



JIM GIBBONS
Governor

STATE OF NEVADA
COMMISSION ON MINERAL RESOURCES
DIVISION OF MINERALS
400 W. King Street, Suite 106
Carson City, Nevada 89703
(775) 684-7040 • Fax (775) 684-7052
<http://minerals.state.nv.us/>

Las Vegas Branch:
2030 E. Flamingo Rd.
Suite #220
Las Vegas, Nevada 89119
(702) 486-4343
Fax (702) 486-4345

ALAN R. COYNER
Administrator

COMMISSION ON MINERAL RESOURCES

DIVISION OF MINERALS

**NEVADA EXPLORATION
SURVEY 2007**

by

Doug Driesner, Deputy Administrator

Alan R. Coyner, Administrator

August, 2008

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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Alan Coyner, Administrator, Division of Minerals
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Bill Durbin, Chief, Southern Nevada Operations, Geologist
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Linda Wells, Administrative Assistant IV, Oil, Gas, and Geothermal
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This report may also be downloaded from the Division website at <http://minerals.state.nv.us>

2007 – 2008 EXPLORATION SURVEY EXECUTIVE SUMMARY

This is the fourteenth 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:

- Thirty-one companies responded to this survey.
- The respondents reported spending \$167.9 million on Nevada exploration activities in 2007, and project spending \$197.1 million in 2008. \$102.6 million was spent on expansions and \$65.3 million on grass-roots efforts.
- The respondents reported their worldwide exploration expenditures in 2007 were \$756.7 million, and project spending \$800.9 million in 2008.
- The respondents spent 66.5 percent of their budgets on actual exploration costs, 12.2 percent on land holding costs, 12.2 percent on corporate costs, and 9.1 percent on permitting and compliance costs.
- The respondents reported employing 227 geologists in Nevada in 2007, down 1 from the 228 reported for 2006. Projections for 2008 show an increase to 235 geologists.
- The respondents reported holding 81,292 claims in Nevada and 82,352 in the U.S. as a whole in 2007.
- 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 4 months to 2 years, with an average of 14.0 months, compared to 12.6 months in 2006.
- Eight out of 9, or 88 percent, of the respondents who have Nevada production were able to replace their production with newly found reserves.
- Sixty-one percent of the respondents reported they were optimistic about domestic exploration, while 25 percent were neutral. Fourteen percent reported being pessimistic.

INTRODUCTION

In the spring of 2008, the Division of Minerals conducted its fourteenth 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 eight questionnaires were sent out. Responses were received from 31 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 2007 totaled \$167.9 million, up 2 percent from the \$164.9 million reported for 2006. The actual expenditures reported for 2007 were lower than the \$179.5 million which had been projected by the previous survey. In this current survey, respondents project their 2008 expenditures will be \$197.1 million. Expenditures reported for 2007 marked the sixth 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 2007 was reported to be \$30.7 million, down from the \$35.6 reported for 2006. It should be pointed out there is a Nevada bias in this survey as companies without known Nevada activity are not polled. Spending in Nevada was 84.5 percent of the respondents' total U.S. spending in 2007, up from 82.3 in 2006. Nevada's percentage of domestic spending is projected to rise to 90.1 in 2008.

Respondents reported that their worldwide spending was \$756.7 million in 2007, up 23.0 percent from the \$615.2 million reported for 2006. Projections for 2008 show a continued increase to \$800.9 million. Spending in Nevada was 22.2 percent of the respondents' worldwide spending in 2007. Nevada's percentage of worldwide spending is projected to increase to 24.6 in 2008.

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 distribution of the respondents' budgets. Of the 31 respondents to this survey, 20 are GE companies and 11 are LT companies. The GE companies accounted for 98.1 percent of Nevada's exploration spending in 2007. The GE companies also account for the bulk of domestic and worldwide spending with 98.2 and 99.0 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 2007. Table 2 shows the exploration expenditures reported in previous years from 2001 to 2007.

The average Nevada spending per respondent was \$5.4 million in 2007, down from \$5.9 million in 2006. The GE companies spent an average of \$8.2 million, while the LT companies spent an average of \$285,000. 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 by that respondent's budget.

For all respondents together, 67 percent of their budgets were spent on actual exploration, down from 72 percent in 2006. They spent 12 percent on land holding costs, up from 10 percent; 12 percent on corporate costs, up from 9 percent; and 9 percent on permitting and compliance costs, the same as in 2006. In this survey no respondent reported "other" costs.

For the GE companies as a group, 67 percent of their budgets were spent on actual exploration, down from 72 percent in 2006. They spent 12 percent on land holding costs, up from 10 percent; 12 percent on corporate costs, up from 9 percent; and 9 percent on permitting and compliance costs, the same as in 2006.

For the LT companies as a group, 51 percent of their budgets were spent on actual exploration, down from 55 percent in 2006. They spent 21 percent on land holding costs, down from 28 percent; 18 percent on corporate costs, up from 8 percent; and 10 percent on permitting and compliance costs, up from 9 percent in 2006.

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 227 geologists on the payroll in 2007, down from 228 in 2006. This is lower than the 236 geologists who were projected to be employed by the previous survey. Respondents to the current survey project that 235 geologists will be working in 2008 on Nevada projects. Of the 227 geologists at work in Nevada in 2007, 209 were employed by the GE companies and 18 by the LT companies. Graph 5 shows the number of geologists employed in 2007 and projected to be employed in 2008. Table 3 shows the geologists employed in previous surveys from 2001 to 2007.

In the U.S., including Nevada, 258 geologists were reported to be at work in 2007, down from 285 in 2006. Of those, 237 were employed by the GE companies and 21 were employed by the LT companies. Eighty-eight percent of the domestic geologists employed by the GE companies in 2007 were working in Nevada, compared to 86 percent for the LT companies. Overall, 88 percent of domestic geologists were at work on Nevada projects. Projections for domestic employment in 2008 show an increase to 269 geologists, and Nevada's percentage is projected to drop to 87. Of the 269 geologists projected to be employed in 2008, the GE companies account for 247 and the LT companies 22. Eighty-seven percent of the GE companies' geologists are projected to be at work in Nevada, compared to 91 percent for the LT companies.

Worldwide, including the U.S., respondents reported 938 geologists at work in 2007, down from 963 in 2006. Of those, 906 were working for the GE companies and 32 for the LT companies. Nevada's percentage of worldwide geological employment was 28 for all respondents, and 26 and 66 for the GE companies and LT companies, respectively. The respondents project an increase to 1,017 geologists employed in 2008, with 981 employed by the GE companies and 36 by the LT companies. Nevada's projected percentages of worldwide geological employment for 2008 are 23 for all respondents, 22 for the GE companies, and 56 for the LT companies.

EXPENDITURES PER GEOLOGIST

Reported expenditures were higher, but geologists employed were lower in 2007 than in 2006. For all respondents, the average spending per geologist in Nevada in 2007 was \$740,000, up from \$723,000 in 2006. In Nevada, the GE companies spent more per geologist (\$788,000) than the LT companies did (\$174,000). Projections for 2008 show the respondents spending an average of \$839,000 per geologist.

In the U.S., including Nevada, the GE companies spent more per geologist and the LT companies spent less per geologist than in Nevada alone. In 2007 the GE companies spent \$823,000 per domestic geologist and the LT companies spent \$167,000. Worldwide, the spending per geologist was higher for both the GE and LT companies than in Nevada or the U.S. The worldwide spending per geologist was \$807,000 for all respondents, \$827,000 for the GE companies, and \$231,000 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 186,428 active claims in Nevada as of October 1, 2007, compared to 165,992 in 2006. Table 4 shows the mining claims held by respondents from 2001 to 2007. Graph 6 shows the mining claims held in Nevada according to BLM from 1997 to 2007, and the average gold prices for those years.

As depicted in Graph 7, respondents to this survey reported holding 81,292 claims in Nevada and 87,712 in the U.S. as a whole in 2007 compared to 75,350 and 83,797 respectively in 2006. Thus, respondents to this survey account for approximately 44 percent of the claims in Nevada. Ninety-three percent of the claims in Nevada reported for this survey were held by the GE companies with 75,996 compared to 5,296 for the LT companies. In the U.S. as a whole, the GE companies held 82,286 claims and the LT companies held 5,426. Ninety-three percent of the claims held by respondents are in Nevada.

Projections for 2008 show an increase in the number of claims held by respondents. The total number of claims held by all respondents is projected to be 82,352 in Nevada and 89,046 in the U.S. as a whole. The GE companies project their Nevada claim holdings will rise in 2008 to 76,852 and the LT companies project their claim holdings will rise to 5,500. In the U.S. as a whole, the GE companies project they will hold 83,416 claims, and the LT companies project they will hold 5,630. In 2008, 92 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. Federal claim maintenance fees
8. Land exchanges / withdrawals
9. Wilderness study areas / ACECs
10. Changes in foreign mining laws

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 \$603 per troy ounce in 2006 to \$695 per troy ounce in 2007. As of August, 2008, gold was trading in the \$800 per troy ounce range. Silver and copper are also trading at relatively high prices. The actual length of permitting time

remained the third most important factor followed by announcements of new discoveries. Changes in foreign mining laws became the least important factor.

Both the GE companies and the LT companies ranked favorable geology, commodity prices, and actual length of permitting time as the most important factors. The next most important factor for the GE companies was announcements of new discoveries, while for the LT companies the next most important factor was uncertainty over permitting time frames. 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 times, this survey 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 2 weeks to 1 year, with an average of 8.0 weeks. For a plan, the time ranged from 4 months to 2 years, with an average of 15.3 months. The average time for a notice dropped from 8.4 weeks in 2006, but increased from 12.6 months for a plan in 2006. Three respondents wrote in that the time frames differed depending on whether the BLM or U.S. Forest Service was the regulator. When the BLM was the regulator, the time frame was shorter.

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, 5 of 9 companies with production (56 percent) replaced their reserves. Twenty-two companies had no worldwide production. Seventy-one percent of the GE companies replaced their worldwide production, but no LT companies did.

Four of 7 companies (57 percent) with production in Nevada and other states replaced their reserves. Four of 6 (67 percent) of the GE companies replaced their reserves compared to 0 of 1 (0 percent) of the LT companies.

Eight of 9 companies (89 percent) with production in Nevada replaced their reserves. Five of 6 GE companies (83 percent) replaced their reserves compared to 3 of 3 (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, 61 percent of the respondents’ budgets were spent on expansions and 39 percent on grass-roots efforts. The GE companies focused more on

expansions with 62 percent of their budgets spent on expansions and 38 percent on grass-roots efforts. The LT companies spent 85 percent of their budgets on grass-roots efforts and 15 percent on expansions.

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 2.8, down from the previous survey's average of 3.2. The GE companies averaged 2.9, and the LT companies averaged 2.7.

ATTITUDES

Respondents were asked whether they were optimistic, neutral, or pessimistic about domestic exploration. Overall, 61 percent of the respondents reported being optimistic, 25 percent were neutral, and 14 percent were pessimistic. The GE companies were 70 percent optimistic, 15 percent neutral, and 15 percent pessimistic. The LT companies were 38 percent optimistic, 50 percent neutral, and 12 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 2007 is at a high level, but down from 2006.

CONCLUSIONS

The 31 respondents to this survey reported spending \$167.9 million on Nevada exploration projects in 2007, a 2 percent increase over the reported 2006 level. Expenditures are projected to rise to \$197.1 million in 2008. The number of geologists employed in Nevada by respondents in 2007 stood at 227, down from 228 in 2006. Employment of geologists is projected to increase to 235 in 2008. Respondents spent 67 percent of their 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-nine percent of the respondents who have Nevada production were able to replace their reserves lost to production. Finally, 61 percent of the respondents reported they were optimistic about domestic exploration.

TABLE 1
Number and Types of Respondents

Year	Companies with Nevada budget >= \$1 million	Companies with Nevada budget < \$1 million	Total respondents
2007	20	11	31
2006	21	7	28
2005	16	19	35
2004	10	12	22
2003	10	20	30
2002	11	22	33
2001	10	14	24

- Data for 1994 through 2000 are available in previous surveys, which may be found on the Division of Minerals' web site: minerals.state.nv.us

TABLE 2
Exploration Expenditures in Millions of Dollars

All Respondents	2001	2002	2003	2004	2005	2006	2007
Nevada	51.2	64.6	69.2	79.7	121.3	164.9	167.9
Rest of U.S.	1.9	23.6	2.2	9.5	16.7	35.6	30.7
Outside U.S.	151.2	308.8	326.2	348.7	418.5	414.7	558.1
Total World	204.3	397.0	397.6	437.9	556.5	615.2	756.7

Companies with Nevada budget >= \$1 million	2001	2002	2003	2004	2005	2006	2007
Nevada	49.5	60.8	67.0	77.7	114.8	163.7	164.8
Rest of U.S.	1.9	5.0	0.5	6.6	11.4	35.5	30.3
Outside U.S.	148.8	219.2	296.4	334.2	400.2	409.3	554.2
Total World	200.2	285.0	363.9	418.5	526.4	608.5	749.3

Companies with Nevada budget < \$1 million	2001	2002	2003	2004	2005	2006	2007
Nevada	1.7	3.8	2.2	2.0	6.5	1.3	3.1
Rest of U.S.	0.0	18.6	1.7	2.9	5.3	0.0	0.4
Outside U.S.	2.4	89.6	29.8	14.5	18.3	5.4	3.9
Total World	4.1	112.0	33.7	19.4	30.1	6.7	7.4

* Data for 1994 through 2000 are available in previous surveys, which may be found on the Division of Minerals' web site: minerals.state.nv.us

TABLE 3
Geologists Employed by Respondents

All Respondents	2001	2002	2003	2004	2005	2006	2007
Nevada	107	129	126	123	190	228	227
Rest of U.S.	11	13	7	42	10	57	31
Outside U.S.	90	419	423	627	646	678	680
Total World	208	561	556	792	846	963	938

Respondents with Nevada budget >= \$1 million	2001	2002	2003	2004	2005	2006	2007
Nevada	92	110	102	109	158	218	209
Rest of U.S.	6	1	2	29	5	55	28
Outside U.S.	75	315	372	560	598	668	669
Total World	173	426	476	698	761	941	906

Respondents with Nevada budget < \$1 million	2001	2002	2003	2004	2005	2006	2007
Nevada	15	19	24	14	32	10	18
Rest of U.S.	5	12	5	13	5	2	3
Outside U.S.	15	104	51	67	48	10	11
Total World	35	135	80	94	85	22	32

* Data for 1994 through 2000 are available in previous surveys, which may be found on the Division of Minerals' web site: minerals.state.nv.us

TABLE 4
Mining Claims Held by Respondents

All Respondents	2001	2002	2003	2004	2005	2006	2007
Nevada	38,075	48,988	50,760	56,673	76,436	75,350	81,292
Rest of U.S.	1,697	2,100	3,428	6,918	4,601	8,447	6,420
Total Claims	39,772	51,088	54,188	63,591	81,037	83,797	87,712

Respondents with Nevada budget > = \$1 million	2001	2002	2003	2004	2005	2006	2007
Nevada	32,696	42,404	43,389	53,460	62,254	74,107	75,996
Rest of U.S.	654	1,679	2,625	4,190	2,804	8,437	6,290
Total Claims	33,350	44,083	46,014	57,650	65,058	82,544	82,286

Respondents with Nevada budget < \$1 million	2001	2002	2003	2004	2005	2006	2007
Nevada	5,379	6,584	7,371	3,213	14,182	1,243	5,296
Rest of U.S.	1,043	421	803	2,728	1,797	10	130
Total Claims	6,422	7,005	8,174	5,941	15,979	1,253	5,426

* Data for 1994 through 2000 are available in previous surveys, which may be found on the Division of Minerals' web site: 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:

Are you replacing your reserves	2001	2002	2003	2004	2005	2006	2007
Worldwide?	43	71	80	89	73	82	56
Domestically?	23	62	87	86	57	86	57
In Nevada?	25	54	82	71	71	86	89

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

Are you replacing your reserves	2001	2002	2003	2004	2005	2006	2007
Worldwide?	37	67	87	100	87	80	71
Domestically?	29	62	100	100	75	83	67
In Nevada?	29	67	100	100	75	86	83

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

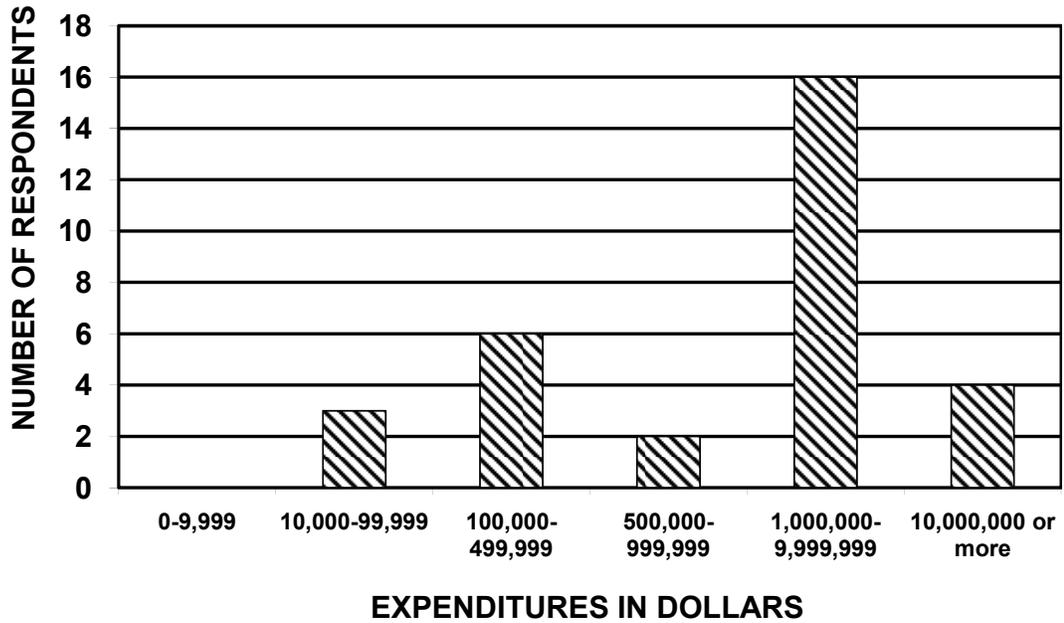
Are you replacing your reserves	2001	2002	2003	2004	2005	2006	2007
Worldwide?	50	80	50	67	33	100	0
Domestically?	17	60	67	67	33	100	0
In Nevada?	20	25	60	33	67	N/A	100

* Data for 1994 through 2000 are available in previous surveys, which may be found on the Division of Minerals’ web site: minerals.state.nv.us

NEVADA DIVISION OF MINERALS

GRAPH 1

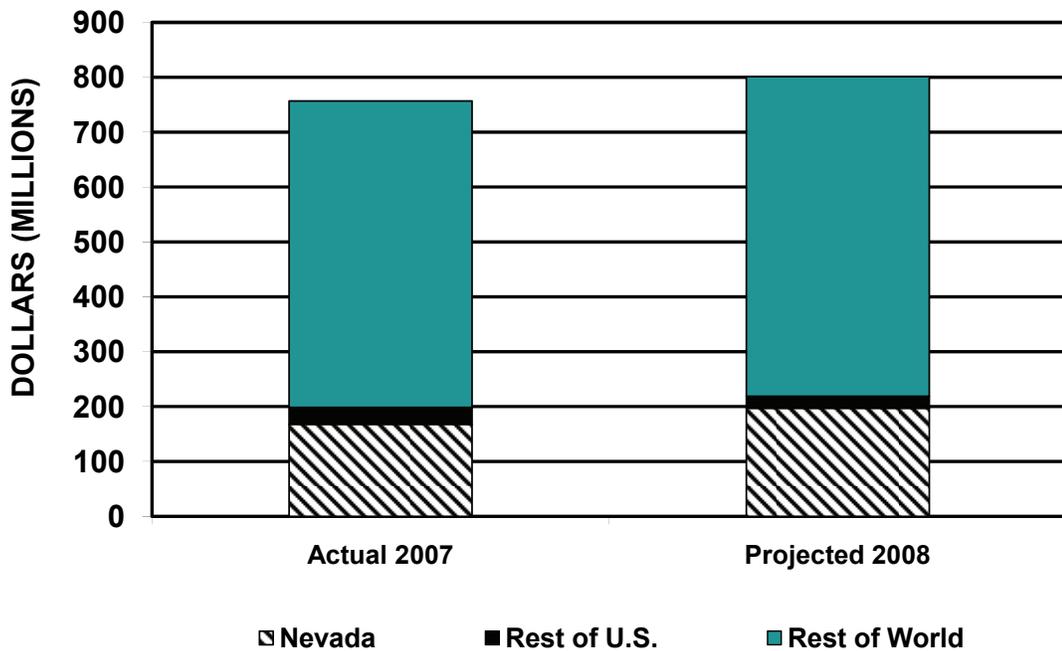
RESPONDENTS' NEVADA EXPLORATION EXPENDITURES 2007



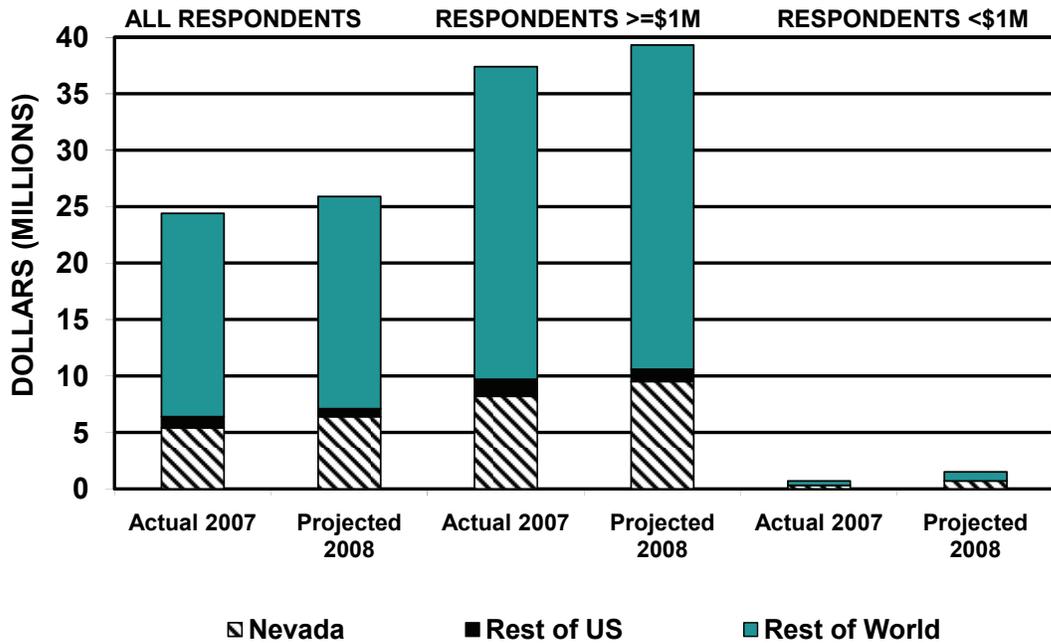
NEVADA DIVISION OF MINERALS

GRAPH 2

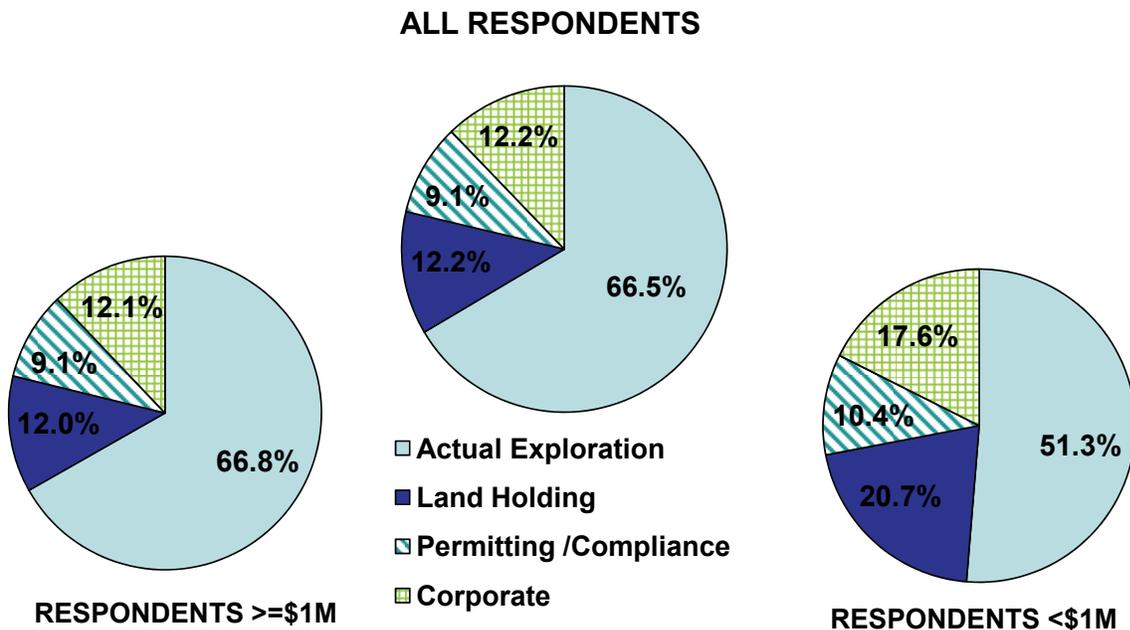
TOTAL EXPLORATION SPENDING 2007/2008



**NEVADA DIVISION OF MINERALS
GRAPH 3
AVERAGE SPENDING PER RESPONDENT 2007/2008**



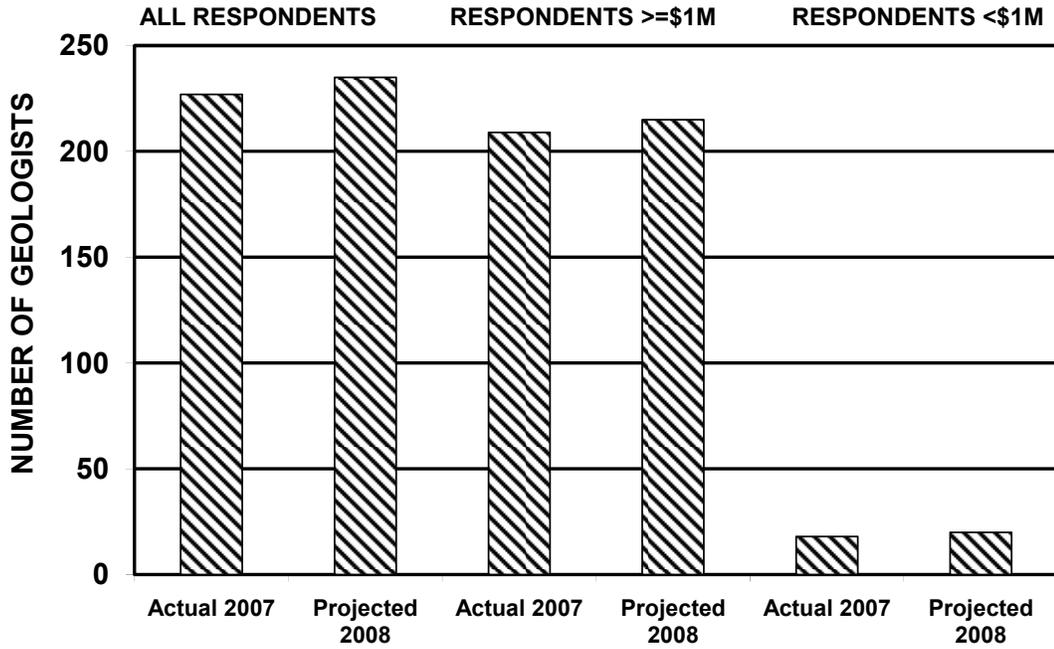
**NEVADA DIVISION OF MINERALS
GRAPH 4
BREAKDOWN OF NEVADA EXPENSES 2007**



NEVADA DIVISION OF MINERALS

GRAPH 5

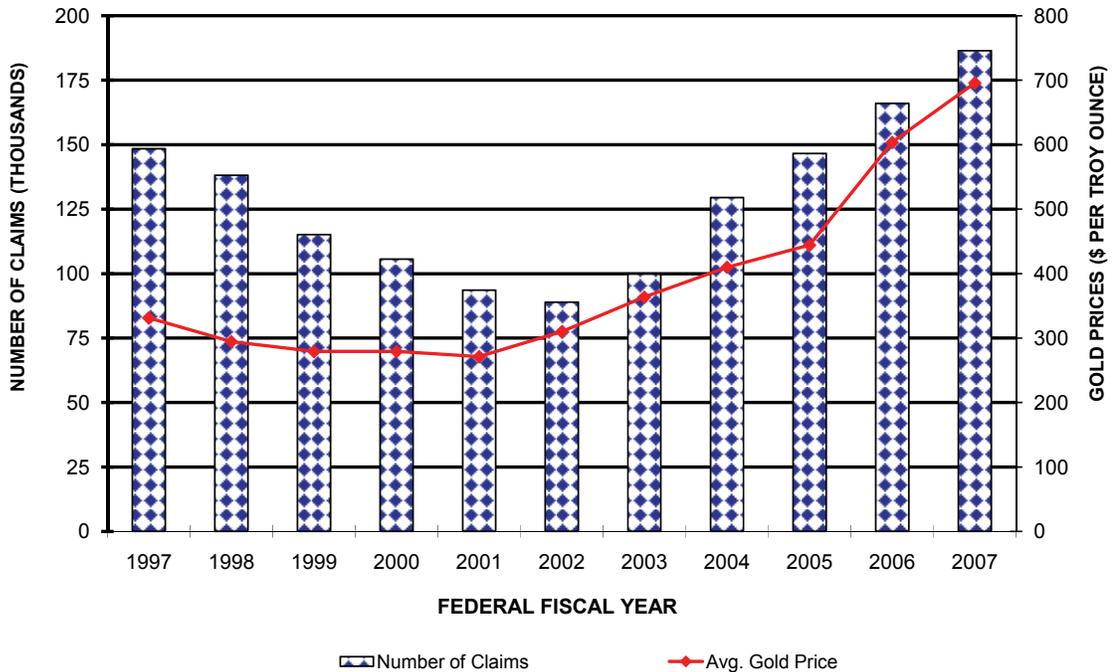
EXPLORATION GEOLOGISTS EMPLOYED IN NEVADA 2007/2008



NEVADA DIVISION OF MINERALS

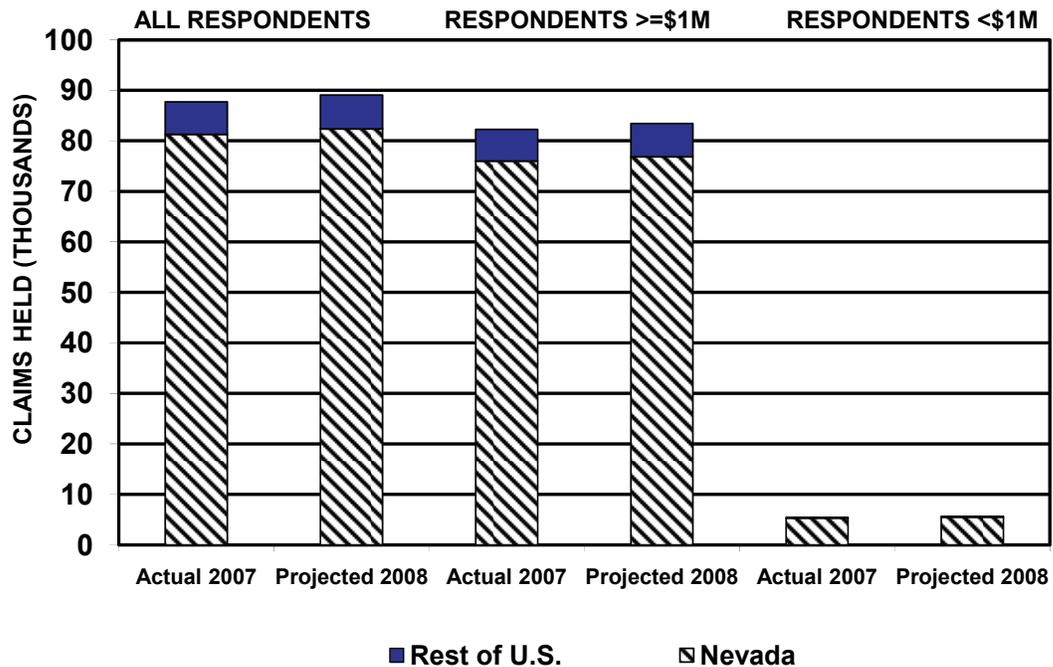
GRAPH 6

NEVADA MINING CLAIMS & AVERAGE GOLD PRICES, 1997-2007

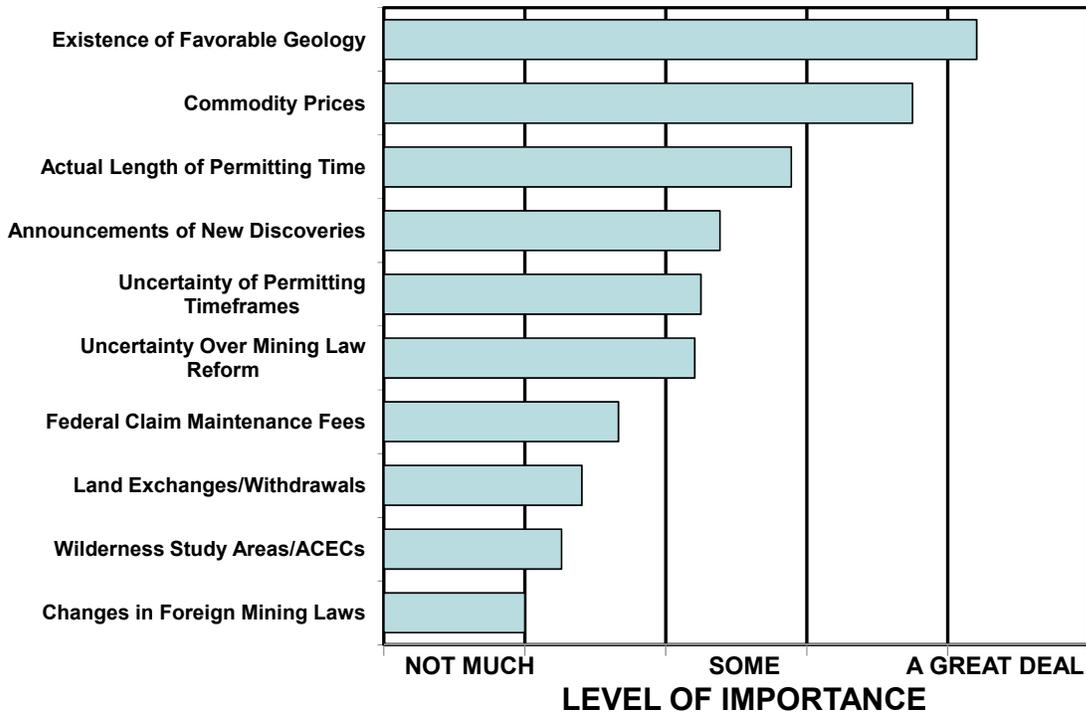


NOTE: Claim data from the BLM Public Land Statistics

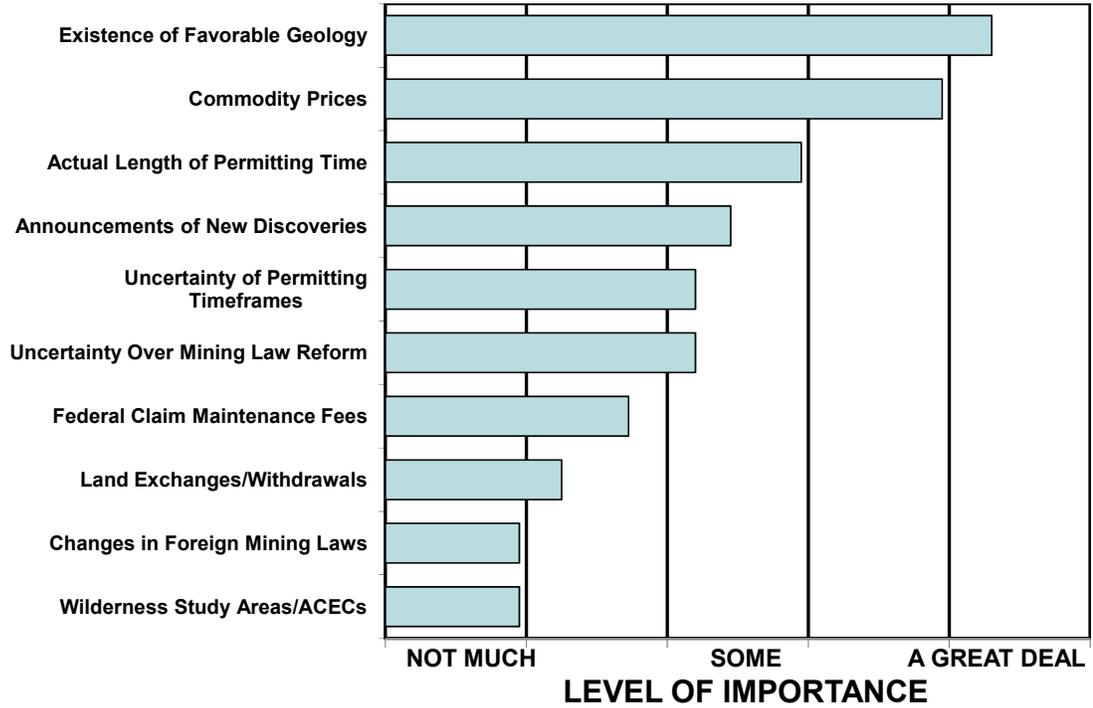
**NEVADA DIVISION OF MINERALS
GRAPH 7
NUMBER OF CLAIMS HELD BY RESPONDENTS 2007/2008**



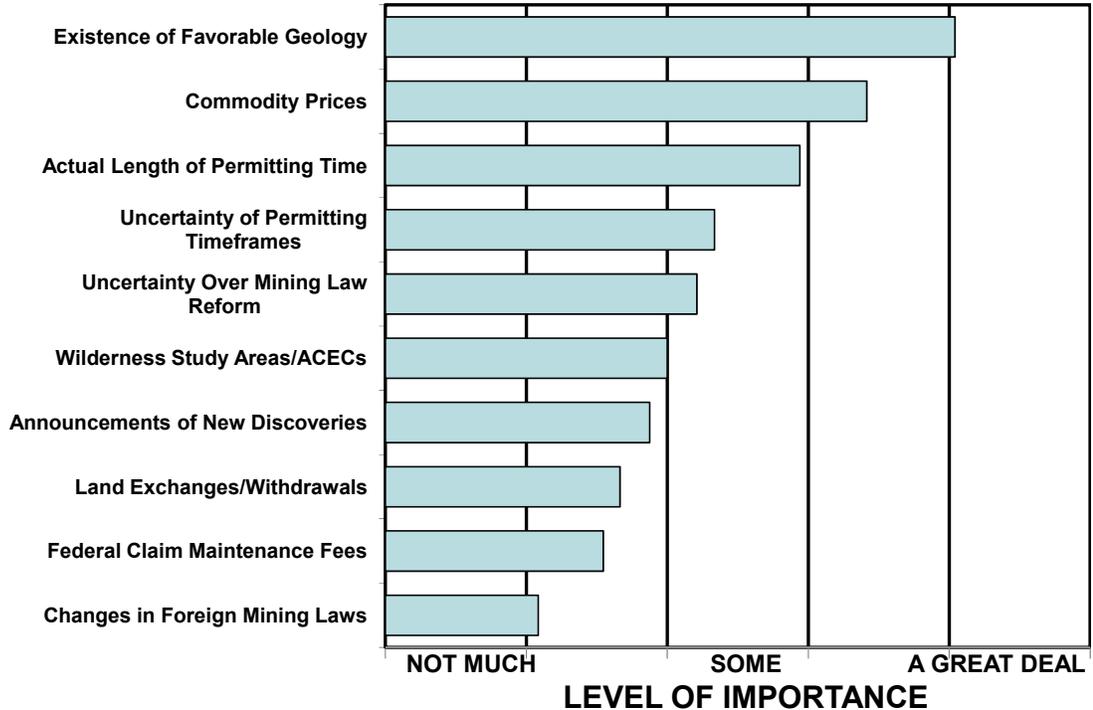
**NEVADA DIVISION OF MINERALS
GRAPH 8
FACTORS INFLUENCING ACTIVITY 2007
ALL RESPONDENTS**



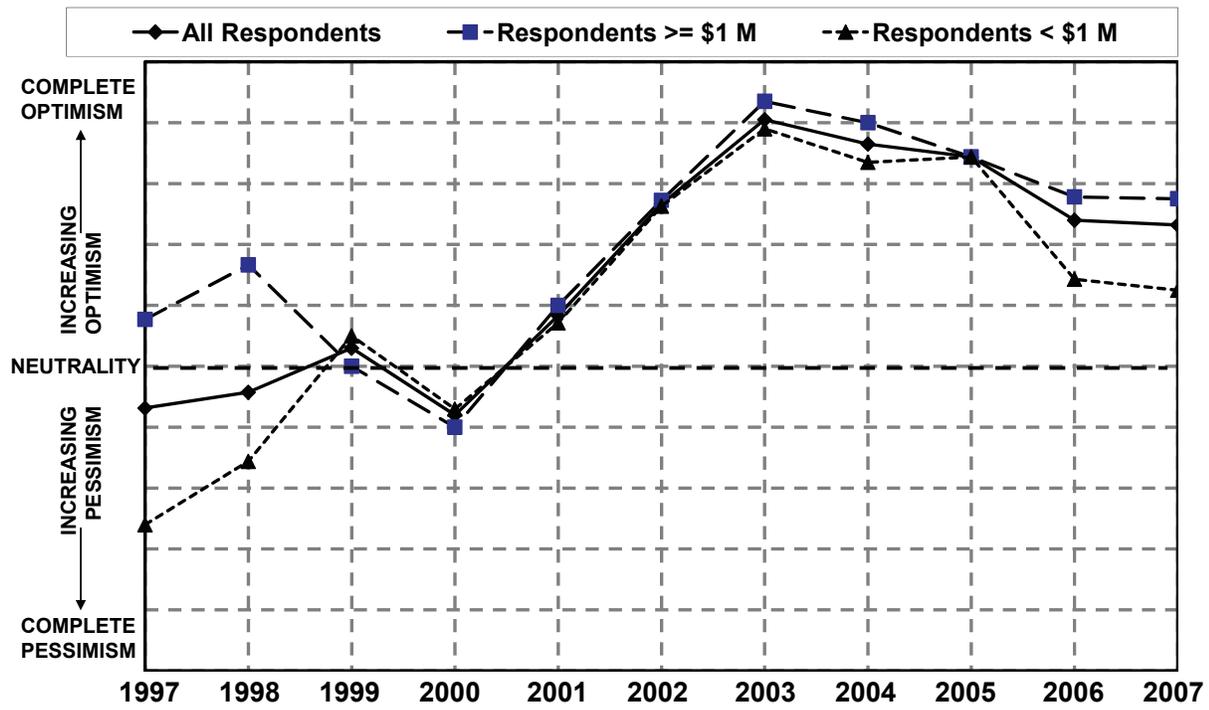
NEVADA DIVISION OF MINERALS
 GRAPH 9
FACTORS INFLUENCING ACTIVITY 2007
RESPONDENTS >=\$1 MILLION



NEVADA DIVISION OF MINERALS
 GRAPH 10
FACTORS INFLUENCING ACTIVITY 2007
RESPONDENTS <\$1 MILLION



NEVADA DIVISION OF MINERALS
 GRAPH 11
 OPTIMISM INDEX 1997-2007



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

Company Name: _____

Contact Person / Phone: _____

1) Level of Exploration Activity	2007 Actual	2008 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 _____)	_____ %
Total	100 %

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.

Questions or comments? Please call Doug Driesner at (775) 684-7046.