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DIVISION OF MINERALS
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RICHARD PERRY
 Administrator

Thursday, May 9, 2019

1:00 P.M.

MINUTES

CALL TO ORDER

1:00 pm by Richard DeLong

ROLL CALL

Commission	Staff
Richard DeLong	Richard Perry
Dennis Bryan	Mike Visher
Nigel Bain	Rob Ghiglieri
Mary Korpi	Bryan Stockton
Bob Felder	Lucia Patterson
John Snow	Sherrie Nuckolls
Art Henderson (absent)	Public
	Mike Ressel
	Tim Crowley

PLEDGE OF ALLEGIANCE

Led by Richard DeLong

COMMENTS BY THE GENERAL PUBLIC

There were no comments by the public.

I. AGENDA

A. Approval of the Agenda

Motion to approve the agenda made by: John Snow

Seconded by: Dennis Bryan

Unanimously approved

II. MINUTES

A. Approval of the February 7, 2019 meeting minutes

Motion to approve the minutes made by: Mary Korpi

Seconded by: John Snow

Unanimously approved

III. NEW BUSINESS

A. Presentation of the 2017-2018 Exploration Survey

Mike Ressel presented the results of the mineral industry exploration survey conducted by the NBMG using a PowerPoint presentation. Out of 315 companies who were sent the survey, 172 companies responded. To summarize,

there was a major increase of 31% in exploration spending in Nevada year over year from 2017 and 2018; increases felt mainly in precious, base, and energy metals; geothermal and industrial minerals were flat; spending in Nevada was higher in 2018 compared to global increase of 20%; Nevada exploration company labor increased a corresponding 21% between 2017 and 2018; outlook for 2019 is good, most companies will spend as much if not more than in 2018. Mike also remarked that they appreciate the Commission's support of the survey, it's conducted every 2 years, they have a consistent way of getting responses every year, which is good, in terms of building an idea of what the expenditures are and the impacts of exploration on Nevada's economy.

Rich Perry: I'd like to follow up on Mr. Ressel's presentation that we took a one page summary and included it with several other documents we had printed this year and sent a copy to every legislator the day before Exploration Day at the Nevada Legislature. Exploration Day was very well attended, comments I heard were it was the best attended of the groups that have been there in the legislature so far.

B. Las Vegas Natural History Museum Update

Lucia Patterson gave an update on Garrett Wakes' behalf as he was on military leave. Lucia gave an overview using a PowerPoint presentation which included an update that LVNHM could not secure adequate funding to move to a new location so the new plan is to use donations towards updating the current museum and would still like to incorporate the CMR-funded exhibit at the current location and possibly moving to a new venue at a future date. Lucia described the final

sketches with four activities including Rock-Forming Environments, Rock Identification, Mineral Uses, and Mineral Properties. As for the timeline, we didn't receive any bids, unfortunately 2 out of 3 companies that Garrett spoke to did not receive a copy of the RFP and he is checking with State Purchasing on this. The current plan is to spend the month of May looking over the scope of work to identify areas where we may be able to cut costs, or deciding on if we need to stick with making one display vs two. Garrett would like to send the materials back to State Purchasing by the end of May to get the bidding process started again. The Museum does not need the exhibit anytime soon as they currently are not making any renovations on other exhibits and is still in the planning stages themselves. Garrett would also like to have the exhibit(s) delivered to them by June of 2020 at the latest. He has meetings with four design companies regarding ways to make the project feasible to take on, unfortunately most of the companies that do this are not Nevada State vendors, and submitting a bid can be costly for these companies.

Rich DeLong: Do you know why the bids didn't go to those companies?

Lucia Patterson: Garrett is checking with State Purchasing to see what happened.

C. Update of Internal Controls for Abandoned Mine Lands Public Safety Program

Rob Ghiglieri presented a PowerPoint presentation of AML internal controls and stated it is a state requirement; every agency and department has their own internal controls. Part of the presentation was on inventorying, securing and researching claimants, the number of AML and mineral education presentations per fulltime employees per year of 18. A minimum of 70% of all the hazards inventoried in the state must be secured, which we have surpassed for a long period of time. Rob went over a variety of flowcharts and explained that if AML staff disappeared, these flowcharts breakdown, in detail, the entire AML program step by step on how to operate a good AML program. It's helpful to staff for research and helps Interns to know what to do. Current statistics includes about 3.43 FTE involved with AML, 22,601 sites have been inventoried, 29% of all the hazards are orphans, 89% of orphans are currently secured, leaving 11% currently not secured. The main focus for our Interns is to work on a lot of the orphan securing's. We've identified over 85,000 non-hazardous features, and total inventory is less than 50% complete. Rob went over Topo Prioritization, why and where they go every year showing a series of Topo quads. Rob talked about the Intern Program, how we started out with 2 interns in 2000, where they mainly focused on inventory; since then 108 individual university students have been hired, including the students this summer. It's a very effective program but very time consuming for staff, the amount of time and energy with the recruitment, hiring, planning, time spent in the field every week, the staff members with them in the field, as well as data entry, cleaning the data afterwards and reporting. From 2007-2018 the interns have secured 3,000 hazard sites, they've inventoried 6,000 hazard sites and inventoried >50,000 non-hazard features. They get a lot done in a very short time in 13 weeks. Rob discussed securing's and revisits, contracted work and a summary of work accomplished with a forecast for how long it will take to finish inventory efforts and total costs.

Rich DeLong: Those numbers are daunting, should we be considering increasing staff?

Rob Ghiglieri: That's the only way we're going to be able to increase this program is to increase staff or reprioritize.

Rich DeLong: I appreciate you saying staff is maxed out; we've been focusing on increasing productivity for a number of years rather than increasing staff.

Rob Ghiglieri: Just in the contracting amount, the last two years' was 50% of the last 10 years' total; we've spent a lot of money recently. We're still able to do work efficiently but with the current staffing we're starting to hit our limits.

Rich DeLong: What I'm hearing from you is if we tried to bring on a second contractor, we don't have the staff to manage that. Is this a correct statement?

Rob Ghiglieri: Yes.

Rich Perry: We've had a number of discussions on this as we went through the claim fee question that we'll talk about later today, only the legislature could increase staffing so that would have to go to the next session, if we did that, we'd have to start looking at how much more do we want to spend and we'd have to go back and ask additional money in the claim fee if we really wanted to ratchet this program up. There's a lot of friction once we go beyond what we've been able to achieve at this point and time.

Dennis Bryan: Would you need more space?

Rich Perry: I don't think we need more office space, I would arguably not recommend backing off on the public education component. I think we've hit an optimal point here on this program, it's cost effective every year that it is done with claim fees at no expense to the general fund and the industry is willing to fund it because they see it as a social license program.

Dennis Bryan: The AML program, what's the percentage of the total budget?

Rich Perry: 60%, and contracted work is a big chunk of that.

John Snow: Excellent presentation, I thought it was pretty alarming the introduction of the tablets and the noted increase of output and efficiency, with that, is the drone expected to have the same impact on the remote site's, the hard to get to ones?

Rob Ghiglieri: Yes for staff, no for the interns to use drones as they'd have to study on their own time and take the exam to be a certified pilot.

John Snow: That's great, you gave a good big picture overview, with the BLM they have a national contractor, is that factored into these statistics?

Rob Ghiglieri: Yes, the overall numbers is including the BLM, Forest Service, fencing and the contractors. Overall in Nevada, we're the only ones doing inventory.

John Snow: As a discussion point for the Commission, maybe we should push to have them take ownership of the 29,000 orphans; they're not orphans if they're on BLM land.

Rich DeLong: it's a good point.

D. AME Roundup in Vancouver, January 20-23, 2020

Rich Perry, on behalf of Garret Wake, presented a PowerPoint presentation which gave a background on Round Up, including justification for Nevada presence, budget forecast, and deliverables. Staff is recommending sending one representative to attend in 2020. The estimated cost would be \$2,547 USD.

Bob Felder: Vancouver is the hub of junior exploration activities, there's a lot of reasons to be there. Who would go?

Rich Perry: We haven't talked about it yet but it will probably be Mike or I.

Bob Felder: Exhibit space cost is less than Toronto, staying in town is less; it's a really great place for Nevada to make a presence.

Rich Perry: Do you believe one is better than the other and we should be at one or both?

Bob Felder: If I had to pick one, I'd pick Vancouver.

Rich DeLong: I agree with Bob, If I had to pick one, I'd pick Vancouver, I see a validity in both PDAC and Vancouver, PDAC is little more mining focused and has a more international attendance, I've always viewed Vancouver as a western North America show really focusing on the cordilleran and Nevada is kind of in the cordilleran.

Bob Felder: If you aren't in the room, you definitely know the outcome and won't have any conversations of usefulness, you just have to be there and over the long run it will benefit.

Rich Perry: I do believe that fully with PDAC, some of the increased exploration spending and Fraser Institute results were partially a result of that presence, we had a lot of people come and say it's about time. We track one metric for the last two years we've looked at hits on the website after PDAC; I always include those on the monthly report.

Dennis Bryan: For \$2,500 we should go, and then based on the experience, next year make a determination.

Rich DeLong: I agree with Dennis, the \$2,500 amount and what's proposed for 2020 is a no brainer, right now we don't know if we can get in.

Bob Felder: I think we could get in, for years Round Up was in a little hotel and they outgrew it about 5 years ago, they moved into the convention center, my thought would be there's still room to expand, it's a big facility, it's not a huge meeting, I don't think they have the same waiting list as PDAC for booth space.

Rich DeLong: I would like to see, if there is a waiting list to get on the list and accelerate, look at a year schedule. From a fiscal perspective we have the money to do this, even if it requires going to IFC I think it's worth it.

Rich Perry: It always helps in our argument when we write some type of fiscal note that's going to go to IFC or a work program that our Commission instructed us to do this.

Motion to fund a person to attend AME in 2020 in Vancouver made by: Nigel Bain

Seconded by: Mary Korpi

Unanimously approved

E. 2018 Nevada Mineral, Geothermal and Oil Production

Mike Visher went over the Annual Status and Production Reports Draft as of April 25, 2019. Gold dropped 13%, Silver dropped 5.4%, and there was an 8% reduction for Copper and a 30% reduction for Molybdenite. There's been a shift from open pit towards underground so production usually goes down, production usually lags a little bit behind the commodity prices, and so as commodity prices go down, production goes down but not at the same exact time. The numbers may go up but this is what we have to date.

Rich DeLong: There was a 700,000 ounce drop in gold, over half of that is from Pipeline; do you think that's a reflection of them just going underground at Cortez Hills?

Mike Visher: There was a shift in the development, they had some challenges with some of the headings and some of the underground conditions so they had some delays and shifts on how they're actually doing some production, the grade had gone down of that which was actually produced.

Rich DeLong: There's a similar drop at Arturo from 140,000 ounces to 50,000 ounces.

Mike Visher: And that was part of their plan, so they had some higher grade near surface and that was exhausted, so there's more stripping involved down to the next resource level.

Mike showed a graph for Geothermal Power Production, we saw a 7% increase year over year, and I do not have an average price until the Department of Taxation finalizes their numbers and then creates a report for us to show the actual price for what was sold. The next slide was on the Oil Production, with a 10% drop that was not unanticipated.

IV. OLD BUSINESS

A. Open Data Site additions

Lucia Patterson presented a PowerPoint presentation on the updated Open Data Site on NDOM's website, there are two new items, Nevada Mining Claims (all mining claims active, closed or pending), Mining Districts and Commodities. Lucia also demonstrated how to search and navigate using the new functions and is offering a workshop on how to use and navigate through the open data site on May 14, 2019 from 8:00 am to 12:00 pm at the NBMG Gold building in Reno.

Mary Korpi: I think it's a great idea for the workshop; it's a good service to the users.

Lucia Patterson: I hope so, how to take away the "new and I don't know how to do this" factor.

Dennis: If you could give an update on NDOM and give a demonstration of the website at the GSN regular meeting in September that would be great, there will be about 120 people there.

Lucia Patterson: Dana Bennett actually also invited me to present this at their mining convention in Tahoe.

Rich Perry: Lucia, do you want to comment on where we're at in our project with the Bureau that was enabled at the last Commission meeting, when the Commission said here are the 2 things we want to fund at the Bureau for the intervening year, the second one of those was a database type project.

Lucia Patterson: We've met with them twice; we have a project timeline with an estimated completion date in May 2020. Right now we're sourcing the data, where all the data sets are going to come from, and assessing what kind of, if there might possibility be a need for an additional server, if there's a need for an additional server there might be a cost maintenance, there assessing what kind of data were going to have within certain parameters, how much space is it going to take up, what do they already have, what do we have. Next month we start formatting it.

Rich Perry: The name of the project is Nevada Mineral Resource Database, it will be housed by the Bureau because this will be a sizable one, and we're trying to build the framework to make that happen so no one has to come into Nevada and reinvent the wheel.

Bob Felder: To have such a repository would be amazing development in Nevada. Were you saying you would find money to buy data from sources or is that a difficulty?

Rich Perry: That's not what we envisioned, we're trying to set up framework so that when it was brought in, donated or somebody found some someplace and said I don't have room to store this anymore that it would have a place to go at the Bureau and could get scanned it and set up an electronic database. We would like to roll this out at the May GSN meeting.

Dennis Bryan: I don't know if there's going to be a meeting in May because that's the Symposium.

Rich Perry: Well maybe we'll roll it out at the Symposium because we we're trying to build it to where we had a date where we'd have this done and we're going to continue to meet monthly in order to drive it.

Lucia Patterson: Prior to that, there are some anticipating users and industry that we're going to pull in to beta test this.

Dennis Bryan: Symposium would be a great spot to do this at. Contact Eric Struhsacker.

Rich Perry: Ok we'll do that.

B. PDAC Recap

Rob Ghiglieri shared a PowerPoint presentation with photos of the booth and location, graphic designs, geologic maps, presentations with four presenters including Joel Lenz who spoke about opportunities for Ore Tolling and Copper concentrate processing in Nevada. Rob shared the NDOM open data website, Garrett Wake spoke about MI 2017 report, and Bob Felder discussed exploring Nevada from a junior exploration company perspective. Rob explained the 2019 web analytic comparison showing increases on the NDOM Website and NDOM Open Data Website, NBMG website and NBMG Open Data site.

Notable takeaways were: GSN signed up 5 new members and totaled \$1,380 in publication sales; NvMA signed four new members directly from PDAC; and GOED networked with several companies and government entities. Overall it was a very good year.

Rich DeLong: I was there and I thought the booth was a really great representative of Nevada; you did a really good job.

Rob Ghiglieri: Thanks.

Rich Perry: Just a note, I added the "Stake your claim" brochure, this is a collaborate effort with the Nevada Bureau of Mines and Geology and us and we use this as our primary sales brochure of what's going on and the new discoveries in the state.

C. 2019 Legislative Session Update

Rich Perry gave an update about what's transpired. There was no legislation in this session that directly impacted the industries that we regulate or advocate for. There are two bills that could have had an impact on us, AB264, which is relations between state agencies and Indian nations and tribes, it's the one and only bill I did a fiscal note on this year because it would require state agencies, Boards and Commissions to designate a native American liaison within our organization to do consultation with them. The bill has some language, in my opinion that would cause a fair amount of potential time, that bill passed out of the Assembly and is now sitting at the Senate; I don't know the outcome of what that is. The final bill is AB486, which is the creation of the Division of Outdoor Recreation within the Department of Conservation of Natural Resources. This is supported by the Outdoor Industry Association which brought forward testimony that said the Outdoor Industry Association creates 12 billion dollars in revenue and 87,000 jobs in the State of Nevada which we found that it is not a factual statement.

One of the documents I've used to help educate on that is from the BLM "Your Public Land by the Dollars" which tells a really strong story in Nevada about the impact of the BLM public lands.

Dennis Bryan: Did the BLM do this?

Rich Perry: Yes, this is put out by the BLM every year.

We have 25 days left in our legislative session, there's a lot less bills signed this time around by the governor, the number I heard, about a week ago, there were 3 or 4 bills signed. In the last session there were 60 bills signed from the last governor, things should get interesting in the final 25 days.

D. Division Financials and Recommendations

Mike Visher stated at the last Commission meeting we were asked to come back with an expenditure analysis and recommendation for reserve guidance with regards to our current budget. The agency recommends using \$1.2M as new reserve guidance amount. Reductions to CAT 39 expenses could then act as a safety net in the event of unforeseen revenue decreases. Forecasting in mining claim revenue, at the end of the fiscal year with \$2,050,000, YOY increase of 1%. Mike talked about claim filings, explained the financials and AML expenses graph. Note that in CAT 39 a work program is in place to increase our authority to spend money based on what the Commission asked for, that does not get heard until June 20th, that's for expenditures in this fiscal. As Rob discussed on CAT 39 and whether we want to increase our expenditures on AML or do we want to do a claim fee decrease or a combination of the two. Next Mike walked through the reserve sensitivity analysis using a flat 10 yr. average for mining claim revenue, which included why increased AML expenditures by \$150K a year for four years which comes in just above the guidance amount. Then we looked at the claim fee reductions, if we reduce the claim fee reductions by \$.50 per claim, which won't take effect until FY2021. We can't actually do anything until FY20 because the County Recorders can't change what they're collecting until FY21 so there's a bit of a delay. Alternatively if we did \$1.00 decrease we come in at just a little above \$1M but that's below our reserve guidance. So if we do a combination, if we do a \$.50 reduction on the mining claim fee and we add \$75K to AML for four years we come in just barely underneath our guidance. This was for flat mining claim fee listings. Mike also went over a reserve sensitivity analysis using a 3% YOY decrease, which showed that any claim fee decrease or combination resulted in falling below the reserve guidance amount. However, if we did a combination of mining claim fee reduction of \$.50 per claim and increased AML expenditures of \$75K a year for either four or five years it gets us pretty close to our reserve guidance with the caveat that the biggest way to adjust the trajectory of that decline, changing the slope of it, is taking bites at AML. Our capacity for the program is roughly \$650K, we're budgeted for \$500K so we have capacity of \$150K but if a partner comes in and say we've got \$150K we'll give you to take care of the next project or we can't do that if we're already at our limit above \$650K. One of things a combination does is build in capacity for additional partner funding or the flexibility for us to re-evaluate our spending on a year by year basis based on mining claim revenue, at the same time as providing a mining claim fee reduction that starts to drop our reserve no matter what. Our recommendation is we do a \$.50 claim fee reduction and then we augment the AML program with additional monies based on additional guidance revenue, future forecast that we're looking at \$75K increase which adds to AML but still allows for additional projects that might come in that we can't foresee.

Rich DeLong: I thought I heard earlier from Rob he was at max capacity right now.

Mike Visher: At \$650K.

John Snow: Do these figures include overhead and salary?

Mike Visher: Yes, if anything it may be a little high.

Rich DeLong: I see the logic of moving forward down the path of doing a regulation change to decrease the fee, my one concern is there's potential for a sweep this year, some of this excess we have might disappear, I would not want to vote at this meeting saying we're definitely doing a decrease, I can see moving forward with it so that we're ready on July 1 after the session's over to move forward with it but we'll have an opportunity to see what the legislature does with any potential excesses we have.

Rich Perry: The one time that money was swept from the Division of Minerals was a calculation of all the interest that had accrued in the Treasurer's office that was paid to the Division's two bond pool accounts over the years. I don't think sweeping money from our general fund could legally be done because it's in the statute. If you voted today to accept the new reserve guidance number that will help us in justifying our budgets going forward. Per the State Administrative Manual guidelines for finance, an agency isn't supposed to hold more than two months of operating revenue and we hold six months. The reason we've argued that is because we go six months without getting any revenue and we have to adapt to that and our Commission has told us that this is what it should be, and that has prevailed us in argument so that would help if it's part of the motion. The mechanism would be to direct the division to start moving forward with a regulation change in NRS 517.185 from \$6.00 to \$5.50 per filing, the other \$4.00 is in NRS 513 and that is specific to AML. If you enable this right now and say go ahead and start the process, you can always vote no when it comes back to you. Does this sound logical and if so, let us start the process of doing it.

Dennis Bryan: The \$75K in AML can we spend \$75,000 elsewhere?

Rich Perry: If it's legally enabled in the statute that we can do it, if it's outside the budget and it's \$75K I can guarantee it's going to go to IFC and if it's a contractual thing with any other entity it's going to go to the Board of Examiners too.

Mike Visser: Rob's presentation for what is queued up that you asked him to spend additional monies in FY19, he's got a similar amount in FY20 and an even a larger amount in FY21, everything is on track to spend more than the \$500K that's in our current budget, things can slide to a degree and certainly if something else comes through the door we'd have to slide down but we'd like to see the frontloaded efforts be funded as a priority over other things at this point.

Rich Perry: When we went through this process with Arden, last budget, we had to go to the Board of Examiners, we have no problem with them if we're doing AML work, and they love it. If we want to spend more money on AML, we're not going to have any problem with that. If we want to spend a little more money with the Bureau, like we're doing, we have to have a contract in place with them and it is budgeted and it's economic development type stuff, I don't think we'd have a problem with that. I think that if it was a donation to somebody we'd probably have a problem.

Dennis Bryan: I was referring to some other deliverables that would benefit the mining industry, the exploration industry, something like that.

Rich Perry: Bureau related stuff like we're doing? I think those are the biggest impacts, for \$35K at your last meeting you directed us.

Dennis Bryan: Why can't we split the \$75K and double the \$35K?

Rich DeLong: Just my opinion, I think we could, the key is what are the projects, and are they projects we find useful.

Dennis Bryan: What about the project on collecting all the data, I don't think \$35K is going to be enough.

Rich Perry: If it isn't I'll let you know because we put a budget to it last time, remember the Bureau has a statute similar to ours that says they're supposed to do things for economic geology and so forth, we can suggest it and with a small amount of money put the priority to it and if you throw Lucia and I into it, and we meet every month, it's going to happen.

Mike Visser: Just a note on that project, it's funded for \$40K.

Dennis Bryan: If we were to lower it by \$1.00 and five years from now we needed that money back would the process be complicated?

Rich Perry: It would be the same process as this, go through rulemaking, like when we raised it a couple of years ago \$1.50.

Rich DeLong: Mike, would you speak about the reason you selected \$.50 vs \$1.00.

Mike Visser: I chose both to see what the impacts are, the \$1.00 fee reduction; if mining claims stayed stagnant we fall underneath our reserve guidance at 2024 so that seemed to be a little much. If we increase additional expenditures in addition to that we fall well below, and that forced me to look at the \$.50. Because originally we were looking at dropping it \$1.00 and that's what I did but it came in much lower, we're trying to look for something that manages a softer landing closer to that reserve and keeps it more manageable, it may be a combination in order to achieve that.

Bob Felder: Both \$1.00 reduction proposals include \$75K increase to AML, did you look at any intermediate cases where \$1.00 reduction and maybe a \$50K increase to AML or to try and play with the numbers a little bit and see how you come out relevant to the guidance.

Mike Visser: I did two things on the \$1.00. I did just \$1.00 with no increase to AML and then \$1.00 reduction with \$75K increase to AML for 2 years, part of the reasoning by adding some reduction to AML we can make that impact FY20 right away so it will drop our reserve base immediately, if I wait and do it later then we don't have that immediate impact. What we're trying to do is lessen the reserve amount soon so it's not so high but try to make sure that we don't have to make major changes again, we're limited to when we can do the rulemaking, it's only every other year we can do the rulemaking and the County Recorders have to reset their software for that. We do have claimants that start paying in July, so for mining claim reductions, everybody's going to wait until that takes effect, for increases, people prepaid to avoid the increase. You can pay as early as January on your claims for the next assessment year, so if you're going to do an increase, you limit the effectiveness of that increase and that's what happened when we did the last increase, people get wise to this if they have a significant number of claims so we can't make big changes to the mining claim fee revenue, because of the delay in the rulemaking, in the timing of when that actually occurs at the County level for filings. I looked at the combination because we're trying to get our reserve down; I played with the number of years added to AML in order to not get us too far away from that reserve guidance.

Dennis Bryan: The \$1.00 reduction sounds better than a \$.50 reduction, so if you had a \$1.00 reduction plus \$75K increase in AML, in two years' time in 2022, if there are some changes we could eliminate that \$75K increase in AML, is that correct?

Mike Visser: You could, it would change a little bit, so you could add the difference and add it to the end, it would still be a little under the reserve guidance. That's the beauty of doing the combination of the two, whether its \$.50 or \$1.00 on AML that's your other bite, how you're going to use your 'thrusters' for a soft landing.

Dennis Bryan: But the AML could easily be adjusted?

Mike Visher: If we're going to increase expenditures in AML over the \$500K we have to do a work program so it's not just go spend more money, we have to get approval to spend more money from the Legislature.

Dennis Bryan: if we wanted to take that money away in two years, we wouldn't have to do anything?

Mike Visher: Correct, you wouldn't have to do anything because you're budgeted at X amount and spending less that would be an easy thing to do.

Rich DeLong: The \$1.00 decrease under both scenarios, both times the \$1.00 decrease takes us below the reserve which means we're guaranteeing another regulation change in four years.

Mike Visher: Or less because you have to tee it up.

John Snow: Did we see a decrease when the BLM raised their maintenance fee.

Mike Visher: There was a nominal decrease but not to the degree that you see when the gold price drops, that has a larger impact, so I think it will be dependent on what the amount is, the net effect is to cut back to your core position, if you don't have money set aside for increased holding costs there will certainly be some entities that didn't see this coming, but trying to predict what that's going to look like, I really don't know and not knowing what that increase is going to be, I really don't know. The BLM couldn't comment on what they thought that increase might be yesterday when I met with them.

Rich DeLong: Staff is recommending 1.2 M reserve base and a \$.50 reduction and \$75K additional AML expenditures but I don't think we need to make a recommendation on the \$75K right now, what we're trying to do it is start the process to a regulation change for the \$.50 or \$1.00 depending on what the mood of the group is.

Motion made by: Mary Korpi moved we make the new Reserve Guidance \$1.2M.

Seconded by: Dennis Bryan

Unanimously approved

Motion made by: Mary Korpi moved we instruct staff to start the process to decrease claim fee by \$.50.

Seconded by: Bob Felder

Unanimously approved

COMMENTS BY THE GENERAL PUBLIC

Tim Crowley with Lithium Nevada invited the Commission to attend one of their meetings or take a tour of their pilot plant near Renown Hospital. Tim shared a handout explaining the development of the largest known lithium deposit in the United States located in Humboldt County, NV.

COMMISSION BUSINESS

A. Determination of time and place of next CMR meetings

August 15, 2019, 1:00 pm in Winnemucca, NV with a tour at Hycroft Mine on Friday, August 16, 2019. November 14, 2019, 1:00 pm in Carson City with a possible Hearing.

COMMENTS BY THE GENERAL PUBLIC

No public came forward for comment.

ADJOURNMENT

4:38 pm