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**NEVADA EXPLORATION  
SURVEY 2008-2009**

**by**

**Doug Driesner, Deputy Administrator**

**Alan R. Coyner, Administrator**

**September, 2009**

**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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## 2008 – 2009 EXPLORATION SURVEY

### EXECUTIVE SUMMARY

This is the fifteenth 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-two companies responded to this survey.
- The respondents reported spending \$158.1 million on Nevada exploration activities in 2008, and project spending \$133.6 million in 2009. \$110.1 million was spent on expansions and \$48.0 million on grass-roots efforts.
- The respondents reported their worldwide exploration expenditures in 2008 were \$694.3 million, and project spending \$527.5 million in 2009.
- The respondents spent 64.3 percent of their budgets on actual exploration costs, 13.0 percent on land holding costs, 12.3 percent on corporate costs, and 10.4 percent on permitting and compliance costs.
- The respondents reported employing 184 geologists in Nevada in 2008, down 43 from the 227 reported for 2007. Projections for 2009 show a decrease to 169 geologists.
- The respondents reported holding 72,022 claims in Nevada and 94,752 in the U.S. as a whole in 2008.
- 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 10 months to 4 years, with an average of 17.0 months, compared to 15.3 months in 2007.
- Three out of 6, or 50 percent of the respondents who have Nevada production were able to replace their production with newly found reserves.
- Forty-two percent of the respondents reported they were optimistic about domestic exploration, while 21 percent were neutral. Thirty-seven percent reported being pessimistic.

## **INTRODUCTION**

In the spring of 2009, the Division of Minerals conducted its fifteenth 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.

Ninety eight questionnaires were sent out. Responses were received from 22 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 2008 totaled \$158.1 million, down 6 percent from the \$167.9 million reported for 2007. The actual expenditures reported for 2008 were lower than the \$197.1 million which had been projected by the previous survey. In this current survey, respondents project their 2009 expenditures will be \$133.6 million. Expenditures reported for 2008 marked the first decrease after six consecutive years 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 2008 was reported to be \$39.5 million, up from the \$30.7 reported for 2007. 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 80.0 percent of the respondents' total U.S. spending in 2008, down from 84.5 in 2007. Nevada's percentage of domestic spending is projected to rise to 91.8 in 2009.

Respondents reported that their worldwide spending was \$694.3 million in 2008, down 8.2 percent from the \$756.7 million reported for 2007. Projections for 2009 show a continued decrease to \$527.5 million. Spending in Nevada was 23 percent of the respondents' worldwide spending in 2008. Nevada's percentage of worldwide spending is projected to increase to 25 in 2009.

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 22 respondents to this survey, 12 are GE companies and 10 are LT companies. The GE companies accounted for 98 percent of Nevada's exploration spending in 2008. The GE companies also account for the bulk of domestic and worldwide spending with 98 and 94 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 2008. Table 2 shows the exploration expenditures reported in previous years from 2002 to 2008.

The average Nevada spending per respondent was \$7.2 million in 2008, up from \$5.4 million in 2007. The GE companies spent an average of \$12.9 million, while the LT companies spent an average of \$340,000. 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, 64 percent of their budgets were spent on actual exploration, down from 67 percent in 2007. They spent 13 percent on land holding costs, up from 12 percent; 12 percent on corporate costs, the same as in 2007; and 10 percent on permitting and compliance costs, up from 9 percent. In this survey no respondent reported "other" costs.

For the GE companies as a group, 64 percent of their budgets were spent on actual exploration, down from 67 percent in 2007. They spent 13 percent on land holding costs, up from 12 percent; 12 percent on corporate costs, the same as in 2007; and 11 percent on permitting and compliance costs, up from 9 percent.

For the LT companies as a group, 60 percent of their budgets were spent on actual exploration, up from 51 percent in 2007. They spent 20 percent on land holding costs, down from 21 percent; 10 percent on corporate costs, down from 18 percent; and 10 percent on permitting and compliance costs, the same as in 2007.

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 184 geologists on the payroll in 2008, down from 227 in 2007. This is lower than the 235 geologists who were projected to be employed by the previous survey. Respondents, to the current survey, project that 169 geologists will be working on Nevada projects in 2009. Of the 184 geologists at work in Nevada in 2008, 172 were employed by the GE companies and 12 by the LT companies. Graph 5 shows the number of geologists employed in 2008 and projected to be employed in 2009. Table 3 shows the geologists employed in previous surveys from 2002 to 2008.

In the U.S., including Nevada, 216 geologists were reported to be at work in 2008, down from 258 in 2007. Of those, 203 were employed by the GE companies and 13 were employed by the LT companies. Eighty-five percent of the domestic geologists employed by the GE companies in 2008 were working in Nevada, compared to 92 percent for the LT companies. Overall, 85 percent of domestic geologists were at work on Nevada projects. Projections for domestic employment in 2009 show a decrease to 193 geologists, and Nevada's percentage is projected to rise to 88. Of the 193 geologists projected to be employed in 2009, the GE companies account for 181 and the LT companies 12. Eighty-eight percent of the GE company's geologists are projected to be at work in Nevada, compared to 83 percent for the LT companies.

Worldwide, including the U.S., respondents reported 772 geologists at work in 2008, down from 938 in 2007. Of those, 748 were working for the GE companies and 24 for the LT companies. Nevada's percentage of worldwide geological employment was 24 for all respondents, and 23 and 50 for the GE companies and LT companies, respectively. The respondents project a decrease to 748 geologists employed in 2009, with 728 employed by the GE companies and 20 by the LT companies. Nevada's projected percentages of worldwide geological employment for 2009 are 23 for all respondents, 22 for the GE companies, and 60 for the LT companies.

## **EXPENDITURES PER GEOLOGIST**

Reported expenditures were lower, and geologists employed were lower in 2008 than in 2007. For all respondents, the average spending per geologist in Nevada in 2008 was \$860,000, up from \$740,000 in 2007. In Nevada, the GE companies spent more per geologist (\$900,000) than the LT companies did (\$280,000). Projections for 2009 show the respondents spending an average of \$790,000 per geologist.

In the U.S., including Nevada, both the GE companies and the LT companies spent more per geologist than in Nevada alone. In 2008 the GE companies spent \$950,000 per domestic geologist and the LT companies spent \$360,000. Worldwide, the spending per geologist was lower for the GE companies but higher for the LT companies than in Nevada or the U.S. The worldwide spending per geologist was \$900,000 for all respondents, \$880,000 for the GE companies, and \$1.7 million 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 196,849 active claims in Nevada as of October 1, 2008, compared to 186,428 in 2007. Table 4 shows the mining claims held by respondents from 2002 to 2008. Graph 6 shows the mining claims held in Nevada according to BLM from 1998 to 2008, and the average gold prices for those years.

As depicted in Graph 7, respondents to this survey reported holding 72,022 claims in Nevada and 94,752 in the U.S. as a whole in 2008 compared to 81,292 and 87,712 respectively in 2007. Thus, respondents to this survey account for approximately 37 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 66,877 compared to 5,145 for the LT companies. In the U.S. as a whole, the GE companies held 89,088 claims and the LT companies held 5,664. Seventy-six percent of the claims held by respondents are in Nevada.

Projections for 2009 show a decrease in the number of claims held by respondents. The total number of claims held by all respondents is projected to be 69,849 in Nevada and 92,393 in the U.S. as a whole. The GE companies project their Nevada claim holdings will drop in 2009 to 66,109 and the LT companies project their claim holdings will drop to 3,740. In the U.S. as a whole, the GE companies project they will hold 88,493 claims, and the LT companies project they will hold 3,900. In 2009, 76 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. Uncertainty over mining law reform
4. Uncertainty over permitting time frames
5. Actual length of permitting time
6. Wilderness study areas / ACECs
7. Announcements of new discoveries
8. Federal claim maintenance fees
9. Land exchanges / withdrawals
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 \$695 per troy ounce in 2007 to \$872 per troy ounce in 2008. As of September, 2009, gold was trading in the \$1,000 per troy ounce range. Silver and copper are also trading at relatively high prices. The uncertainty over mining law reform became the third most

important factor followed by uncertainty of permitting time frames. Changes in foreign mining laws remained the least 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 factor for the GE companies was actual length of permitting time, while for the LT companies the next most important factor was uncertainty over mining law reform. 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 1 to 4 months, with an average of 7.5 weeks. For a plan, the time ranged from 10 months to 4 years, with an average of 17.0 months. The average time for a notice dropped from 8.0 weeks in 2007, but increased from 15.3 months for a plan in 2007. 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, 3 of 7 companies with production (43 percent) replaced their reserves. Fifteen companies had no worldwide production. Sixty percent of the GE companies replaced their worldwide production, but no LT companies did.

Two of 6 companies (33 percent) with production in Nevada and other states replaced their reserves. One of 3 (33 percent) of the GE companies replaced their reserves, the same as the LT companies.

Three of 6 companies (50 percent) with production in Nevada replaced their reserves. Two of 4 GE companies (50 percent) replaced their reserves compared to 1 of 2 (50 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, 70 percent of the respondents’ budgets were spent on expansions and 30 percent on grass-roots efforts. The GE companies focused more on expansions with 71 percent of their budgets spent on expansions and 29 percent on grass-roots efforts. The LT companies spent 91 percent of their budgets on grass-roots efforts and 9 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 2.9, up from the previous survey's average of 2.8. The GE companies averaged 3.0, and the LT companies averaged 2.8.

## **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 2008 is down for all respondents, GE companies, and LT companies from 2007. The optimism index for the LT companies became negative for the first time since 2000.

## **CONCLUSIONS**

The 22 respondents to this survey reported spending \$158.1 million on Nevada exploration projects in 2008, a 6 percent decrease from the reported 2007 level. Expenditures are projected to drop to \$133.6 million in 2009. The number of geologists employed in Nevada by respondents in 2008 stood at 184, down from 227 in 2007. Employment of geologists is projected to decrease to 169 in 2009. Respondents spent 64 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. Fifty percent of the respondents who have Nevada production were able to replace their reserves lost to production. Finally, 42 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 &gt;= \$1 million</b>	<b>Companies with Nevada budget &lt; \$1 million</b>	<b>Total respondents</b>
<b>2008</b>	<b>12</b>	<b>10</b>	<b>22</b>
<b>2007</b>	<b>20</b>	<b>11</b>	<b>31</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>

- Data for 1994 through 2001 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>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
Nevada	64.6	69.2	79.7	121.3	164.9	167.9	158.1
Rest of U.S.	23.6	2.2	9.5	16.7	35.6	30.7	39.5
Outside U.S.	308.8	326.2	348.7	418.5	414.7	558.1	496.7
Total World	397.0	397.6	437.9	556.5	615.2	756.7	694.3

<b>Companies with Nevada budget &gt;= \$1 million</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
Nevada	60.8	67.0	77.7	114.8	163.7	164.8	154.7
Rest of U.S.	5.0	0.5	6.6	11.4	35.5	30.3	38.3
Outside U.S.	219.2	296.4	334.2	400.2	409.3	554.2	460.1
Total World	285.0	363.9	418.5	526.4	608.5	749.3	653.1

<b>Companies with Nevada budget &lt; \$1 million</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
Nevada	3.8	2.2	2.0	6.5	1.3	3.1	3.4
Rest of U.S.	18.6	1.7	2.9	5.3	0.0	0.4	1.2
Outside U.S.	89.6	29.8	14.5	18.3	5.4	3.9	36.6
Total World	112.0	33.7	19.4	30.1	6.7	7.4	41.2

- Data for 1994 through 2001 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>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
Nevada	129	126	123	190	228	227	184
Rest of U.S.	13	7	42	10	57	31	32
Outside U.S.	419	423	627	646	678	680	556
Total World	561	556	792	846	963	938	772

<b>Respondents with Nevada budget &gt;= \$1 million</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
Nevada	110	102	109	158	218	209	172
Rest of U.S.	1	2	29	5	55	28	31
Outside U.S.	315	372	560	598	668	669	545
Total World	426	476	698	761	941	906	748

<b>Respondents with Nevada budget &lt; \$1 million</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
Nevada	19	24	14	32	10	18	12
Rest of U.S.	12	5	13	5	2	3	1
Outside U.S.	104	51	67	48	10	11	11
Total World	135	80	94	85	22	32	24

- Data for 1994 through 2001 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>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
Nevada	48,988	50,760	56,673	76,436	75,350	81,292	72,022
Rest of U.S.	2,100	3,428	6,918	4,601	8,447	6,420	22,730
Total Claims	51,088	54,188	63,591	81,037	83,797	87,712	94,752

<b>Respondents with Nevada budget &gt; = \$1 million</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
Nevada	42,404	43,389	53,460	62,254	74,107	75,996	66,877
Rest of U.S.	1,679	2,625	4,190	2,804	8,437	6,290	22,211
Total Claims	44,083	46,014	57,650	65,058	82,544	82,286	89,088

<b>Respondents with Nevada budget &lt; \$1 million</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
Nevada	6,584	7,371	3,213	14,182	1,243	5,296	5,145
Rest of U.S.	421	803	2,728	1,797	10	130	519
Total Claims	7,005	8,174	5,941	15,979	1,253	5,426	5,664

- Data for 1994 through 2001 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>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
Worldwide?	71	80	89	73	82	56	43
Domestically?	62	87	86	57	86	57	33
In Nevada?	54	82	71	71	86	89	50

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

<b>Are you replacing your reserves</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
Worldwide?	67	87	100	87	80	71	60
Domestically?	62	100	100	75	83	67	33
In Nevada?	67	100	100	75	86	83	50

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

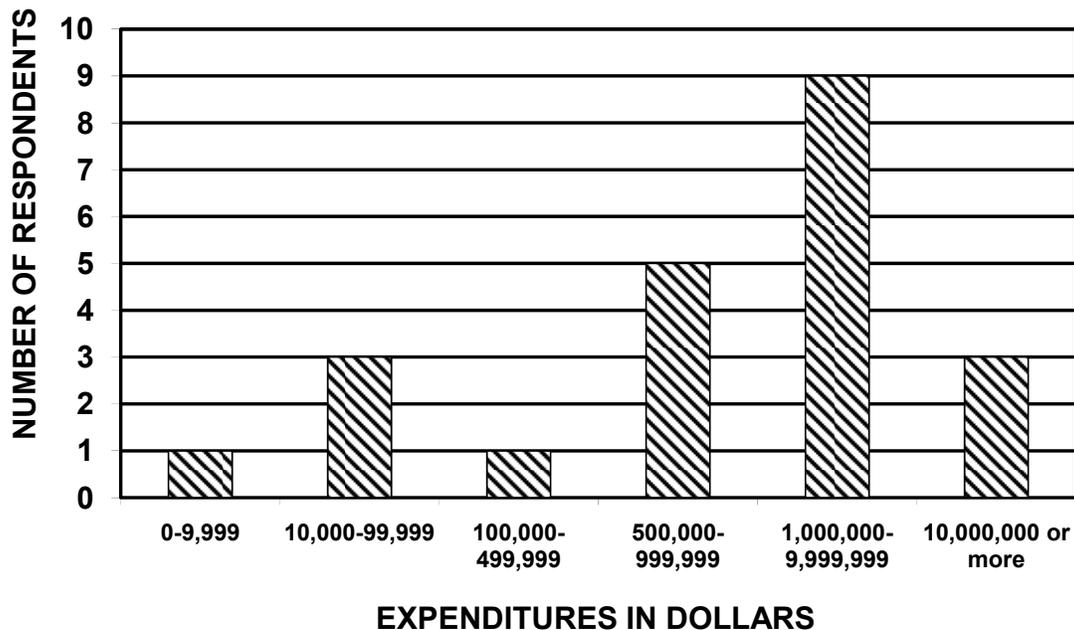
<b>Are you replacing your reserves</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
Worldwide?	80	50	67	33	100	0	0
Domestically?	60	67	67	33	100	0	33
In Nevada?	25	60	33	67	N/A	100	50

- Data for 1994 through 2001 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

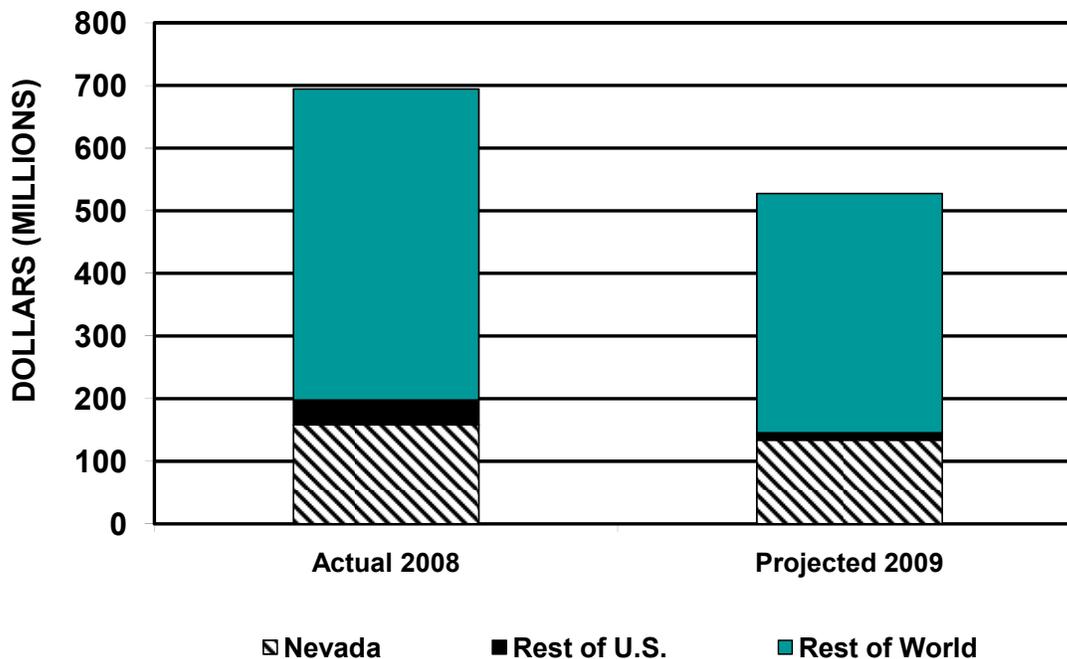
RESPONDENTS' NEVADA EXPLORATION EXPENDITURES 2008



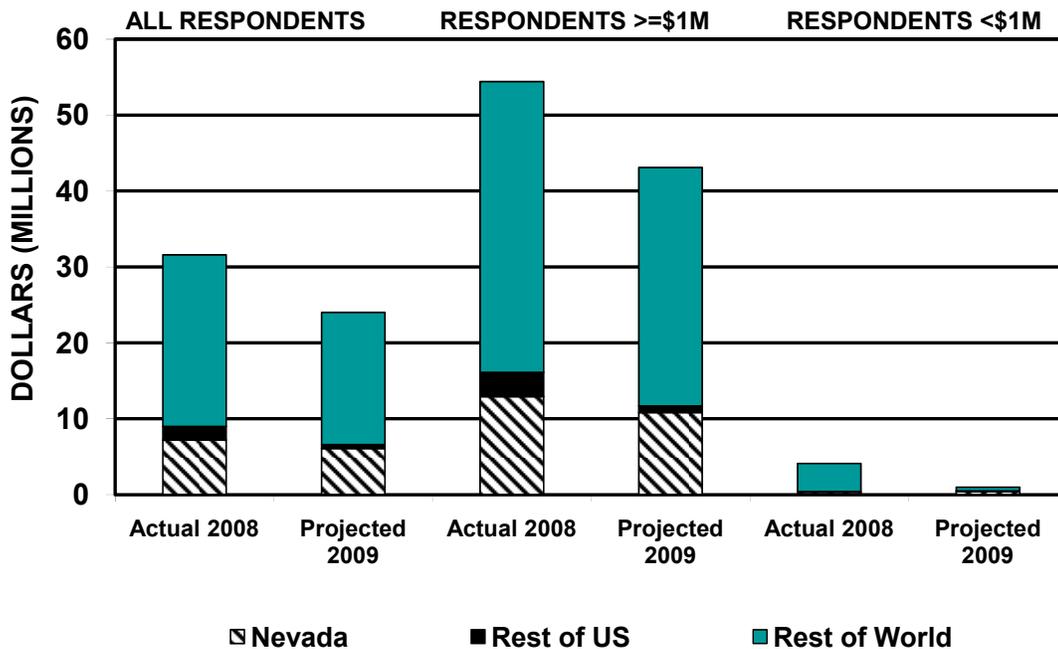
NEVADA DIVISION OF MINERALS

GRAPH 2

TOTAL EXPLORATION SPENDING 2008/2009

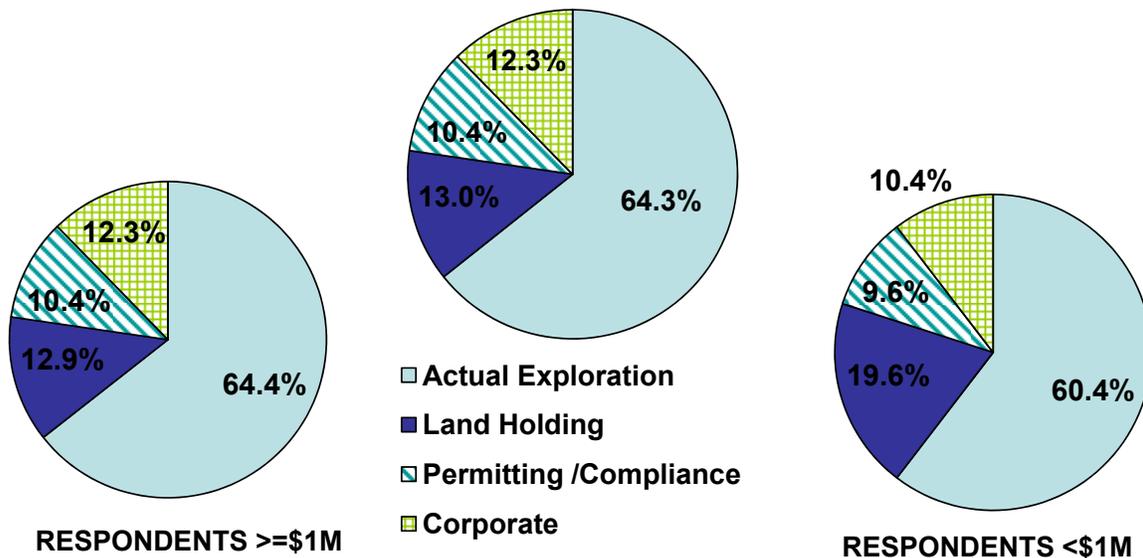


**NEVADA DIVISION OF MINERALS  
GRAPH 3  
AVERAGE SPENDING PER RESPONDENT 2008/2009**

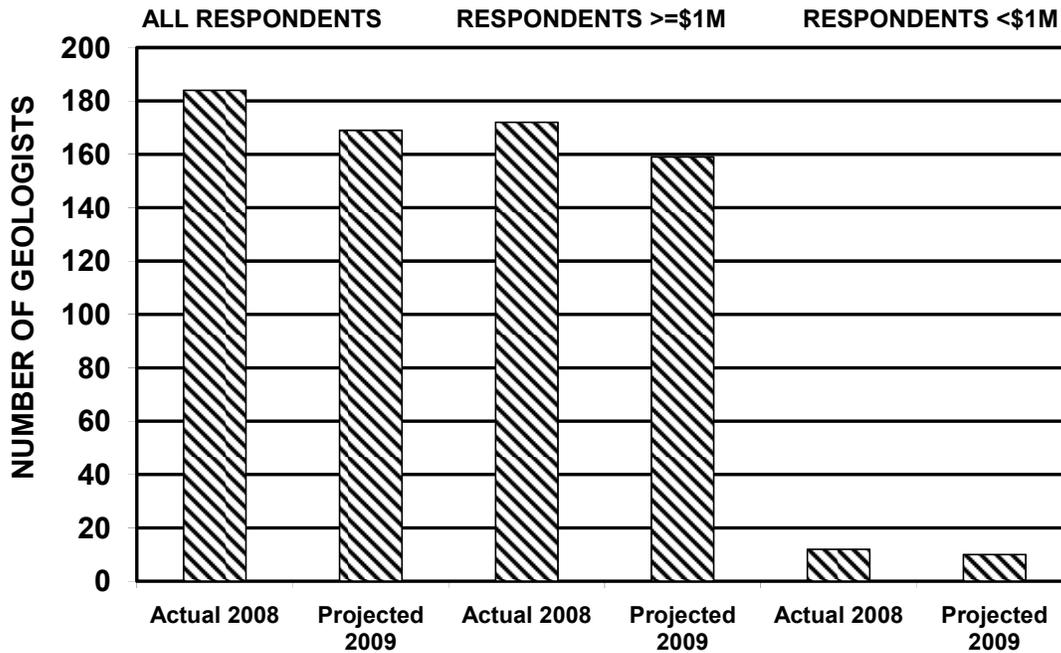


**NEVADA DIVISION OF MINERALS  
GRAPH 4  
BREAKDOWN OF NEVADA EXPENSES 2008**

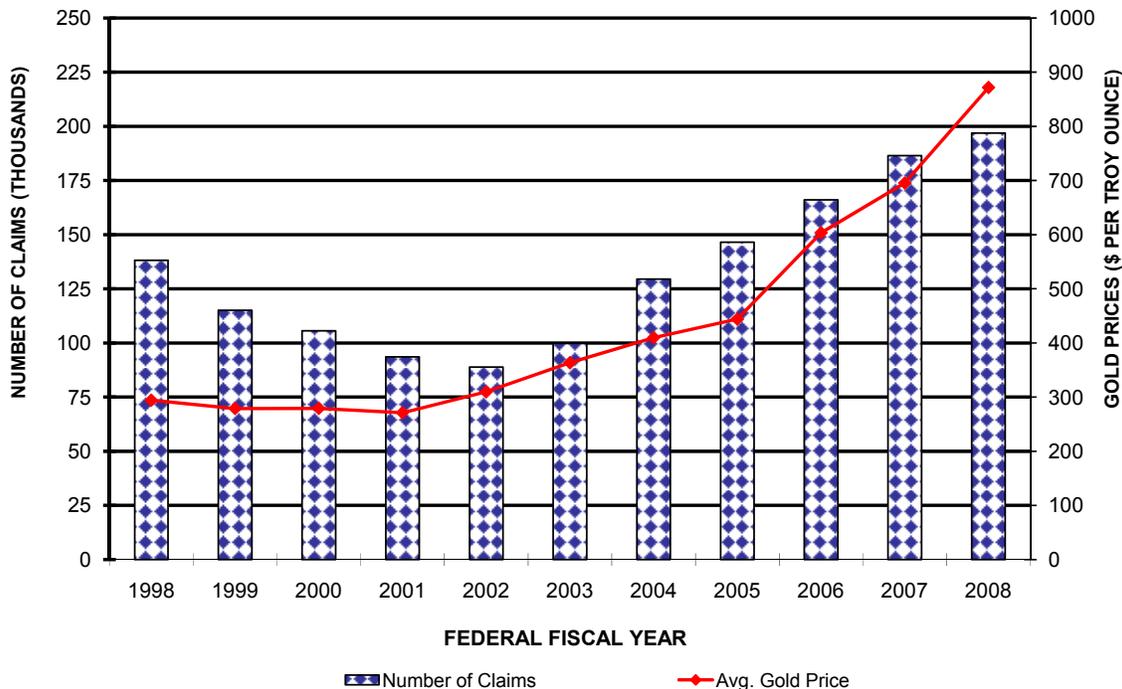
**ALL RESPONDENTS**



**NEVADA DIVISION OF MINERALS  
GRAPH 5  
EXPLORATION GEOLOGISTS EMPLOYED IN NEVADA 2008/2009**

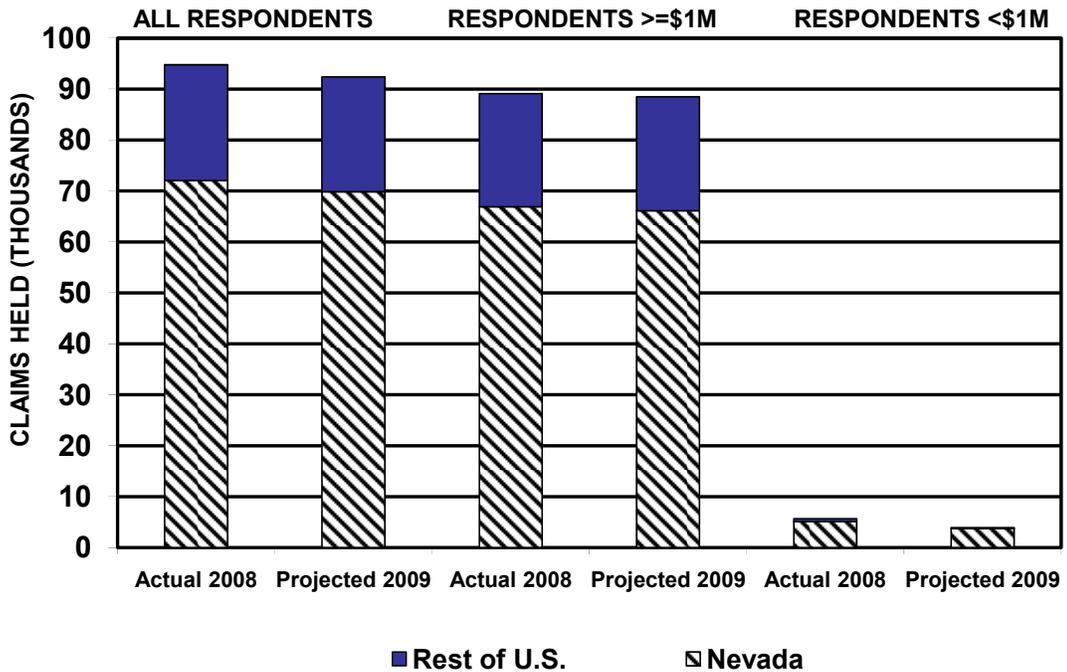


**NEVADA DIVISION OF MINERALS  
GRAPH 6  
NEVADA MINING CLAIMS & AVERAGE GOLD PRICES, 1998-2008**

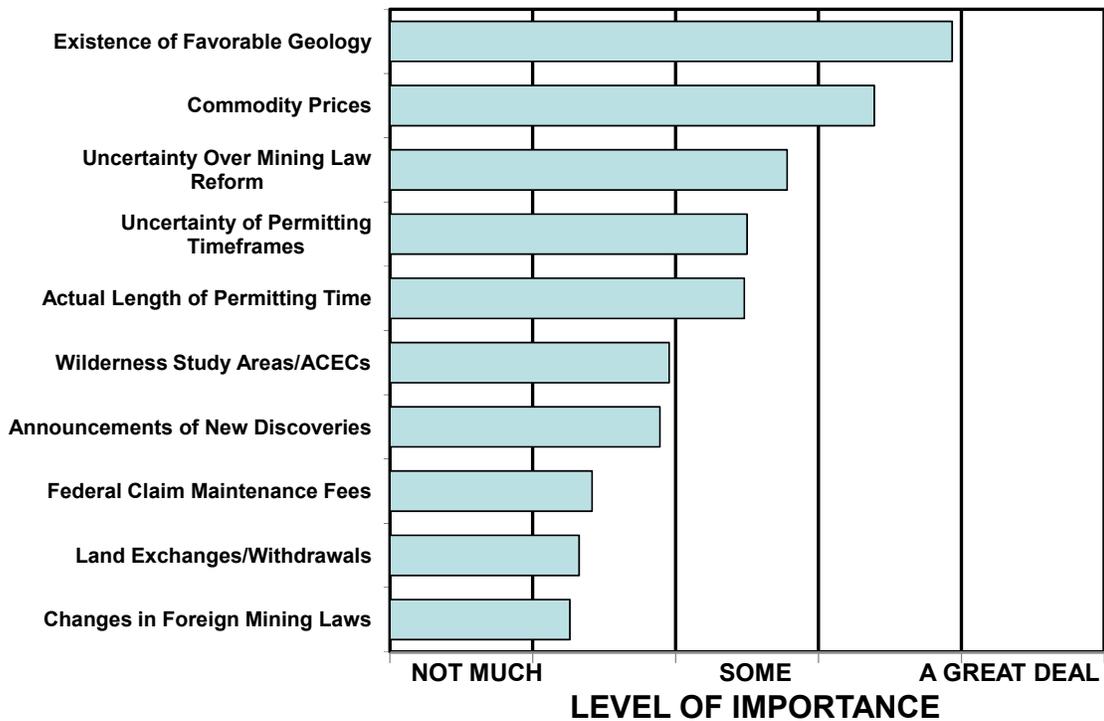


**NOTE: Claim data from the BLM Public Land Statistics**

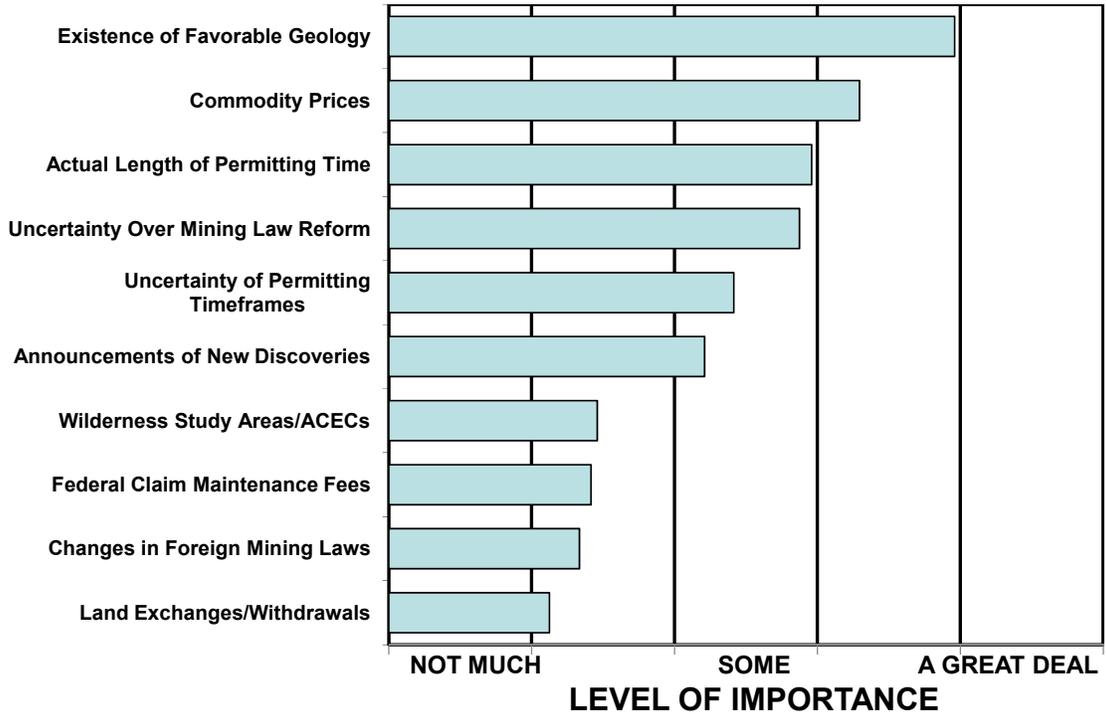
**NEVADA DIVISION OF MINERALS**  
**GRAPH 7**  
**NUMBER OF CLAIMS HELD BY RESPONDENTS 2008/2009**



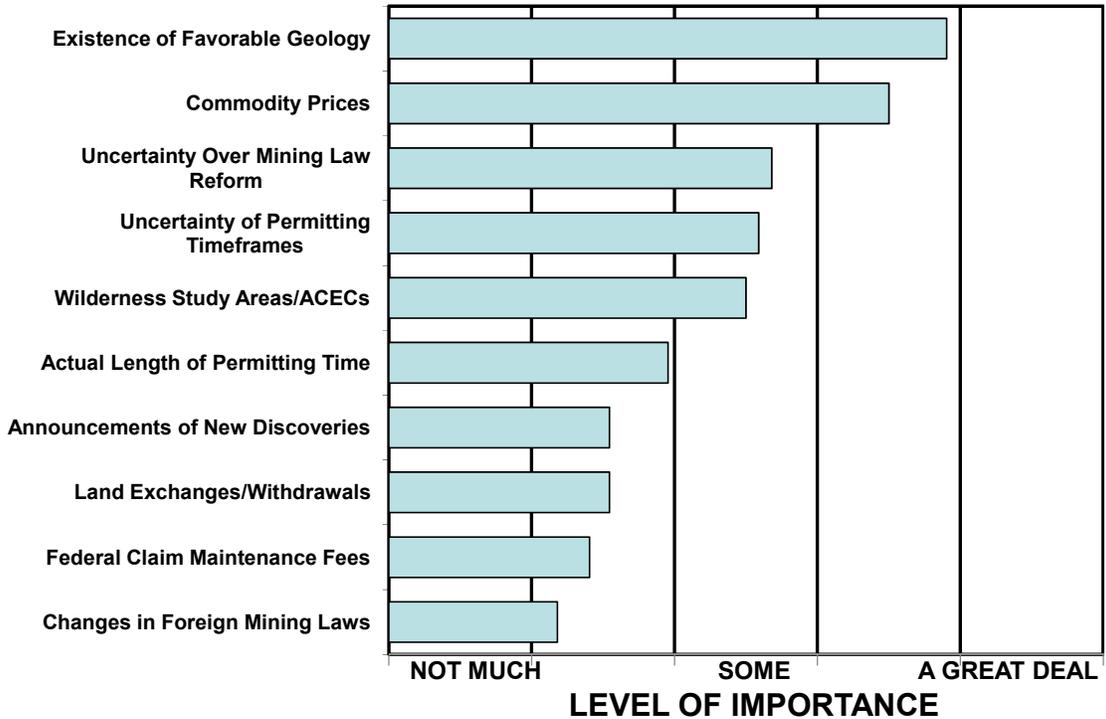
**NEVADA DIVISION OF MINERALS**  
**GRAPH 8**  
**FACTORS INFLUENCING ACTIVITY 2008**  
**ALL RESPONDENTS**



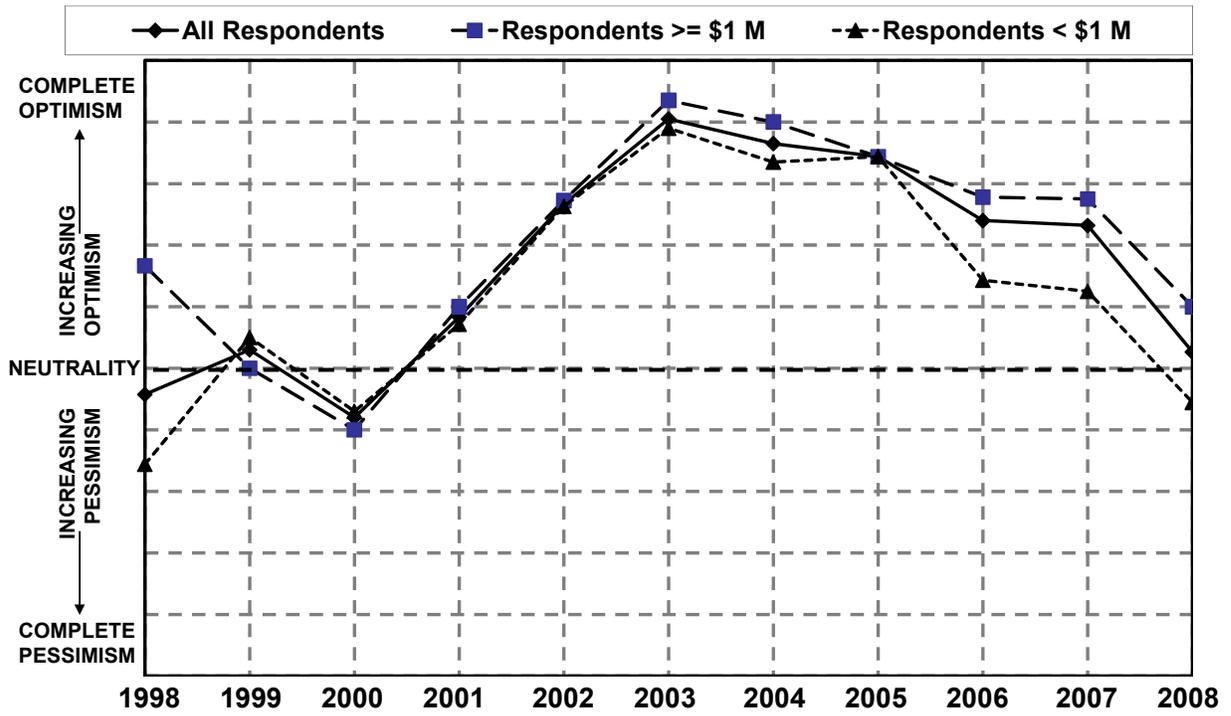
**NEVADA DIVISION OF MINERALS  
GRAPH 9  
FACTORS INFLUENCING ACTIVITY 2008  
RESPONDENTS >=\$1 MILLION**



**NEVADA DIVISION OF MINERALS  
GRAPH 10  
FACTORS INFLUENCING ACTIVITY 2008  
RESPONDENTS <\$1 MILLION**



NEVADA DIVISION OF MINERALS  
 GRAPH 11  
 OPTIMISM INDEX 1998-2008



## Nevada Division of Minerals Fifteenth Annual Exploration Survey

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

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

1) Level of Exploration Activity	2008 Actual	2009 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:**  
**Nevada Division of Minerals,**  
**400 W. King Street, Ste 106,**  
**Carson City, NV 89703**  
**Fax: (775) 684-7052**

**Thank you. All individual responses will be held confidential.**

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