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# **NEVADA EXPLORATION SURVEY 2006**

by

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**June, 2007**

**NEVADA COMMISSION ON MINERAL RESOURCES**  
**Division of Minerals**

The Nevada Division of Minerals, a part of the Commission on Mineral Resources, is responsible for administering programs and activities to promote, advance, and protect mining and the development and production of petroleum and geothermal resources in Nevada. The Division's mission is to conduct activities to further the responsible development and production of the State's mineral resources to benefit and promote the welfare of the people of Nevada. The seven-member Commission on Mineral Resources is a public body appointed by the Governor and directs mineral-related policy for the Division and advises the Governor and Legislature on matters relating to mineral resources. The Division focuses its efforts on three main areas: Industry relations and public affairs; regulation of oil, gas, and geothermal drilling activities and well operations; and abandoned mine lands.

The agency is involved in a wide array of activities relating to mineral development. Staff compiles annual data on all active mines in Nevada and maintains the State's mine registry. Information concerning mining operations and production is made available to the public through this yearly publication. Educational documents and materials concerning many aspects of the minerals industry are also produced. The Division participates in governmental activities affecting policies and laws concerning the minerals industry and resource development. The Division administers the State's reclamation bond pool.

The Division is responsible for permitting, inspecting, and monitoring all oil, gas, and geothermal drilling activities on both public and private lands in Nevada. Staff also monitors production of oil, gas, and geothermal resources to insure proper management and conservation. The Administrator is the Governor's Official Representative to the Interstate Oil and Gas Compact Commission.

The Division's abandoned mine lands program provides for public safety by identifying and ranking dangerous conditions at mines that are no longer operating, and by securing dangerous orphaned mine openings. The program continually urges the public to recognize and avoid hazardous abandoned mines.

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## EXECUTIVE SUMMARY

This is the thirteenth annual survey conducted by the Division of Minerals of companies engaged in mineral exploration in Nevada. The purpose of the survey is to determine the level of current and projected exploration activity, and to determine what factors are influencing those levels of activity.

The highlights of the survey are as follows:

- Twenty-eight companies responded to this survey.
- The respondents reported spending \$164.9 million on Nevada exploration activities in 2006, and project spending \$179.5 million in 2007. \$108.8 million was spent on expansions and \$56.1 million was spent on grass-roots efforts.
- The respondents reported their worldwide exploration expenditures in 2006 were \$615.2 million, and project spending \$695.8 million in 2007.
- The respondents spent 72.0 percent of their budgets on actual exploration costs, 9.8 percent on land holding costs, 9.4 percent on permitting and compliance costs, and 8.8 percent on corporate costs.
- The respondents reported employing 228 geologists in Nevada in 2006, up from the 190 reported for 2005. Projections for 2007 show an increase to 236 geologists.
- The respondents reported holding 75,350 claims in Nevada and 81,061 in the U.S. as a whole.
- Existence of favorable geology remained the most important factor influencing the respondents' level of exploration activities, followed by commodity prices.
- The time required for respondents to obtain approval of an exploration plan of operations varied from 3 months to 2.5 years, with an average of 12.6 months, compared to 13.5 months in 2005.
- Six out of 7, or 86 percent of the respondents who have Nevada production, were able to replace their production with newly found reserves.
- Sixty percent of the respondents reported they were optimistic about domestic exploration, while 28 percent were neutral. Twelve percent reported being pessimistic.

## **INTRODUCTION**

In the spring of 2007, the Division of Minerals conducted its thirteenth annual survey of exploration companies engaged in projects or holding claims in Nevada. As in previous years, the purpose of this survey is to determine the current and projected levels of exploration activity, and to see what factors are influencing these levels. This survey is regarded as a portion of the official state mine registry, making the individual responses confidential.

One hundred and nine questionnaires were sent out in January. Responses were received from 28 companies. The Division appreciates the efforts of those who responded. Many, but not all, of the respondents to the survey are the same from one year to the next. This means that comparing trends from one year to the next is possible only in a general way rather than an exact way. Table 1 shows the number and types of respondents from previous surveys and this current one.

The main topics covered by the survey include exploration expenses and a breakdown of how those dollars were spent, geologists employed, number of claims held, a ranking of factors that influence respondents' levels of activity, success at reserve replacement, type of reserve replacement, and overall attitude toward domestic exploration.

The Division appreciates the efforts of Jonathan Price, State Geologist, for his review of the manuscript. Thanks are also due to Deborah Selig and George Bishop of the Division of Minerals.

## **EXPLORATION EXPENSES**

Exploration expenditures are regarded as one of the two main indicators of exploration activity, the other being the number of geologists employed. Exploration expenditures reported for Nevada for 2006 totaled \$164.9 million, up 36 percent from the \$121.3 million reported for 2005. The actual expenditures reported for 2006 were higher than the \$153.6 million which had been projected by the previous survey. In this current survey, respondents project their 2007 expenditures will be \$179.5 million. Expenditures reported for 2006 marked the fifth consecutive year of increases. Exploration spending is important to Nevada's economy, particularly in the rural areas.

Spending in the rest of the U.S. (non-Nevada) in 2006 was reported to be \$35.6 million, up from the \$16.6 million reported for 2005. It should be pointed out there is a Nevada bias in this survey as companies without known activity are not polled. Spending in Nevada was 82.3 percent of the respondents' total U.S. spending in 2006, down from 87.9 percent in 2005. Nevada's percentage of domestic spending is projected to drop to 80.6 in 2007.

Respondents reported that their worldwide spending was \$615.2 million in 2006, up 10.5 percent from the \$556.5 million reported for 2005. Projections for 2007 show a continued increase to \$695.8 million. Spending in Nevada was 26.8 percent of the respondents' worldwide spending in 2006, up from 21.8 in 2005. Nevada's percentage of worldwide spending is projected to decrease to 25.8 in 2007.

In this survey, as in most previous ones, a distinction exists between the companies with Nevada exploration budgets greater than or equal to \$1 million (the GE companies) and those with Nevada exploration budgets less than \$1 million (the LT companies). Graph 1 shows the distributions of the respondents' budgets. Of the 28 respondents to this survey, 21 are GE companies and 7 are LT companies. The GE companies accounted for 99.2 percent of Nevada's exploration spending in 2006. The GE companies also account for the bulk of domestic and worldwide spending with 99.4 and 98.9 percent respectively. Graph 2 shows the breakdown of exploration spending for Nevada, the rest of the U.S. and the rest of the world for 2006. Table 2 shows the exploration expenditures reported in previous years from 2000 to 2006.

The average Nevada spending per respondent was \$5.9 million in 2006, up from \$3.5 million in 2005. The GE companies spent an average of \$7.8 million, while the LT companies spent an average of \$181,000. Graph 3 illustrates the average spending per respondent in Nevada, the rest of the U.S., and the rest of the world.

## **BREAKDOWN OF EXPENDITURES**

In addition to the amount of spending, respondents were asked to provide percentages of their budgets devoted to land holding costs (claim staking and holding, lease payments, etc.), permitting and compliance costs (bonding, reclamation, etc.), corporate costs (overhead, taxes, etc.), actual exploration costs (drilling, mapping, assaying, etc.), and other costs (respondents were asked to specify). The percentages given by each respondent were weighed against that respondent's budget.

For all respondents together, 72 percent of their budgets were spent on actual exploration, down from 74 percent in 2005. They spent 10 percent on land holding costs, the same as in 2005; 9 percent on corporate costs, up from 8 percent in 2005; and 9 percent on permitting and compliance costs, up from 6 percent in 2005. In this survey no respondent reported "other" costs.

For the GE companies as a group, 72 percent of their budgets were spent on actual exploration, down from 74 percent in 2005. They spent 10 percent on land holding costs, the same as in 2005; 9 percent on corporate costs, up from 8 percent in 2005; and 9 percent on permitting and compliance costs, up from 6 percent in 2005.

For the LT companies as a group, 55 percent of their budgets were spent on actual exploration, up from 50 percent in 2005. They spent 28 percent on land holding costs, up from 22 percent in 2005; 8 percent on corporate costs, down from 19 percent in 2005; and 9 percent on permitting and compliance costs, the same as 2005.

The GE companies continue to spend a higher percentage of their budgets on actual exploration than the LT companies. The LT companies spend a higher percentage on land holding costs than the GE companies. Graph 4 shows the expense breakdowns of all respondents, GE respondents, and LT respondents.

## **GEOLOGISTS EMPLOYED**

The second main indicator of exploration activity is the number of geologists employed. In Nevada, respondents reported 228 geologists on the payroll in 2006, up 20 percent from the 190 geologists in 2005. This is higher than the 201 geologists who were projected to be employed by the previous survey. Respondents to the current survey project that 236 geologists will be working in Nevada in 2007. Of the 228 geologists at work in Nevada in 2006, 218 were employed by the GE companies and 10 by the LT companies. Graph 5 shows the number of geologists employed in 2006 and projected to be employed in 2007. Table 3 shows the geologists employed in previous surveys from 2000 to 2006.

In the U.S., including Nevada, 285 geologists were reported to be at work in 2006, up from 200 in 2005. Of those, 273 were employed by the GE companies and 12 were employed by the LT companies. Eighty percent of the domestic geologists employed by the GE companies in 2006 were working in Nevada, compared to 83 percent for the LT companies. Overall, 80 percent of domestic geologists were at work on Nevada projects. Projections for domestic employment in 2007 show an increase to 295 geologists, and Nevada's percentage is projected to remain at 80. Of the 295 domestic geologists projected to be employed in 2007, the GE companies account for 282 and the LT companies 13. Eighty percent of the GE company's geologists are projected to be at work in Nevada, compared to 77 percent for the LT companies.

Worldwide, including the U.S., respondents reported 963 geologists at work in 2006, up from 846 in 2005. Of those 941, were working for the GE companies and 22 for the LT companies. Nevada's percentage of worldwide geological employment was 24 for all respondents, and 23 and 45 for the GE companies and LT companies, respectively. The respondents project an increase to 987 geologists employed in 2007, with 964 employed by the GE companies and 23 by the LT companies. Nevada's projected percentages of worldwide geological employment for 2007 are 24 for all respondents, 23 for the GE companies, and 43 for the LT companies.

## **EXPENDITURES PER GEOLOGIST**

Reported expenditures and geologists employed were both higher in 2006 than 2005. For all respondents the average spending per geologist in Nevada in 2006 was \$723,000 up from \$638,000 in 2005. In Nevada, the GE companies spent more per geologist (\$751,000) than the LT companies did (\$127,000). Projections for 2007 show the respondents spending \$760,000 per geologist.

In the U.S., including Nevada, both the GE and LT companies spent less per geologist than in Nevada alone. In 2006 the GE companies spent \$730,000 per domestic geologist and the LT companies spent \$107,000. Worldwide, the spending per geologist was lower for the GE companies than in Nevada or the U.S., but higher for the LT companies. The worldwide spending per geologist was \$639,000 for all respondents, \$647,000 for the GE companies, and \$304,000 for the LT companies.

## **MINING CLAIMS**

The number of mining claims held in Nevada and the rest of the U.S. has risen in recent years. According to the BLM, Nevada State Office, there were 165,992 active claims in Nevada as of October 1, 2006, compared to 146,532 in 2005. Table 4 shows the mining claims held by respondents from 2000 to 2006. Graph 6 shows the number of claims held in Nevada according to BLM from 1996 to 2006, and the average gold prices for those years.

As depicted in Graph 7, respondents to this survey reported holding 75,350 claims in Nevada and 83,797 in the U.S. as a whole in 2006 compared to 76,436 and 81,307 respectively in 2005. Thus, respondents to this survey account for approximately 45 percent of the claims in Nevada. Ninety eight percent of the claims in Nevada reported for this survey were held by the GE companies with 74,107 compared to 1,243 for the LT companies. In the U.S. as a whole, the GE companies held 82,544 claims and the LT companies held 1,253. Ninety percent of the claims held by respondents are in Nevada.

Projections for 2007 show an increase in the number of claims held by respondents. The total of claims held by all respondents is projected to be 81,061 in Nevada and 89,786 in the U.S. as a whole. The GE companies project their Nevada claim holdings will rise in 2007 to 79,998 while the LT companies project their claim holdings will drop to 1,063. In the U.S. as a whole, the GE companies project they will hold 88,713 claims, and the LT companies project they will hold 1,073. In 2007, 90 percent of the claims held by respondents are projected to be in Nevada.

## **FACTORS INFLUENCING ACTIVITY**

As in previous surveys, the respondents were asked to rank the factors influencing their level of exploration activity. The composite of all respondents' ranking of these factors is listed below in order of decreasing importance.

1. Existence of favorable geology
2. Commodity prices
3. Actual length of permitting time
4. Announcements of new discoveries
5. Uncertainty over permitting time frames
6. Uncertainty over mining law reform
7. Changes in foreign mining laws
8. Wilderness study areas / ACECs
9. Land exchanges / withdrawals
10. Federal claim maintenance fees

Other factors written in were drilling costs, rig availability, and land access.

The ranking of factors is similar to previous years, but not identical. For all respondents, the existence of favorable geology remained the most important factor, followed by commodity prices. The gold price has improved from an average of \$444 per troy ounce in 2005 to \$603 per troy ounce in 2006. As of June 2007, gold was trading in the \$650 per troy ounce range. Silver

and copper are also trading at relatively high prices. The actual length of permitting time became the third most important factor, followed by announcements of new discoveries. Federal claim maintenance fees became the least most important factor.

Both the GE companies and the LT companies ranked favorable geology and commodity prices as the most important factors. The next most important factors for the GE companies were announcements of new discoveries and the uncertainty of permitting time frames, while for the LT companies the next most important factors were wilderness study areas/ACECs and announcements of new discoveries. Graphs 8, 9, and 10 show the relative importance of the factors for all respondents, the GE companies, and the LT companies, respectively.

Due to the relative importance of permitting time frames, this survey again asked how long it took to get a notice of intent through the permitting process, and how long it took to get a plan of operations approved. For a notice, the time ranged from 3 to 26 weeks with an average of 8.4 weeks, for both GE and LT respondents. For a plan, the time ranged from 6 to 30 months, with an average of 12.6 months for the GE companies. The LT companies did not report having any plans. The average times required for both notices and plans increased over the 2005 averages. In 2005, the average time for a notice was 8.0 weeks and 12.0 months for a plan.

## **REPLACEMENT OF RESERVES**

Respondents were asked whether or not they were able to replace their reserves lost to production with newly found reserves. In this question a “yes” answer indicates a total replacement of reserves and a “no” answer indicates that reserves were not totally replaced. The response from the smallest company carries the same weight as the largest company, thus the results signify the number of companies replacing their reserves, and not the amount of reserves being replaced. Table 5 shows the percentages of respondents who replaced their reserves. Companies with no production were not figured into the results.

On a worldwide basis, 6 of 7 companies with production (86 percent) replaced their reserves. Twenty-one companies had no worldwide production. All of the companies with worldwide production were GE companies.

Six of 7 companies (86 percent) with production in Nevada and other states replaced their reserves. Five of 6 (83 percent) of the GE companies replaced their reserved compared to 1 of 1 (100 percent) of the LT companies.

Nine of 11 companies (82 percent) with production in Nevada replaced their reserves. Eight of 10 GE companies (80 percent) replaced their reserves compared to 1 of 1 (100 percent) of the LT companies.

The method of reserve replacement included expansions around existing operations and grass-roots efforts. Previously sub-economic resources may be added to reserves as commodity prices increase, or reserves may be purchased or acquired through mergers, but those methods were not considered in this survey. Overall, 66 percent of the respondents’ budgets were spent on expansions and 34 percent on grass-roots efforts. The GE companies focused more on

expansions with 66.5 percent of their budgets spent on expansions and 33.5 on grass-roots efforts. The LT companies were focused exclusively on grass-roots efforts.

## **CONCERN OVER THE 43 CFR 3809 REGULATIONS**

Respondents were asked to rank the impact of the 43 CFR 3809 regulations on their level of exploration activity from 1 to 5 with 1 being a little and 5 being a lot. The overall average was 3.2, down from the previous survey's average of 3.3. The GE companies and LT companies had the same averages.

## **ATTITUDES**

Respondents were asked whether they were optimistic, neutral, or pessimistic about domestic exploration. Overall, 60 percent of the respondents reported being optimistic, 28 percent were neutral, and 12 percent were pessimistic. The GE companies were 67 percent optimistic, 22 percent neutral, and 11 percent pessimistic. The LT companies were 43 percent optimistic, 14 percent neutral, and 43 percent pessimistic.

Graph 11 shows the calculated "optimism indices" for all respondents, GE companies, and LT companies for the past 11 years. The optimism index is a number calculated by scoring 100 points for each optimist, negative 100 points for each pessimist, and 0 points for each of the neutral respondents. The sum of the scores divided by the number of respondents is the optimism index. The optimism index for 2006 is at a high level, but down from 2005.

## **CONCLUSIONS**

The 28 respondents to this survey reported spending \$164.9 million on Nevada exploration projects in 2006, a 36 percent increase over the reported 2005 level. Expenditures are projected to rise to \$179.5 million in 2007. The number of geologists employed in Nevada by respondents stood at 228, up from 190 in 2005. Employment of geologists is projected to increase to 236 in 2007. Respondents spent 72 percent of their overall budgets on actual exploration costs, such as drilling, mapping, and assaying. Existence of favorable geology and commodity prices remained the most important factors influencing respondents' level of activity. Eighty-two percent of the respondents who have Nevada production were able to replace their reserves lost to production. Finally, 60 percent of the respondents reported they were optimistic about domestic exploration.

**TABLE 1**

**Number and Types of Respondents**

<b>Year</b>	<b>Companies with Nevada budget <math>\geq</math> \$1 million</b>	<b>Companies with Nevada budget <math>&lt;</math> \$1 million</b>	<b>Total respondents</b>
<b>2006</b>	<b>21</b>	<b>7</b>	<b>28</b>
<b>2005</b>	<b>16</b>	<b>19</b>	<b>35</b>
<b>2004</b>	<b>10</b>	<b>12</b>	<b>22</b>
<b>2003</b>	<b>10</b>	<b>20</b>	<b>30</b>
<b>2002</b>	<b>11</b>	<b>22</b>	<b>33</b>
<b>2001</b>	<b>10</b>	<b>14</b>	<b>24</b>
<b>2000</b>	<b>10</b>	<b>23</b>	<b>33</b>

- Data for 1994 through 1999 are available in previous surveys, which may be found on the Division of Minerals' web site: [minerals.state.nv.us](http://minerals.state.nv.us)

**TABLE 2****Exploration Expenditures in Millions of Dollars**

<b>All Respondents</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
Nevada	76.9	51.2	64.6	69.2	79.7	121.3	164.9
Rest of U.S.	23.5	1.9	23.6	2.2	9.5	16.7	35.6
Outside U.S.	246.9	151.2	308.8	326.2	348.7	418.5	414.7
Total World	346.4	204.3	397.0	397.6	437.9	556.5	615.2

<b>Companies with Nevada budget &gt; = \$1 million</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
Nevada	72.6	49.5	60.8	67.0	77.7	114.8	163.7
Rest of U.S.	22.0	1.9	5.0	0.5	6.6	11.4	35.5
Outside U.S.	226.0	148.8	219.2	296.4	334.2	400.2	409.3
Total World	320.6	200.2	285.0	363.9	418.5	526.4	608.5

<b>Companies with Nevada budget &lt; \$1 million</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
Nevada	4.3	1.7	3.8	2.2	2.0	6.5	1.3
Rest of U.S.	1.5	0.0	18.6	1.7	2.9	5.3	0.0
Outside U.S.	20.0	2.4	89.6	29.8	14.5	18.3	5.4
Total World	25.8	4.1	112.0	33.7	19.4	30.1	6.7

\* Data for 1994 through 1999 are available in previous surveys, which may be found on the Division of Minerals' web site: [minerals.state.nv.us](http://minerals.state.nv.us)

**TABLE 3**

**Geologists Employed by Respondents**

<b>All Respondents</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
Nevada	125	107	129	126	123	190	228
Rest of U.S.	33	11	13	7	42	10	57
Outside U.S.	160	90	419	423	627	646	678
Total World	318	208	561	556	792	846	963

<b>Respondents with Nevada budget &gt; = \$1 million</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
Nevada	100	92	110	102	109	158	218
Rest of U.S.	14	6	1	2	29	5	55
Outside U.S.	118	75	315	372	560	598	668
Total World	232	173	426	476	698	761	941

<b>Respondents with Nevada budget &lt; \$1 million</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
Nevada	25	15	19	24	14	32	10
Rest of U.S.	19	5	12	5	13	5	2
Outside U.S.	42	15	104	51	67	48	10
Total World	86	35	135	80	94	85	22

\* Data for 1994 through 1999 are available in previous surveys, which may be found on the Division of Minerals' web site: [minerals.state.nv.us](http://minerals.state.nv.us)

**TABLE 4****Mining Claims Held by Respondents**

<b>All Respondents</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
Nevada	46,112	38,075	48,988	50,760	56,673	76,436	75,350
Rest of U.S.	9,118	1,697	2,100	3,428	6,918	4,601	8,447
<b>Total Claims</b>	<b>55,230</b>	<b>39,772</b>	<b>51,088</b>	<b>54,188</b>	<b>63,591</b>	<b>81,037</b>	<b>83,797</b>

<b>Respondents with Nevada budget &gt; = \$1 million</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
Nevada	35,289	32,696	42,404	43,389	53,460	62,254	74,107
Rest of U.S.	5,557	654	1,679	2,625	4,190	2,804	8,437
<b>Total Claims</b>	<b>40,846</b>	<b>33,350</b>	<b>44,083</b>	<b>46,014</b>	<b>57,650</b>	<b>65,058</b>	<b>82,544</b>

<b>Respondents with Nevada budget &lt; \$1 million</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
Nevada	10,823	5,379	6,584	7,371	3,213	14,182	1,243
Rest of U.S.	3,561	1,043	421	803	2,728	1,797	10
<b>Total Claims</b>	<b>14,384</b>	<b>6,422</b>	<b>7,005</b>	<b>8,174</b>	<b>5,941</b>	<b>15,979</b>	<b>1,253</b>

\* Data for 1994 through 1999 are available in previous surveys, which may be found on the Division of Minerals' web site: [minerals.state.nv.us](http://minerals.state.nv.us)

**TABLE 5****Success at Reserve Replacement by Respondents**

Numbers refer to the percentage of respondents who answered “yes.”

**For all respondents with production:**

<b>Are you replacing your reserves</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
Worldwide?	62	43	71	80	89	73	82
Domestically?	35	23	62	87	86	57	86
In Nevada?	47	25	54	82	71	71	86

**For producing respondents with Nevada exploration budget > = \$1 million:**

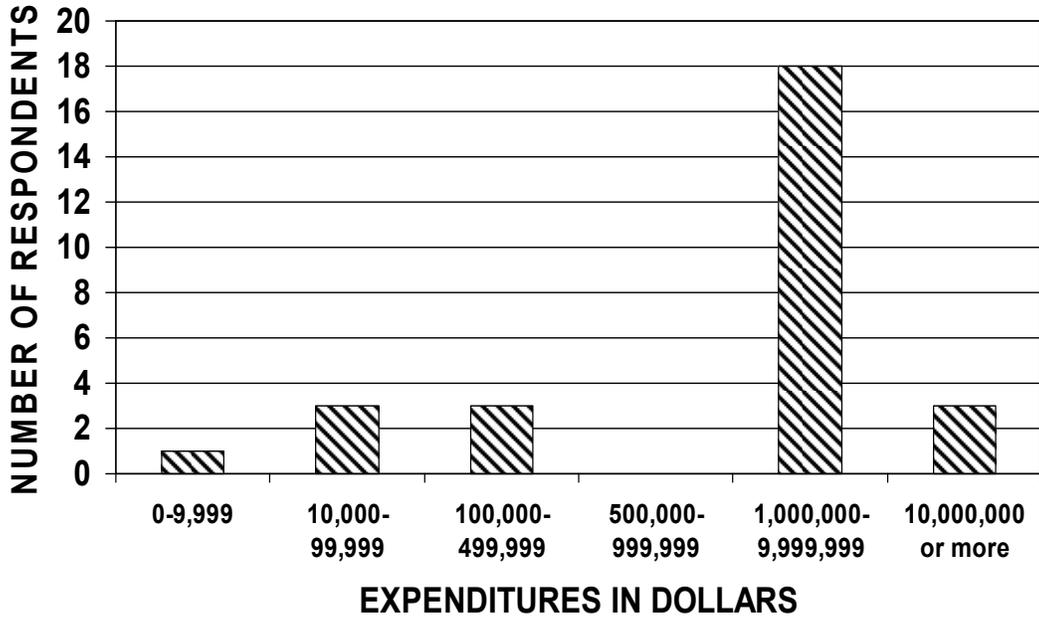
<b>Are you replacing your reserves</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
Worldwide?	71	37	67	87	100	87	80
Domestically?	37	29	62	100	100	75	83
In Nevada?	44	29	67	100	100	75	86

**For producing respondents with Nevada exploration budget < \$1 million:**

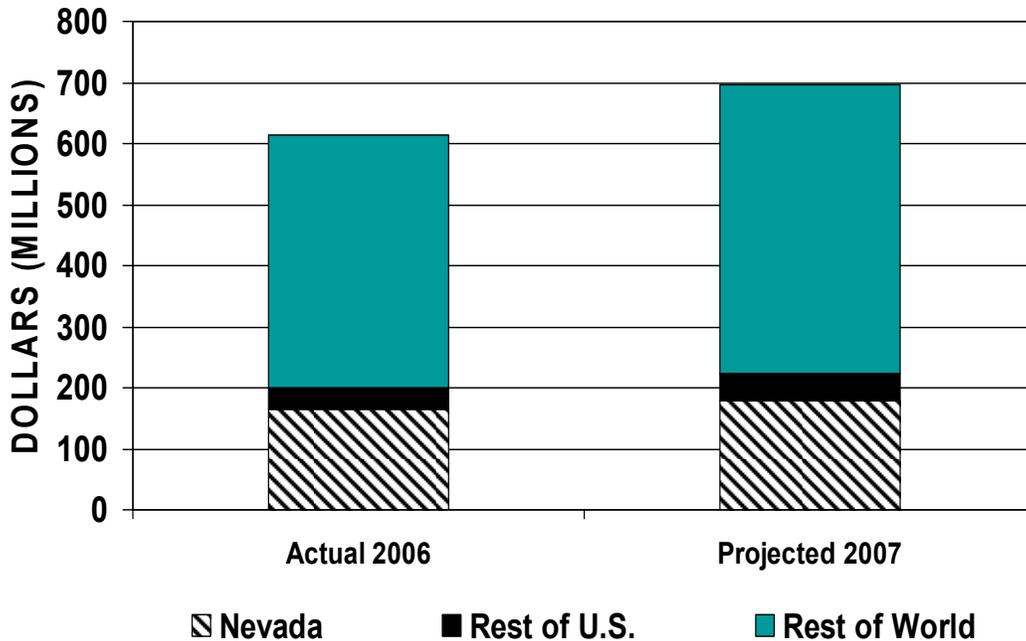
<b>Are you replacing your reserves</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
Worldwide?	56	50	80	50	67	33	100
Domestically?	33	17	60	67	67	33	100
In Nevada?	50	20	25	60	33	67	N/A

\* Data for 1994 through 1999 are available in previous surveys, which may be found on the Division of Minerals' web site: [minerals.state.nv.us](http://minerals.state.nv.us)

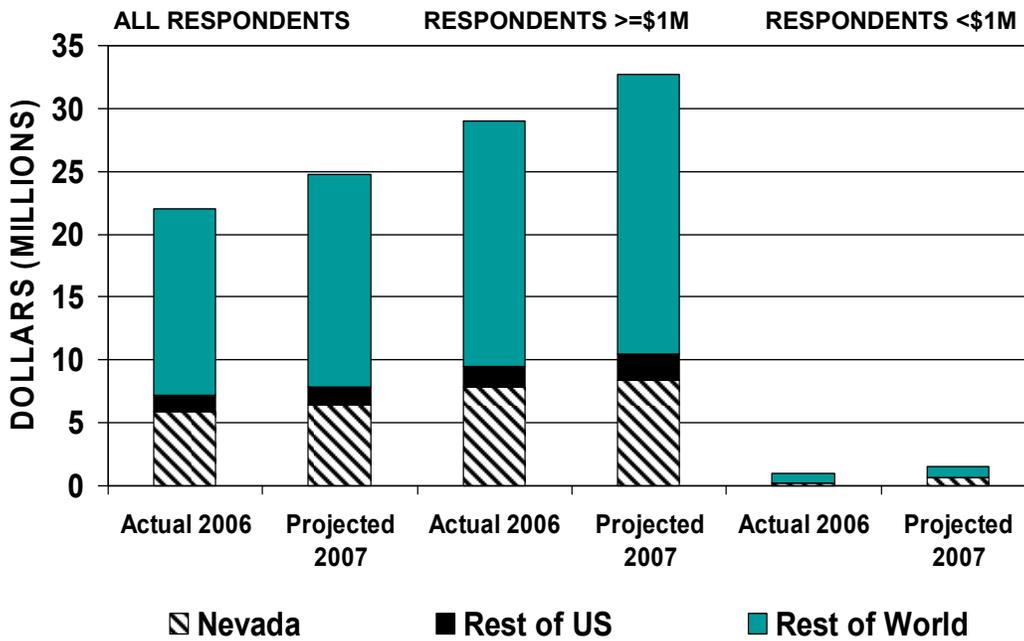
NEVADA DIVISION OF MINERALS  
 GRAPH 1  
 RESPONDENTS' NEVADA EXPLORATION EXPENDITURES 2006



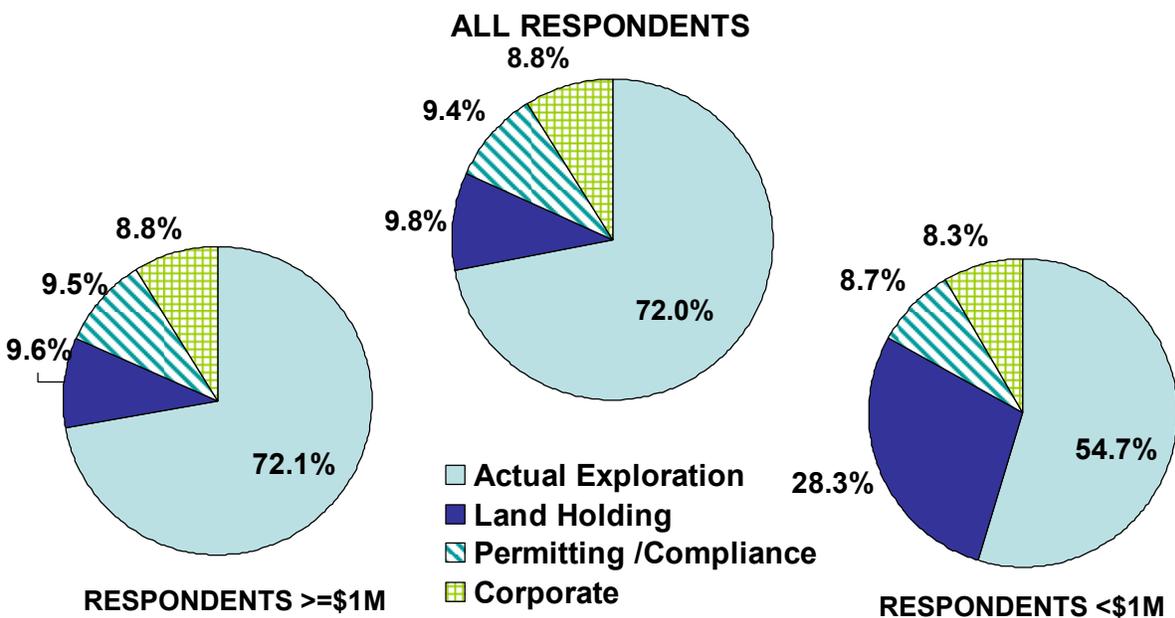
NEVADA DIVISION OF MINERALS  
 GRAPH 2  
 TOTAL EXPLORATION SPENDING 2006/2007



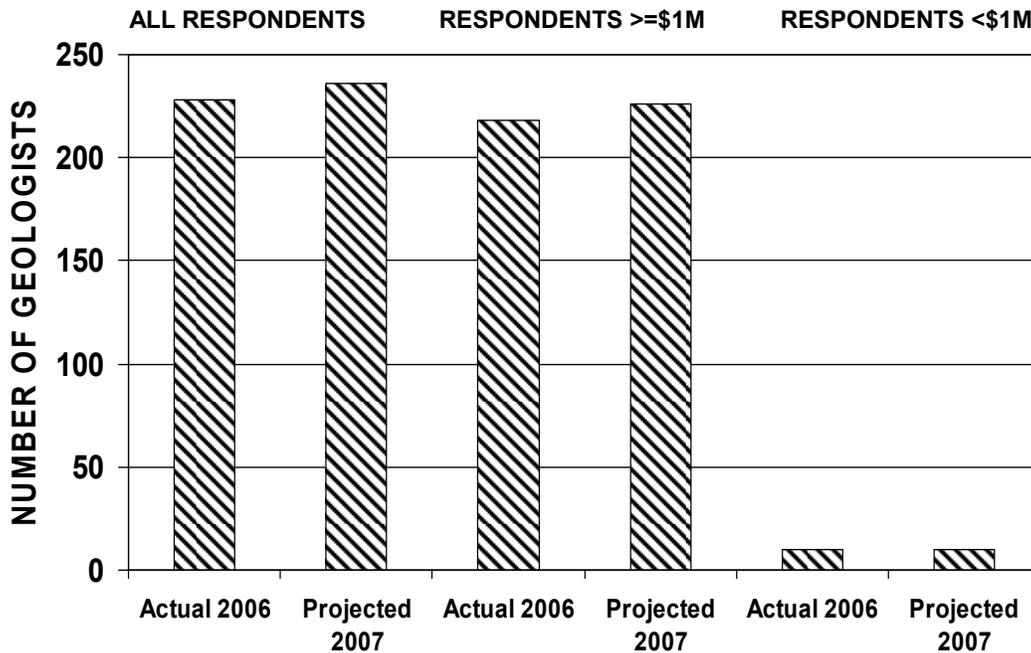
**NEVADA DIVISION OF MINERALS  
GRAPH 3  
AVERAGE SPENDING PER RESPONDENT 2006/2007**



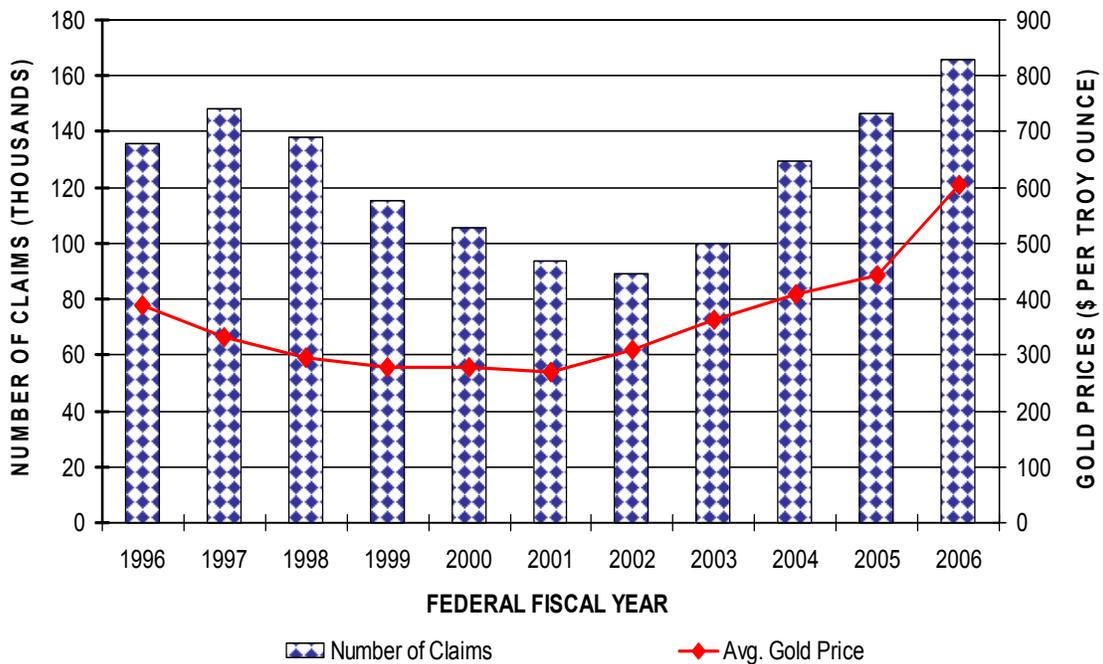
**NEVADA DIVISION OF MINERALS  
GRAPH 4  
BREAKDOWN OF NEVADA EXPENSES 2006**



**NEVADA DIVISION OF MINERALS**  
**GRAPH 5**  
**EXPLORATION GEOLOGISTS EMPLOYED IN NEVADA 2006/2007**



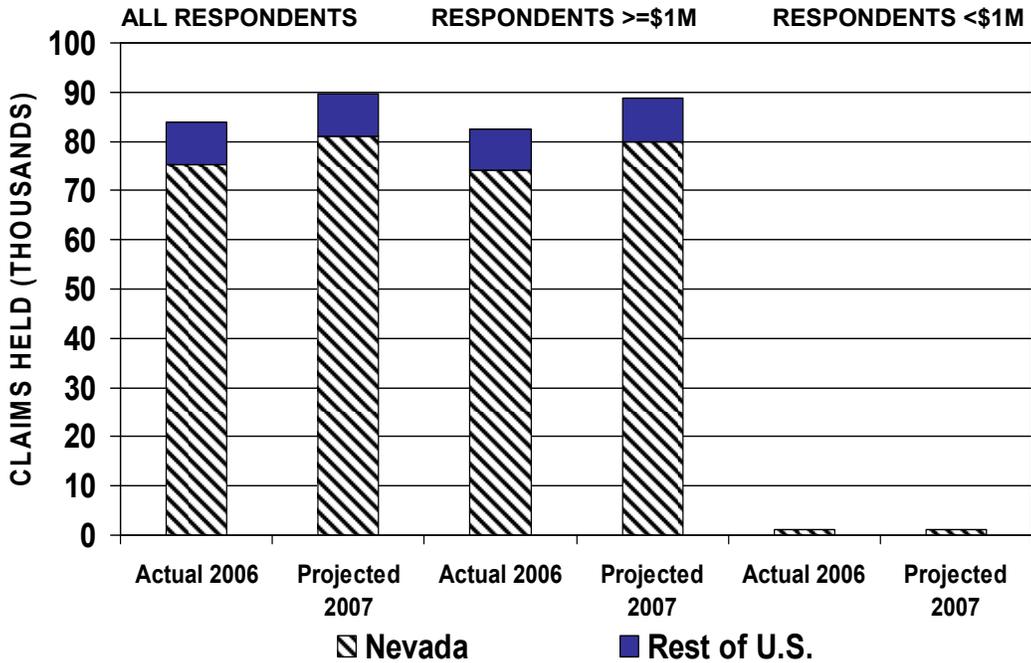
**NEVADA DIVISION OF MINERALS**  
**GRAPH 6**  
**NEVADA MINING CLAIMS & AVERAGE GOLD PRICES, 1996-2006**



**NOTE: Claim data from the BLM Public Land Statistics**

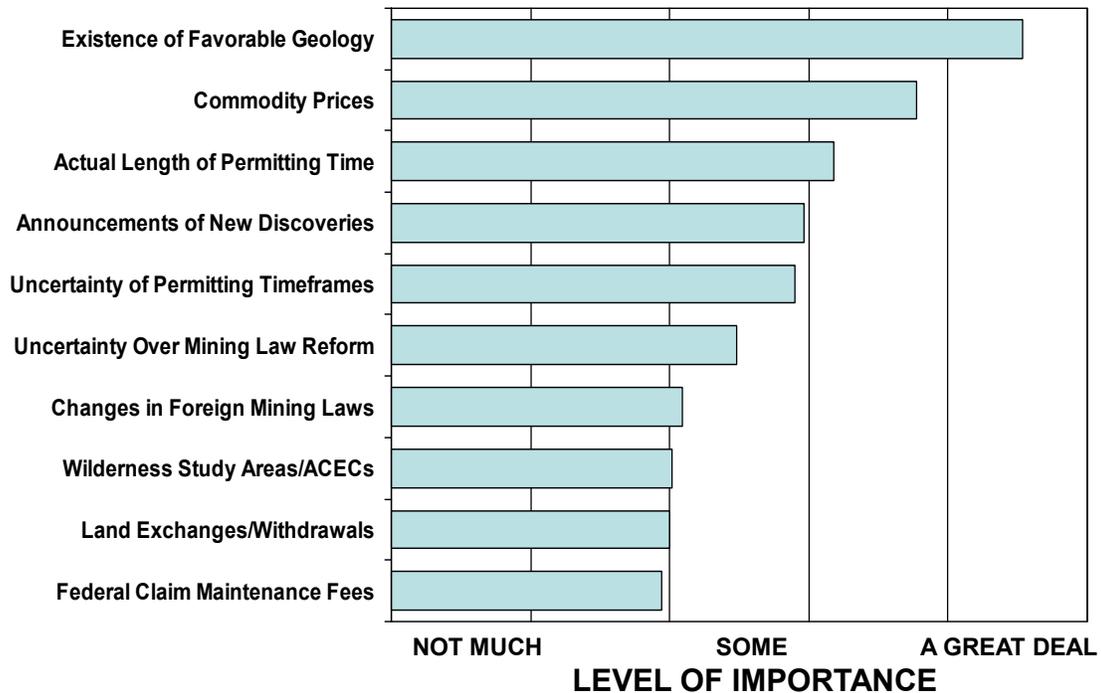
NEVADA DIVISION OF MINERALS  
GRAPH 7

NUMBER OF CLAIMS HELD BY RESPONDENTS 2006/2007

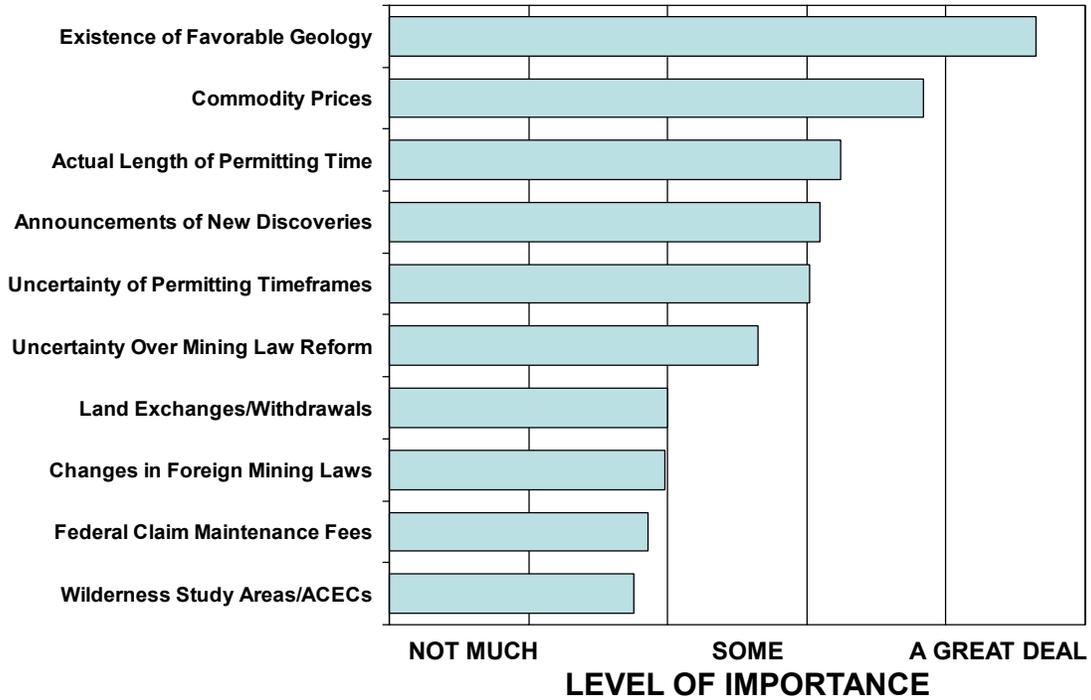


NEVADA DIVISION OF MINERALS  
GRAPH 8

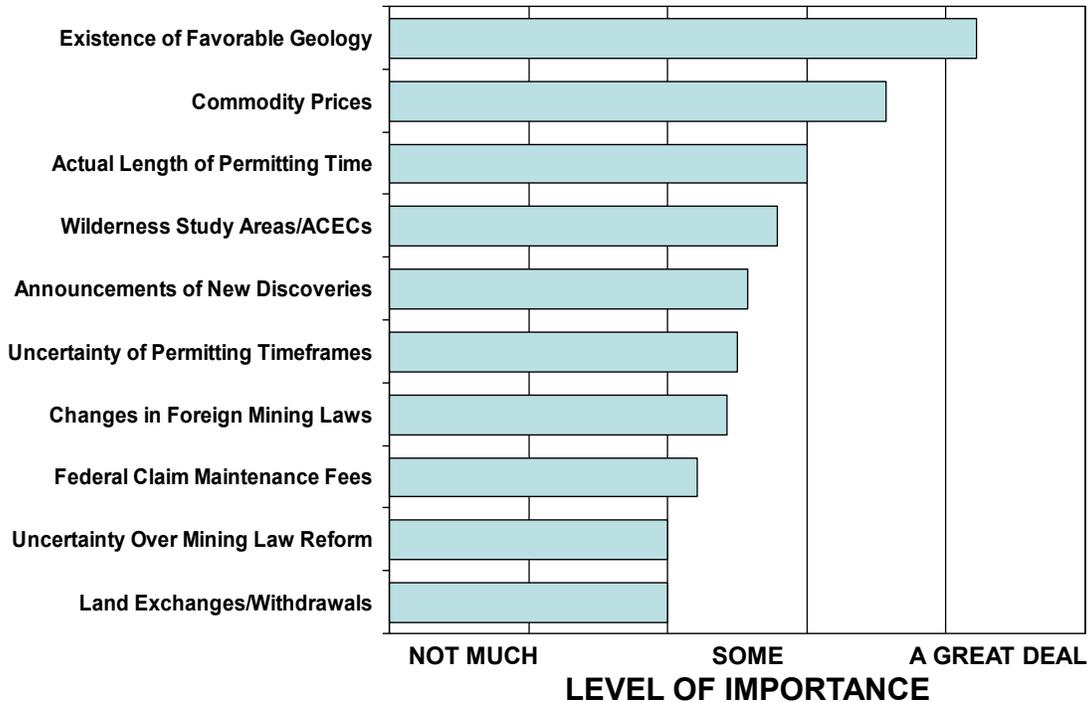
FACTORS INFLUENCING ACTIVITY 2006  
ALL RESPONDENTS



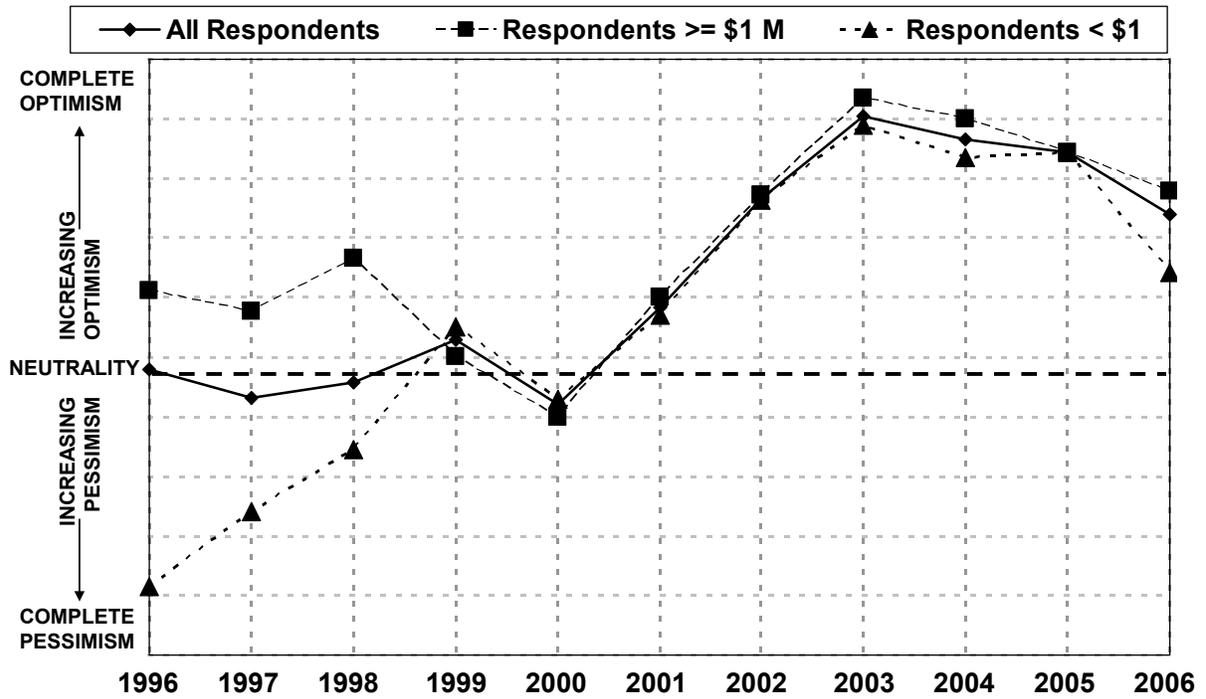
**NEVADA DIVISION OF MINERALS  
GRAPH 9  
FACTORS INFLUENCING ACTIVITY 2006  
RESPONDENTS >=\$1 MILLION**



**NEVADA DIVISION OF MINERALS  
GRAPH 10  
FACTORS INFLUENCING ACTIVITY 2006  
RESPONDENTS <\$1 MILLION**



NEVADA DIVISION OF MINERALS  
 GRAPH 11  
 OPTIMISM INDEX 1996-2006



**Nevada Division of Minerals  
Thirteenth Annual Exploration Survey**

**Company Name:** \_\_\_\_\_

**Contact Person / Phone:** \_\_\_\_\_

1) <b>Level of Exploration Activity</b>	2006 Actual	2007 Planned
1. Total Worldwide Expenditures	_____	_____
2. Total U.S. Expenditures	_____	_____
3. Nevada Expenditures	_____	_____
4. Number of Geologists Worldwide	_____	_____
5. Number of Geologists in U.S.	_____	_____
6. Number of Geologists in Nevada	_____	_____
7. Number of Claims held in U.S.	_____	_____
8. Number of Claims held in Nevada	_____	_____

2) **Please estimate your Nevada exploration expenditures into components by percentage. Include salaries and benefits within their appropriate component. If you do not know exact percentages, please provide your best approximation.**

1. Land holding costs (claim staking/holding, lease payments, etc.)	_____ %
2. Permitting and compliance costs (bonding, reclamation, etc.)	_____ %
3. Corporate costs (overhead, taxes, etc.)	_____ %
4. Actual exploration (mapping, drilling, interpreting, etc.)	_____ %
5. Other (please specify _____)	_____ %
<b>Total</b>	<b>100 %</b>

3) **Please estimate the percentage of your Nevada exploration expenditures dedicated to expansions around existing operations and to grass-roots efforts.**

Expansions \_\_\_\_\_ %                      Grass-roots efforts \_\_\_\_\_ %

(Total should equal 100 %)

- 4) **Please rank the following factors in the order they influence your exploration activity. Please rank the most important factor with a "1" and the least important factor with a "10."**

\_\_\_\_\_ Actual length of permitting time

\_\_\_\_\_ Announcements of new discoveries

\_\_\_\_\_ Changes in foreign mining laws

\_\_\_\_\_ Commodity prices

\_\_\_\_\_ Existence of favorable geology

\_\_\_\_\_ Federal claim maintenance fees

\_\_\_\_\_ Land exchanges / withdrawals

\_\_\_\_\_ Uncertainty over mining law reform

\_\_\_\_\_ Uncertainty over permitting time frames

\_\_\_\_\_ Wilderness Study Areas / ACECs

\_\_\_\_\_ Other (please specify) \_\_\_\_\_

5) **General questions. (Please circle your response)**

- |  |                            |         |             |   |   |
|--|----------------------------|---------|-------------|---|---|
| 1. Are you replacing your worldwide production with new worldwide reserves?  | Yes                        | No      | N/A         |   |   |
| 2. Are you replacing your U.S. production with new U.S. reserves?  | Yes                        | No      | N/A         |   |   |
| 3. Are you replacing your Nevada production with new Nevada reserves?  | Yes                        | No      | N/A         |   |   |
| 4. How do you feel about domestic exploration?   | Optimistic                 | Neutral | Pessimistic |   |   |
| 5. With 1 being a little and 5 being a lot, how much impact have the new 43 CFR 3809 regulations had on your Nevada exploration? | 1                          | 2       | 3           | 4 | 5 |
| 6. Estimated time required to get approval for:  |                            |         |             |   |   |
| A Notice of Intent _____   | A Plan of Operations _____ |         |             |   |   |

**Please return this survey to the Nevada Division of Minerals, 400 W. King Street, Ste 106, Carson City, NV 89703, or fax it to (775) 684-7052. Thank you. All individual responses will be held confidential.**