



STATE OF NEVADA  
 COMMISSION ON MINERAL RESOURCES  
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**BRIAN SANDOVAL**  
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**RICHARD PERRY**  
 Administrator

**COMMISSION ON MINERAL RESOURCES**  
 Nevada Department of Wildlife  
 1100 Valley Rd (Conference Room) Reno, NV 89512

Friday, November 16, 2018

9:00 A.M.

**MINUTES**

**CALL TO ORDER**

9:00 am by Richard DeLong

**ROLL CALL**

Commission	Staff
Richard DeLong	Richard Perry
Dennis Bryan	Mike Visher
Nigel Bain	Rob Ghiglieri
Arthur Henderson	Bryan Stockton
Mary Korpi	Lucia Patterson
Bob Felder	Valerie Kneefel
John Snow	Lowell Price

**PLEDGE OF ALLEGIANCE**

Led by Rich DeLong

**COMMENTS BY THE GENERAL PUBLIC**

Richard Perry: Many of you probably knew Brian Morris who died last Friday in a tragic incident. This hit home for me because I was out chucker hunting with him the weekend before. I wanted to share with you the safety component, since we do a safety share in our own Division. A couple of key points for when you come across an accident like that to try and be safe. After talking to a public safety officer, his perspective and suggestions were different for day and for night. This accident happened at night, when there was no moon or lights. Both vehicles' lights had been disabled due to the head on collision. Brian and his wife stumbled upon the accident and stopped. First and foremost you need to have a situational awareness, call 911 before you get out and do anything. Always assume no one can see you on the highway. At night, you should stop before the accident (not after) and shine your lights on the accident so you can illuminate the area. And then turn your blinkers on. What happened in this accident is that a car came along and because it was too dark to see them, fatally injured two of the people who had stopped to offer assistance.

Rich DeLong: Definitely a tragic loss. We have a new commissioner, Bob Felder. Asked our new commissioner to give a brief background and history of himself.

Bob Felder: Thank you. Originally from Ohio and graduated Ohio State with a Master's degree in Geology. He went out west to Denver working for Anaconda. In the mid 80's came out to Nevada working exploration ever since on the management/executive side of things. Most all of my career has been in Nevada and in exploration.

Jim Faulds: Wanted to give a quick update, recently returned after being gone for a year. The Bureau has recently been approved to hire a new position in Economic Geology. It will be more economic geochemistry. This will fill a much needed gap and will reside in the Bureau. It will also have some teaching obligations in the Geology department and will

help John Muntean. Also, there were proposals for positions for advanced manufacturing. We put in a request for 3 positions. One was called Critical Minerals, Lithium and other minerals. Second, was geothermal reservoir engineering. And a third was Metallurgy. We received word last week that 2 of the 3 positions are on the short list and are to be funded, pending funding from the Legislature. Lidar proposal was put together with other agencies in the area. We now have high resolution Lidar in all of southern Washoe County, including Storey County, parts of Lyon County, down to Douglas County line.

## **I. MINUTES**

A. Approval of the August 23, 2018 meeting minutes

**Motions made by:** Dennis Bryan

**Seconded by:** Mary Korpi

**Unanimously approved.**

## **II. NEW BUSINESS**

A. Planning for the 2019 Exploration Survey. The Nevada Bureau of Mines and Geology produces a biennial Report Entitled “Nevada Mineral and Energy Resource Exploration Survey”, which is released early in the State Legislative session to assist elected officials in understanding the economic impacts of the minerals industry. This agenda item is intended to allow NBMG authors to discuss with the Commission the content and methodology of the survey.

Mike Russel: From NBMG. He went through a presentation that discussed how the 2016 Nevada Exploration Survey was put together. They are now working on the 2017/2018 booklet.

PowerPoint:

Research and Survey-

- Compiled a list of 318 companies operating or recently operating in Nevada
- Sent e-mails to 296 companies; 242 “reliable” contacts
- Received online responses from 86 companies
- Received additional “no” response from 23 companies
- Researched expenditures on 54 non-responding companies

• Obtained expenditure data for 140 companies

Nevada Exploration Expenditures-

2015 Reported Expenditures: \$348 M (n=140)

• 2016 Reported Expenditures: \$325 M (n=125)

• BY COMPARISON:

• 2011 Expenditures = \$675 M (n=185)

• Decrease in NV expenditures: 2011 to 2016: 52%

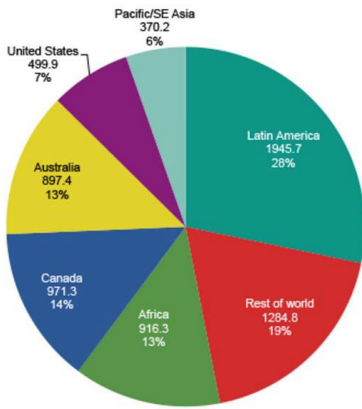
Global\*\* decrease (2012-2015): 58%

\* Minimum expenditures based on partial pool of companies reporting

\*\* Data from SNL Metals and Mining summary report, 2016

Global Metals Exploration Expenditures-

1580 companies reporting



Nevada's minimum \$325M in expenditures represents 62% of total U.S. non-fuel exploration expenditures in 2016

Expenditures by Exploration Type-

- 2016: Grass Roots/Generative: 39%
- 2016: Resource & Mine Expansions: 61%
- 2011: Grass Roots/Generative: 33%
- 2011: Mine Expansion: 67%

Percentages calculated on a cumulative cash basis

n = 79 respondents in 2016; n= 95 respondents in 2012

2016 Breakdown of Expenditures-

- Exploration (in-ground): 63.3%
- Holding Costs: 10.7%
- Permitting/Compliance: 8.1%
- Corporate: 12.1%
- Other: 5.8%

Cumulative cash basis; n =73 respondents in 2016

2016 Factors Impacting Exploration-

5=high impact, 1=low impact

- Favorable Geology 4.7/5
- Discovery Potential 4.5/5
- Access to Public Land 4.3/5
- Permitting Time/Costs 3.8/5
- Commodity Prices 3.6/5
- Claim Fees 3.4/5
- Mining Law Uncertainty 3.1/5

Dennis Bryan: Will this be available for the Legislation session when it begins?

Mike Russel: Yes.

Bob Felder: I answered the survey last time. We've had a huge influx of Australian investors that may not be captured. It would be good to see who the investors are.

Richard DeLong: On the permitting side, we are seeing more Australian investors as well.

B. NDOM's Open-Data Web Site and Claims Update Recent additions to the web site include interactive maps for researching active mining claims, maps showing wilderness and wilderness study areas, and story maps for educators.

Lucia Patterson: Presented a live version of the open data site along with a PowerPoint presentation.

Why open data? To provide data, to fulfill data requests without consuming significant time and to provide interactive maps for consumers without the need for specialized software.

Open data sites are websites that are hosted by ESRI in which you can host maps and data. Open data sites have not only opened the door to a new public data resource, but have also created a nexus where many pieces of data can be placed in one location and formatted to meet the needs of, and assist people in, specific industries.

Our open data site is intended to provide data to the public as it relates to minerals exploration and production in Nevada. One major topic which has found a home on our open data site is land issues within the state. On this particular page

interested parties can find statistical information on land withdrawals as well as a presentation which gives the historical perspective on land withdrawals from mineral entry in Nevada.

Nevada Land Withdrawals vs. Historic Mining Districts maps.

This map is intended to show interested parties land withdrawals and how they affect mining districts throughout the state. All interactive map viewers have navigation, selection, and querying capabilities. Notice that on each page there is a ribbon across the top which provides links for viewing the interactive link on a mobile device, help with the interactive map viewer, NDOM's home page, and the Open Data Site's home page. It is highly recommended that users select the link for mobile devices to interact with the maps. The maps are much more responsive as the user will be dealing with the app itself, not an app embedded into a website.

Data within the map can be exported into CSV files, feature collections (JSON) or GeoJSON. Feature layers can also be downloaded as shapefiles, or KML/KMZ files (Mining claim points is too large for GoogleEarth to handle).

Performing land research prior to staking a claim has been challenging and indirect. This does not result from lack of data but rather from poor presentation of, challenging input parameters for, and unclear locations of the data.

The Nevada Division of Minerals open data site has evolved not only to be a source of data but also a utility for research which does not require any specialized software, additional data files, or knowledge of reports and query designs. The open data site was constructed to assist prospectors, exploration entities, county recorders, government land managers, and the public, who need information on mining claims utilizing-public facing BLM databases.

Claim data has been pulled from the BLM LR2000 database in October, January, and June.

The number of claims per section has been calculated for each section, and the individual claim points are plotted in the center of the section. The methodology for plotting the claims can be found in the metadata.

Richard DeLong: That is an overwhelming amount of data.

Bob Felder: Private land often takes a title search, or more detailed search. Are there any links?

Lucia Patterson: We can link to the BLM, county recorders and county assessors' website, but they are changed so frequently. We are not sure we want to maintain that kind of information. We would have to constantly be checking the accuracy of the links.

Bob Felder: That would be an amazing dream to happen but I'm afraid it would be like opening a can of worms.

Lucia Patterson: If the BLM changed just one thing then we would have to start over. There is not an easy way to do this.

John Snow: BLM is putting together a staff team to put an interactive map together on their website.

Lucia Patterson: They reached out to me regarding the maps. It's a small group.

C. Task Force for Bond Pool Regulation Update The Task Force met on October 3<sup>rd</sup> and analyzed options for reducing the Bond Pool reserve over time. Options include reducing the 3 percent premium fee and refunding a portion of premiums paid for plan-level participants when exiting the bond pool.

Mike Visher: The Task Force met which included Dennis Bryan, Rich DeLong, Richard Perry and himself. We researched back as far as year 2000.

Rich DeLong: Are you talking about fiscal or calendar?

Mike Visher: Fiscal

Mike Visher: Explained how the bond pool works and the difference between Notice-level Bonds and Plan-level Bonds. It's not intended for participants to be in it for a long time. The reason is they only get their deposit back and not any premium. Legislation has swept the interest earned in the past. It takes 3% to cover administrative costs. The task force didn't come to a final conclusion. They didn't have a chance to meet to present which scenario works best.

Dennis Bryan: It's somewhat confusing. We went through this before and we agreed the premium should go down.

Rich DeLong: The excess is higher than we like and reducing the premium to 2% sounds reasonable to get there. The bond pool is intended to be a short term fix. It makes sense to give back more of the premium to ensure the bond pool is used as more of a short term vehicle.

Rich Perry: There are 2 components to the bond pool. What DeLong is mentioning is the Plan-level bond. We have seen the plan-level bond starting to shrink. 5 years ago it was maybe 12 participants and now it's down to 5. I think we should reduce it from 3% to 2% and to refund part of the premium. This would be a rulemaking change and we can start that next July, since Legislation will be in session until then. It should be a simple process.

John Snow: Under default, what are the admin costs and the history?

Mike Visher: We are really just a bank. He went on to explain the history of the bond pool and our working relationship with the BLM and NDEP.

Dennis Bryan: On Notice-Level if the participant does the reclamation himself, does he get the premium back?

Mike Visher: Only the unneeded premium amount, but he gets 100% of the deposit back.

Rich DeLong: On the plans are we talking about giving them back 100% of the premium or deposit back?

Mike Visher: On the Plans we were talking about giving them back 100% of the deposit and 75% of the premium.

Bryan Stockton: Since this is a regulation change this is to start the rulemaking change.

**Motions made by:** Dennis Bryan approved NDOM to change the regulations for the Bond Pool to go from 3% to 2% for all premium payments and for all plan-level participants refund 75% of the premiums when they exit the bond pool.

**Seconded by:** Mary Korpi

**Unanimously approved.**

D. The Gold Butte Closure Project 40 hazards were secured using wildlife-compatible gates and PUF plugs at Gold Butte National Monument in Clark County. This project was made possible by partial funding from the Clark County Desert Conservation Program. The work was performed from September 22 through October 16.

Rob Ghiglieri: presented a PowerPoint recap of the project.

The project overview:

- 42 Hazards
  - 2 removed
  - 30 BCCs
- 3 with Tortoise Door
  - 10 PUFs
- 29 total days
- Spread across an area greater than 220 square miles
- Total Cost = \$269,349.26
  - Clark County Desert Conservation Program (DCP) funded \$149,950
- Partnering Agencies
  - NDOM
  - NDOW
  - BLM
  - DCP

Desert Conservation Program:

- Interlocal Agreement
  - \$193,824.79 total amount of funding
  - \$149,950.00 towards Gold Butte
  - \$43,874.79 remaining funding for bat compatible closures in Clark County
  - Terminates December 19, 2019

Dennis Bryan: What is the charge for a helicopter?

Rob Ghiglieri: \$105,000 for 26 days straight of using it. Helicopter was the only way we were going to be able to get to some of these sites. It just made sense to use it. It saved a lot of time as well.

Rob Ghiglieri: Introduced a one page fact sheet per project to hand out to the public.

Dennis Bryan: Did you reclaim the mine that Fred Gibson had?

Rob Ghiglieri: When researching the lake view mine, there were several articles that indicated that Fred Gibson was giving tours of this area.

### III. OLD BUSINESS

A. Release of Commission-funded report entitled “Opportunities for Precious Metals Toll Processing and Copper Concentrate Processing in Nevada”. This report was funded through the 2-year contract with the Nevada Bureau of Mines and Geology, and will be published as Special Report #57

Rich Perry: Went through the history of how this report was established. He also discussed the map that is included with the report. This report covers everything from precious metals to copper concentrates.

Dennis Bryan: Can you explain again what the green areas are on the map?

Rich Perry: Those are open air basins that are not closed to additional PSD's (Point Source Discharges).

Dave Davis (NBMG): a lot of the data from our Mineral Industry Report is already there. We used a minimum resource grade of 0.1 ounce/ton gold-equivalent of precious metals deposits to comprise the report.

Rich Perry: We only have 30 draft copies here and we will be ordering 470 more for AEMA.

Mary Korpi: What is the deadline for our changes or comments?

Rich Perry: By the end of next week.

Rich DeLong: How about the Monday after Thanksgiving?

Rich Perry: Yes, Monday after Thanksgiving is good.

B. Planning for AEMA and PDAC. The Division will have trade booths at AEMA, which will be held December 5-7 in Spokane and at PDAC in Toronto on March 3-6, 2019. The Division is seeking input on messages and topics to deliver.

Rich Perry: Garrett Wake is the organizer of this. We are currently trying to upgrade our location of the booth. It is now in a location where we can have hospitality in our booth. See 5-17-18 CMR E-Packet for more PDAC information.

C. Update on Proposed Land Withdrawals in Nevada

Mike Visher: He went over a Fallon Range Training Modernization Draft EIS land withdrawal map with the Commission. The blue areas are the bombing areas. There are as many as 700 mining claims that are affected. We are hoping they address some of our concerns and comments. FRTCmodernization.com is the monitoring website to access this information. This will be going to Congress in 2021. Their current land withdrawal will expire in 2021. We will be updating our website and maps. [http://minerals.nv.gov/home/features/Information\\_Related\\_to\\_Proposed\\_Land\\_Withdrawals/](http://minerals.nv.gov/home/features/Information_Related_to_Proposed_Land_Withdrawals/)

Bob Felder: What is the red land designation at the bottom?

Mike Visher: That is tribal land. They will have to re-route the Paiute pipeline which goes to Gabbs. This won't be defined until funding comes through. They will also have to re-route Highway 361 around the proposed B-17 bombing area which will likely take it through the Broken Hills mining district.

John Snow: Do you use the term delisting?

Mike Visher: Because it's linked to their withdrawal, only Congress can designate or de-designate wilderness. It has to happen at Congress.

Nigel Bain: Are we going to comment as a State as a whole?

Rich Perry: We have commented at every step for over a year and a half.

Mike Visher: Went through the Nevada Test and Training Range Land Withdrawal and Washoe County Economic Development and Conservation Act. He also mentioned the US Department of the Interior Bureau of Land Management Carson City District amended Resource Management Plan.

Rich DeLong: In the executive summary on page ES-12, a note to the rest of the commissioners, about halfway down it talks about travel and transportation. It's almost just over 4.7 million acres in limited to existing routes. How are explorationists supposed to get out and explore with limited routes?

Bob Felder: it's doable but completely impractical.

Mike Visher: as we get more information we will be posting updates on our website.

Rich Perry: At the next commission meeting, we should look at some type of letter from the Commission.

D. Winter AML work program

Rob Ghiglieri- Looking for 6 returning interns. Currently we have five that have applied. This is for three field weeks. He went through the locations where he will be sending the Winter Interns in Southern Nevada.

Winter Interns:

- 4<sup>th</sup> Year of Winter Interns
  - 6 past interns
- 3 Field Weeks
  - 1 Northern Nevada
- New inventories near Fallon
  - 2 Southern Nevada
- Clark, and Sothern Nye Counties
- Focus on finishing inventorying and revisit sites

- Incorporate UAS

Gunmetal Mine:

- Explosives found
  - Detonated by Bomb Squad
- 11 Hazards
  - 6 BCCs
  - 4 Backfills
  - 1 Fence (Pit)
- Fence completed, remainder of closures in November and December 2018 weather depending.

Nevada Eagle:

- 43 hazards
  - 17 BCC's
  - 26 backfills
- Located along Hwy 95 and portions are on the Vegas to Reno Race Route
- Closures in spring 2019

Valley of Fire State Park:

- 3 hazards located inside Valley of Fire State Park
- 2 hazards have significant bat habitat
  - NDOW noted ATV tracks inside the lower adit
- Need to create interlocal agreement with State Parks, State Lands, and NDOM
- Possible funding by Desert Conservation Program
- Anticipated work during February-March 2019

Near Future Closure Projects:

- Double O (round 2, 81)
- Walker River State Park (107)
- VC Grand Prix (21)
- Mullen Pass (23)
- Como (24)
- Nelson (73)
- Pioche (68)

NDOM AML Database:

- USACE RAMS Program AML Database Development
  - Round 1 & 2 development and implantation:
- Total funding: \$256,000
- Completed
  - Round 3: Migration to GDB database
- Funded and in process
- Expected to release spring 2019
  - Round 4: Additional enhancements and hard closure database:
- Approved (October 2018)
- Preliminary assessment

AML database in 2014 we submitted USACE RAMS program. In spring 2019 we are expected to migrate to Round 3. Round 4 funding was approved this October (2018) and will probably be next fall before it's obligated.

E. The Nevada Excellence in Mine Reclamation Awards Program 5 Awards was presented at the Nevada Mining Association annual conference on September 8<sup>th</sup> in Lake Tahoe. This State award is determined by a committee comprised of a representatives from NDEP-BMRR, BLM, USFS, NDOW and NDOM.

Rich Perry: Award Program began in 1991.

Purpose: "to recognize and share examples of successes in the areas of reclamation, closure, planning, and wildlife protection and enhancement in Nevada"

- MEMBERS OF 2018 AWARD COMMITTEE:
- Dan Atkinson, BLM
- Joe Sawyer, NDEP-BMRR

- Susan Elliot, USFS
- Matt Maples, NDOW
- Rich Perry, NDOM

The winners are:

1. Coeur Rochester, Inc.,  
Marzen House Museum Exhibit on Rochester Mining District  
Award Category:  
Cooperative Partnership in Preservation of Mining History  
Pershing County
2. KGHM Robinson Mine,  
Reclamation through Mining  
Award Category:  
Leadership in Reclamation  
White Pine County
3. Kinross Gold U.S.A. Inc.,  
Nevada Conservation Credit System Credit Transfer at Bald Mtn. Mine  
Award Category:  
Leadership in Conservation Planning  
White Pine County
4. Lithium Nevada Corp.,  
Upper Basin Exploration Project Reclamation  
Award Category:  
Exploration Project Reclamation  
Humboldt County
5. Newmont USA Ltd.,  
North Area Leach Phase Closure  
Award Category:  
Concurrent Reclamation  
Eureka County

- Nominations can be submitted by Mines, Exploration entities, and Government Agencies
- Share innovative, excellence and best practices
- Deadline for entries June 28, 2019
- Award team site visits July 10-12, 2019
- Please take flyer back to your site and share

Mary Korpi: What about the Arden project?

Rob Ghiglieri: We did submit Arden to NAAML for AML hard rock closure. But, it didn't win.

Mary Korpi: You could submit it to the BLM.

#### **IV. STAFF REPORTS**

1) Mining and Reclamation Bond Pool –

Mike Visher: The enclosed sheet is the total active bonds. He went through the bond pool sheet.

2) Administrator Report and correspondence-

Rich Perry: He mentioned that Carson City is in the midst of a transition in the Governor's office. Also, we have a vacancy in the Las Vegas office and are currently interviewing for that.

#### **COMMISSION BUSINESS**

A. Determination of time and place of next CMR meeting

February 7, 2019 afternoon 1:00 pm Las Vegas. February 8, 2019 tour day.

#### **COMMENTS BY THE GENERAL PUBLIC**



Lucia Patterson: wanted to mention the Geothermal and Oil sites are on the open data site as well.

**ADJOURNMENT**

12:43 PM