impact On Mining

Agree That the Mining Industry Should Participate In Balancing the State’s Budget Deficit as Long as the Mining Industry Is Not Singled Out or Disparately Impacted

27.4%

8.2%

1.4%

63.0%

Strategies Should Not Single Out or Negatively Impact Mining
Mining Should Not be Required to Have Increased Taxes
Mining-Specific Taxes Should Be Considered
No Response

Source: NvMA 2020 Survey
31st (2020) Special Session

State Budget Deficit

$1.2 Billion

Budget Reductions

- Dept. of Health and Human Services
  $152 Million
- Dept. of Education (K-12)
  $150 Million
- Nevada System of Higher Education
  $135 Million
- Capital Projects
  $73 Million

Revenue Increases

- Net Proceeds of Minerals Prepay
  $55 Million
- Governmental Services Tax
  $48 Million
- CARES Act
  $50 Million
- Transfers and Reallocations
  $91 Million
31st (2020) Special Session
SB3 Requires NPM Pre-Payment

- Mining companies are required to pay approximately half of net proceeds of minerals tax collection at the beginning of the year, to go directly to State General Fund
- Remaining half of tax will continue to be paid at the end of the year and be distributed to school districts and local governments
- Advanced payment in effect until fiscal year 2023
32nd (2020) Special Session
Passed by Legislature

<table>
<thead>
<tr>
<th>Bill</th>
<th>Topic</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assembly Bill 1</td>
<td>Technical Correction from 2019</td>
<td>Corrects several unintended clerical or drafting errors from bills approved in 2019 Legislature</td>
</tr>
<tr>
<td>Assembly Bill 2</td>
<td>LCB Changes/Remote Voting</td>
<td>Organizes practices and actions taken by interim legislative bodies over the past months, including allowing legislatures to participate in meeting or floor sessions using remote technology</td>
</tr>
<tr>
<td>Assembly Bill 3</td>
<td>Criminal Justice/Police Reform</td>
<td>Allows for non-obstructive recording of law enforcement activity and bars police from taking recording instruments and destroying recordings/images</td>
</tr>
<tr>
<td>Assembly Bill 4</td>
<td>Elections</td>
<td>Creates a new set of rules for elections taking place during a state of emergency or declaration of disaster</td>
</tr>
</tbody>
</table>

Source: The Nevada Independent
# 32nd (2020) Special Session
Passed by Legislature

<table>
<thead>
<tr>
<th>Bill</th>
<th>Topic</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senate Bill 1</td>
<td>Evictions Dispute</td>
<td>Sets a halt on eviction proceedings for any tenants if a court in the state establishes an “expedited program of alternative dispute resolution”</td>
</tr>
<tr>
<td>Senate Bill 2</td>
<td>SB242 Rework</td>
<td>Removes some provisions included in SB242, which added additional protection for police officers accused of misconduct</td>
</tr>
<tr>
<td>Senate Bill 3</td>
<td>DETR Changes</td>
<td>Allows people to work more hours before they are deemed to make too much to be eligible for unemployment benefits</td>
</tr>
<tr>
<td>Senate Bill 4</td>
<td>Business Liability/Worker Protection</td>
<td>Adds enhanced cleaning policies for large casinos, enhanced protection for workers at hotels and casino, and board immunity from COVID-19-related litigation for businesses, government agencies and nonprofits</td>
</tr>
</tbody>
</table>

Source: The Nevada Independent
# 32nd (2020) Special Session
Passed by Legislature

<table>
<thead>
<tr>
<th>Bill</th>
<th>Topic</th>
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</thead>
<tbody>
<tr>
<td>Assembly Joint Resolution 1</td>
<td>Mining Taxes</td>
<td>Changes the mining tax structure to from a 5 percent maximum net proceeds of minerals tax to a tax on the gross proceeds at a 7.75 percent rate</td>
</tr>
<tr>
<td>Assembly Joint Resolution 2</td>
<td>Mining Taxes</td>
<td>Raises the upper limit of the net proceeds of minerals tax from 5 percent to 12 percent</td>
</tr>
<tr>
<td>Senate Joint Resolution 1</td>
<td>Mining Taxes</td>
<td>Changes the mining tax structure to from a 5 percent maximum net proceeds of minerals tax to a tax on the gross proceeds at a 7.75 percent rate</td>
</tr>
<tr>
<td>Senate Concurrent Resolution 1</td>
<td>Declaring Racism to</td>
<td>Declares that systemic racism and structures of racial discrimination constitute a public health crisis which is magnified by the disproportionately high impact of COVID-19 on communities of color and which affects the entire state</td>
</tr>
<tr>
<td></td>
<td>be a Public Health Crisis</td>
<td></td>
</tr>
</tbody>
</table>

Source: The Nevada Independent
TRIO OF MINING TAX HIKE PROPOSALS PASS OUT OF SPECIAL SESSION; FIRST STEP TO AMEND CONSTITUTION

“Nevada lawmakers have kickstarted a process that could eventually raise taxes on mining companies by passing three potential constitutional amendments during the special session.”
32nd (2020) Special Session
AJR1 Changes the Voting Structure of Mining Taxes

Current Voting Structure

2/3 Majority
All Tax Increases

2/3 Majority
All Tax Decreases

Proposed Voting Structure

Simple Majority
Mining Tax Increases

2/3 Majority
Mining Tax Decreases

Source: Nevada Electronic Legislative Information System
### Current Tax Structure

<table>
<thead>
<tr>
<th>Current Tax Structure</th>
<th>AJR1</th>
<th>7.75 Percent Gross Proceeds</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Additional Taxes Allowed</td>
</tr>
<tr>
<td></td>
<td>SJR1</td>
<td>7.75 Percent Gross Proceeds</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Additional Taxes Allowed</td>
</tr>
<tr>
<td></td>
<td>AJR2</td>
<td>12.00 Percent Net Proceeds</td>
</tr>
<tr>
<td></td>
<td></td>
<td>No Additional Taxes Allowed</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>AJR1</th>
<th>7.75 Percent Gross Proceeds</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Additional Taxes Allowed</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SJR1</th>
<th>7.75 Percent Gross Proceeds</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Additional Taxes Allowed</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>AJR2</th>
<th>12.00 Percent Net Proceeds</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No Additional Taxes Allowed</td>
</tr>
</tbody>
</table>

Source: Nevada Electronic Legislative Information System
Comparative Analysis of Potential Tax Yield
Current Structure Versus AJR1 or SJR1

Proceeds of Minerals Tax

$469.0M
Increase

Source: Nevada Department of Taxation; Applied Analysis
Comparative Analysis of Potential Tax Yield
Current Structure Versus AJR2

Proceeds of Minerals Tax
$178.0M
Increase

Source: Nevada Department of Taxation; Applied Analysis
Comparative Analysis of Potential Tax Yield
Effective Tax Rate | Net Proceeds

Effective Tax Rate
7.1-18.7
Point Increase

Current
4.9%

AJR1 of SJR1
23.6%

AJR2
12.0%

Source: Nevada Department of Taxation; Applied Analysis
Comparative Analysis of Potential Tax Yield
Effective Tax Rate | Gross Proceeds

Effective Tax Rate
2.3-6.1
Point Increase

Effective Tax Rate as Share of Gross Proceeds

<table>
<thead>
<tr>
<th>Effective Tax Rate</th>
<th>Current</th>
<th>AJR1 of SJR1</th>
<th>AJR2</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.6%</td>
<td>7.8%</td>
<td>3.9%</td>
<td></td>
</tr>
</tbody>
</table>

Source: Nevada Department of Taxation; Applied Analysis
32nd (2020) Special Session
Proposed Mining Tax Legislation

Tax Revenue Distribution

<table>
<thead>
<tr>
<th>Current</th>
<th>AJR1</th>
<th>SJR1</th>
<th>AJR2</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>State General Fund</strong></td>
<td>48.5%</td>
<td>50.0%</td>
<td>76.9%</td>
</tr>
<tr>
<td><strong>County Fund</strong></td>
<td>51.5%</td>
<td>25.0%</td>
<td>23.1%</td>
</tr>
<tr>
<td><strong>Schools and Health</strong></td>
<td></td>
<td><strong>Resident Dividend</strong></td>
<td></td>
</tr>
<tr>
<td><strong>State General Fund</strong></td>
<td></td>
<td><strong>50.0%</strong></td>
<td></td>
</tr>
</tbody>
</table>

Source: Nevada Electronic Legislative Information System; Nevada Department of Taxation; Applied Analysis
Alaska Permanent Fund

Dividend Per Resident

Average Dividend: $1,157

Source: Alaska Government
Alaska Permanent Fund

Total Disbursements

Average Disbursement: $675.6M

Source: Alaska Government

THE ROLE OF THE STATE’S MINING INDUSTRY
Potential Nevada Resident Dividend

An Average Dividend of $120 per Person Would Be Distributed, Assuming 80% of Nevada’s Population Would Be Eligible

Source: Nevada Electronic Legislative Information System; Applied Analysis; U.S. Census
32nd (2020) Special Session
Proposed Mining Tax Legislation

Tax Revenue Distribution

Current

County Fund 51.5%
State General Fund 48.5%

AJR1

County Fund
State General Fund
Schools and Health
Resident Dividend

SJR1

County Fund
State General Fund

AJR2

County Fund 23.1%
State General Fund 76.9%

Source: Nevada Electronic Legislative Information System
County Revenue Depends on Net Proceeds Tax

Top Counties Receiving Net Proceeds Tax Distributions

Net Proceeds as Share of County Revenue

Source: Nevada Department of Taxation; Elko County; Eureka County; Humboldt County; Lander County; Nye County; Applied Analysis

Mining-Dependent Counties Could Be at Extreme Risk if Taxes Are Substantially Increased
Final Thoughts | Comparison to Other Established Taxes

Commerce Tax

<table>
<thead>
<tr>
<th>Tax Type</th>
<th>Current</th>
<th>AJR1/SJR1</th>
<th>AJR2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commerce Tax</td>
<td>0.2%</td>
<td>1.6%</td>
<td>7.8%</td>
</tr>
<tr>
<td>10.7x Greater</td>
<td></td>
<td>51.7x</td>
<td>26.3x</td>
</tr>
</tbody>
</table>
| Source: Nevada Legislature Economic Forum; Applied Analysis
Final Thoughts | Comparison to Other Established Taxes
Modified Business Tax

**Projected Revenue 2020**

- **Modified Business Tax:** $677.8 M
  - Paid By 1,000’s of Businesses

- **Net Proceeds of Minerals Tax:** $591.7 M
  - Majority Paid By 100 Active Mines

Source: Nevada Legislature Economic Forum; Applied Analysis
What Happens Next?
Mining Tax Legislation Must Be Approved by Voters in the 2022 General Election

November 8, 2022

AJR1, SJR1 and AJR2 Are Passed by Both the Senate and the Assembly

August 2, 2020

The 32nd (2020) Special Session of the Nevada Legislature Begins

July 31, 2020

Mining Tax Legislation From the 32nd Special Session Must Be Passed During Nevada’s Regular Session

February 1, 2021

Mining Tax Legislation Will Be Enacted Into Law

January 1, 2023

The Role of the State’s Mining Industry

NVMA
Nevada Mining Association
UNEXPECTED BENEFITS TO THE MINING INDUSTRY
ENERGY DEMAND, HIT BY CORONAVIRUS CRISIS, IS SET TO SEE RECORD DROP THIS YEAR, IEA SAYS

“The International Energy Agency said Thursday it expects global energy demand to plunge this year in what the Paris-based agency called the biggest drop since World War II... the demand hit from the pandemic is expected to be seven times greater than the decline in the aftermath of the financial crisis in 2008.”
Energy Prices during COVID-19

West Texas Intermediate Crude Oil Price | Historical and Projected (Dollars Per Barrel)

Henry Hub Natural Gas Price

Source: U.S. Energy Information Administration
Energy in Mining
U.S. Industrial Sector Energy Consumption | By Industry 2019

Source: U.S. Energy Information Administration
Energy in Mining

U.S. Projected Energy Consumption | 2019 – 2050 (Trillion Btu)

Mining Energy Sources

- Natural Gas: 78%
- Fuel Oil: 8%
- Other: 3%
- Electricity: 11%

Source: U.S. Energy Information Administration
BUFFETT’S BERKSHIRE HATHAWAY INVESTS OVER $560M IN BARRICK GOLD

“Warren Buffett’s Berkshire Hathaway shifted its investment strategy last week, selling some of its positions in banks and betting big on Barrick Gold, despite years of dismissing the precious metal”
WINKLEVOSS TWINS TELL BARSTOOL’S DAVE PROTOY TO PICK BITCOIN OVER GOLD DUE TO ELON MUSK’S ‘SPACE MINING’

“Elon Musk is going to destroy gold. [He's] going to get up there and start mining gold. That’s why gold is a problem, because the supply isn’t fixed like bitcoin.”
Now I don't know what you people are doing down there, but we've got a hole to dig up here —Armageddon (1998)
Future Outlook
Considerations

• COVID-19 recovery cycle critical for global, national and Nevada economies; second half may potentially be more challenging for mining

• Heighted statewide risk; mining presents an easy target; potential for unintended consequences

• Short-term challenges versus long-term plans

• Education and communication will be critical