

2015 Nevada Economy

THE ROLE OF THE STATE'S MINING INDUSTRY

NEVADA MINING ASSOCIATION

NEVADA
Mining Association

APPLIED
ANALYSIS 

2015
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CONVENTION

Changing Market Dynamics



International Economic Instability



Stabilizing National Economy



Shifts in Currency Valuations



Volatile Stock Market Activity



Local Fundamentals Strengthening



Key Investments in the Silver State



Mining Industry Evolution in the New Nevada





MINING INDUSTRY OUTLOOK



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September 12, 2015

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Policy Perception Index



	Country	Score	Vs. Prior Year
1	Ireland	95.99	▲
2	Finland	94.67	▲
3	Alberta	94.67	▲
4	Sweden	92.51	▼
5	New Brunswick	89.81	▼
15	Nevada	79.89	▼

Source: Fraser Institute Survey of Mining Companies (2014) and Applied Analysis

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Best Practices Mineral Potential Index



	Country	Score	Vs. Prior Year
1	Yukon	0.87	▲
2	Nevada	0.86	▲
3	Alaska	0.85	▲
4	Northwest Territories	0.84	▲
5	Manitoba	0.81	▲

Source: Fraser Institute Survey of Mining Companies (2014) and Applied Analysis

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Investment Attractiveness Index



	Country	Score	Vs. Prior Year
1	Finland	83.8	▲
2	Saskatchewan	83.6	▲
3	Nevada	83.3	▼
4	Manitoba	82.9	▲
5	W. Australia	82.0	▼

Source: Fraser Institute Survey of Mining Companies (2014) and Applied Analysis

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NEVADA'S **TOP 5 QUALITIES**

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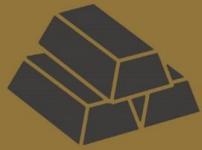


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MINERAL
POTENTIAL

75%

Encourages Investment

Source: Fraser Institute Survey of Mining Companies (2014) and Applied Analysis

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MINERAL
POTENTIAL

75%

Encourages Investment



SECURITY
SITUATION

66%

Encourages Investment

Source: Fraser Institute Survey of Mining Companies (2014) and Applied Analysis

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MINERAL
POTENTIAL

75%

Encourages Investment



SECURITY
SITUATION

66%

Encourages Investment



AVAILABLE
LABOR AND SKILLS

52%

Encourages Investment

Source: Fraser Institute Survey of Mining Companies (2014) and Applied Analysis

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MINERAL
POTENTIAL

75%

Encourages Investment



SECURITY
SITUATION

66%

Encourages Investment



AVAILABLE
LABOR AND SKILLS

52%

Encourages Investment



POLITICAL
STABILITY

51%

Encourages Investment

Source: Fraser Institute Survey of Mining Companies (2014) and Applied Analysis

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MINERAL
POTENTIAL

75%

Encourages Investment



SECURITY
SITUATION

66%

Encourages Investment



AVAILABLE
LABOR AND SKILLS

52%

Encourages Investment



POLITICAL
STABILITY

51%

Encourages Investment



GEOLOGICAL
DATABASE

48%

Encourages Investment

Source: Fraser Institute Survey of Mining Companies (2014) and Applied Analysis

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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:

	Score	
	2015	2014
Environmental regulation uncertainty	7.6	8.3
Regulatory uncertainty	7.2	7.9
Uncertainty about state tax structure	7.1	7.7
Duplication/inconsistencies in regulatory environment	6.7	7.8
Uncertainty about national tax structure	6.1	7.6
Availability of labor/skilled workforce	5.9	7.6
Political stability on a state level	5.7	6.7
Socioeconomic or local community development conditions or agreements	5.7	6.6
Political stability on a national level	5.5	7.0
Uncertainty about future protected areas	5.2	7.0
Infrastructure	5.1	7.1
Labor/employment agreements	4.9	6.2
Trade barriers	3.9	5.0

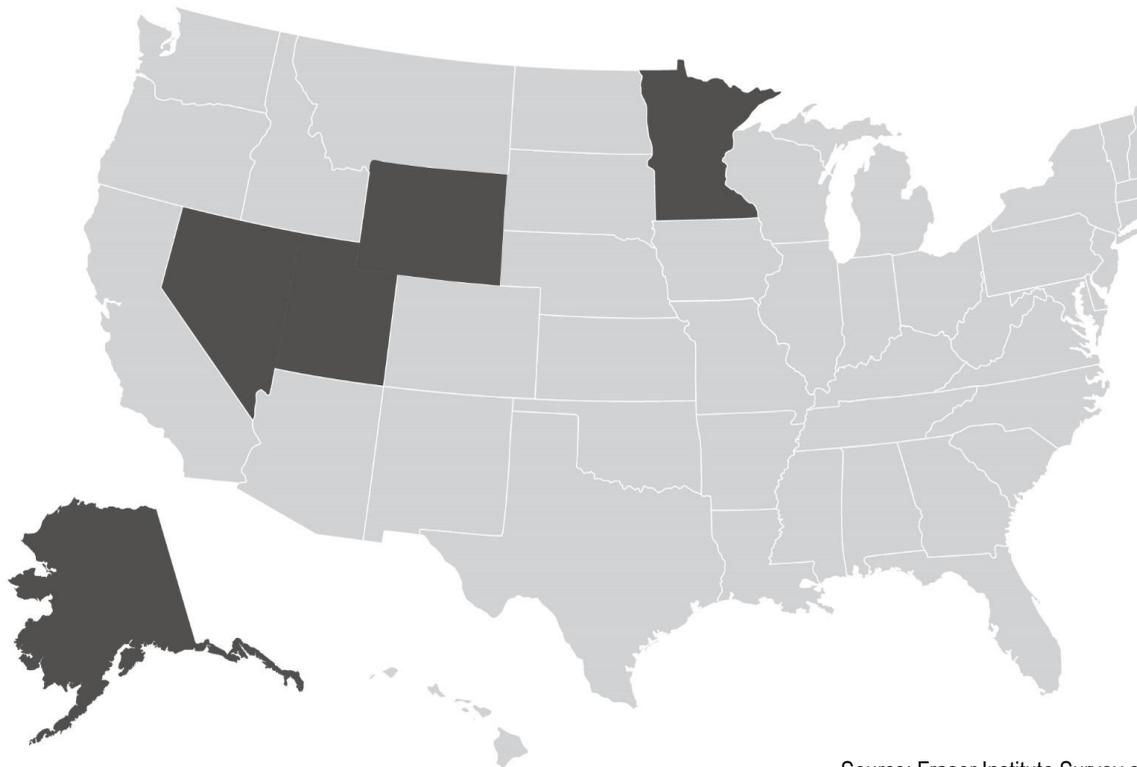
Increasing importance

Source: NVMA Member Survey (2014 and 2015)





Policy Perception Index



	State	Score	Vs. Prior Year
1	Wyoming	87.89	▼
2	Utah	80.00	▲
3	Nevada	79.89	▼
4	Minnesota	79.06	▼
5	Alaska	71.69	▼

Source: Fraser Institute Survey of Mining Companies (2014) and Applied Analysis

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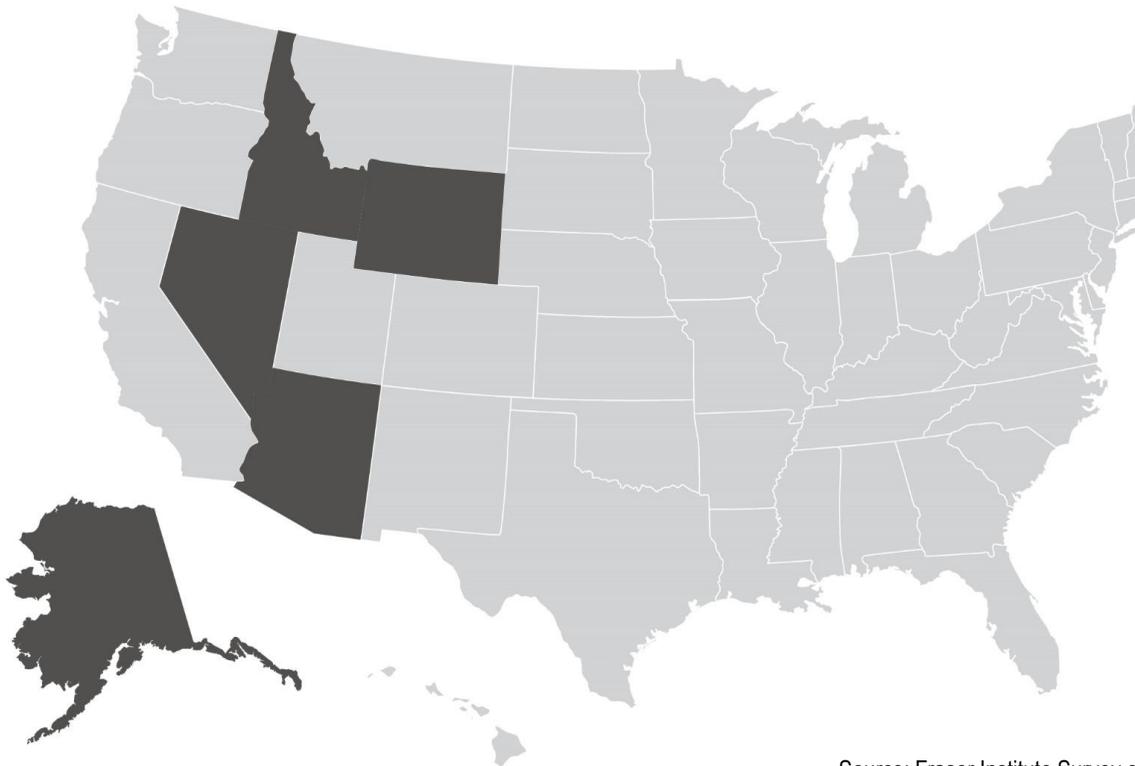
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Best Practices Mineral Potential Index



	State	Score	Vs. Prior Year
1	Nevada	0.86	▲
2	Alaska	0.85	▲
3	Idaho	0.80	▲
4	Arizona	0.78	▲
5	Wyoming	0.77	▲

Source: Fraser Institute Survey of Mining Companies (2014) and Applied Analysis

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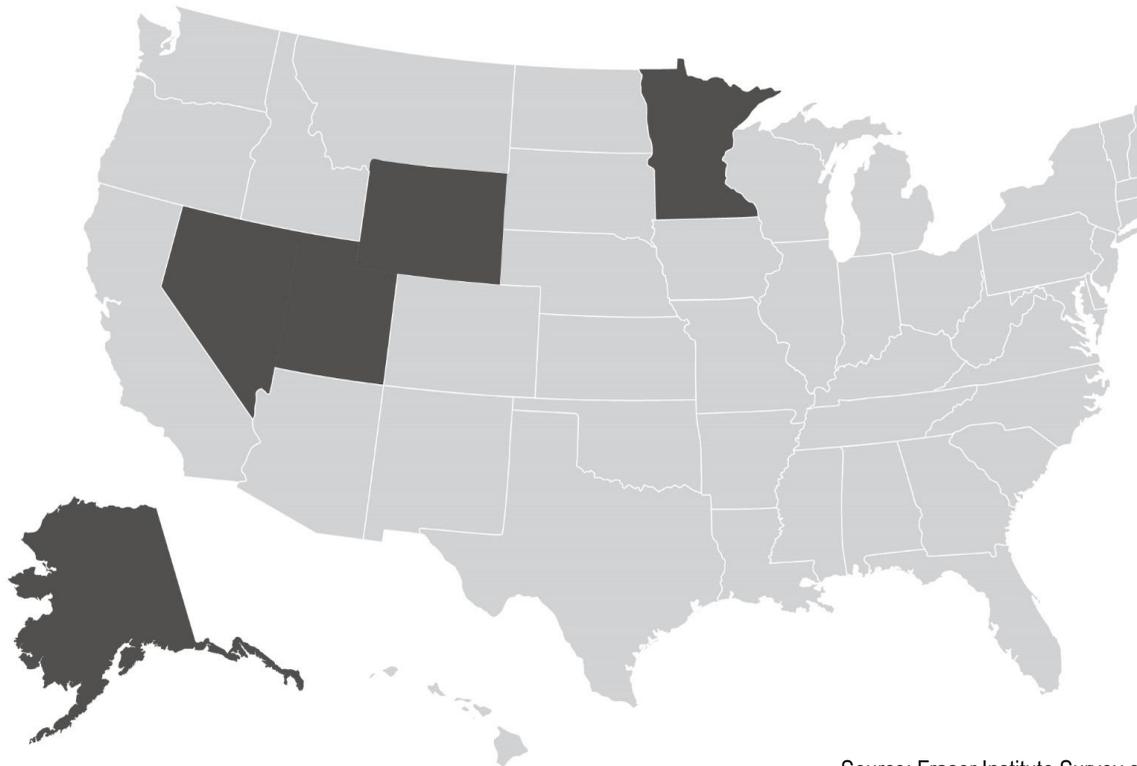
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Investment Attractiveness Index



	State	Score	Vs. Prior Year
1	Nevada	83.3	▼
2	Wyoming	81.4	▲
3	Alaska	79.7	▼
4	Utah	76.4	▲
5	Minnesota	75.7	▲

Source: Fraser Institute Survey of Mining Companies (2014) and Applied Analysis

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Economic Factors Influencing Nevada Mining

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

Increasing importance ↑

Policy Factor	Score	
	2015	2014
Mineral price trends	7.5	7.9
Availability of capital	7.1	7.3
North America economy	6.8	6.9
Cost of capital	6.7	7.2
Global economy	5.2	7.0
U.S. economy	5.2	6.1
Stock market performance	4.9	5.6
Nevada economy	4.5	5.4
Asia Pacific economy	3.7	4.8
Europe economy	3.5	4.4
South America economy	3.1	5.1
Middle East economy	2.2	4.0
Africa economy	2.1	4.2

Source: NVMA Member Survey (2014 and 2015)





Nevada's Strengths



Source: NVMA Member Survey (2015)

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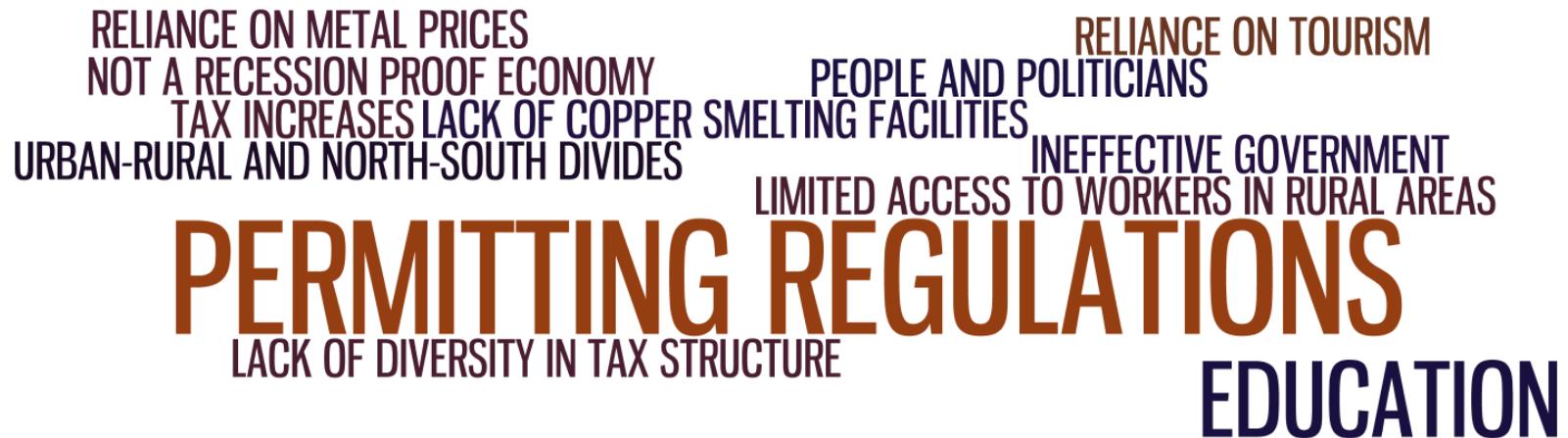
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Nevada's Weaknesses



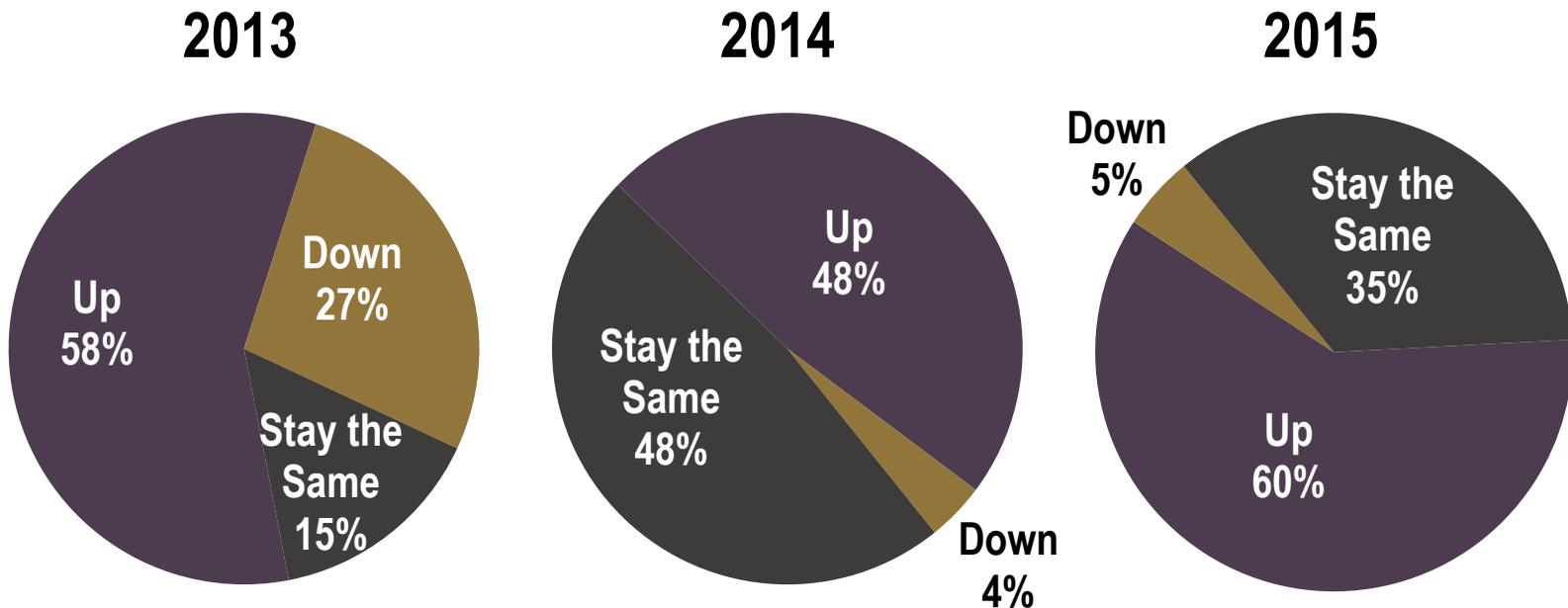
Source: NVMA Member Survey (2015)





NVMA Members' Gold Price Predictions

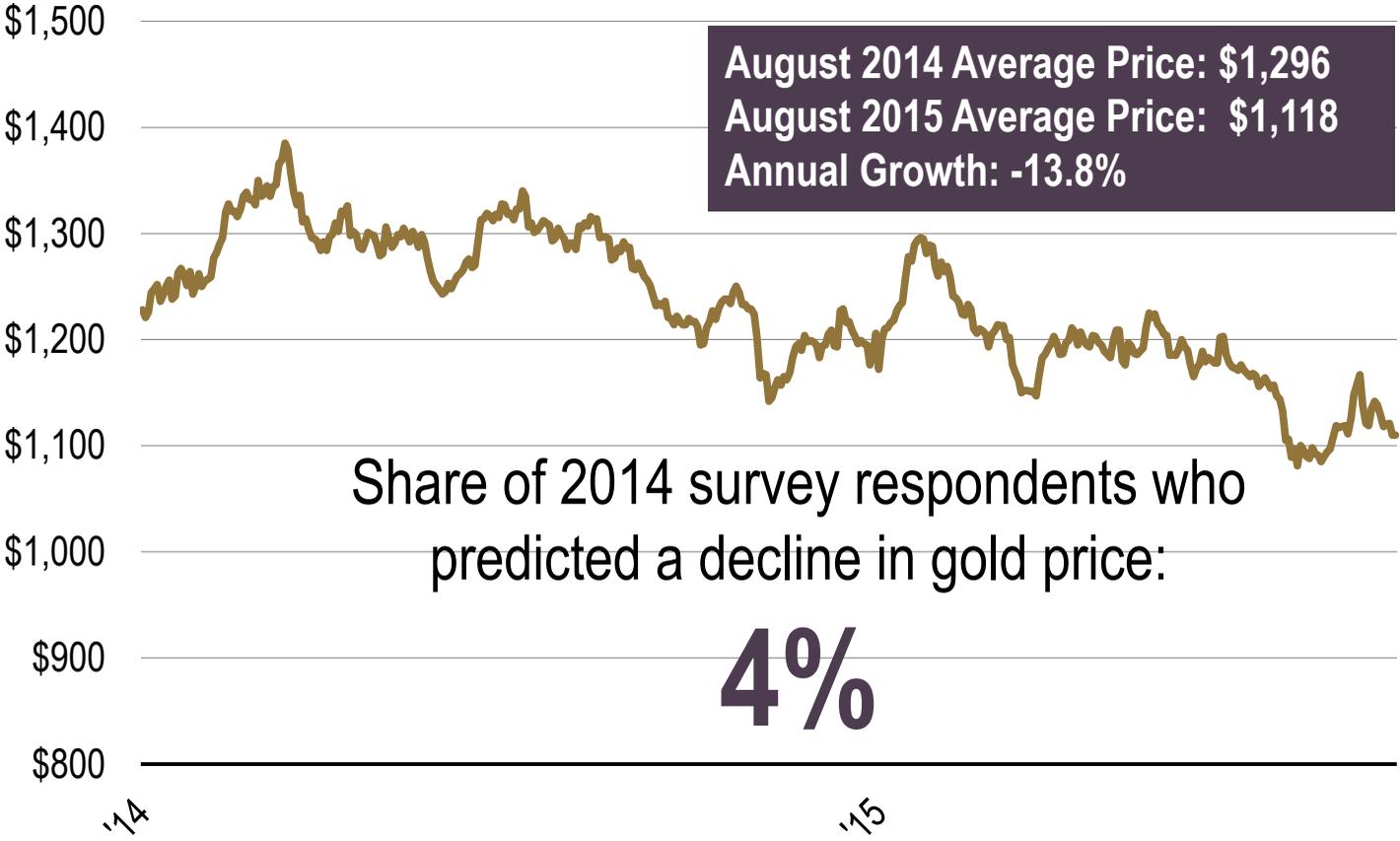
Will the price of gold go up, down, or stay the same in the next 12 months?



Source: NVMA Member Survey (2013, 2014, 2015)



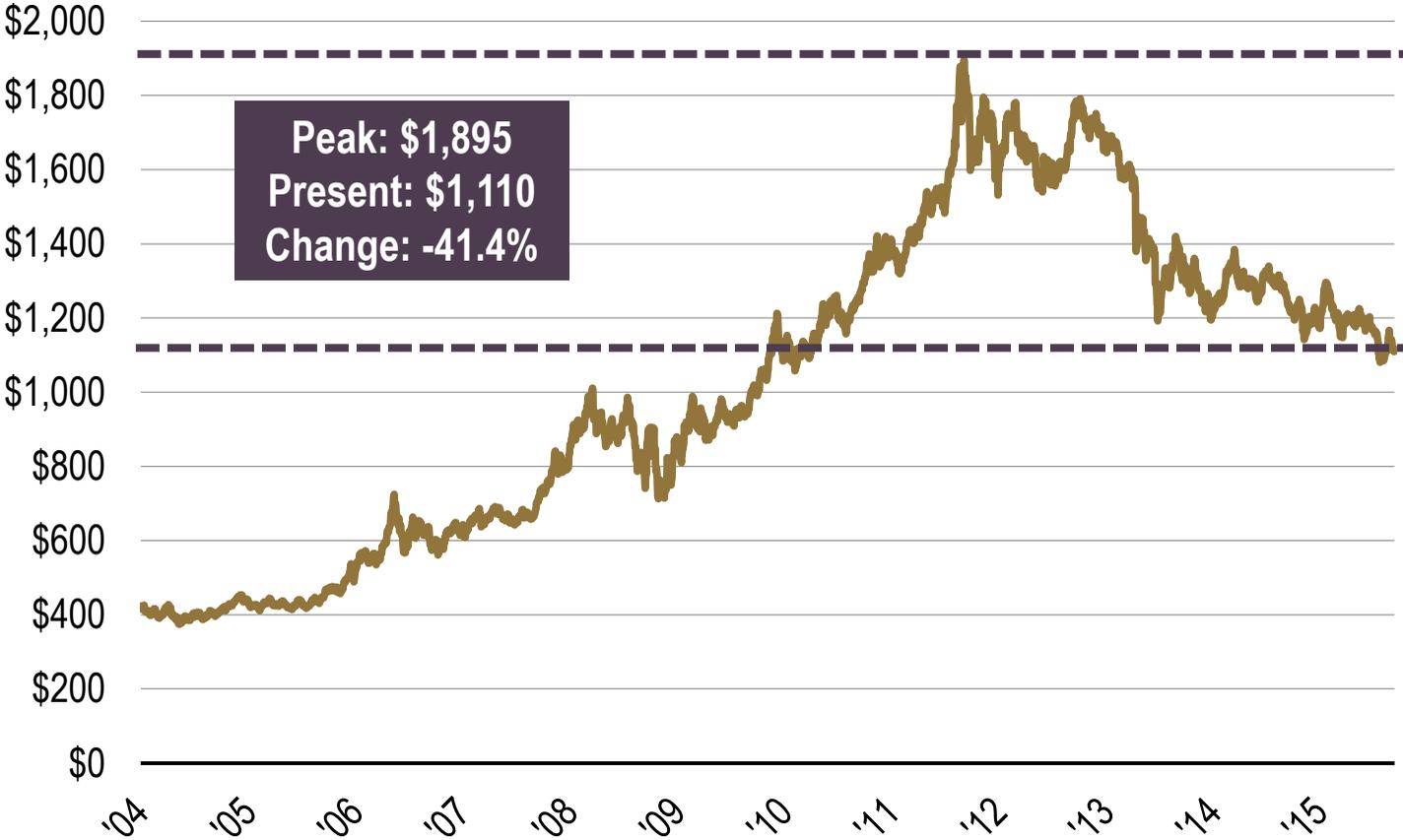
Daily Gold Price



Source: London Bullion Market Association and NVMA Member Survey (2015)



Daily Gold Price



Source: London Bullion Market Association and NVMA Member Survey (2015)

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Daily Gold Price



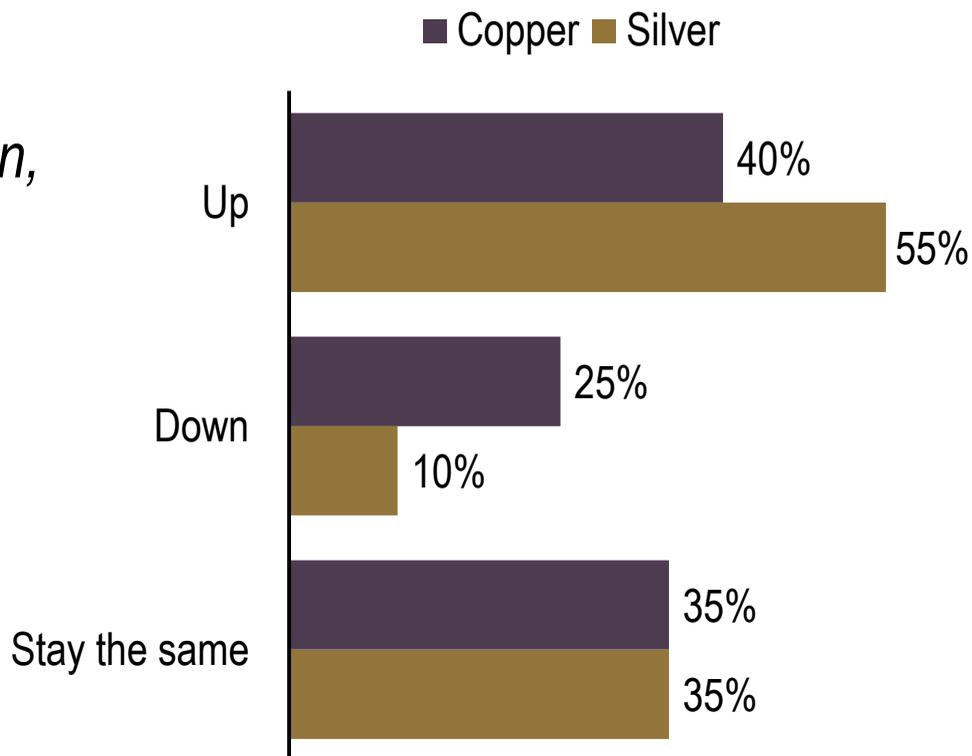
Source: London Bullion Market Association and NVMA Member Survey (2015)





NVMA Members' Silver and Copper Price Predictions

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



Source: NVMA Member Survey (2015)



Daily Silver Price



Source: London Bullion Market Association and NVMA Member Survey (2015)

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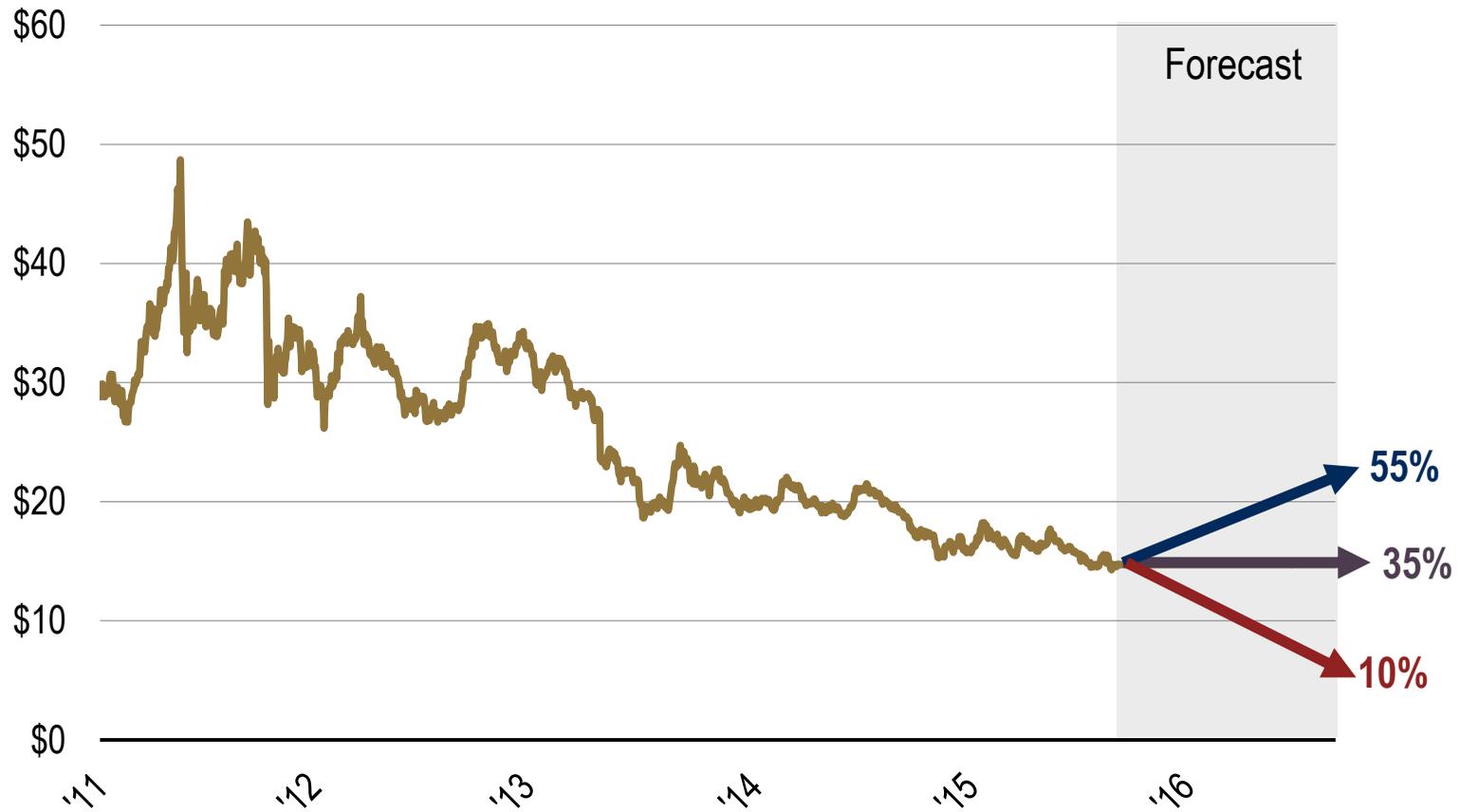
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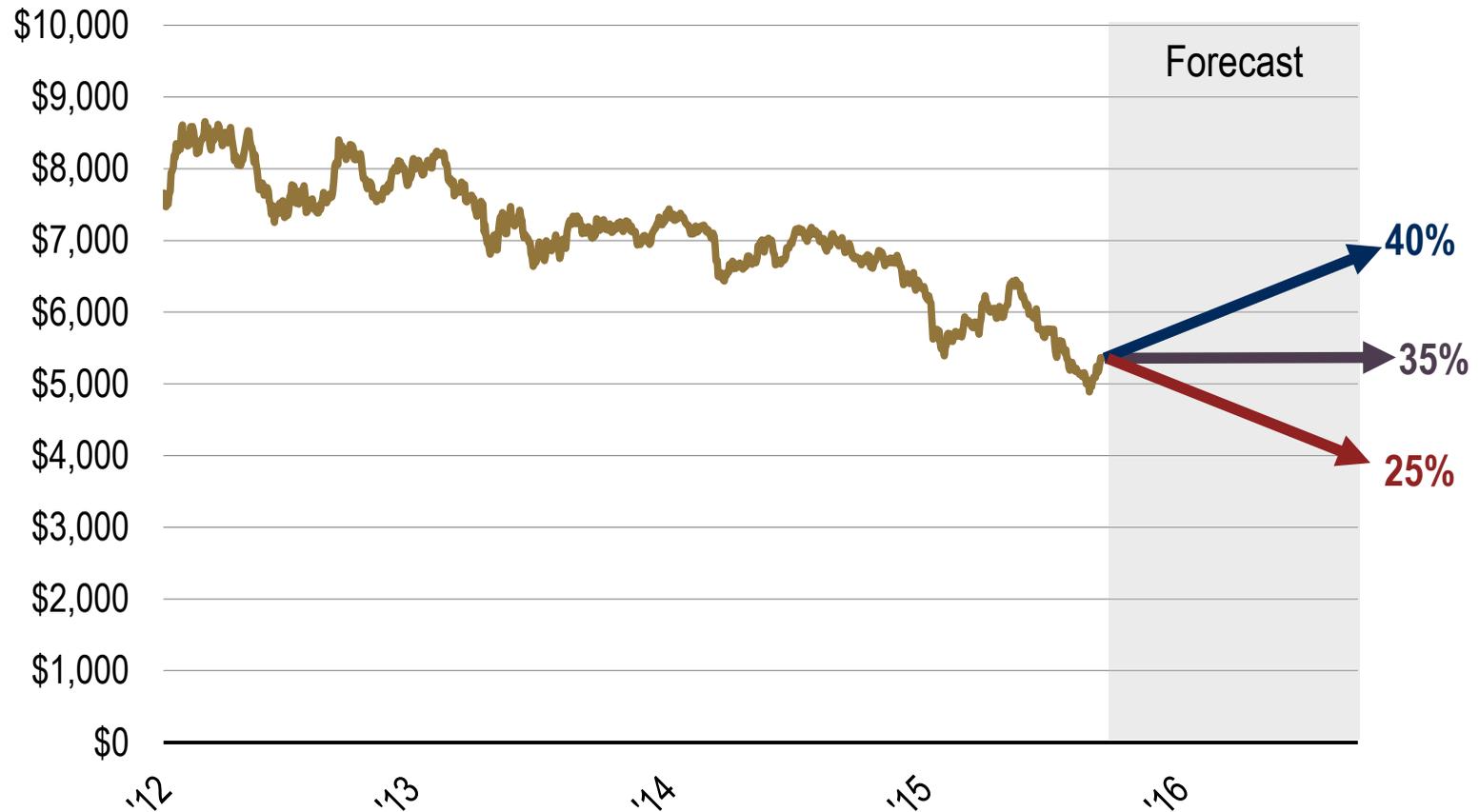
Daily Silver Price



Source: London Bullion Market Association and NVMA Member Survey (2015)



Daily Copper Price



Source: London Metal Exchange and NVMA Member Survey (2015)

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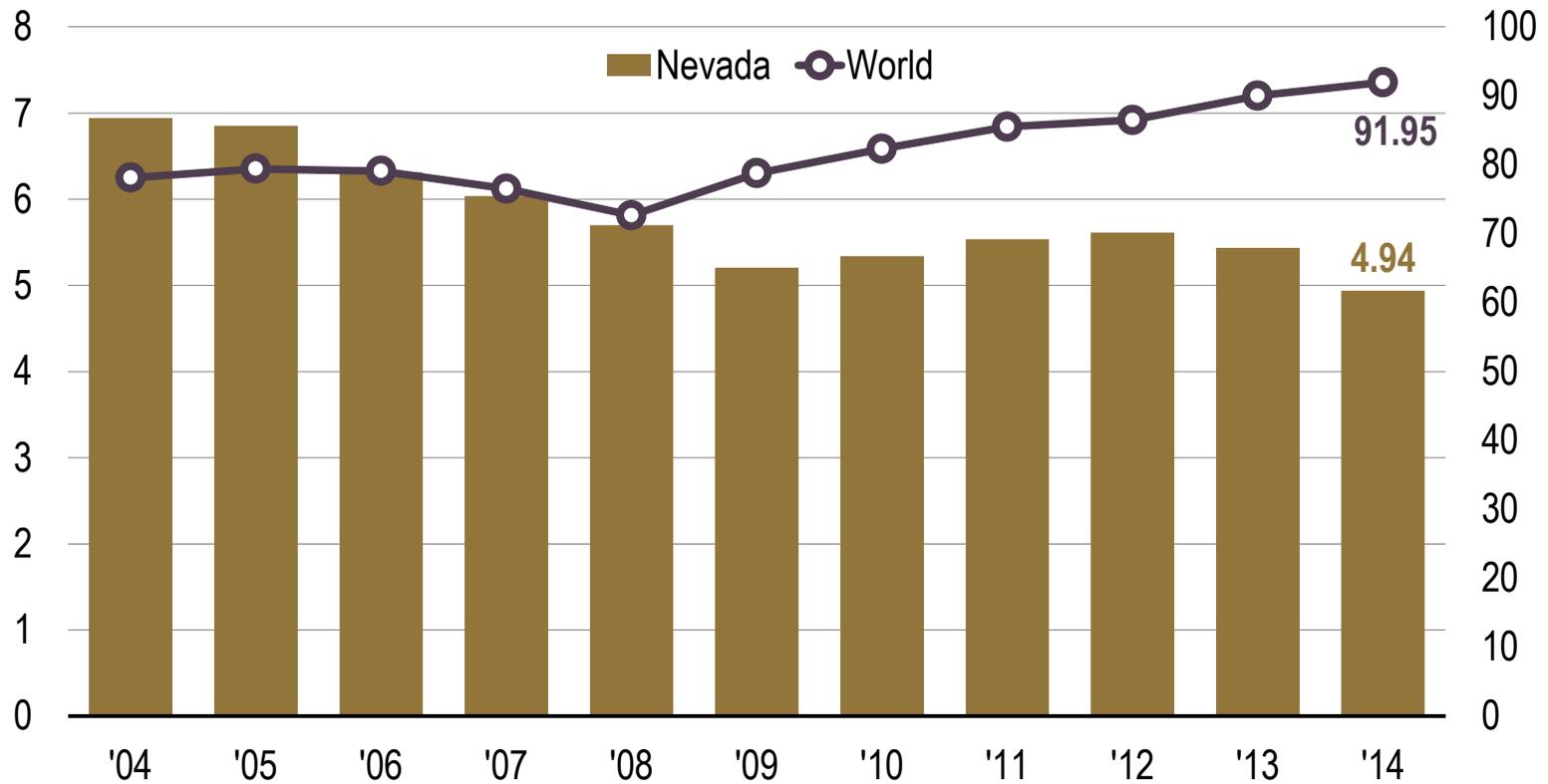
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Gold Production

(in Millions of Troy Ounces)

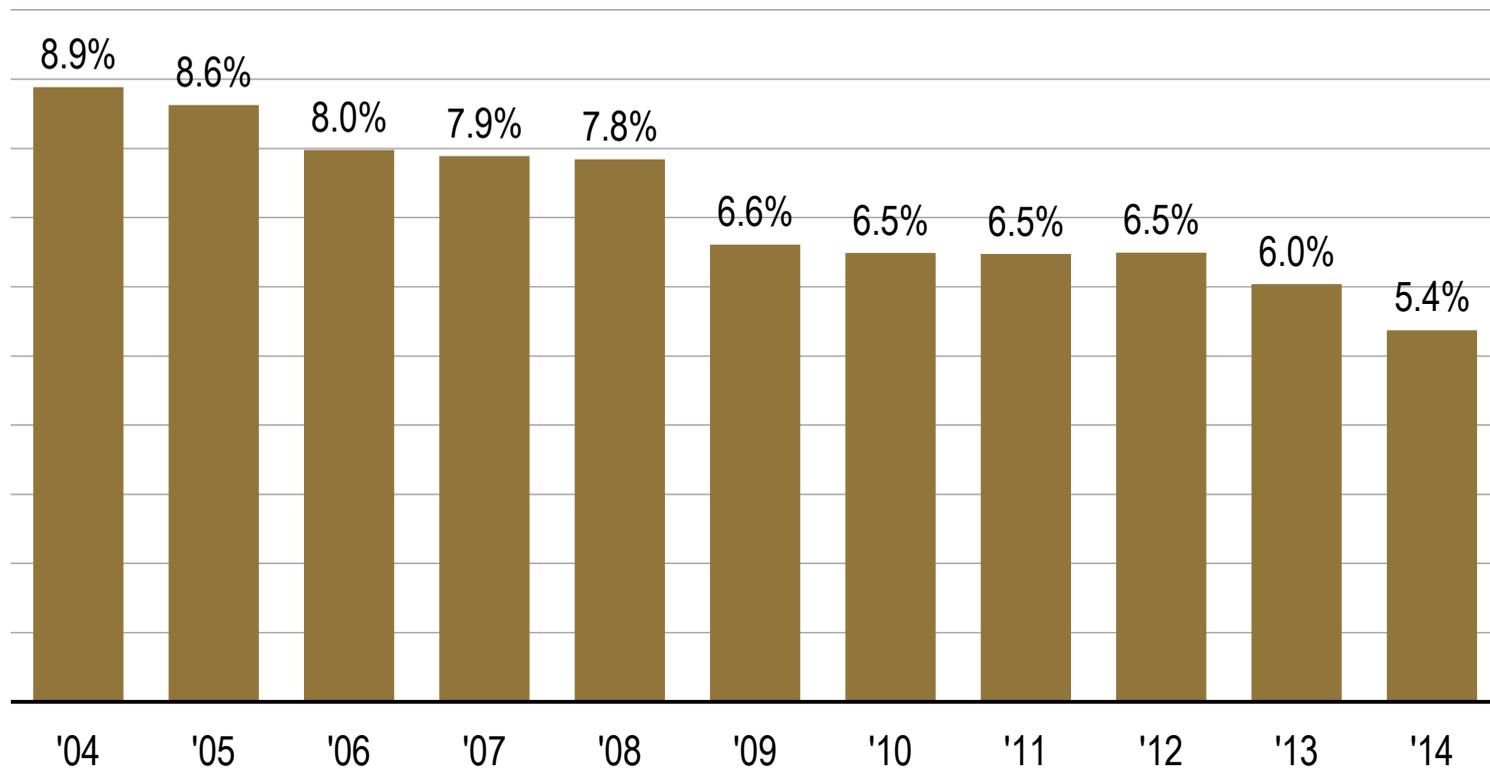


Source: Nevada Division of Minerals and U.S. Geological Survey



Gold Production

Nevada as a Percent of World Total



Source: Nevada Division of Minerals and U.S. Geological Survey

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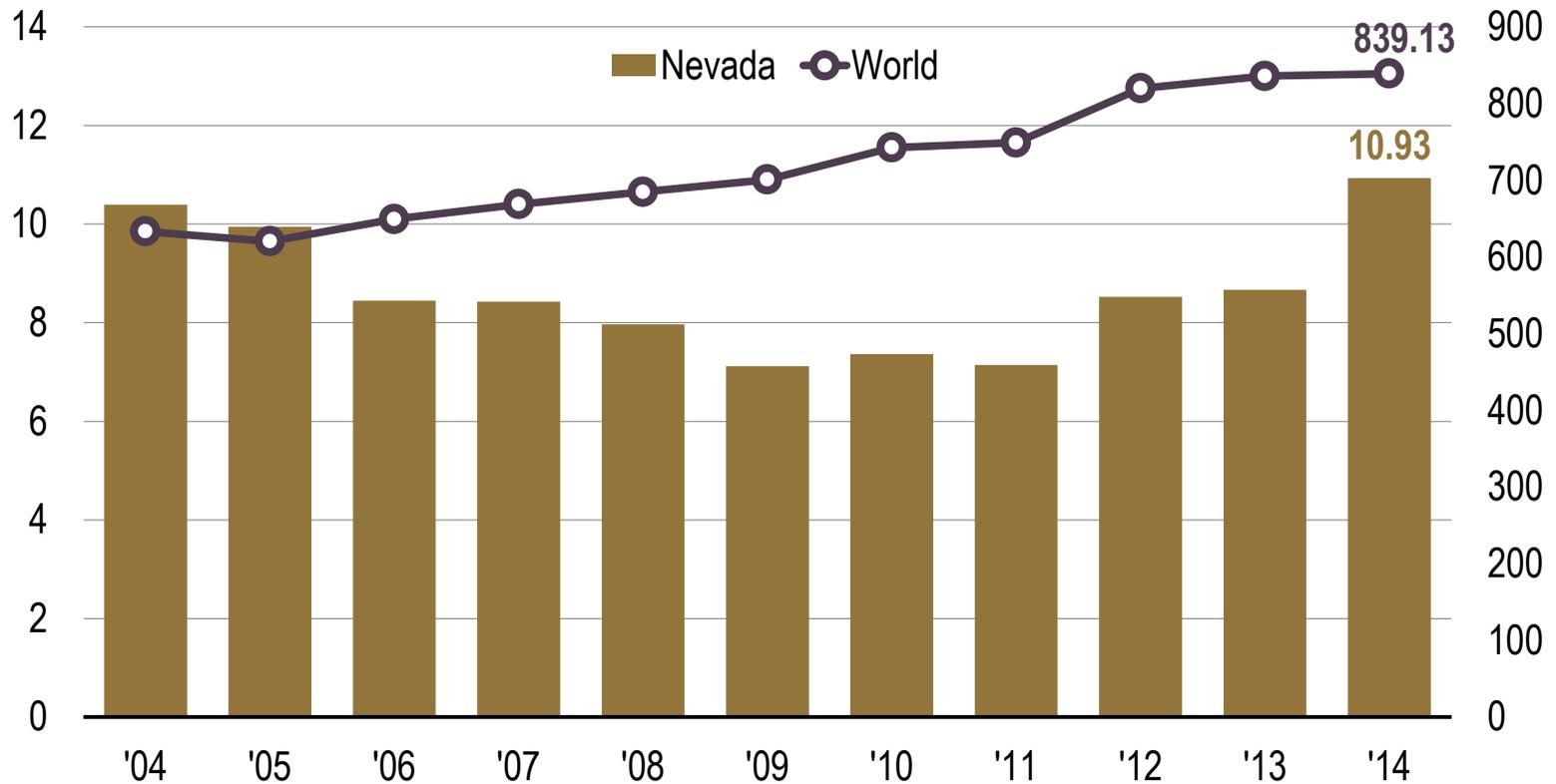
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Silver Production

(in Millions of Troy Ounces)

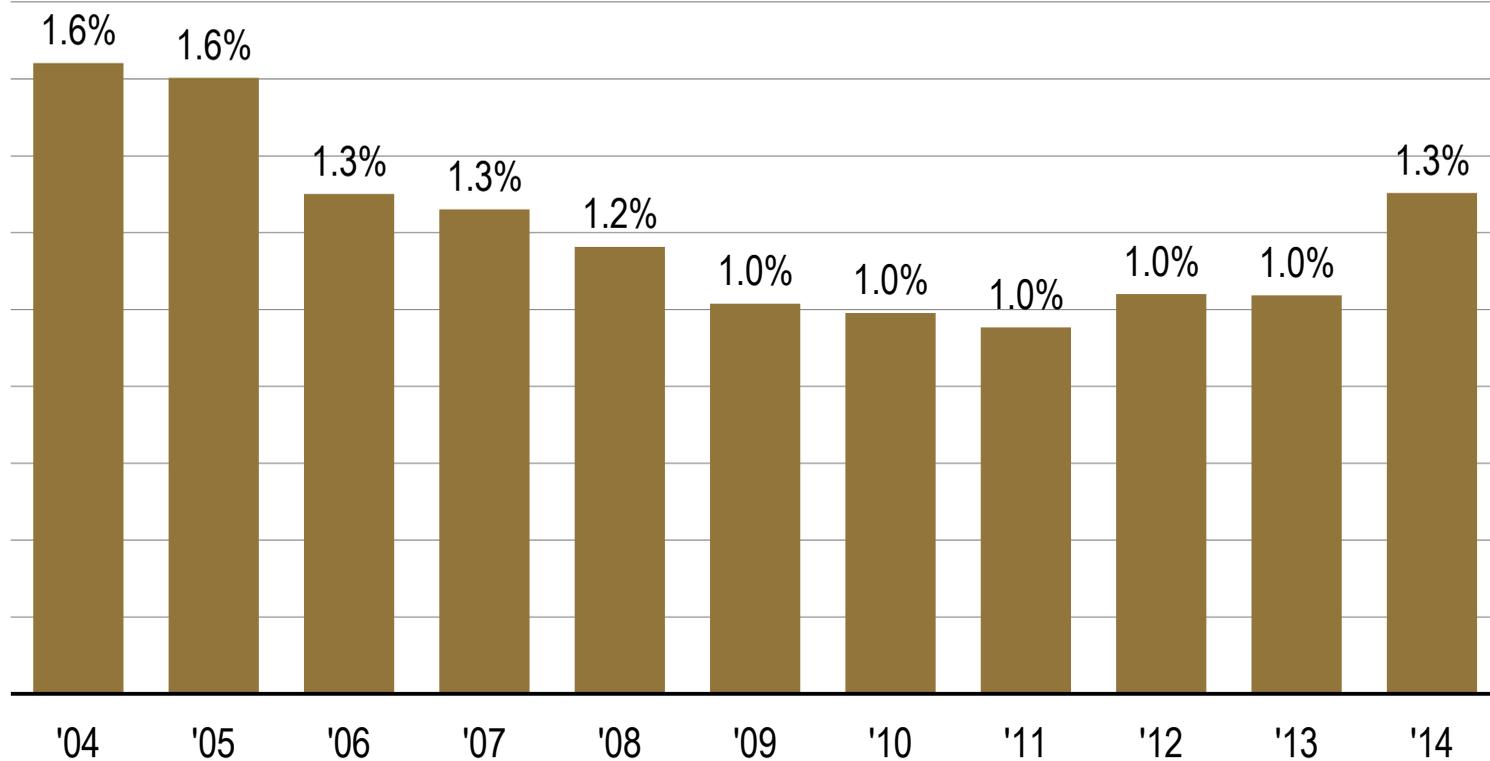


Source: Nevada Division of Minerals and U.S. Geological Survey



Silver Production

Nevada as a Percent of World Total



Source: Nevada Division of Minerals and U.S. Geological Survey

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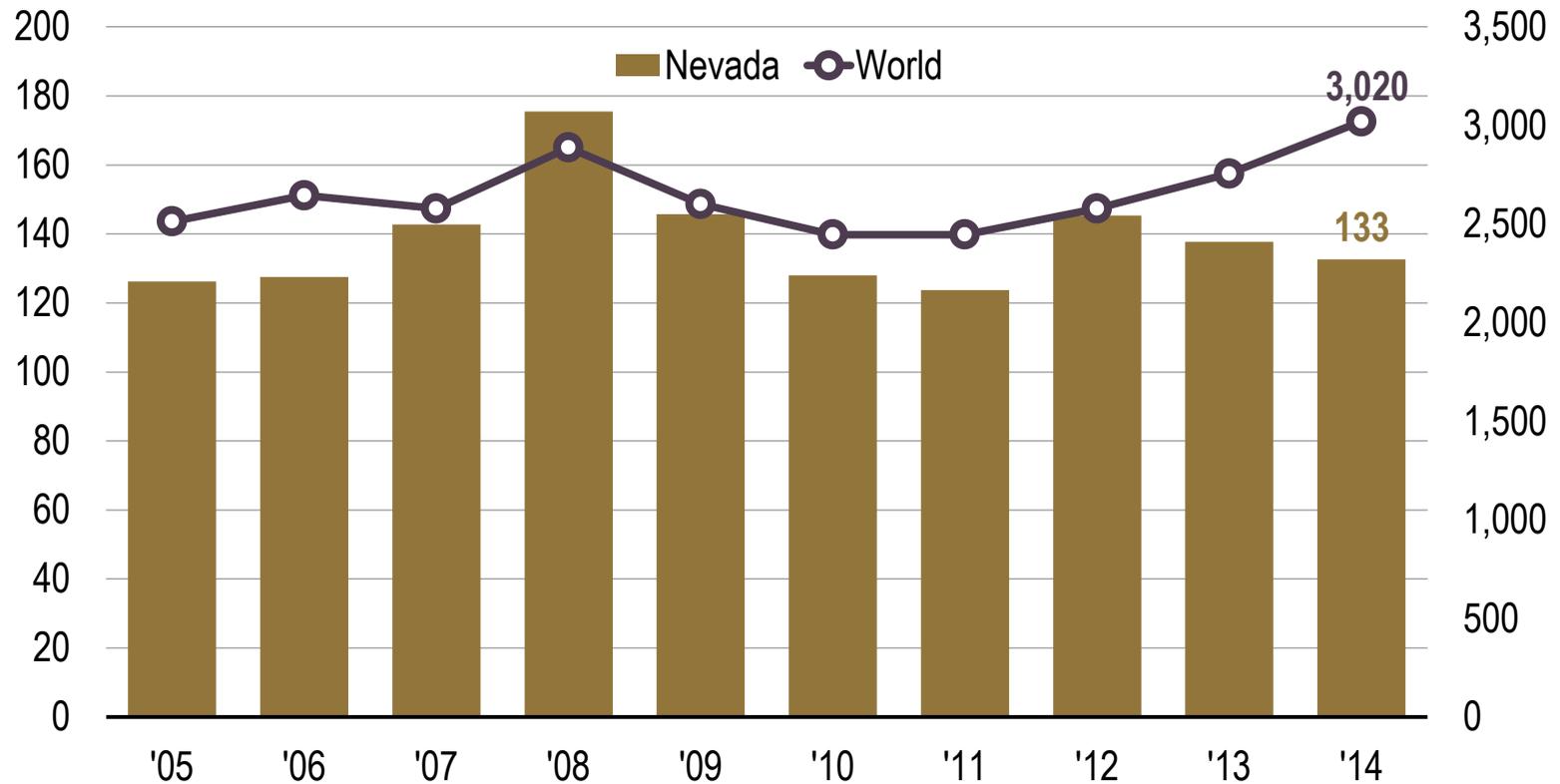
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Copper Production

(in Millions of Pounds)

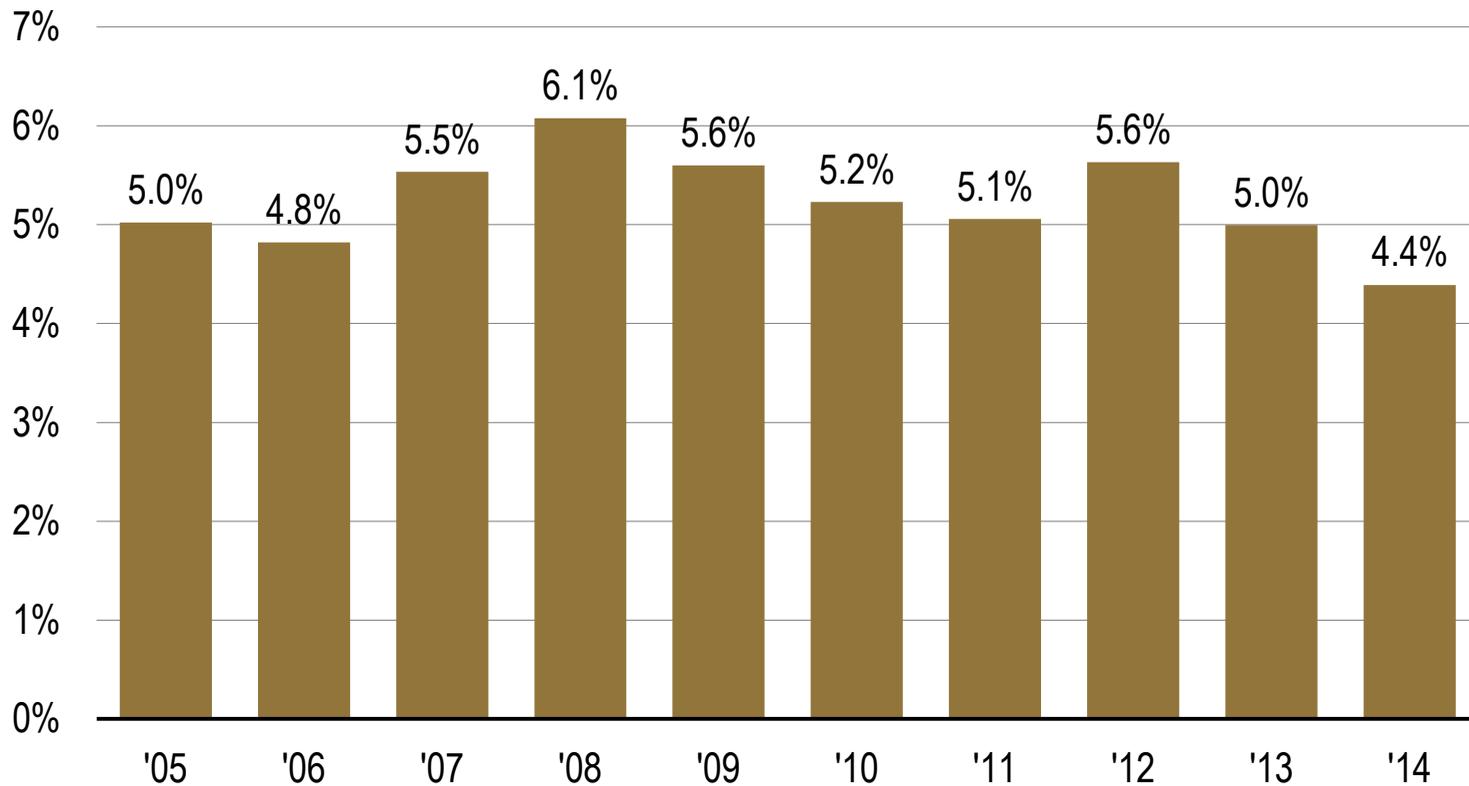


Source: Nevada Division of Minerals and U.S. Geological Survey



Copper Production

Nevada as a Percent of World Total



Source: Nevada Division of Minerals and U.S. Geological Survey

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NEVADA ECONOMY HIGHLIGHTS



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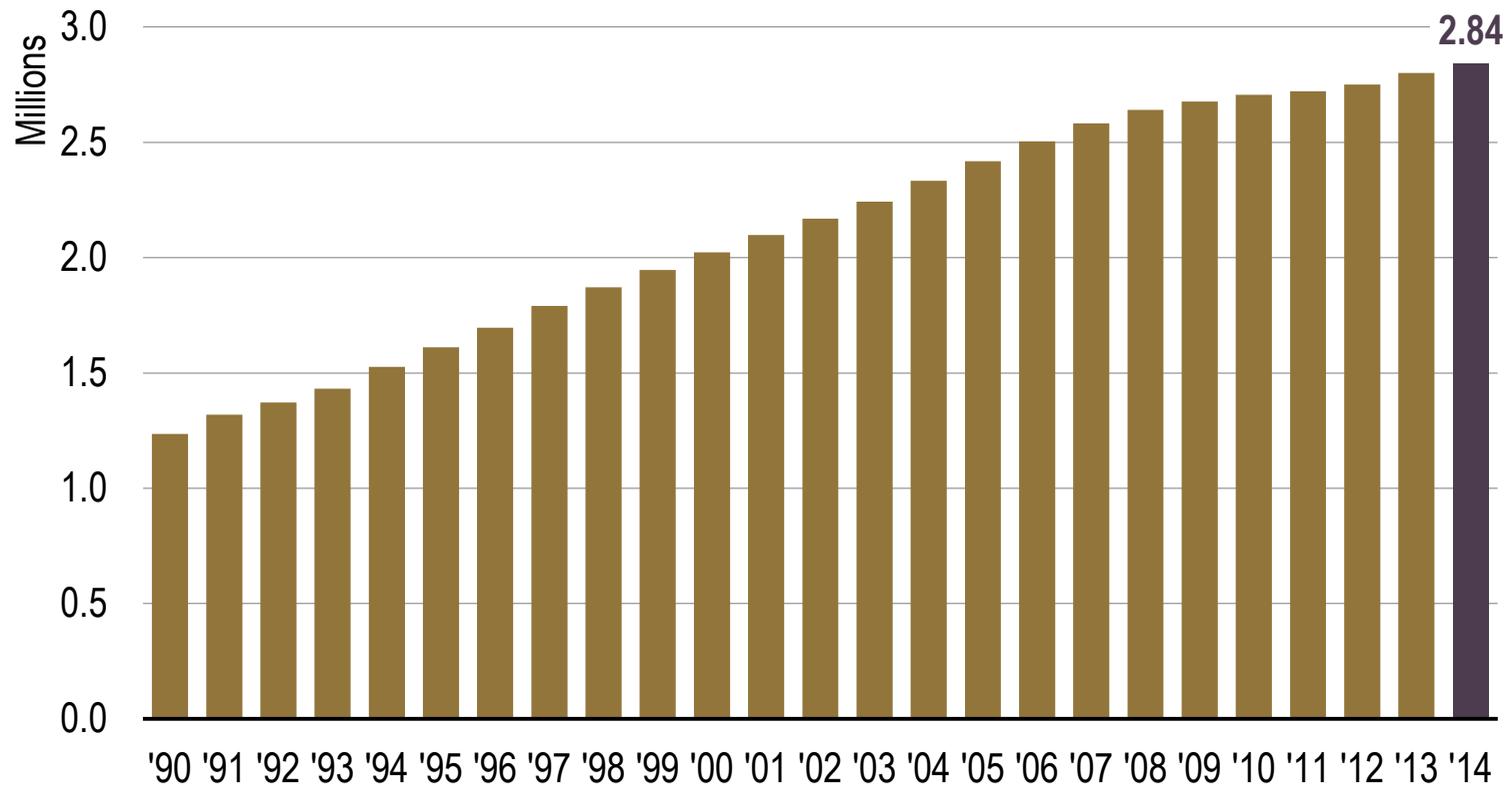
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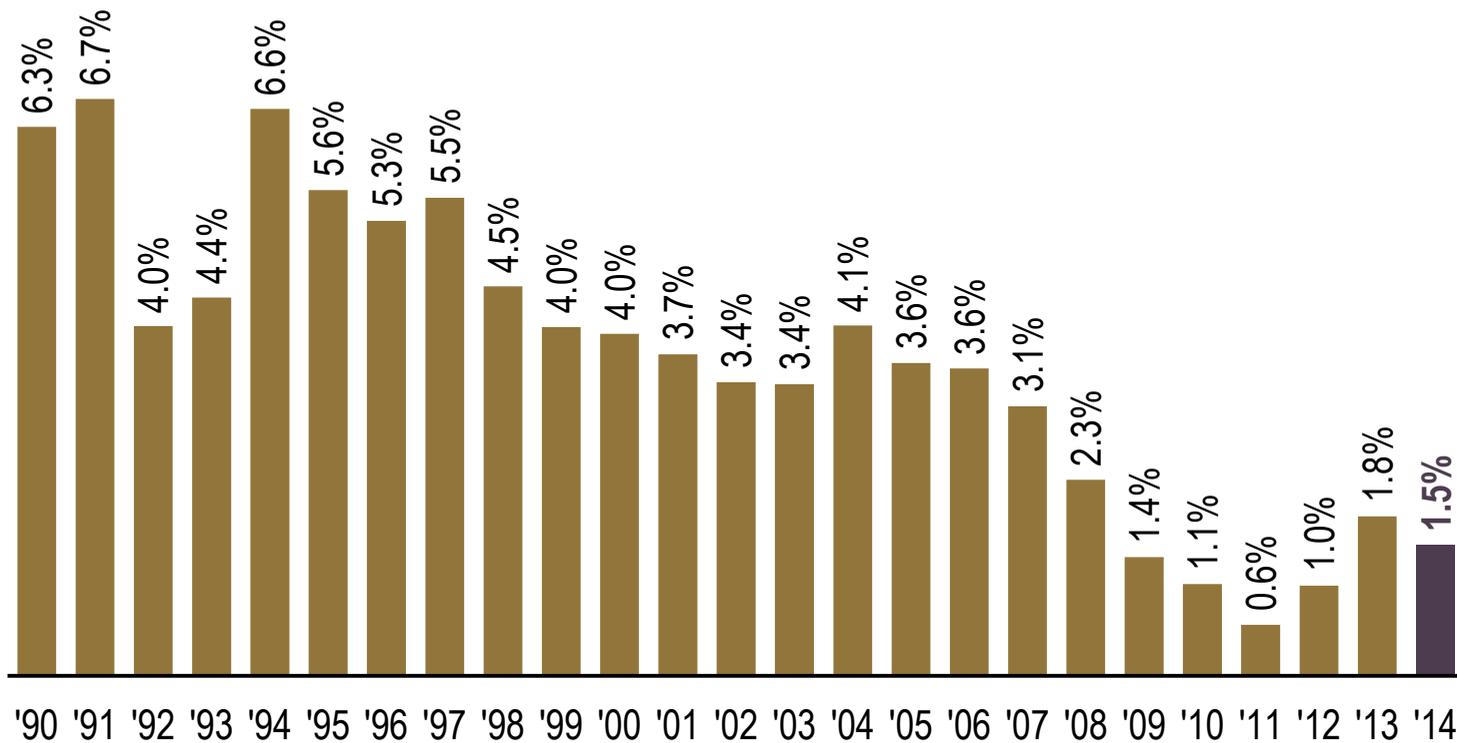
Nevada Population



Source: Nevada State Demographer



Nevada Population Annual Growth



Source: Nevada State Demographer

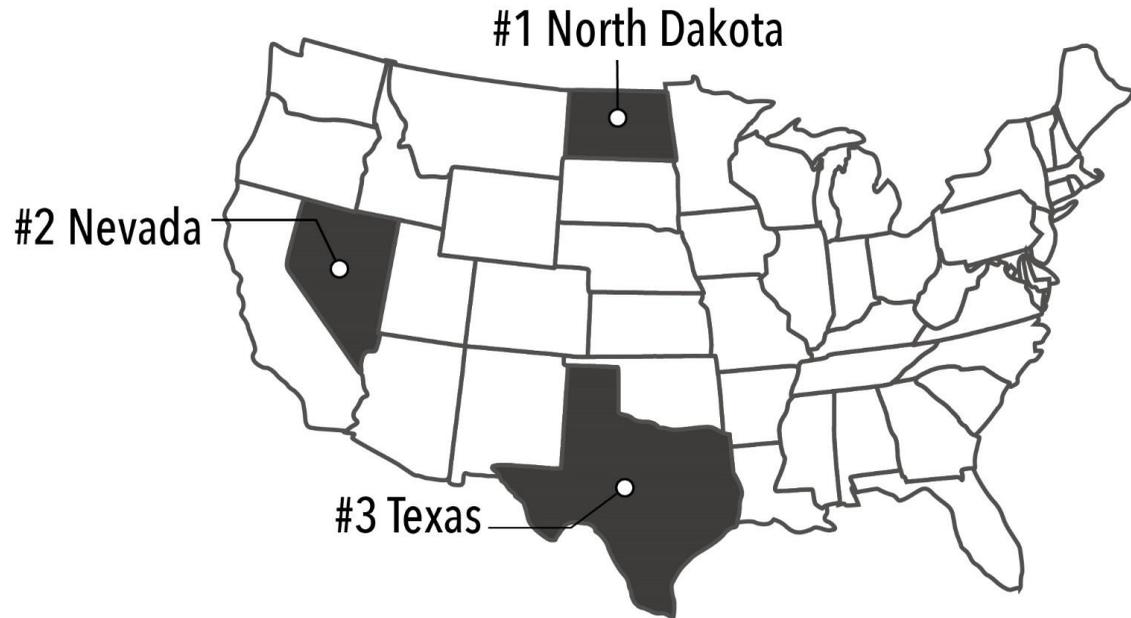


NEVADA POPULATION 2,843,301

Population Growth

#2

in the nation



Source: United States Census Bureau; Nevada State Demographer

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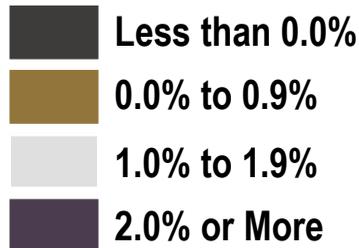
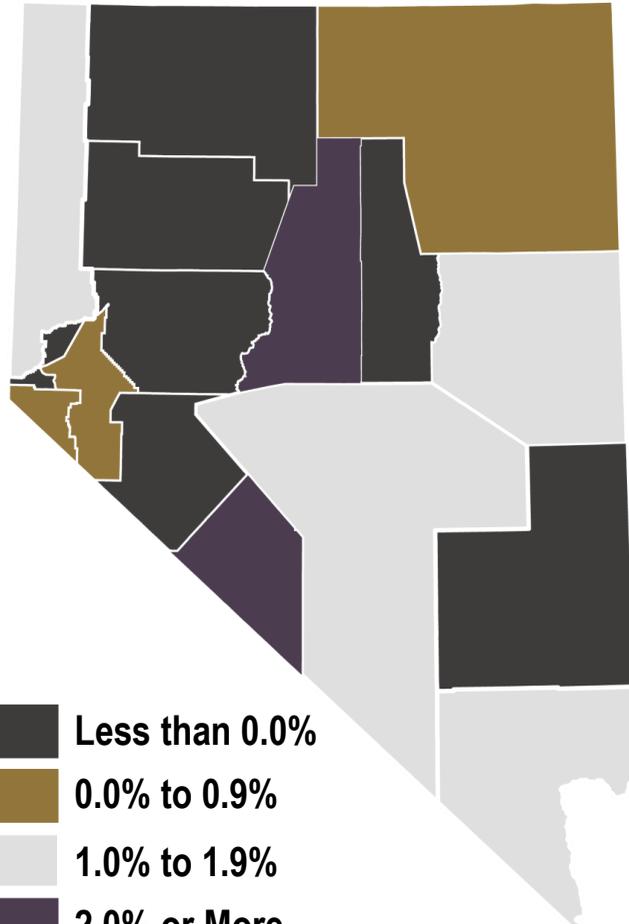
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Nevada Population Growth by County



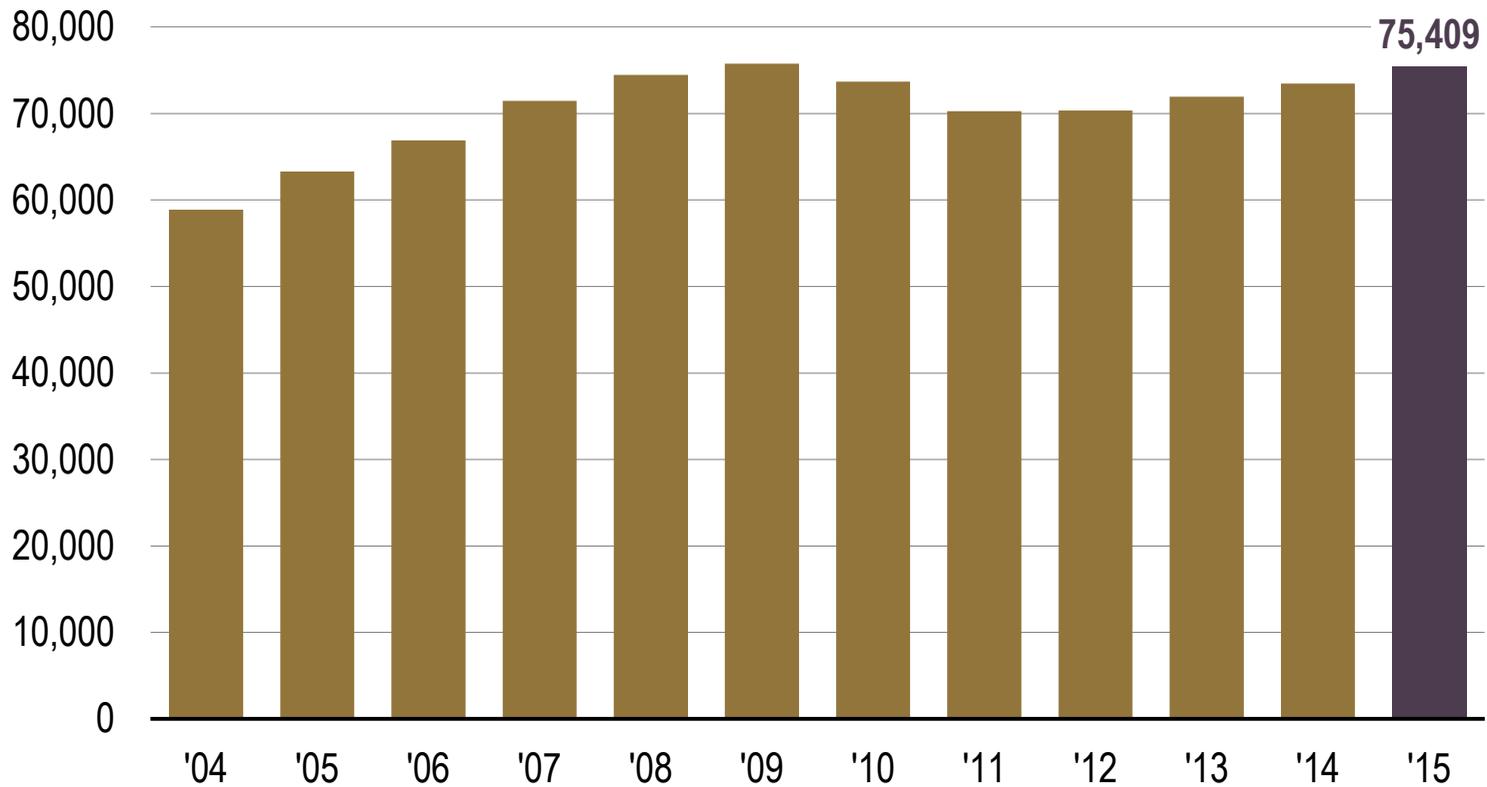
Annual Population Growth: 2.0% or More	2013-2014 Growth
ESMERALDA	+7.9%
LANDER	+3.4%

Annual Population Growth: Less than 0.0%	2013-2014 Growth
EUREKA	-6.0%
PERSHING	-2.4%
MINERAL	-1.7%
CARSON CITY	-1.3%
STOREY	-1.1%
CHURCHILL	-0.9%
HUMBOLDT	-0.4%
LINCOLN	-0.3%

Source: Nevada State Demographer 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

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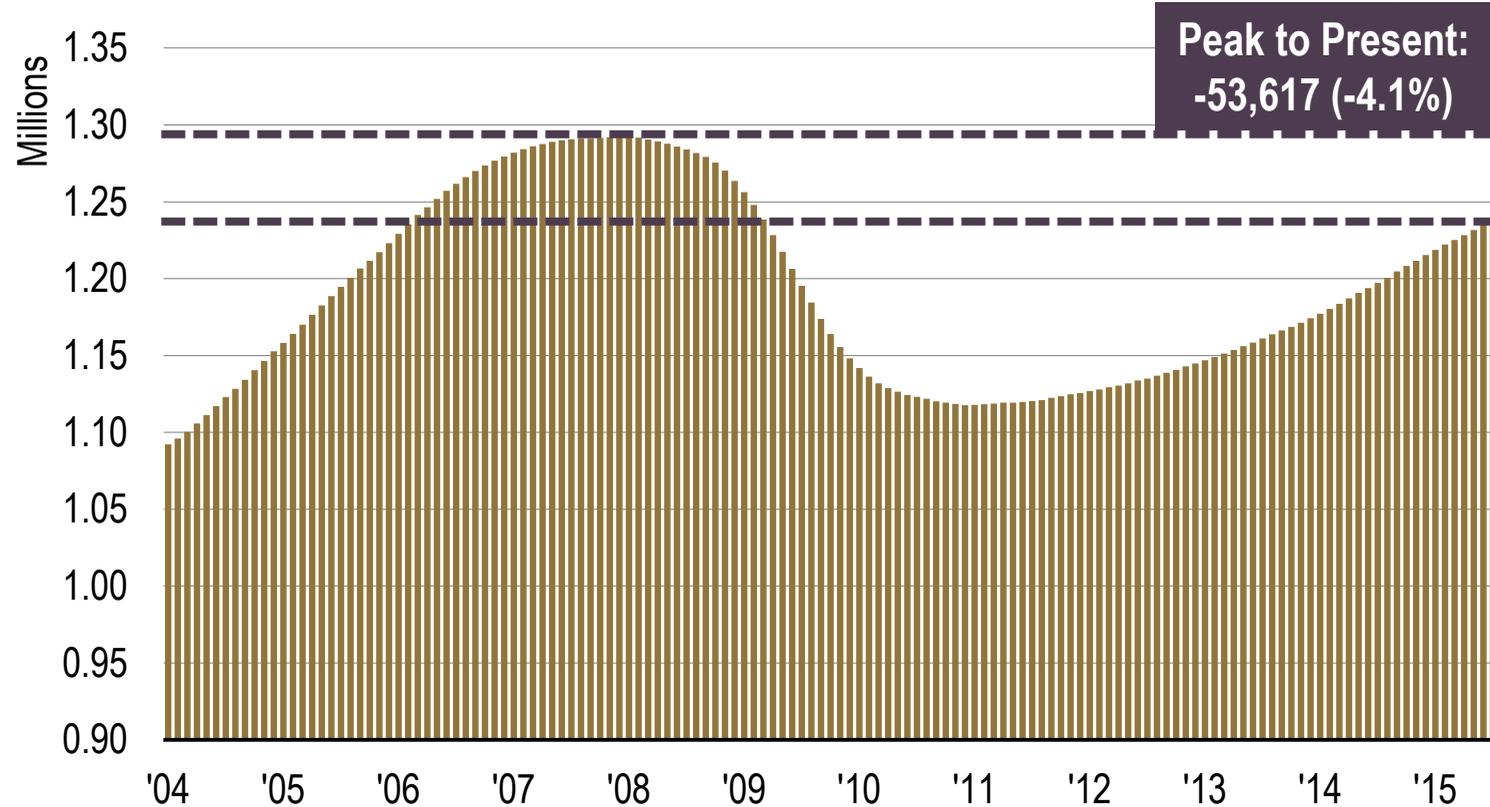
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Nevada Employment

Trailing 12-Month Averages



Source: United States Bureau of Labor Statistics

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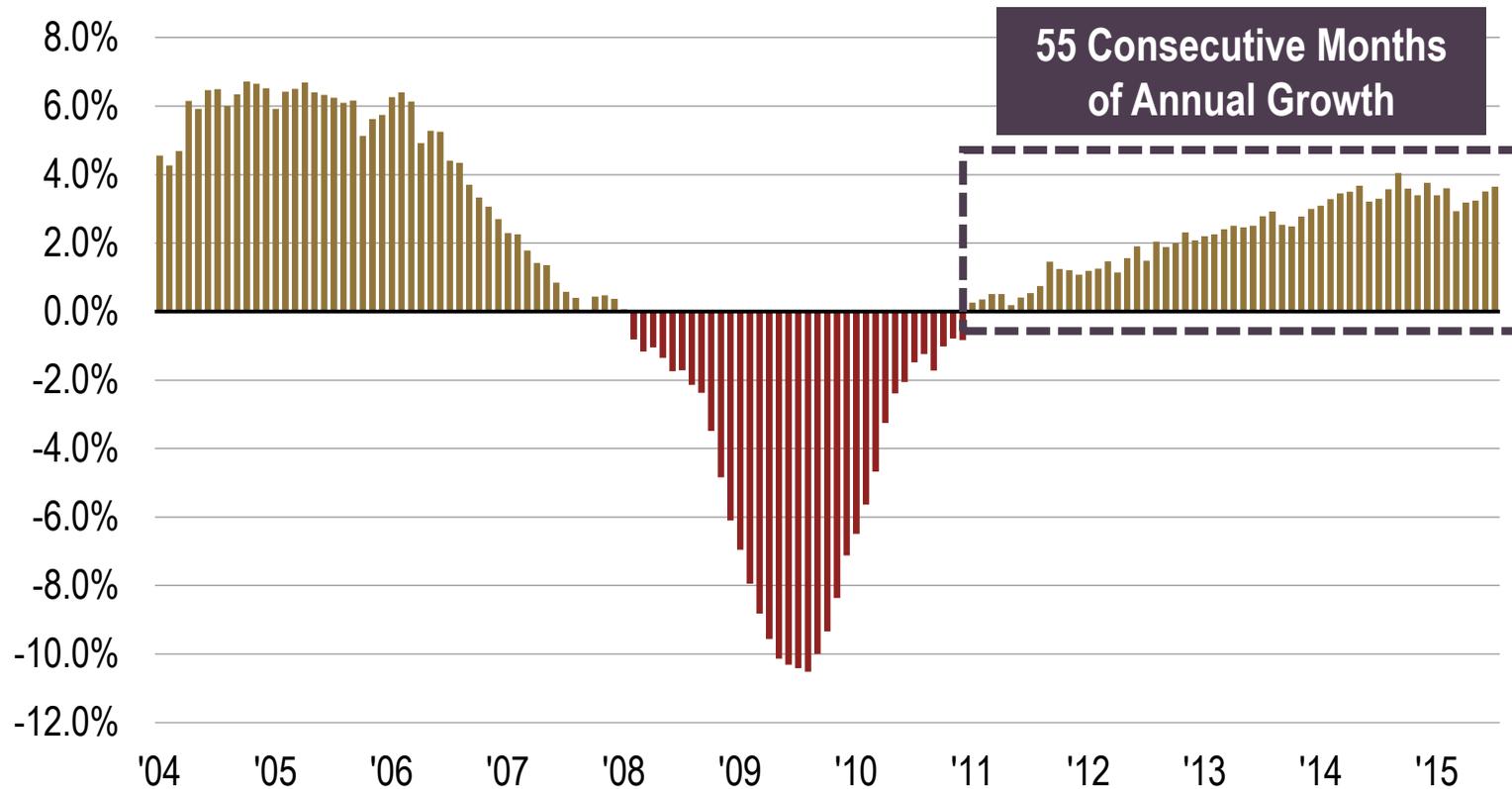
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Nevada Employment Annual Growth



Source: United States Bureau of Labor Statistics

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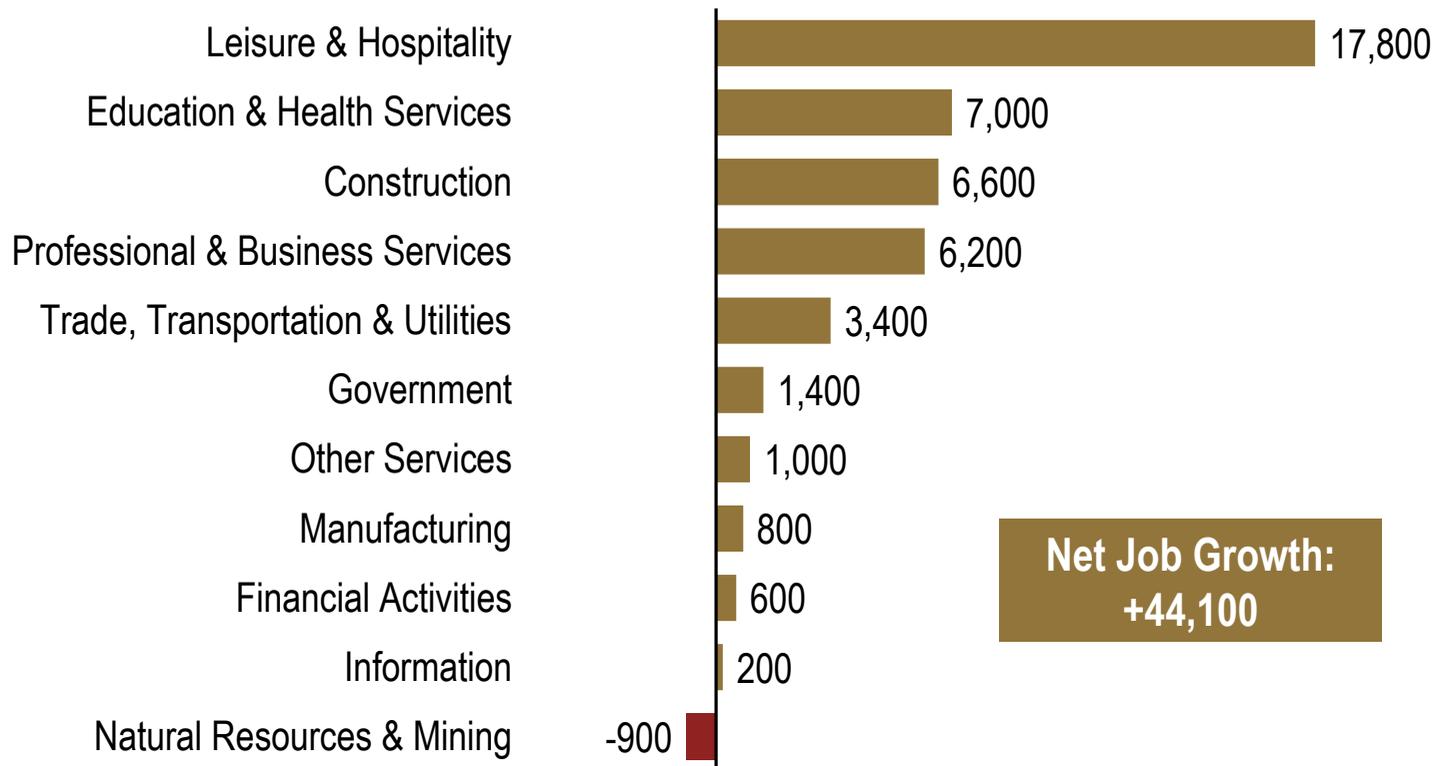
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Nevada Employment Growth by Sector

Past 12 Months

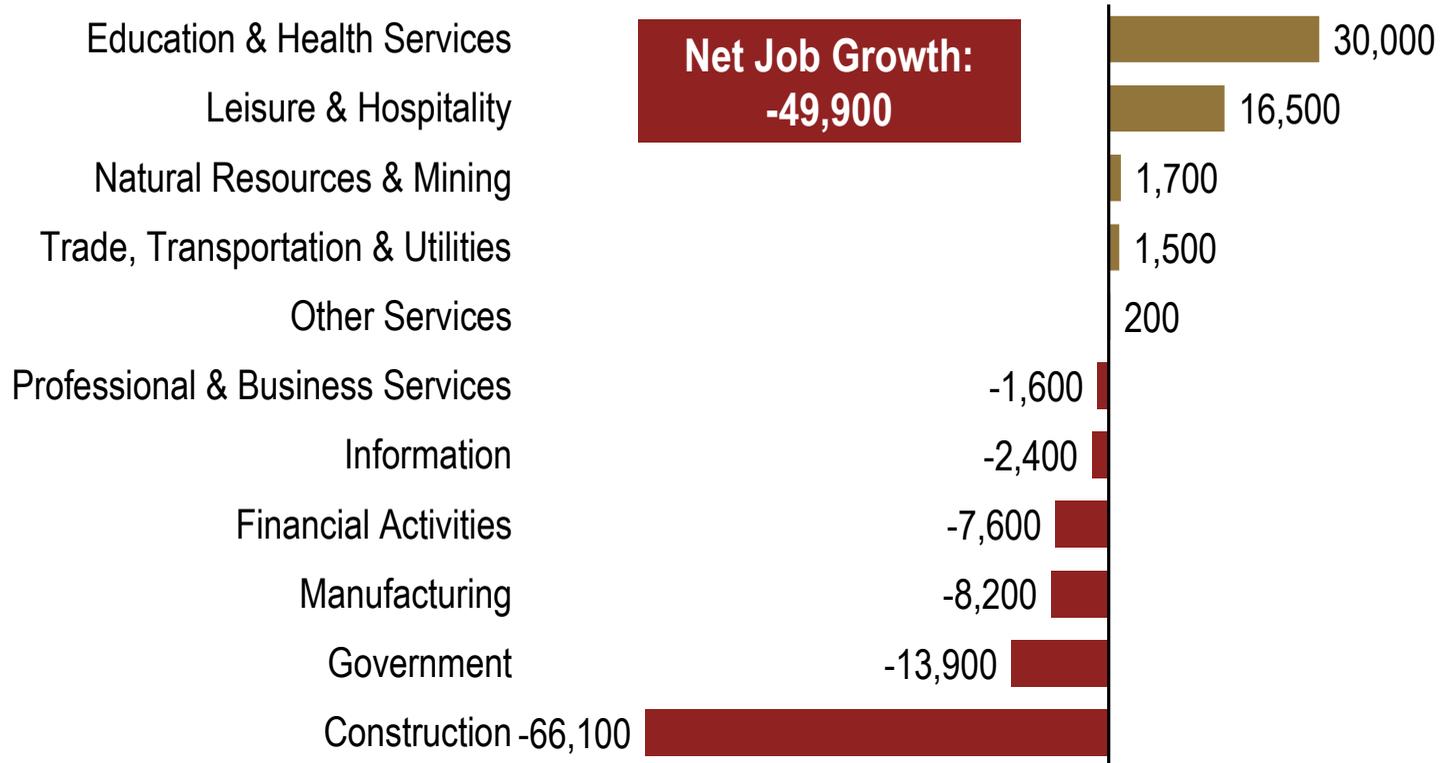


Source: United States Bureau of Labor Statistics, July 2015 vs. July 2014



Nevada Employment Growth by Sector

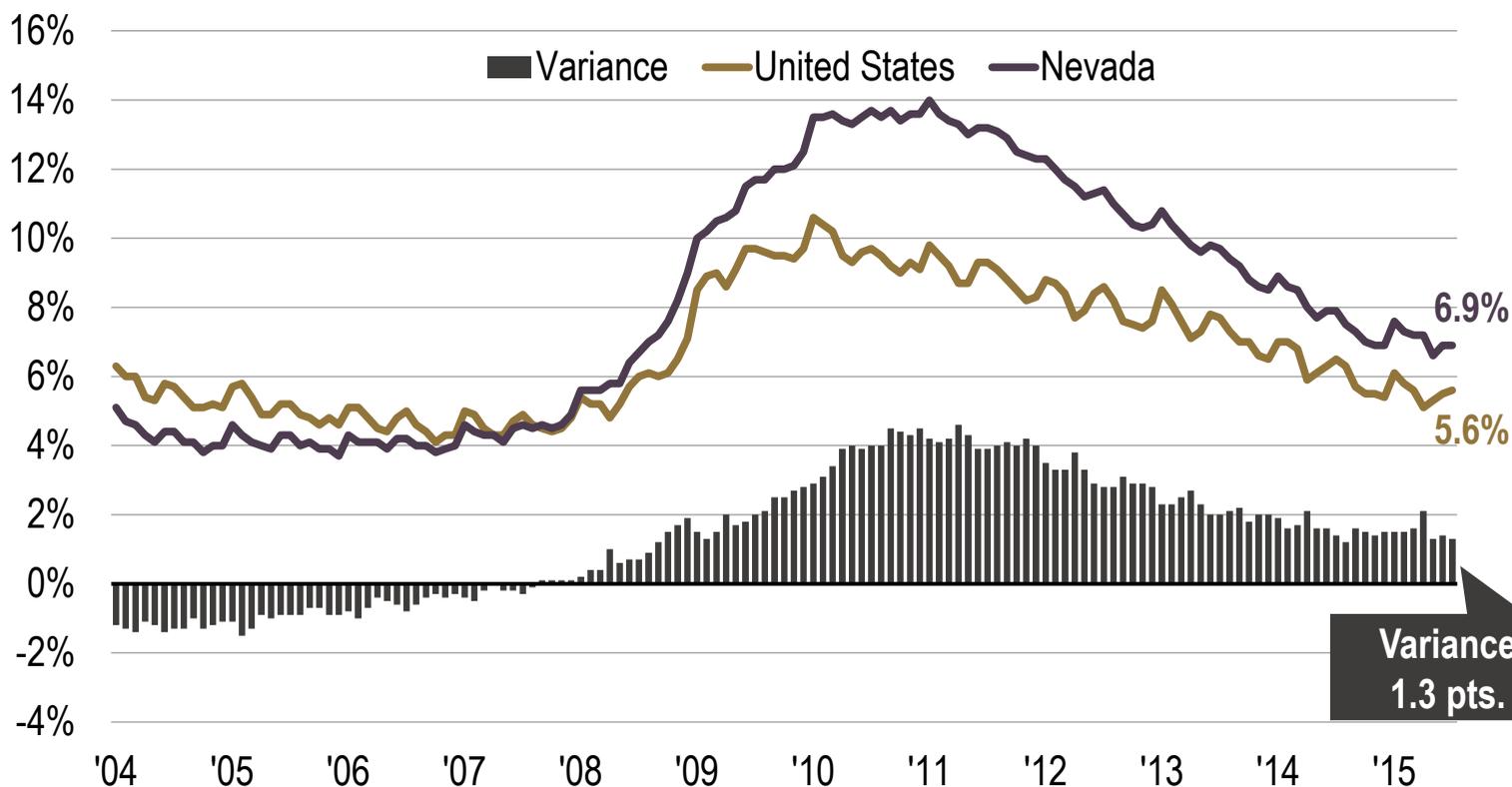
May 2007 to Present



Source: United States Bureau of Labor Statistics, July 2015 vs. May 2007



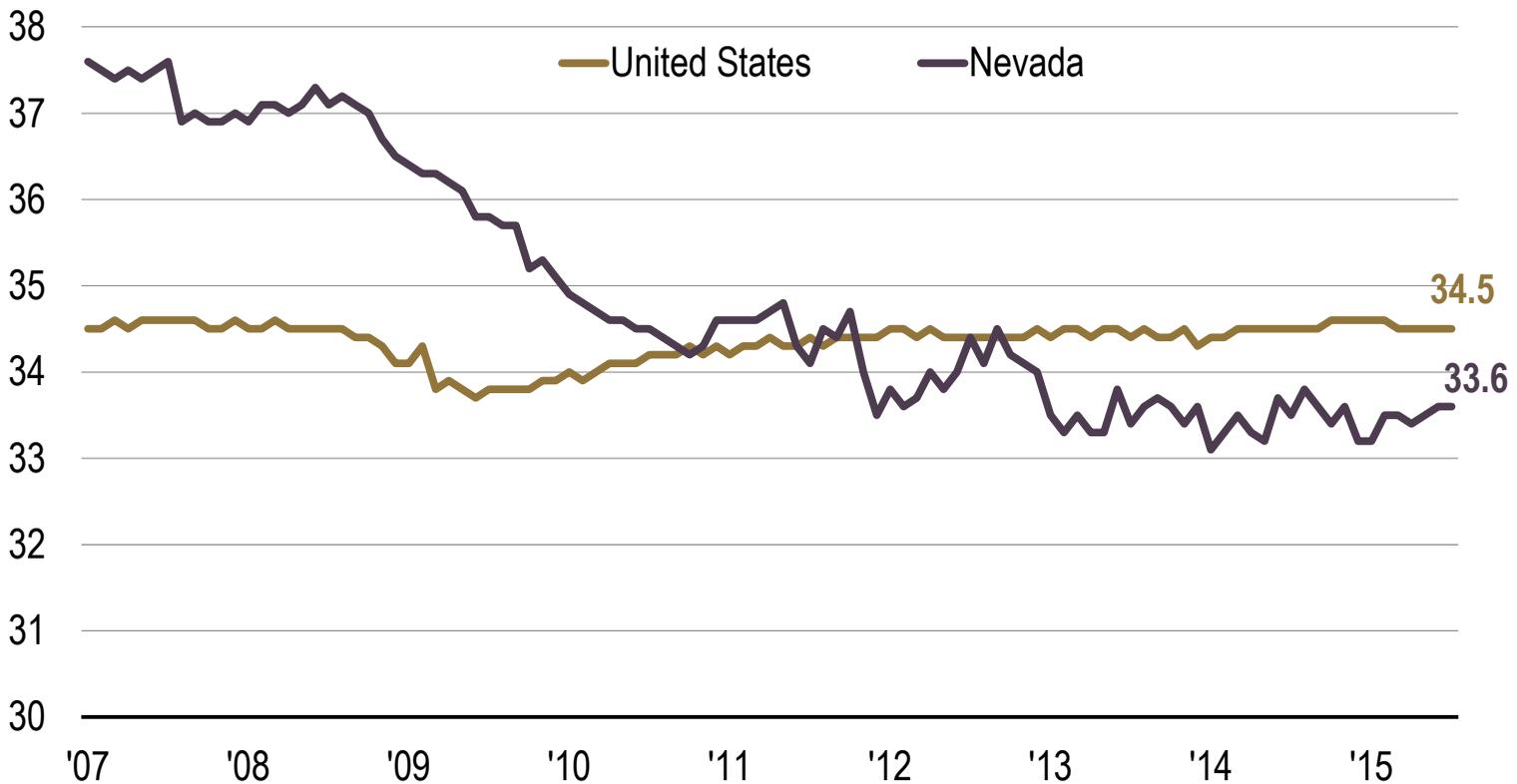
Unemployment Rate Comparison



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



Average Weekly Hours per Employee



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

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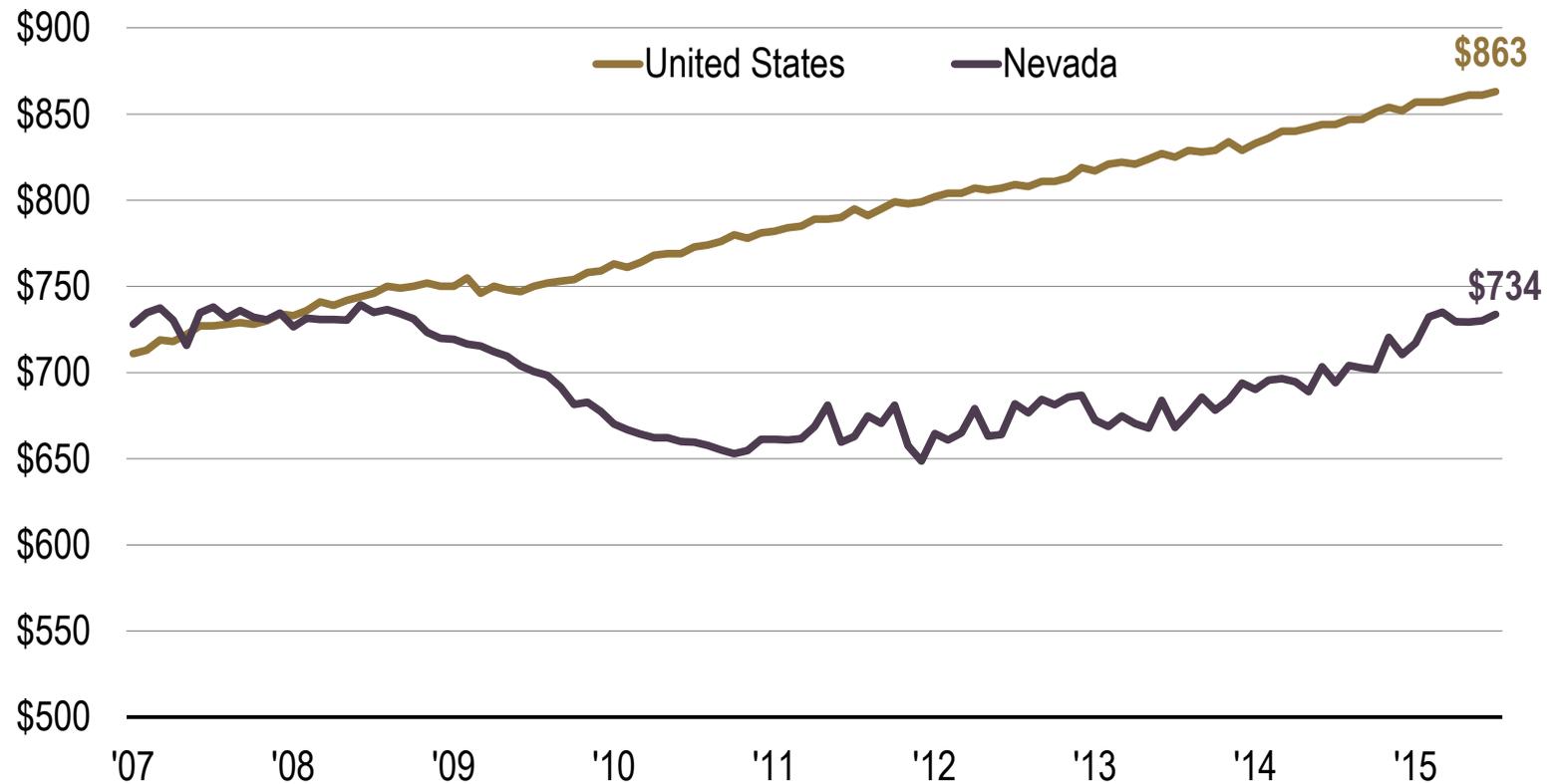
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Average Weekly Wages per Employee



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

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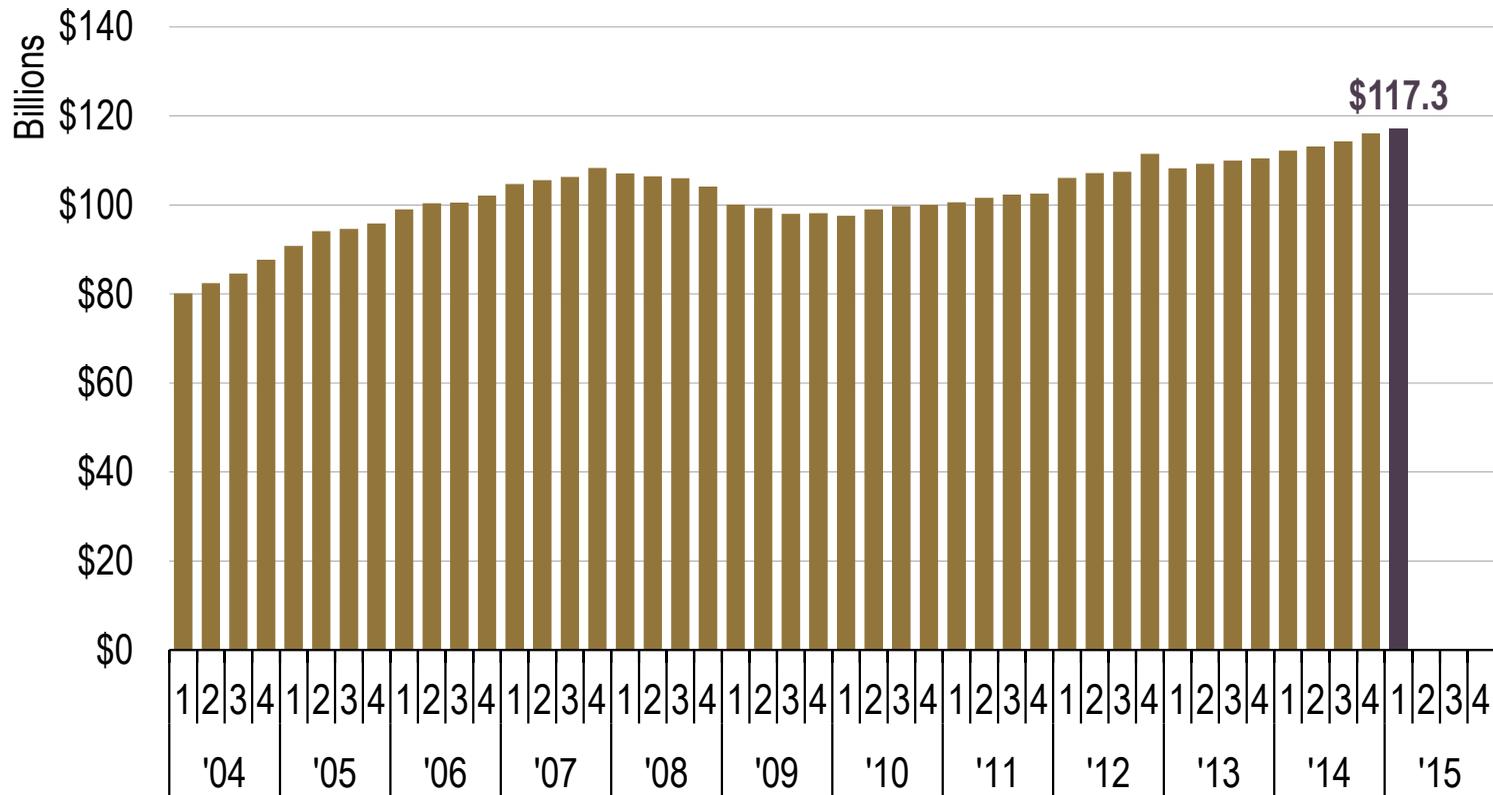
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Nevada Personal Income

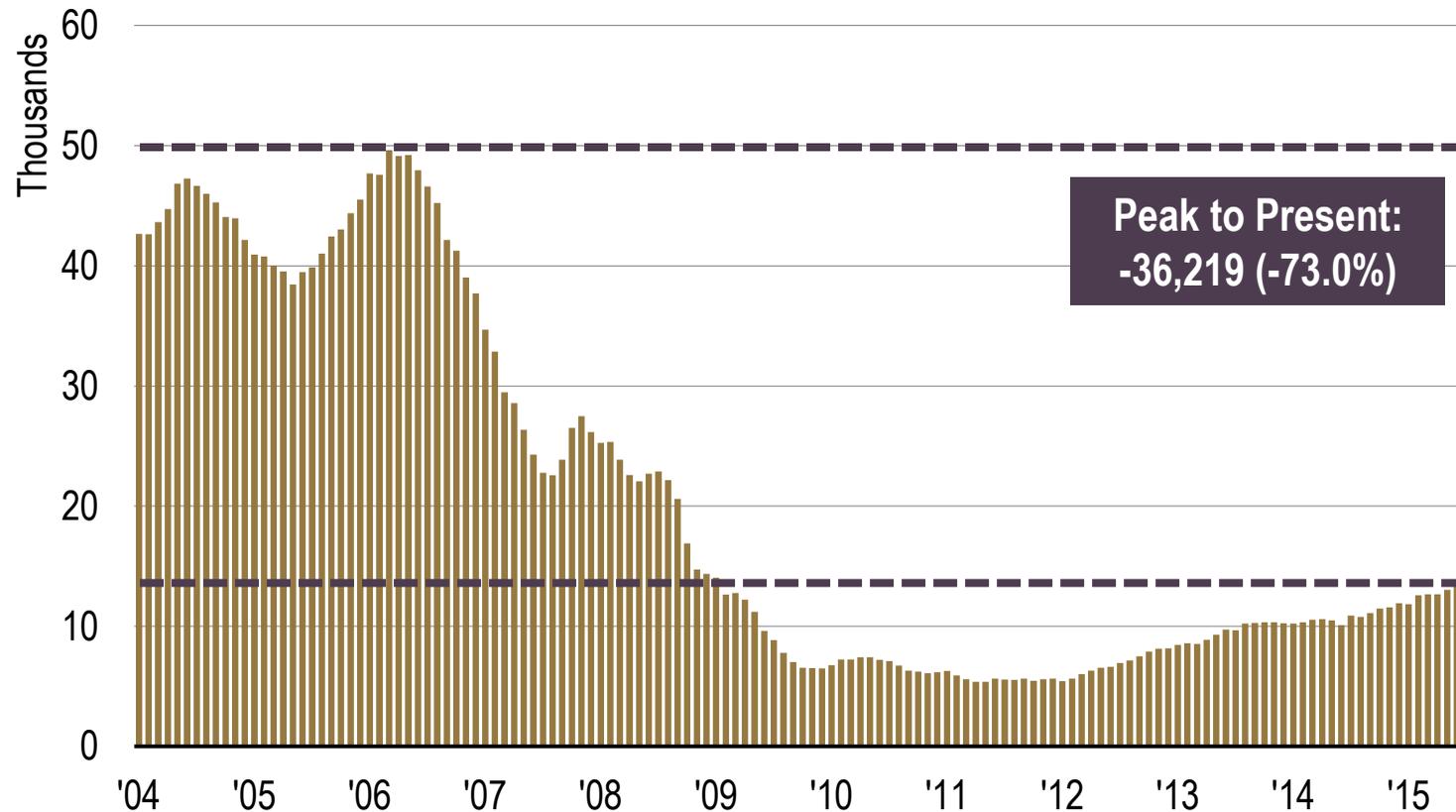


Source: United States Bureau of Economic Analysis, Seasonally Adjusted



Nevada Residential Units Permitted

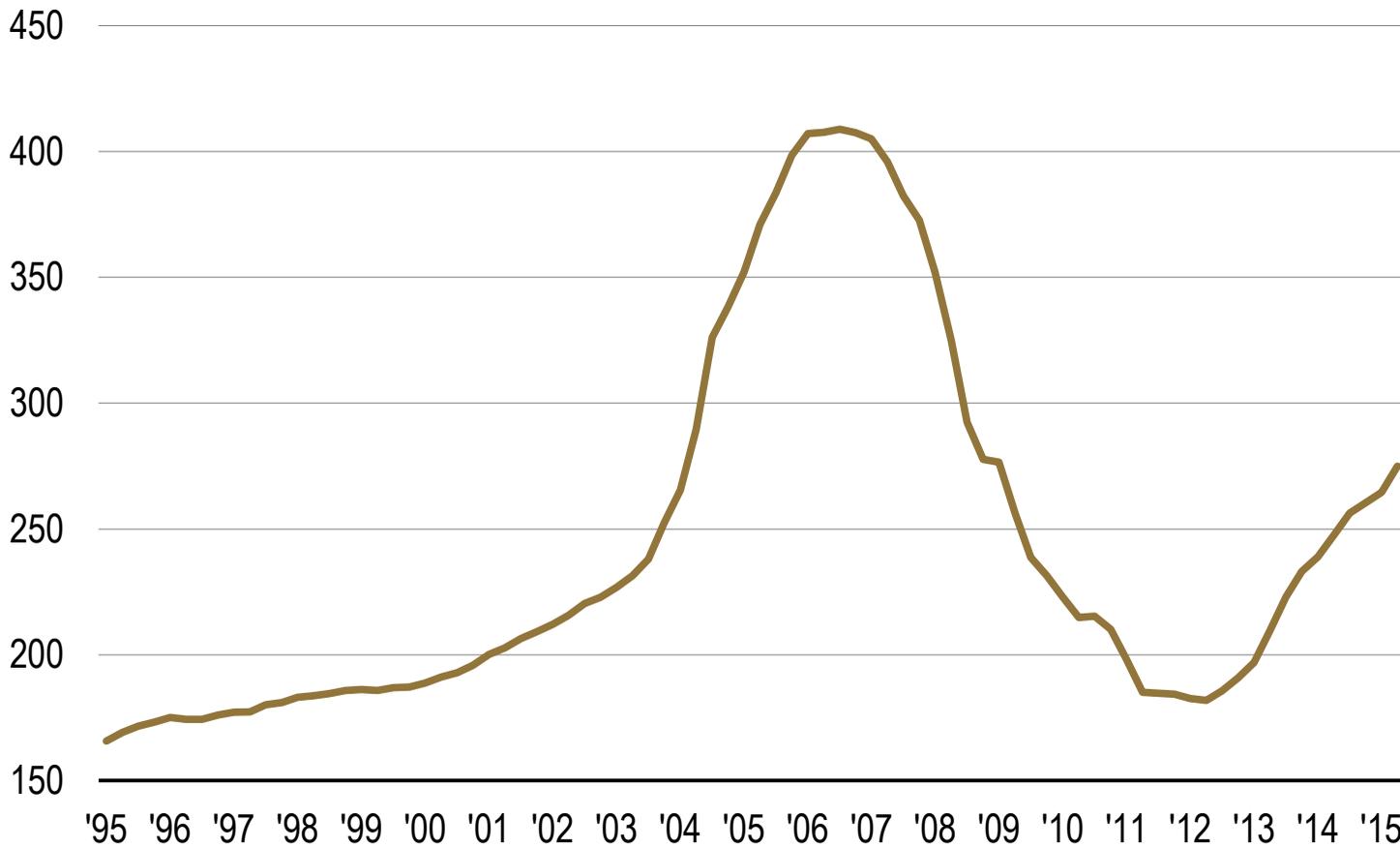
Trailing 12-Month Totals



**Peak to Present:
-36,219 (-73.0%)**

Source: UNLV CBER and Applied Analysis

Nevada Housing Price Index



Source: Federal Housing Finance Agency

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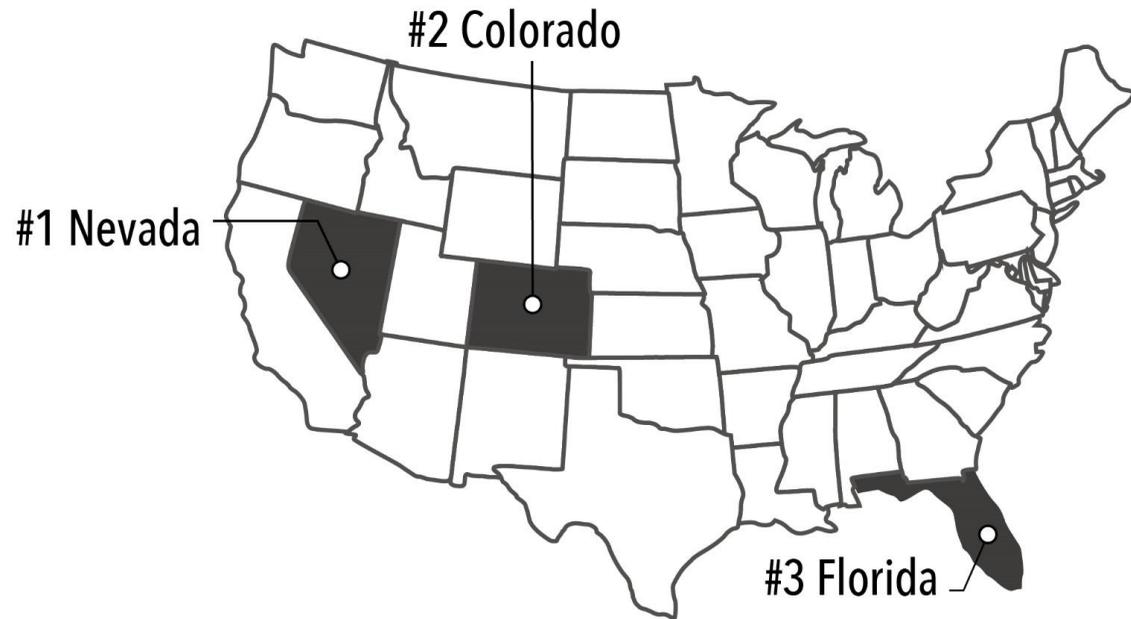


NEVADA HOUSE PRICE APPRECIATION **+11.1%**

House Price
Appreciation

#**1**

in the nation



Source: Federal Housing Finance Agency Q2 2015 vs. Q2 2014

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NEVADA UNDERWATER HOMES +23.1%

Underwater Homes

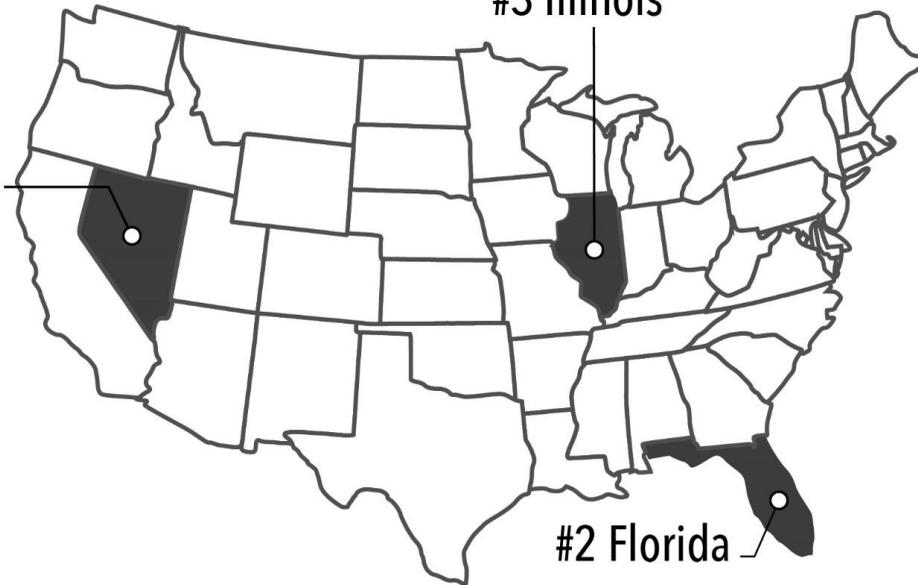
#1

in the nation

#1 Nevada

#3 Illinois

#2 Florida



Source: CoreLogic Negative Equity Report

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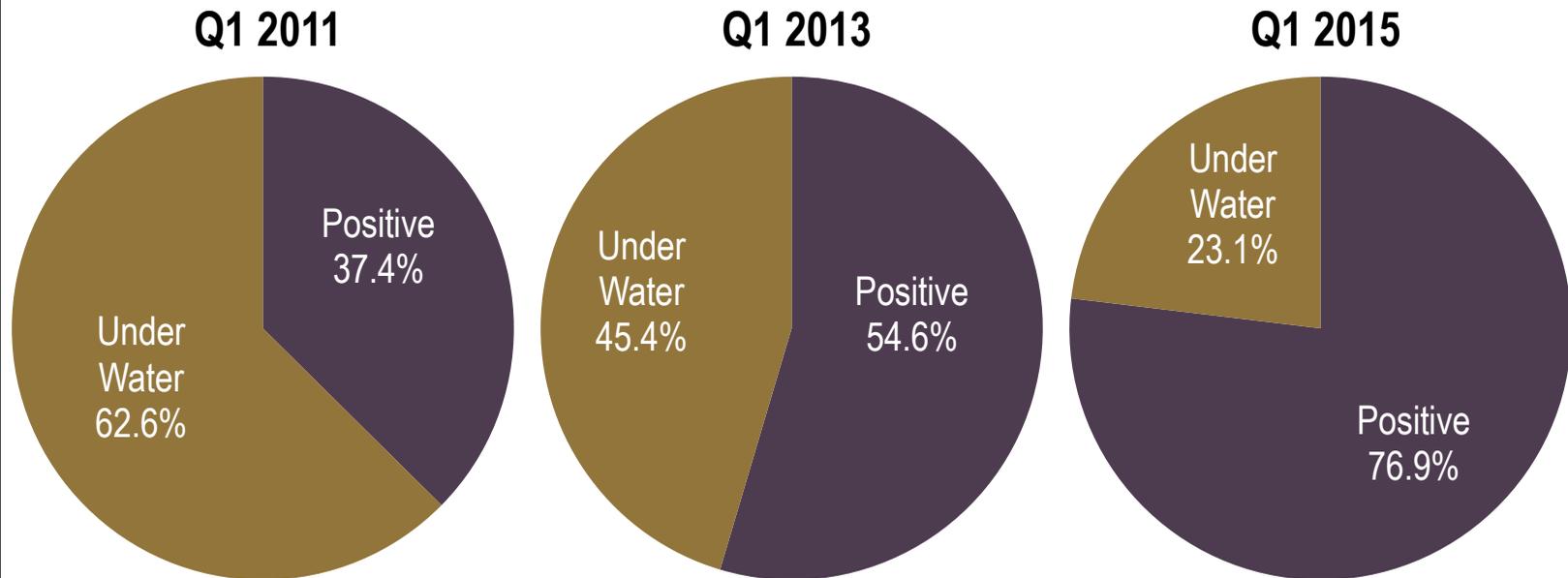
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Nevada Homeowner's Equity



Source: CoreLogic

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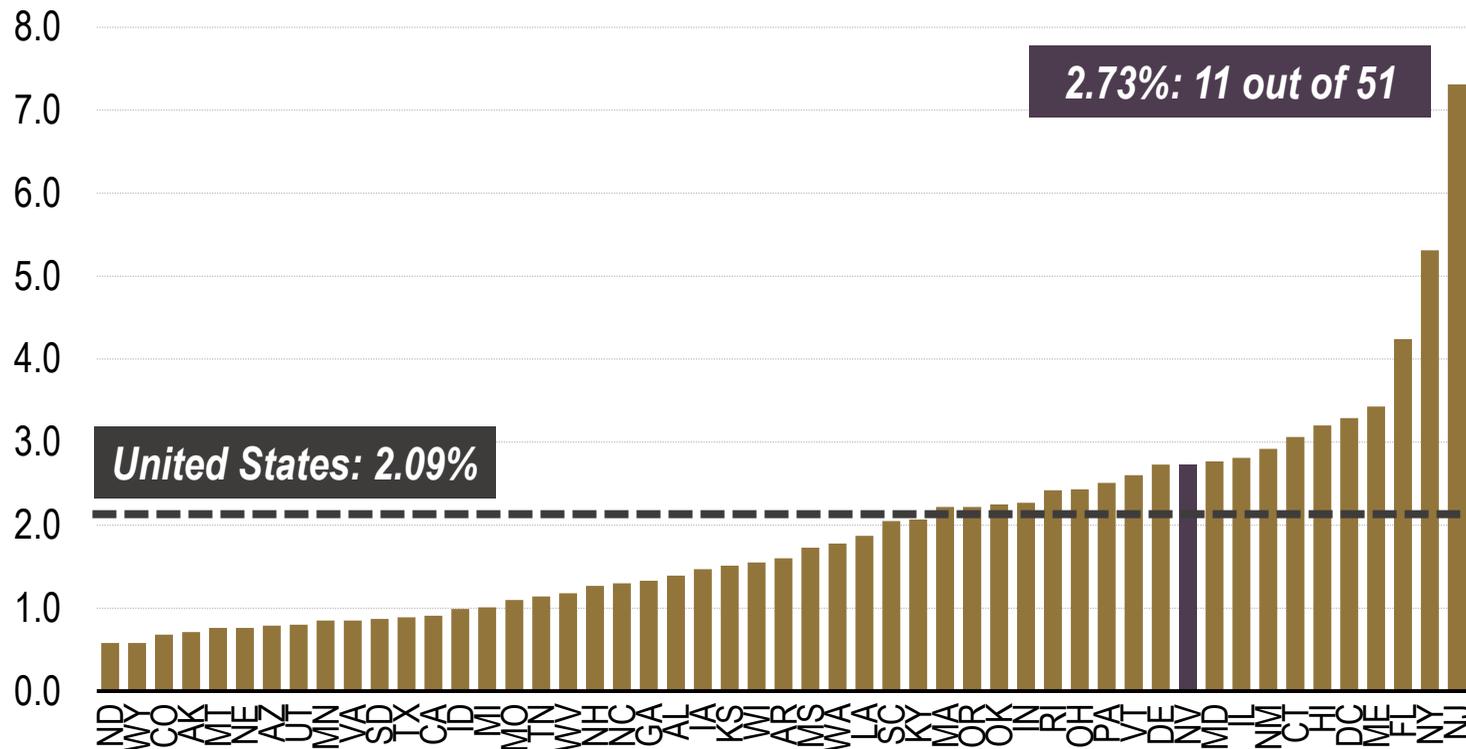
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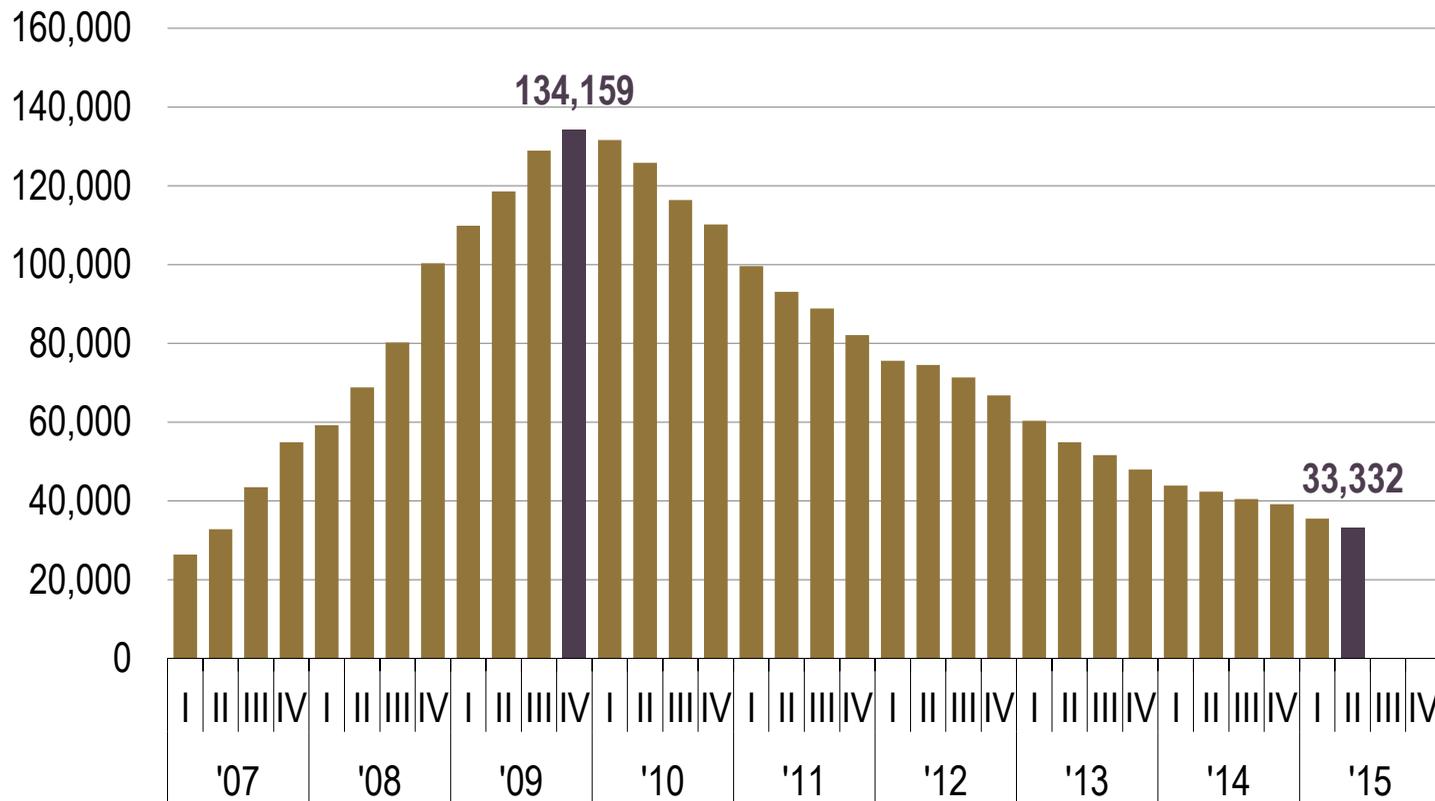


Mortgage Delinquencies: In Foreclosure

As a Percent of Loans Outstanding



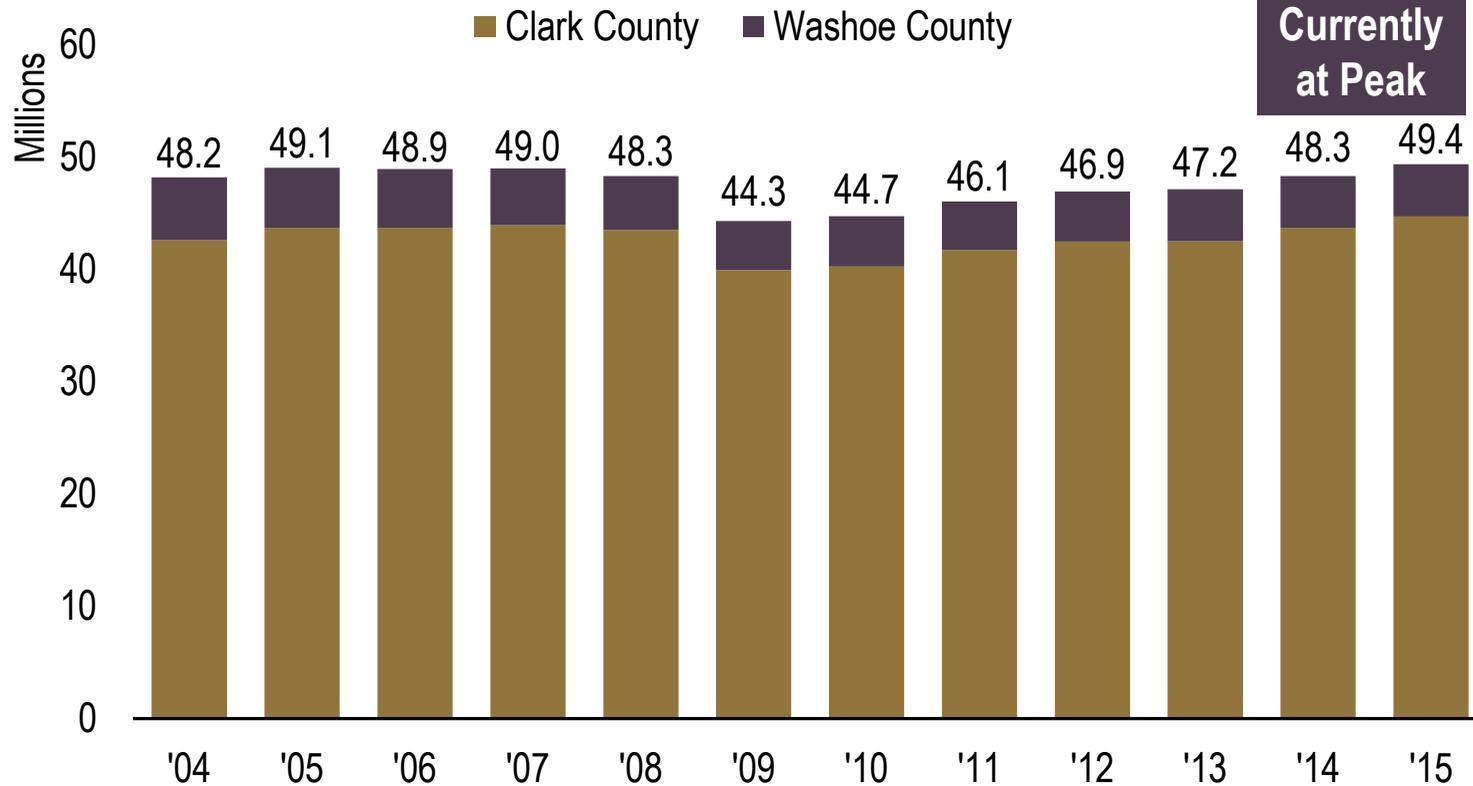
Nevada No. of Mortgages Past Due + In Foreclosure



Source: Mortgage Bankers Association



Visitor Volume



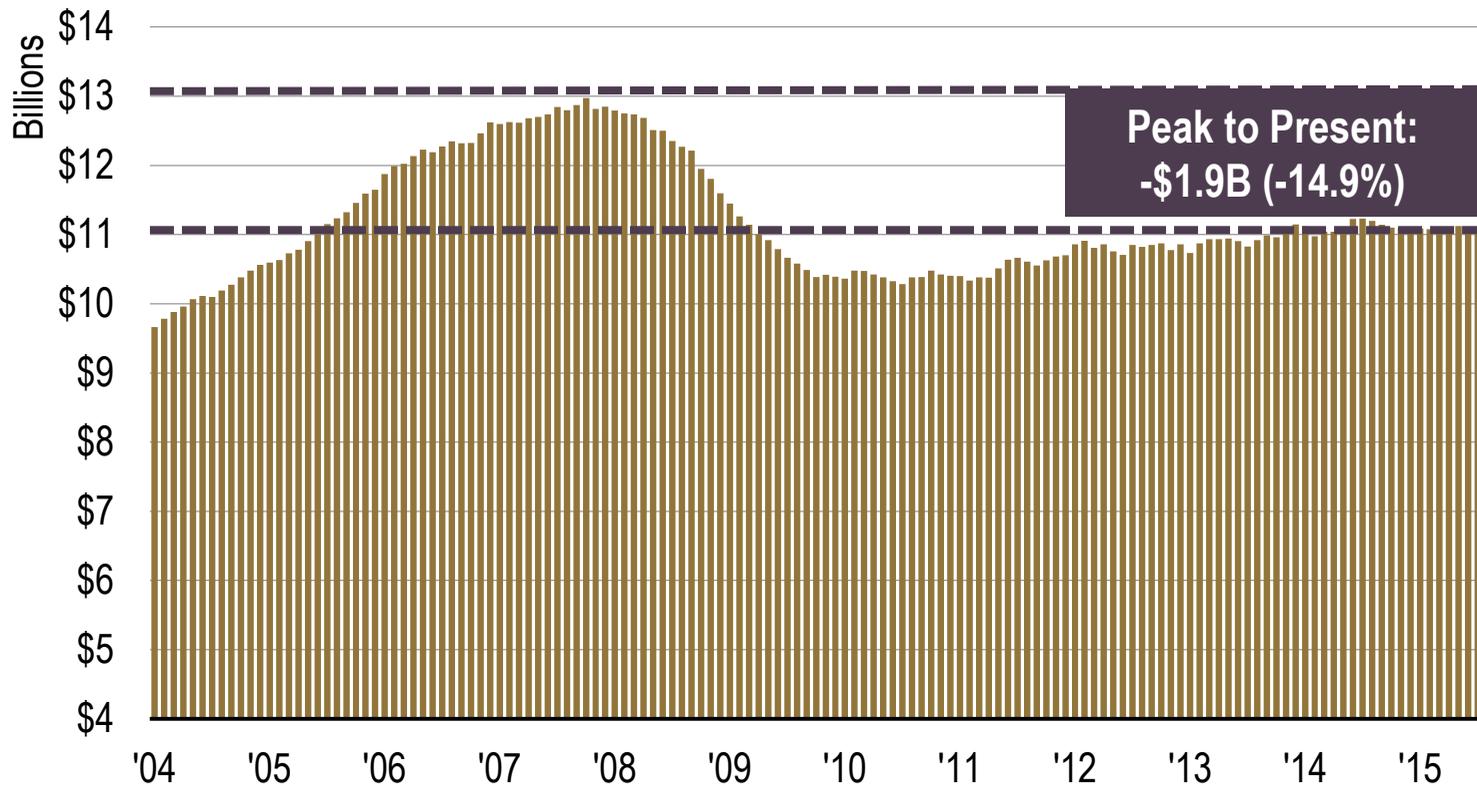
Note: Trailing 12-month totals ending in July of each year.

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



Nevada Gross Gaming Revenue

Trailing 12-Month Totals



Peak to Present:
-\$1.9B (-14.9%)

Source: Nevada Gaming Control Board

Nevada's Tourism Economy

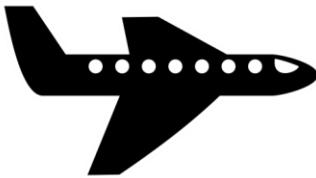
Annual Growth (Trailing 12 Months)



Visitor Volume
+2.2%



Occupancy Rate
+1.2%



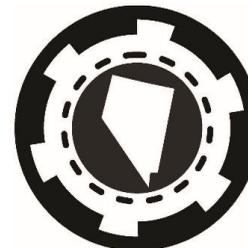
Airport Traffic
+1.7%



Convention Attendance
+1.8%



Highway Traffic
+4.8%



Gaming Revenue
-1.7%

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

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\$18.2 Billion+ **Major Projects** **In Nevada**

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Tesla



- \$5.0 Billion
- Under Construction
- 5 Million+ SF Battery Manufacturing Facility (Gigafactory)
- Early 2016 (Phase I)

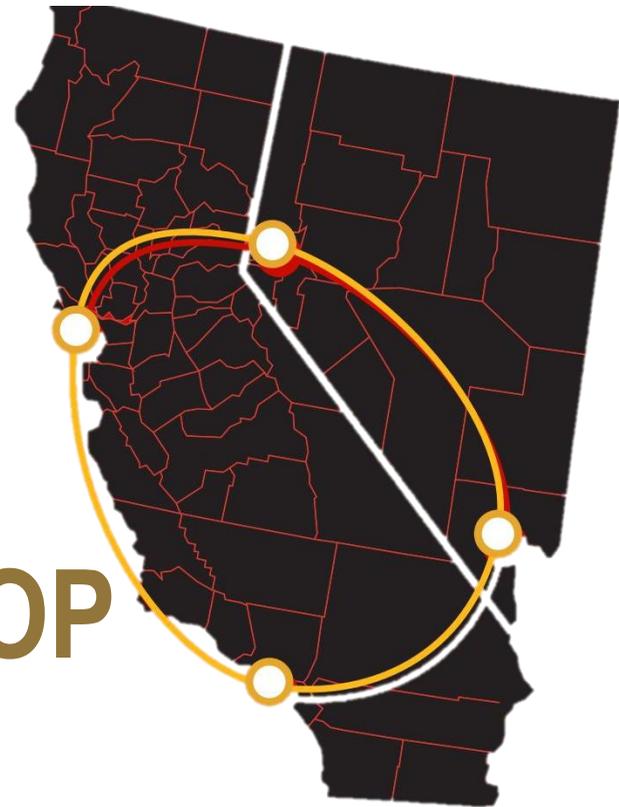




\$2 Billion expansion of Nevada operations

500 mile SUPERLOOP

of fiber optic cable to connect Reno, Las Vegas, Los Angeles and San Francisco



Source: Switch; Las Vegas Review-Journal

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Resorts World Las Vegas (Phase I)

- \$4.0 Billion
- Under Construction
- 3,000 Rooms
- Mid-2018 Delivery





Convention Center District Expansion

- \$1.6-\$2.3 Billion
- Proposed
- 6,000 Construction Jobs & 6,000 Permanent Jobs
- \$221 Million Incremental Wages & Salaries
- \$692 Million Incremental Economic Impact



Project Neon

- \$1.5 Billion
- Planned
- 3.7-Mile Overhaul of Spaghetti Bowl Interchange
- Slated to Begin Early 2016
- Could Take Up to 20 Years to Complete





Union Village

- \$1.2 Billion
- Under Construction
- Hospital Complex/Health Center, Retail Center, Retirement Community and Civic/Cultural Arts Center
- Late 2016 Delivery (Phase I)





MGM/AEG Arena

- \$375 Million
- Under Construction
- April 2016 Delivery

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Monte Carlo Theater

- \$100 Million
- Planned
- 5,000 Seats
- Late 2016 Delivery

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Mandalay Bay Convention Center

- \$66 Million
- Under Construction
- 350,000 Additional SF of Convention Space
- January 2016 Delivery (Phase II)



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TopGolf at MGM Grand

- \$50 Million
- Under Construction
- Driving Range, Dining, Entertainment
- Spring 2016 Delivery

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NEVADA FISCAL HIGHLIGHTS



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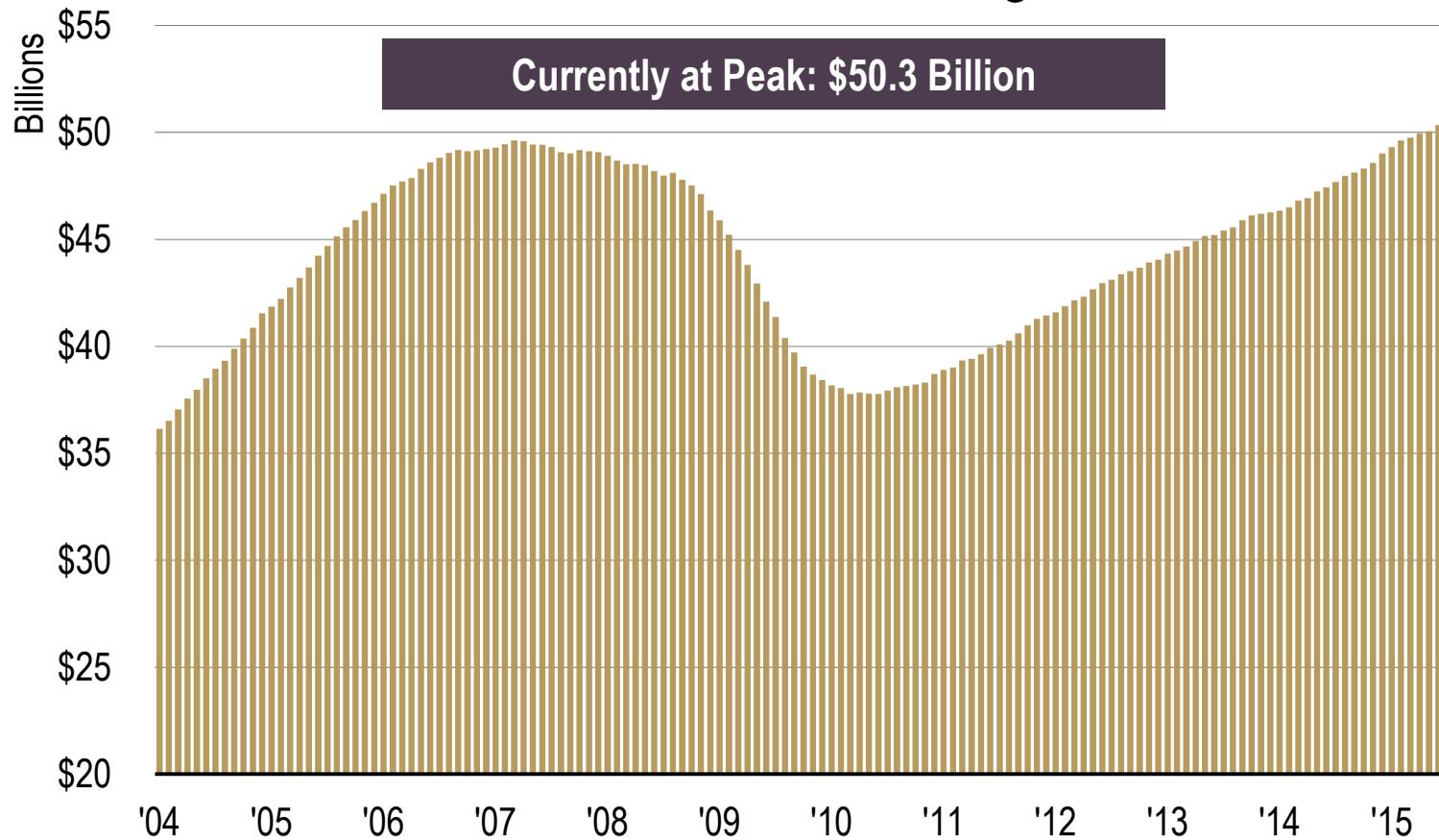


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For more information, visit:
www.appliedanalysis.com

Nevada Taxable Retail Sales

Trailing 12-Month Total



Source: Nevada Department of Taxation and Applied Analysis

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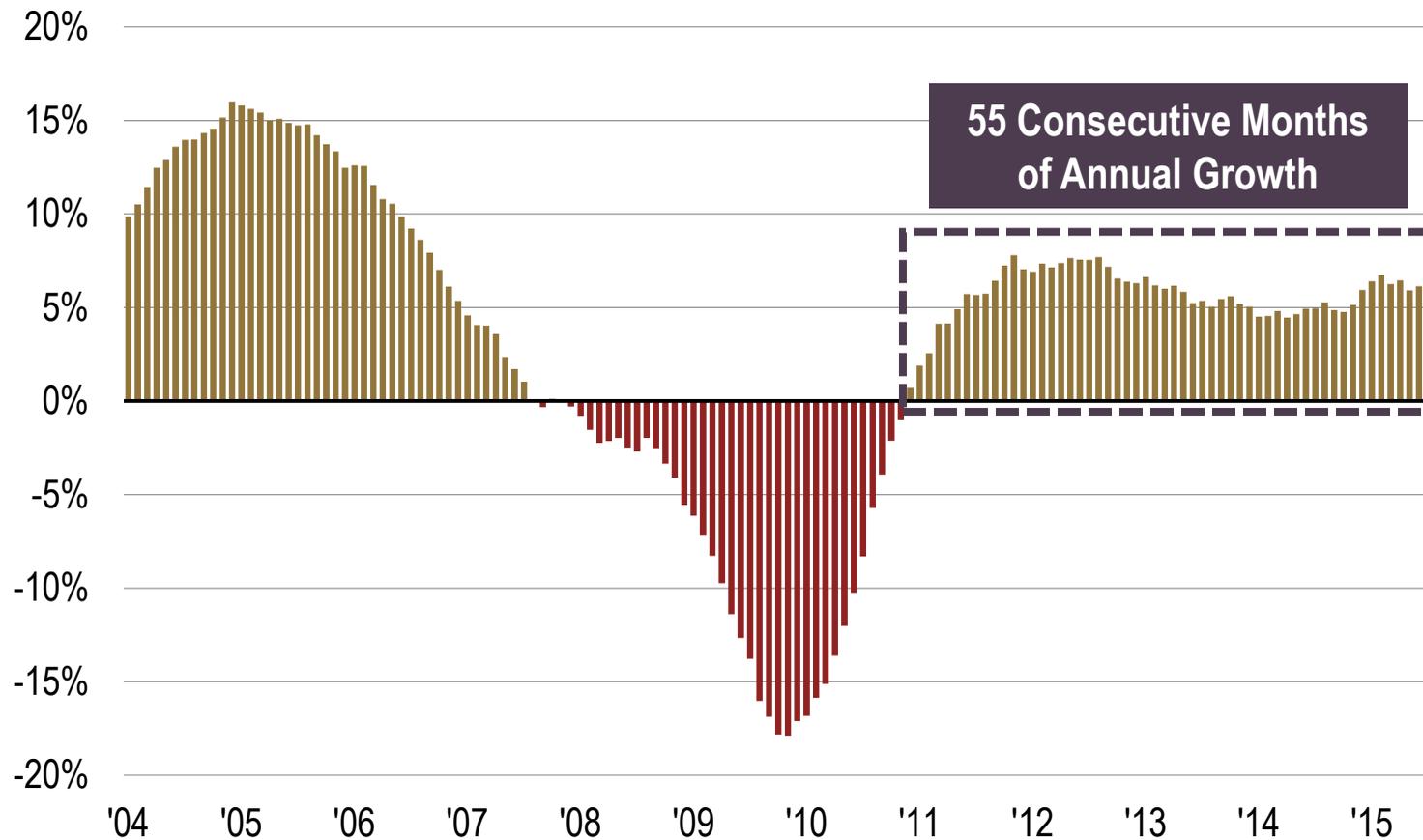
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Nevada Taxable Retail Sales Growth



Source: Nevada Department of Taxation and Applied Analysis

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Nevada Taxable Retail Sales

Notable Sector Growth

 <p>NONSTORE RETAILERS +30.5%</p>	 <p>ELECTRONICS & APPLIANCES +12.5%</p>	 <p>BUILDING MATERIALS +9.6%</p>	 <p>FURNITURE +9.4%</p>	 <p>AUTOMOBILES +9.3%</p>
 <p>MISC. STORE RETAILERS +5.5%</p>	 <p>FOOD & BEVERAGE +5.2%</p>	 <p>HEALTH & PERSONAL CARE +5.1%</p>	 <p>RESTAURANTS +4.8%</p>	 <p>SPORTING GOODS, HOBBY, BOOK & MUSIC STORES +3.0%</p>

Source: Nevada Department of Taxation and Applied Analysis

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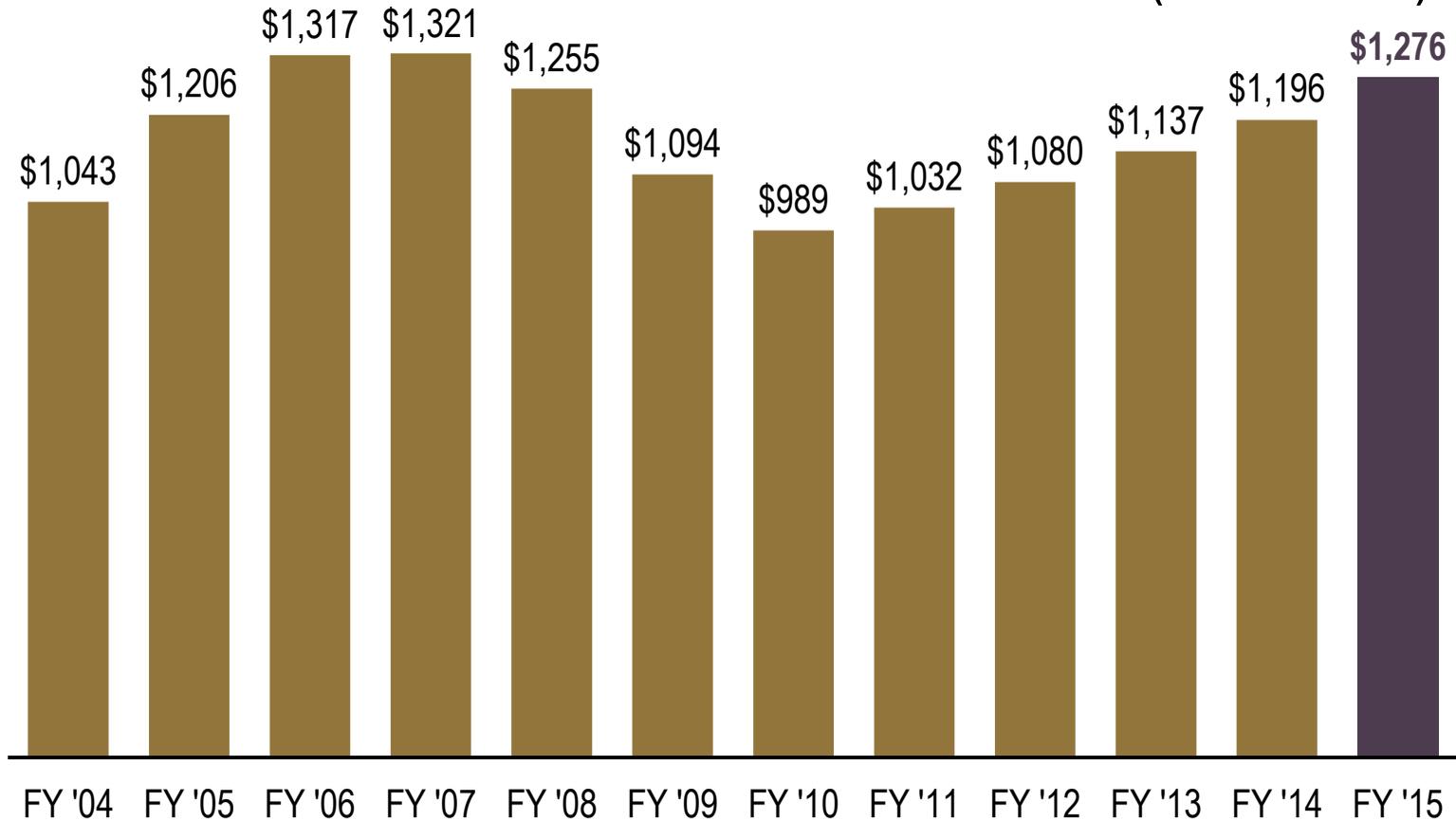
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Consolidated Tax Revenue (in Millions)

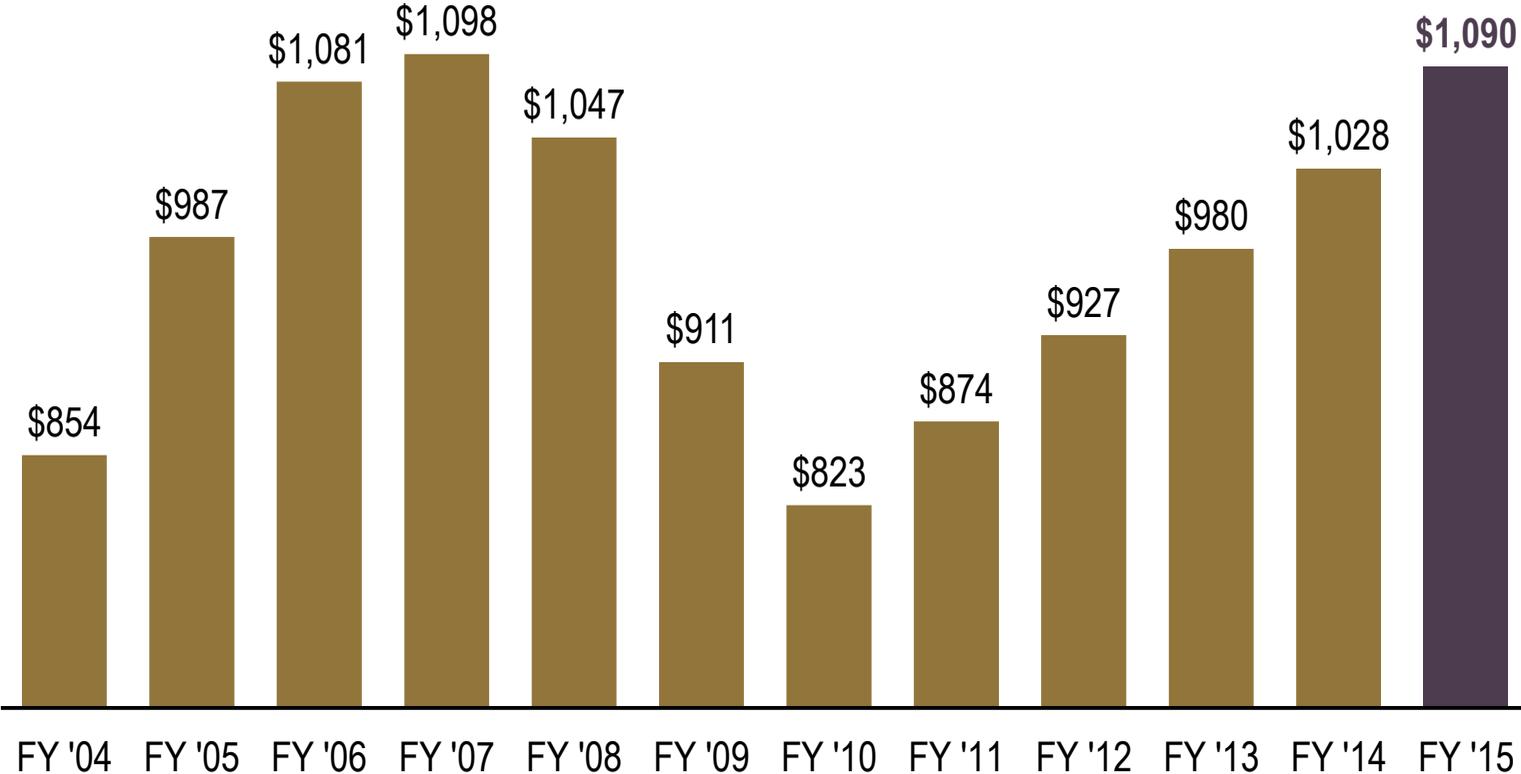


Source: Nevada Department of Taxation



Sales Tax Revenue

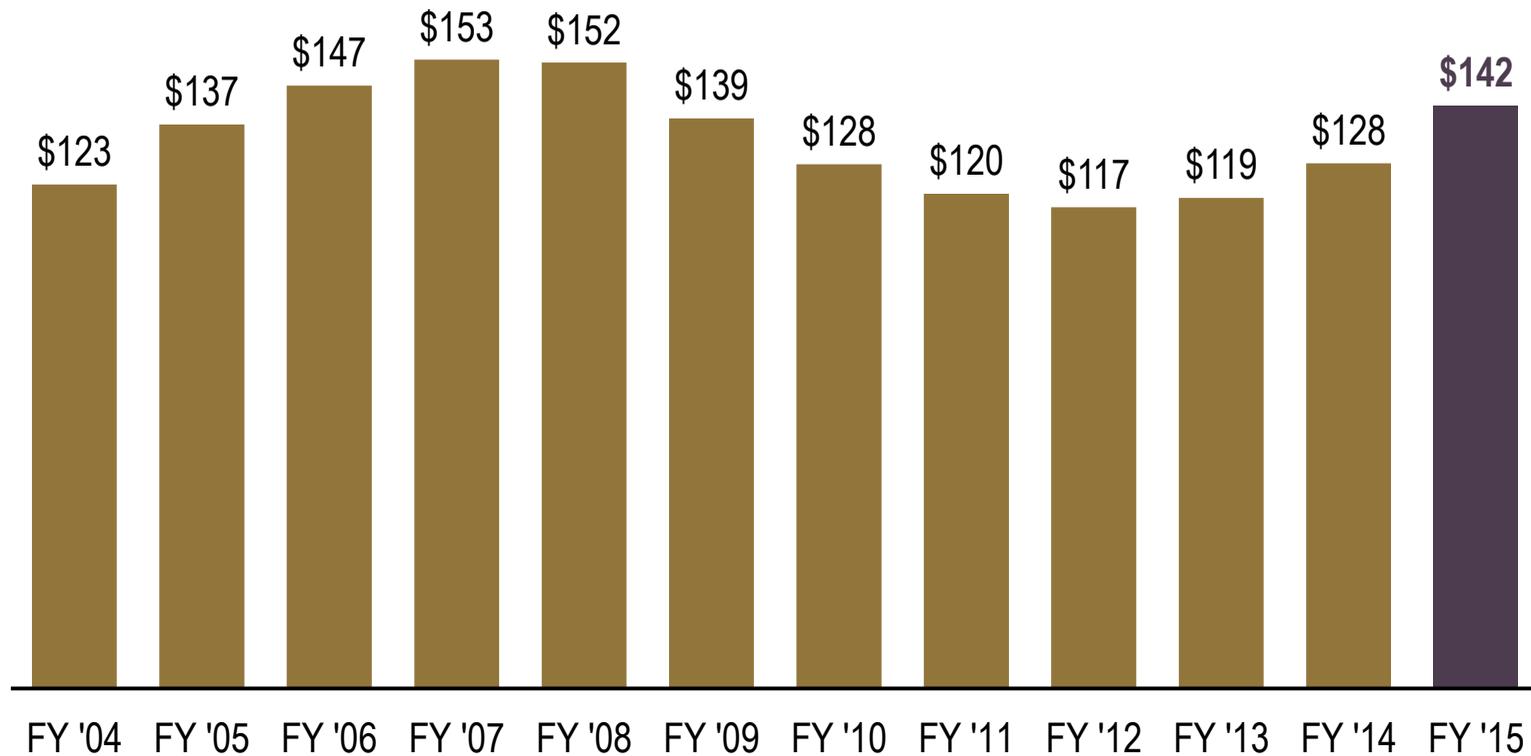
(in Millions)



Source: Nevada Department of Taxation



Government Services Tax Revenue (in Millions)



Source: Nevada Department of Taxation

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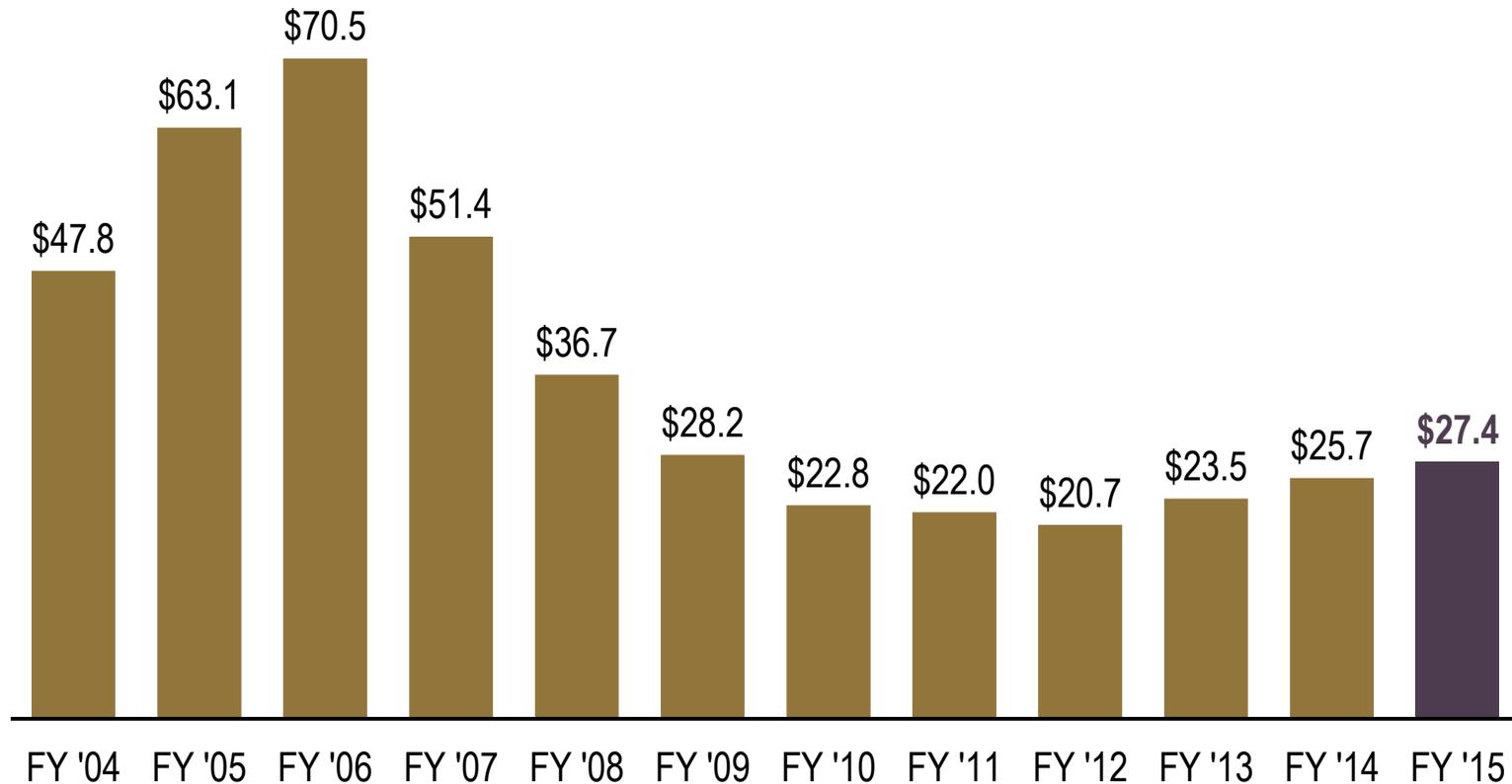
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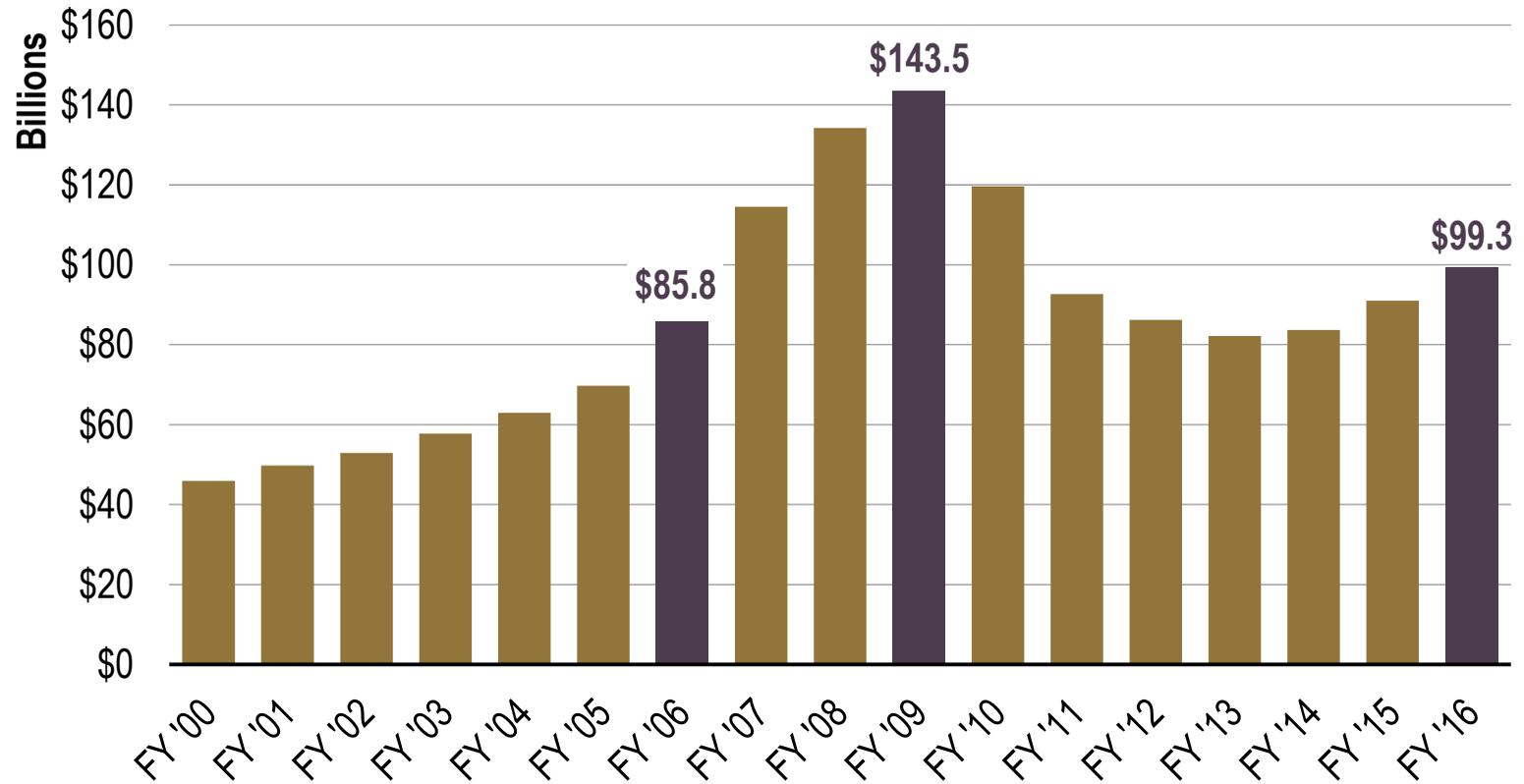
Real Property Transfer Tax Revenue (in Millions)



Source: Nevada Department of Taxation



Nevada Assessed Values

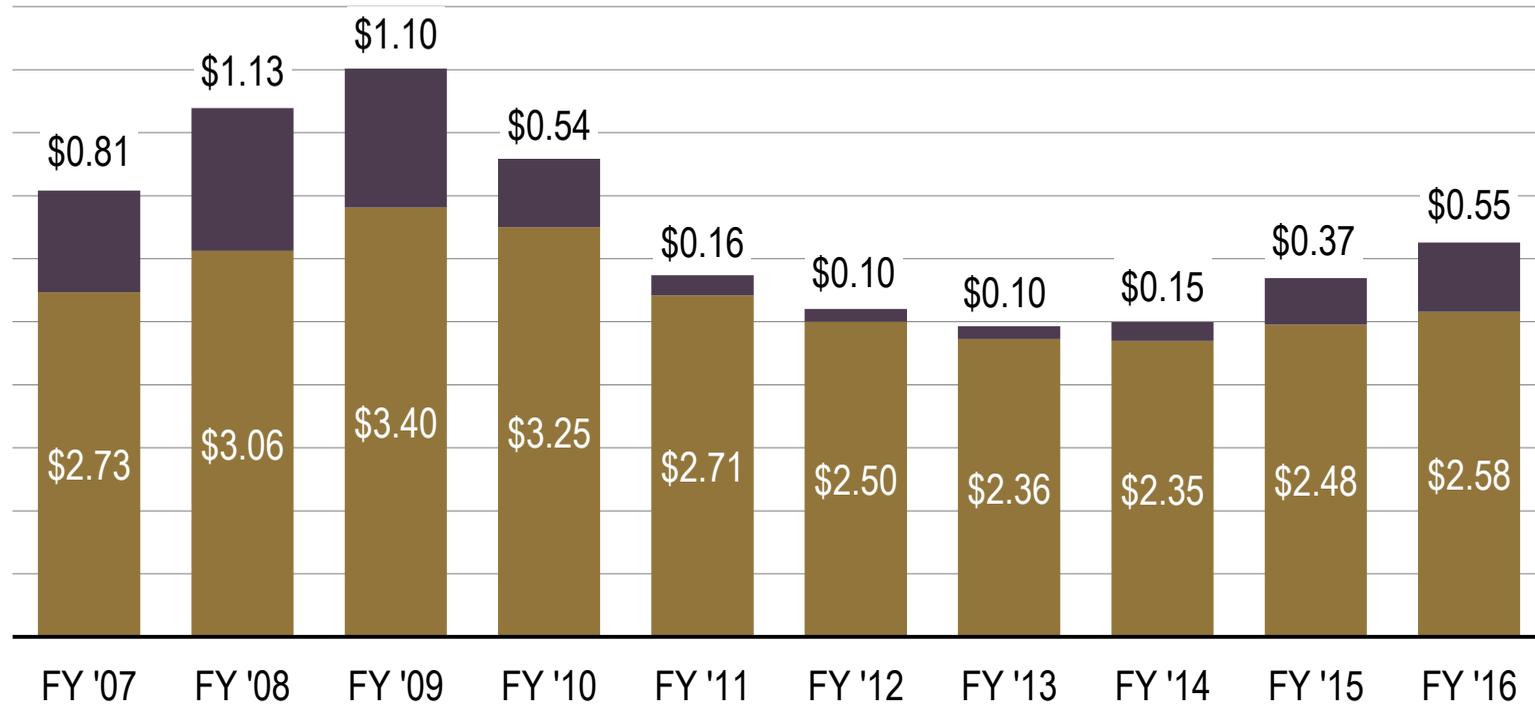


Source: Nevada Department of Taxation, Redbook



Property Tax Revenues – Total (in Billions)

■ Projected Tax Revenue ■ Projected Tax Abatement



Source: Nevada Department of Taxation, Redbook



Historic Legislative Session

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\$1.5+ Billion Tax Package

- ❖ Increase in the business license fee
- ❖ Increase in the payroll tax
- ❖ Flexible payroll tax rate
- ❖ Commerce tax on gross revenue
- ❖ Extension of sunset taxes
- ❖ \$1.00 raise on cigarette tax to \$1.80





THE ROLE OF MINING



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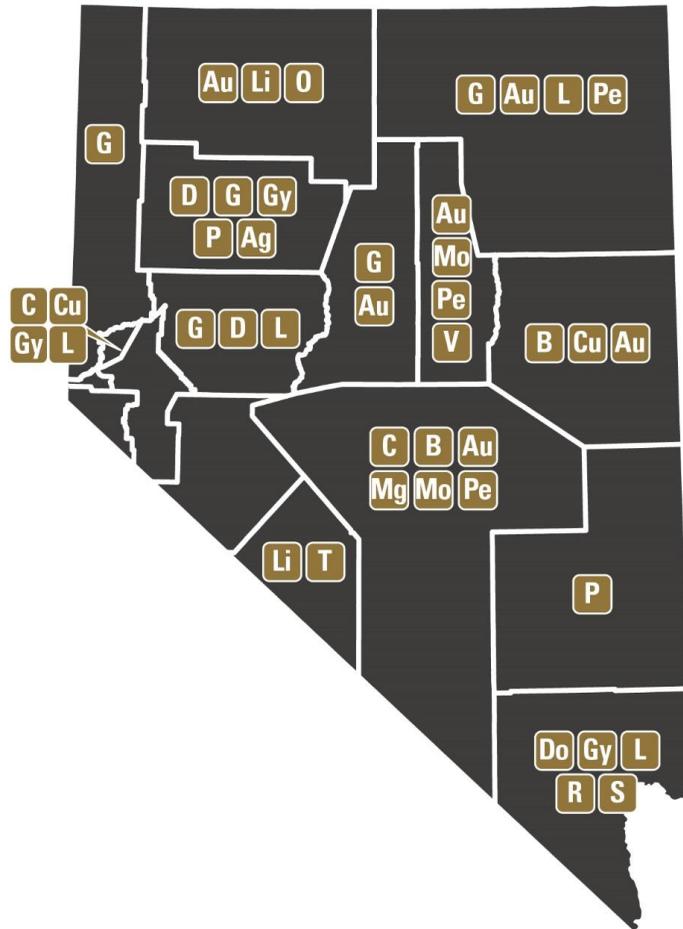
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Existing Mining Activity



- 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

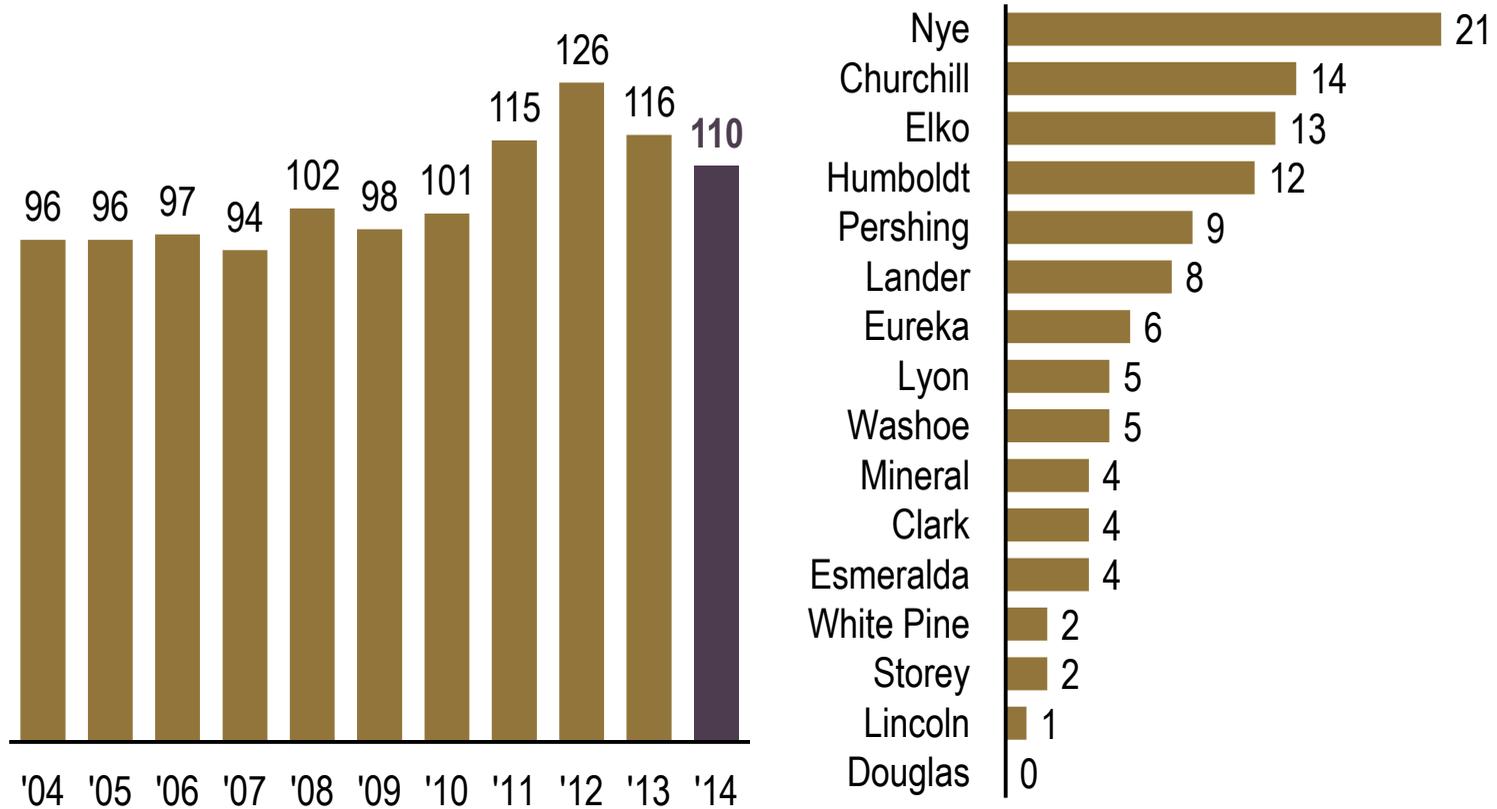
110 Mining Operators

Source: NVMA and Nevada Department of Taxation

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Number of Mining Operators



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: 2012

Average Year
Established:
1988



Source: NVMA Member Survey (2015)

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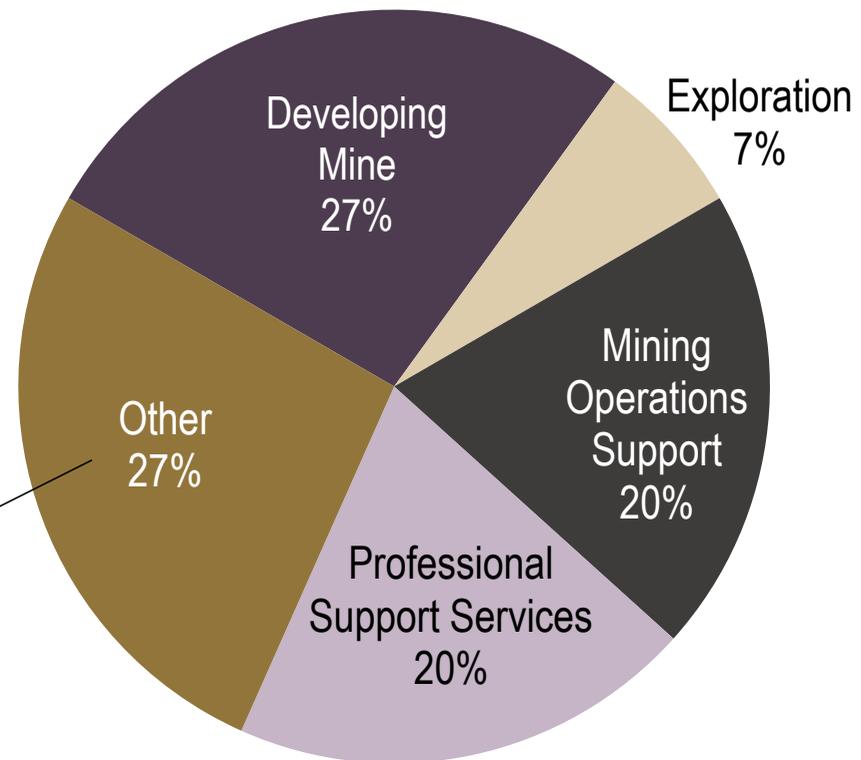




The Mining Industry Extends Beyond Mine Operators

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

- Equipment Sales and Service
- Supply of Reagents and Related Technologies for Precious Metal Mining
- Blasting Services
- Assay Laboratory

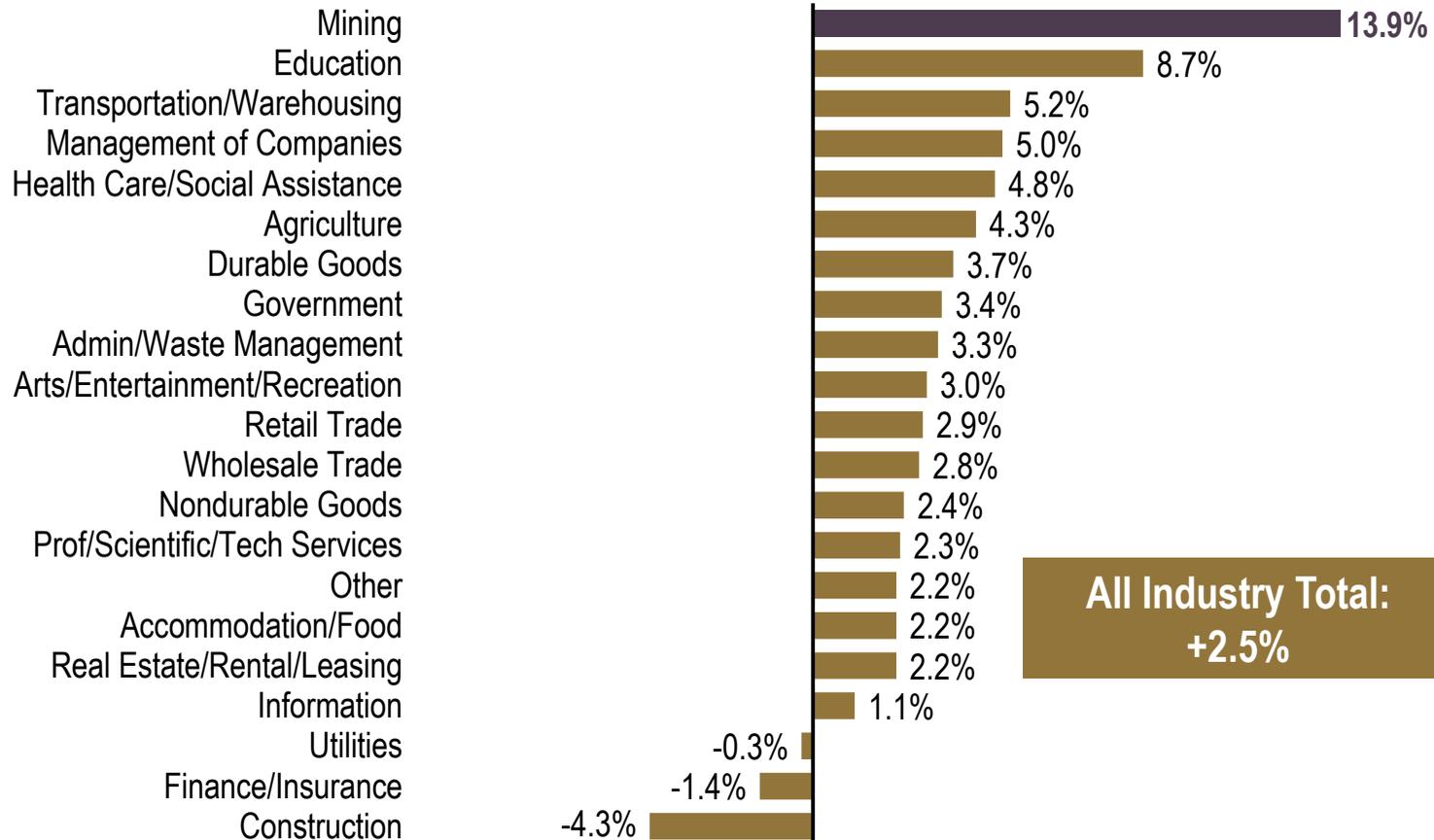


Source: NVMA Member Survey (2015)



Nevada GDP Growth by Sector

2004-2014 Compound Annual Growth Rate

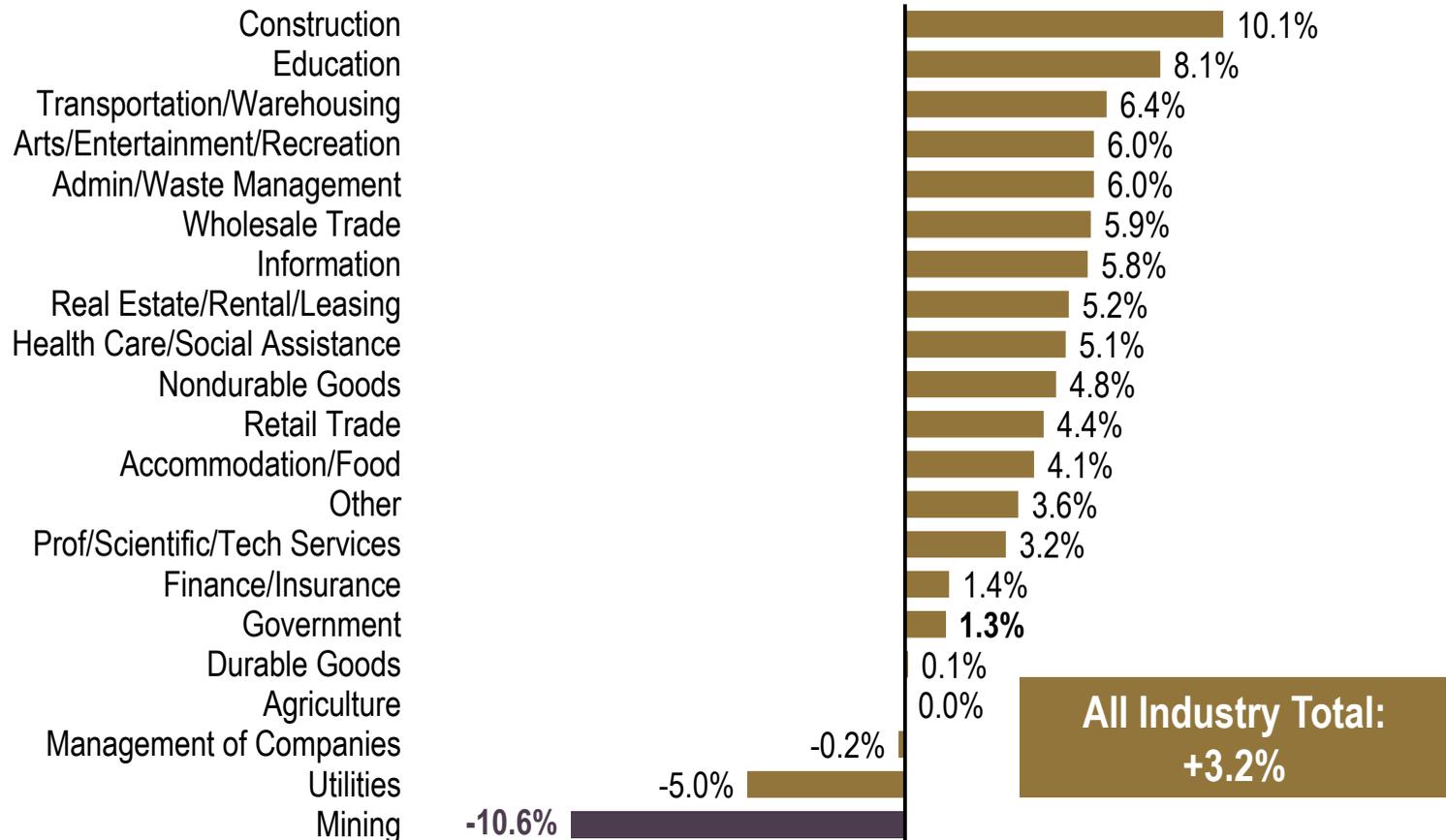


Source: U.S. Bureau of Economic Analysis



Nevada GDP Growth by Sector

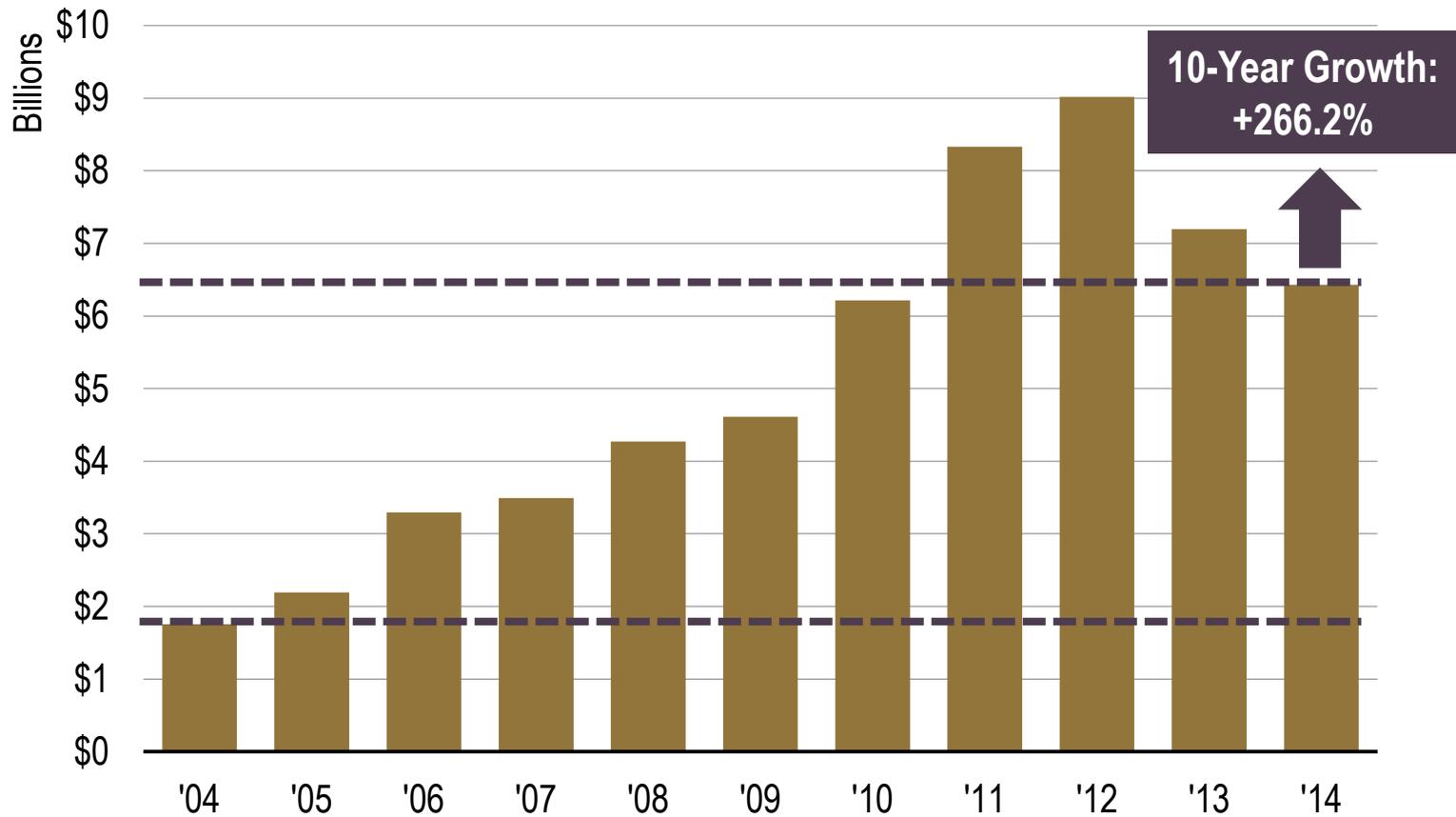
2013-2014 Compound Annual Growth Rate



Source: U.S. Bureau of Economic Analysis



Nevada Mining GDP



Source: U.S. Bureau of Economic Analysis

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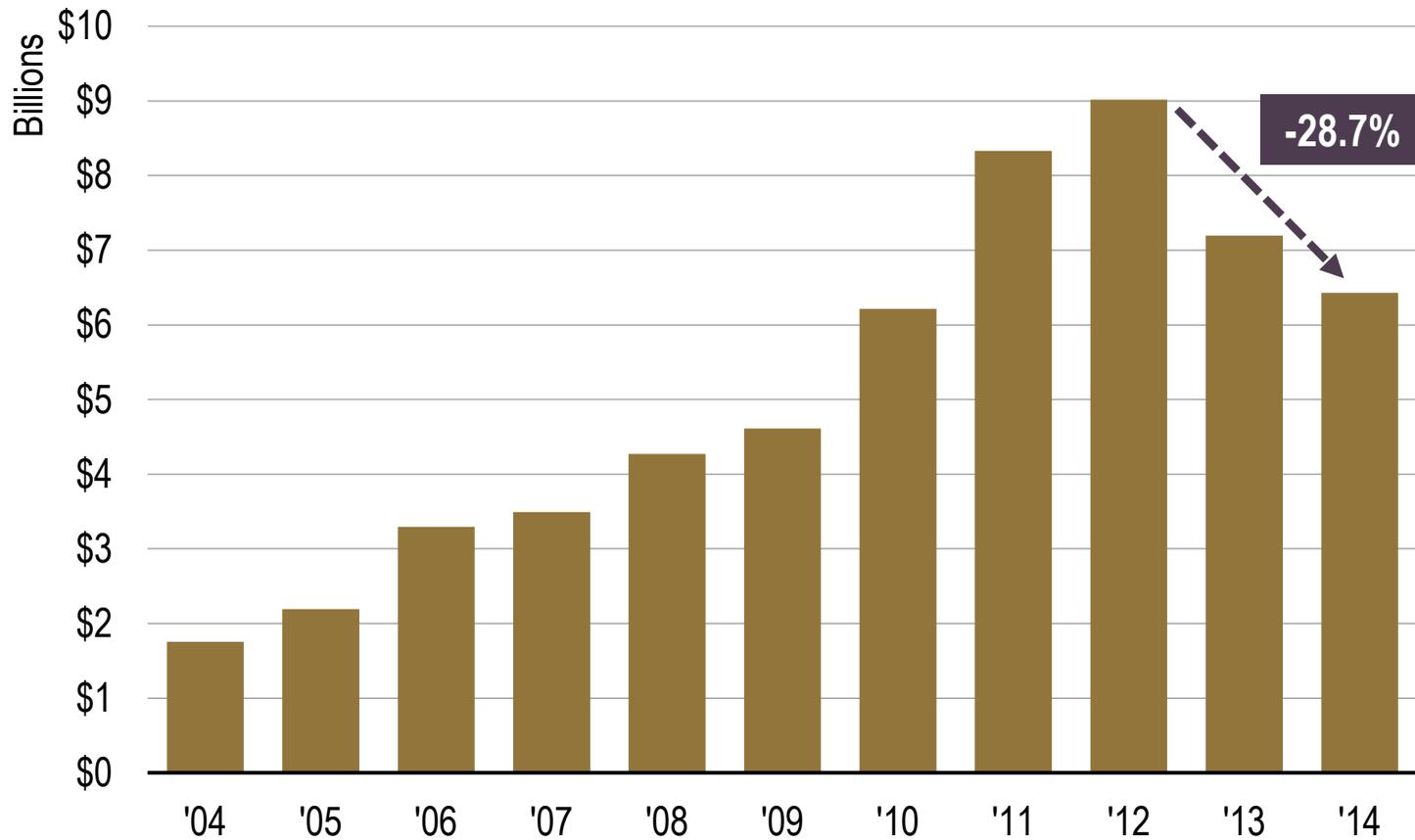
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Nevada Mining GDP



Source: U.S. Bureau of Economic Analysis

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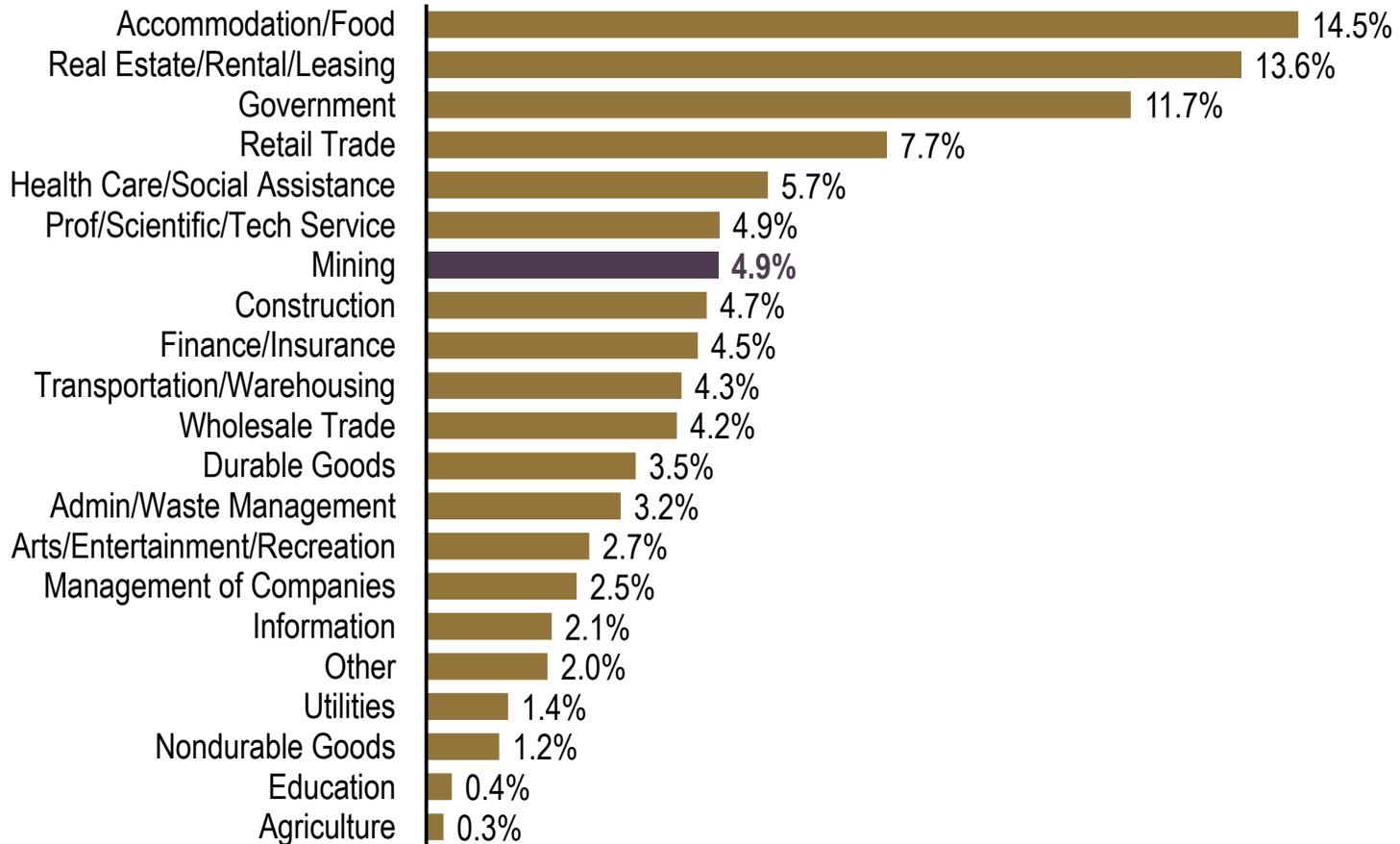
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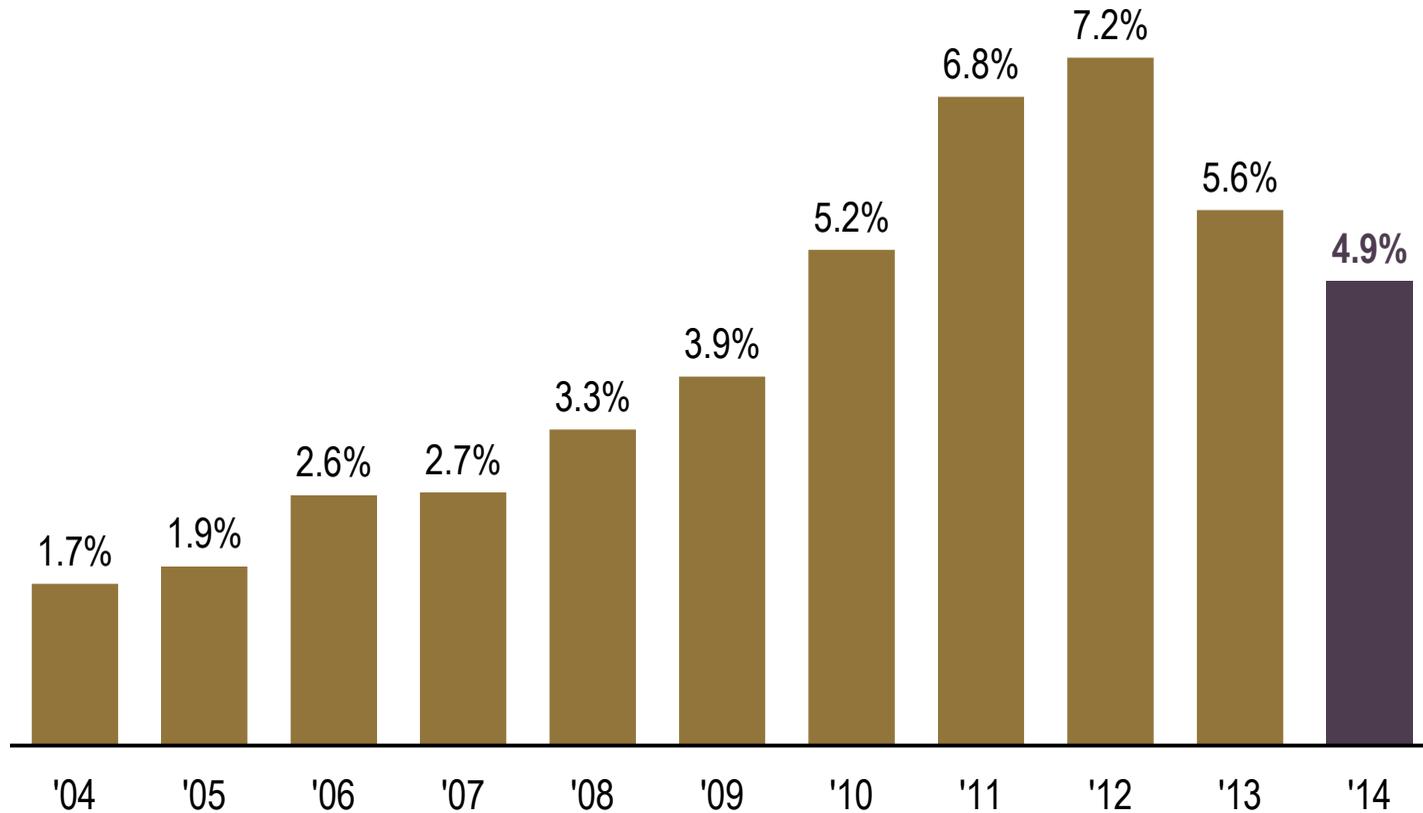
Industry GDP as Share of Total By Sector



Source: U.S. Bureau of Economic Analysis



Mining GDP as Share of Total



Source: U.S. Bureau of Economic Analysis

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New Projects and Investments



Heap Leach Pad

South Arturo: Multiple facilities constructed and infrastructure improvements made in 2014. Waste stripping expected to start in 2015 while construction continues. Mining expected to start in 2016.

Increases in reserves and resources

Turf No. 3 Vent Shaft project in the construction phases with commercial production expected in late 2015.

Construction of 2.5 million SF leach pad cell

Purchase of over 7,000 acres of land

Development of Gold Bar in Eureka County



Gold Bar

Source: NVMA Member Survey (2015)





New Projects and Investments

Pumpkin Hollow Project



More than \$15.3 million expected to be invested in exploration in 2015

Significant expansion of plant capacity

Kings Valley Lithium Mine

\$58 million production size shaft and hoist

Installation of new capacity in two Nevada processing plants

Construction of a \$35 million new Tailings Storage Facility

Upgraded power line

Construction of new mine in Long Canyon, NV

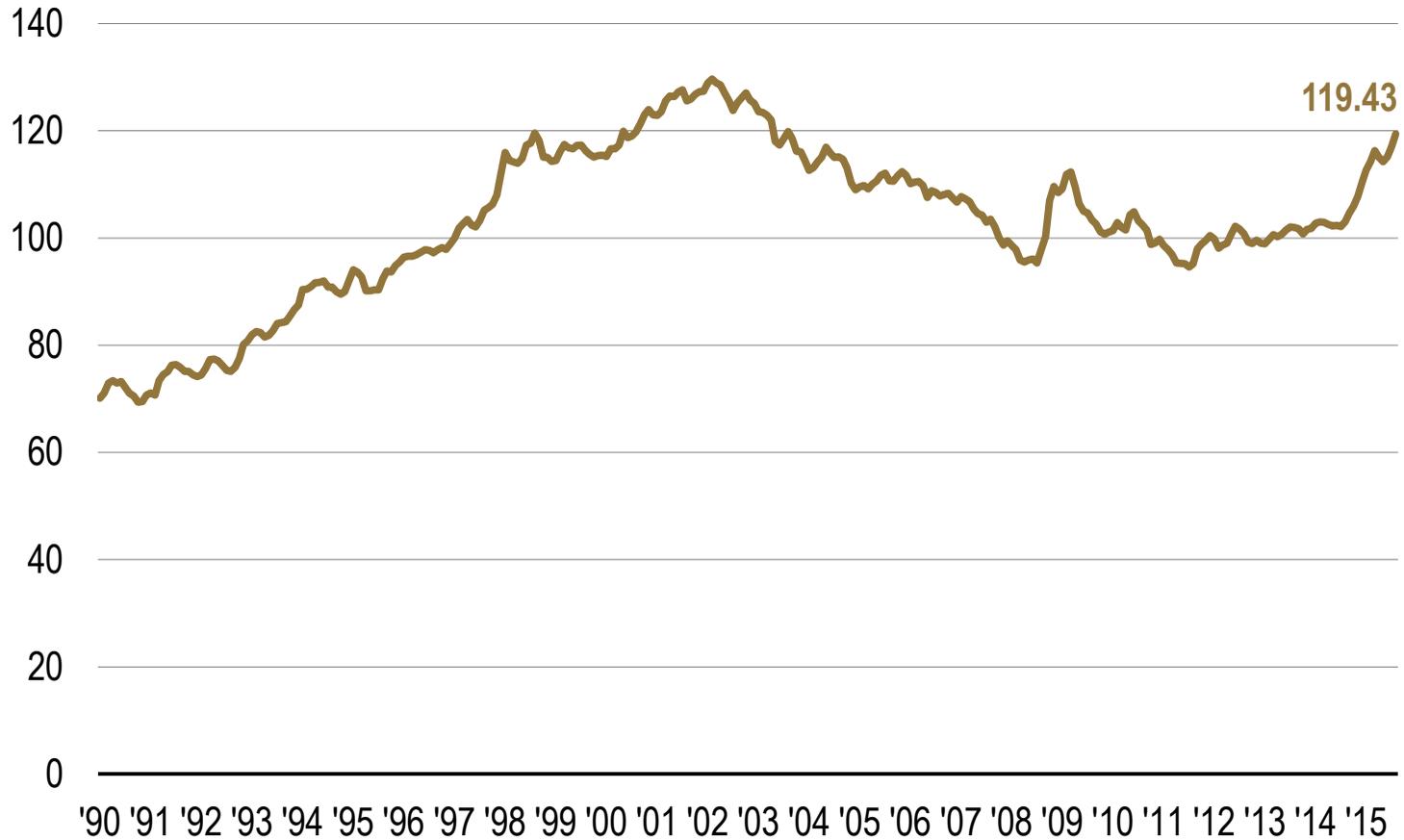
Kings Valley



Source: NVMA Member Survey (2015)



U.S. Dollar Index (Broad)



Source: Board of Governors of the Federal Reserve System

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Greatest Business Threats

FEDERAL LAND USE DECISIONS
LACK OF GOVERNMENTAL SUPPORT
AVAILABILITY OF QUALIFIED WORKFORCE
AVAILABILITY OF PROJECT FINANCING
DECLINE IN HOUSING CONSTRUCTION
SAGE GROUSE PROTECTION
TIME TO OBTAIN ENVIRONMENTAL PERMITS
INABILITY TO RAISE CAPITAL

MINERAL PRICE TRENDS

Source: NVMA Member Survey (2015)

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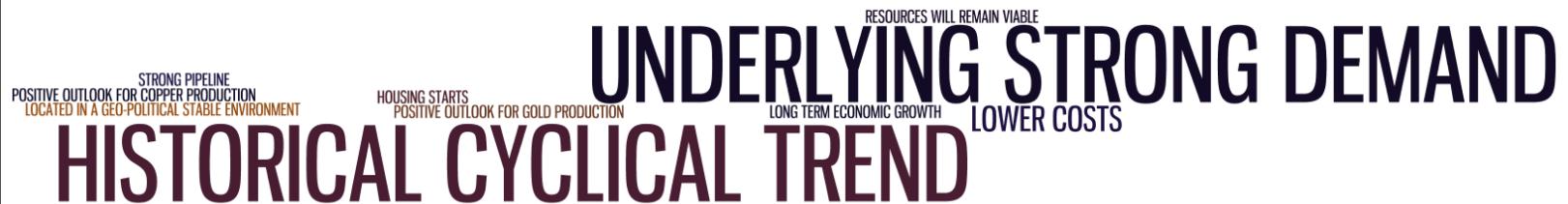
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Reasons to Remain Optimistic



Source: NVMA Member Survey (2015)

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MINING EMPLOYMENT



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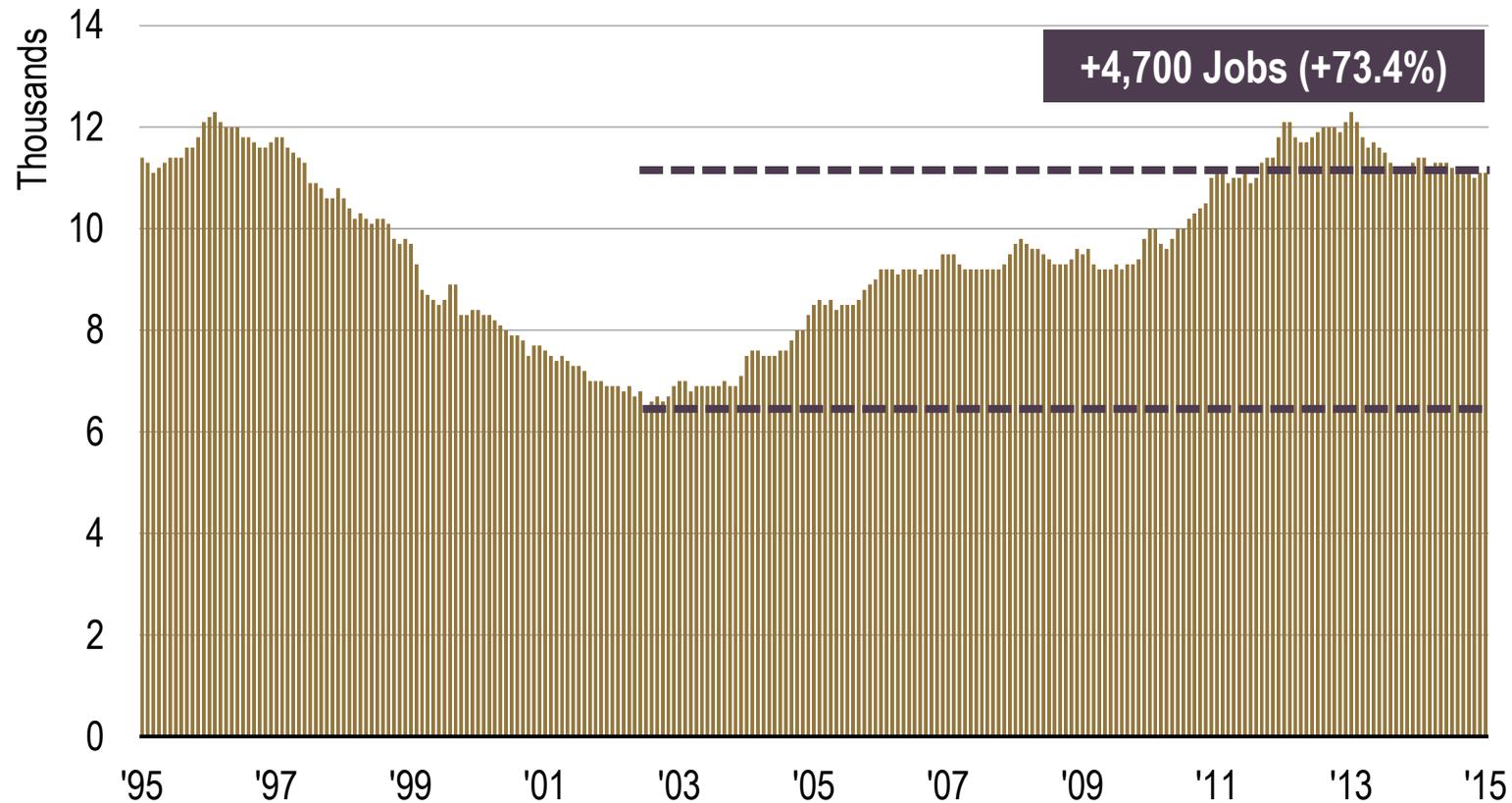
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Mining Employment in Nevada



Source: Nevada Department of Employment, Training & Rehabilitation

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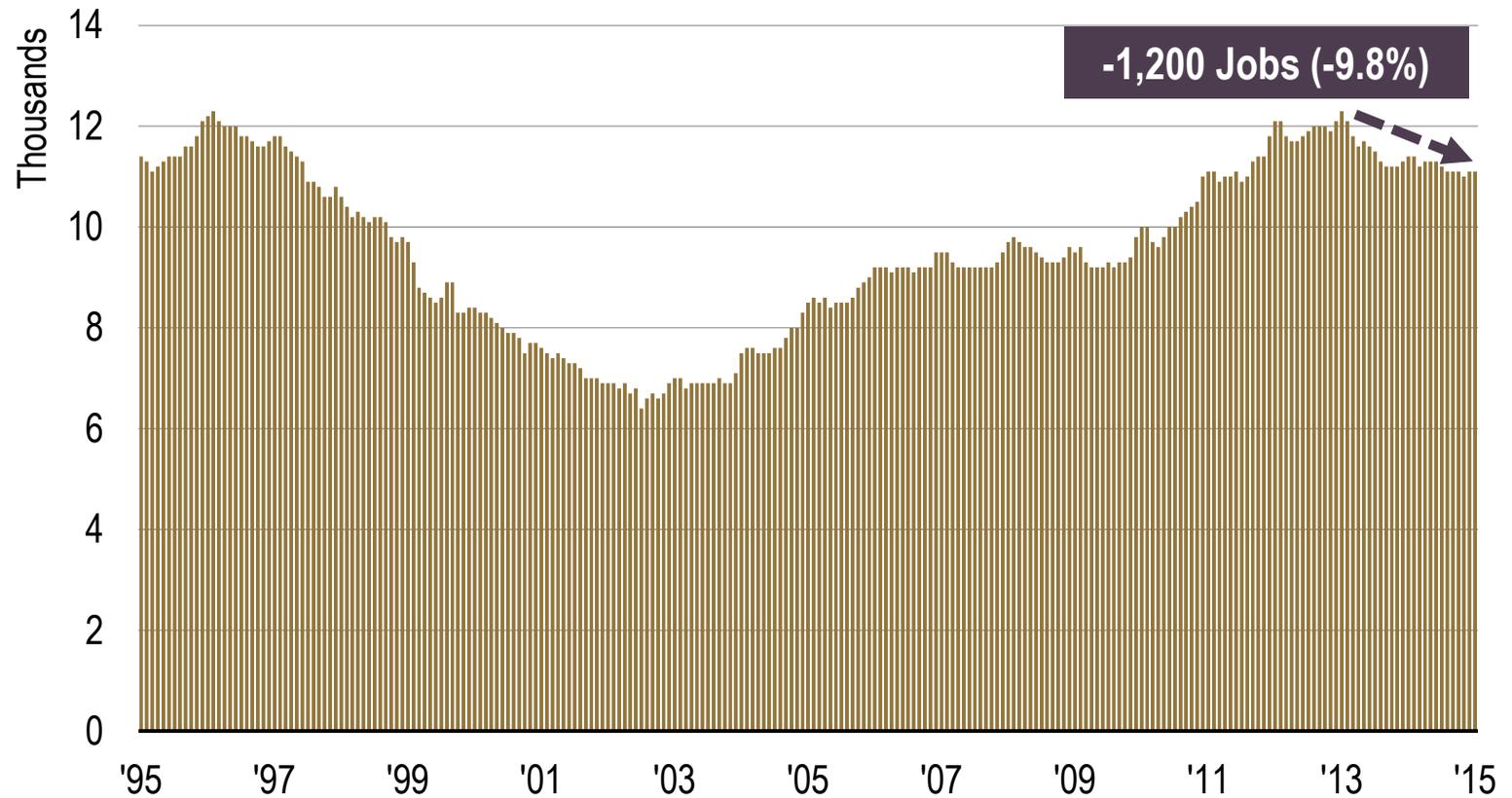
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Mining Employment in Nevada



Source: Nevada Department of Employment, Training & Rehabilitation

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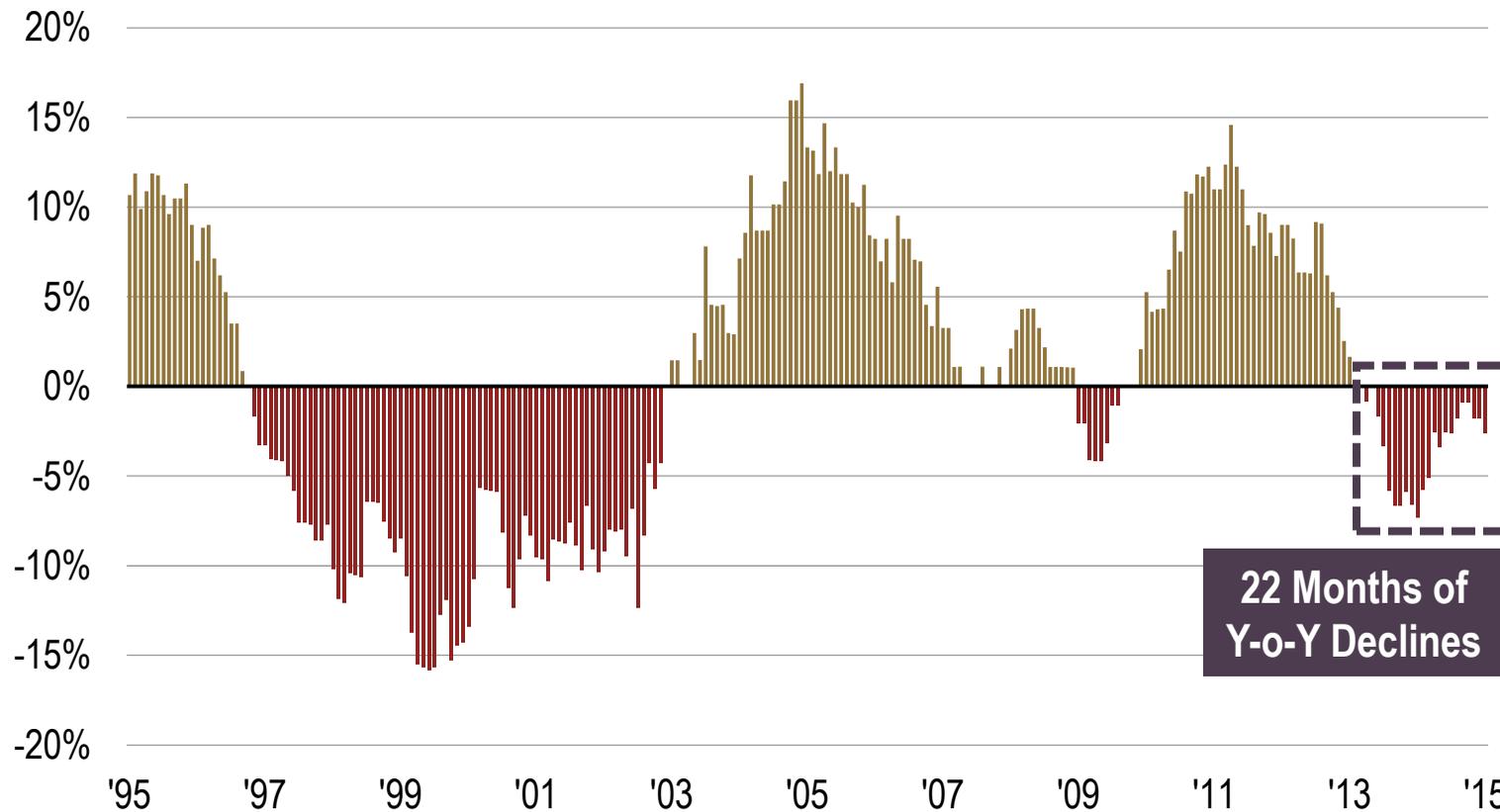
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Mining Employment in Nevada

Annual Growth



Source: Nevada Department of Employment, Training & Rehabilitation

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Diversity in Nevada Mining

What percentage of your workforce do minority groups comprise?

14%



Women

18%



Racial/Ethnic Minorities

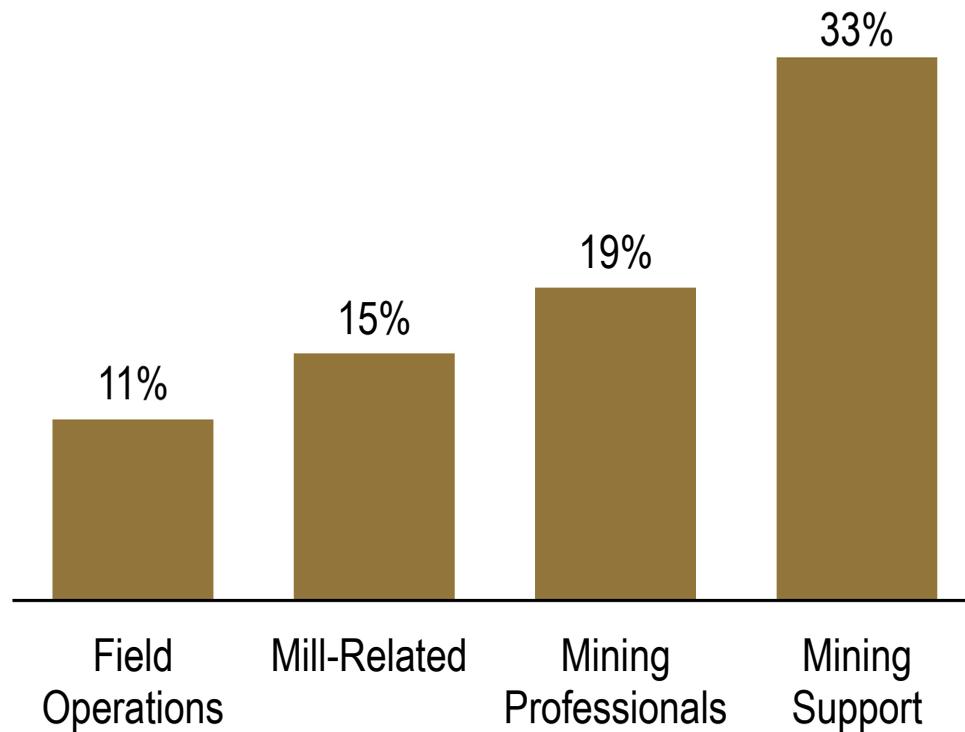
Source: NVMA Member Survey (2015)





Women in Nevada Mining

What percentage of workers employed at your company in the following positions are women?



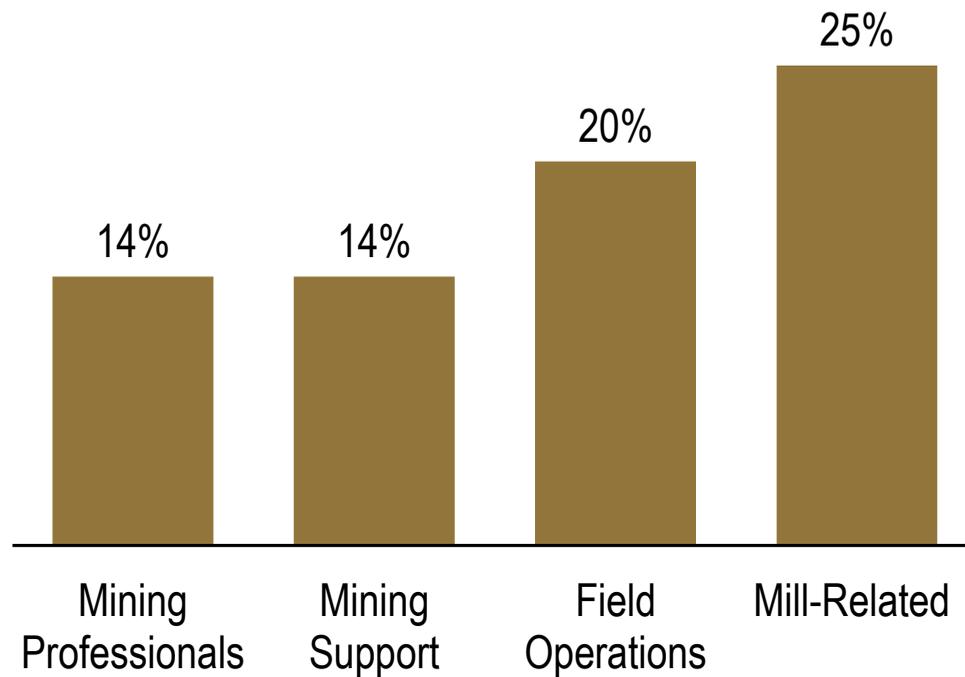
Source: NVMA Member Survey (2015)





Racial/Ethnic Minorities in Nevada Mining

What percentage of workers employed at your company in the following positions are of a racial or ethnic minority?

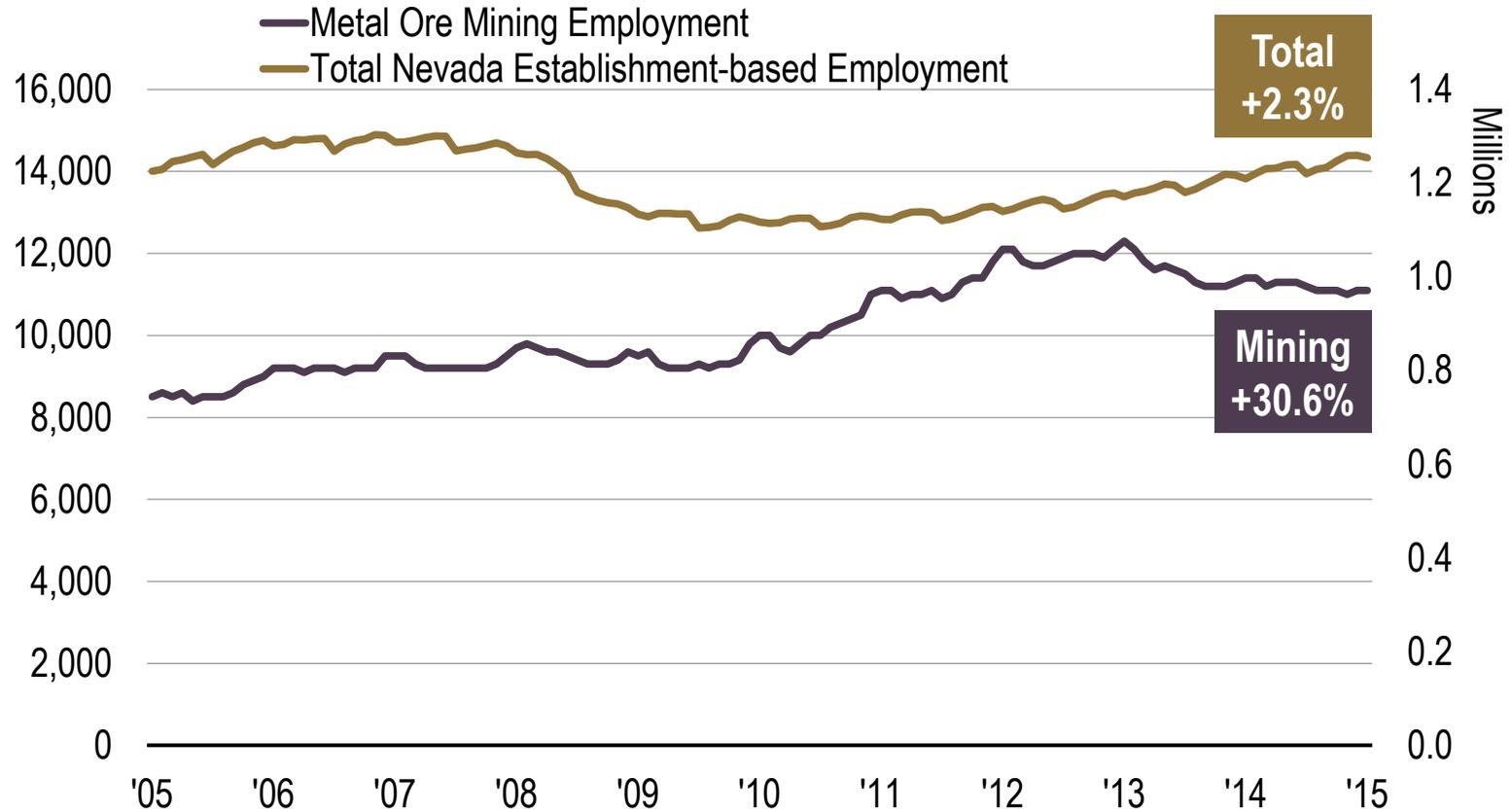


Source: NVMA Member Survey (2015)



Nevada Mining vs. Total Employment

10-Year Growth

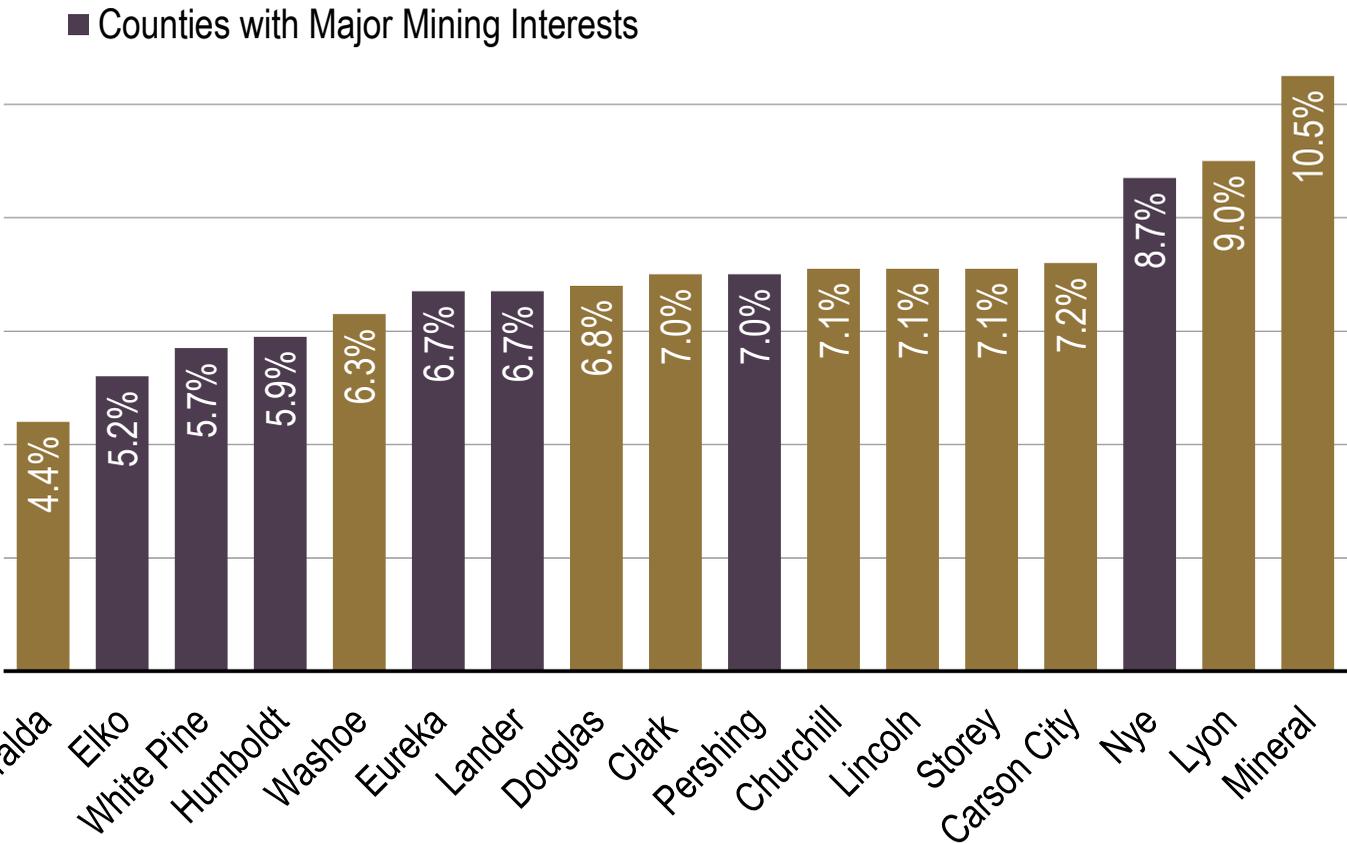


Source: Nevada Department of Employment, Training & Rehabilitation



Unemployment Rate Comparison

Nevada Counties; July 2015



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



Mining as a Share of Total Employment



Source: Nevada Department of Employment, Training & Rehabilitation

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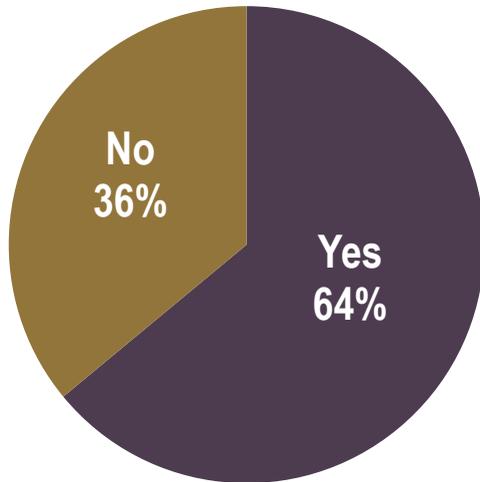




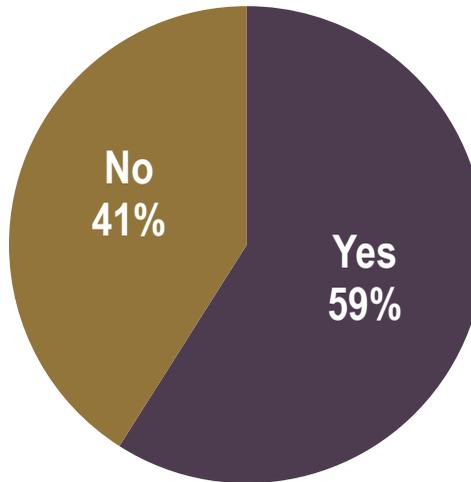
Nevada Mining Workforce Growth

Current and Projected

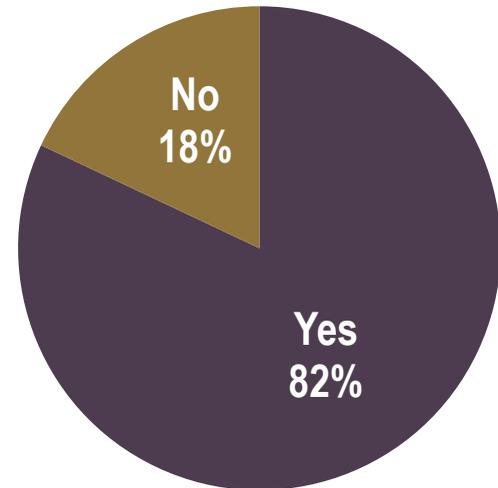
*Excluding replacements due to attrition, did you hire new employees in **2014**?*



*Have you hired and/or will you hire new employees in **2015**?*



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



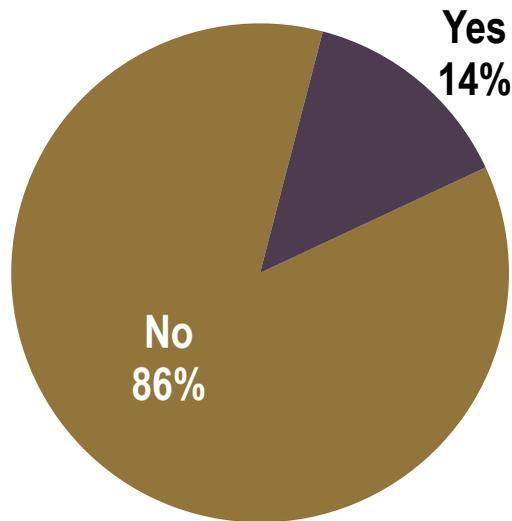
Source: NVMA Member Survey (2015)



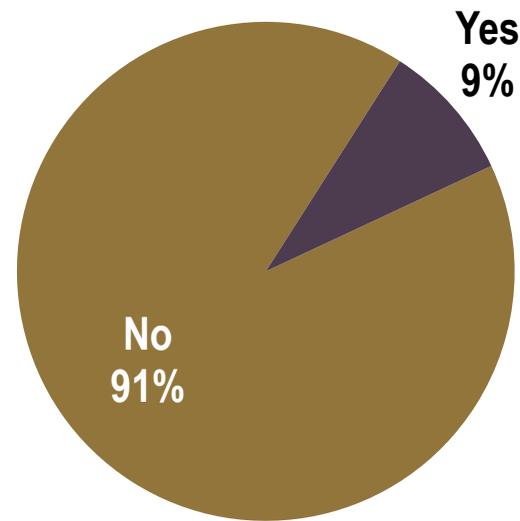


Future Workforce Reductions

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



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

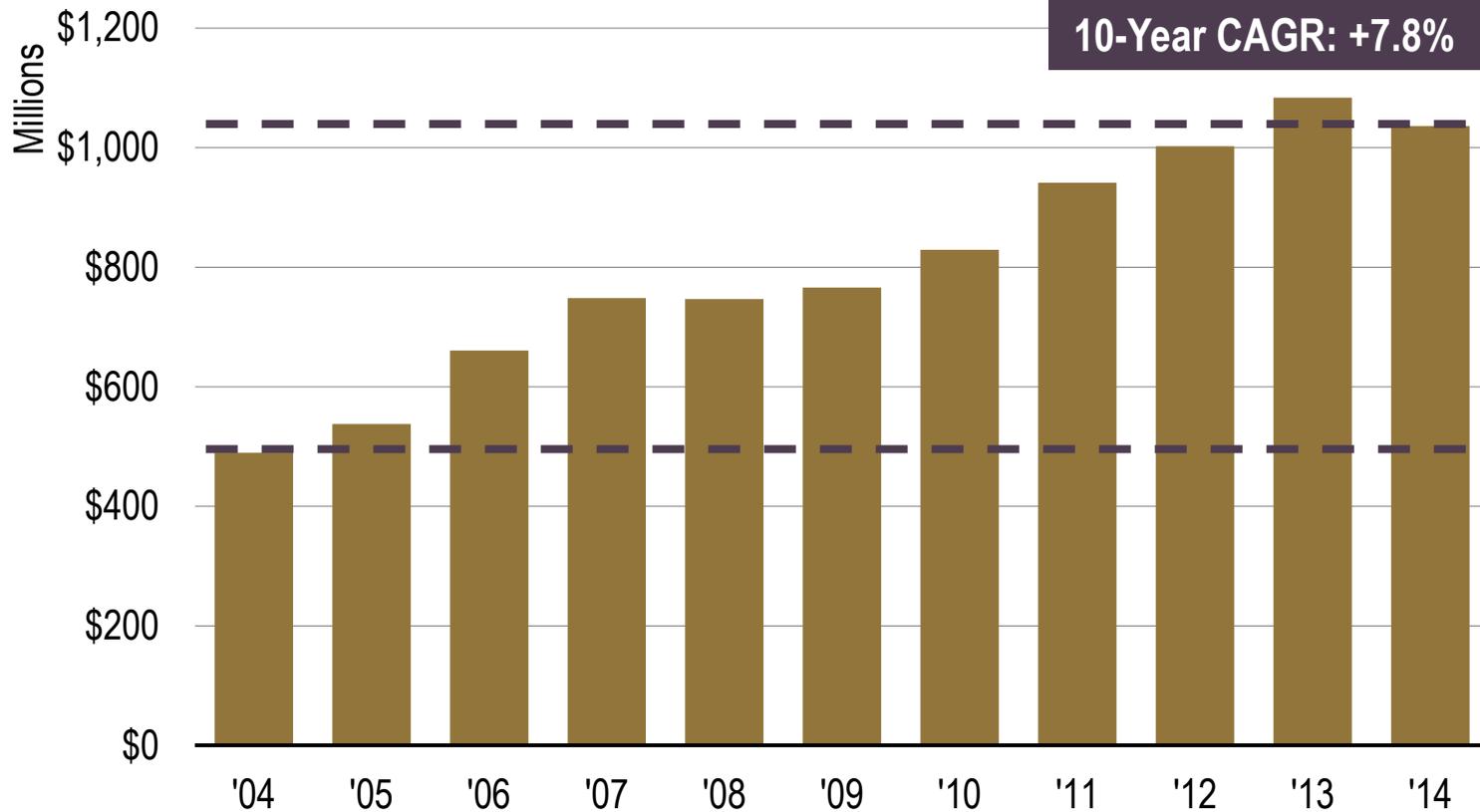


Source: NVMA Member Survey (2015)



Nevada Salaries and Wages

Metal Ore Mining



Source: Nevada Department of Employment, Training & Rehabilitation

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U.S. Price of Gold Annual Growth vs. Mining Employment and Wage Growth

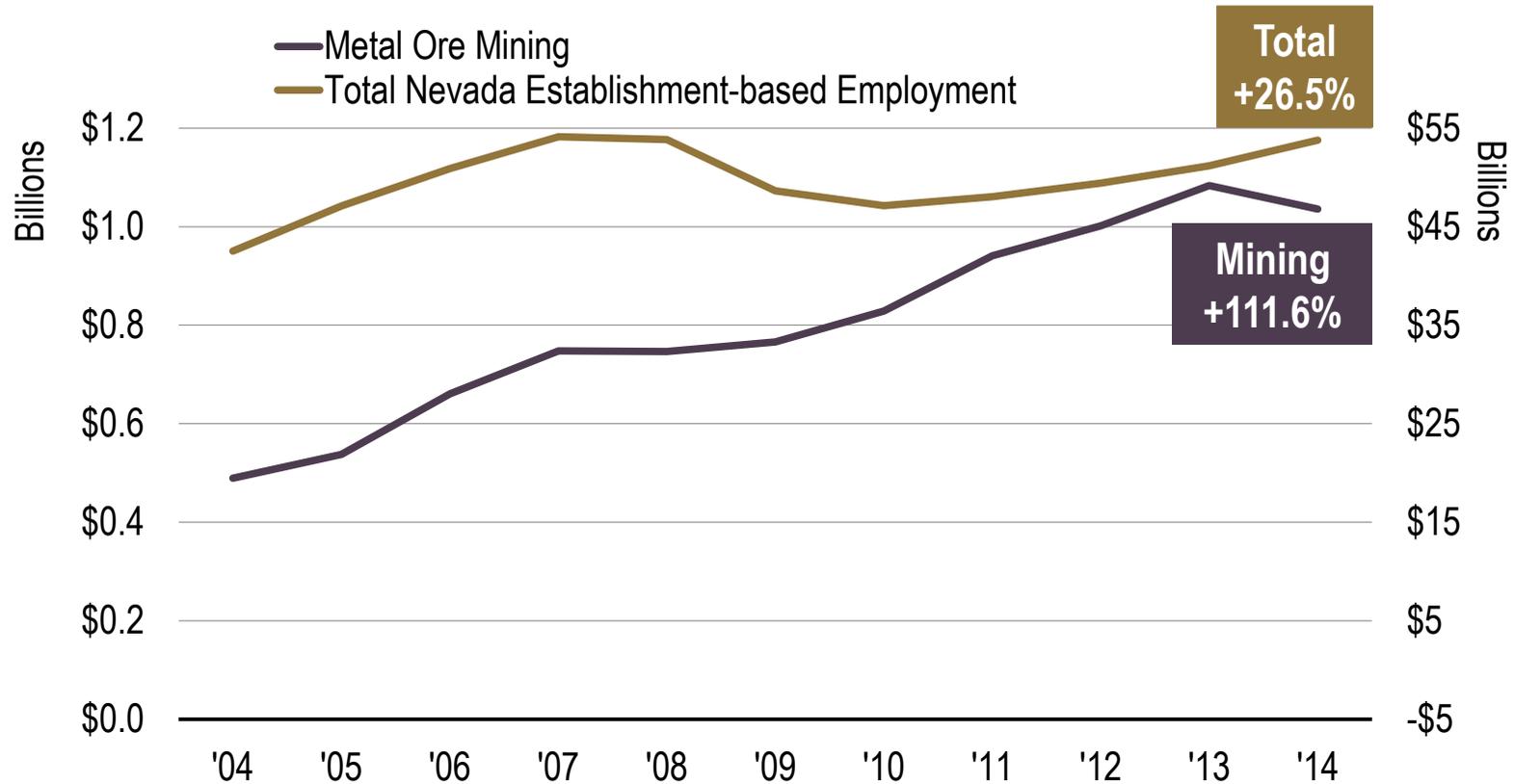
	2011	2012	2013	2014	2012 Growth	2013 Growth	2014 Growth
U.S. Average Price of Gold	\$1,568	\$1,678	\$1,394	\$1,256	+7.0%	-16.9%	-9.9%
Nevada Metal Ore Mining Employment	11,100	11,800	11,600	11,300	+6.3%	-1.7%	-2.6%
Nevada Metal Ore Mining Total Wages	\$0.9 B	\$1.0 B	\$1.1 B	\$1.0 B	+6.4%	+8.1%	-4.4%

Source: Nevada Department of Employment, Training & Rehabilitation and World Gold Council



Nevada Mining Vs. Total Salaries & Wages

10-Year Growth



Source: Nevada Department of Employment, Training & Rehabilitation

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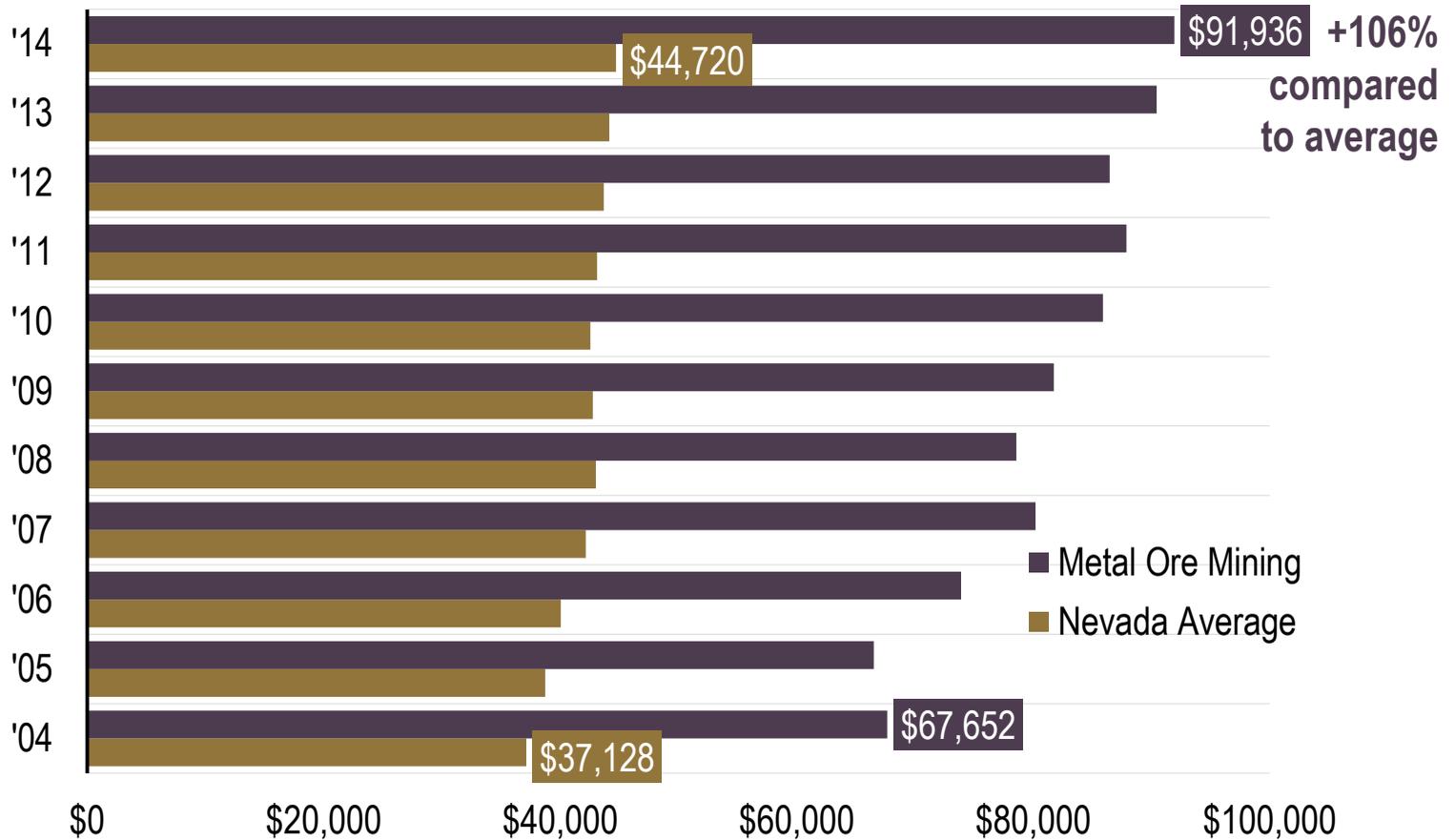
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Nevada Average Annual Wages

Metal Ore Mining vs. Total

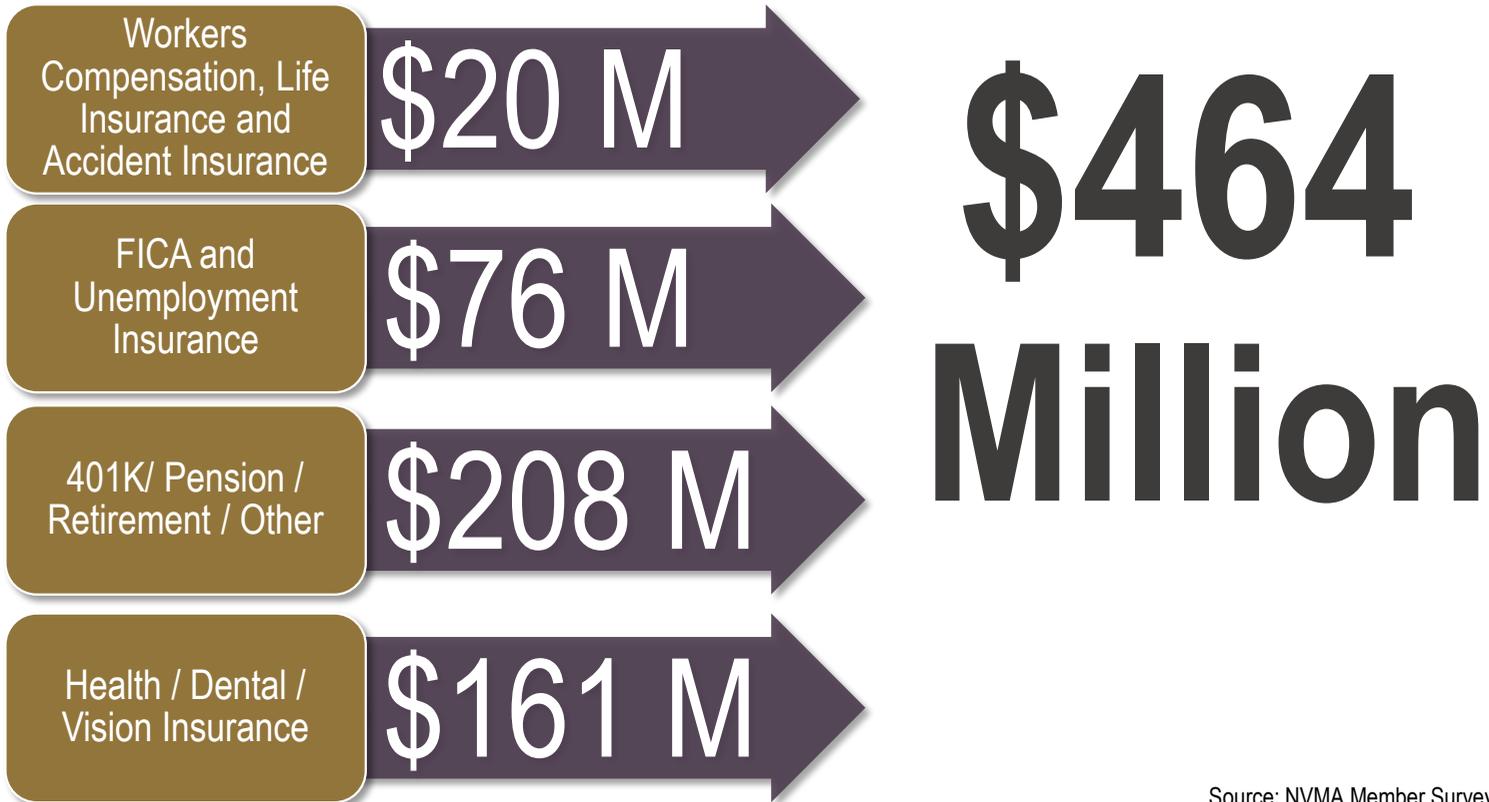


Source: Nevada Department of Employment, Training & Rehabilitation





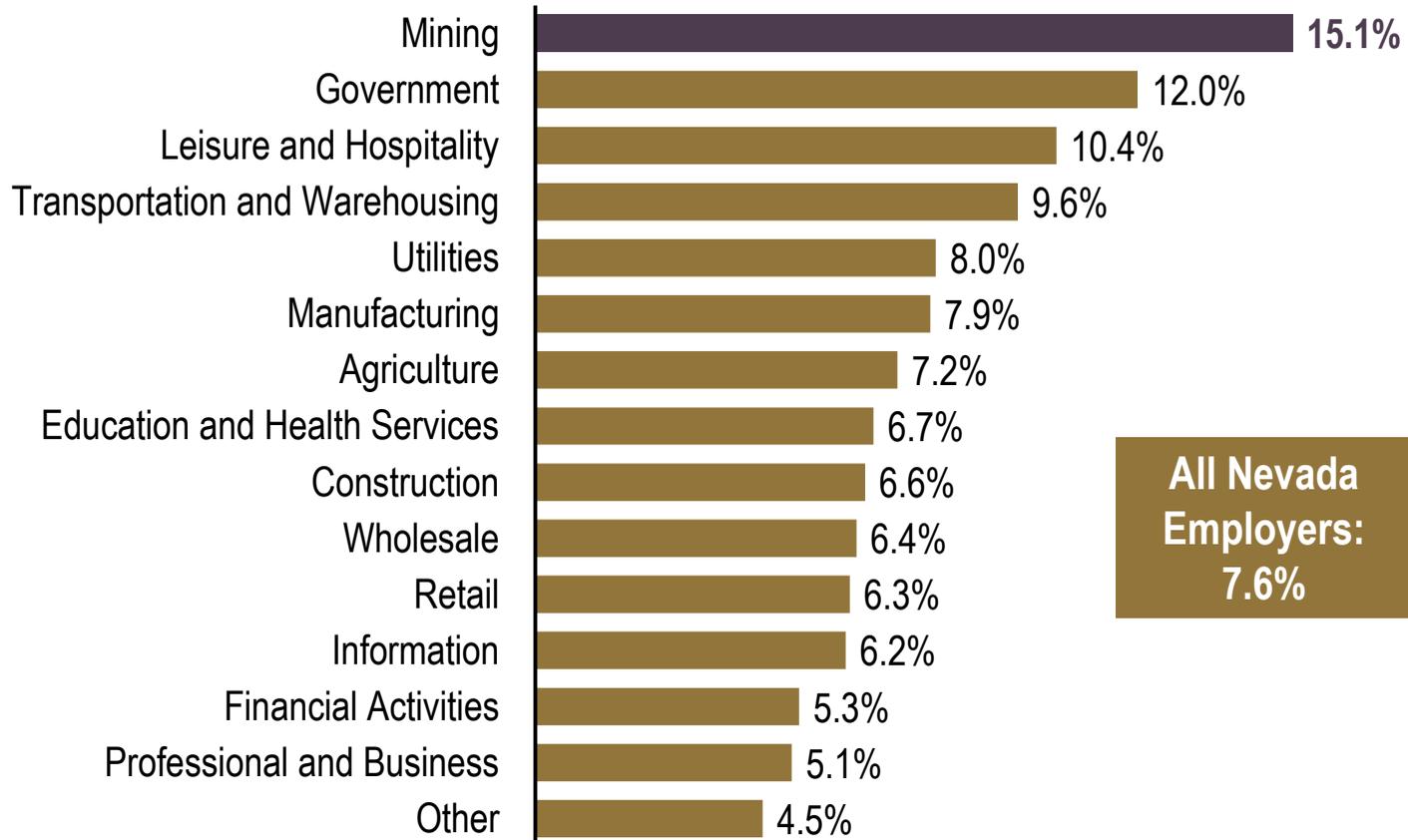
Benefits Paid by Nevada Mining



Source: NVMA Member Survey (2015)



Health Insurance Cost as a Percent of Wages



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





Healthcare Coverage

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

53%

Nevada mining industry-wide health care coverage rate:

90%

Source: NVMA Member Survey (2015) and Kaiser Family Foundation

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ECONOMIC IMPACT OF NEVADA MINING



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DIRECT Jobs, wages and output sourced directly to mining industry



INDIRECT Impact of mining industry
suppliers and vendors



DIRECT Jobs, wages and output sourced
directly to mining industry



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



INDUCED Impact of direct mining industry employee spending in local community

INDIRECT Impact of mining industry suppliers and vendors



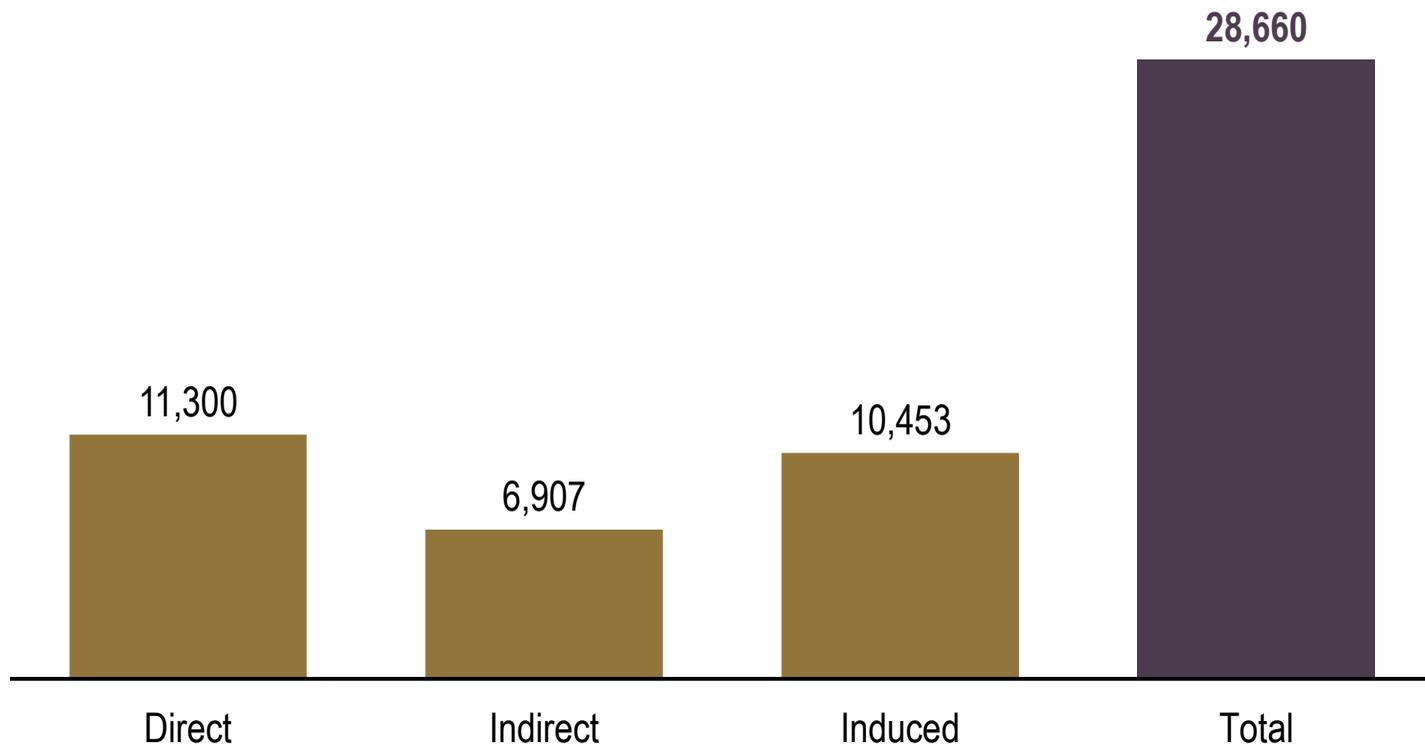
DIRECT Jobs, wages and output sourced directly to mining industry

TOTAL Sum of direct, indirect and induced impacts



Employment Impacts

Nevada Mining Industry Operations (2014)



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

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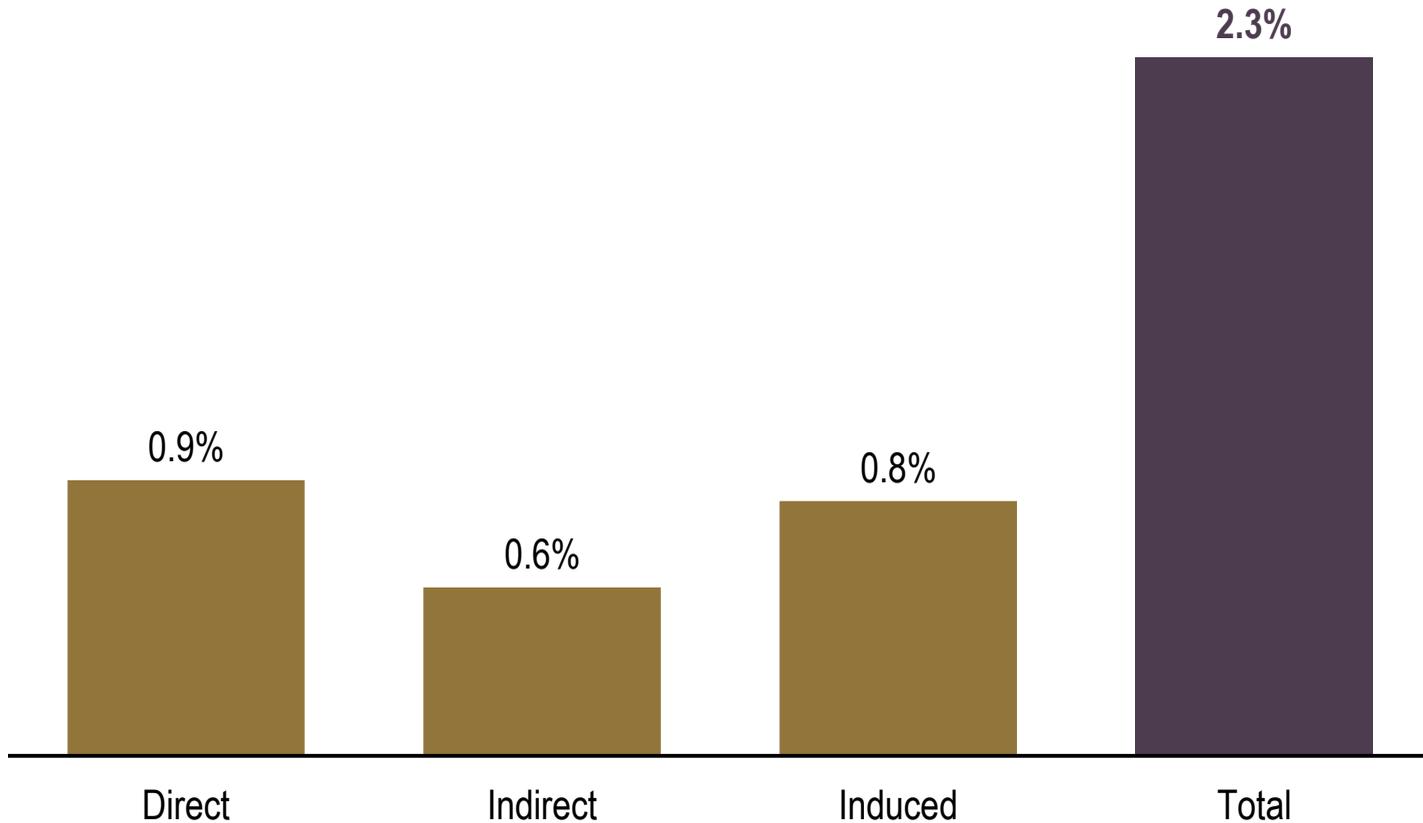
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Mining Employment Impacts as Share of Total Nevada Employment



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

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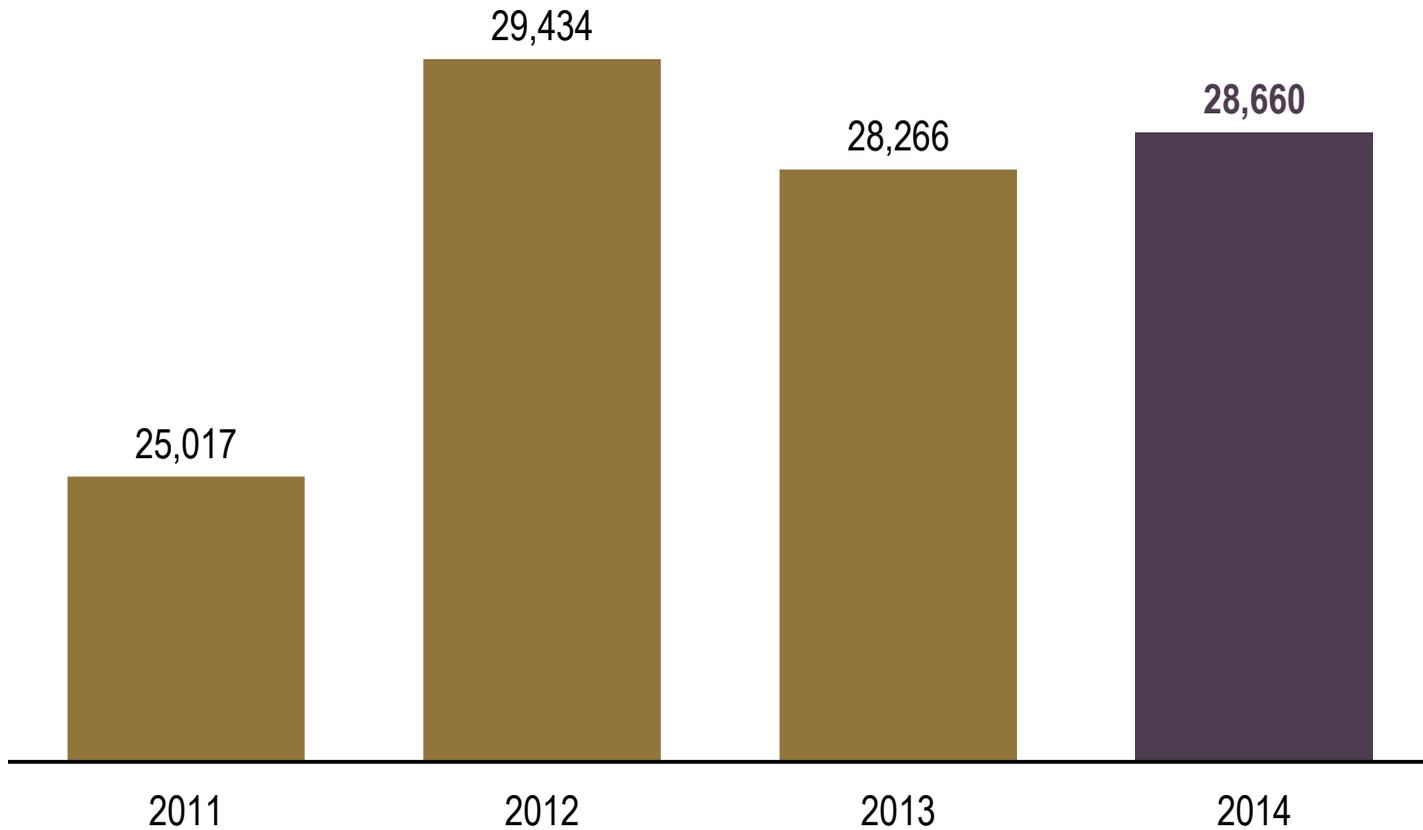
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Mining Total Employment Impacts

Historical Trend



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

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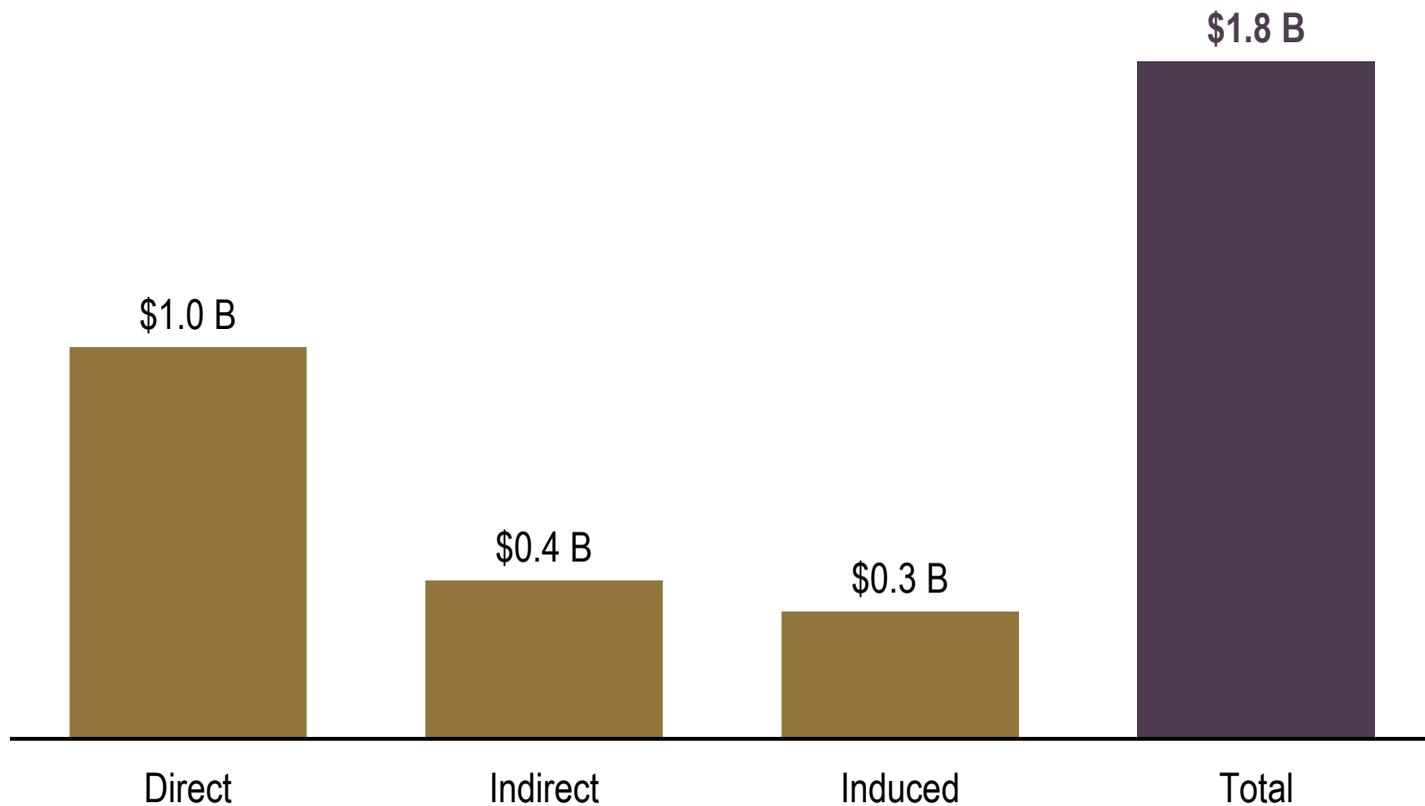
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Wages/Salaries Impacts

Nevada Mining Industry Operations (2014)



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

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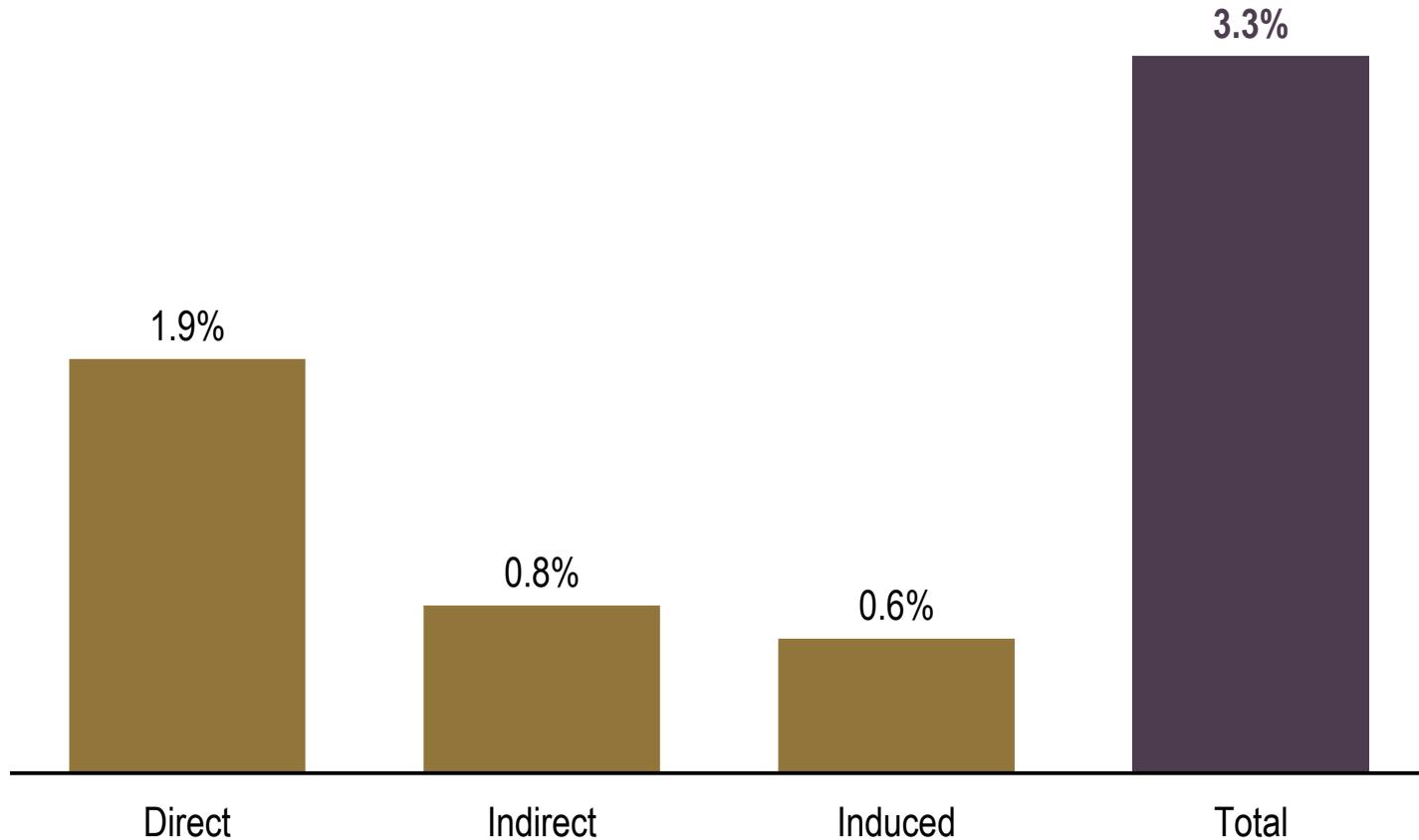
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Mining Wages/Salaries Impacts As Share of Total Nevada Wages/Salaries



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

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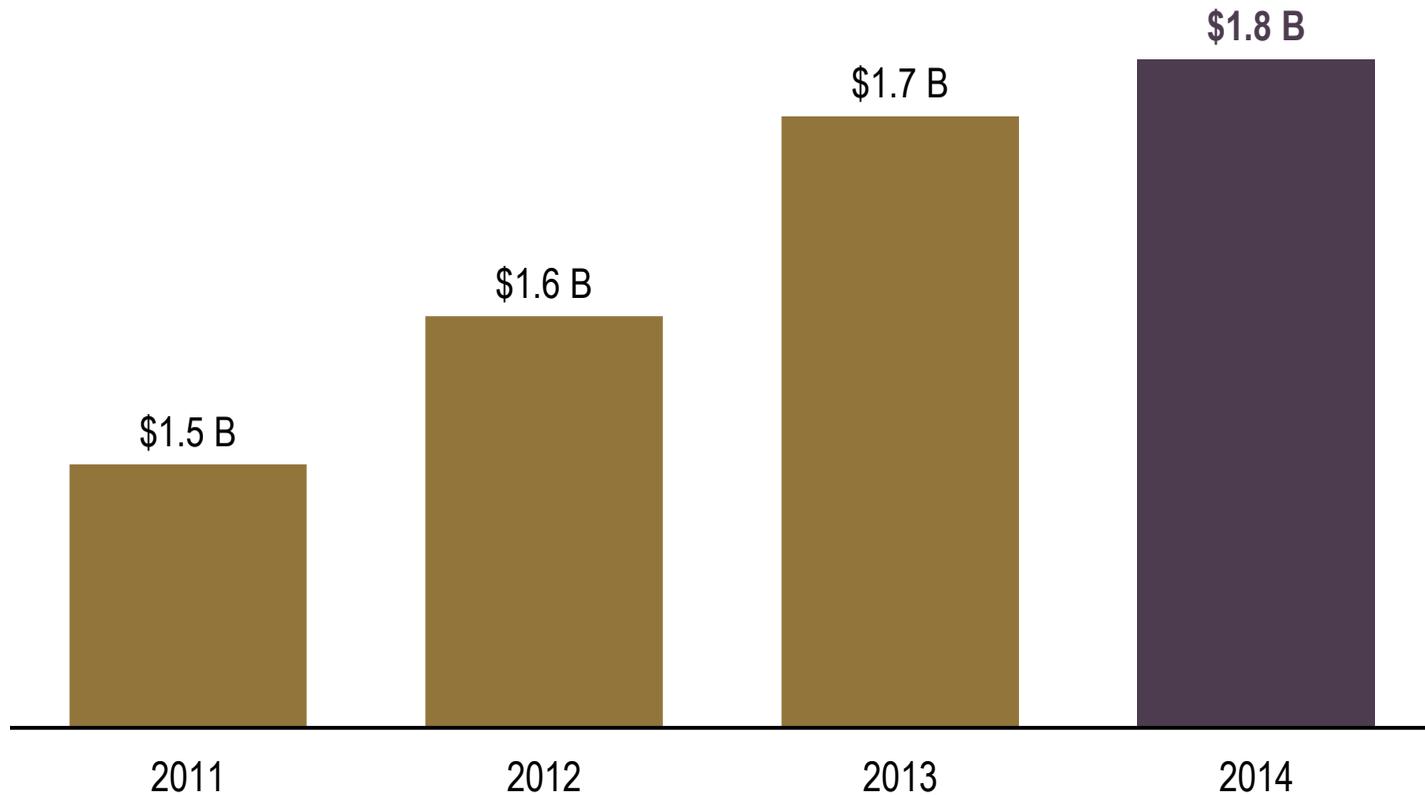
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Mining Total Wages/Salaries Impacts

Historical Trend



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

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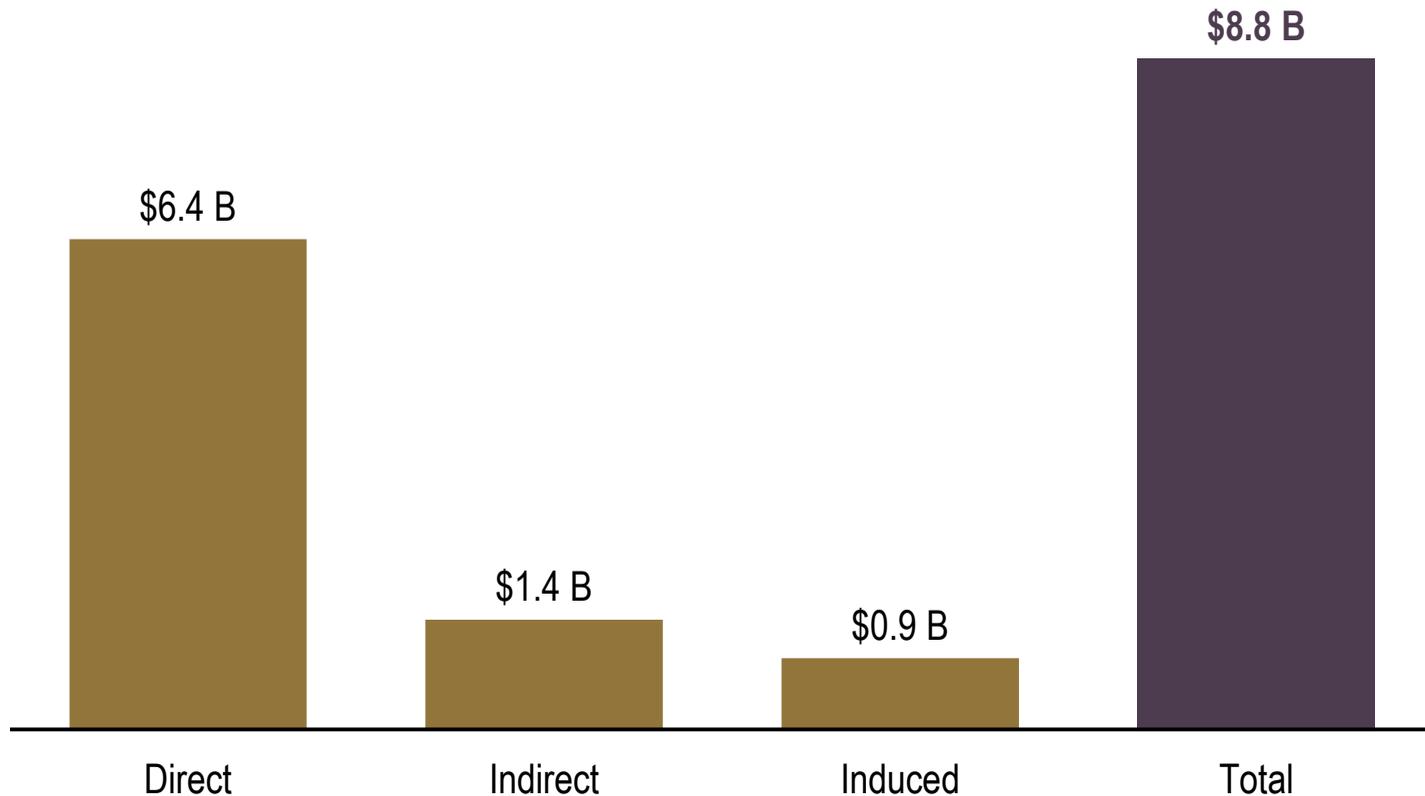
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Economic Output

Nevada Mining Industry Operations (2014)



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

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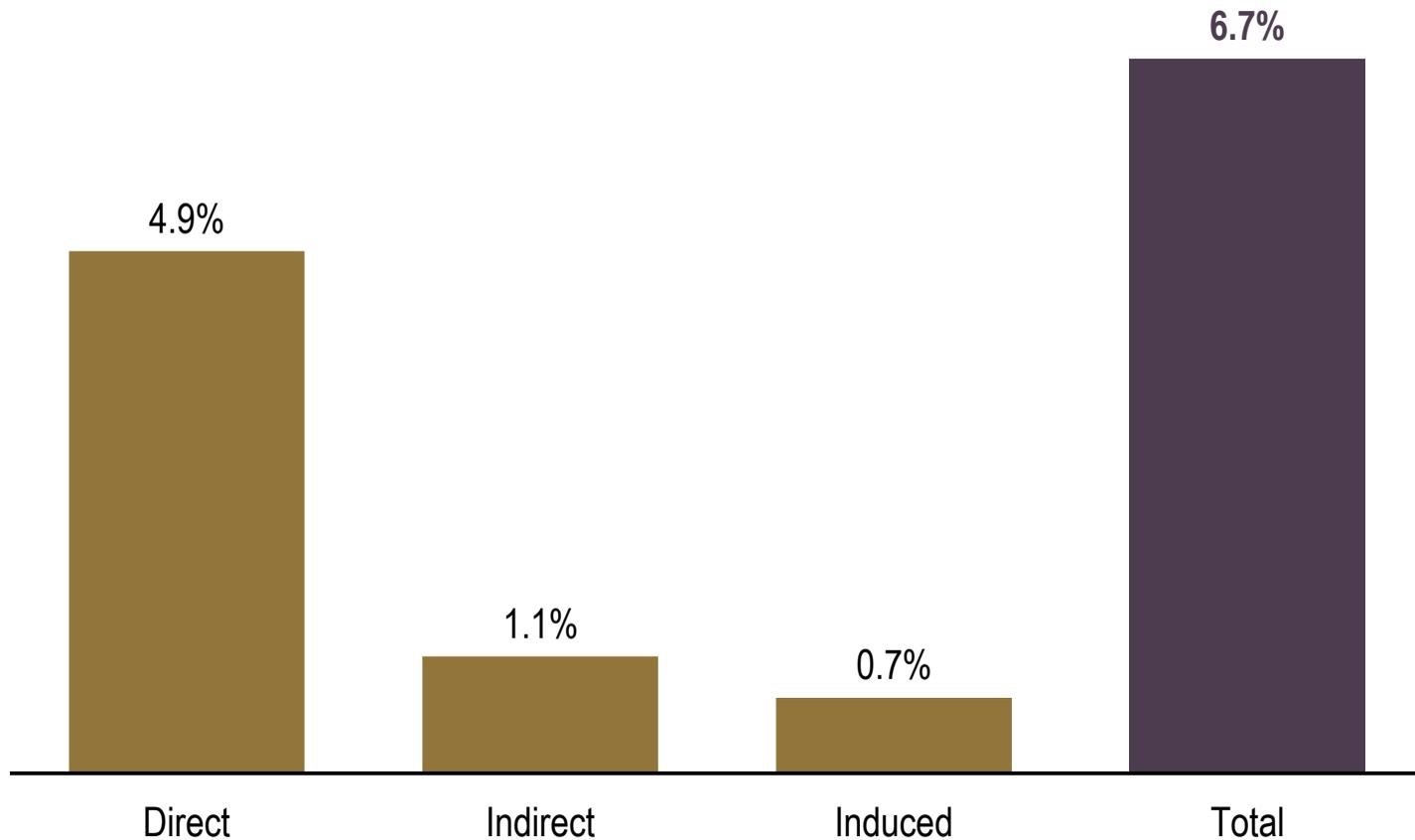
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Mining Economic Output As Share of Nevada Total GDP



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

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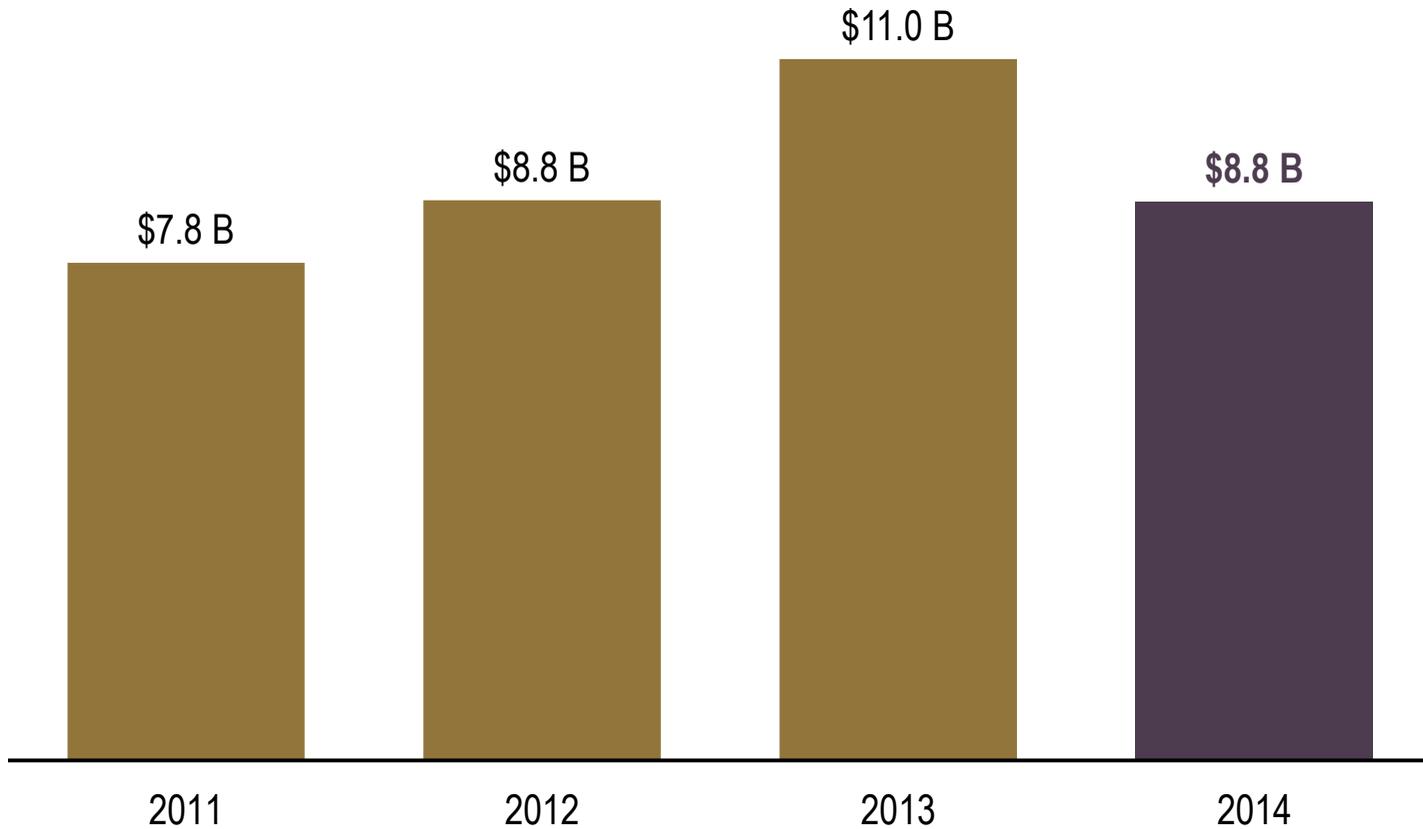
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Mining Total Economic Output

Historical Trend



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

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FISCAL IMPACT OF NEVADA MINING



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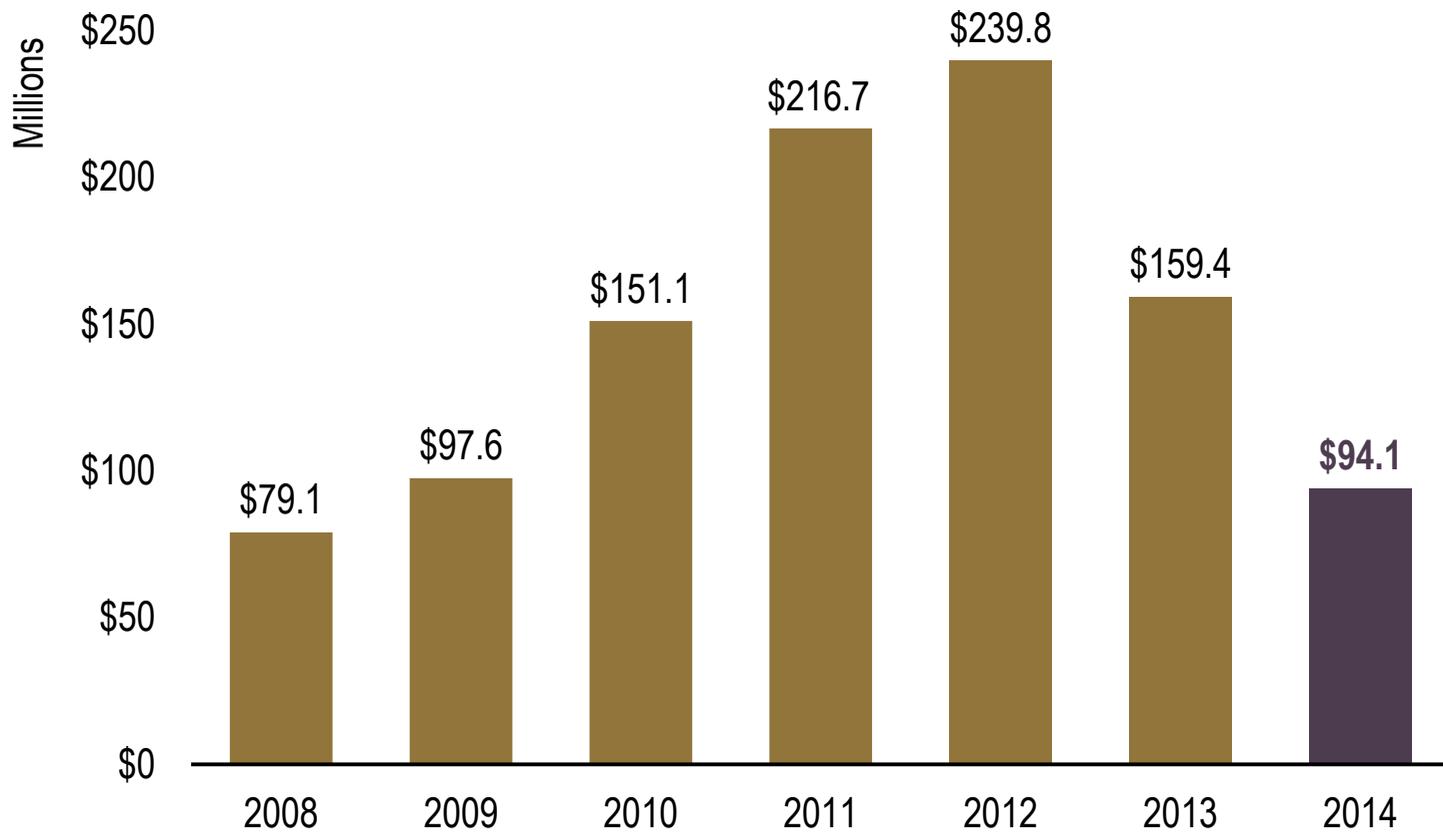
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September 12, 2015

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Net Proceeds of Minerals Tax Paid by Nevada Mining



Source: Nevada Department of Taxation

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Net Proceeds of Minerals Tax Paid by Nevada Mining (2014)

\$94.1 MILLION

TOTAL NET
PROCEEDS OF
**MINERALS
TAX PAID**



99.43%

\$93.5 M PRODUCED IN **RURAL NV**

0.43% **\$402,000** PRODUCED IN **CLARK COUNTY**

0.14% **\$134,200** PRODUCED IN **WASHOE COUNTY**

Source: Nevada Department of Taxation

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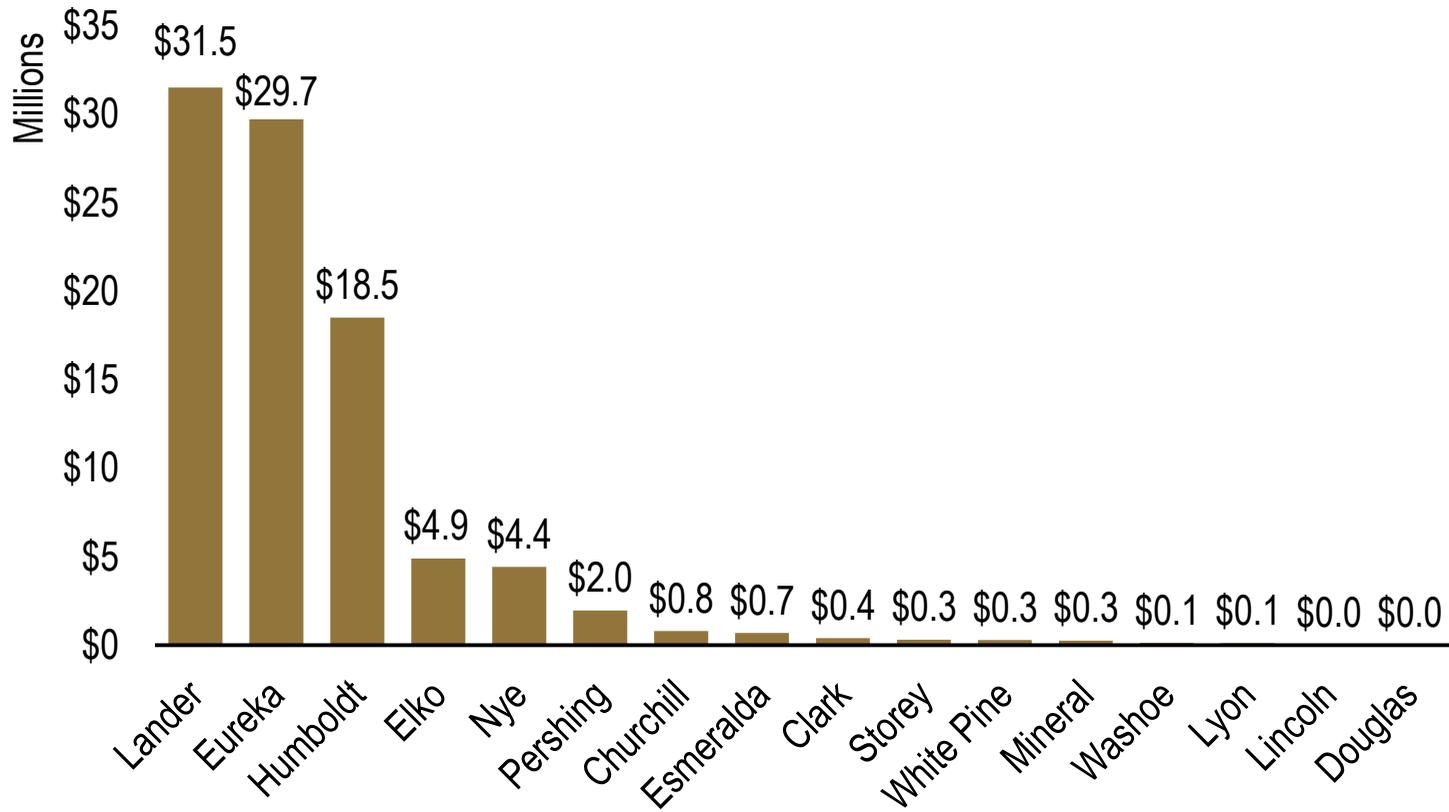
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Net Proceeds Tax Generated by County (2014)



Source: Nevada Department of Taxation

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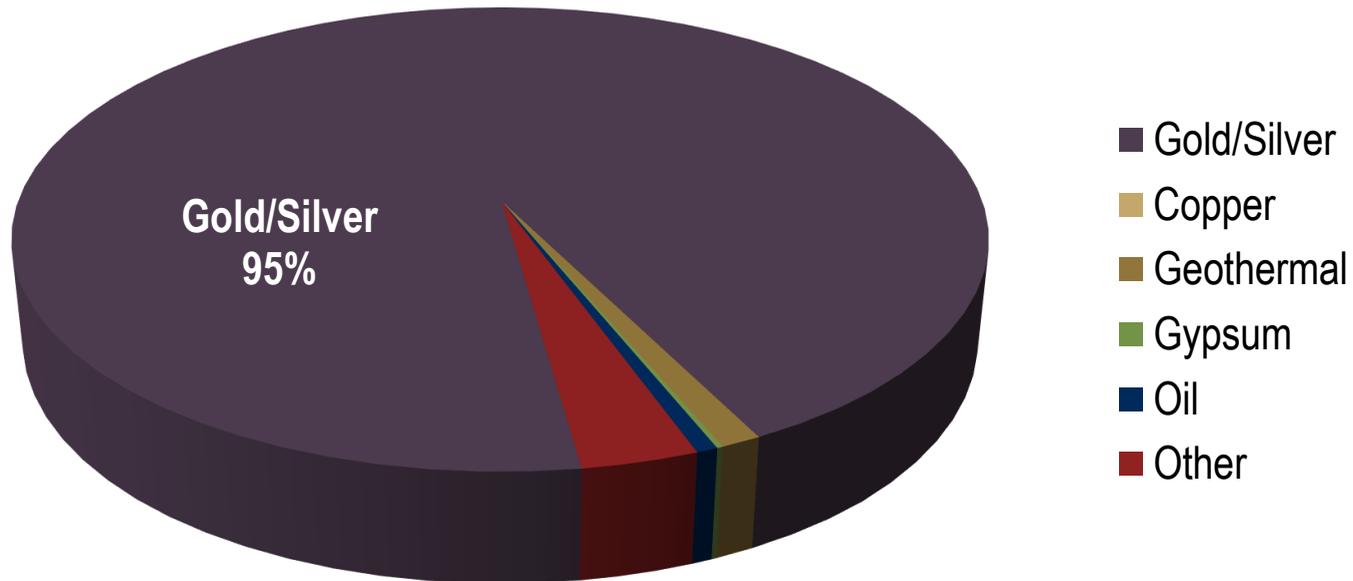
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Share of Net Proceeds Tax Generated by Specific Minerals (2014)



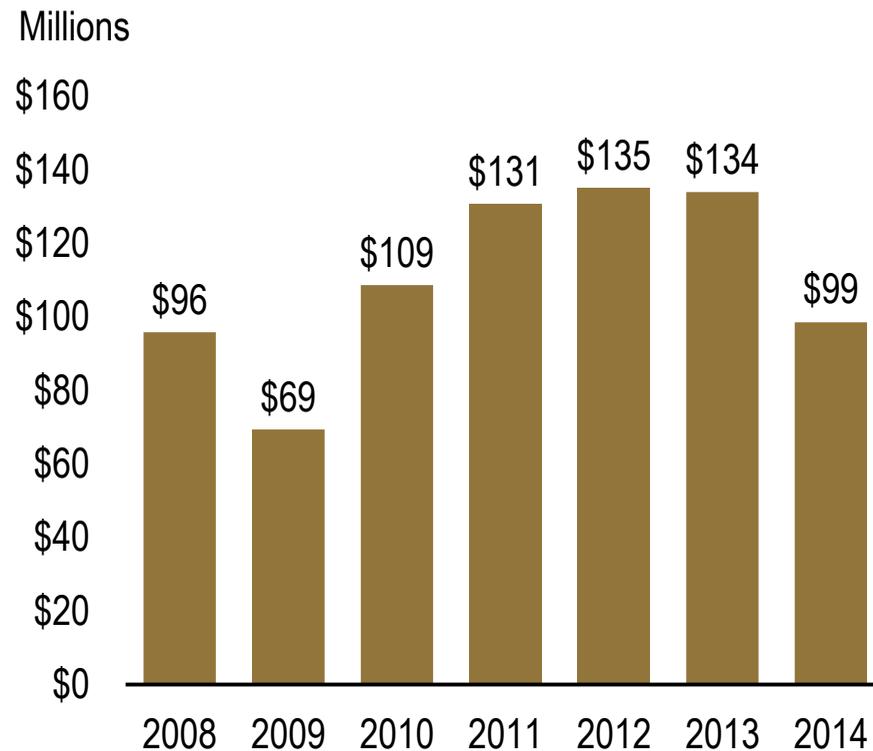
Source: Nevada Department of Taxation





Estimated Direct Sales/Use Tax Paid by Nevada Mining

Estimated direct sales/use tax paid by Nevada mining:

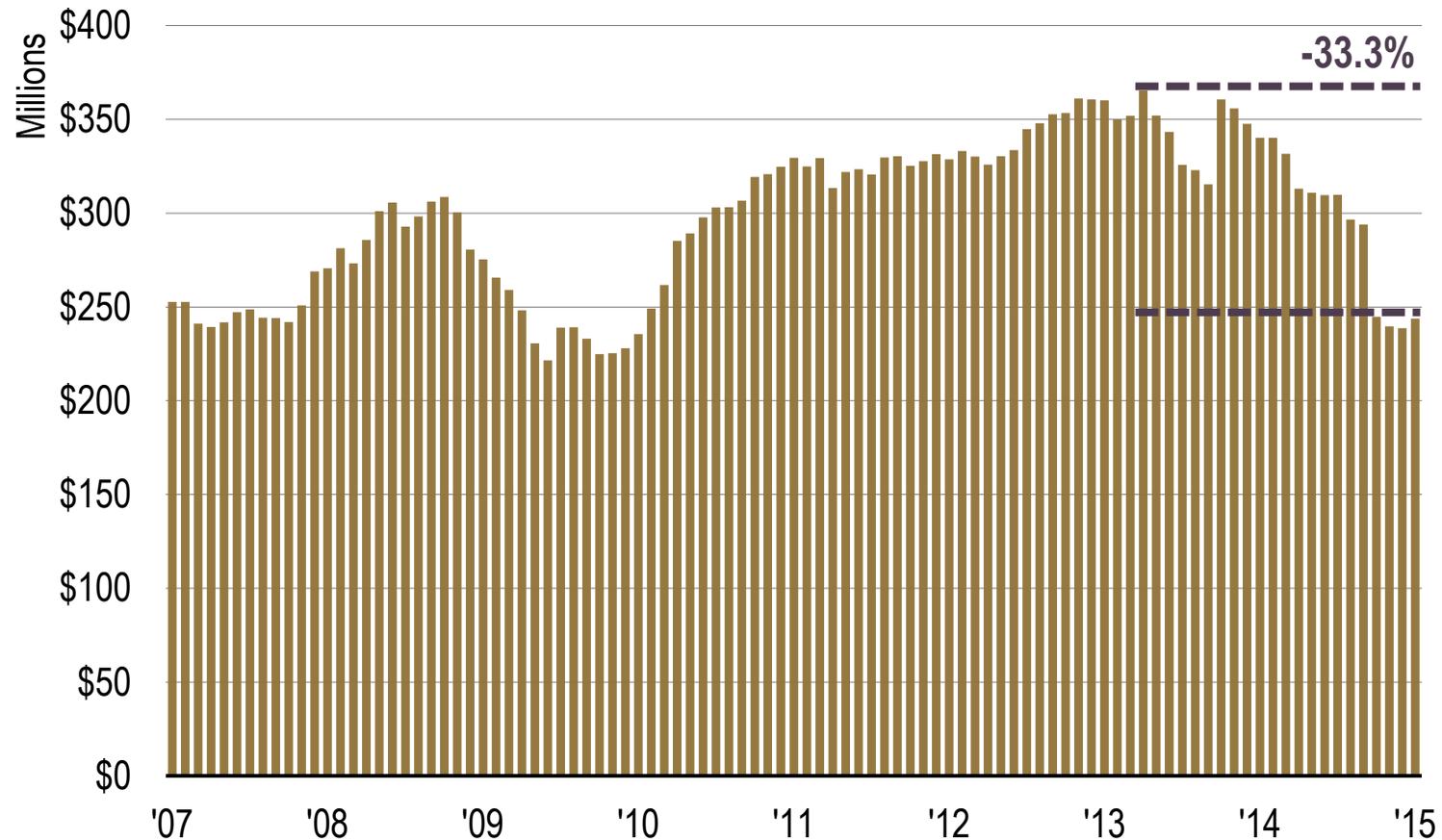


Source: NVMA Member Survey (2011, 2012, 2013, 2014); Natural Resource Industry Institute (2008 – 2010), NV Dept of Taxation and industry surveys



Nevada Taxable Retail Sales

Mining/Mining Support (Trailing 12-Month Total)



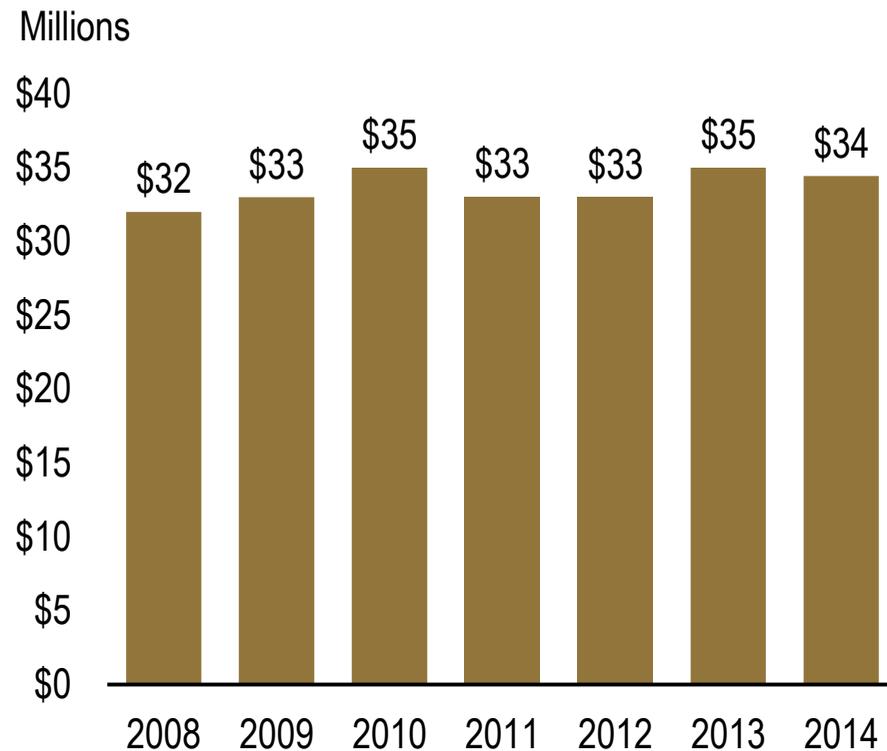
Source: Nevada Department of Taxation





Estimated Direct Property Tax Paid by Nevada Mining

*Estimated direct
property tax paid by
Nevada mining:*



Source: NVMA Member Survey (2011, 2012, 2013, 2014); Natural Resource Industry Institute (2008 – 2010), NV Dept of Taxation and industry surveys





TOP TEN ASSESSED TAXPAYERS NEVADA

1	MGM Resorts International	\$3,164,727,682
2	NV Energy	\$2,772,964,067
3	Caesars Entertainment	\$1,704,195,168
4	Las Vegas Sands Corporation	\$997,888,951
5	Wynn Resorts Limited	\$853,434,852
6	Barrick Mining	\$787,101,257
7	Newmont Mining	\$776,954,882
8	Station Casinos	\$552,630,398
9	Ruby Pipeline	\$515,663,444
10	Nevada Property 1 LLC	\$373,026,996

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.

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TOP TEN ASSESSED TAXPAYERS LANDER COUNTY

1	Barrick Mining	\$293.3 M
2	Newmont Mining	\$157.8 M
3	Ormat Group	\$62.0 M
4	NV Energy	\$39.4 M
5	Nevada Bell	\$10.2 M
6	Union Pacific Railroad	\$8.4 M
7	Beowawe Power	\$6.2 M
8	AT&T	\$4.6 M
9	Small Mine Development LLC	\$4.5 M
10	Milpark	\$3.4 M

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.

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TOP TEN ASSESSED TAXPAYERS EUREKA COUNTY

1	Newmont Mining	\$483.4 M
2	Barrick Mining	\$359.5 M
3	NV Energy	\$17.5 M
4	Homestake Group	\$14.0 M
5	Union Pacific Railroad	\$10.3 M
6	Small Mine Development LLC	\$6.6 M
7	Nevada Bell	\$5.3 M
8	Elko Land & Livestock Co.	\$3.4 M
9	Mt. Wheeler Power	\$3.0 M
10	Southwest Gas Company	\$1.4 M

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.

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TOP TEN ASSESSED TAXPAYERS HUMBOLDT COUNTY

1	Ruby Pipeline	\$199.6 M
2	Newmont Mining	\$121.2 M
3	Allied Nevada Gold Group	\$81.5 M
4	Turquoise Group	\$72.8 M
5	NV Energy	\$44.8 M
6	Idaho Power	\$34.0 M
7	Marigold Group	\$33.5 M
8	Union Pacific Railroad	\$29.1 M
9	NGP Blue Mountain I LLC	\$21.7 M
10	Southwest Gas Company	\$10.6 M

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.

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TOP TEN ASSESSED TAXPAYERS PERSHING COUNTY

1	NV Energy	\$40.5 M
2	Coeur Rochester Inc.	\$17.9 M
3	Union Pacific Railroad	\$17.5 M
4	Florida Canyon Mining Inc.	\$14.2 M
5	Southwest Gas Company	\$13.4 M
6	Caterpillar Financial Services	\$5.5 M
7	EP Minerals	\$4.0 M
8	First Gold Group	\$3.0 M
9	Southern California Edison	\$2.2 M
10	C-Punch Corp.	\$1.9 M

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.

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TOP TEN ASSESSED TAXPAYERS ELKO COUNTY

1	Ruby Pipeline	\$238.2 M
2	Union Pacific Railroad	\$53.5 M
3	NV Energy	\$45.8 M
4	Barrick Mining	\$44.6 M
5	Peppermill Casinos Inc.	\$41.7 M
6	Ormat Group	\$38.4 M
7	Wendover Casinos Inc.	\$25.2 M
8	Cactus Pete's Inc.	\$18.4 M
9	Generation 2000 LLC	\$18.3 M
10	Newmont Mining	\$14.5 M

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.

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TOP TEN ASSESSED TAXPAYERS WHITE PINE COUNTY

1	Barrick Mining	\$72.1 M
2	Robinson Group	\$64.4 M
3	Spring Valley Wind Farm (Pattern Energy)	\$64.4 M
4	Online Transmission Project	\$48.6 M
5	Mt. Wheeler Power	\$8.7 M
6	AT&T	\$8.6 M
7	Nevada Bell	\$7.1 M
8	NV Energy	\$6.7 M
9	West Wasatch Hotel	\$2.1 M
10	American Airlines	\$1.5 M

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.

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TOP TEN ASSESSED TAXPAYERS NYE COUNTY

1	Tonopah Solar	\$163.9 M
2	Round Moutain Group	\$61.1 M
3	National Securities	\$52.3 M
4	Valley Electric	\$46.2 M
5	Online Transmission Project	\$34.9 M
6	NV Energy	\$27.5 M
7	CCA Western Properties Inc.	\$20.3 M
8	Los Alamos	\$15.8 M
9	Golden Gaming LLC	\$11.5 M
10	Sandia	\$9.6 M

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.

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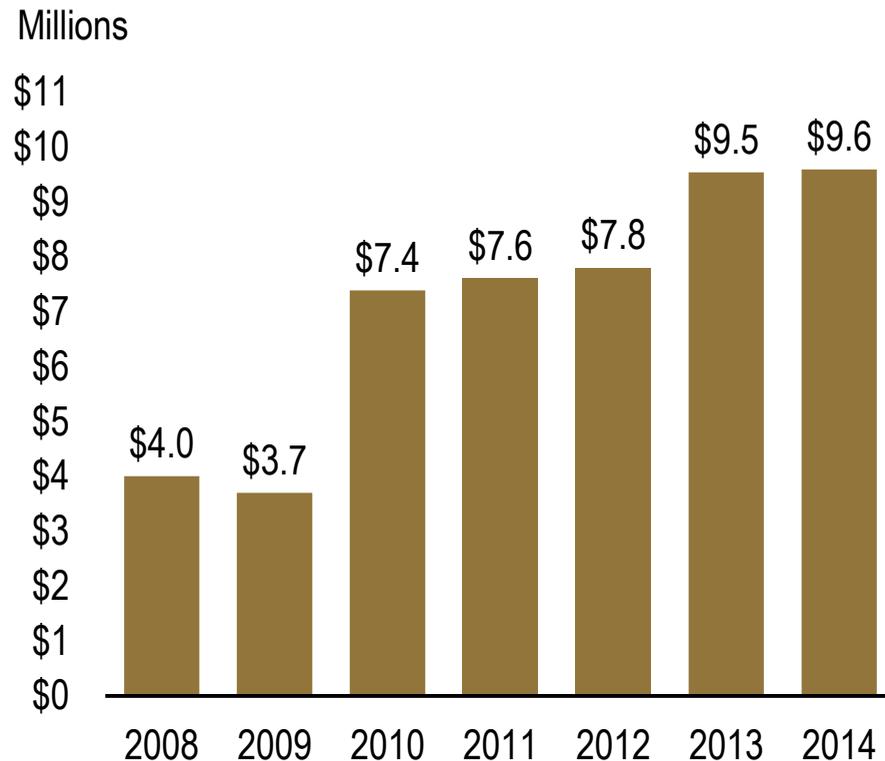
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Estimated Modified Business Tax Paid by Nevada Mining

*Estimated modified
business tax paid by
Nevada mining:*



Source: NVMA Member Survey (2011, 2012, 2013, 2014); Natural Resource Industry Institute (2008 – 2010), NV Dept of Taxation and industry surveys
Note: Historical figures may be adjusted to reflect the latest available information.

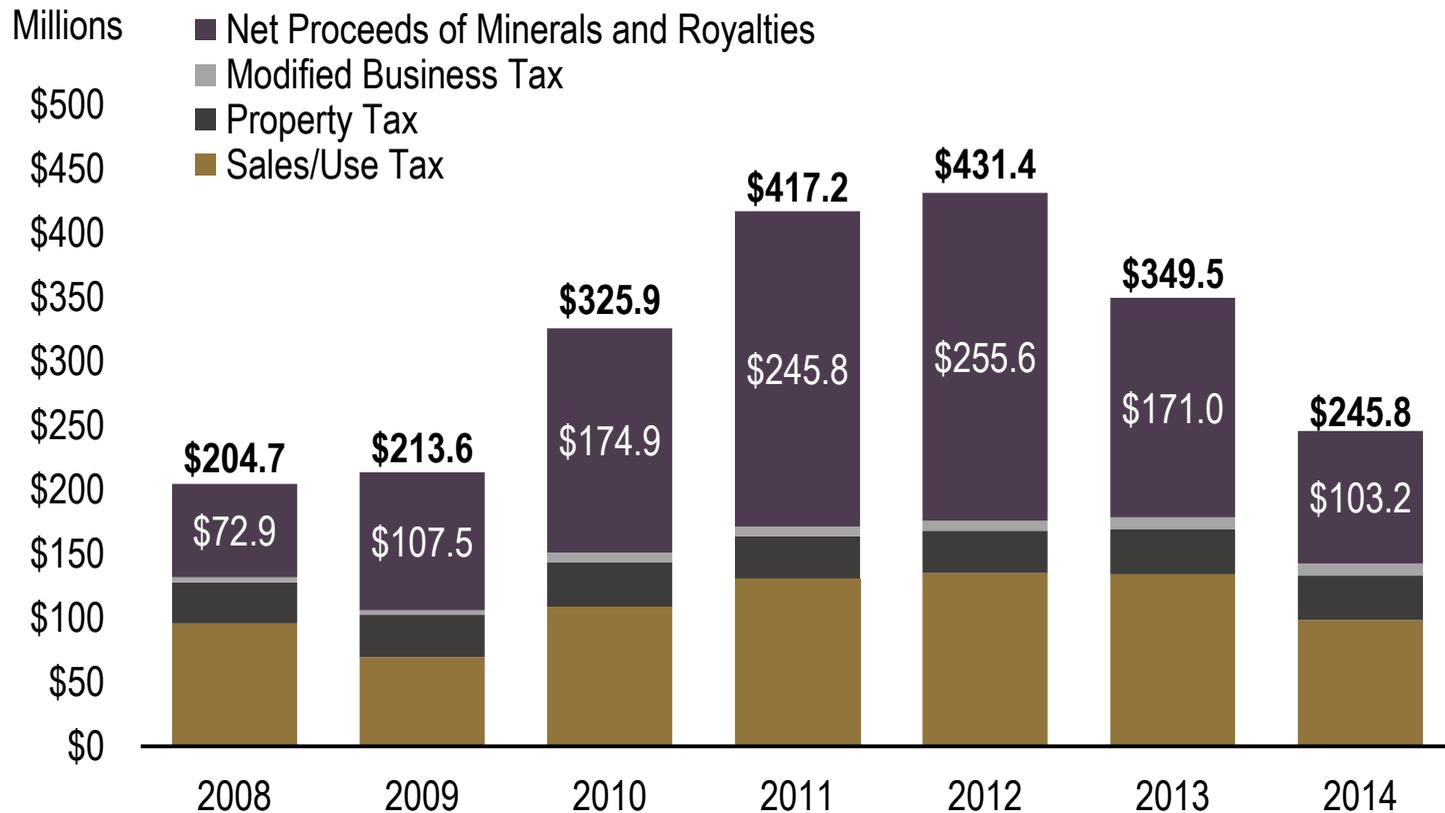


Non-Industry Specific Estimated Major Taxes Paid by Nevada Mining



Source: NVMA Member Survey (2011, 2012, 2013, 2014); Natural Resource Industry Institute (2008 – 2010), NV Dept of Taxation and industry surveys
 Note: Historical figures may be adjusted to reflect the latest available information.

Total Estimated Major Taxes Paid by Nevada Mining



Source: NVMA Member Survey (2011, 2012, 2013, 2014); Natural Resource Industry Institute (2008 – 2010), NV Dept of Taxation and industry surveys

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





COMMUNITY AND ENVIRONMENT



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Charitable Giving by Nevada Mining

What is the approximate amount of charitable gifts donated by your company in calendar year 2014?

**\$15.2 Million
Total**



Monetary donations to non-profit/ charitable organizations:
\$10.8 Million



Educational scholarships:
\$1.7 Million



Higher education:
\$1.6 Million



Capital improvements in local communities:
\$1.0 Million

Source: NVMA Member Survey (2015)





Charitable Giving by Nevada Mining

What is the approximate amount of volunteer hours tracked by your company in calendar year 2014?

Volunteer time:
5,658+ Hours

Source: NVMA Member Survey (2015)

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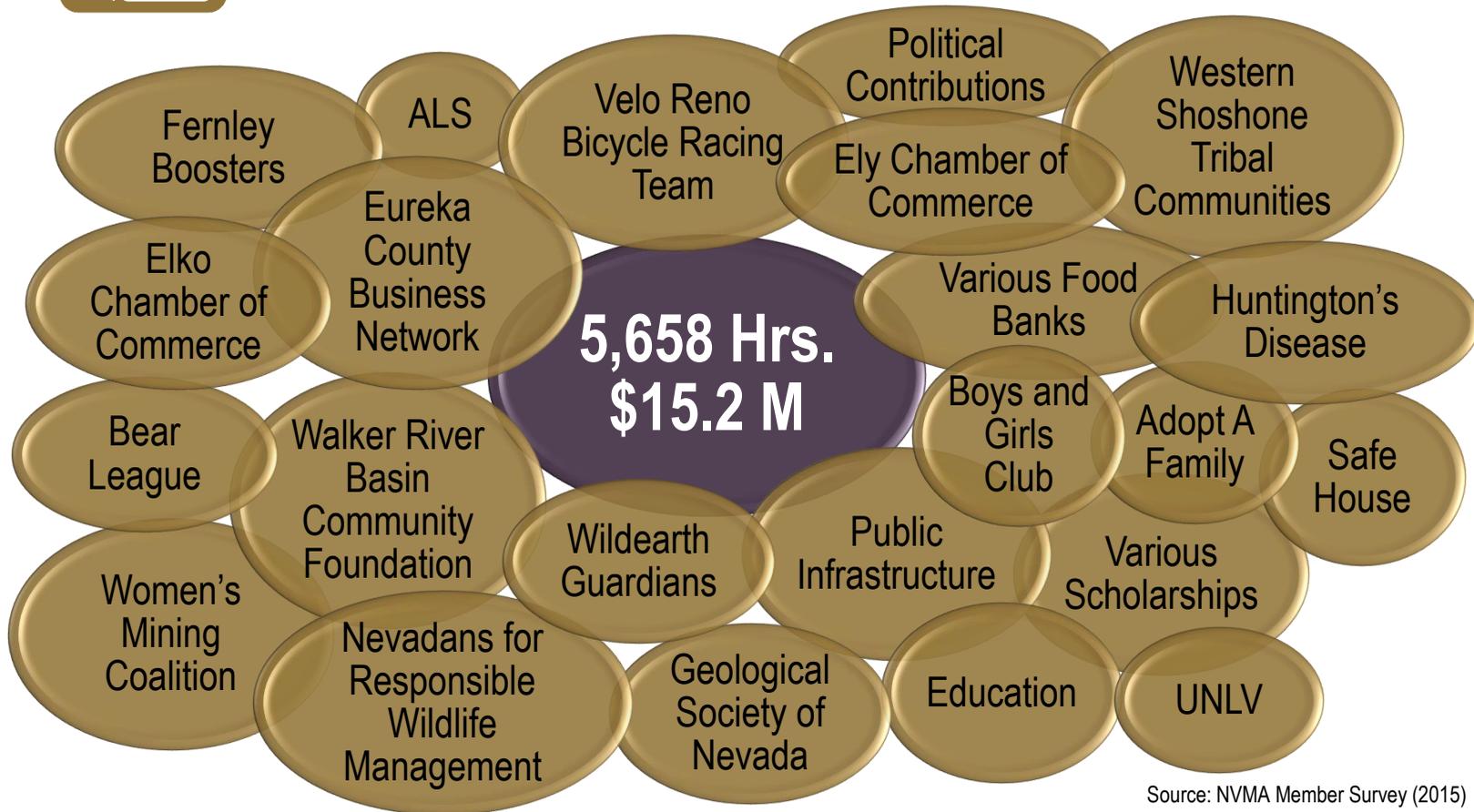
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Community Relationships



Source: NVMA Member Survey (2015)





Environmental Accomplishments by Nevada Mining

Worked with The Nature Conservancy, Fish and Wildlife Service and Bureau of Land Management on application of TNC's Sage-Grouse Conservation Forecasting methodology to plan habitat protection, restoration and enhancement actions associated with mine development.

Achieved ISO14001 environmental management system re-certification for all Nevada properties.

Worked on development of enhanced Water Standard.

Worked on development of enhanced corporate Biodiversity Standard.

Reduced electrical demand with the installation of variable speed drives.

Bat habitat restoration.

Wild horse water source improvements.

Installed high-efficiency furnace to replace old technology.

Providing customers with EPA Tier clean diesel engines.

Involvement with Pheasants Forever

Separated salvageable metals and materials from waste for recycling.

Leased electric vehicles for company use.

Source: NVMA Member Survey (2015)





SUMMARY OF NEVADA MINING IMPACTS



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ECONOMIC OUTPUT IMPACT

In 2014, the Nevada mining industry...

- Despite concerns over mineral prices, the industry continued investments in existing operations, new exploration and support activities
- Generated \$6.4 billion in direct economic output



In 2014, the Nevada mining industry...

- Paid \$143 million in non-mining specific taxes
- Paid \$103 million in taxes specific only to the mining industry



EMPLOYMENT IMPACT

In 2014, the Nevada mining industry...

- Directly employed 11,300 workers in the metal ore mining sector
- Paid more than \$1.0 billion in wages and salaries



COMMUNITY IMPACT

In 2014, the Nevada mining industry...

- Donated \$15 million to non-profit/charitable organizations
- Gave 5,700 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:

\$246 M



COMMUNITY

Charitable
gifts:

\$15 M

Volunteer
hours:

5,700



EMPLOYMENT

Direct
employment:

11,300

Total employment
impacts:

28,700



ECONOMIC OUTPUT

Direct
output:

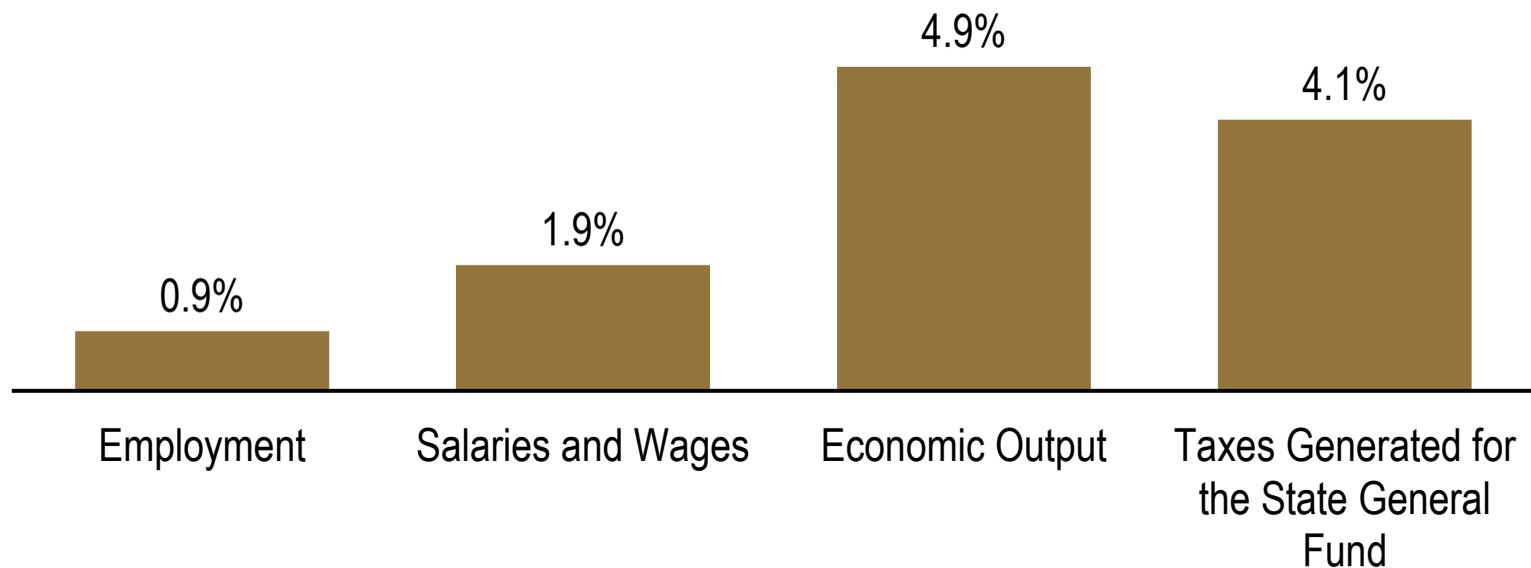
\$6.4 B

Total economic
output:

\$8.8 B



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



2015 Nevada Economy

THE ROLE OF THE STATE'S MINING INDUSTRY

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