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Governor

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DIVISION OF MINERALS
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BOND POOL REGS IN A NUTSHELL FOR PLANS OF OPERATION

- State Bond Pool is an accepted form of bonding for NDEP and BLM.
- The Bond Pool does not establish the amount of the bond. NDEP and/or BLM does that.
- The maximum bond amount for a participant is \$3,000,000. (the cap)
- For bonds under \$10,000 the deposit is 100 percent of the bond amount and the annual premium is 2 percent of the bond amount.
- For bonds of \$10,000 and greater, the deposit is 50 percent of the bond amount, escalating linearly to 80 percent at the cap, and the annual premium is 10 percent of the bond amount, declining linearly to 5 percent at the cap. Example calculations are shown on the following page.
- Premiums are payable in advance.
- Rates are subject to change through regulatory amendment by the CMR.
- Penalties apply for failure to pay premiums timely.
- Interest earned remains in Pool's account.
- Deposit is returned upon release of bond. Premiums are not returned.
- All participants are required to sign an indemnity agreement supplied by the Division.

If you have any questions regarding the Bond Pool, please contact:

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Example of bond calculation for Plan-level Project		Formulas for deposit and premium percentages from NAC 519A.595						
Yellow Metal Exploration Project /(NDEP Reclamation Permit #0777)								
Effective Date:	8/1/2020	Date that bond would be executed						
New Bond amount is:		\$1,400,000	As set by regulator (NDEP)					
Deposit percentage:		63.95	$= (3/299,000) * (bond\ amount - 10,000) + 50$					
Deposit:		\$895,250.84	$= deposit\ \% \times bond\ amount$					
1) Deposit required:		\$895,250.84						
Annual premium percentage:		7.67559	$= (-0.5/299000) * (bond\ amount - 10,000) + 10$					
Annual premium:		\$107,458.19	$= annual\ prem.\ \% \times bond\ amount$					
New quarterly premium:		\$26,864.55						
Start Date of Premium period:		7/1/2020	Enter beginning date of current quarter					
End Date of Premium period:		9/30/2020	Enter end date of current quarter					
Quarterly Premium on new bond amount		\$26,864.55						
Days in Current Bond Period		91						
Days Premium needed		61	For Period "Effective date" to end date of premium period on new bond					
Amount of premium needed for remainder of period		\$18,008.10						
2) Additional Premium needed for current bond period		\$18,008.10	Amount for period "Effective date" to end of current bond period					
Total Deposit and Premium needed required for new bond:		\$913,258.94	Sum of 1 and 2					
The following numbers assume receipt of amount referenced above								
Total of deposit and premiums received to date:			\$913,258.94					
Total received as percentage of new bond amount:			65.2%					