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DIVISION OF MINERALS

NEVADA EXPLORATION SURVEY 2009

by

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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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2009 – 2010 EXPLORATION SURVEY

EXECUTIVE SUMMARY

This is the sixteenth 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 companies responded to this survey.
- The respondents reported spending \$110.9 million on Nevada exploration activities in 2009, and project spending \$153.6 million in 2010. \$92.2 million was spent on expansions and \$18.7 million on grass-roots efforts.
- The respondents reported their worldwide exploration expenditures in 2009 were \$427.7 million, and project spending \$533.7 million in 2010.
- The respondents spent 70 percent of their budgets on actual exploration costs, 8 percent on land holding costs, 11 percent on corporate costs, 11 percent on permitting and compliance costs.
- The respondents reported employing 154 geologists in Nevada in 2009, down 30 from the 184 reported for 2008. Projections for 2010 show an increase to 160 geologists.
- The respondents reported holding 61,773 claims in Nevada and 81,984 in the U.S. as a whole in 2009.
- 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 7 months to 5 years, with an average of 25 months, compared to 17 months in 2008.
- All of the respondents who have Nevada production were able to replace their production with newly found reserves.
- Thirty-five percent of the respondents reported they were optimistic about domestic exploration, while 41 percent were neutral. Twenty-four 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.

One hundred questionnaires were sent out. Responses were received from 20 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 2009 totaled \$110.9 million, down 30 percent from the \$158.1 million reported for 2008. The actual expenditures reported for 2009 were lower than the \$133.6 million which had been projected by the previous survey. In this current survey, respondents project their 2010 expenditures will be \$153.6 million. Expenditures reported for 2009 marked the second yearly 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 2009 was reported to be \$7.5 million, down significantly from the \$39.5 million reported for 2008. 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 94 percent of the respondents' total U.S. spending in 2009, up from 80 in 2008. Nevada's percentage of domestic spending is projected to drop to 93 in 2010.

Respondents reported that their worldwide spending was \$427.7 million in 2009, down 38 percent from the \$694.3 million reported for 2008. Projections for 2010 show an increase to \$533.7 million. Spending in Nevada was 26 percent of the respondents' worldwide spending in 2009. Nevada's percentage of worldwide spending is projected to increase to 29 in 2010.

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 20 respondents to this survey, 6 are GE companies and 14 are LT companies. The GE companies accounted for 99 percent of Nevada's exploration spending in 2009. The GE companies also account for the bulk of domestic and worldwide spending with 97 and 99 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 2003 to 2009.

The average Nevada spending per respondent was \$5.5 million in 2009, down from \$7.2 million in 2008. The GE companies spent an average of \$18.0 million, while the LT companies spent an average of \$204,000. 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, 70 percent of their budgets were spent on actual exploration, up from 64 percent in 2009. They spent 8 percent on land holding costs, down from 13 percent; 11 percent on corporate costs, down from 12 percent in 2008; and 11 percent on permitting and compliance costs, up from 10 percent. In this survey one respondent reported "other" costs, which was metallurgical testing.

For the GE companies as a group, 71 percent of their budgets were spent on actual exploration, up from 64 percent in 2008. They spent 7 percent on land holding costs, down from 13 percent; 11 percent on corporate costs, down from 12 percent in 2008; and 11 percent on permitting and compliance costs, the same as in 2008.

For the LT companies as a group, 56 percent of their budgets were spent on actual exploration, down from 60 percent in 2008. They spent 16 percent on land holding costs, down from 20 percent; 16 percent on corporate costs, up from 10 percent; and 12 percent on permitting and compliance costs, up from 10 percent in 2008.

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 154 geologists on the payroll in 2009, down from 184 in 2008. This is lower than the 169 geologists who were projected to be employed by the previous survey. Respondents to the current survey project that 160 geologists will be working on Nevada projects in 2010. Of the 154 geologists at work in Nevada in 2009, 133 were employed by the GE companies and 21 by the LT companies. Graph 5 shows the number of geologists employed in 2009 and projected to be employed in 2010. Table 3 shows the geologists employed in previous surveys from 2003 to 2009.

In the U.S., including Nevada, 179 geologists were reported to be at work in 2009, down from 216 in 2008. Of those, 156 were employed by the GE companies and 23 were employed by the LT companies. Eighty-five percent of the domestic geologists employed by the GE companies in 2009 were working in Nevada, compared to 93 percent for the LT companies. Overall, 86 percent of domestic geologists were at work on Nevada projects. Projections for domestic employment in 2010 show an increase to 184 geologists, and Nevada's percentage is projected to rise to 87. Of the 184 geologists projected to be employed in 2010, the GE companies account for 159 and the LT companies 25. Eighty-six percent of the GE company's geologists are projected to be at work in Nevada, compared to 96 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 2009 than in 2008. For all respondents, the average spending per geologist in Nevada in 2009 was \$720,000, down from \$860,000 in 2008. In Nevada, the GE companies spent more per geologist (\$810,000) than the LT companies did (\$140,000). Projections for 2010 show the respondents spending an average of \$960,000 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 2009 the GE companies spent \$730,000 per domestic geologist and the LT companies spent \$160,000. Worldwide, the spending per geologist was lower for the GE companies but higher for the LT companies than in Nevada. The worldwide spending per geologist was \$540,000 for all respondents, \$550,000 for the GE companies, and \$160,000 for the LT companies.

MINING CLAIMS

The number of mining claims held in Nevada declined in 2009. According to the BLM, Nevada State Office, there were 176,958 active claims in Nevada as of October 1, 2009, compared to 196,849 in 2008. Table 4 shows the mining claims held by respondents from 2003 to 2009. Graph 6 shows the mining claims held in Nevada according to BLM from 1999 to 2009, and the average gold prices for those years.

As depicted in Graph 7, respondents to this survey reported holding 61,773 claims in Nevada and 81,984 in the U.S. as a whole in 2009 compared to 72,022 and 94,752 respectively in 2008. Thus, respondents to this survey account for approximately 35 percent of the claims in Nevada. Ninety-one percent of the claims in Nevada reported for this survey were held by the GE companies with 56,501 compared to 5,272 for the LT companies. In the U.S. as a whole, the GE companies held 76,172 claims and the LT companies held 5,812. Seventy-five percent of the claims held by respondents are in Nevada.

Projections for 2010 show a decrease in the number of claims held by respondents. The total number of claims held by all respondents is projected to be 59,674 in Nevada and 79,336 in the U.S. as a whole. The GE companies project their Nevada claim holdings will drop in 2010 to 55,174 and the LT companies project their claim holdings will drop to 4,500. In the U.S. as a whole, the GE companies project they will hold 74,796 claims, and the LT companies project they will hold 4,540. In 2010, 75 percent of the claims held by respondents are projected to be in Nevada.

In February 2010, the Nevada Legislature passed legislation imposing an additional fee on mining claim filings. This fee ranges from \$0 per claim for those holding less than 11 claims to \$195 per claim for those holding 1,300 or more claims. The impact of this legislation is not considered in this survey as many of the questionnaires were received prior to the enactment.

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. Uncertainty over permitting time frames
5. Uncertainty over mining law reform
6. Announcements of new discoveries
7. Changes in foreign mining laws
8. Federal claim maintenance fees
9. Land exchanges / withdrawals
10. Wilderness Study Areas/ACECs

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 \$872 per troy ounce in 2008 to \$972 per troy ounce in 2009. As of August, 2010, gold was trading in the \$1,200 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 uncertainty of permitting time frames. Wilderness Study Areas and ACECs became 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 announcements of new discoveries, while for the LT companies the next most important factor was actual length of permitting time. 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 4 months, with an average of 9 weeks. For a plan, the time ranged from 7 months to 5 years, with an average of 25 months. The average time for a notice increased from 7.5 weeks in 2008, and from 17 months for a plan in 2008. 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 3 companies (100 percent) with production replaced their reserves. Seventeen companies had no worldwide production. Four of 4 companies (100 percent) with production in Nevada and other states replaced their reserves. Four of 4 companies (100 percent) with production in Nevada replaced their reserves.

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, 83 percent of the respondents’ budgets were spent on expansions and 17 percent on grass-roots efforts. The GE companies focused more on expansions with 85 percent of their budgets spent on expansions and 15 percent on grass-roots efforts. The LT companies spent over 99 percent of their budgets on grass-roots efforts and less than 1 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 2.6, down from the previous survey's average of 2.9. The GE and LT companies averaged 2.6.

ATTITUDES

Respondents were asked whether they were optimistic, neutral, or pessimistic about domestic exploration. Overall, 35 percent of the respondents reported being optimistic, 41 percent were neutral, and 24 percent were pessimistic. The GE companies were 50 percent optimistic, 25 percent neutral, and 25 percent pessimistic. The LT companies were 31 percent optimistic, 46 percent neutral, and 23 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 2009 is up overall compared to 2008. The LT companies were more optimistic in 2009 than 2008, whereas the GE companies were the same.

CONCLUSIONS

The 20 respondents to this survey reported spending \$110.9 million on Nevada exploration projects in 2009, a 30 percent decrease from the reported 2008 level. Expenditures are projected to rise to \$153.6 million in 2010. The number of geologists employed in Nevada by respondents in 2009 stood at 154, down from 184 in 2008. Employment of geologists is projected to increase to 160 in 2010. Respondents spent 70 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. All of the respondents who have Nevada production were able to replace their reserves lost to production. Finally, 35 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
2009	6	14	20
2008	12	10	22
2007	20	11	31
2006	21	7	28
2005	16	19	35
2004	10	12	22
2003	10	20	30

- Data for 1994 through 2002 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	2003	2004	2005	2006	2007	2008	2009
Nevada	69.2	79.7	121.3	164.9	167.9	158.1	110.9
Rest of U.S.	2.2	9.5	16.7	35.6	30.7	39.5	7.5
Outside U.S.	326.2	348.7	418.5	414.7	558.1	496.7	309.3
Total World	397.6	437.9	556.5	615.2	756.7	694.3	427.7

Companies with Nevada budget > = \$1 million	2003	2004	2005	2006	2007	2008	2009
Nevada	67.0	77.7	114.8	163.7	164.8	154.7	108.0
Rest of U.S.	0.5	6.6	11.4	35.5	30.3	38.3	6.6
Outside U.S.	296.4	334.2	400.2	409.3	554.2	460.1	309.0
Total World	363.9	418.5	526.4	608.5	749.3	653.1	423.6

Companies with Nevada budget < \$1 million	2003	2004	2005	2006	2007	2008	2009
Nevada	2.2	2.0	6.5	1.3	3.1	3.4	2.9
Rest of U.S.	1.7	2.9	5.3	0.0	0.4	1.2	0.9
Outside U.S.	29.8	14.5	18.3	5.4	3.9	36.6	0.3
Total World	33.7	19.4	30.1	6.7	7.4	41.2	4.1

* Data for 1994 through 2002 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	2003	2004	2005	2006	2007	2008	2009
Nevada	126	123	190	228	227	184	154
Rest of U.S.	7	42	10	57	31	32	25
Outside U.S.	423	627	646	678	680	556	612
Total World	556	792	846	963	938	772	791

Respondents with Nevada budget > = \$1 million	2003	2004	2005	2006	2007	2008	2009
Nevada	102	109	158	218	209	172	133
Rest of U.S.	2	29	5	55	28	31	23
Outside U.S.	372	560	598	668	669	545	610
Total World	476	698	761	941	906	748	766

Respondents with Nevada budget < \$1 million	2003	2004	2005	2006	2007	2008	2009
Nevada	24	14	32	10	18	12	21
Rest of U.S.	5	13	5	2	3	1	2
Outside U.S.	51	67	48	10	11	11	2
Total World	80	94	85	22	32	24	25

* Data for 1994 through 2002 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	2003	2004	2005	2006	2007	2008	2009
Nevada	50,760	56,673	76,436	75,350	81,292	72,022	61,773
Rest of U.S.	3,428	6,918	4,601	8,447	6,420	22,730	20,211
Total Claims	54,188	63,591	81,037	83,797	87,712	94,752	81,984

Respondents with Nevada budget > = \$1 million	2003	2004	2005	2006	2007	2008	2009
Nevada	43,389	53,460	62,254	74,107	75,996	66,877	56,501
Rest of U.S.	2,625	4,190	2,804	8,437	6,290	22,211	19,671
Total Claims	46,014	57,650	65,058	82,544	82,286	89,088	76,172

Respondents with Nevada budget < \$1 million	2003	2004	2005	2006	2007	2008	2009
Nevada	7,371	3,213	14,182	1,243	5,296	5,145	5,272
Rest of U.S.	803	2,728	1,797	10	130	519	540
Total Claims	8,174	5,941	15,979	1,253	5,426	5,664	5,812

* Data for 1994 through 2002 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	2003	2004	2005	2006	2007	2008	2009
Worldwide?	80	89	73	82	56	43	100
Domestically?	87	86	57	86	57	33	100
In Nevada?	82	71	71	86	89	50	100

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

Are you replacing your reserves	2003	2004	2005	2006	2007	2008	2009
Worldwide?	87	100	87	80	71	60	100
Domestically?	100	100	75	83	67	33	100
In Nevada?	100	100	75	86	83	50	100

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

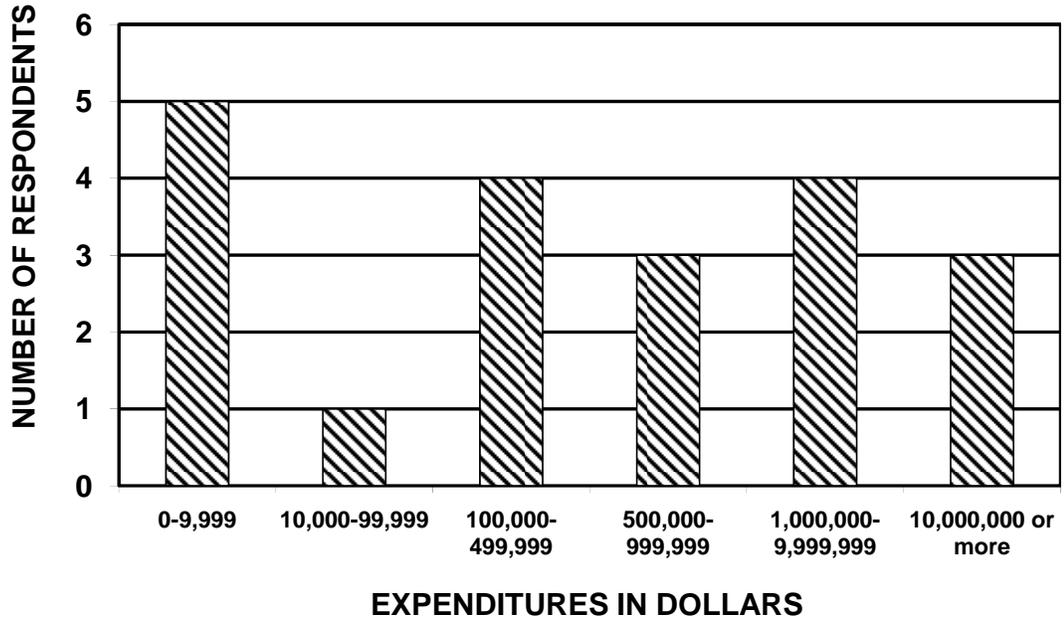
Are you replacing your reserves	2003	2004	2005	2006	2007	2009	2009
Worldwide?	50	67	33	100	0	0	N/A
Domestically?	67	67	33	100	0	33	100
In Nevada?	60	33	67	N/A	100	150	100

* Data for 1994 through 2002 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

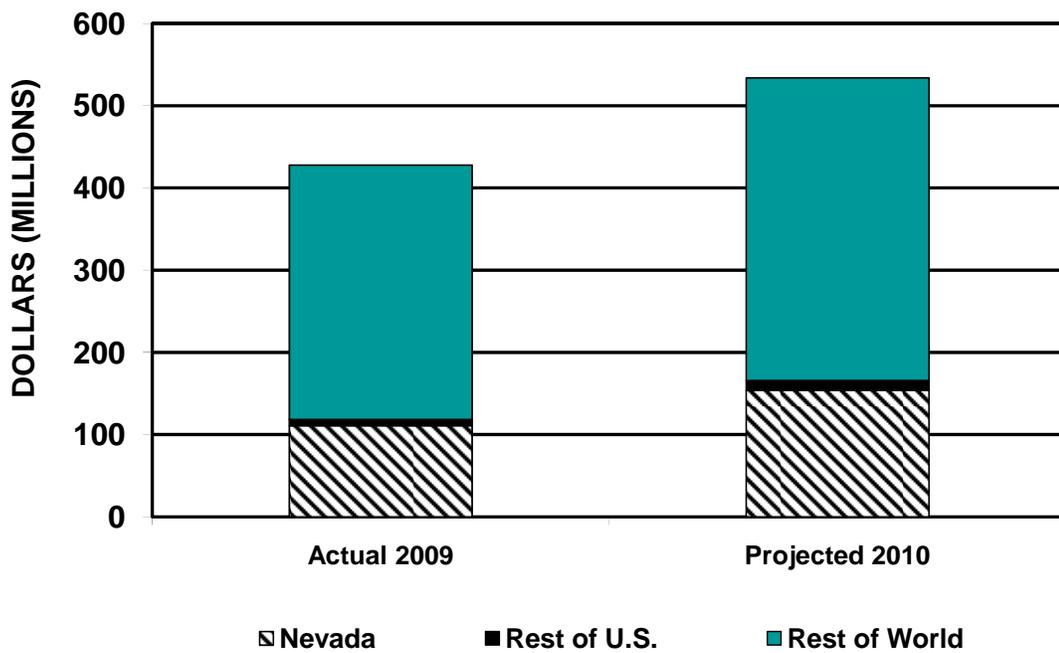
RESPONDENTS' NEVADA EXPLORATION EXPENDITURES 2009



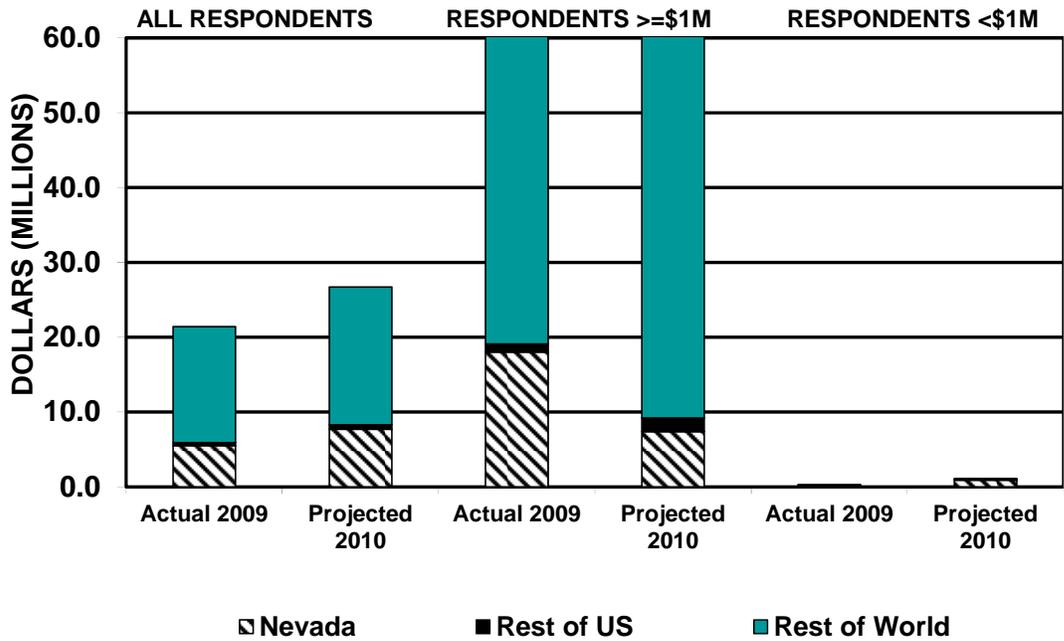
NEVADA DIVISION OF MINERALS

GRAPH 2

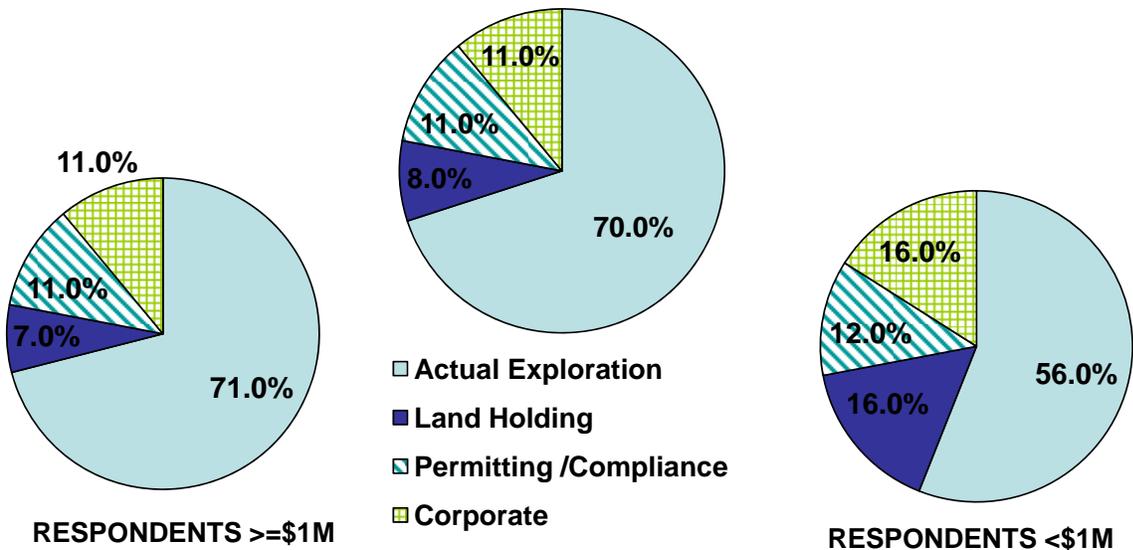
TOTAL EXPLORATION SPENDING 2009/2010



**NEVADA DIVISION OF MINERALS
GRAPH 3
AVERAGE SPENDING PER RESPONDENT 2009/2010**



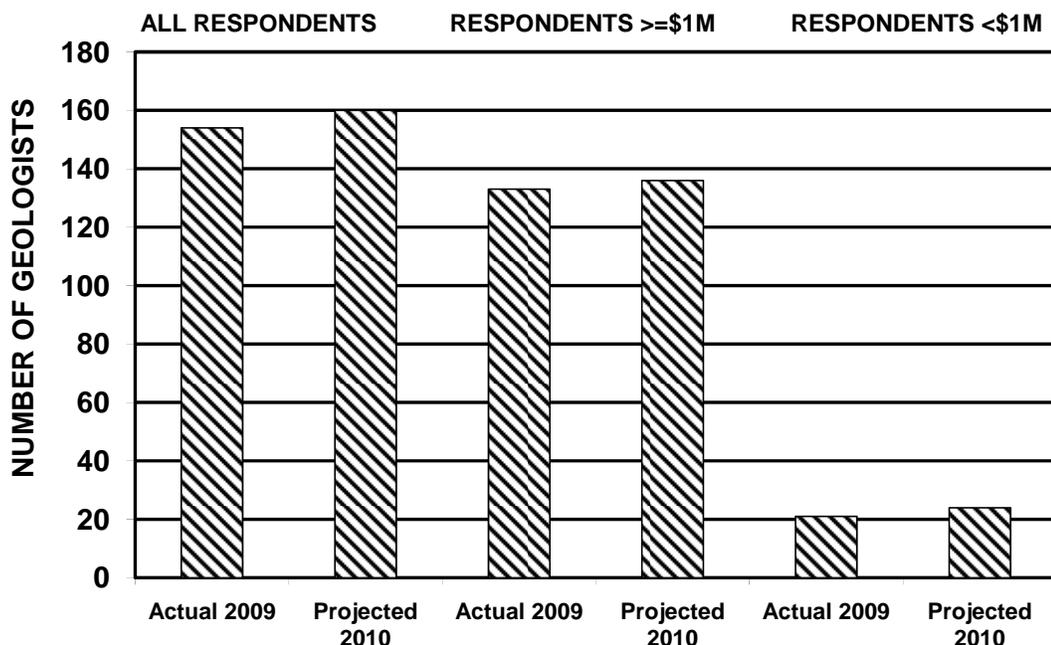
**NEVADA DIVISION OF MINERALS
GRAPH 4
BREAKDOWN OF NEVADA EXPENSES 2009
ALL RESPONDENTS**



NEVADA DIVISION OF MINERALS

GRAPH 5

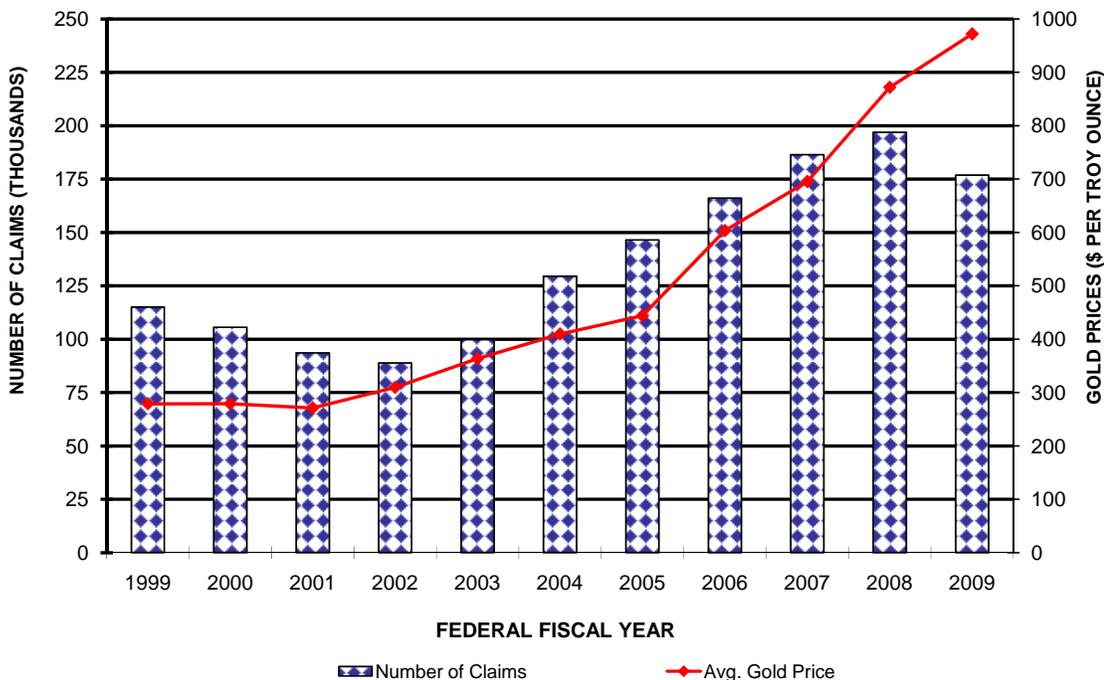
EXPLORATION GEOLOGISTS EMPLOYED IN NEVADA 2009/2010



NEVADA DIVISION OF MINERALS

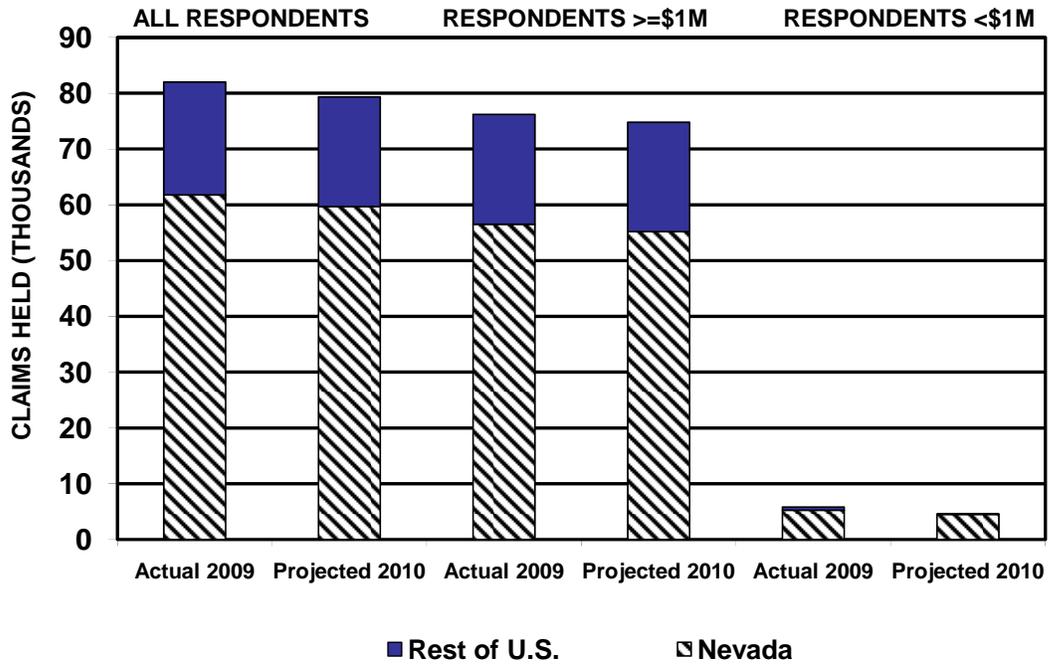
GRAPH 6

NEVADA MINING CLAIMS & AVERAGE GOLD PRICES, 1999-2009

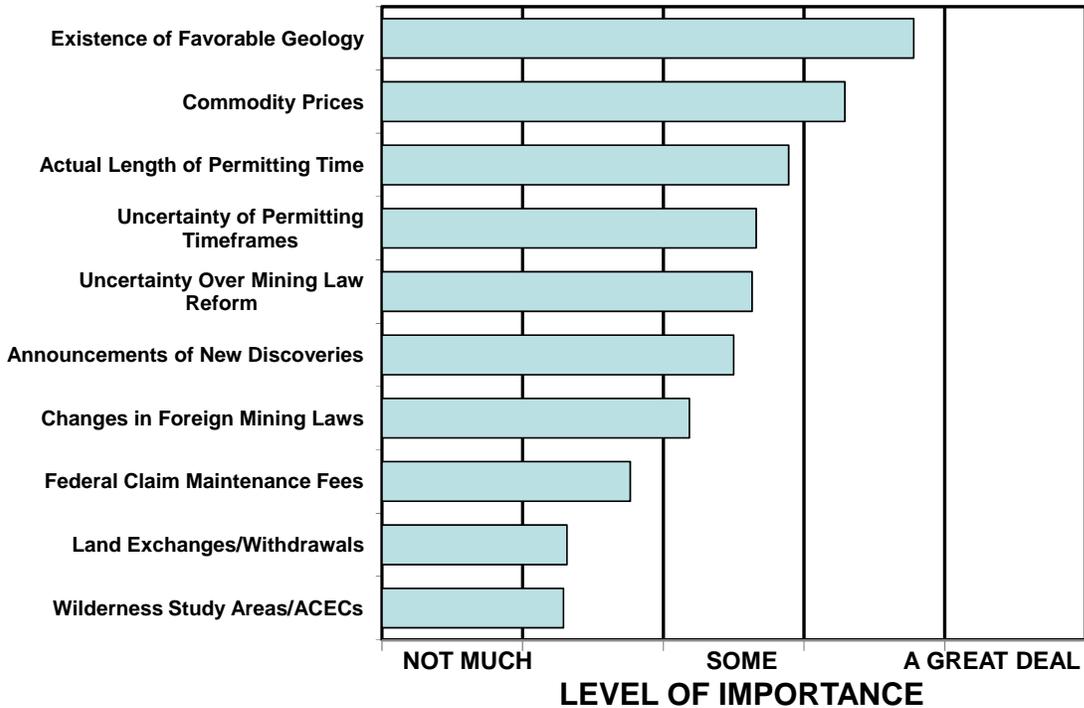


NOTE: Claim data from the BLM Public Land Statistics

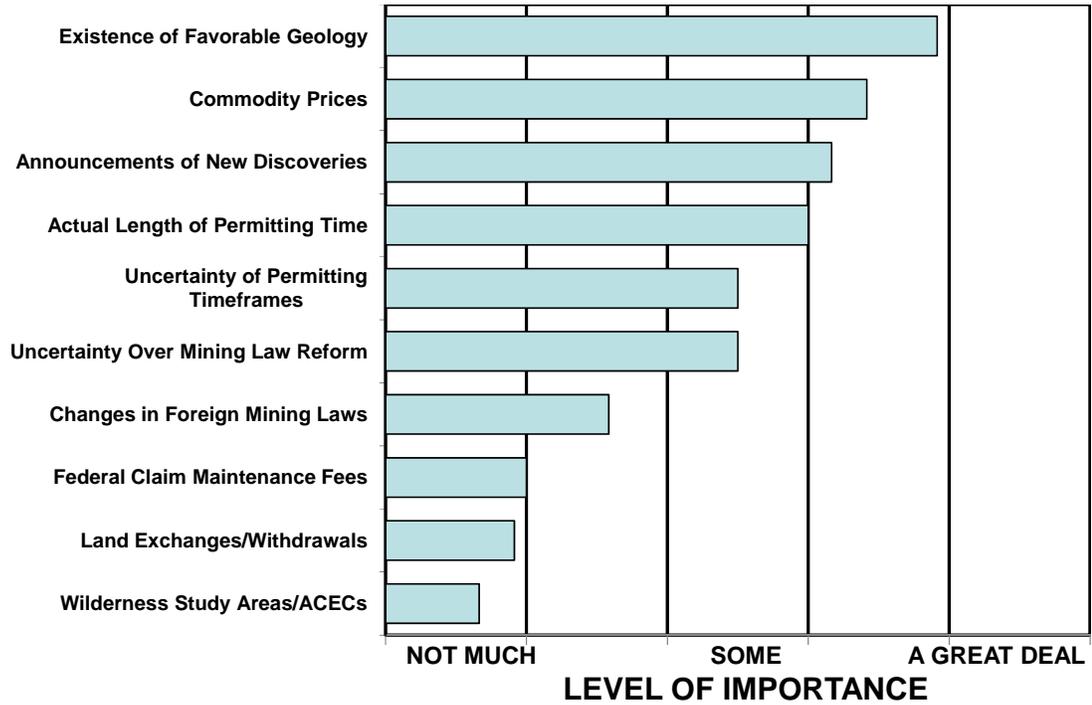
**NEVADA DIVISION OF MINERALS
GRAPH 7
NUMBER OF CLAIMS HELD BY RESPONDENTS 2009/2010**



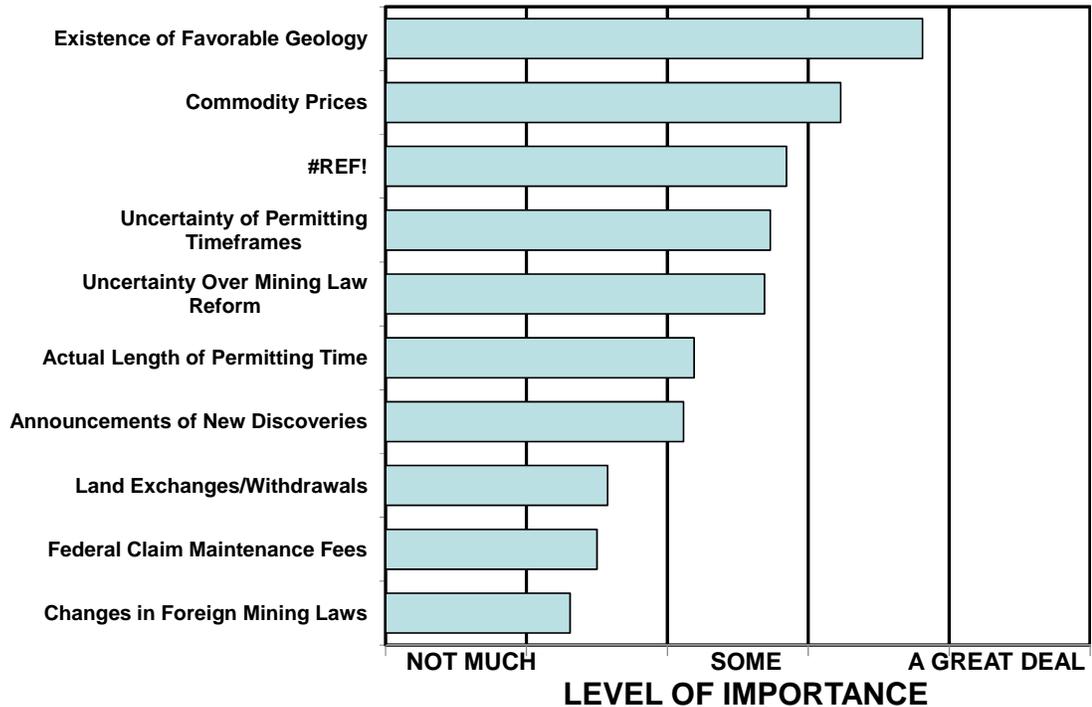
**NEVADA DIVISION OF MINERALS
GRAPH 8
FACTORS INFLUENCING ACTIVITY 2009
ALL RESPONDENTS**



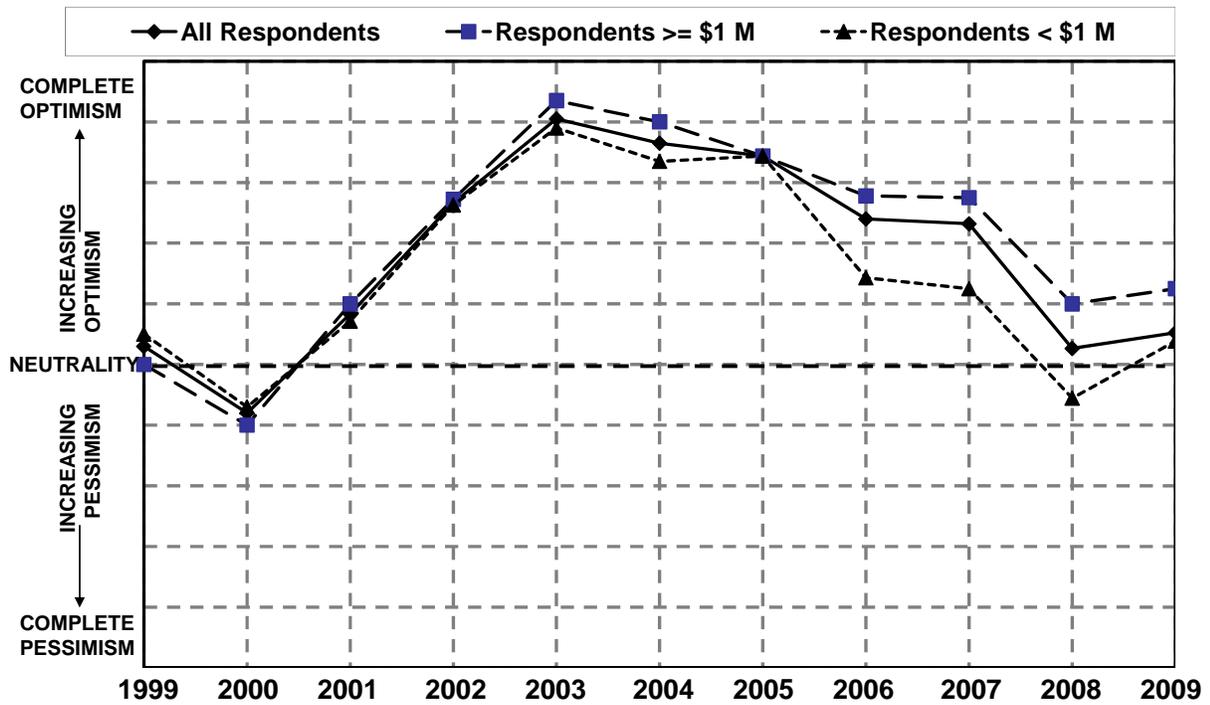
NEVADA DIVISION OF MINERALS
 GRAPH 9
FACTORS INFLUENCING ACTIVITY 2009
RESPONDENTS >=\$1 MILLION



NEVADA DIVISION OF MINERALS
 GRAPH 10
FACTORS INFLUENCING ACTIVITY 2009
RESPONDENTS <\$1 MILLION



NEVADA DIVISION OF MINERALS
 GRAPH 11
 OPTIMISM INDEX 1999-2009



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

Company Name: _____

Contact Person / Phone: _____

1) Level of Exploration Activity	2009 Actual	2010 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:
 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.