

# THE ROLE OF NEVADA'S MINING INDUSTRY

**NEVADA**  
Mining Association

APPLIED  
ANALYSIS 

NEVADA MINING ASSOCIATION'S  
2016 ANNUAL CONVENTION



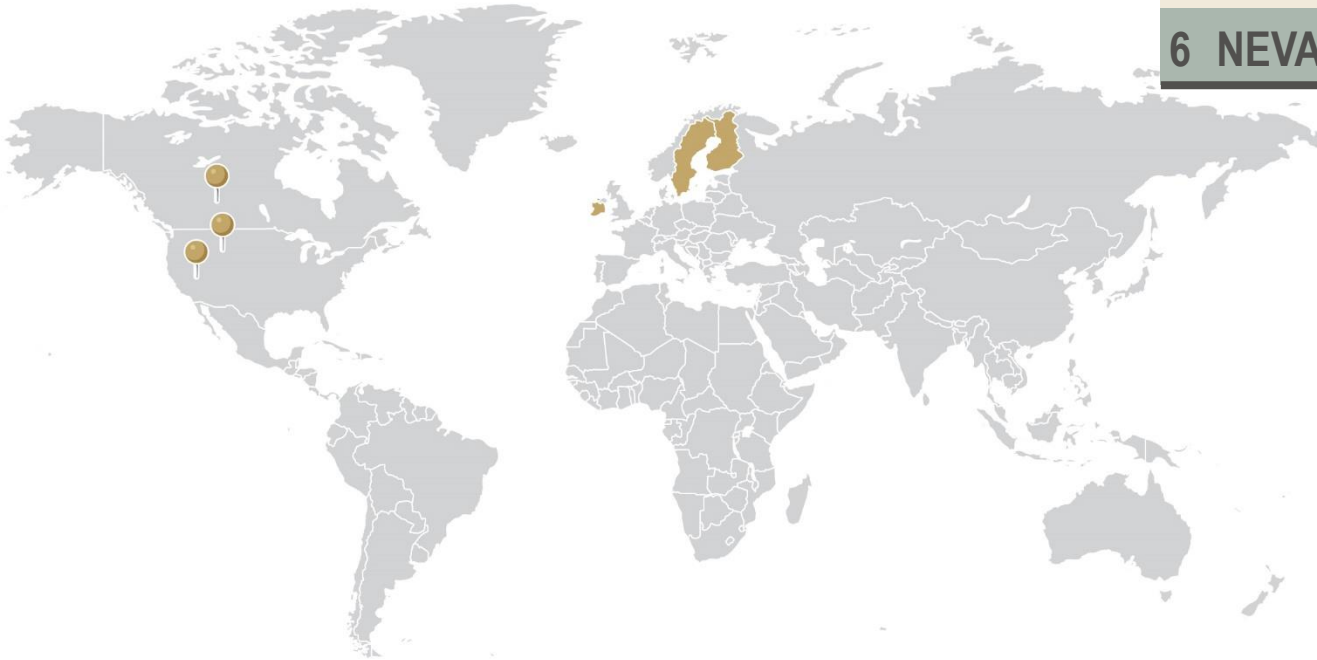
# MINING INDUSTRY OUTLOOK





# Policy Perception Index

Location	Score	Vs. Prior Year
1 Ireland	100.00	●
2 Wyoming	97.09	▲
3 Sweden	96.45	▲
4 Saskatchewan	95.10	▼
5 Finland	94.83	▼
6 NEVADA	94.07	▲



Source: Fraser Institute Survey of Mining Companies (2015) and Applied Analysis



# Best Practices Mineral Potential Index

Location	Score	Vs. Prior Year
1 Western Aus.	0.85	▲
2 Alaska	0.83	▼
3 Indonesia	0.82	▲
4 Yukon	0.81	▼
5 NEVADA	0.80	▼

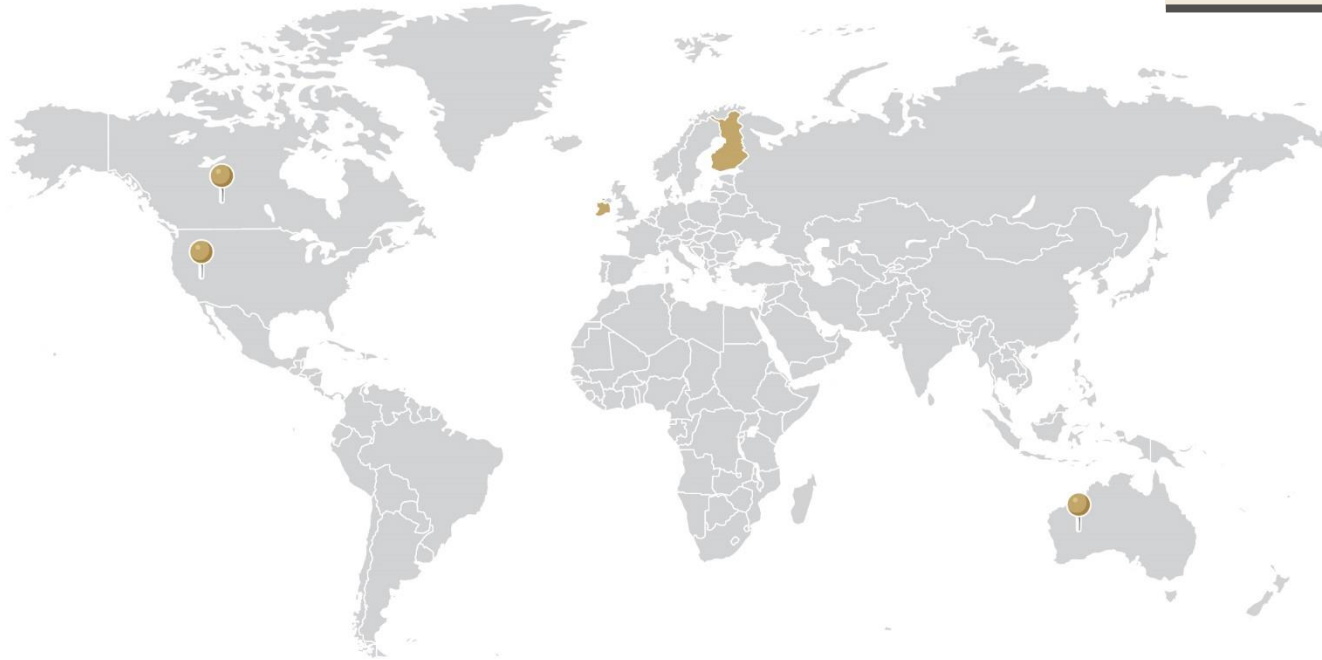


Source: Fraser Institute Survey of Mining Companies (2015) and Applied Analysis



# Investment Attractiveness Index

Location	Score	Vs. Prior Year
1 Western Aus.	87.35	▲
2 Saskatchewan	85.73	▼
3 NEVADA	85.39	▼
4 Ireland	85.00	▲
5 Finland	84.00	▼



Source: Fraser Institute Survey of Mining Companies (2015) and Applied Analysis

# Nevada's Top 5 Qualities





MINERAL  
POTENTIAL

62%

Encourages Investment



SECURITY  
SITUATION

62%

Encourages Investment



AVAILABLE  
LABOR AND SKILLS

55%

Encourages Investment



POLITICAL  
STABILITY

53%

Encourages Investment



GEOLOGICAL  
DATABASE

52%

Encourages Investment

Source: Fraser Institute Survey of Mining Companies (2015) and Applied Analysis



# Policy Factors Influencing Nevada Mining

*Rank the following policy factors relative to how they will influence your company's decisions to make future investments in Nevada:*

Increasing importance

Policy Factor	Score	
	2016	2015
Political stability on a national level	4.6	5.5
Infrastructure	4.6	5.1
Duplication/inconsistencies in regulatory environment	4.5	6.7
Political stability on a state level	4.5	5.7
Environmental regulation uncertainty	4.4	7.6
Regulatory uncertainty	4.4	7.2
Availability of labor/skilled workforce	4.4	5.9
Uncertainty about state tax structure	4.0	7.1
Socioeconomic or local community development conditions or agreements	3.9	5.7
Labor/employment agreements	3.9	4.9
Trade barriers	3.7	3.9
Uncertainty about future protected areas	3.6	5.2
Uncertainty about national tax structure	3.5	6.1

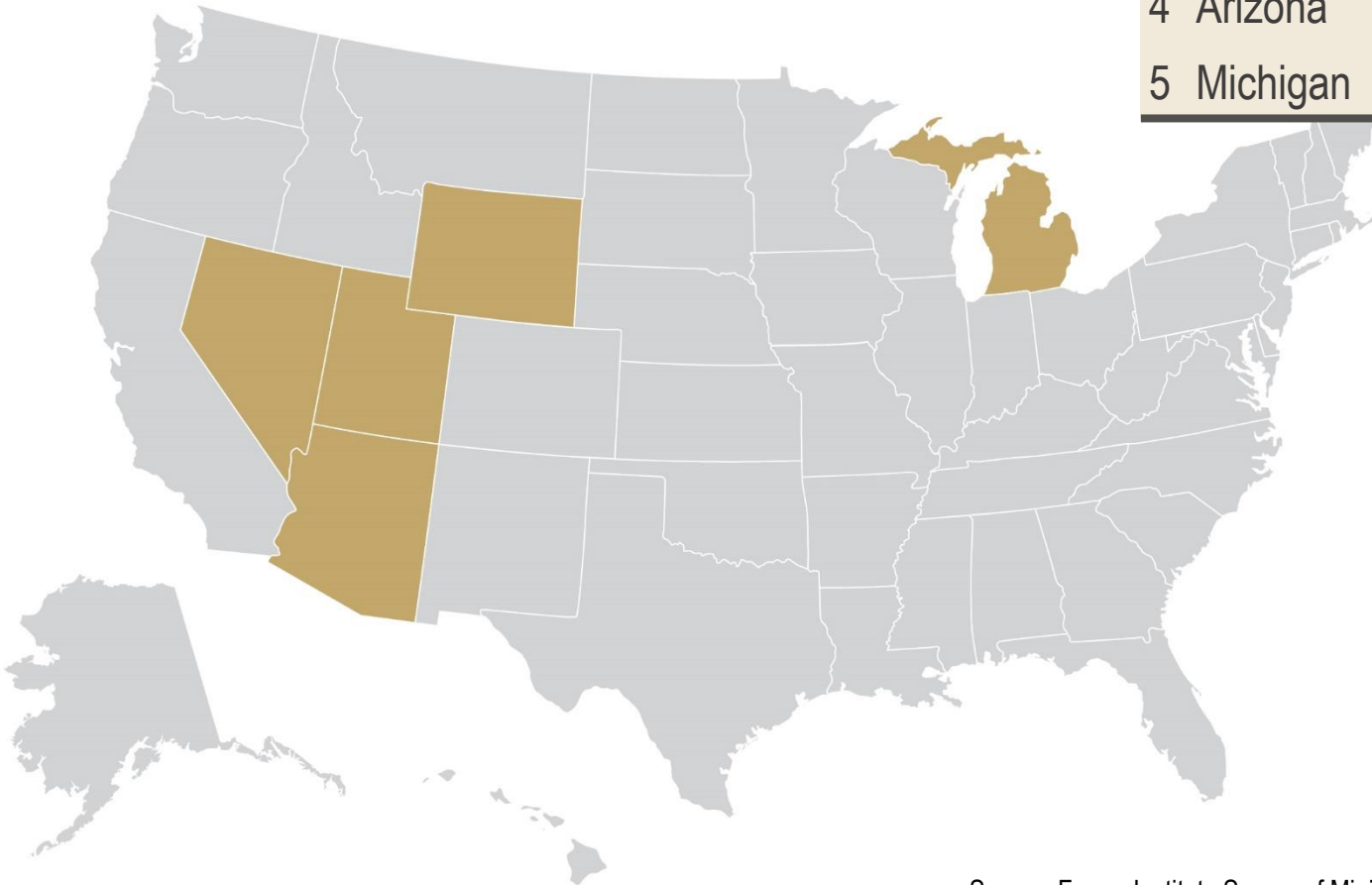
Source: NVMA Member Survey (2015 and 2016)





# Policy Perception Index

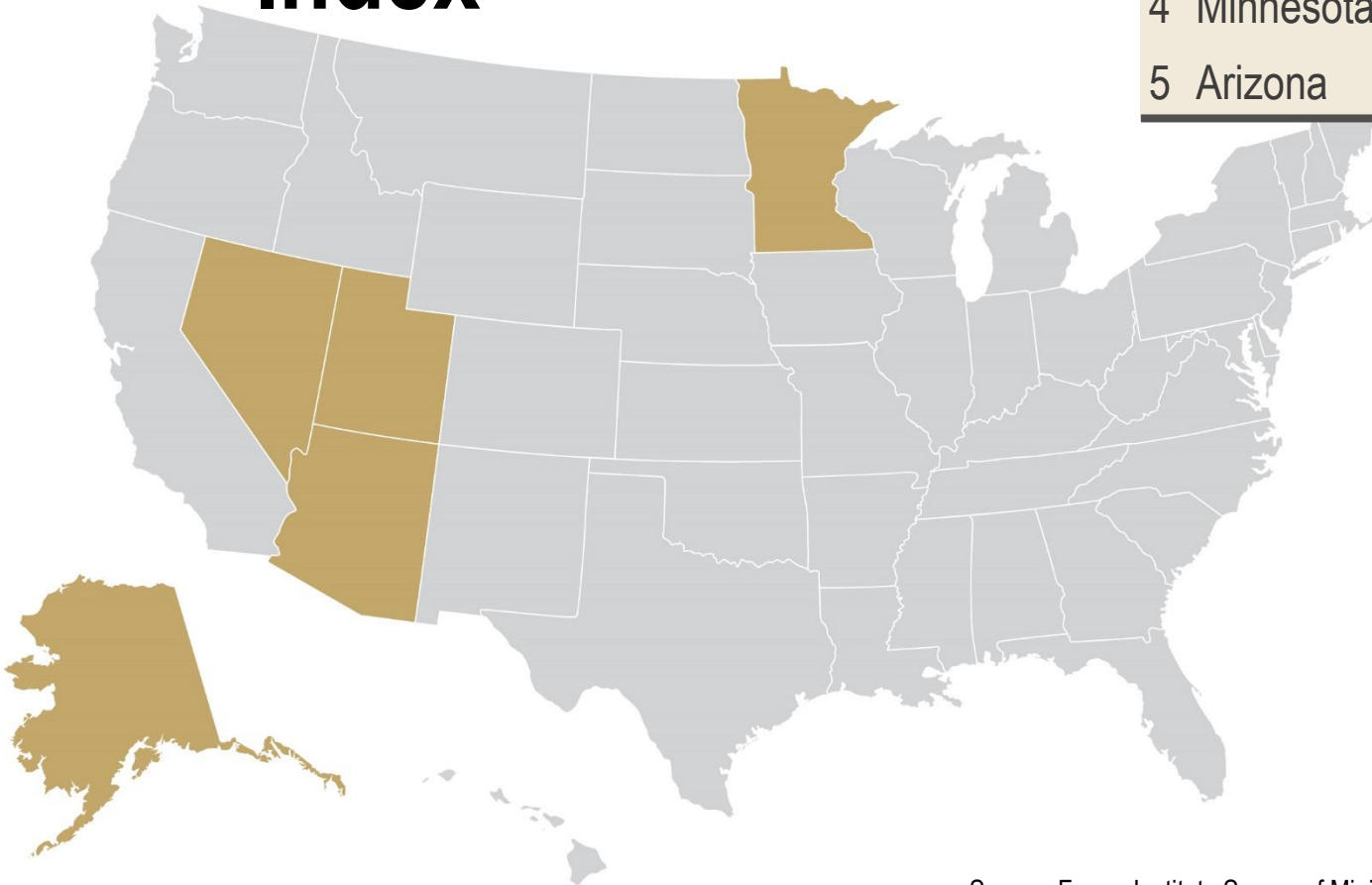
Location	Score	Vs. Prior Year
1 Wyoming	97.09	▲
2 NEVADA	94.07	▲
3 Utah	89.47	▲
4 Arizona	87.88	▲
5 Michigan	87.75	▲



Source: Fraser Institute Survey of Mining Companies (2015) and Applied Analysis



# Best Practices Mineral Potential Index



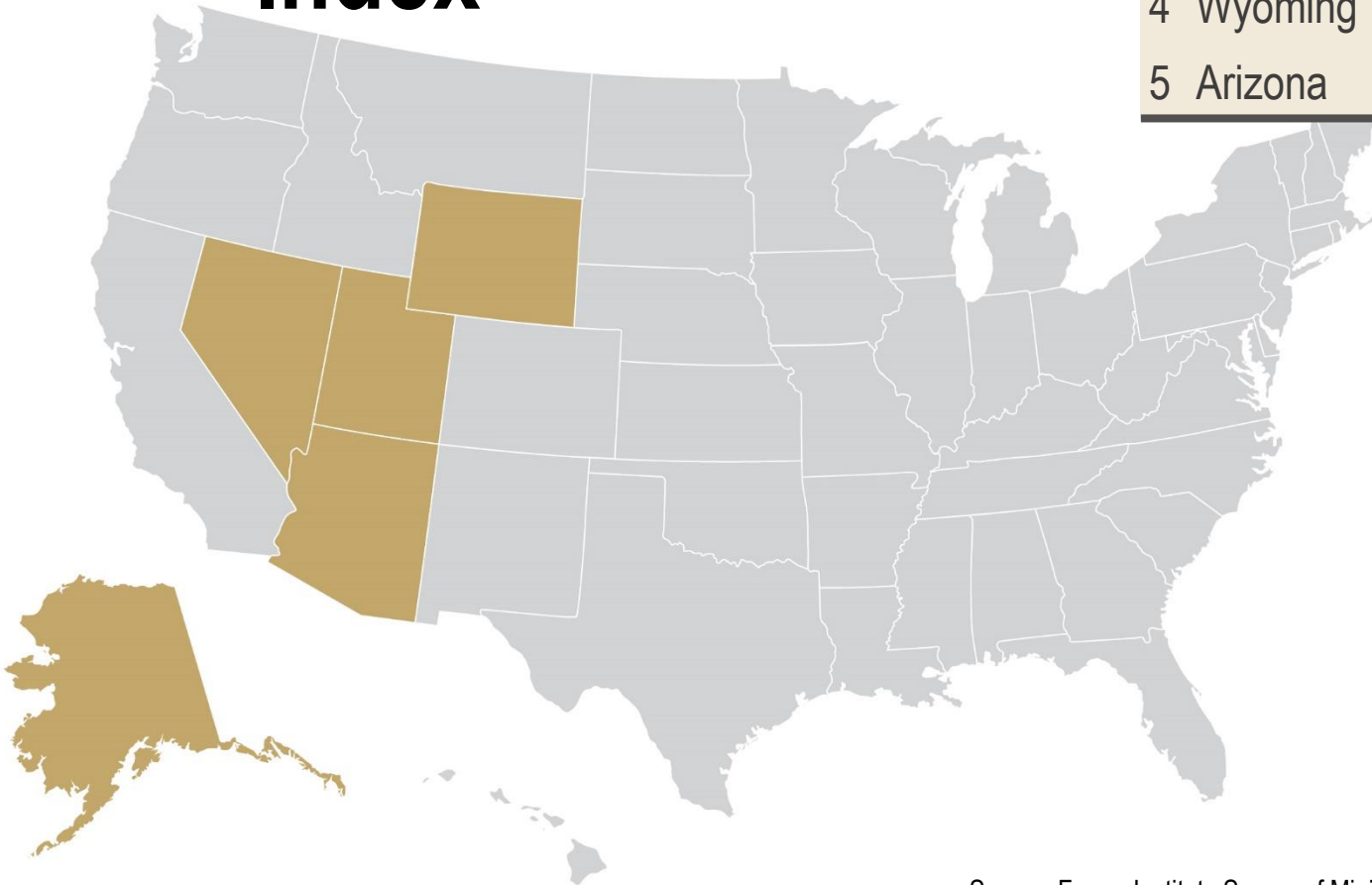
Location	Score	Vs. Prior Year
1 Alaska	0.83	▼
2 NEVADA	0.80	▼
3 Utah	0.74	▲
4 Minnesota	0.69	▼
5 Arizona	0.69	▼

Source: Fraser Institute Survey of Mining Companies (2015) and Applied Analysis



# Investment Attractiveness Index

Location	Score	Vs. Prior Year
1 NEVADA	85.39	▼
2 Alaska	83.96	▲
3 Utah	80.31	▲
4 Wyoming	78.07	▼
5 Arizona	76.33	▼



Source: Fraser Institute Survey of Mining Companies (2015) and Applied Analysis



# Economic Factors Influencing Nevada Mining

*Rank the following economic factors relative to how they will influence your company's decisions to make future investments in Nevada:*

	Score	
	2016	2015
Mineral price trends	6.1	7.5
North America economy	5.5	6.8
Cost of capital	5.1	6.7
Availability of capital	5.0	7.1
U.S. economy	4.8	5.2
Nevada economy	4.4	4.5
Global economy	4.3	5.2
South America economy	3.7	3.1
Europe economy	3.6	3.5
Stock market performance	3.5	4.9
Asia Pacific economy	3.4	3.7
Middle East economy	3.0	2.2
Africa economy	2.9	2.1

Increasing importance

Source: NVMA Member Survey (2015 and 2016)



# Nevada's Strengths



Source: NVMA Member Survey (2016)

# STATE BUSINESS TAX CLIMATE TOP 5

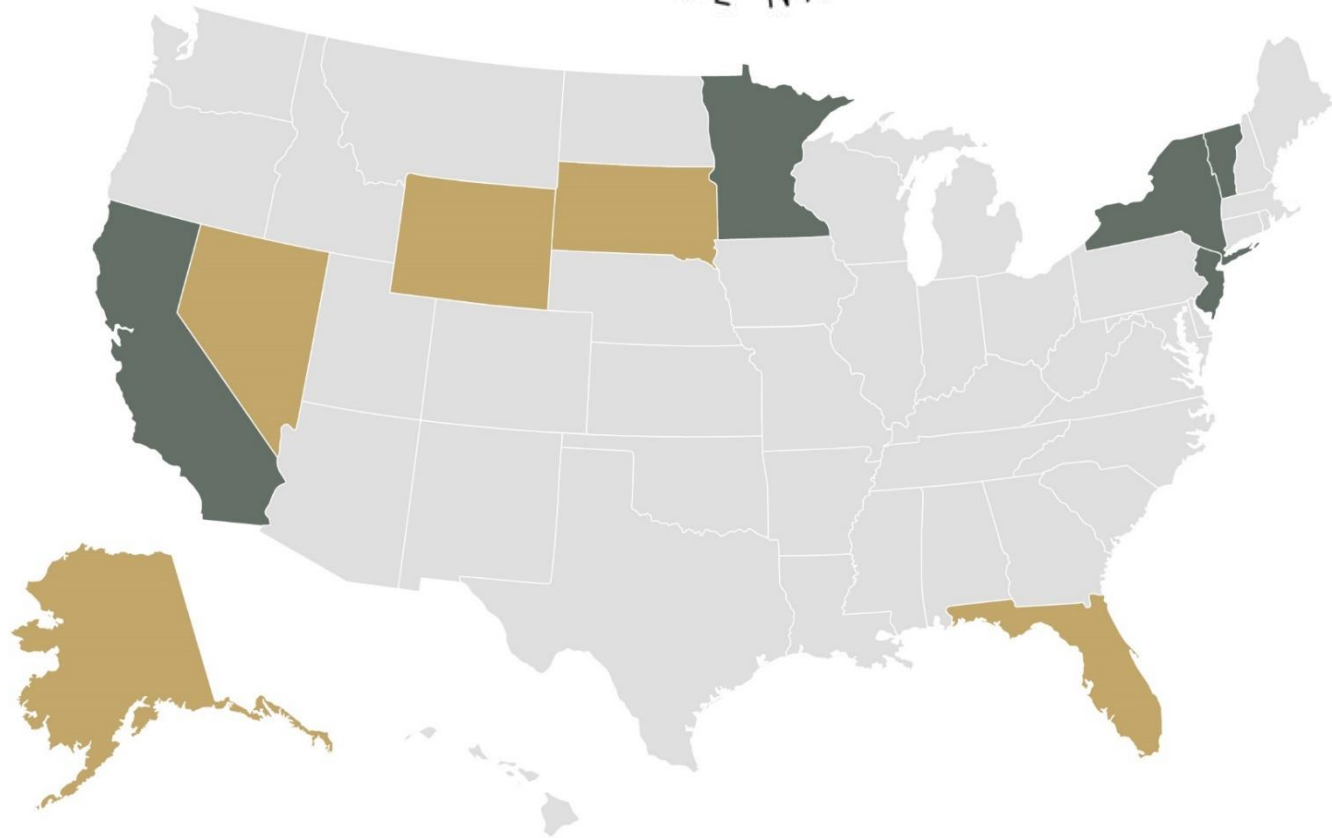


## ■ Top 5

1. Wyoming
2. South Dakota
3. Alaska
4. Florida
- 5. Nevada**

## ■ Bottom 5

46. Vermont
47. Minnesota
48. California
49. New York
50. New Jersey



Source: Tax Foundation and Applied Analysis



# Nevada's Weaknesses



Source: NVMA Member Survey (2016)



# 60%

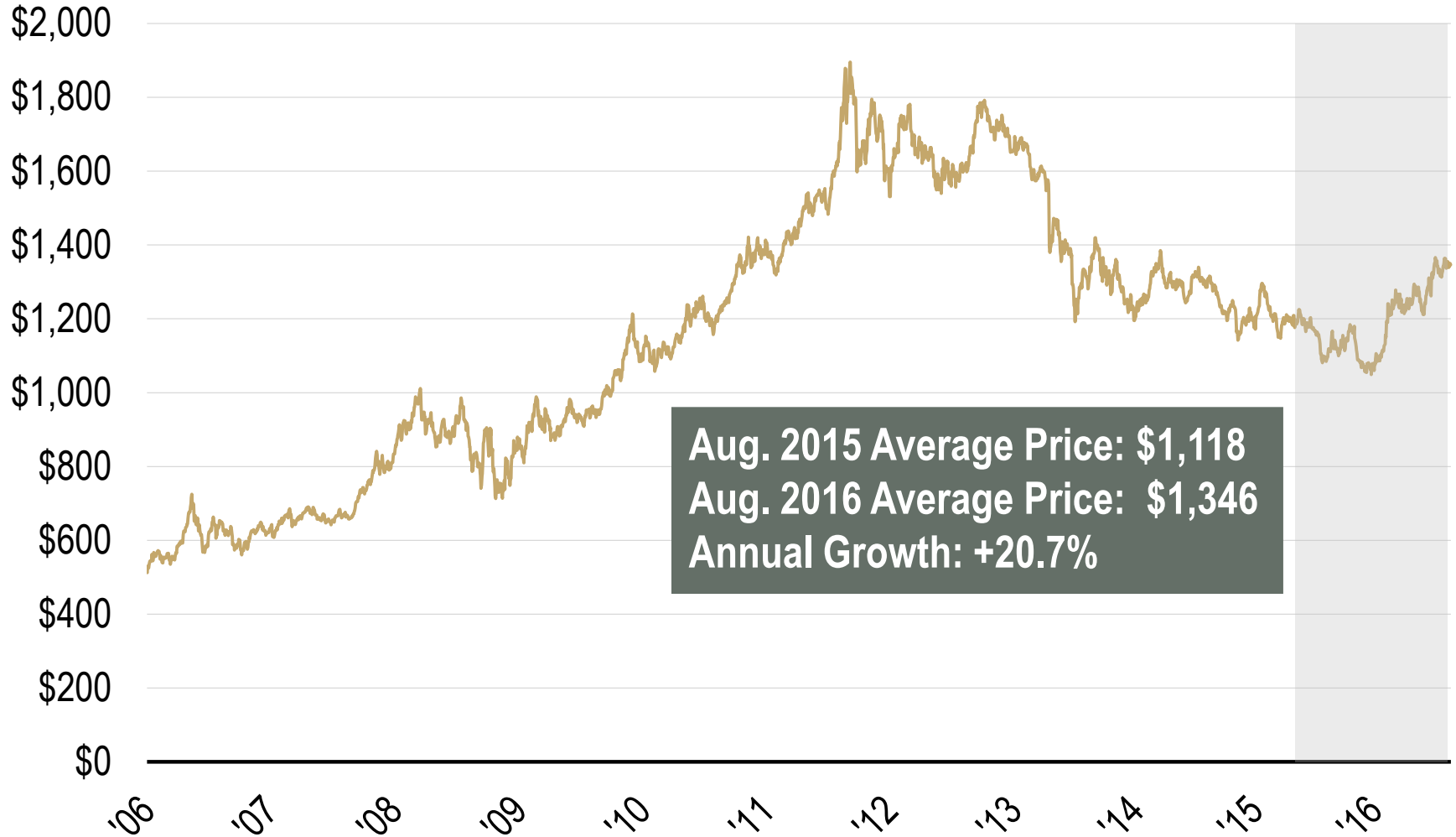
of respondents in 2015  
believed **gold prices would increase**

## Were you correct?

Source: NVMA Member Survey (2015)

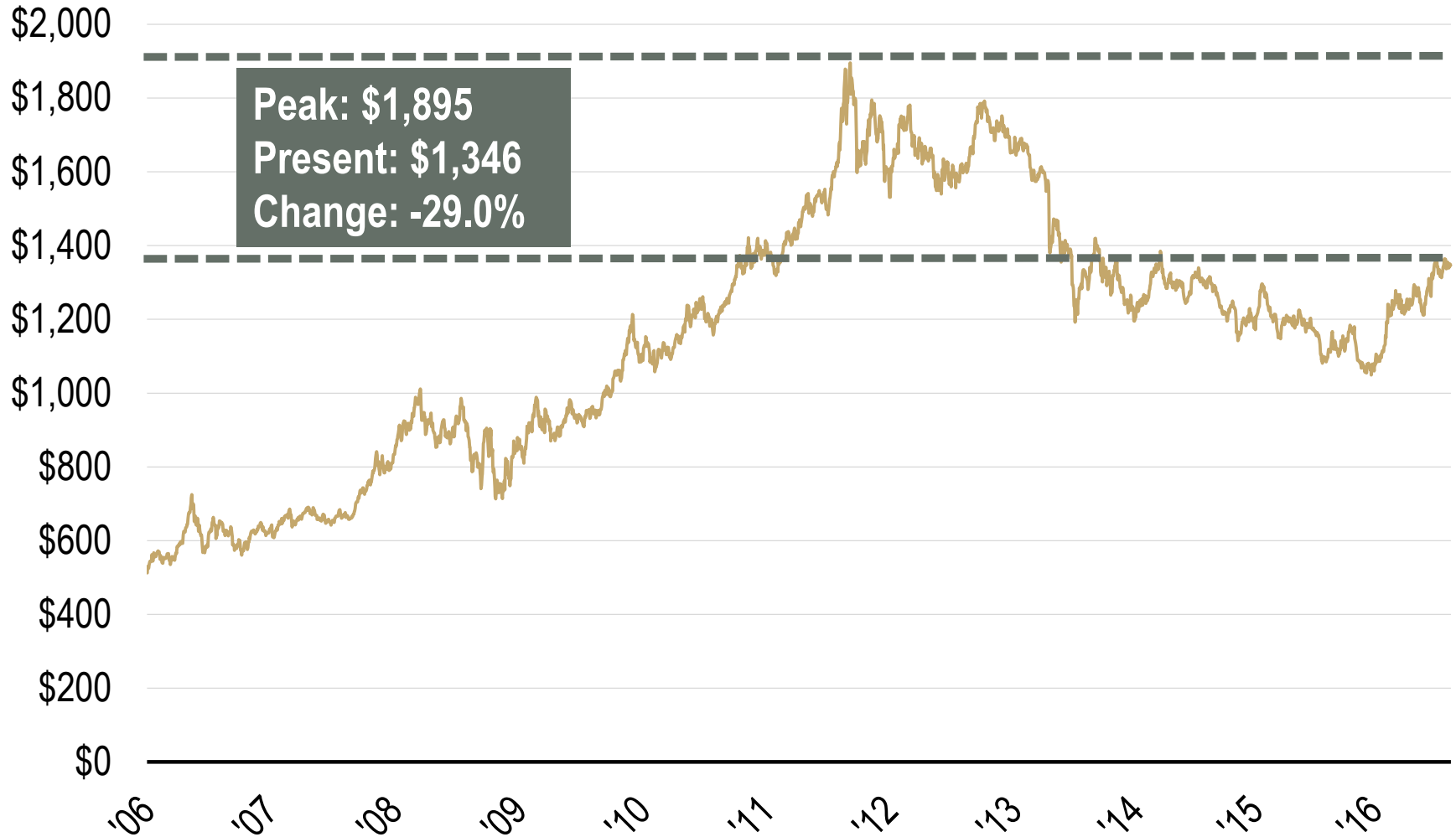


# Daily Gold Price



Source: London Bullion Market Association

# Daily Gold Price



Source: London Bullion Market Association

# Daily Gold Price



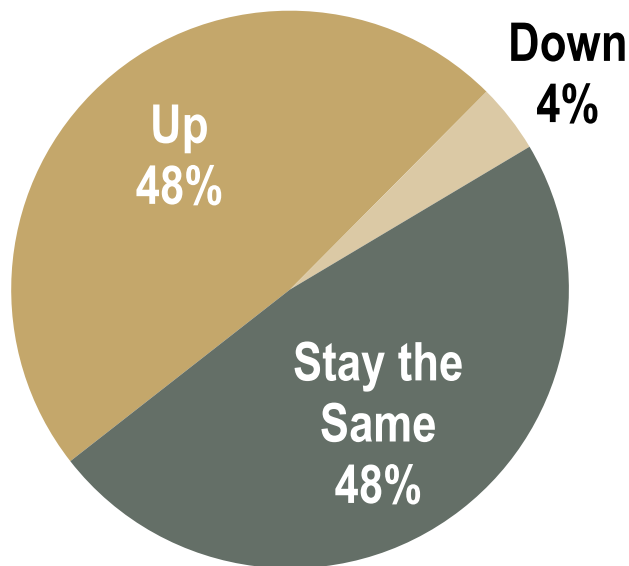
Source: London Bullion Market Association and NVMA Member Survey (2016)



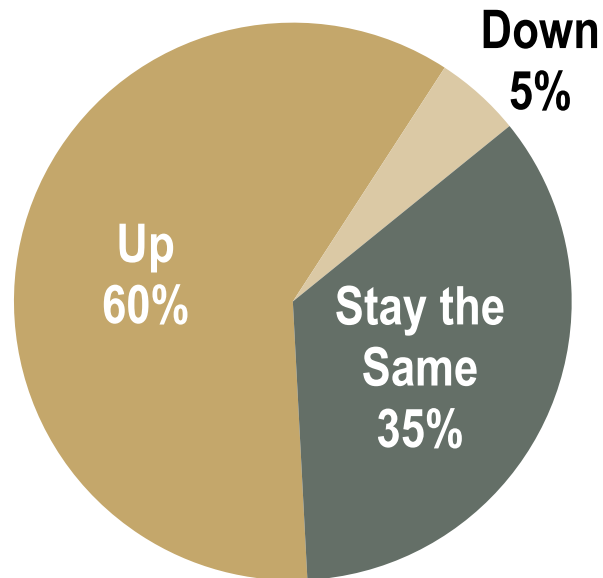
# NVMA Members' Gold Price Predictions

*Will the price of gold go up, down, or stay the same in the next 12 months?*

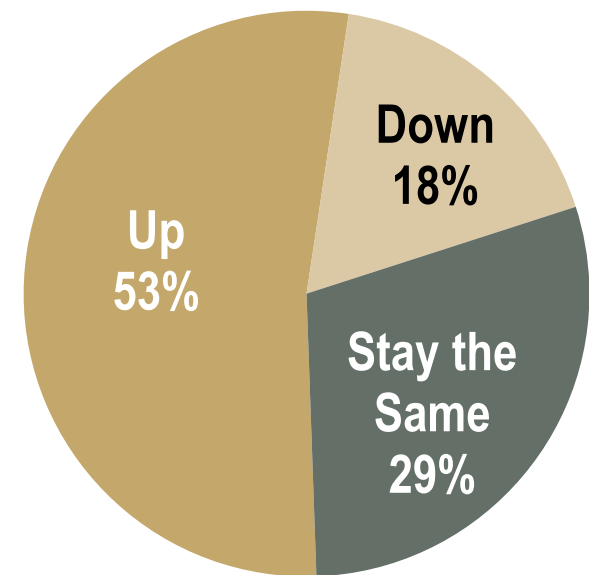
**2014**



**2015**



**2016**



Source: NVMA Member Survey (2014, 2015, 2016)



# 55%

of respondents in 2015  
believed **silver prices would increase**

## Were you correct?

Source: NVMA Member Survey (2015)

# Daily Silver Price



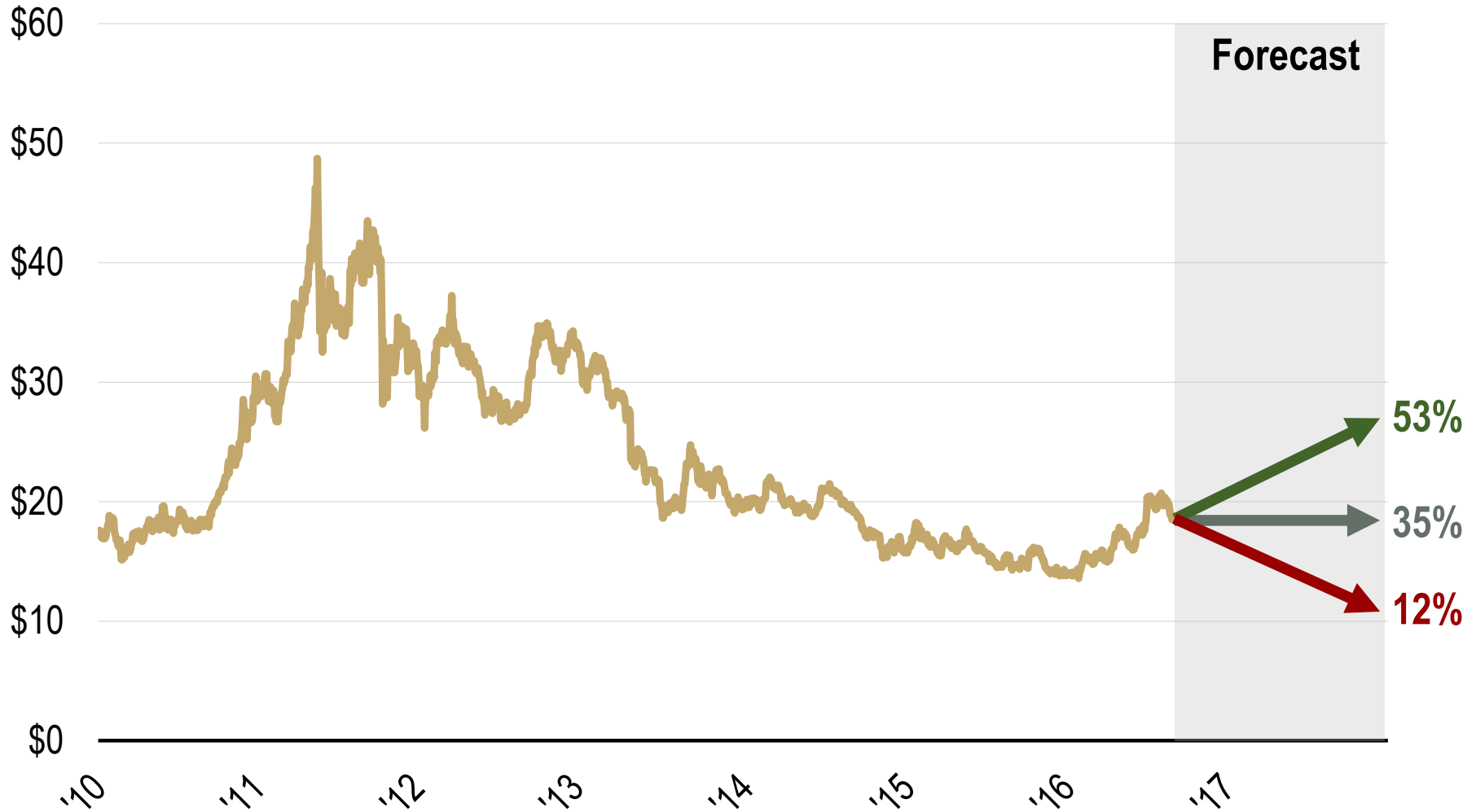
Source: London Bullion Market Association

# Daily Silver Price



Source: London Bullion Market Association

# Daily Silver Price



Source: London Bullion Market Association and NVMA Member Survey (2016)





# 40%

of respondents in 2015  
believed **copper prices would increase**

## Were you correct?

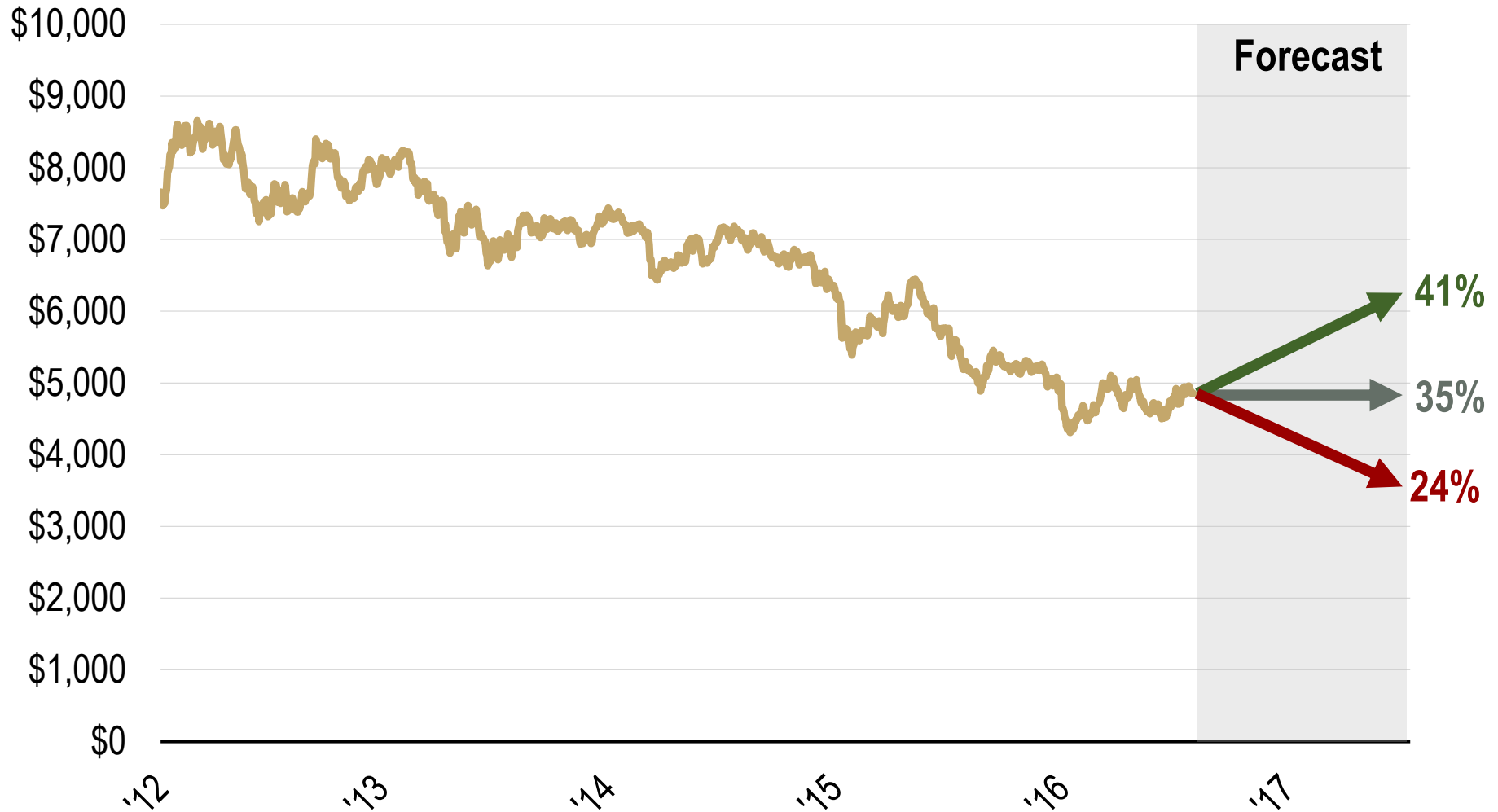
Source: NVMA Member Survey (2015)

# Daily Copper Price



Source: London Metal Exchange

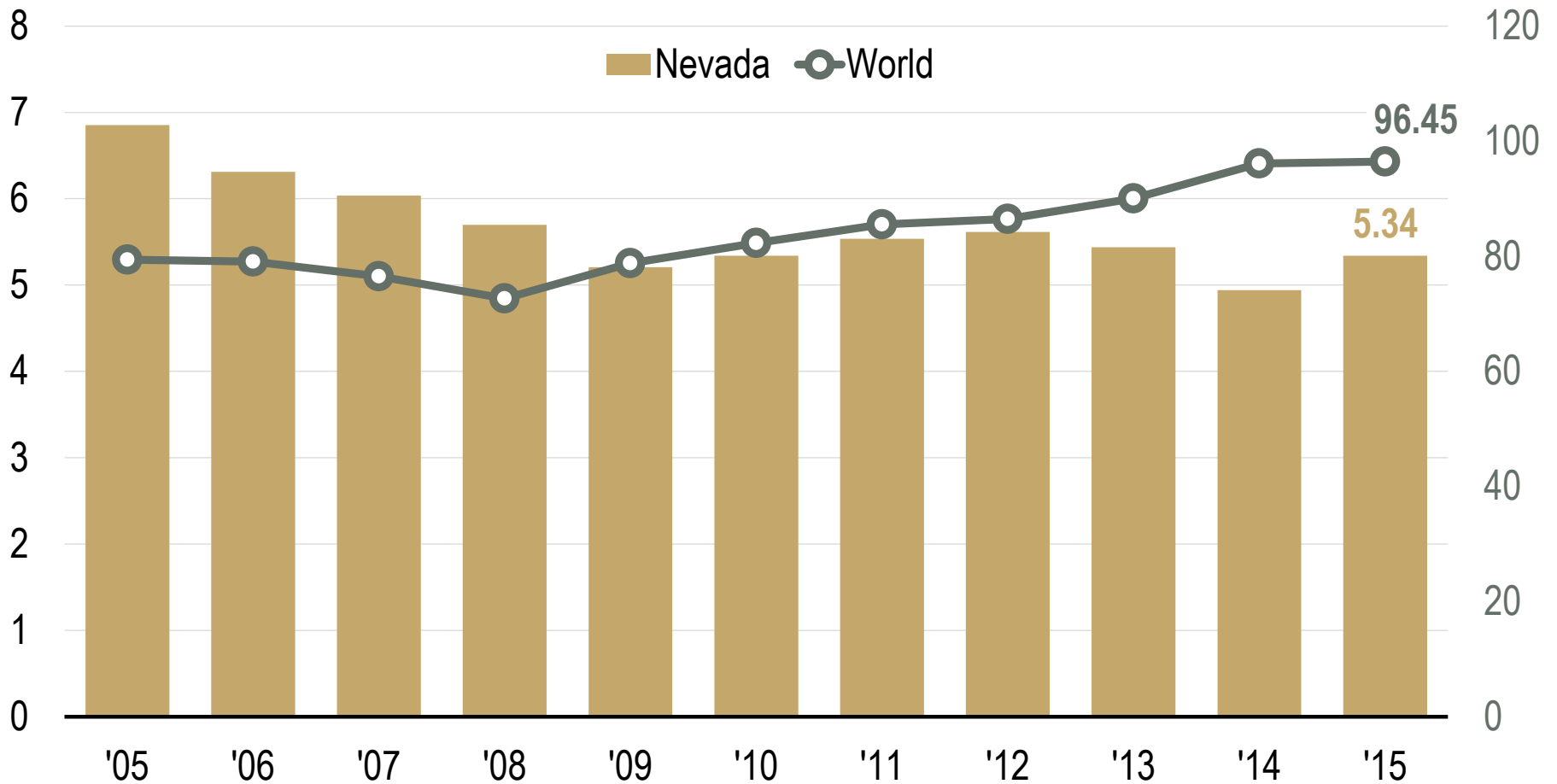
# Daily Copper Price



Source: London Metal Exchange and NVMA Member Survey (2016)

# Gold Production

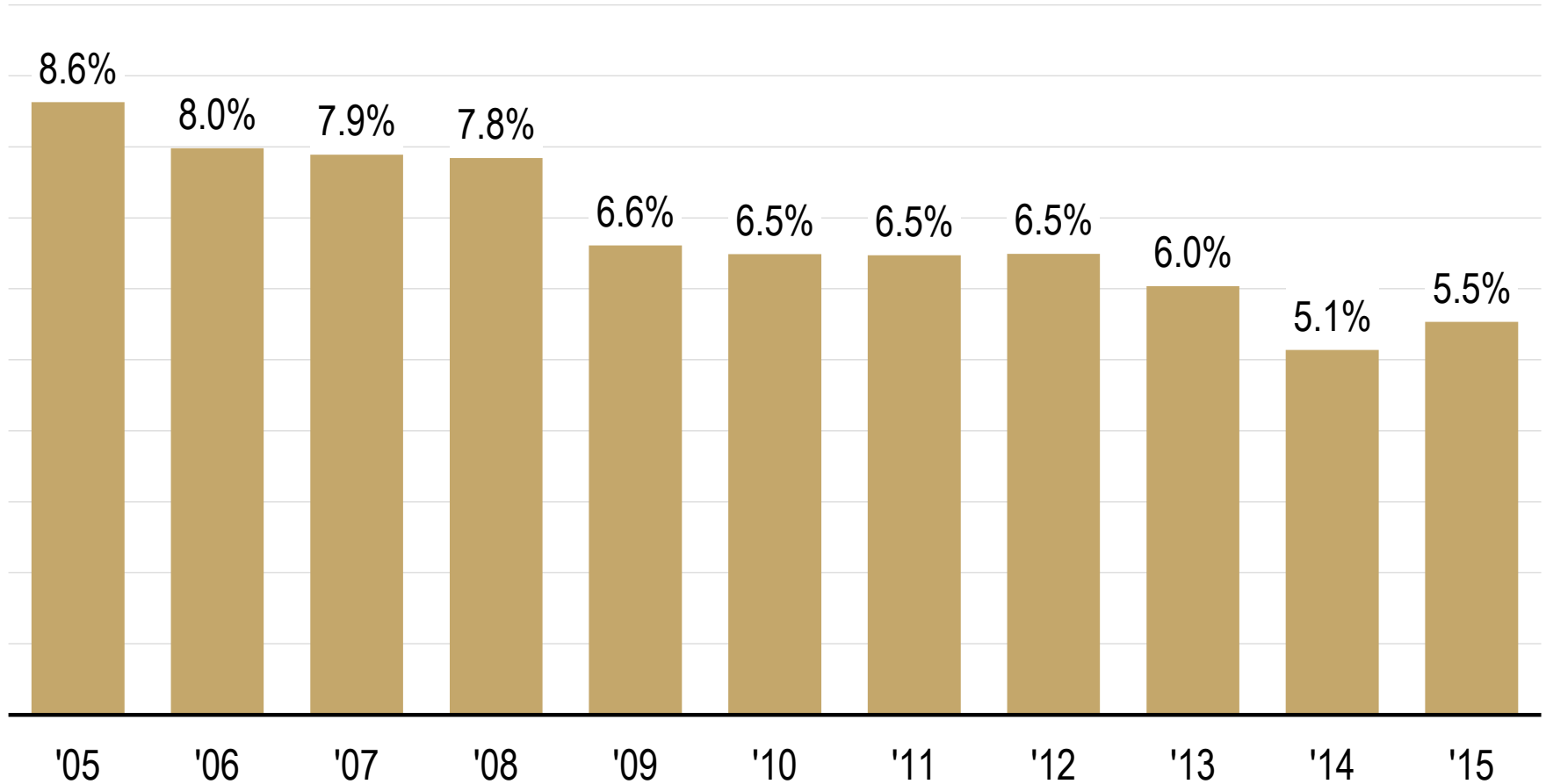
(in Millions of Troy Ounces)



Source: Nevada Division of Minerals and U.S. Geological Survey

# Gold Production

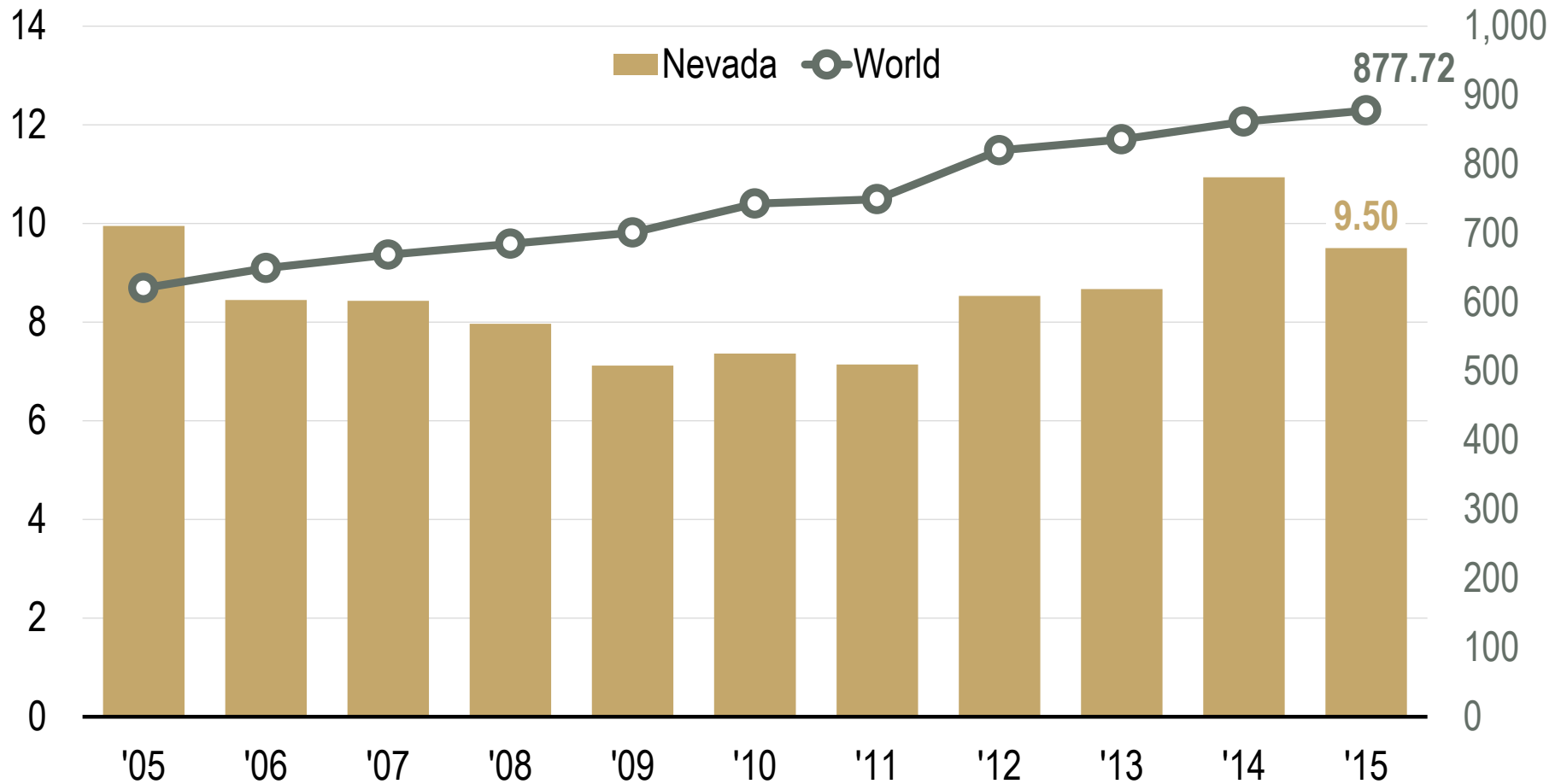
## Nevada as a Percent of World Total



Source: Nevada Division of Minerals and U.S. Geological Survey

# Silver Production

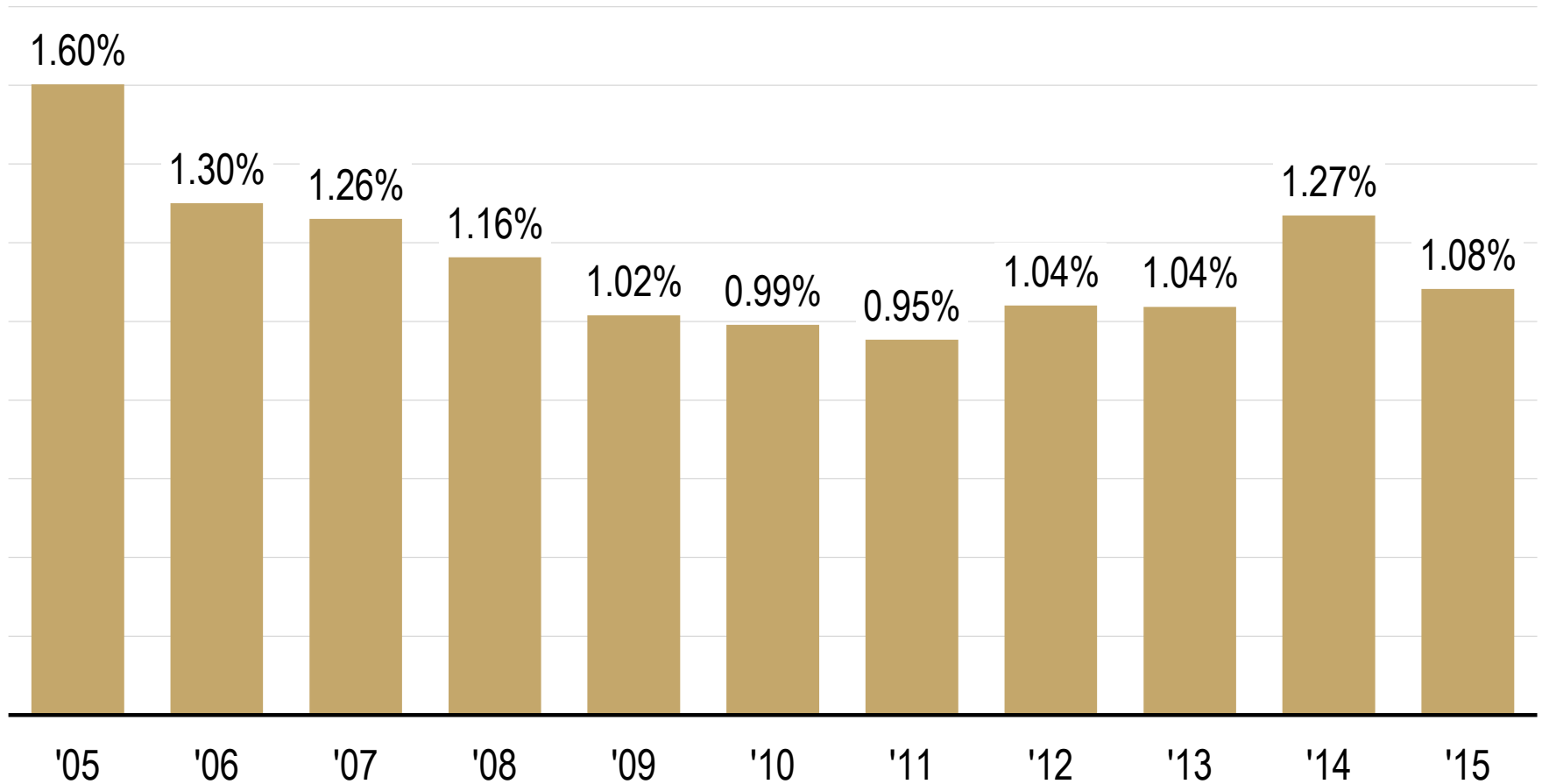
(in Millions of Troy Ounces)



Source: Nevada Division of Minerals and U.S. Geological Survey

# Silver Production

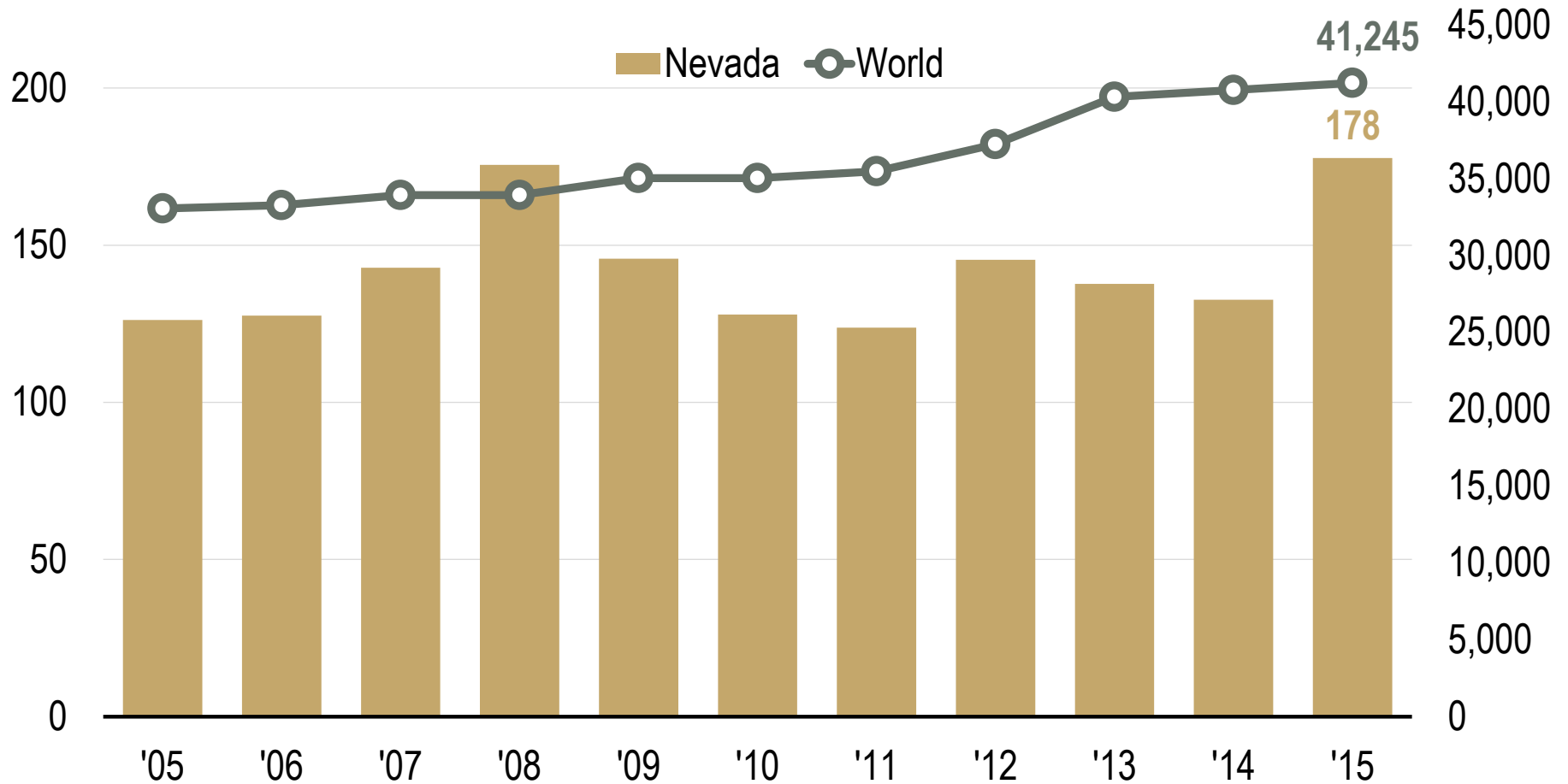
## Nevada as a Percent of World Total



Source: Nevada Division of Minerals and U.S. Geological Survey

# Copper Production

(in Millions of Pounds)

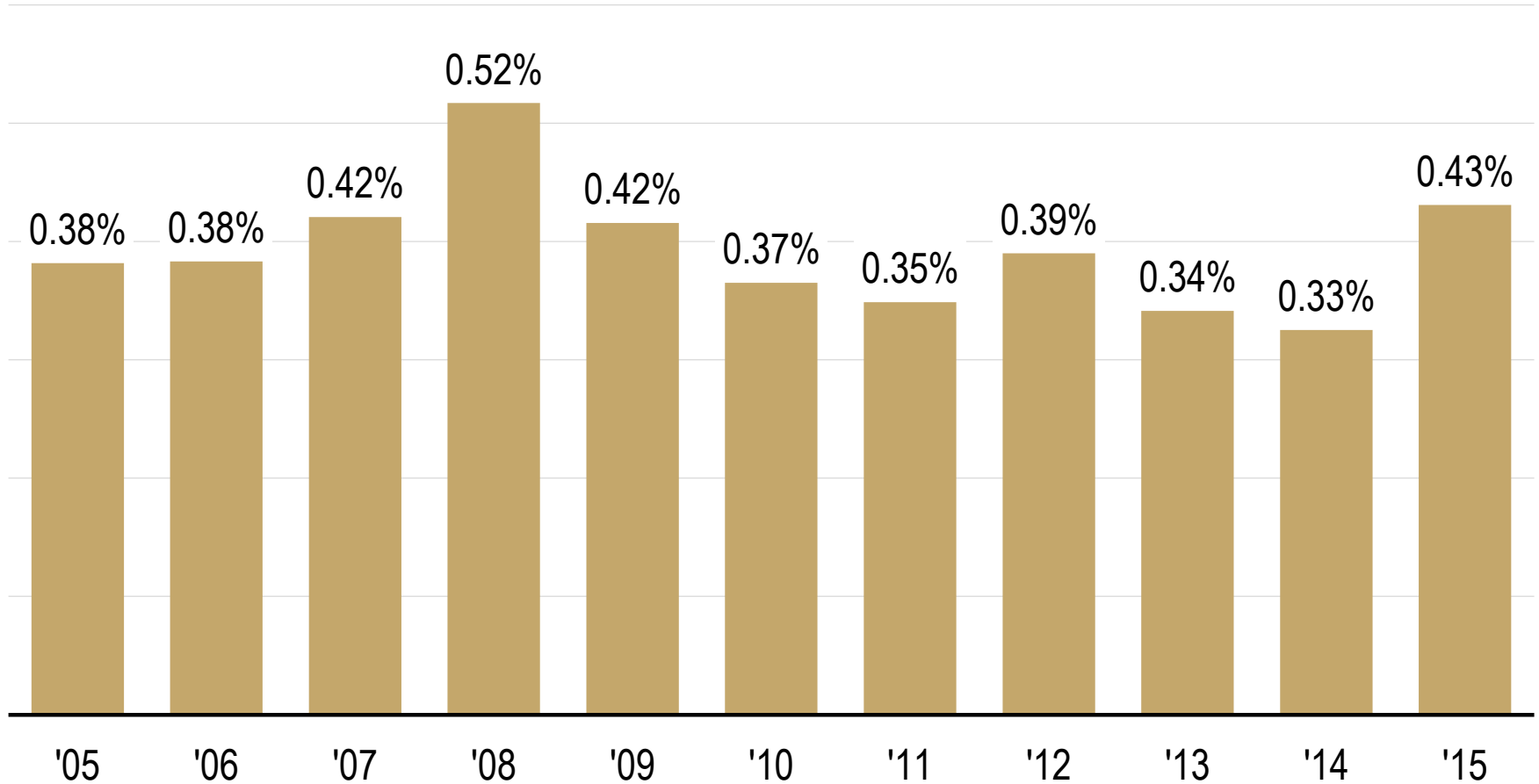


Source: Nevada Division of Minerals and U.S. Geological Survey



# Copper Production

## Nevada as a Percent of World Total



Source: Nevada Division of Minerals and U.S. Geological Survey



# Greatest Business Threats



Source: NVMA Member Survey (2016)



# Reasons to Remain Optimistic



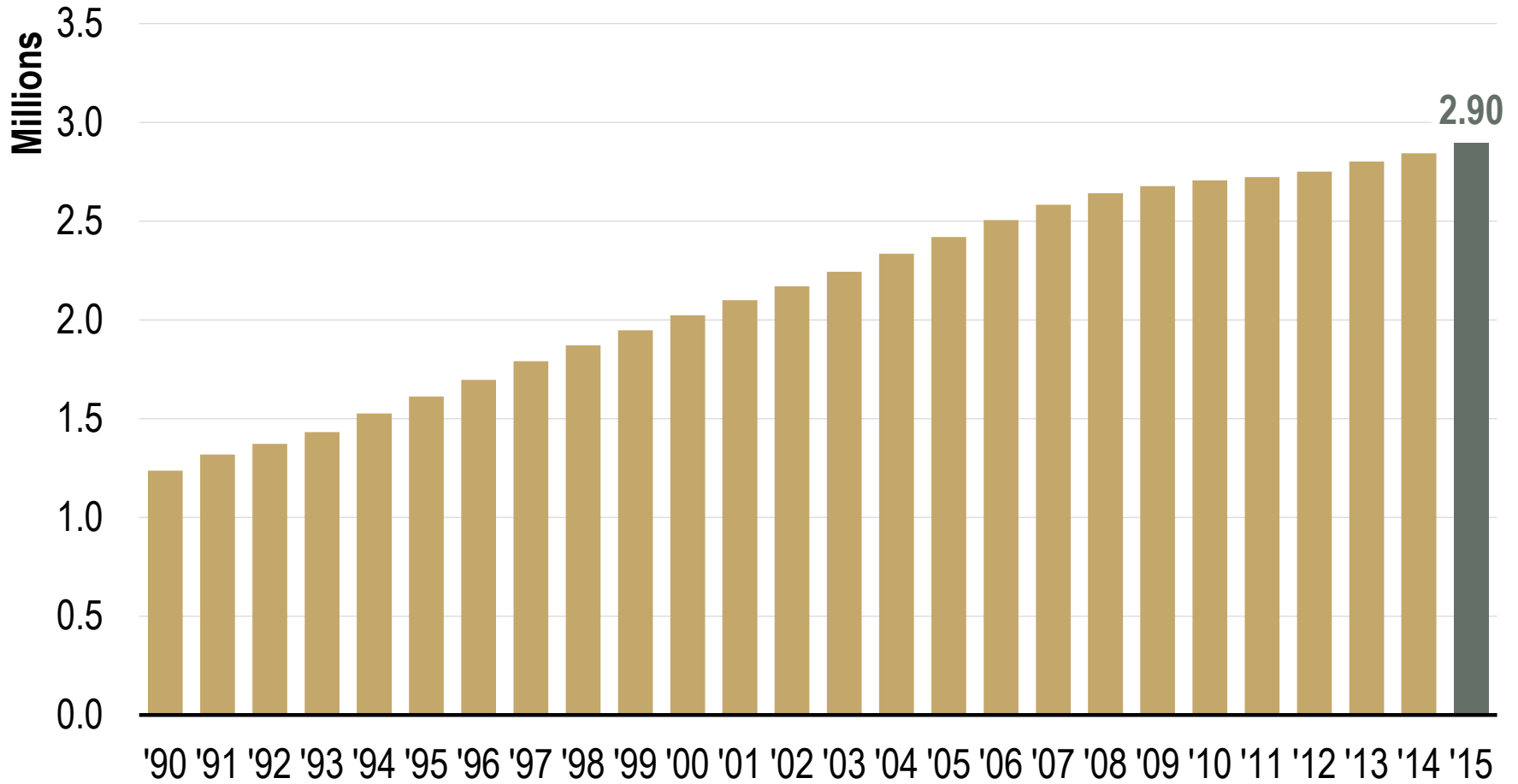
Source: NVMA Member Survey (2016)



# NEVADA ECONOMY HIGHLIGHTS

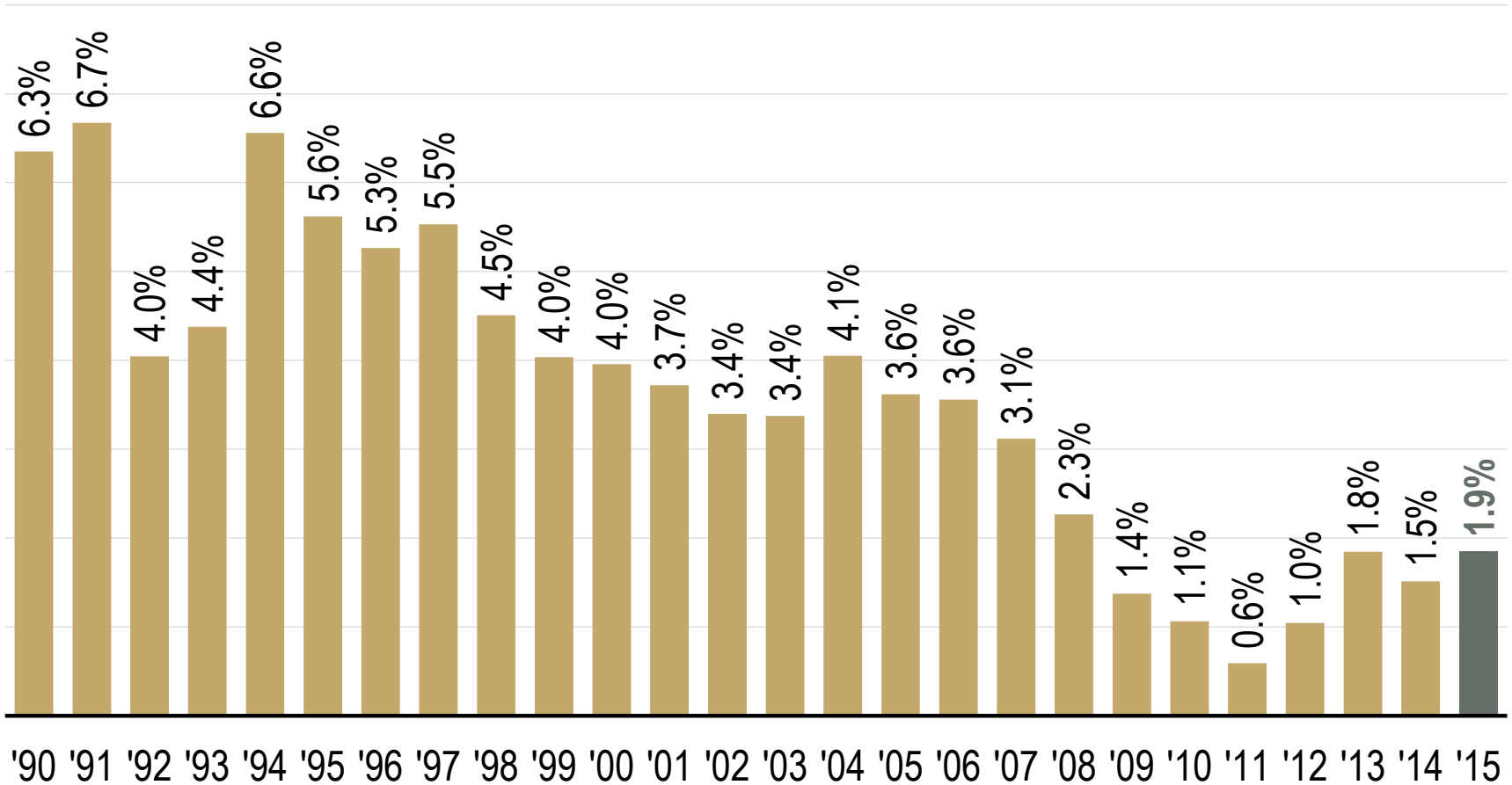


# Nevada Population



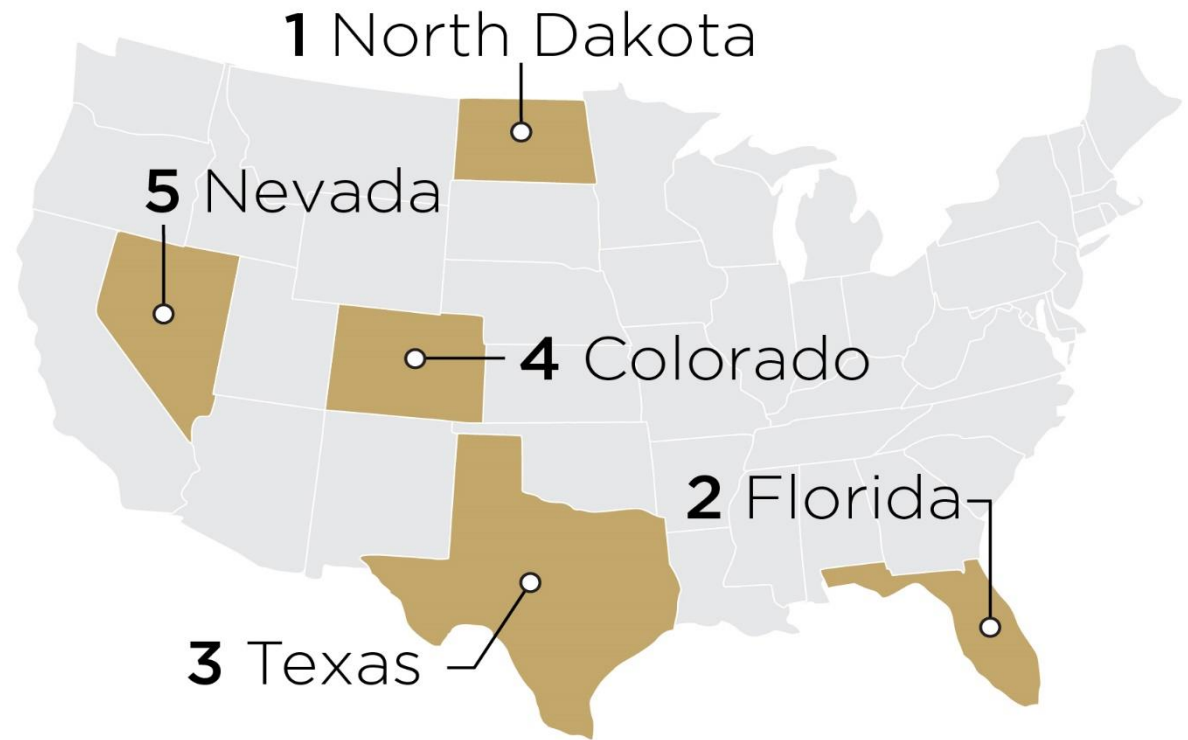
Source: Nevada State Demographer and United States Census Bureau

# Nevada Population Annual Growth



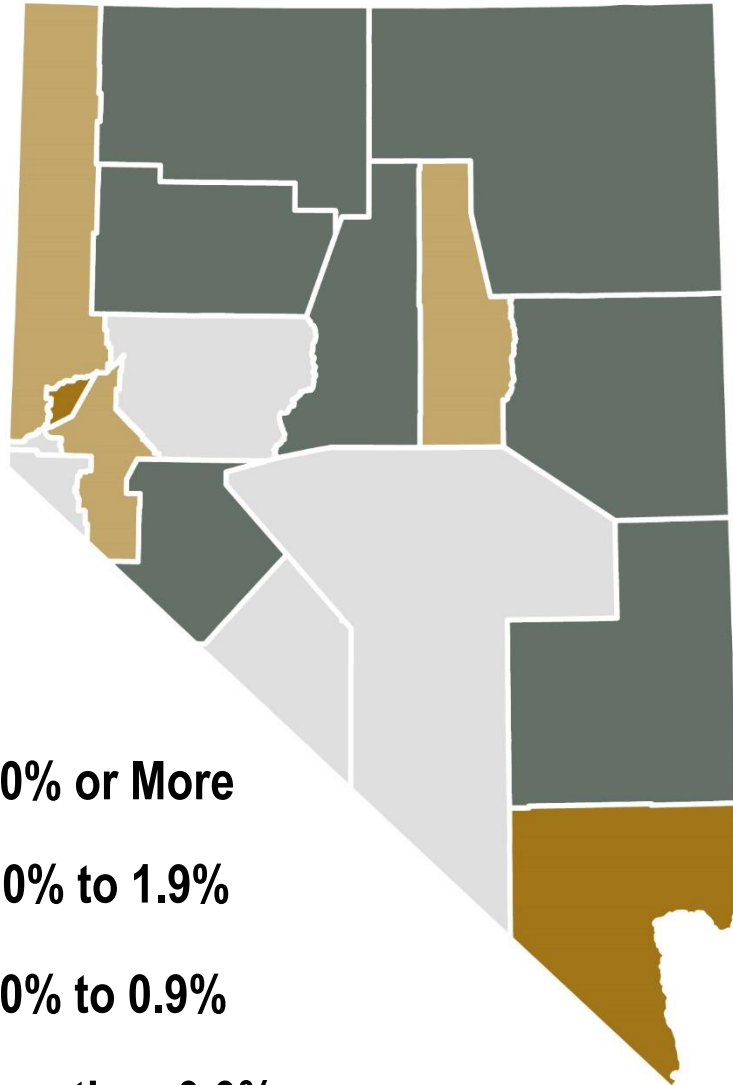


NEVADA  
POPULATION  
**2,890,845**



Source: United States Census Bureau

# Nevada Population Growth by County



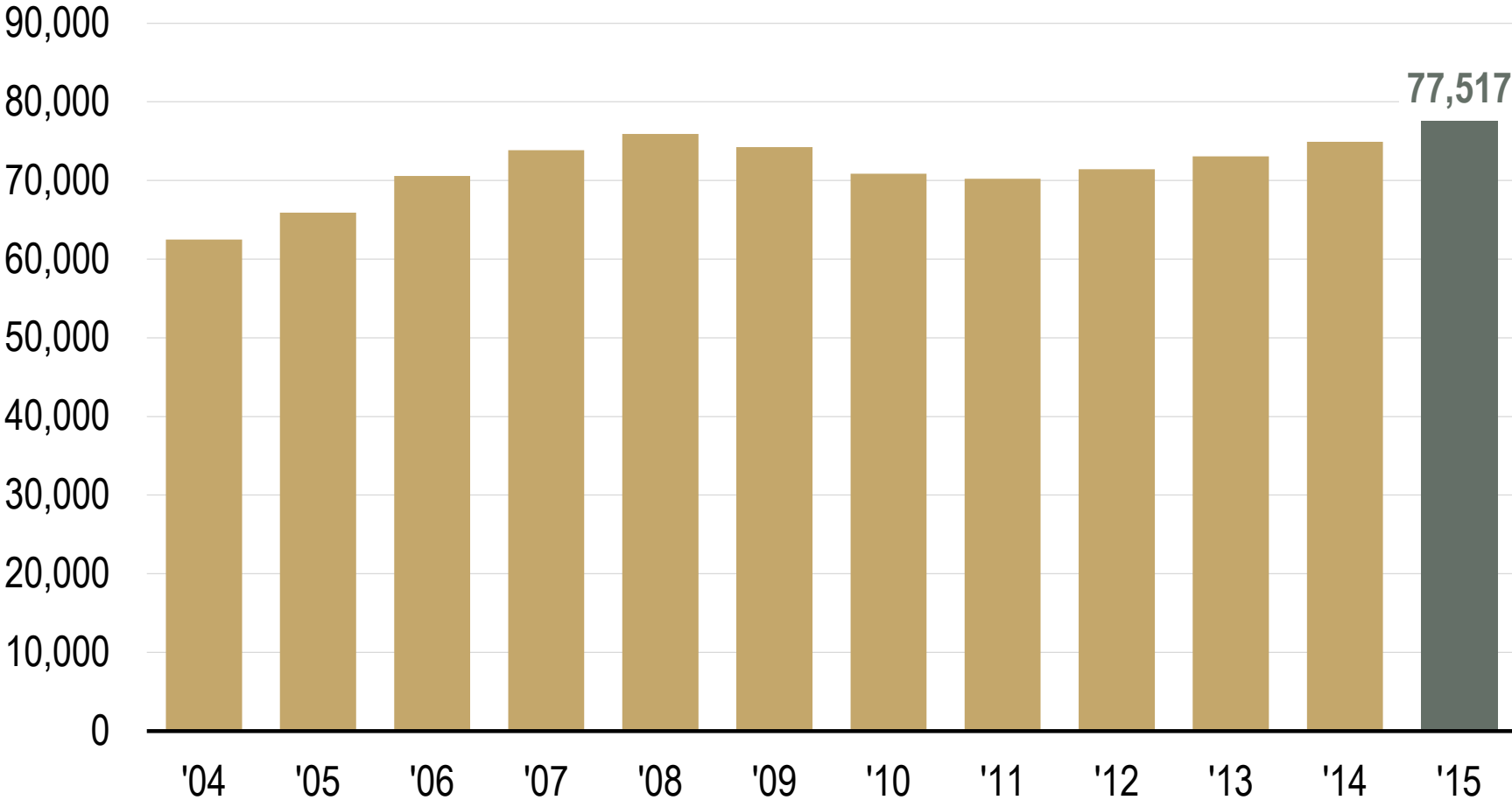
Population Growth:	2014-2015
1.0% or More	Growth
CLARK	+2.2%
STOREY	+2.0%
LYON	+1.6%
WASHOE	+1.5%
EUREKA	+1.4%

Population Growth:	2014-2015
Less than 1.0%	Growth
WHITE PINE	-1.7%
LINCOLN	-1.6%
ELKO	-1.5%
LANDER	-1.4%
HUMBOLDT	-1.2%

Source: United States Census Bureau

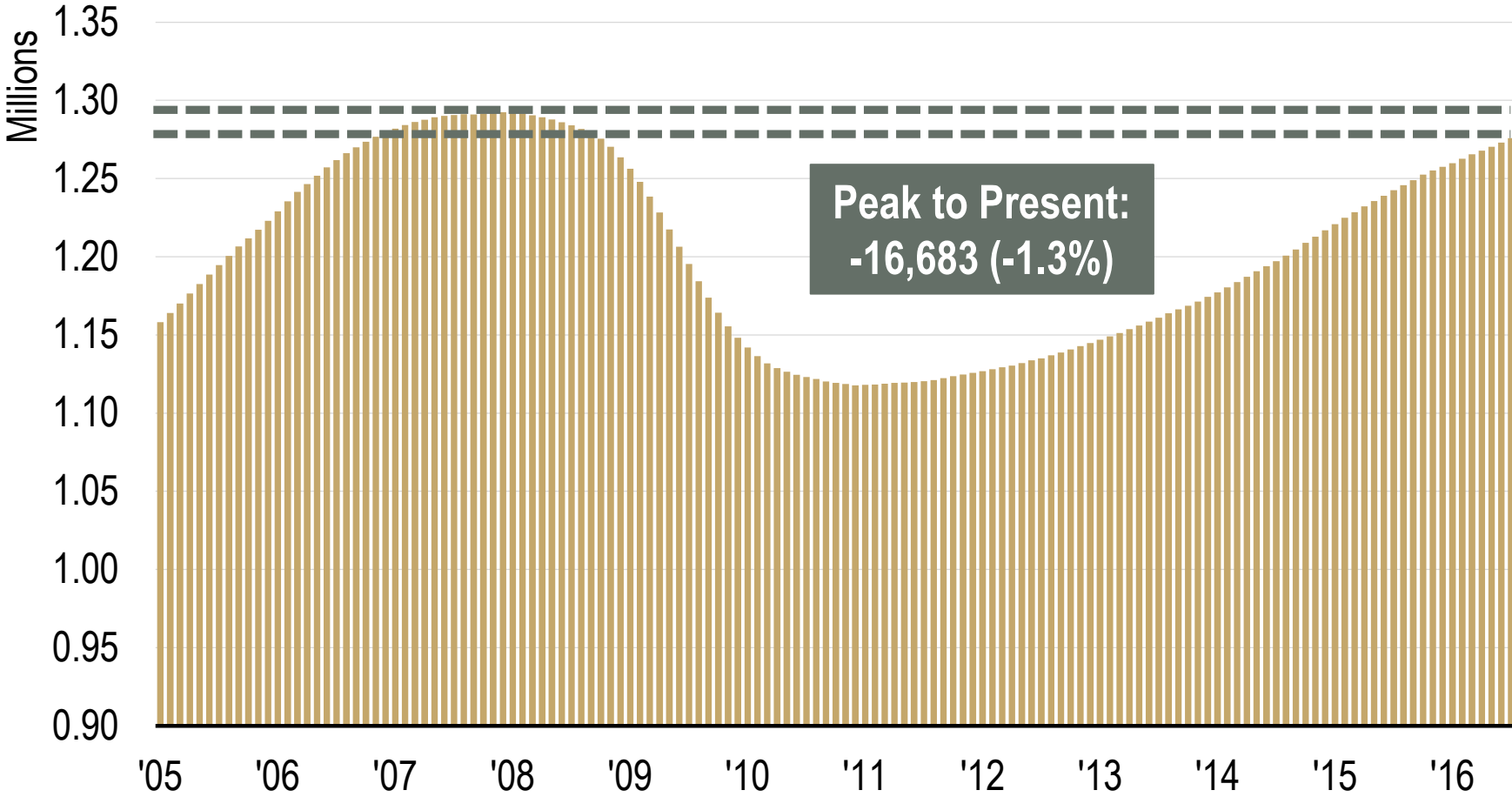


# Nevada Private Establishments



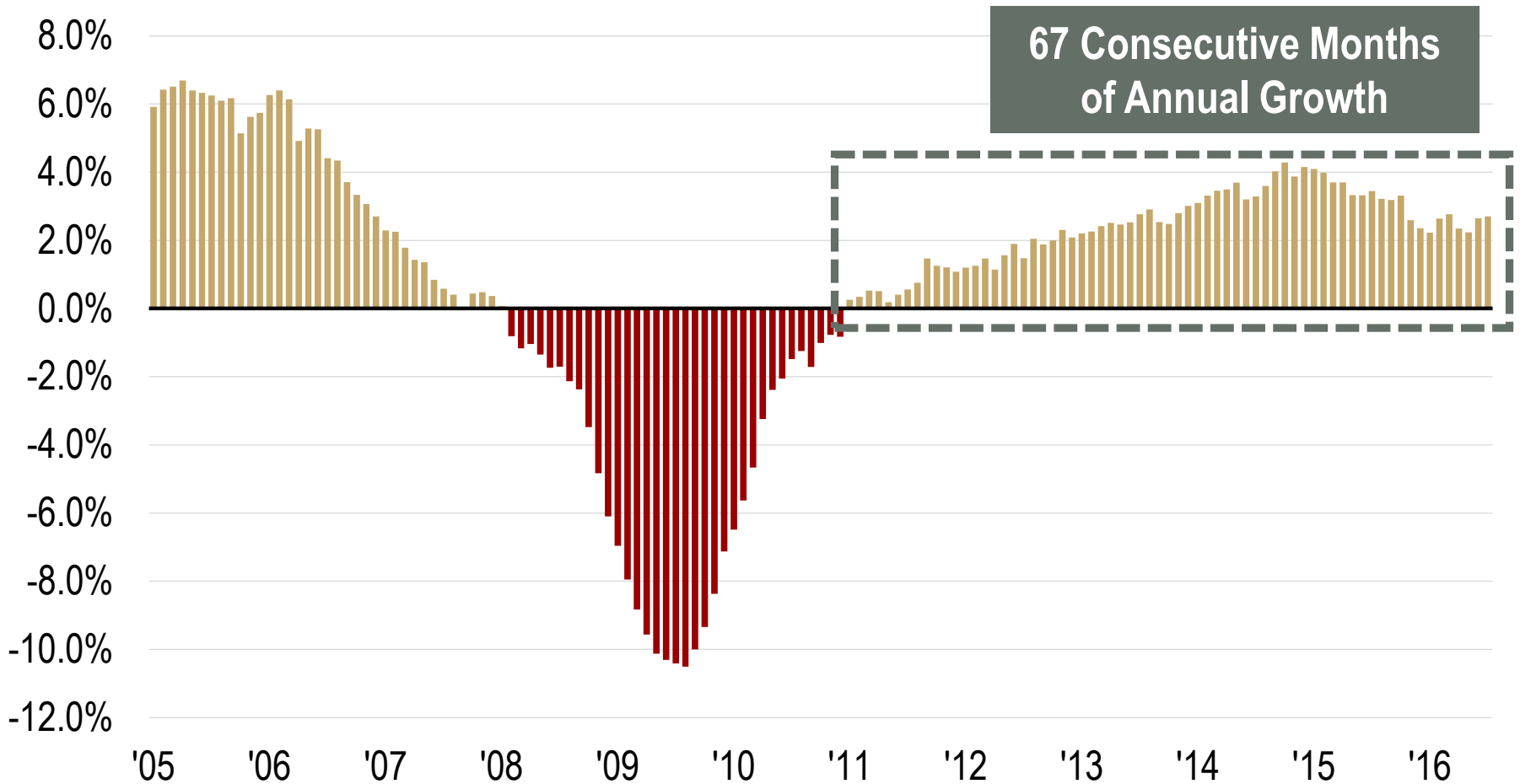
Source: United States Bureau of Labor Statistics

# Nevada Employment Trailing 12-Month Averages



Source: United States Bureau of Labor Statistics

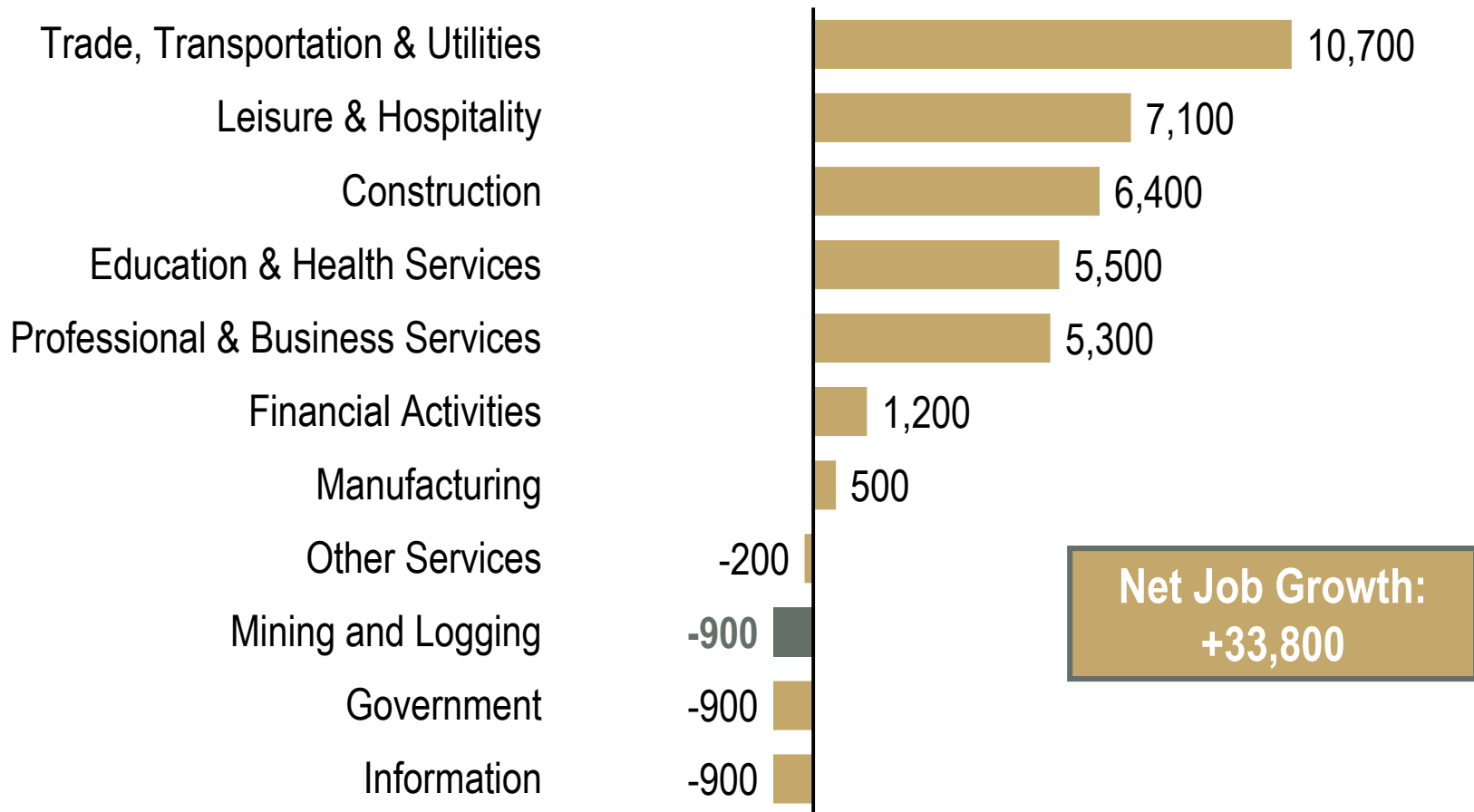
# Nevada Employment Annual Growth



Source: United States Bureau of Labor Statistics

# Nevada Employment Growth by Sector

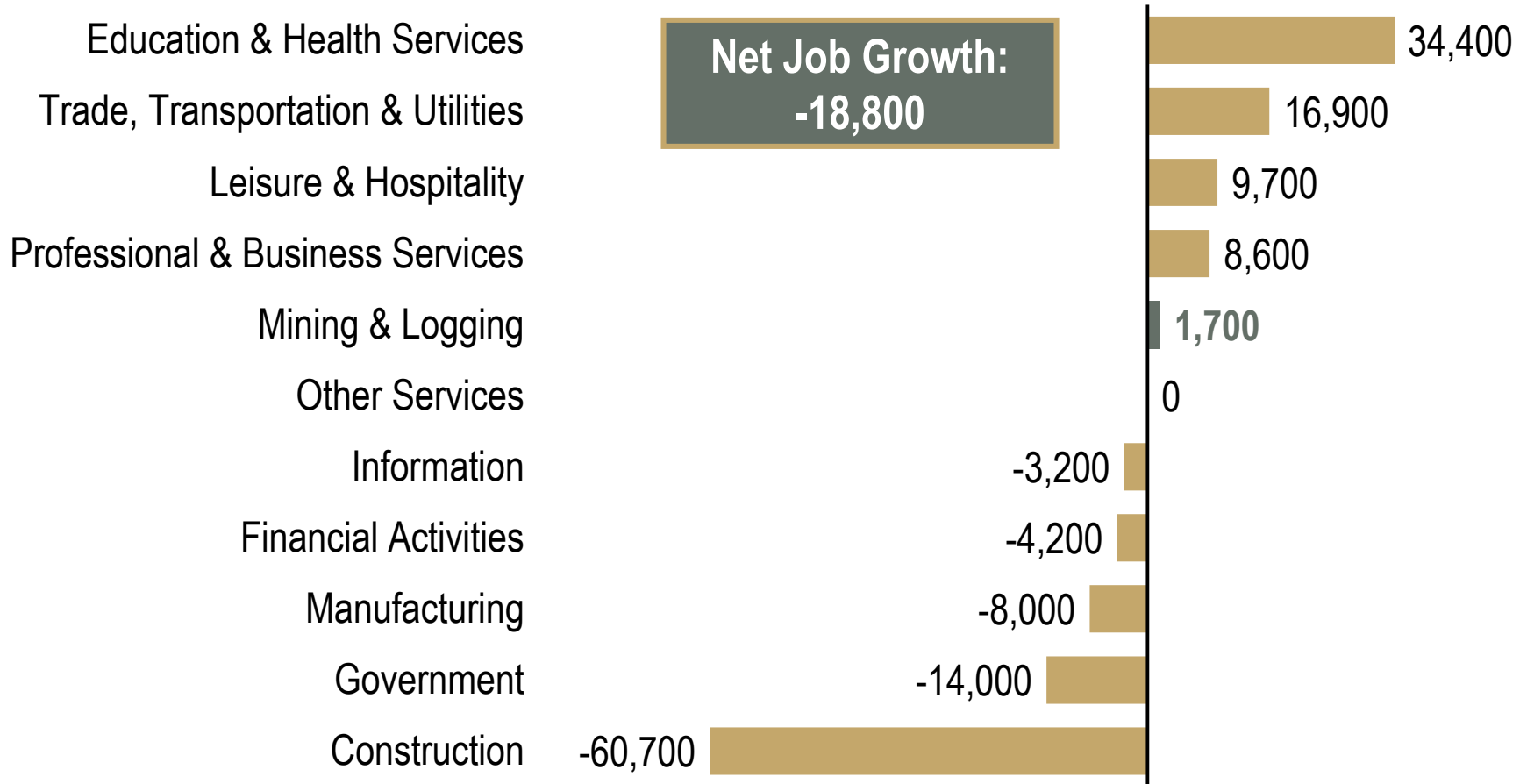
## Past 12 Months



Source: United States Bureau of Labor Statistics, July 2016 vs. July 2015

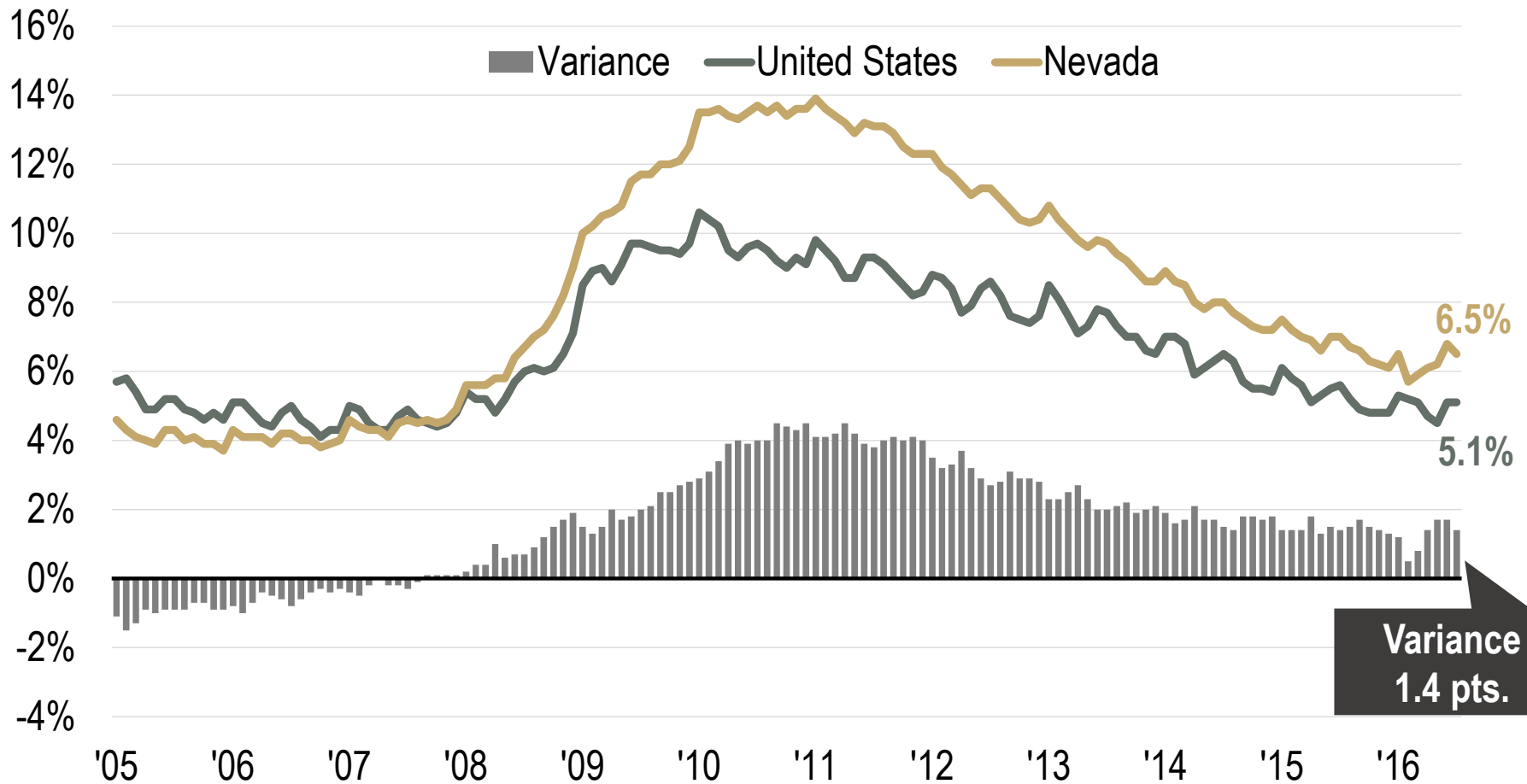
# Nevada Employment Growth by Sector

## May 2007 to Present



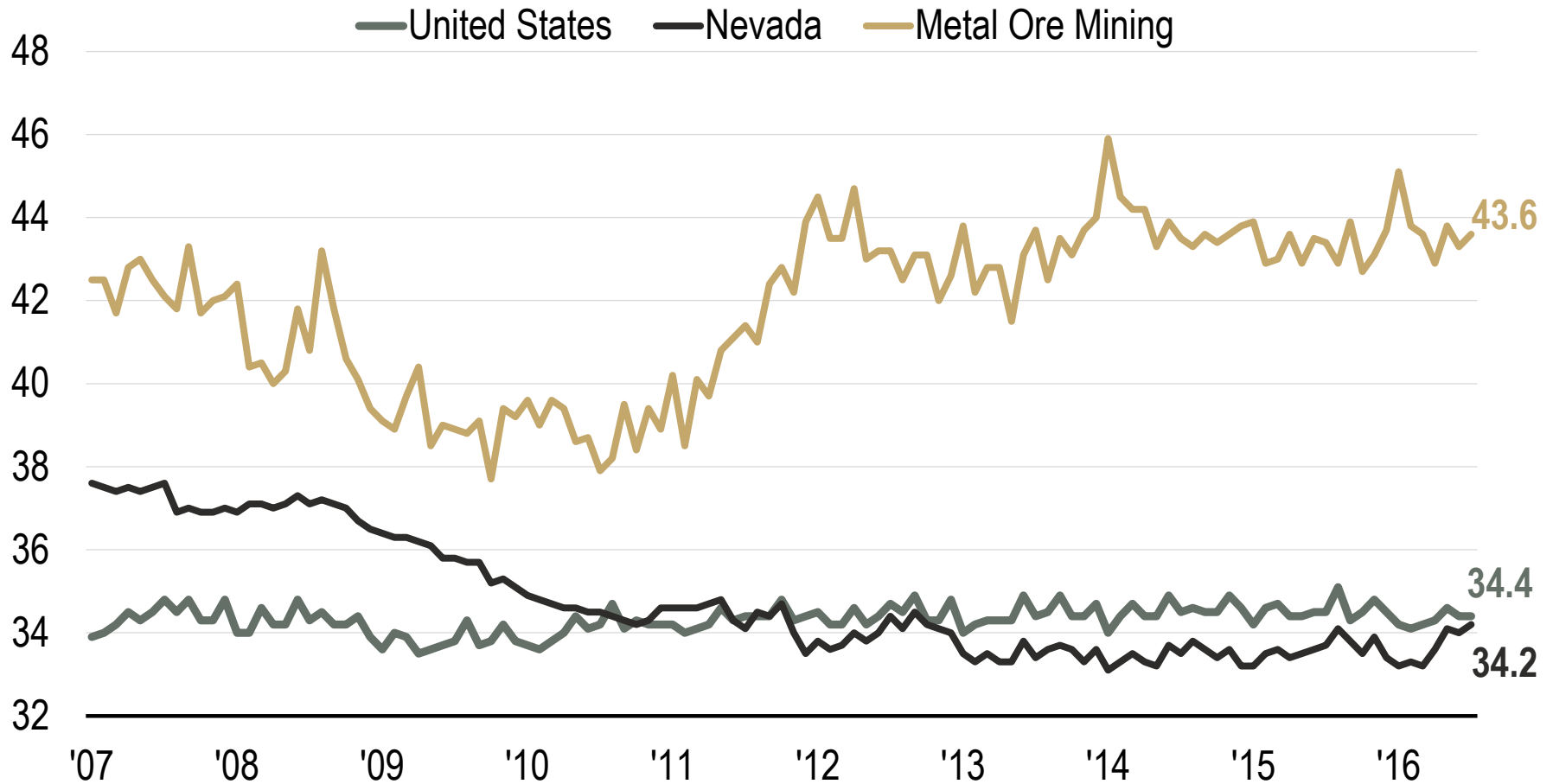
Source: United States Bureau of Labor Statistics, July 2016 vs. May 2007

# Unemployment Rate Comparison



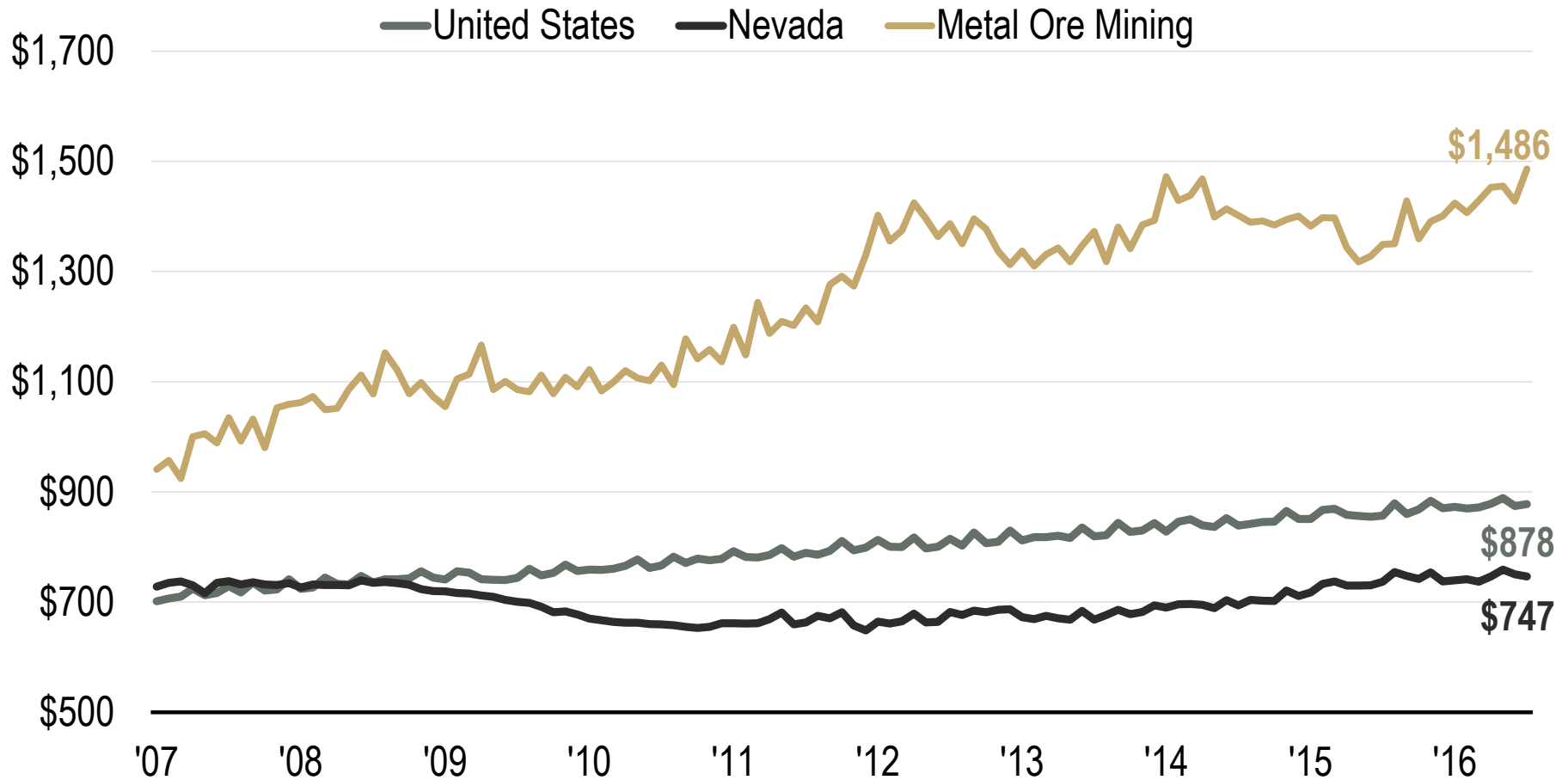
Source: United States Bureau of Labor Statistics, Not Seasonally Adjusted

# Average Weekly Hours per Employee



Source: United States Bureau of Labor Statistics, Not Seasonally Adjusted

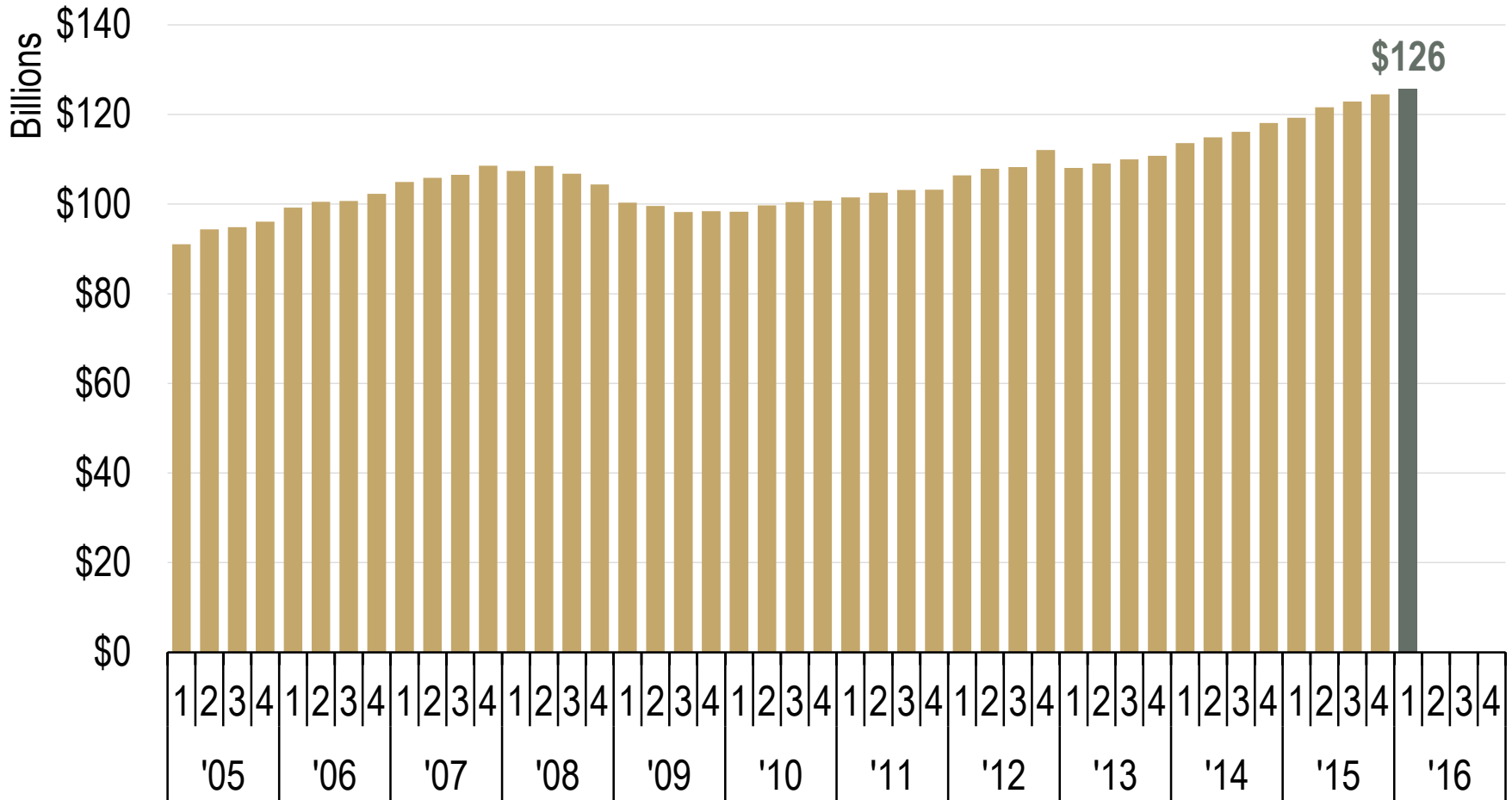
# Average Weekly Wages per Employee



Source: United States Bureau of Labor Statistics, Not Seasonally Adjusted



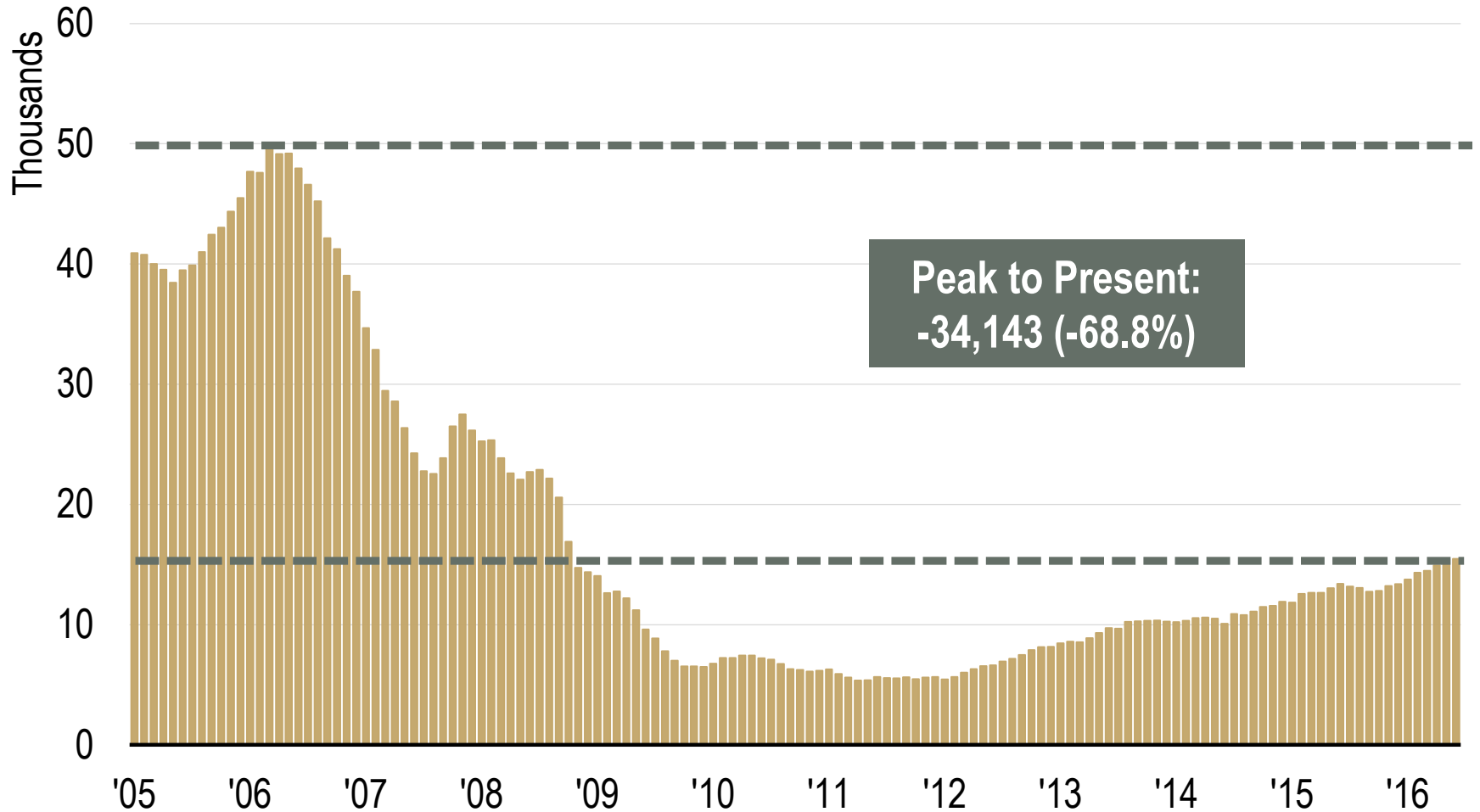
# Nevada Personal Income



Source: United States Bureau of Economic Analysis, Seasonally Adjusted

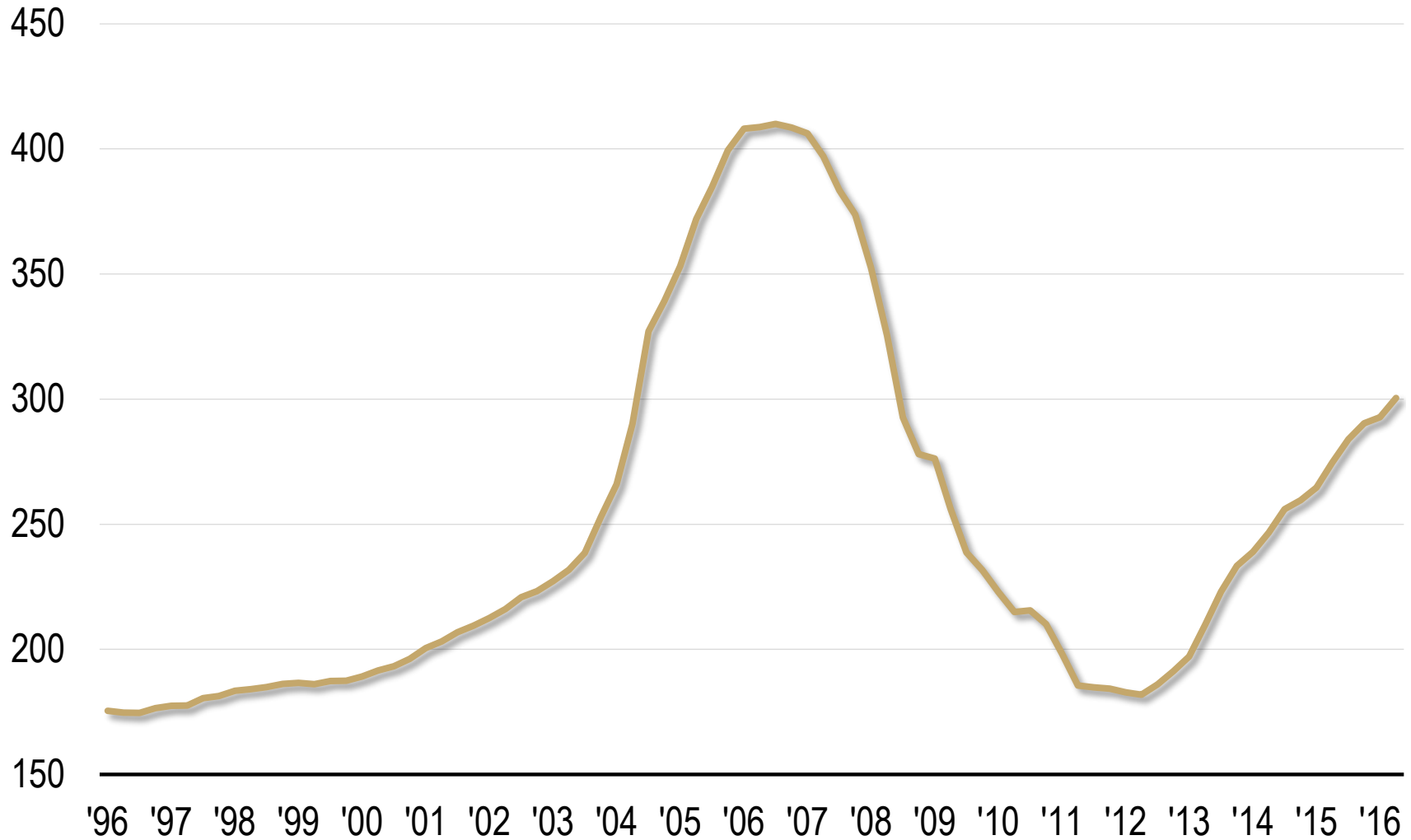
# Nevada Residential Units Permitted

## Trailing 12-Month Totals



Source: UNLV CBER and Applied Analysis

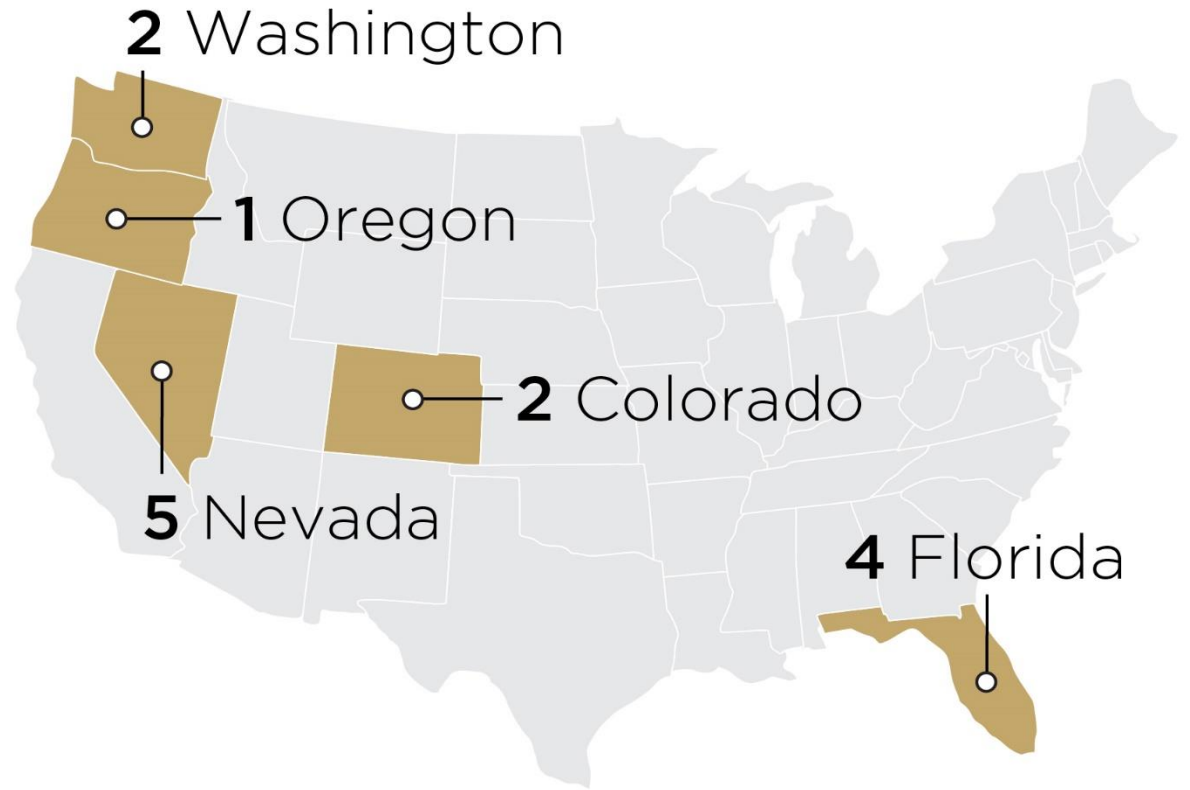
# Nevada Housing Price Index



Source: Federal Housing Finance Agency



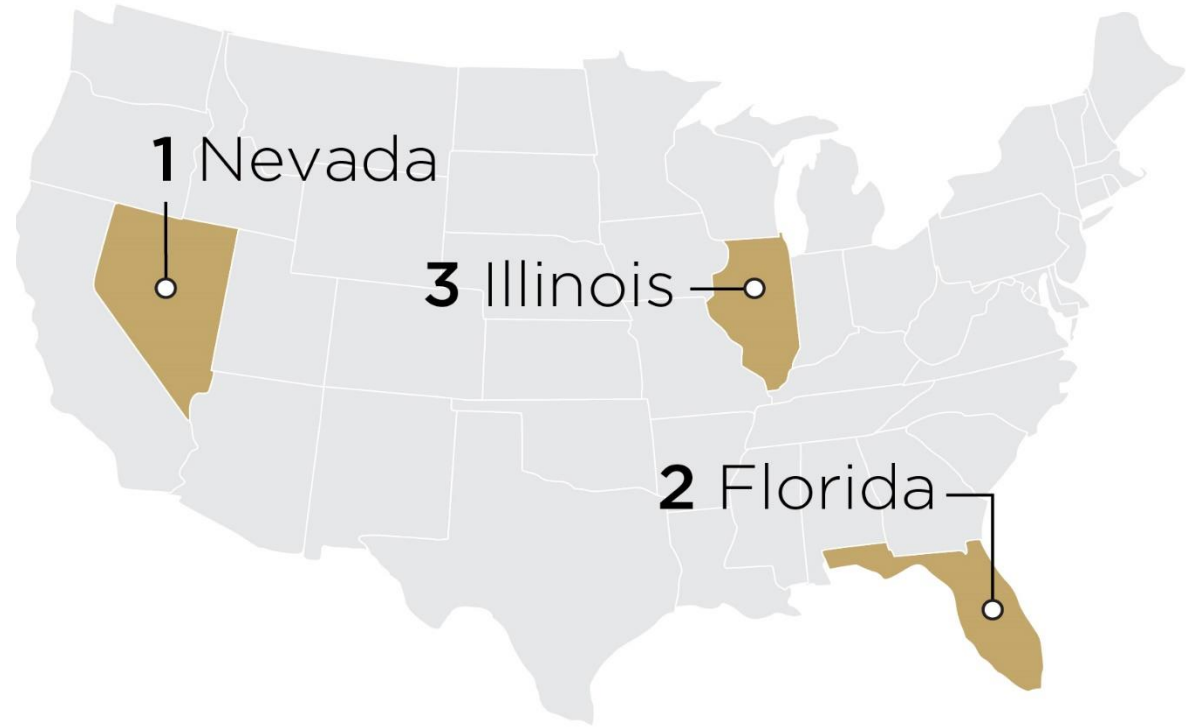
NEVADA  
HOUSE PRICE  
APPRECIATION  
**9.39%**



Source: Federal Housing Finance Agency Q2 2016 vs. Q2 2015



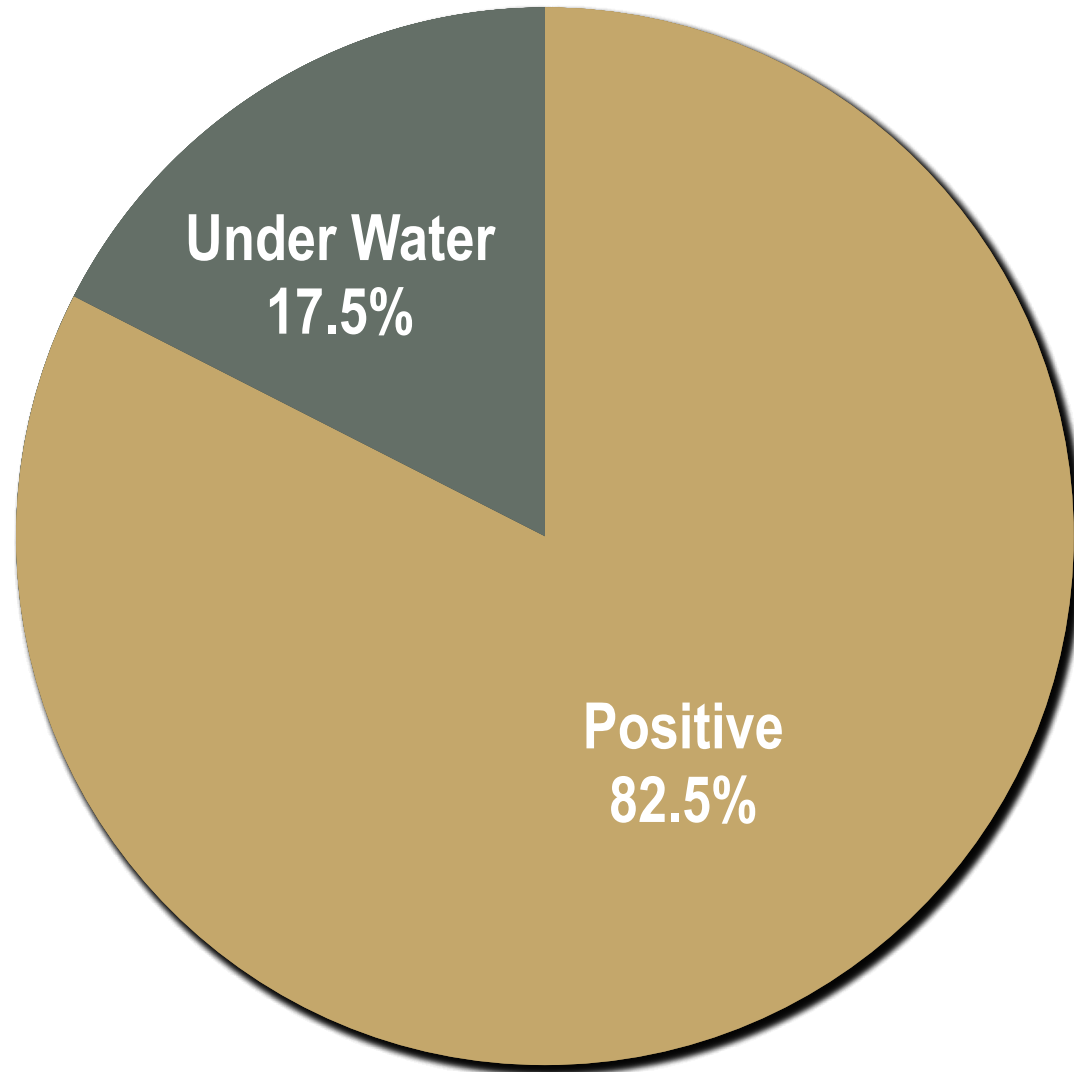
NEVADA  
UNDERWATER  
HOMES  
**17.5%**



Source: CoreLogic Q1 2016 Equity Report

# Nevada Homeowner's Equity

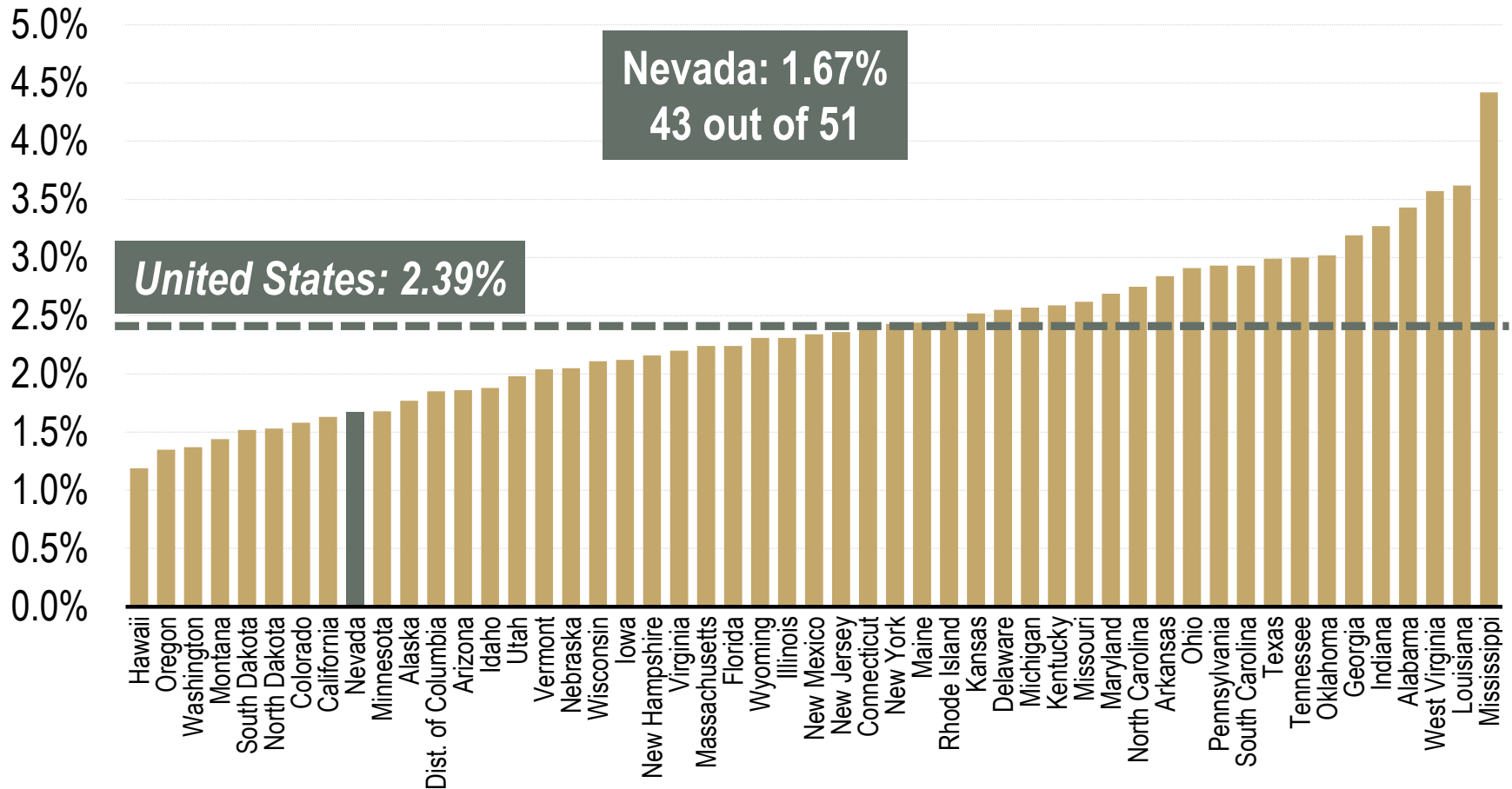
2016



Source: CoreLogic

# Mortgage Delinquencies: 30+ Days

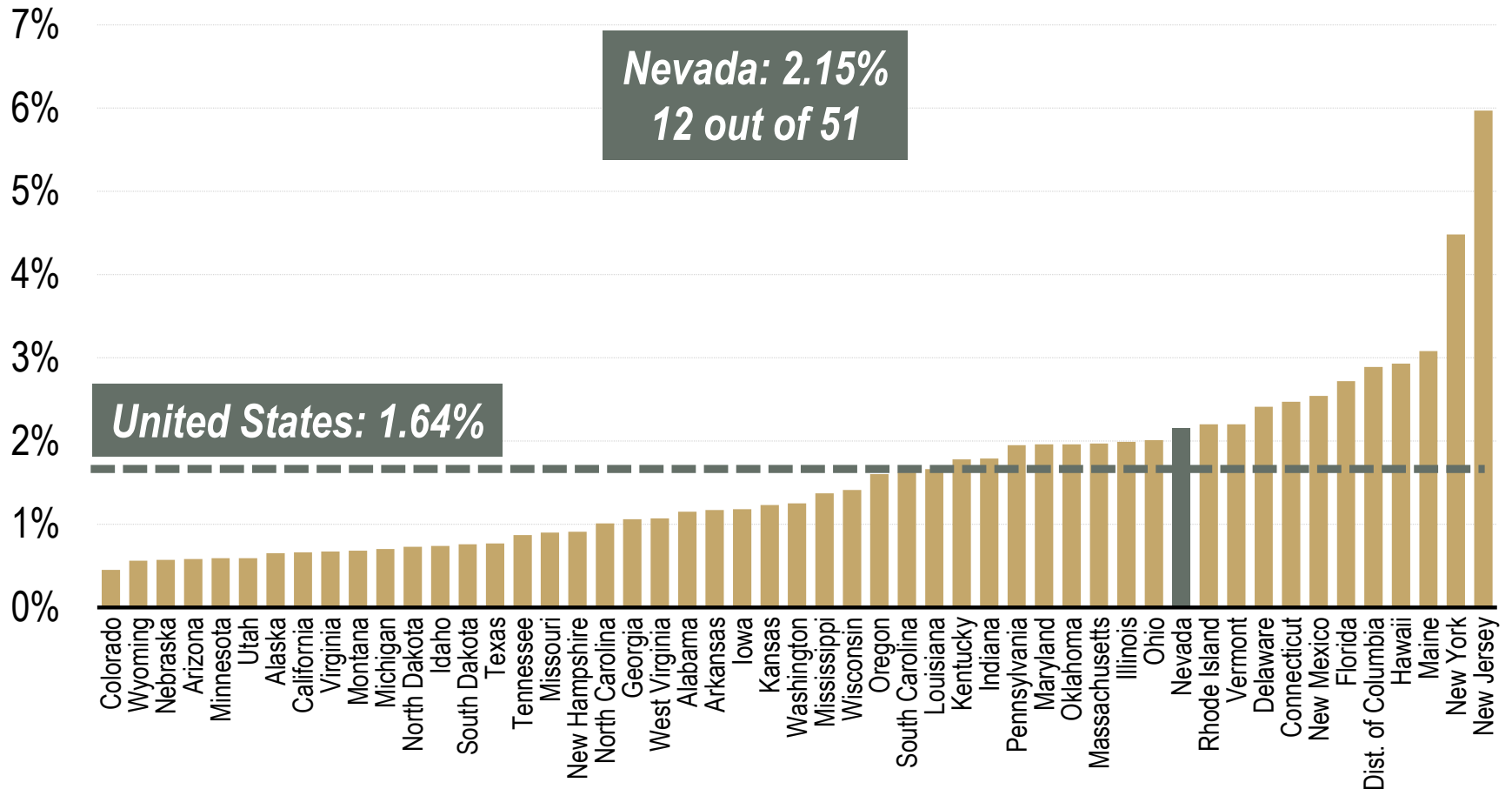
## As a Percent of Loans Outstanding



Source: Mortgage Bankers Association, Q2 2016 National Delinquency Survey

# Mortgage Delinquencies: In Foreclosure

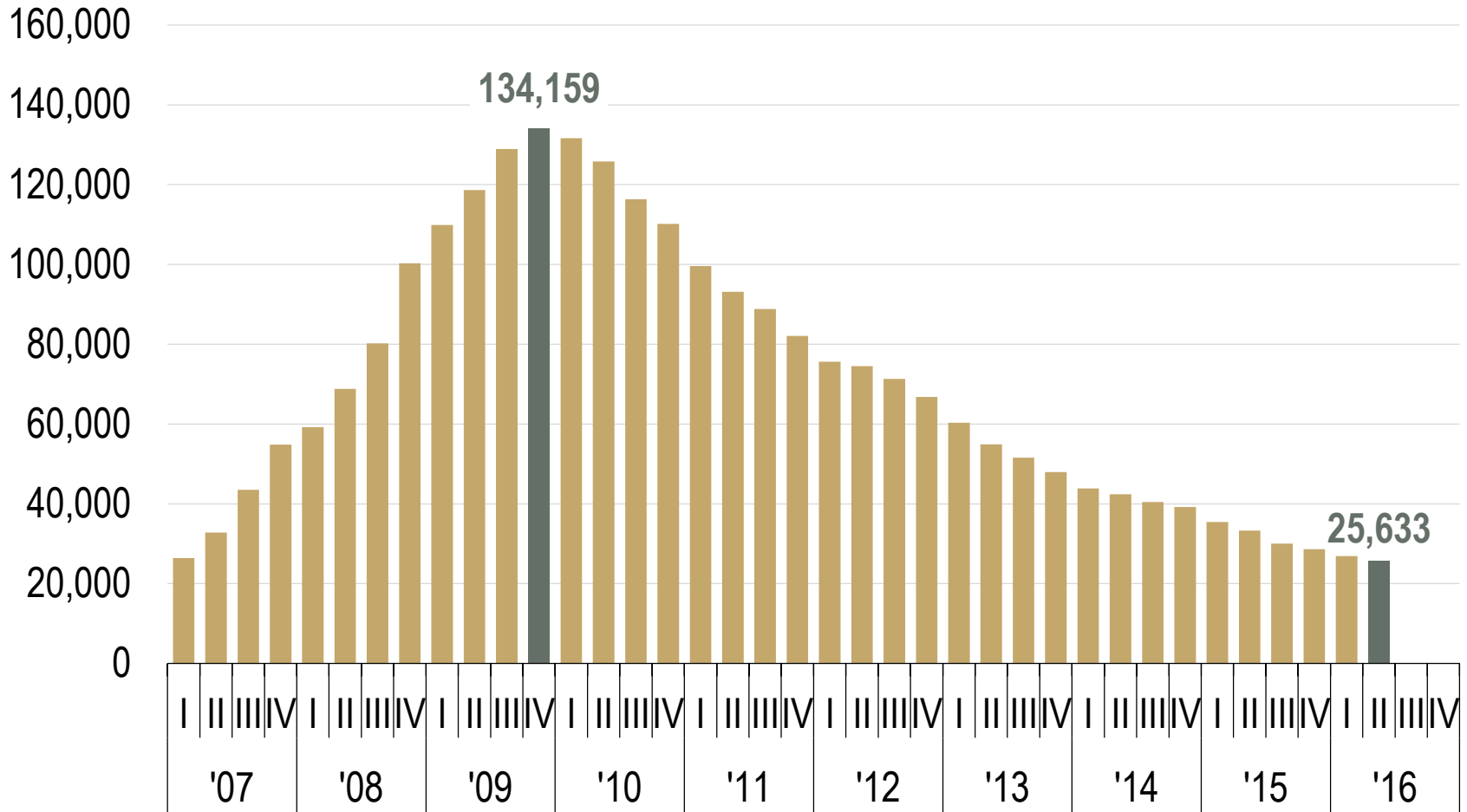
## As a Percent of Loans Outstanding



Source: Mortgage Bankers Association, Q2 2016 National Delinquency Survey

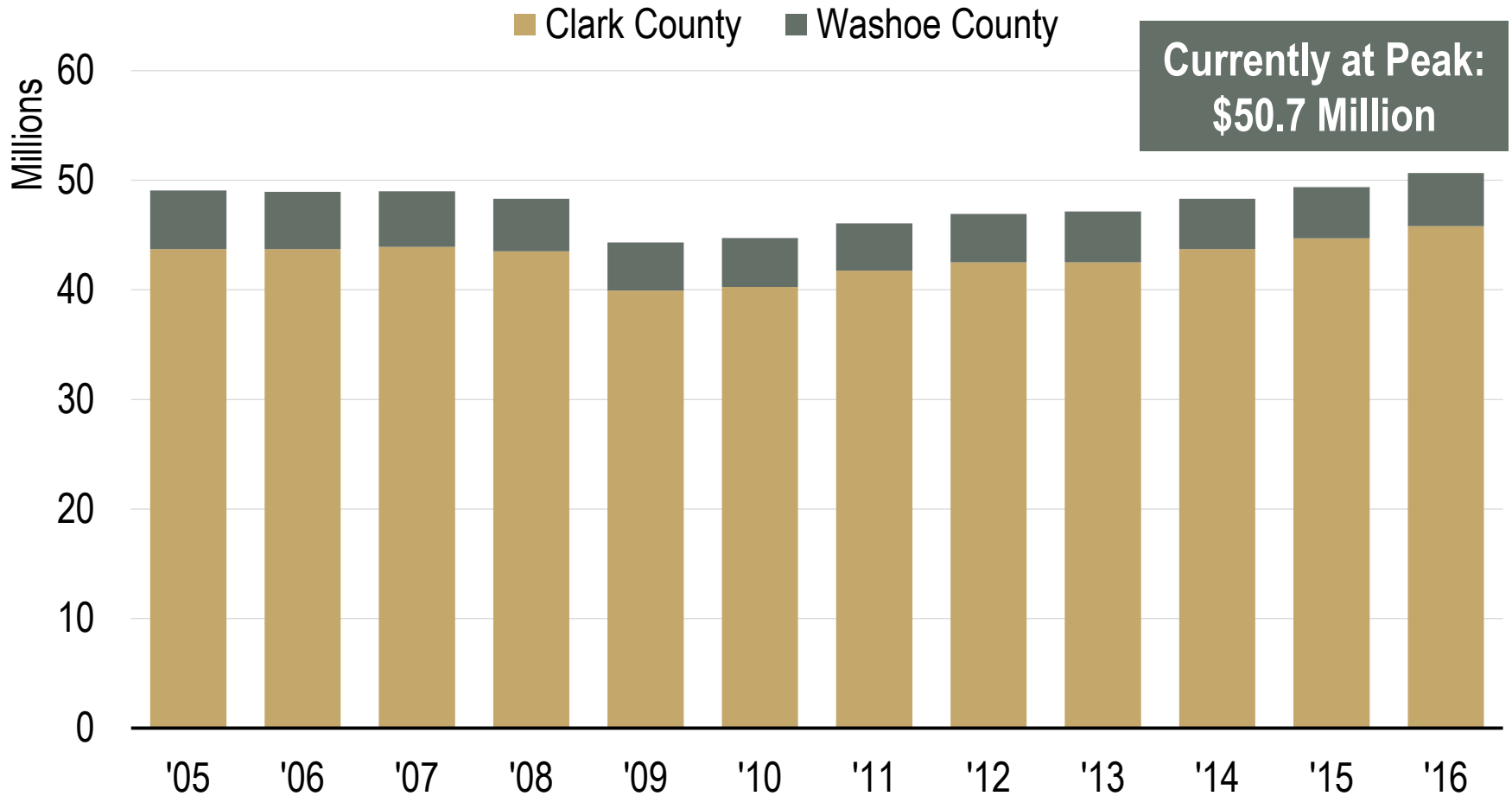


# Nevada No. of Mortgages Past Due + In Foreclosure



Source: Mortgage Bankers Association

# Visitor Volume

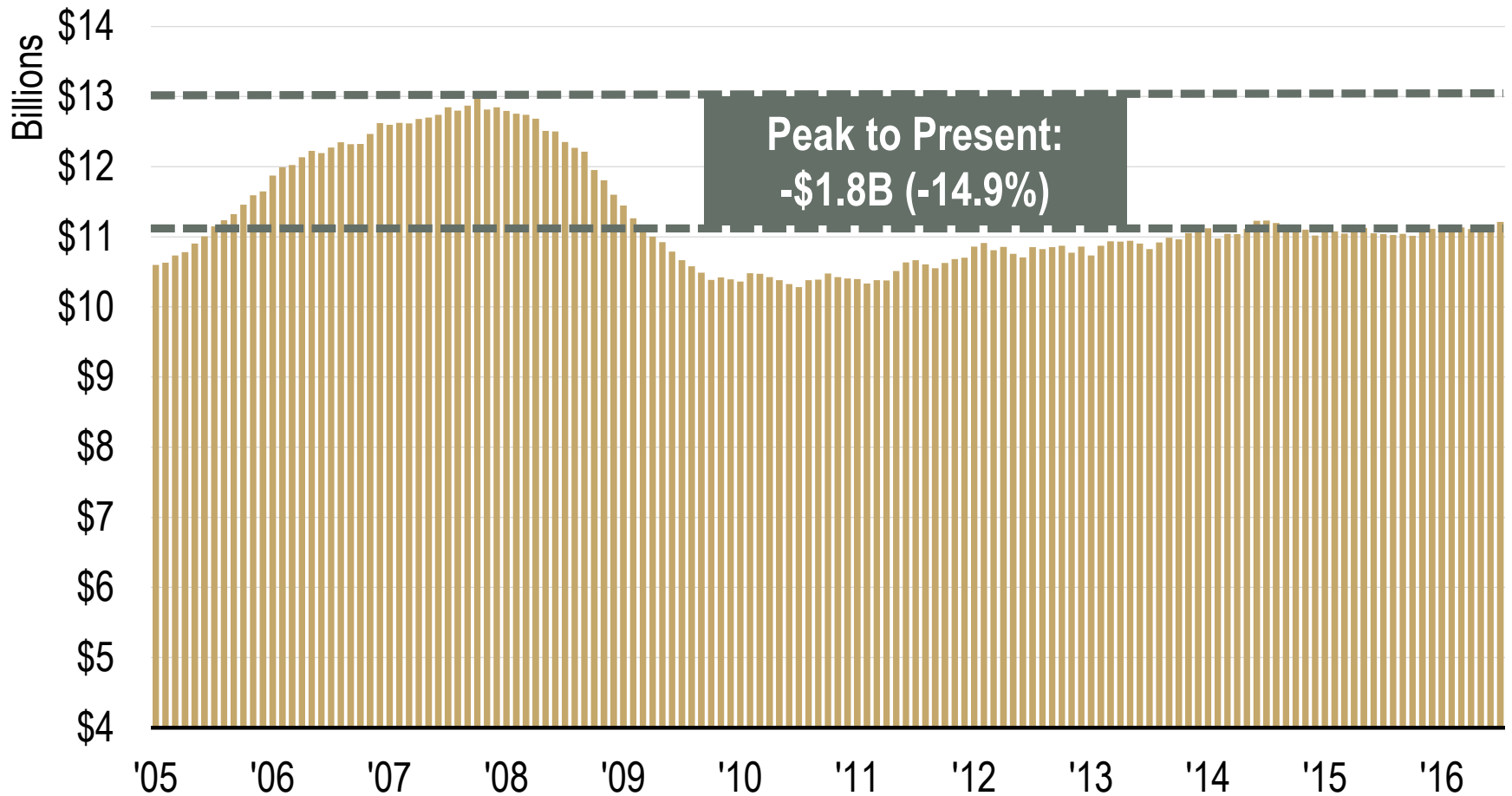


Note: Trailing 12-month totals ending in July of each year.

Source: Las Vegas Convention & Visitors Authority; Reno-Sparks Convention & Visitors Authority

# Nevada Gross Gaming Revenue

## Trailing 12-Month Totals



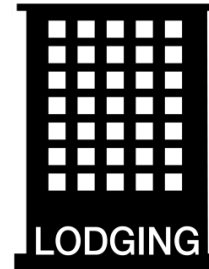
Source: Nevada Gaming Control Board

# Nevada's Tourism Economy

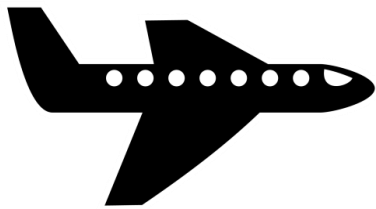
## Annual Growth (Trailing 12 Months)



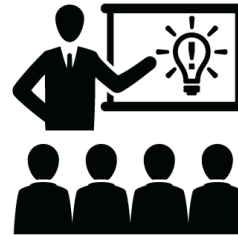
**Visitor Volume**  
**+3.9%**



**Occupancy Rate**  
**+1.5%**



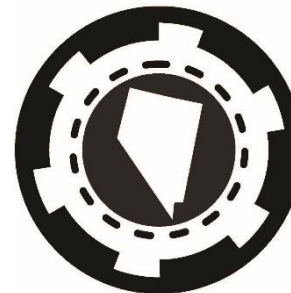
**Airport Traffic**  
**+6.8%**



**Convention Attendance**  
**+13.9%**



**Highway Traffic**  
**+0.7%**



**Gaming Revenue**  
**+1.6%**

Source: Nevada Commission on Tourism, Nevada Gaming Control Board and Applied Analysis



# \$30.3 Billion+

## Major Projects In Nevada

Source: Third-party Media and Applied Analysis



- \$5.0 Billion
- Under Construction
- 10 Million+ SF Battery Manufacturing Facility (Gigafactory)
- Phase I Recently Completed on July 29<sup>th</sup>



- \$4.0 Billion
  - \$3.0 Billion Northern Nevada Data Center
  - \$1.0 Billion Las Vegas Expansion
- Under Construction
- 500 Mile Superloop
- Once Complete, NV Campuses will Total 8.8 Million SF



Source: Switch; Las Vegas Review-Journal



- \$4.0 Billion
- Under Construction
- +3,000 Rooms
- 3,500 Slot Machines and Table Games
- Est. Completion: 2018 (Phase I)







# Las Vegas Sands/Majestic Stadium

- \$1.9 Billion
- Proposed
- 65,000 Seats
- 62 Acres on Russell Road
- Est. Completion: 2022



# Wynn Paradise Park

- \$1.6 Billion
- Planned
- 1,000 Rooms
- 260,000 SF Meeting Space
- 38-Acre Lagoon
- Est. Completion: 2020



# Las Vegas Convention Center District Expansion

- \$1.4 Billion
- Proposed
- \$810 Million Annual Economic Impact
- 7,850 Permanent Jobs
- Est. Completion: 2022





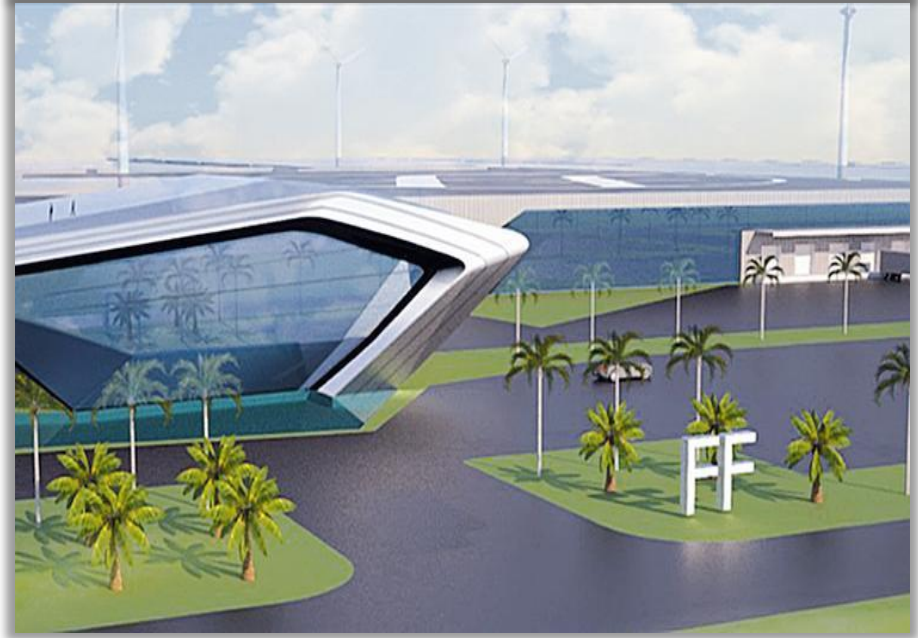
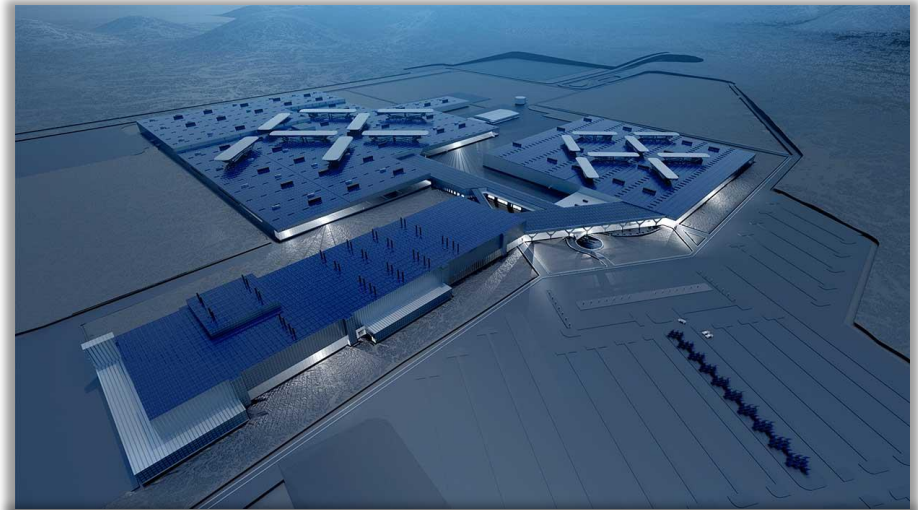
# West 2<sup>nd</sup> District (Downtown Redevelopment Project)

- \$1.2 Billion
- Planned
- 17-Acre Multi-Building
- Est. Completion: 2026



# Faraday Future

- \$1.0 Billion
- Under Construction
- 3 Million SF
- Located in Apex Industrial Park
- Est. Completion: 2017





# Apple Data Center Expansion

- \$1.0 Billion
- Under Construction
- 14 Buildings
- 412,000 SF
- Est. Completion: Late 2016 (Project Mills)

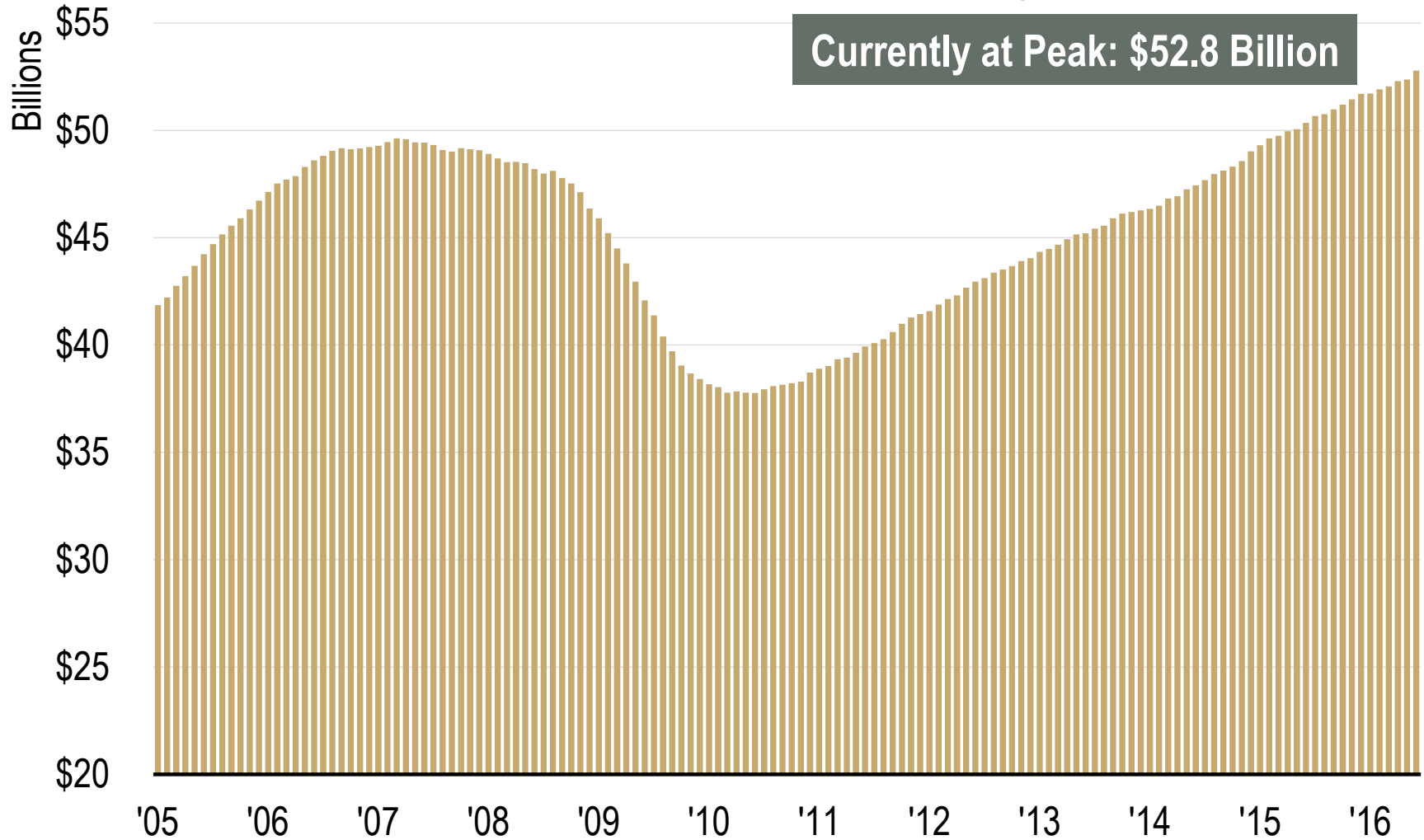


# NEVADA **FISCAL** HIGHLIGHTS



# Nevada Taxable Retail Sales

## Trailing 12-Month Total

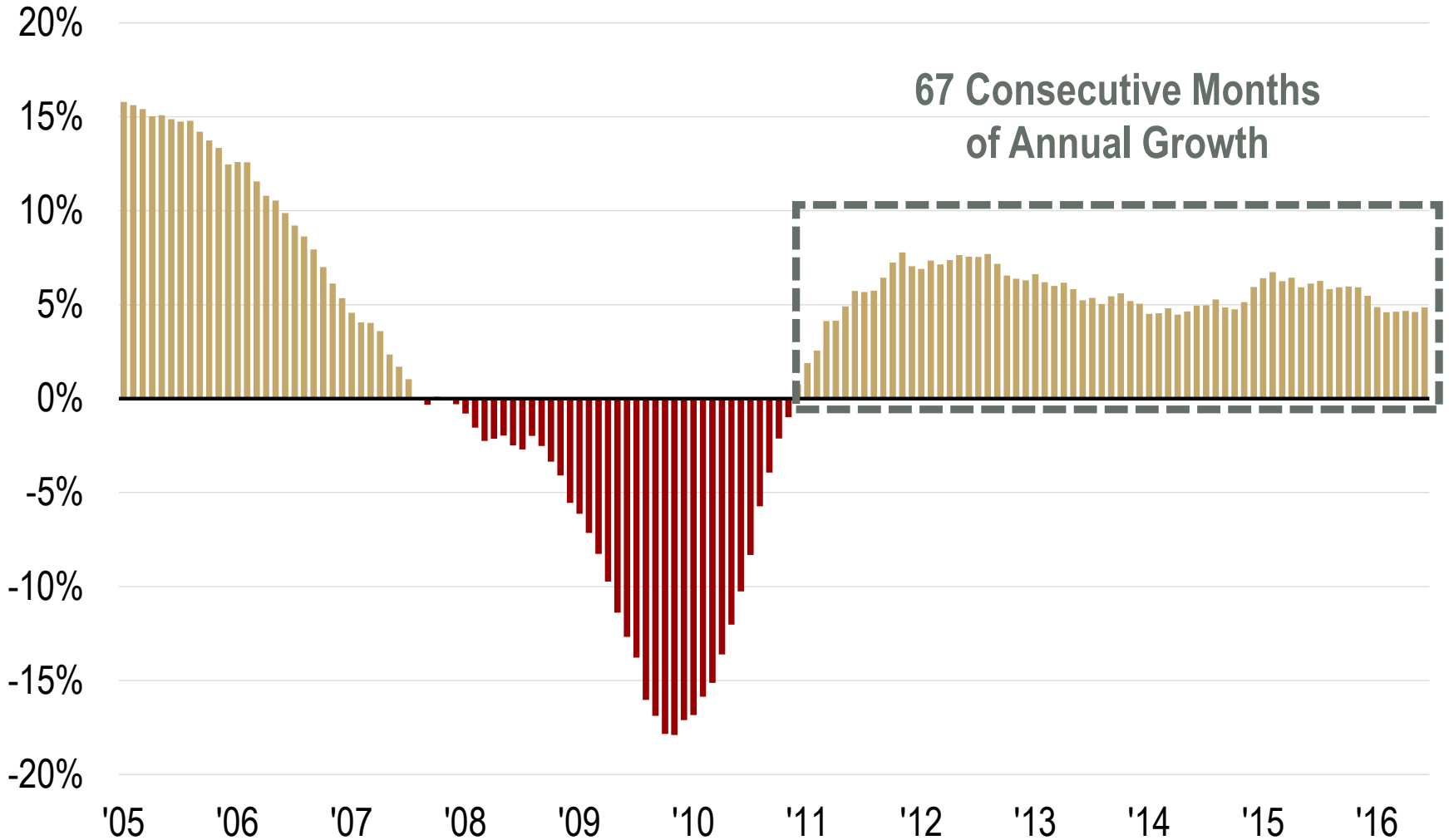


Source: Nevada Department of Taxation



# Nevada Taxable Retail Sales

## Year-over-Year Growth



Source: Nevada Department of Taxation

# Nevada Taxable Retail Sales

## Notable Sector Growth



UTILITIES  
**58%**



NONSTORE  
RETAILERS  
**16%**



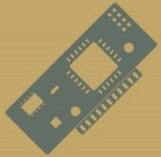
ADMINISTRATIVE  
AND SUPPORT  
SERVICES  
**12%**



GASOLINE  
STATIONS  
**11%**



FURNITURE  
**10%**



PROFESSIONAL,  
SCIENTIFIC &  
TECHNICAL SERVICES  
**9%**



BUILDING  
MATERIALS  
**8%**



RENTAL & LEASING  
SERVICES  
**8%**



AUTOMOBILES  
**7%**

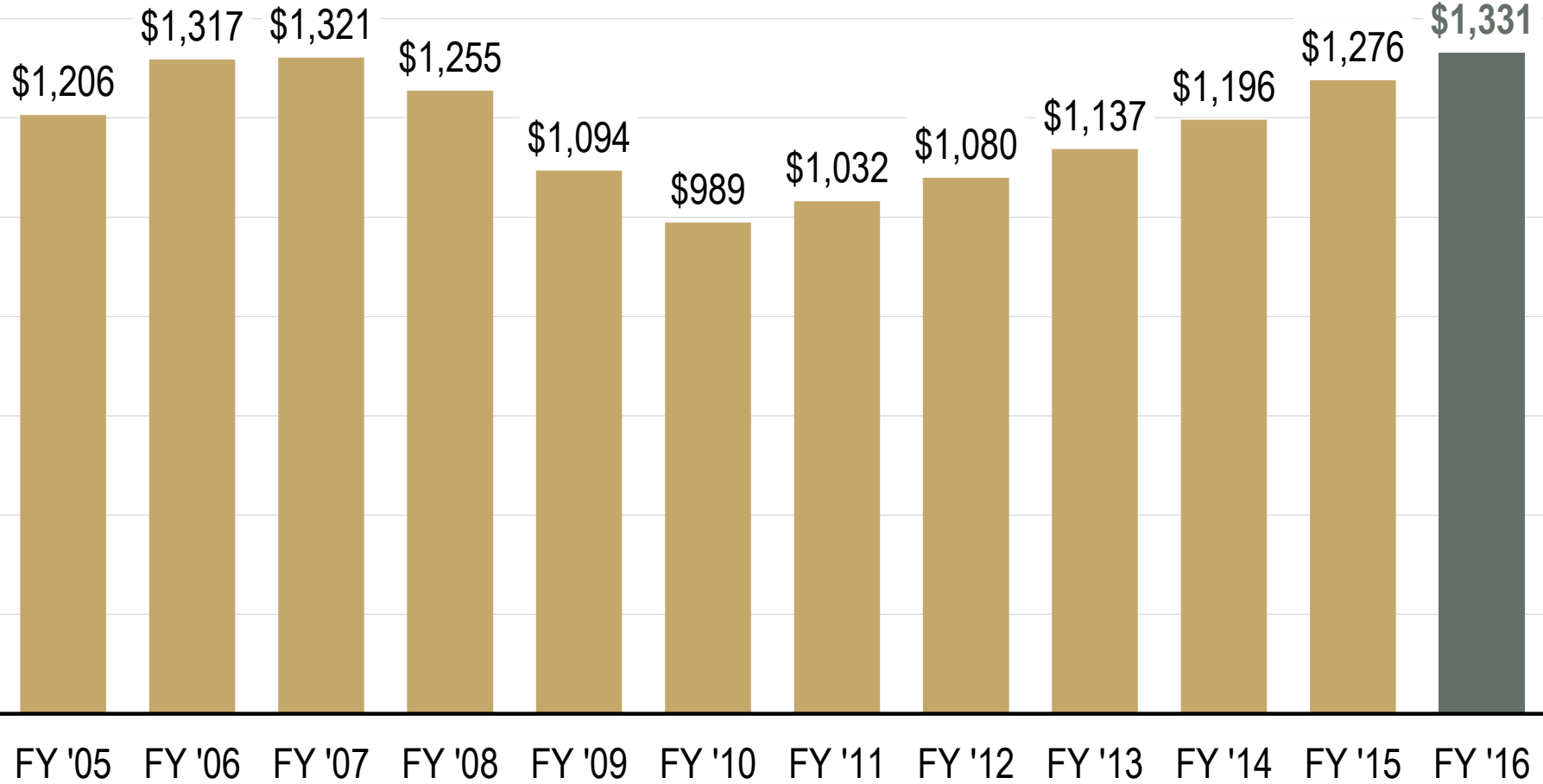


FOOD & BEVERAGE  
SERVICES  
**5%**

Source: Nevada Department of Taxation and Applied Analysis

# Consolidated Tax Revenue

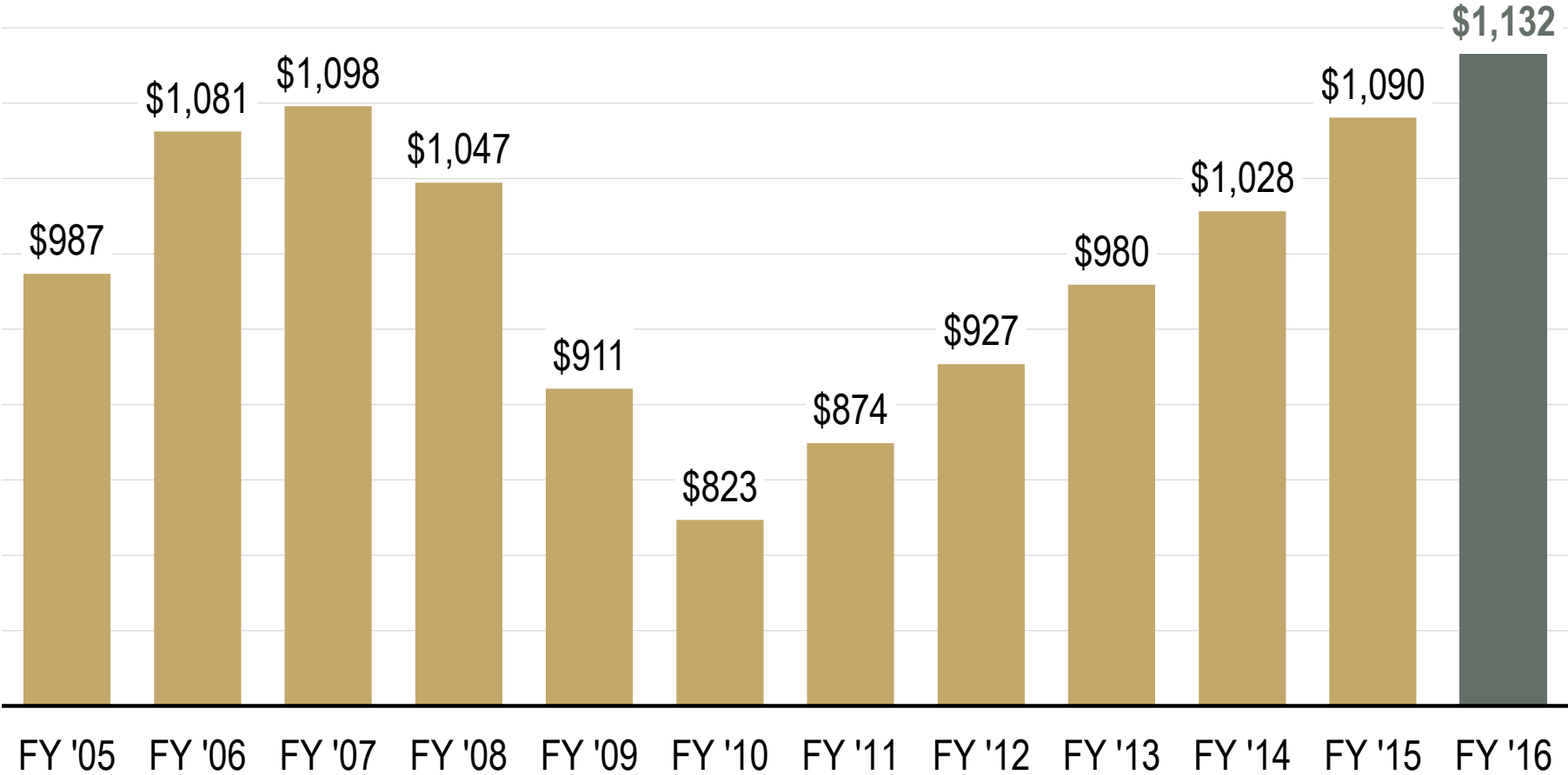
(in Millions)



Source: Nevada Department of Taxation

# Sales Tax Revenue

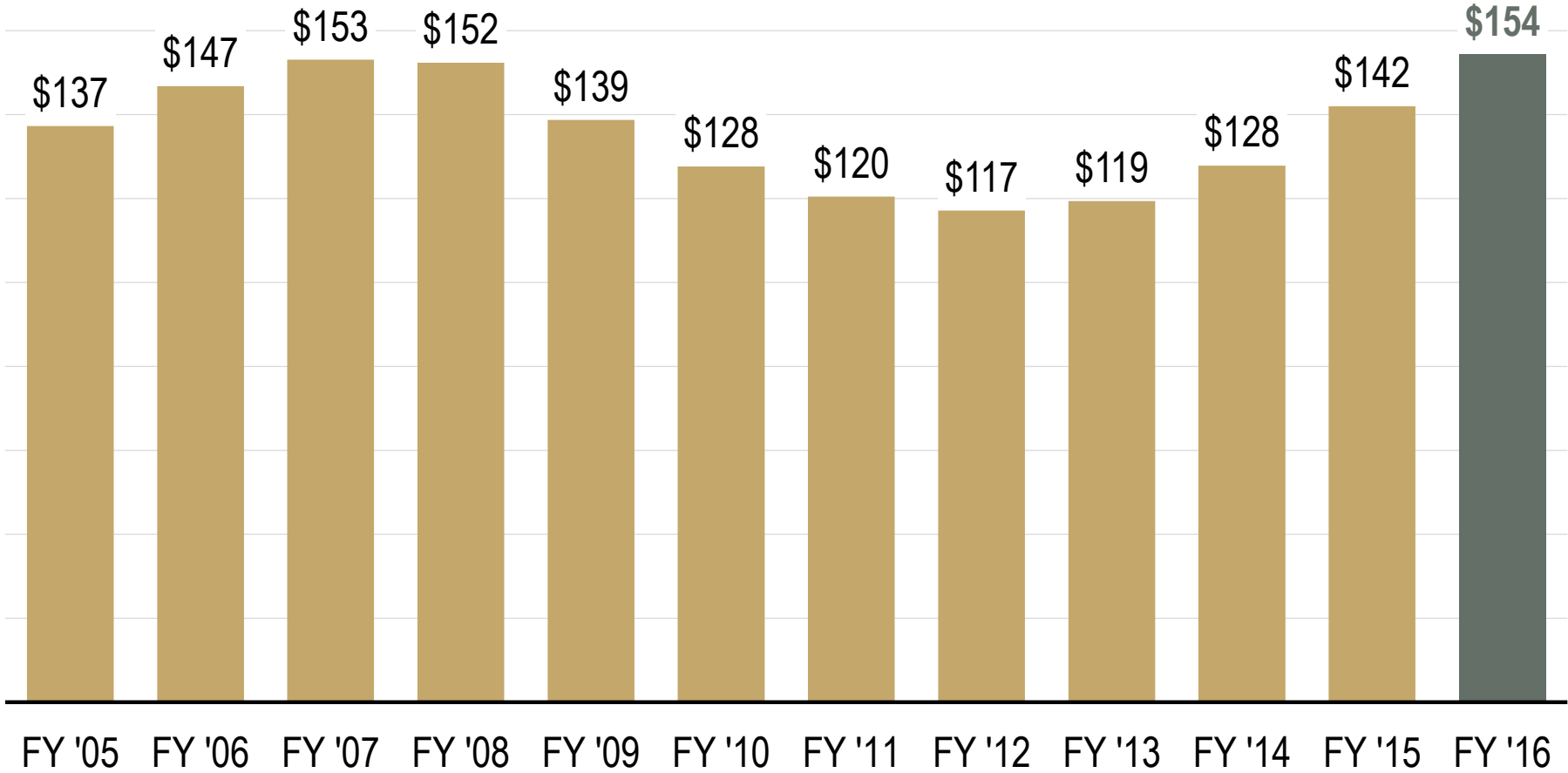
(in Millions)



Source: Nevada Department of Taxation

# Government Services Tax Revenue

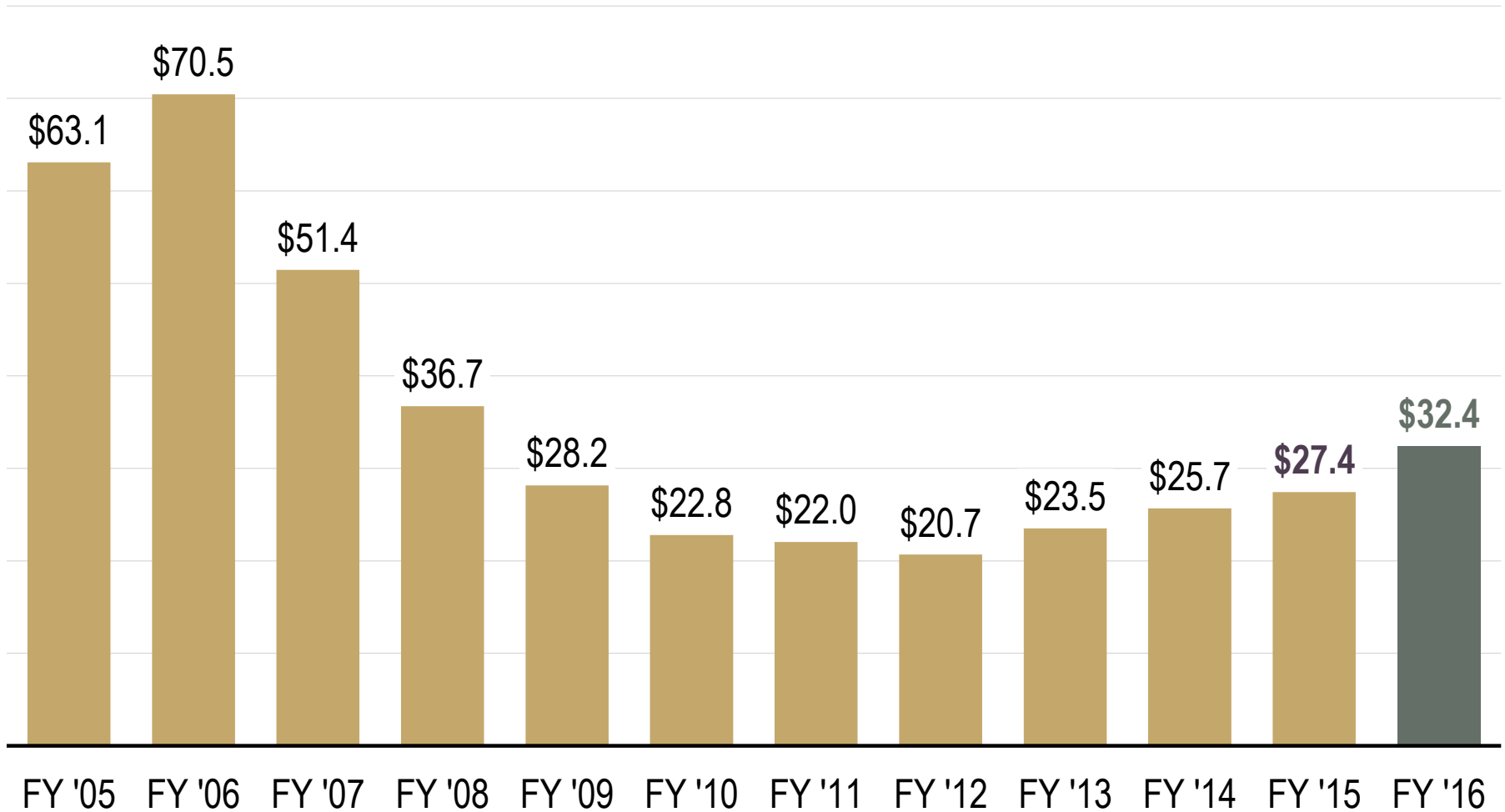
(in Millions)



Source: Nevada Department of Taxation

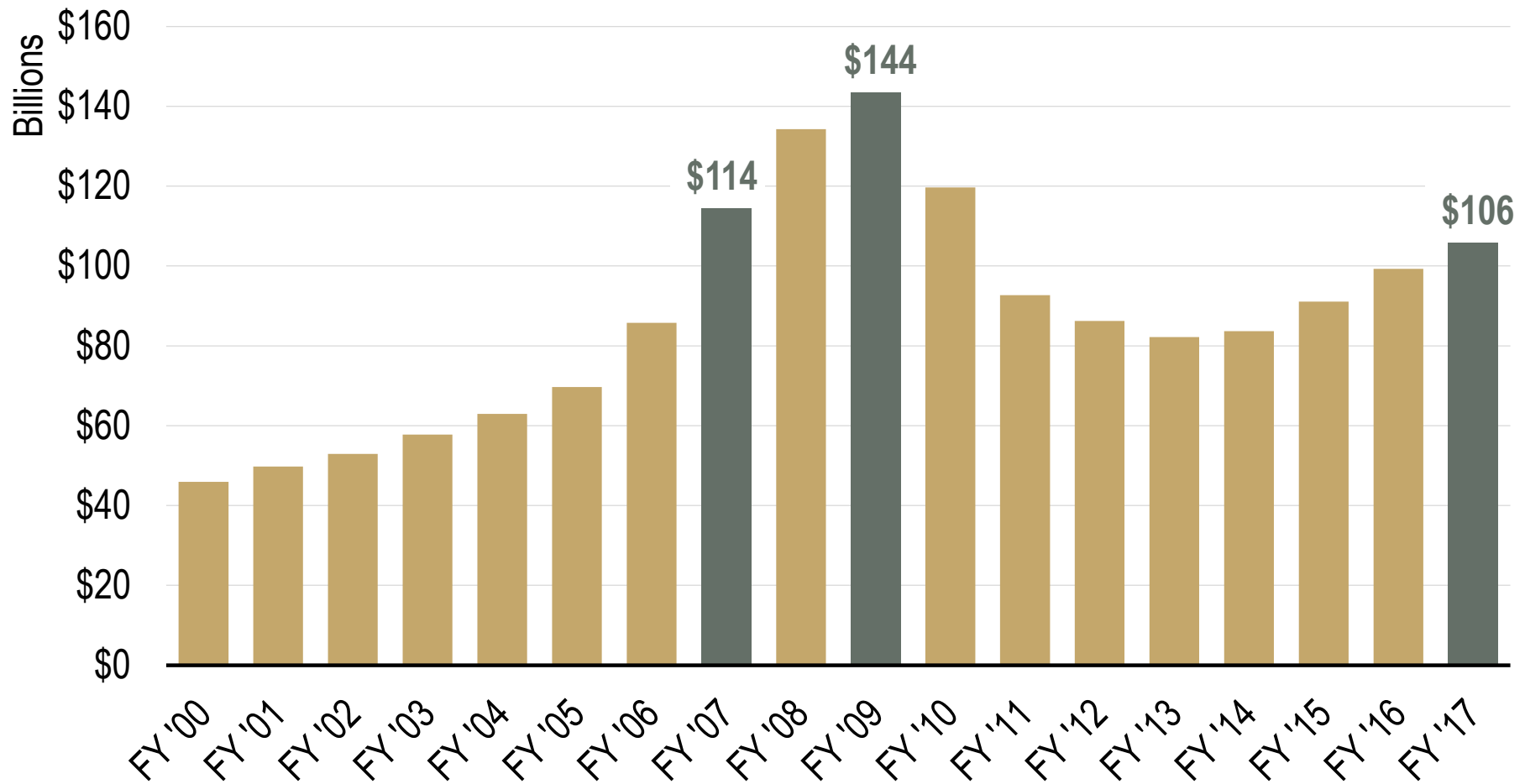
# Real Property Transfer Tax Revenue

(in Millions)



Source: Nevada Department of Taxation

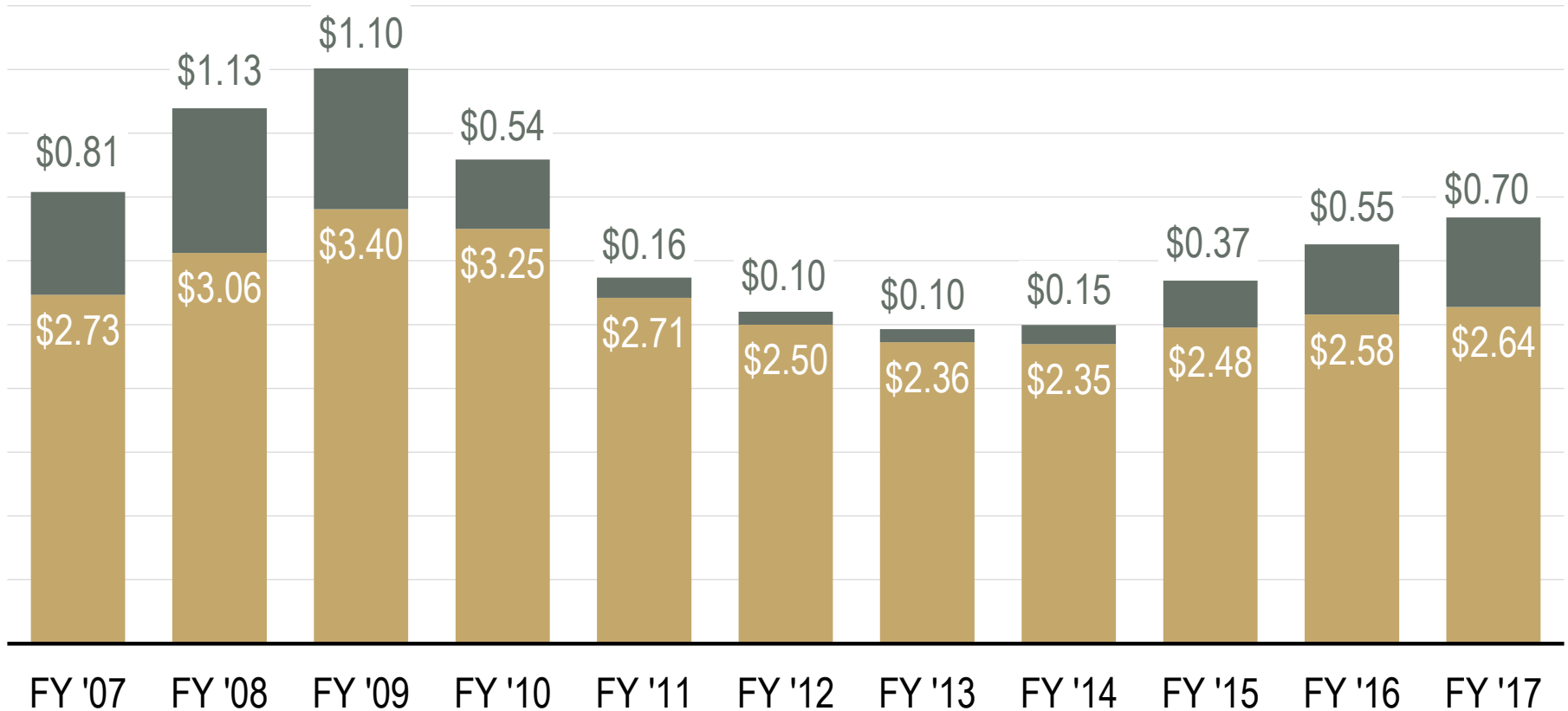
# Nevada Assessed Values



Source: Nevada Department of Taxation, Redbook

# Property Tax Revenues – Total (in Billions)

■ Projected Tax Revenue    ■ Projected Tax Abatement



Source: Nevada Department of Taxation, Redbook



# Nevada Commerce Tax

*The Commerce Tax is an annual tax passed by the Nevada Legislature during the 2015 Legislative Session. The tax is imposed on businesses with a Nevada gross revenue exceeding \$4 million in the taxable year.*

**\$119.8 M**

Fiscal Year 2016 Forecasted Commerce Tax Revenue for the General Fund

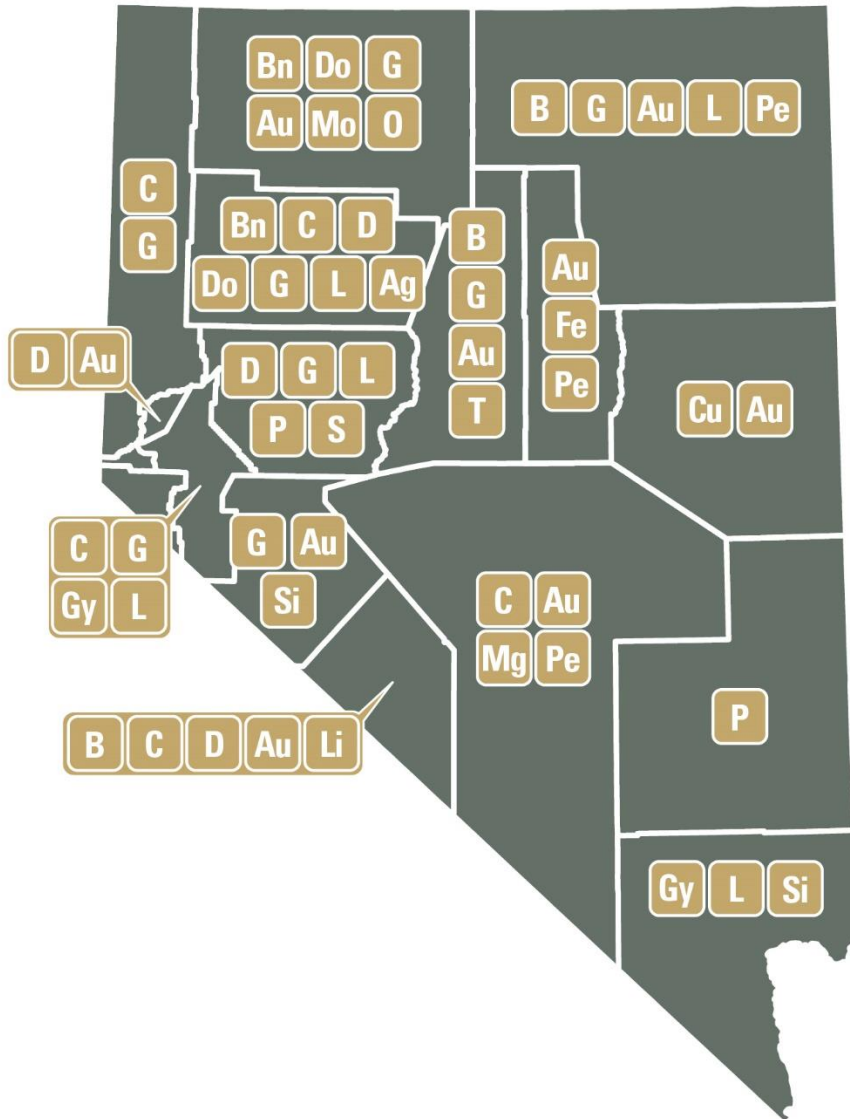
Source: Nevada Department of Taxation



# THE ROLE OF MINING



# Existing Mining Activity

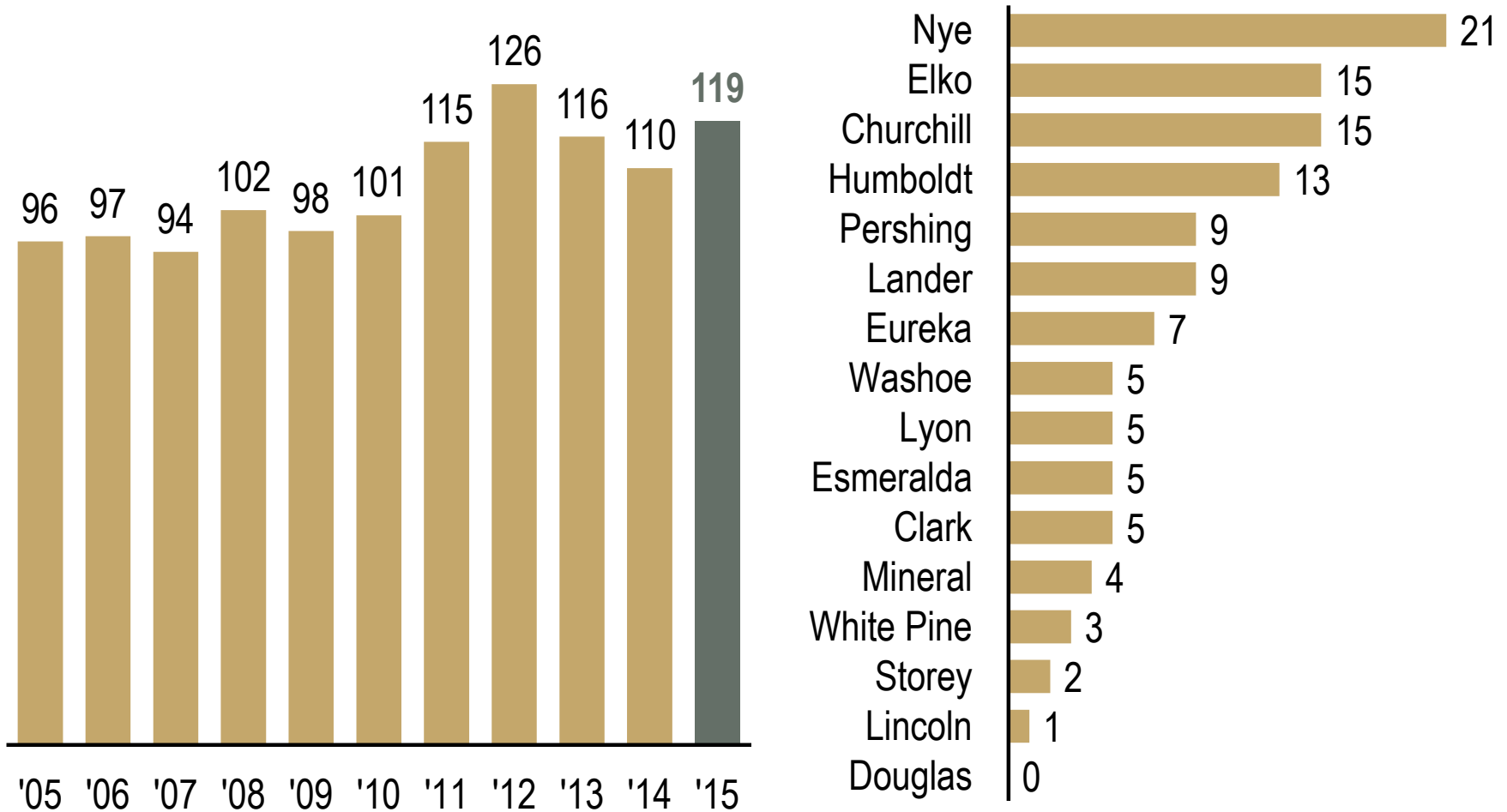


- |                     |                      |
|---------------------|----------------------|
| <b>B</b> Barite     | <b>Li</b> Lithium    |
| <b>Bn</b> Bentonite | <b>Mg</b> Magnesium  |
| <b>C</b> Clay       | <b>Mo</b> Molybdenum |
| <b>Cu</b> Copper    | <b>O</b> Opals       |
| <b>D</b> Diatomite  | <b>P</b> Perlite     |
| <b>Do</b> Dolomite  | <b>Pe</b> Petroleum  |
| <b>G</b> Geothermal | <b>S</b> Salt        |
| <b>Au</b> Gold      | <b>Si</b> Silica     |
| <b>Gy</b> Gypsum    | <b>Ag</b> Silver     |
| <b>Fe</b> Iron Ore  | <b>T</b> Turquoise   |
| <b>L</b> Limestone  |                      |

**119 Active Mining Operations**

Source: NVMA and Nevada Department of Taxation

# Number of Active Mining Operators



Source: Nevada Department of Taxation



# Mining Presence in Nevada

*In what year was your company established in Nevada?*



Average Year  
Established:

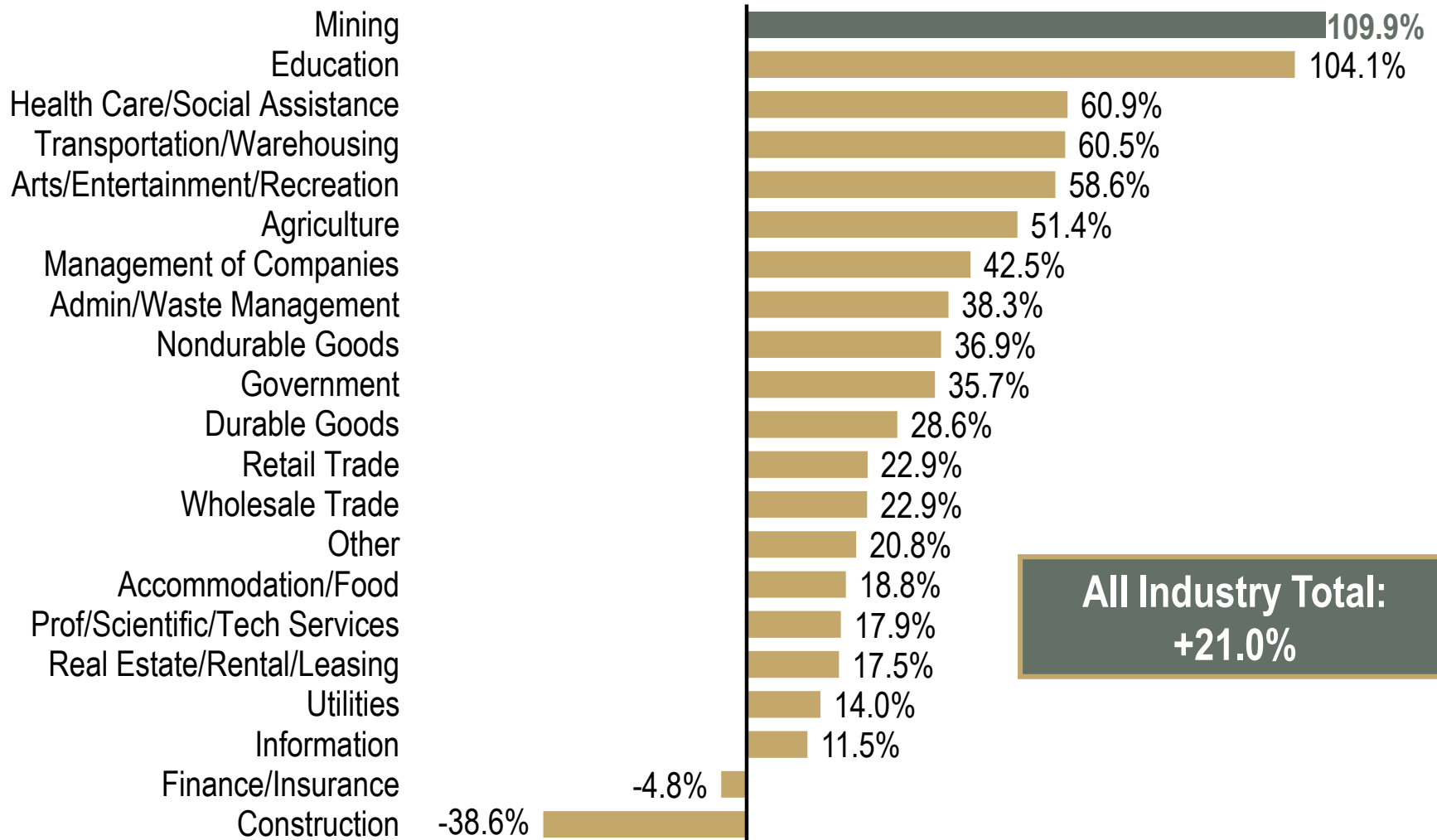
**1989**

Oldest Respondent Company: 1931  
Youngest Respondent Company: 2015

Source: NVMA Member Survey (2016)

# Nevada GDP Growth by Sector

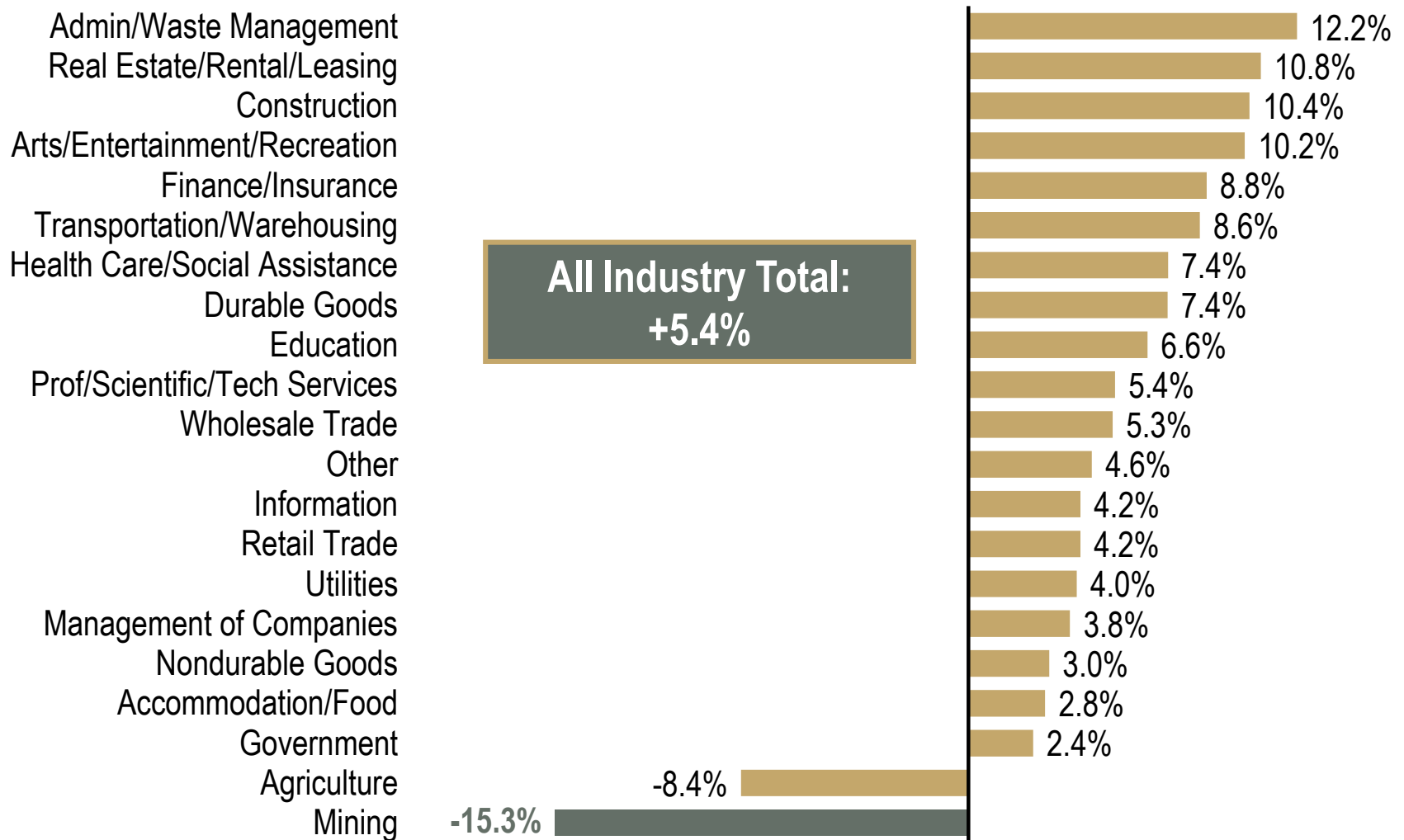
## 2005-2015 Compound Annual Growth Rate



Source: United States Bureau of Economic Analysis

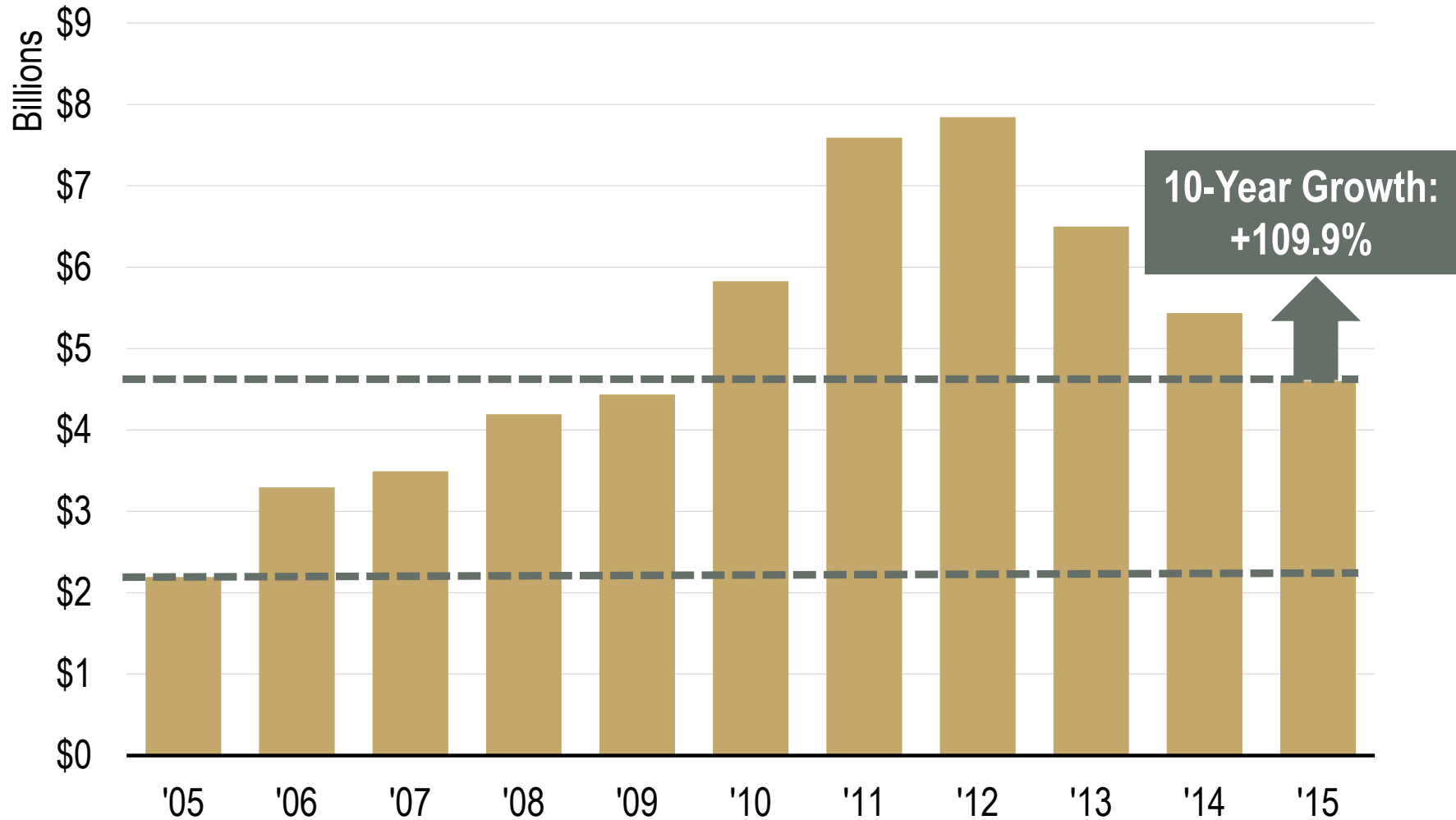
# Nevada GDP Growth by Sector

## 2014-2015 Compound Annual Growth Rate



Source: United States Bureau of Economic Analysis

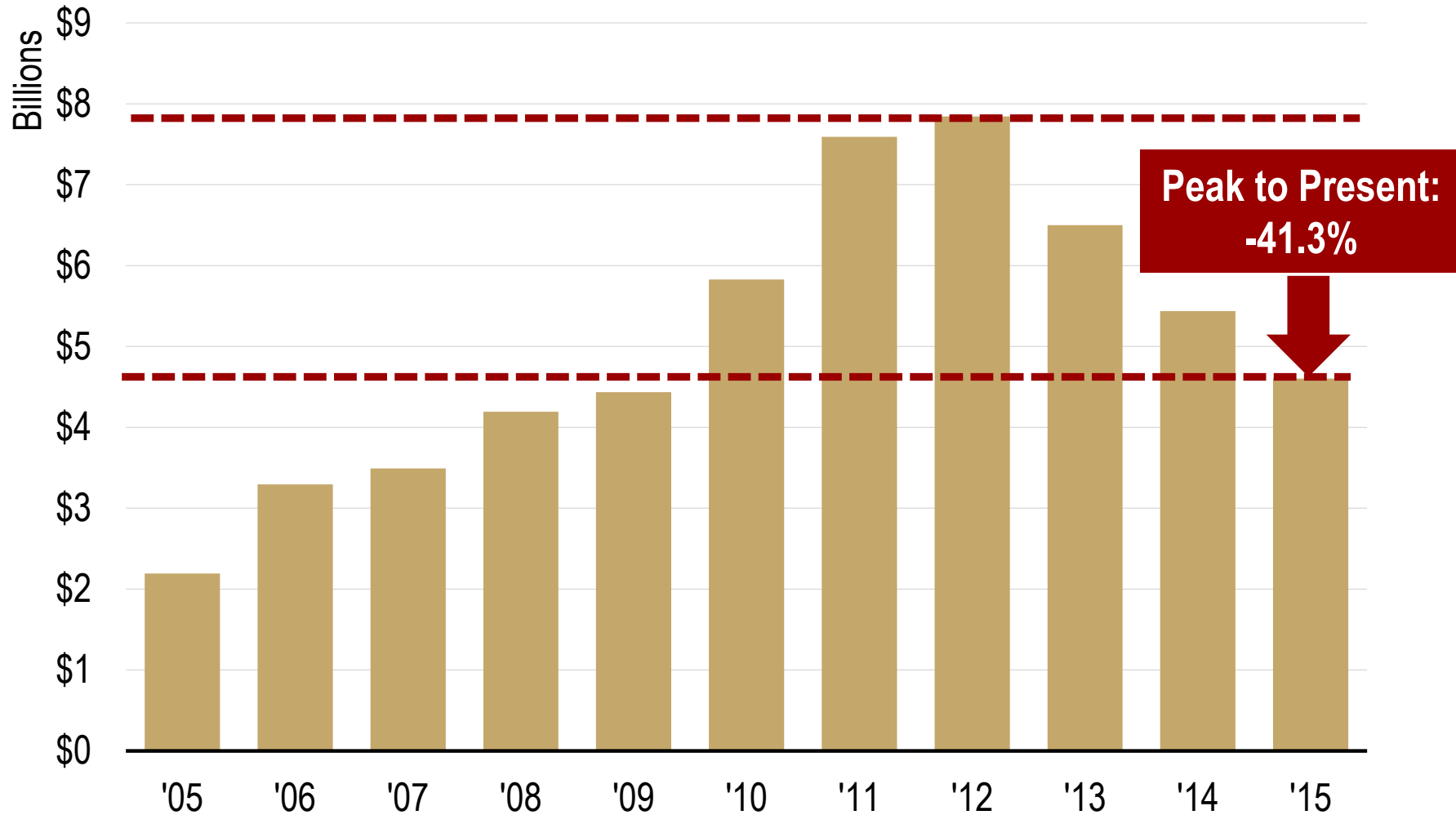
# Nevada Mining GDP



Source: United States Bureau of Economic Analysis

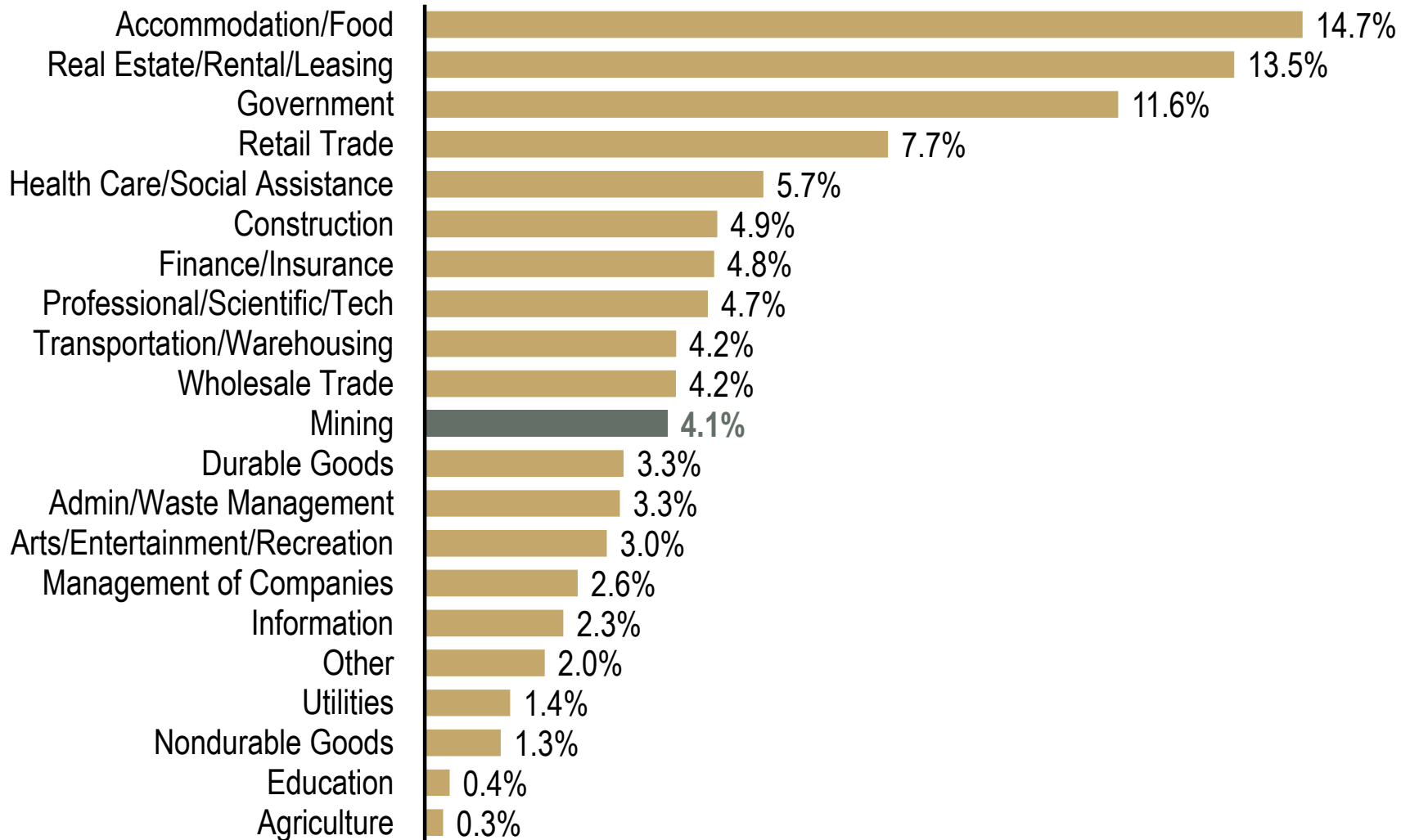


# Nevada Mining GDP



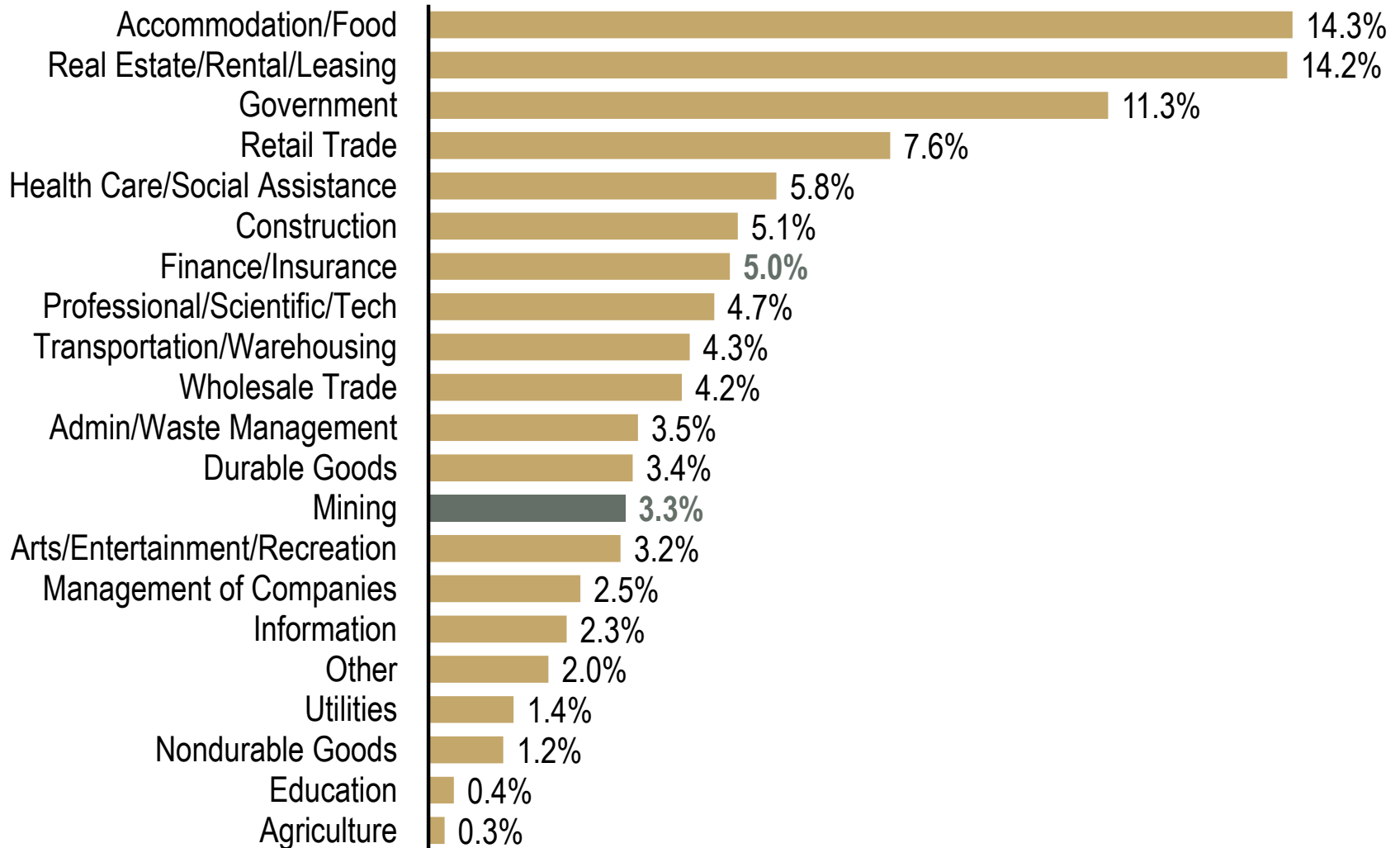
Source: United States Bureau of Economic Analysis

# 2014 Industry GDP as Share of Total By Sector



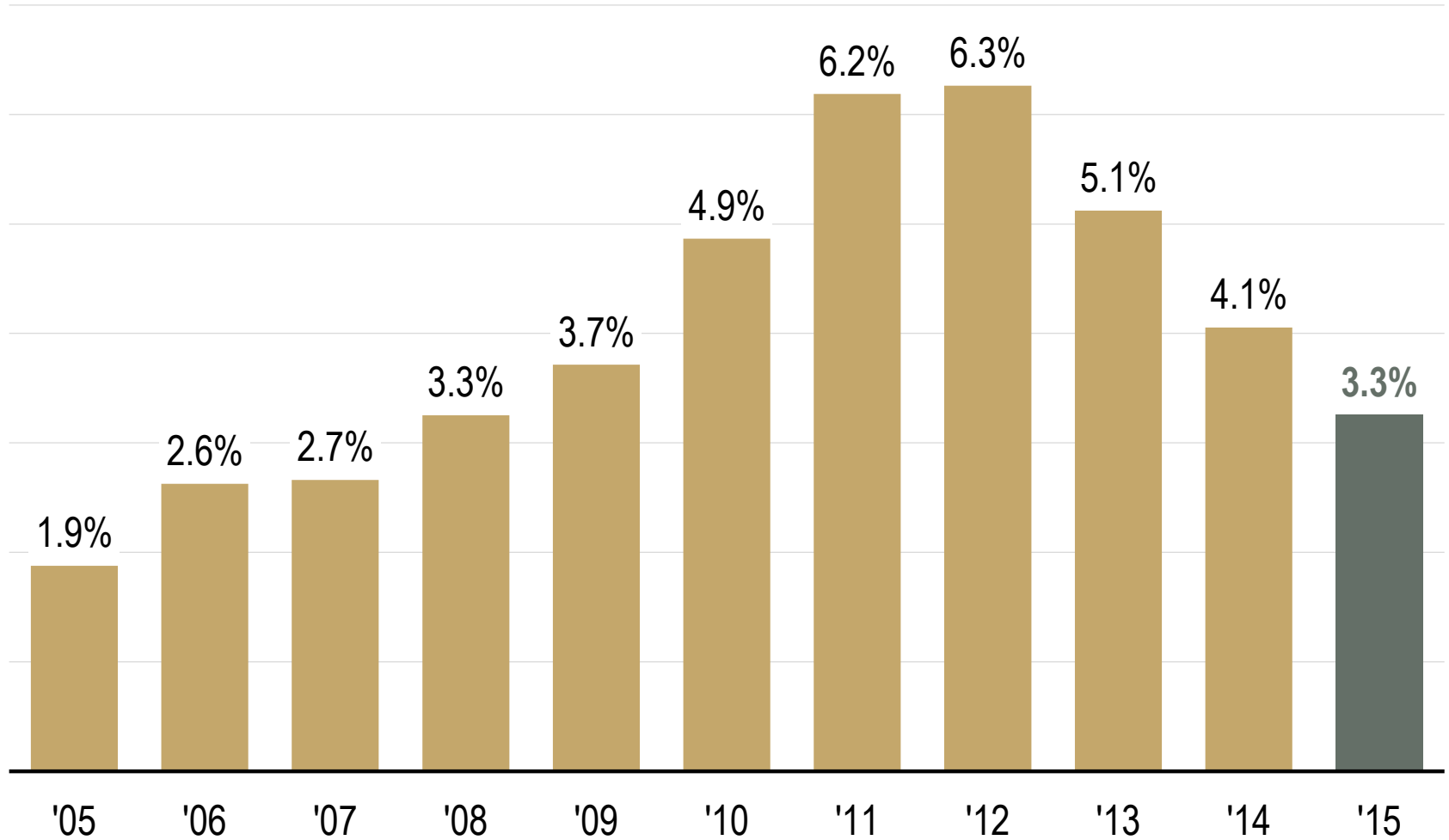
Source: United States Bureau of Economic Analysis

# 2015 Industry GDP as Share of Total By Sector



Source: United States Bureau of Economic Analysis

# Mining GDP as Share of Total



Source: United States Bureau of Economic Analysis



# New Projects and Investments

Long Canyon, Nevada is under construction and expected to achieve commercial production in first half of 2017



Investing in technology to improve the accuracy of aerial surveys completed by drones

Ongoing exploration at Gold Rush

Purchase of office building in Elko for county-specific operations

Northwest Exodus, Nevada is an underground extension in the Carlin North Area that is expected to extend mine life by 7 years

\$50 million exploration costs in 2015

Installed new capacity in processing plants

\$18 million projected exploration expenditures

Identification of 4-mile zone north of Gold Rush orebody near Cortez (ongoing exploration)

Construction of twin underground declines for exploration of Gold Rush orebody near Cortez

Commercial production achievement at Arturo near Goldstrike

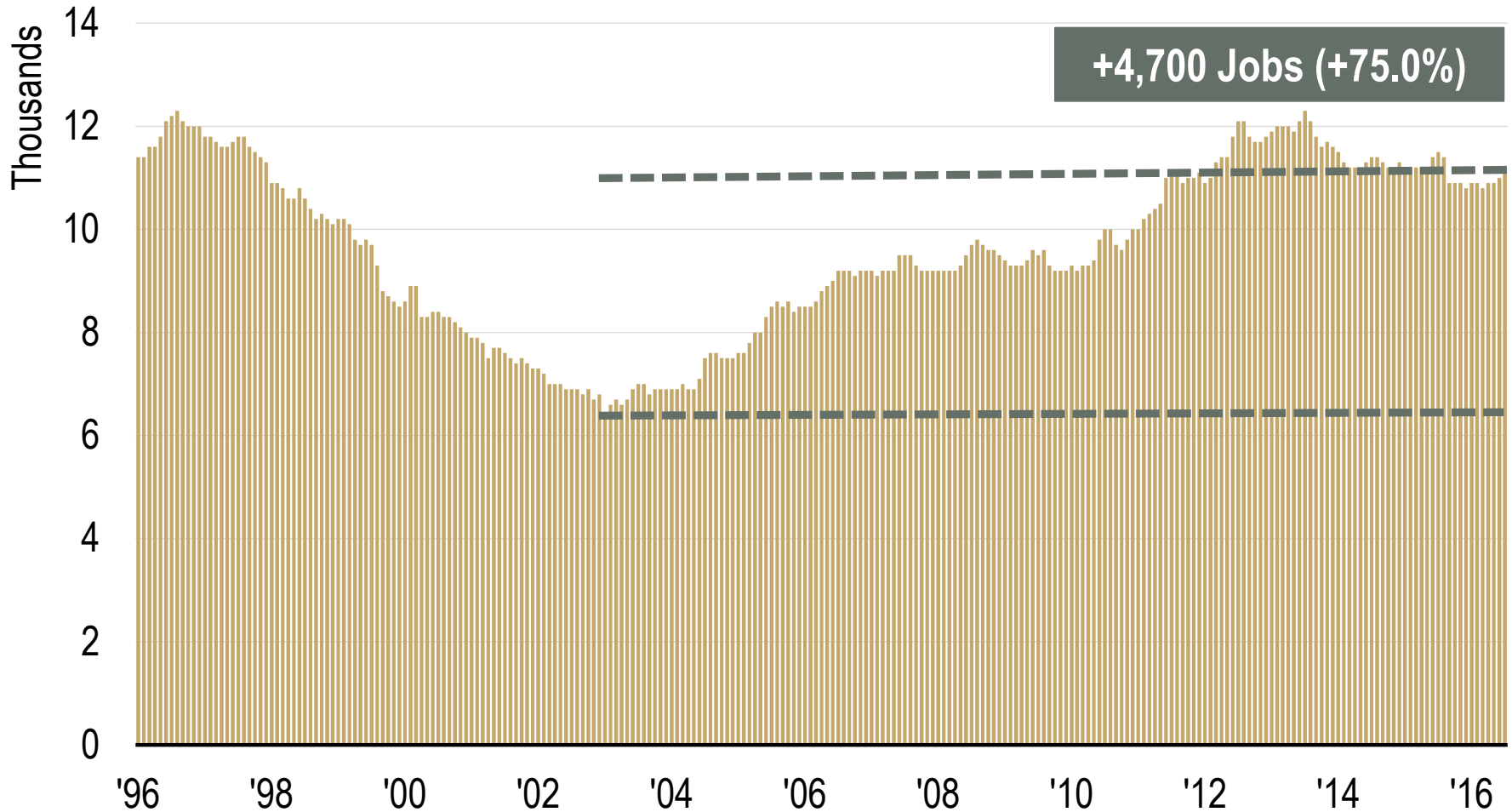
Source: NVMA Member Survey (2016)



# MINING EMPLOYMENT

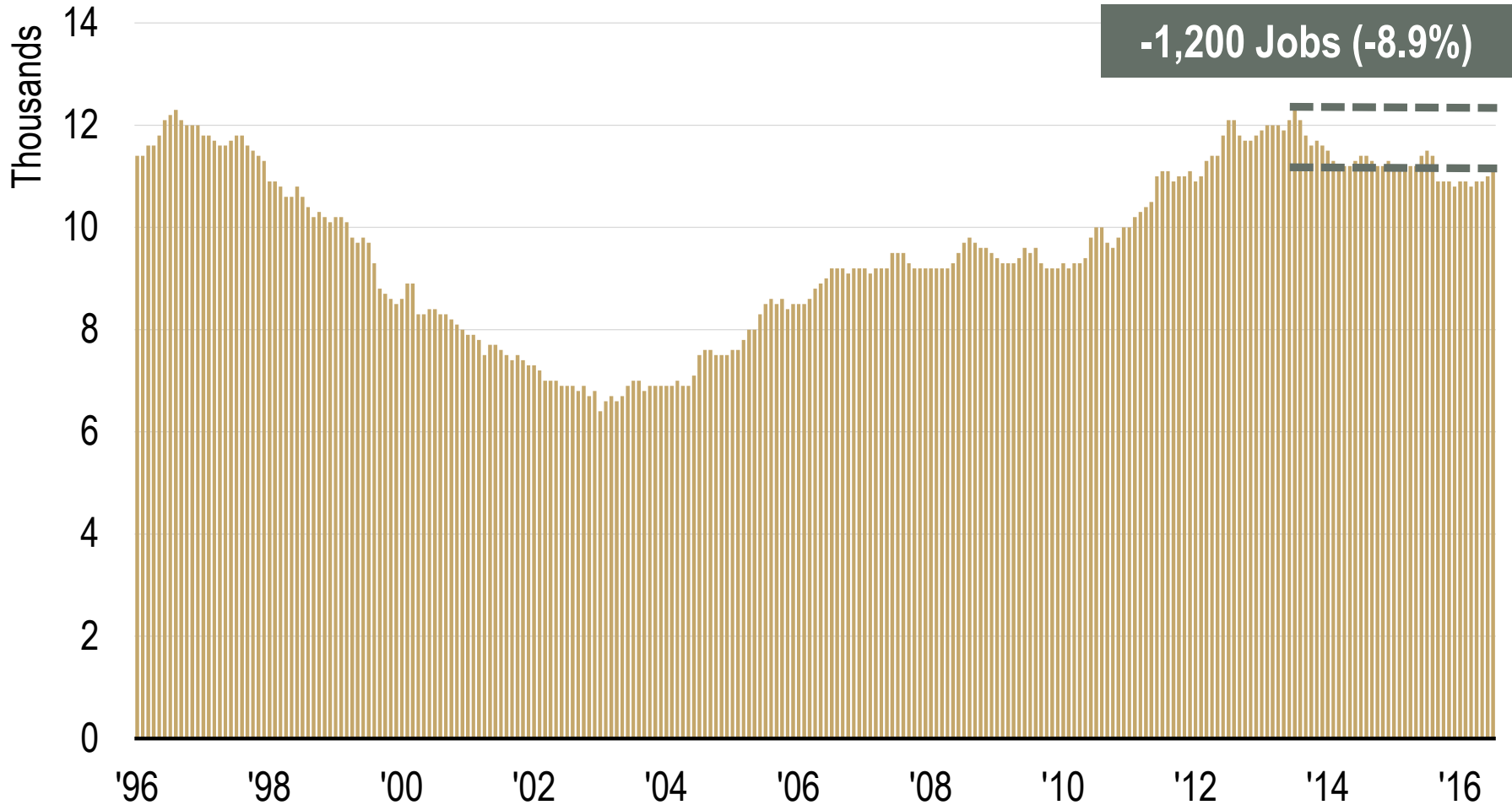


# Mining Employment in Nevada



Source: United States Bureau of Labor Statistics

# Mining Employment in Nevada



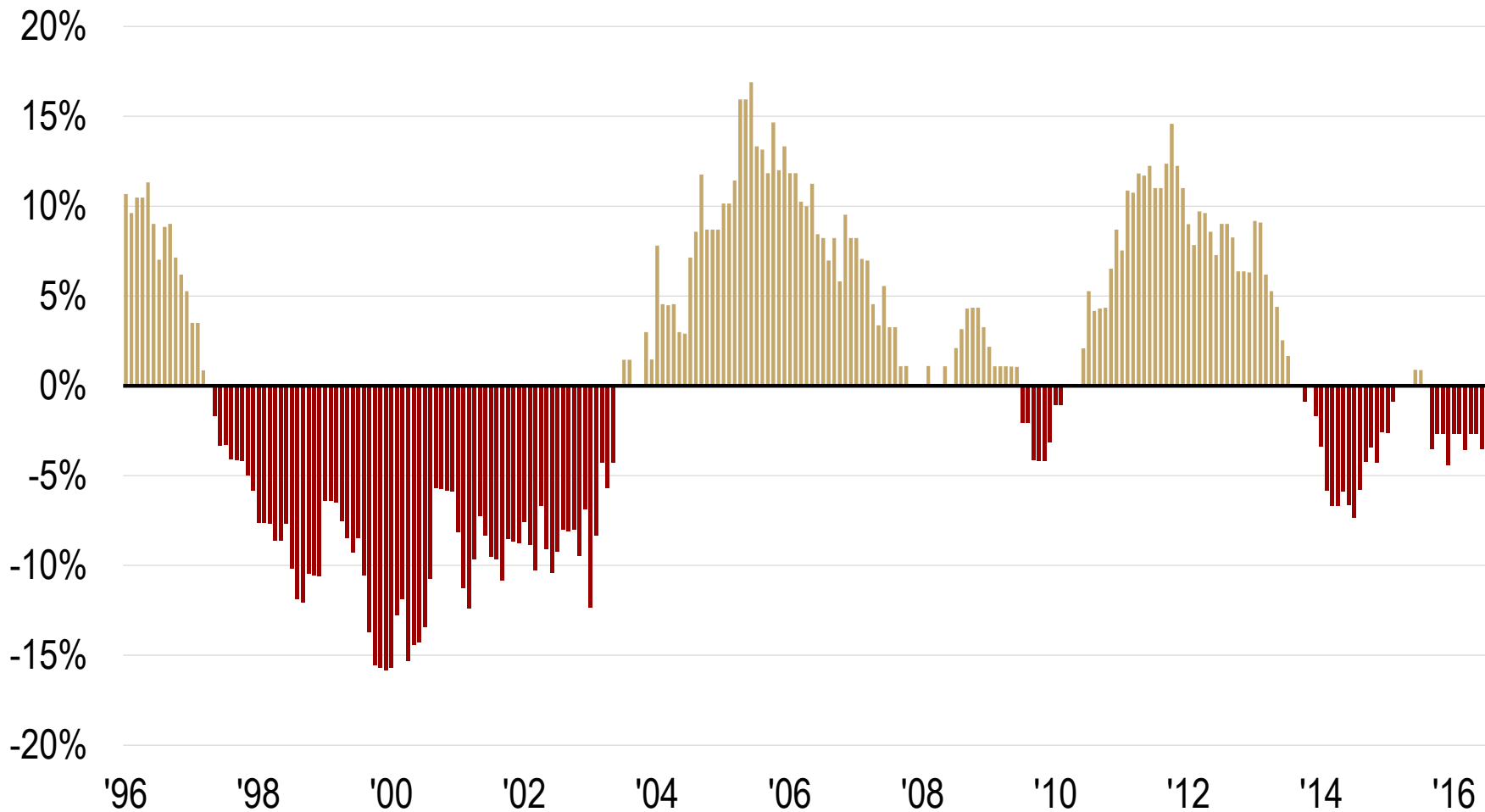
-1,200 Jobs (-8.9%)

Source: United States Bureau of Labor Statistics



# Mining Employment in Nevada

## Annual Growth



Source: United States Bureau of Labor Statistics



# Diversity in Nevada Mining

*What percentage of your full-time workforce do minority groups comprise?*



# 20.0%

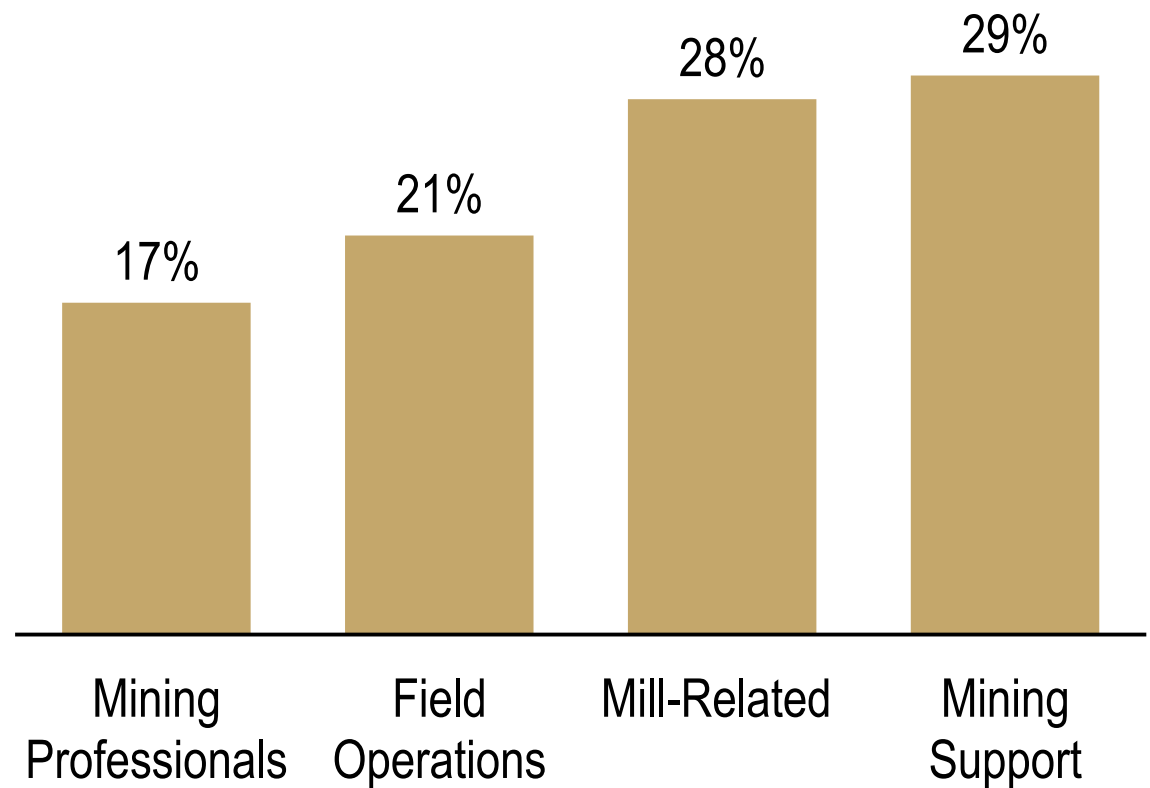
Of full-time workers in the Nevada mining industry were classified as being of racial or ethnic minority

Source: NVMA Member Survey (2016)



# Racial/Ethnic Minorities in Nevada Mining

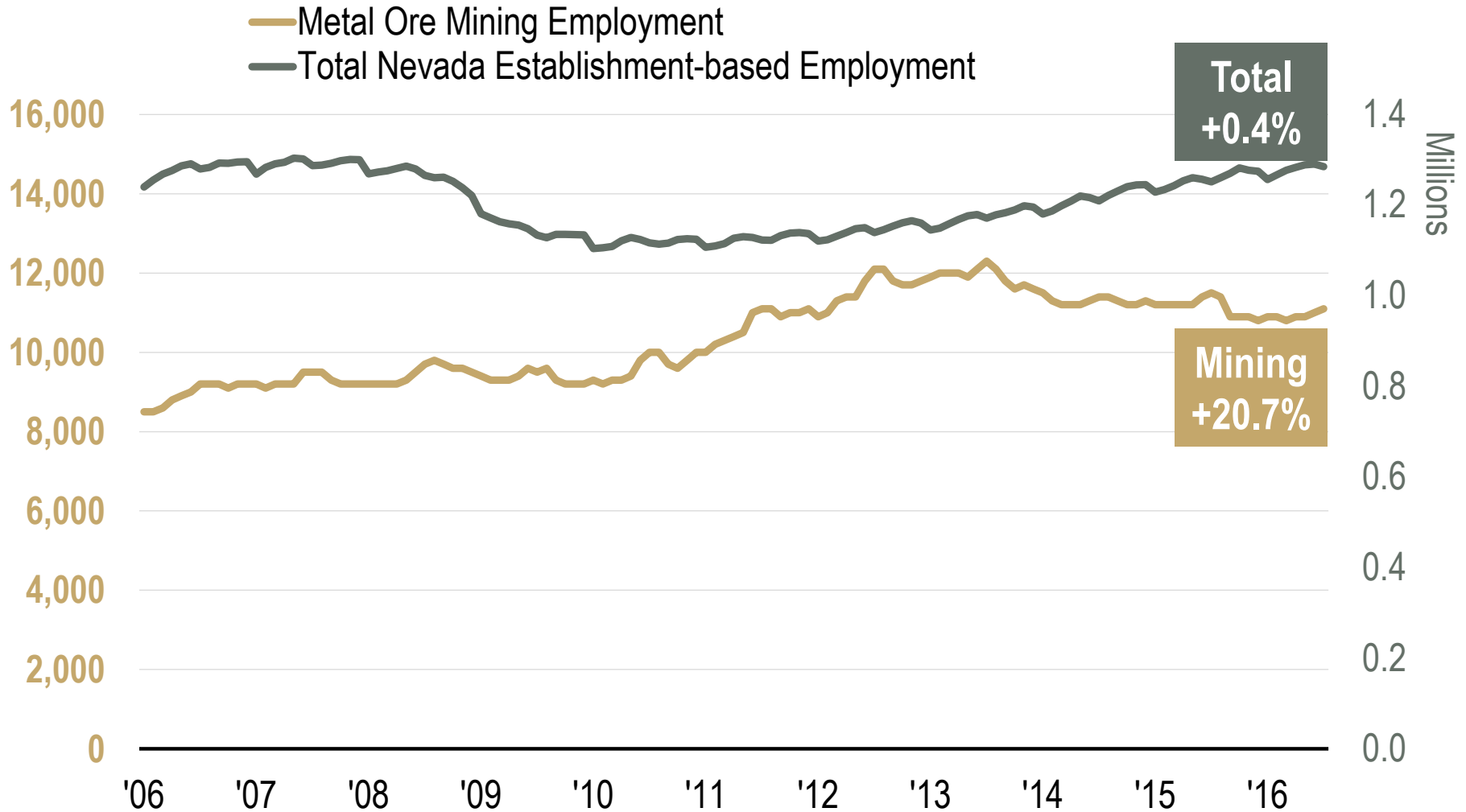
*What percentage of workers employed at your company in the following positions are of a racial or ethnic minority?*



Source: NVMA Member Survey (2016)

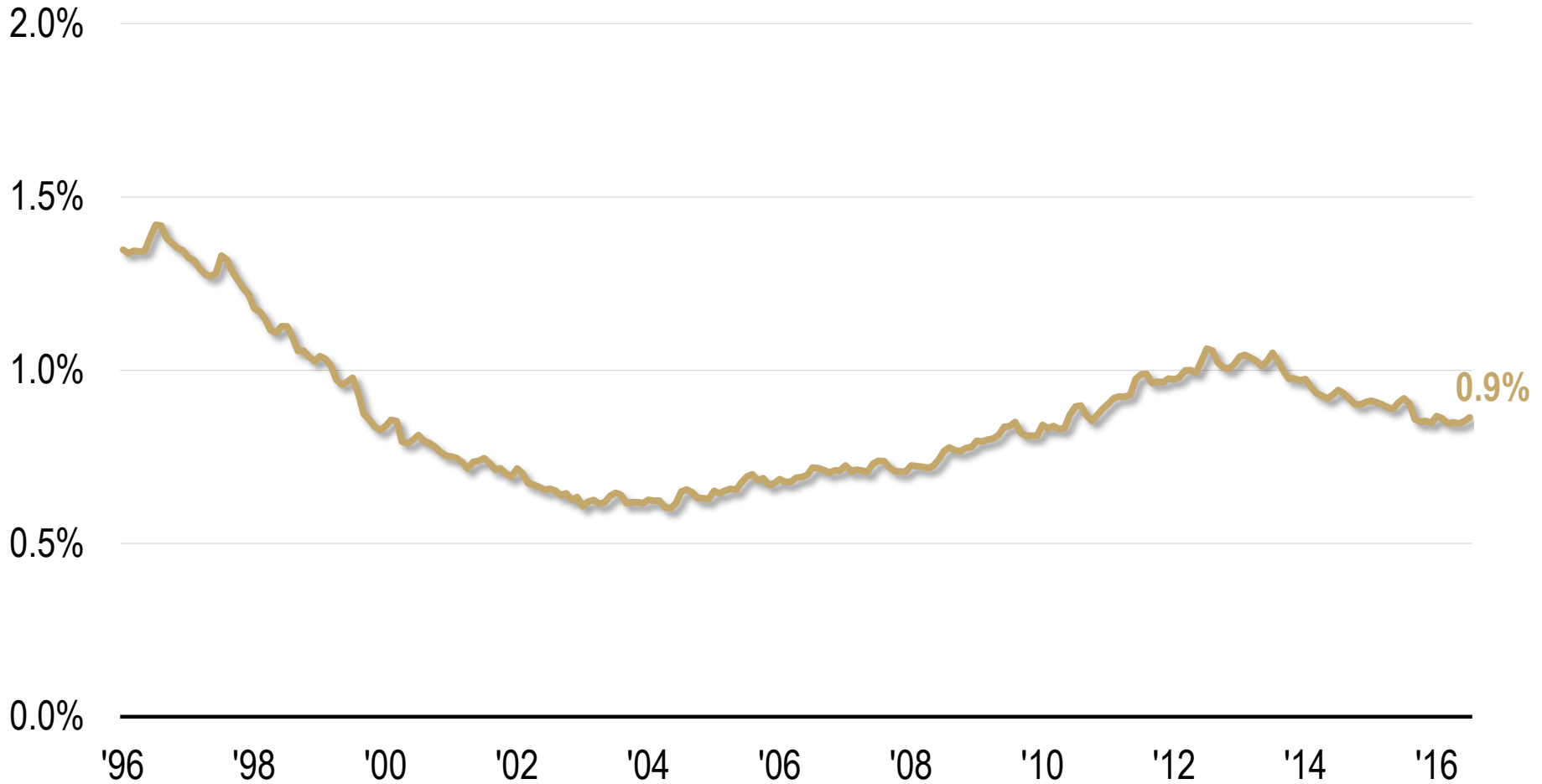
# Nevada Mining vs. Total Employment

## 10-Year Growth



Source: United States Bureau of Labor Statistics

# Mining as a Share of Total Employment

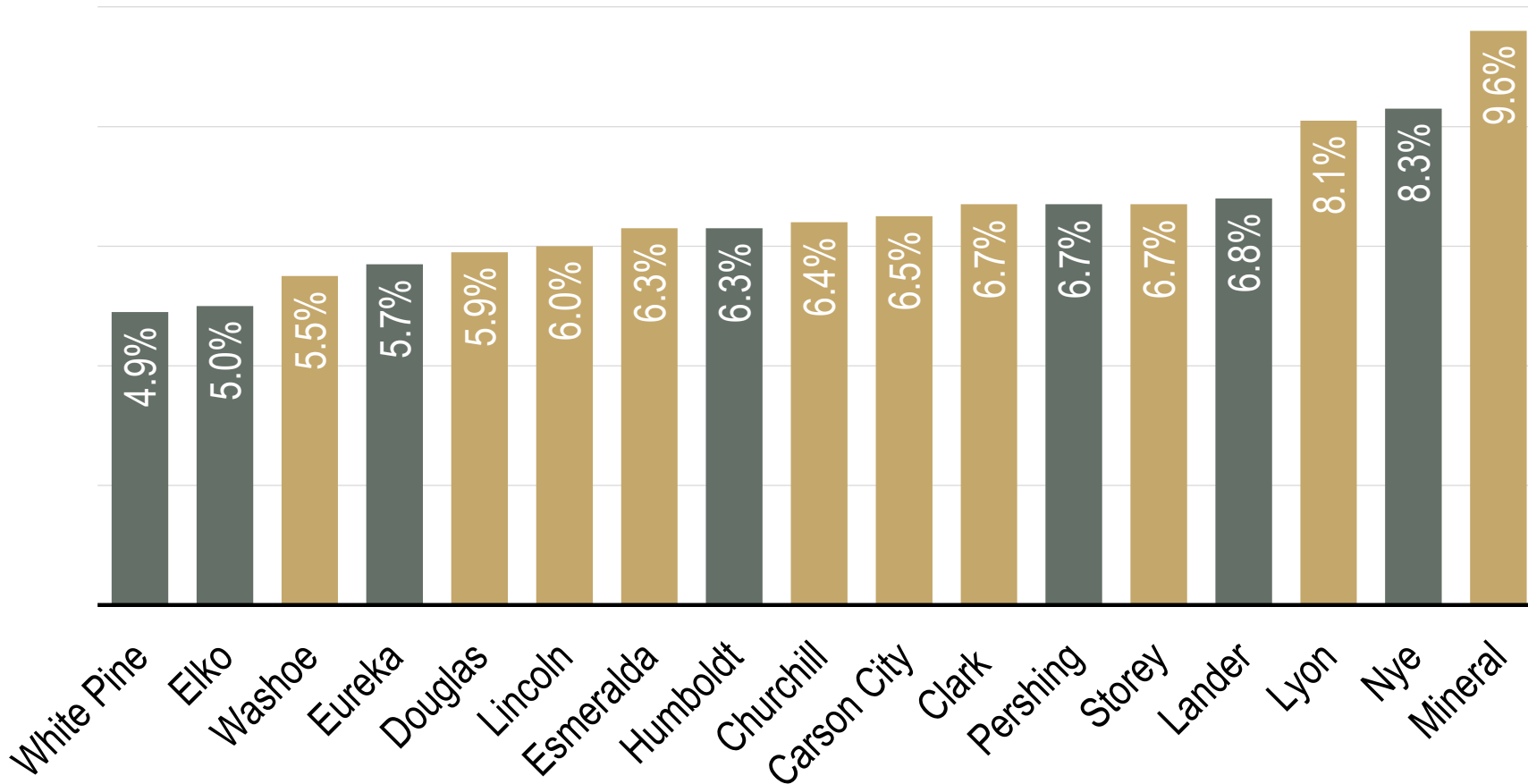


Source: United States Bureau of Labor Statistics

# Unemployment Rate Comparison

## Nevada Counties; July 2016

■ Counties with Major Mining Interests



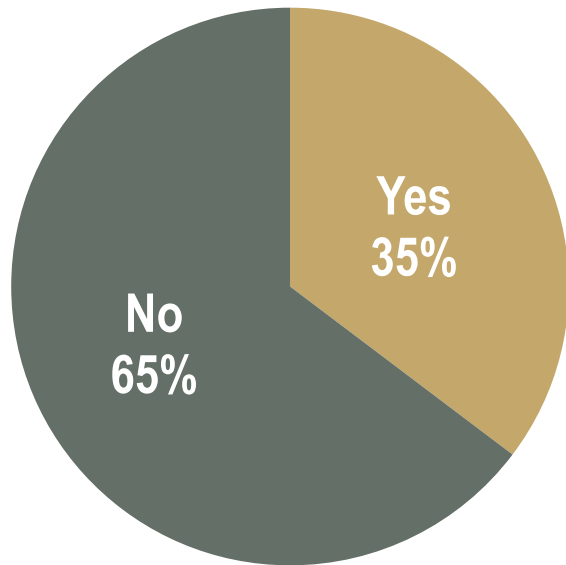
Source: United States Bureau of Labor Statistics and Applied Analysis



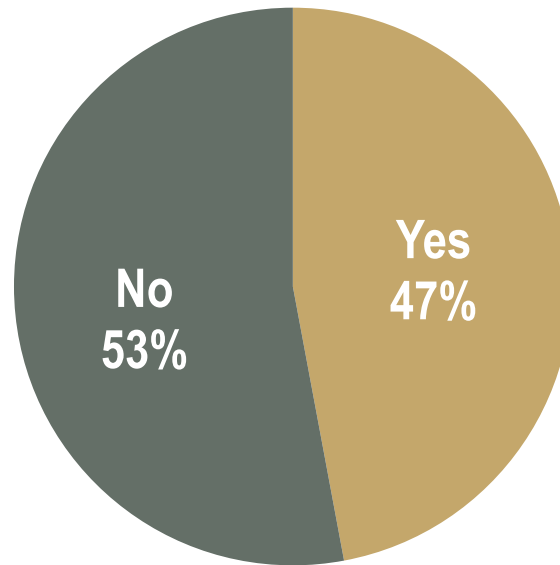
# Nevada Mining Workforce Growth

## Current and Projected

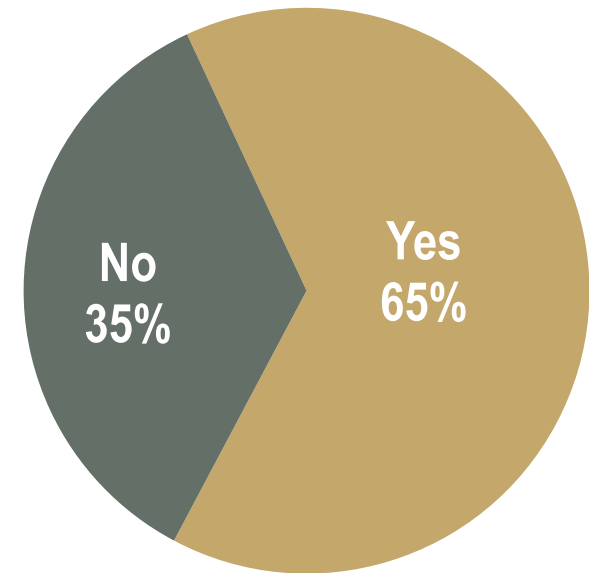
*Excluding replacements due to attrition, did you hire new employees in **2015**?*



*Have you hired and/or will you hire new employees in **2016**?*



*Do you expect to hire new employees in the next five years?*



Source: NVMA Member Survey (2016)



# Future Workforce Reductions

*Do you expect to reduce your workforce in the next year?*

**No**

All survey respondents said they do not expect a reduction in the next year

*Do you expect to reduce your workforce in the next five years?*

**No**

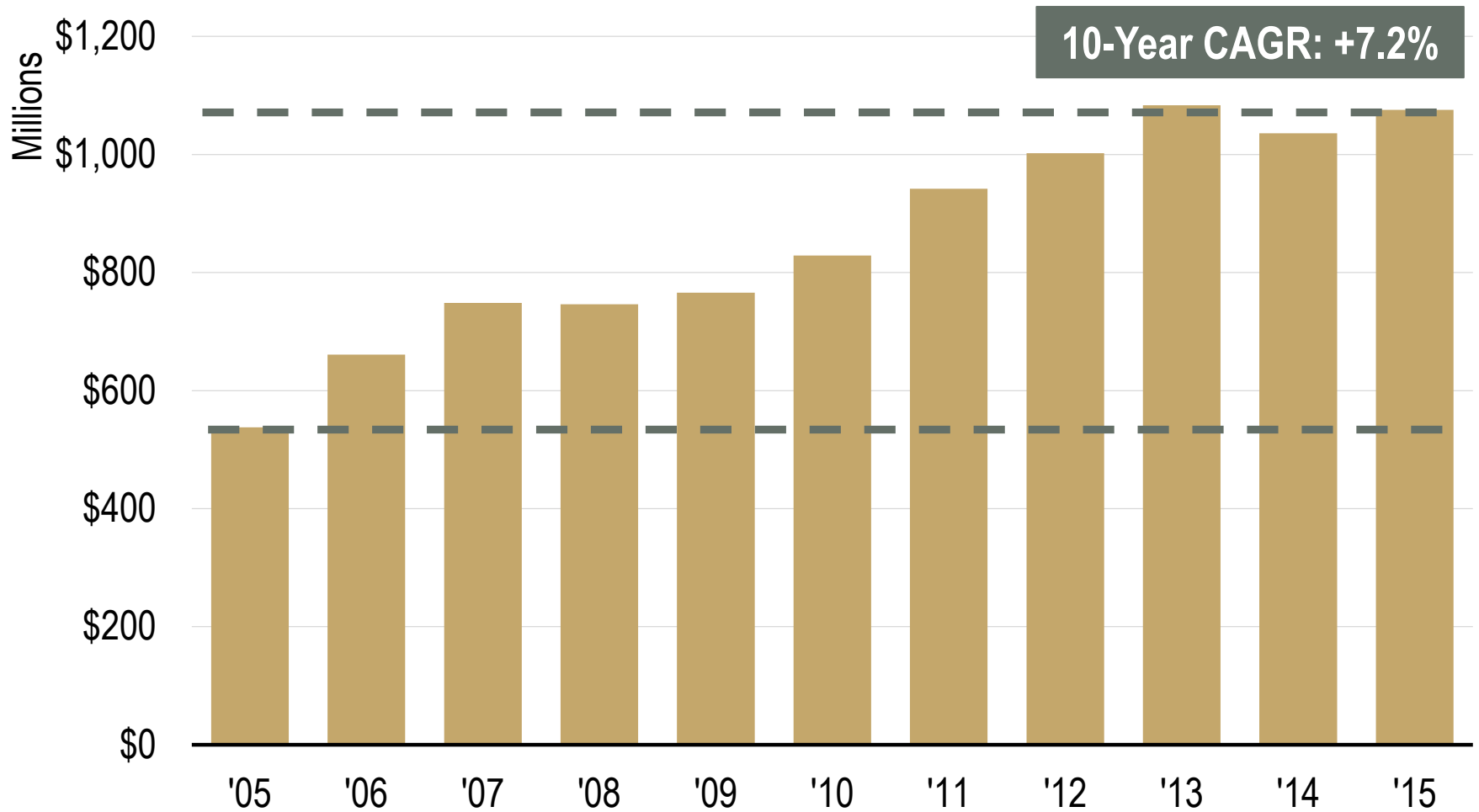
All survey respondents said they do not expect a reduction in the next five years

Source: NVMA Member Survey (2016)



# Nevada Salaries and Wages

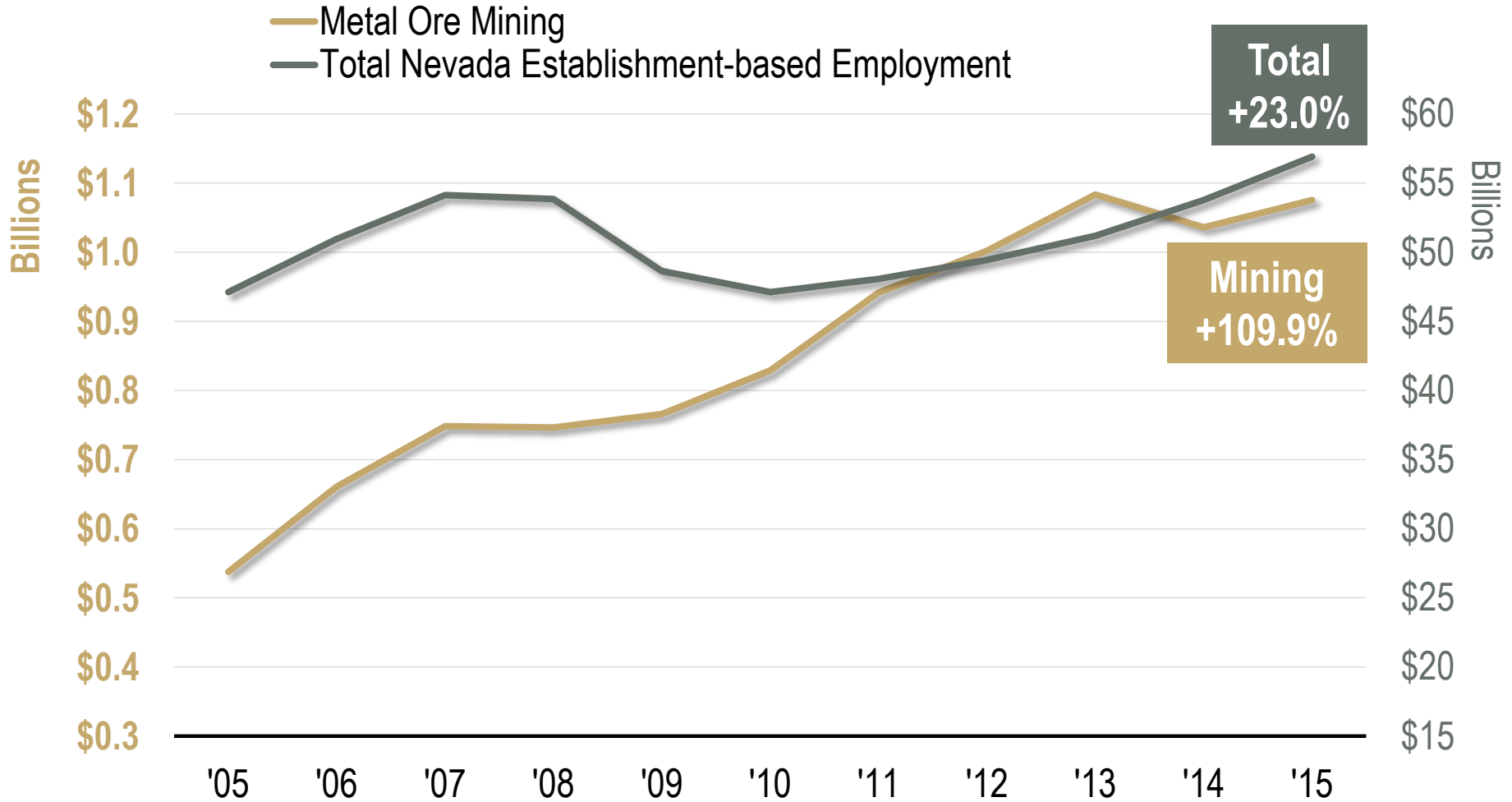
## Metal Ore Mining



Source: United States Bureau of Labor Statistics

# Nevada Mining Vs. Total Salaries & Wages

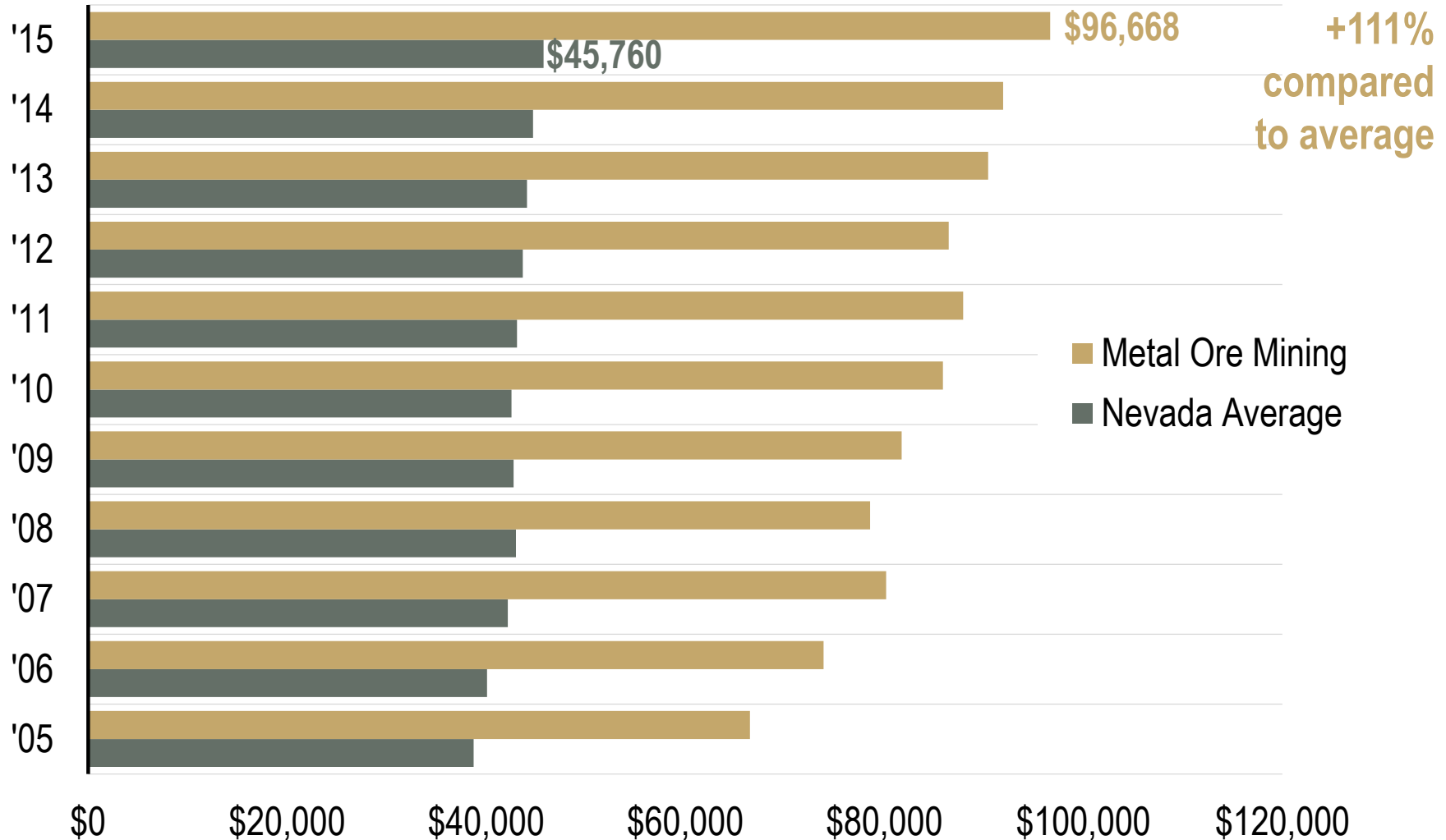
## 10-Year Growth



Source: United States Bureau of Labor Statistics

# Nevada Average Annual Wages

## Metal Ore Mining vs. Total



Source: United States Bureau of Labor Statistics



# Benefits Paid by Nevada Mining

Workers  
Compensation, Life  
Insurance and  
Accident Insurance

\$16.0 M

FICA and  
Unemployment  
Insurance

\$47.1 M

401K/ Pension /  
Retirement / Other

\$52.5 M

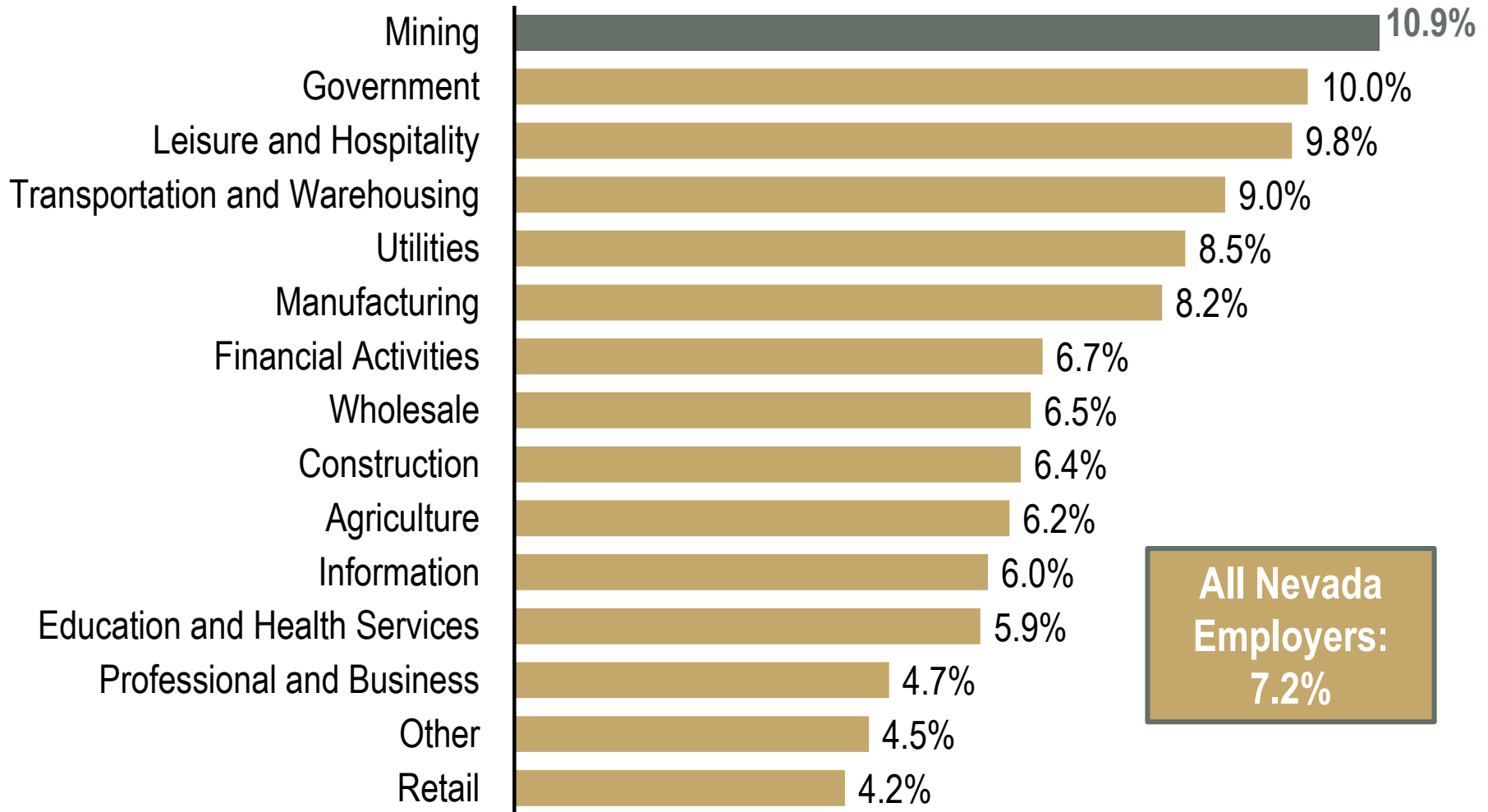
Health / Dental /  
Vision Insurance

\$131.2 M

**\$246.8  
Million**

Source: NVMA Member Survey (2016)

# Health Insurance Cost as a Percent of Wages



Source: Nevada Department of Taxation, Modified Business Tax Quarterly Statistics (December 2015)



# Healthcare Coverage

Percent of private sector establishments that offer health insurance to employees:

Nevada mining industry-wide health care coverage rate:

53%

81%

Source: Kaiser Family Foundation and NVMA Member Survey (2016)



# ECONOMIC IMPACT OF NEVADA MINING



DIRECT Jobs, wages and output sourced directly to mining industry



INDIRECT Impact of mining industry  
suppliers and vendors



DIRECT Jobs, wages and output sourced  
directly to mining industry

INDUCED Impact of direct mining industry  
employee spending in local community

INDIRECT Impact of mining industry  
suppliers and vendors



DIRECT Jobs, wages and output sourced  
directly to mining industry

INDUCED Impact of direct mining industry  
employee spending in local community

INDIRECT Impact of mining industry  
suppliers and vendors

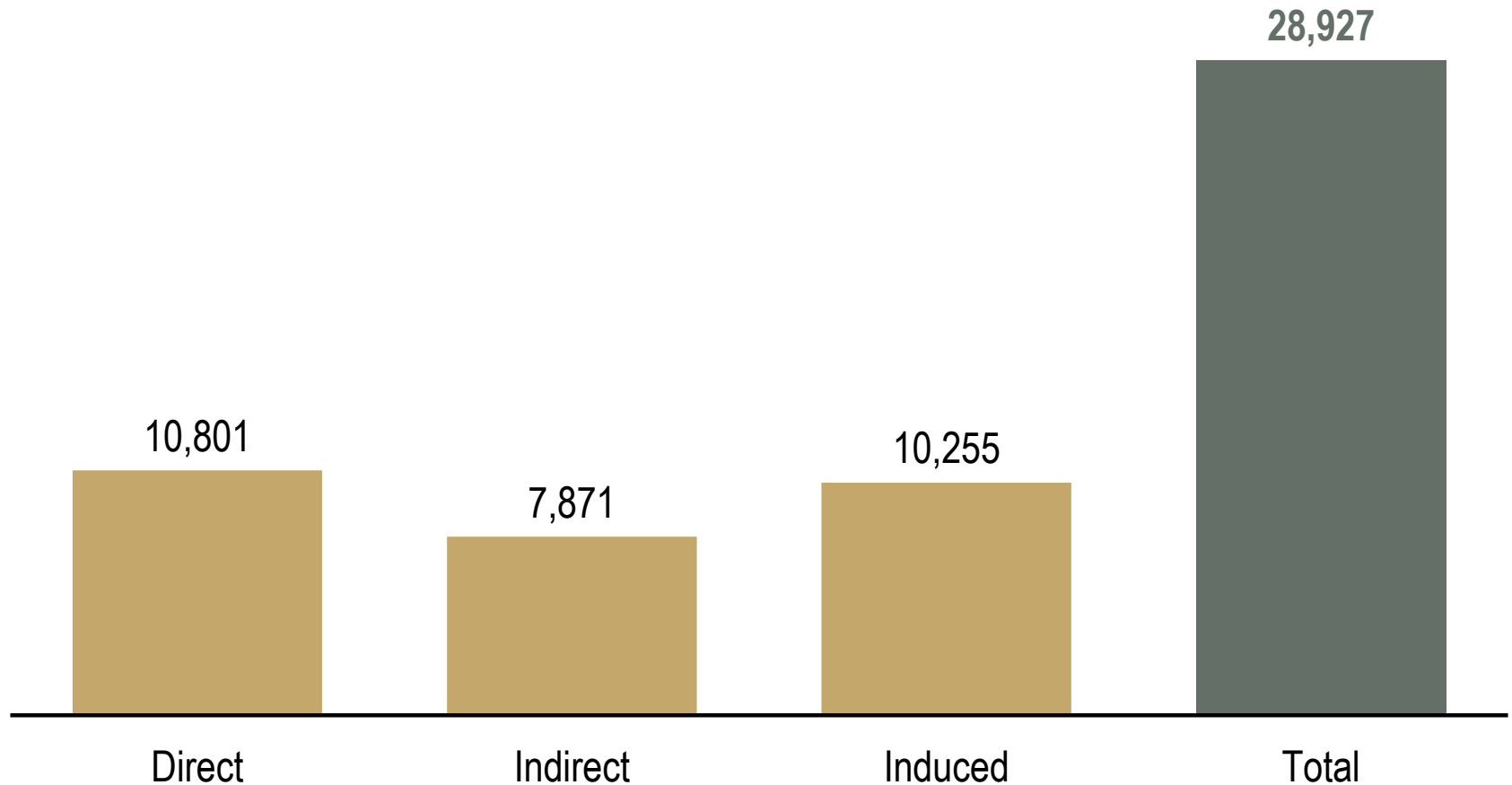


DIRECT Jobs, wages and output sourced  
directly to mining industry

TOTAL Sum of direct, indirect  
and induced impacts

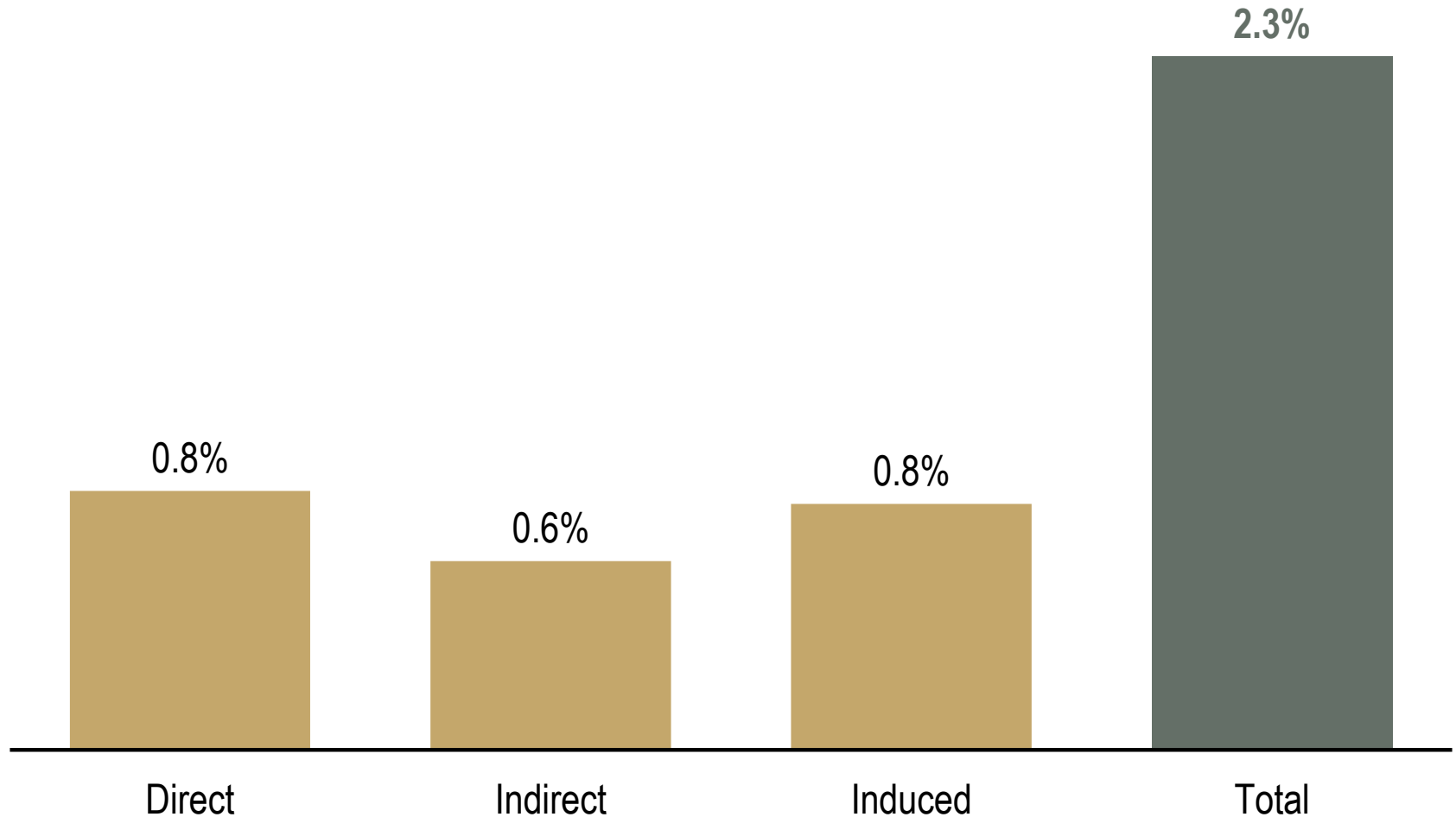
# Employment Impacts

## Nevada Mining Industry Operations (2015)



Source: United States Bureau of Labor Statistics; Nevada Department of Taxation; IMPLAN; Applied Analysis

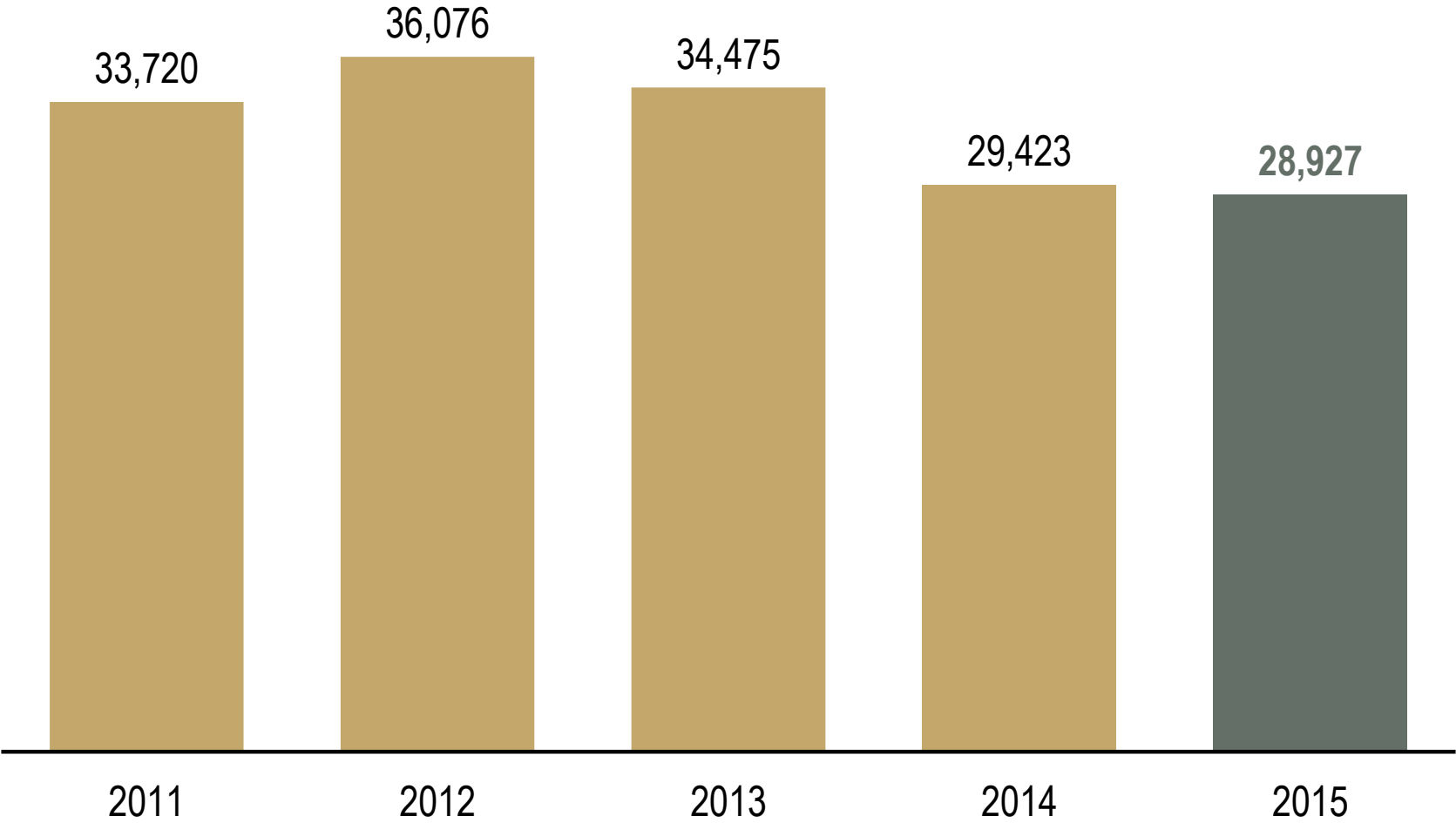
# Mining Employment Impacts as Share of Total Nevada Employment (2015)



Source: United States Bureau of Labor Statistics; Nevada Department of Taxation; IMPLAN; Applied Analysis

# Mining Total Employment Impacts

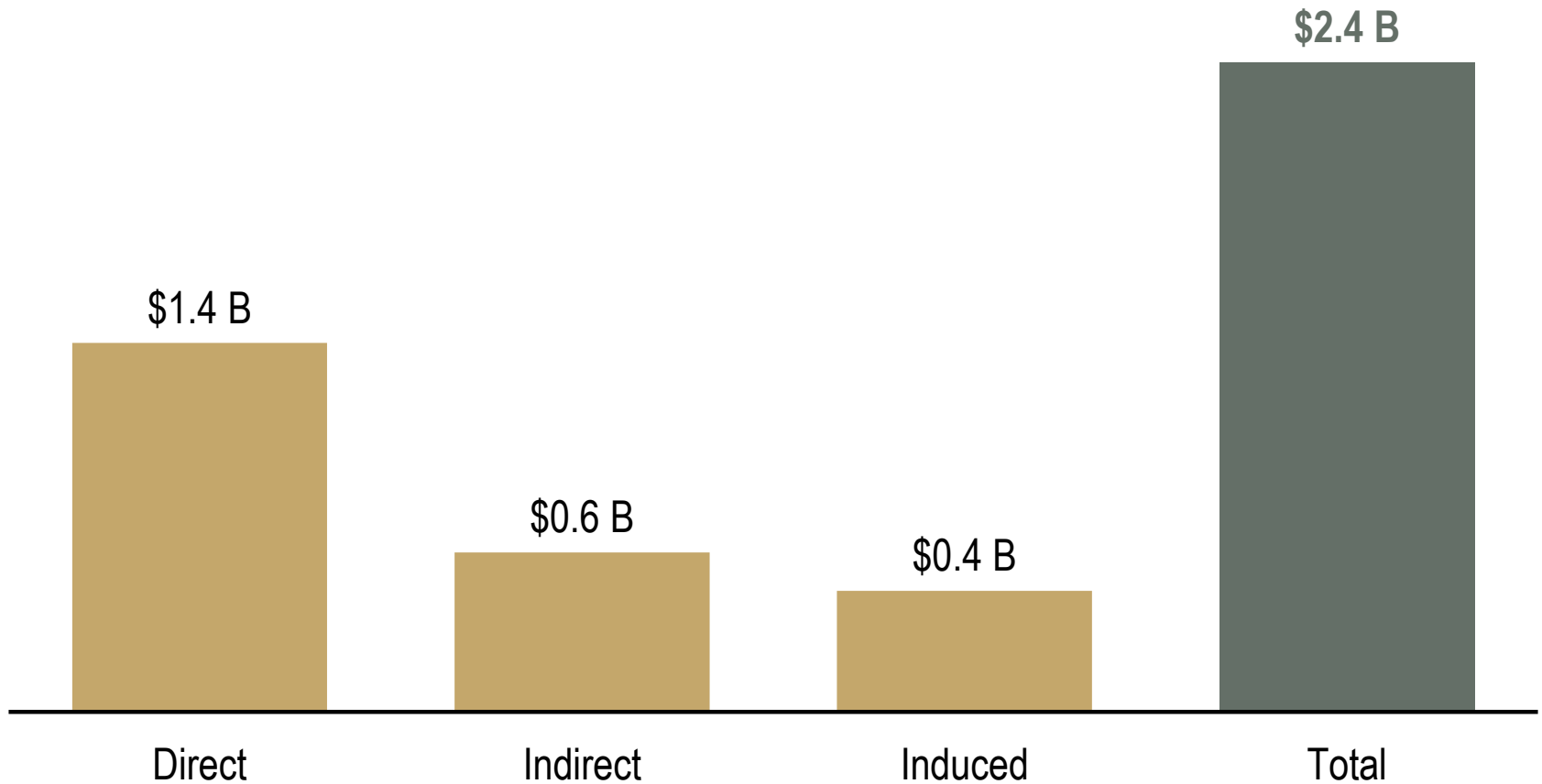
## Historical Trend



Source: United States Bureau of Labor Statistics; Nevada Department of Taxation; IMPLAN; Applied Analysis

# Wages/Salaries Impacts

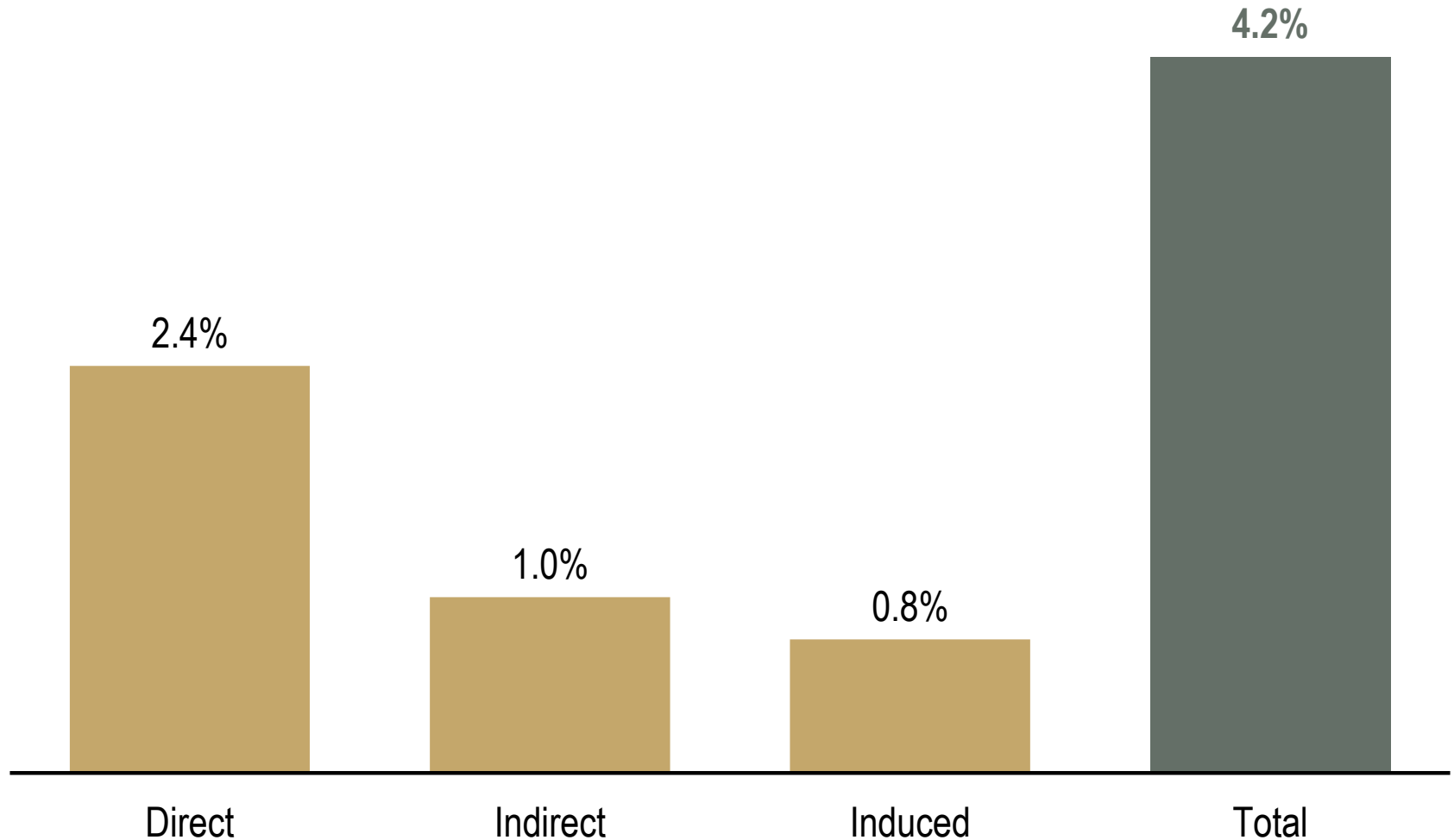
## Nevada Mining Industry Operations (2015)



Source: United States Bureau of Labor Statistics; Nevada Department of Taxation; IMPLAN; Applied Analysis

# Mining Wages/Salaries Impacts

## As Share of Total Nevada Wages/Salaries (2015)

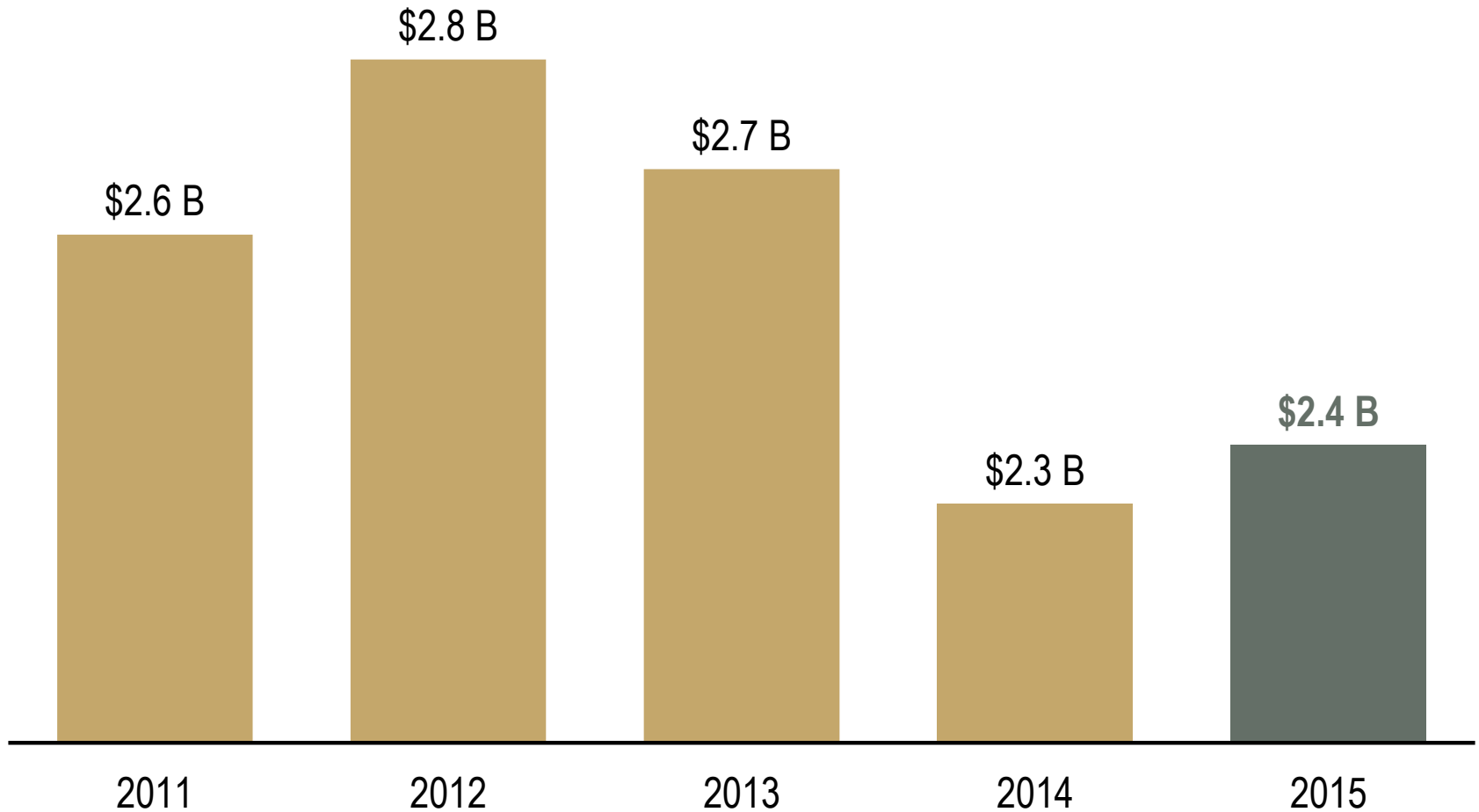


Source: United States Bureau of Labor Statistics; Nevada Department of Taxation; IMPLAN; Applied Analysis



# Mining Total Wages/Salaries Impacts

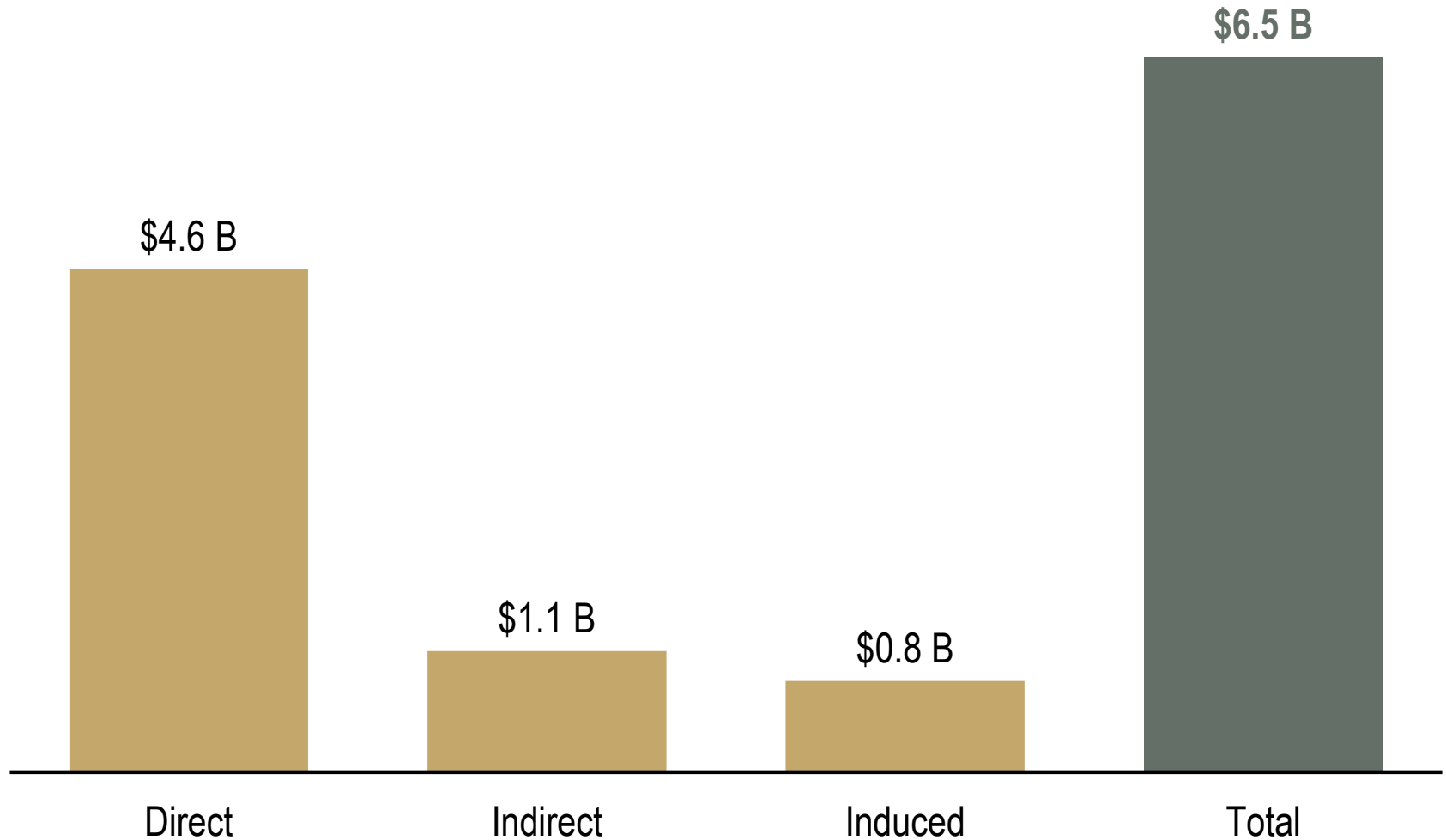
Historical Trend



Source: United States Bureau of Labor Statistics; Nevada Department of Taxation; IMPLAN; Applied Analysis

# Value-Added Impacts

## Nevada Mining Industry Operations (2015)

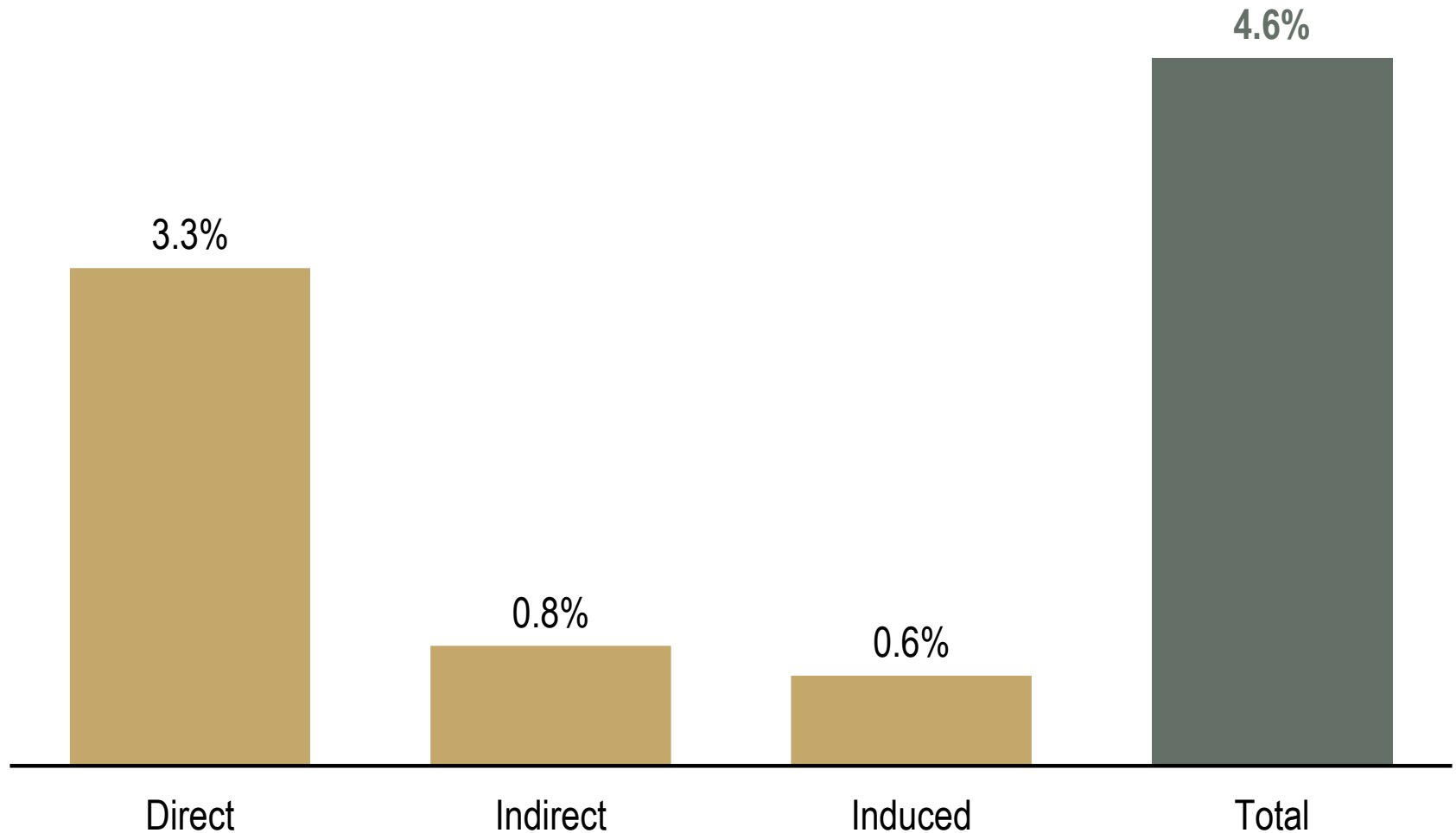


Note: Value-added represents the additional value in the Nevada economy created by the mining industry

Source: U.S. Bureau of Economic Analysis; Nevada Department of Taxation; IMPLAN; Applied Analysis

# Mining Value-Added Impacts

## As Share of Nevada Total GDP

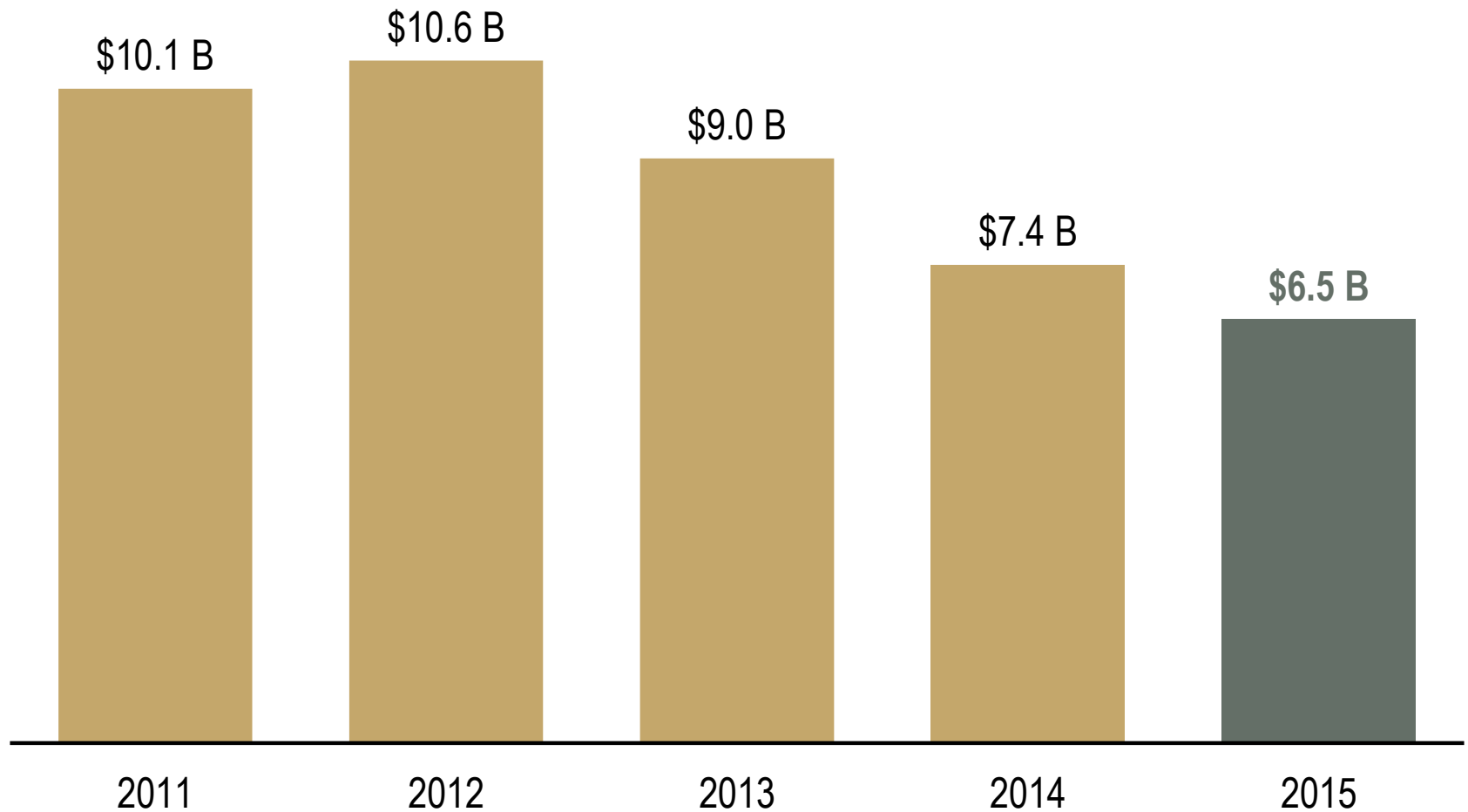


Note: Value-added represents the additional value in the Nevada economy created by the mining industry

Source: U.S. Bureau of Economic Analysis; Nevada Department of Taxation; IMPLAN; Applied Analysis

# Mining Total Value-Added Impacts

## Historical Trend

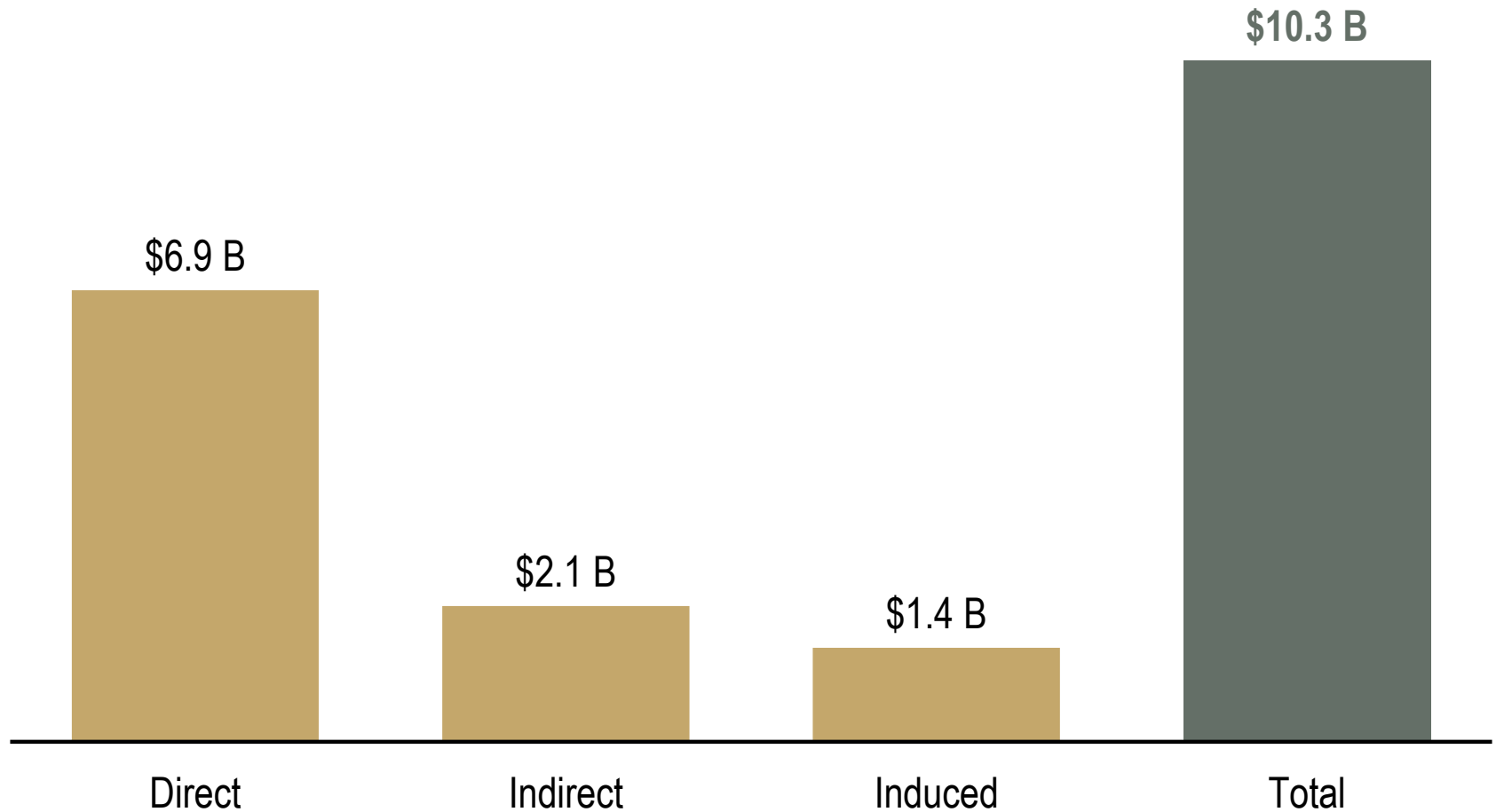


Note: Value-added represents the additional value in the Nevada economy created by the mining industry

Source: U.S. Bureau of Economic Analysis; Nevada Department of Taxation; IMPLAN; Applied Analysis

# Economic Output

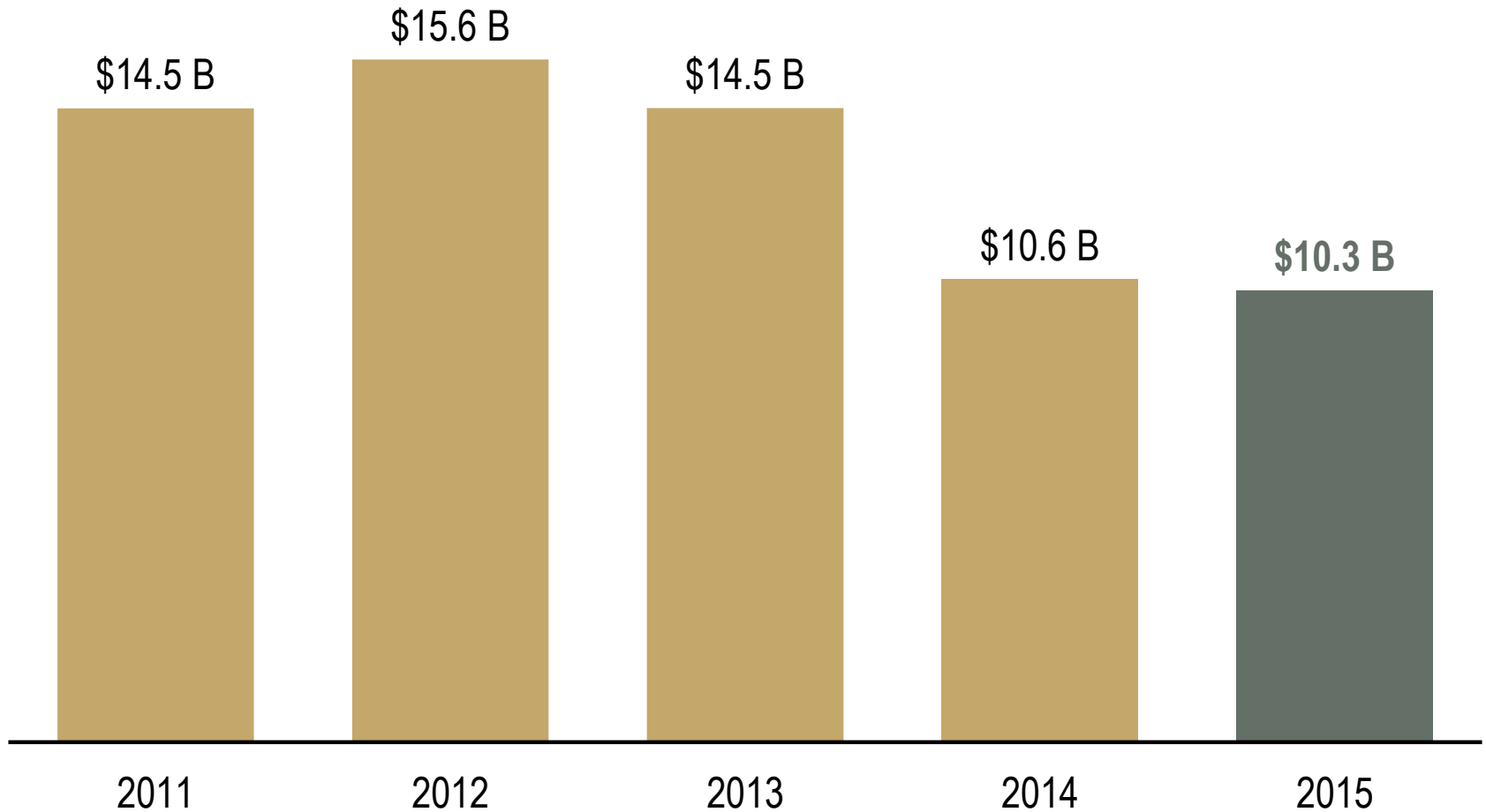
## Nevada Mining Industry Operations (2015)



Source: U.S. Bureau of Economic Analysis; Nevada Department of Taxation; IMPLAN; Applied Analysis

# Mining Total Economic Output

## Historical Trend



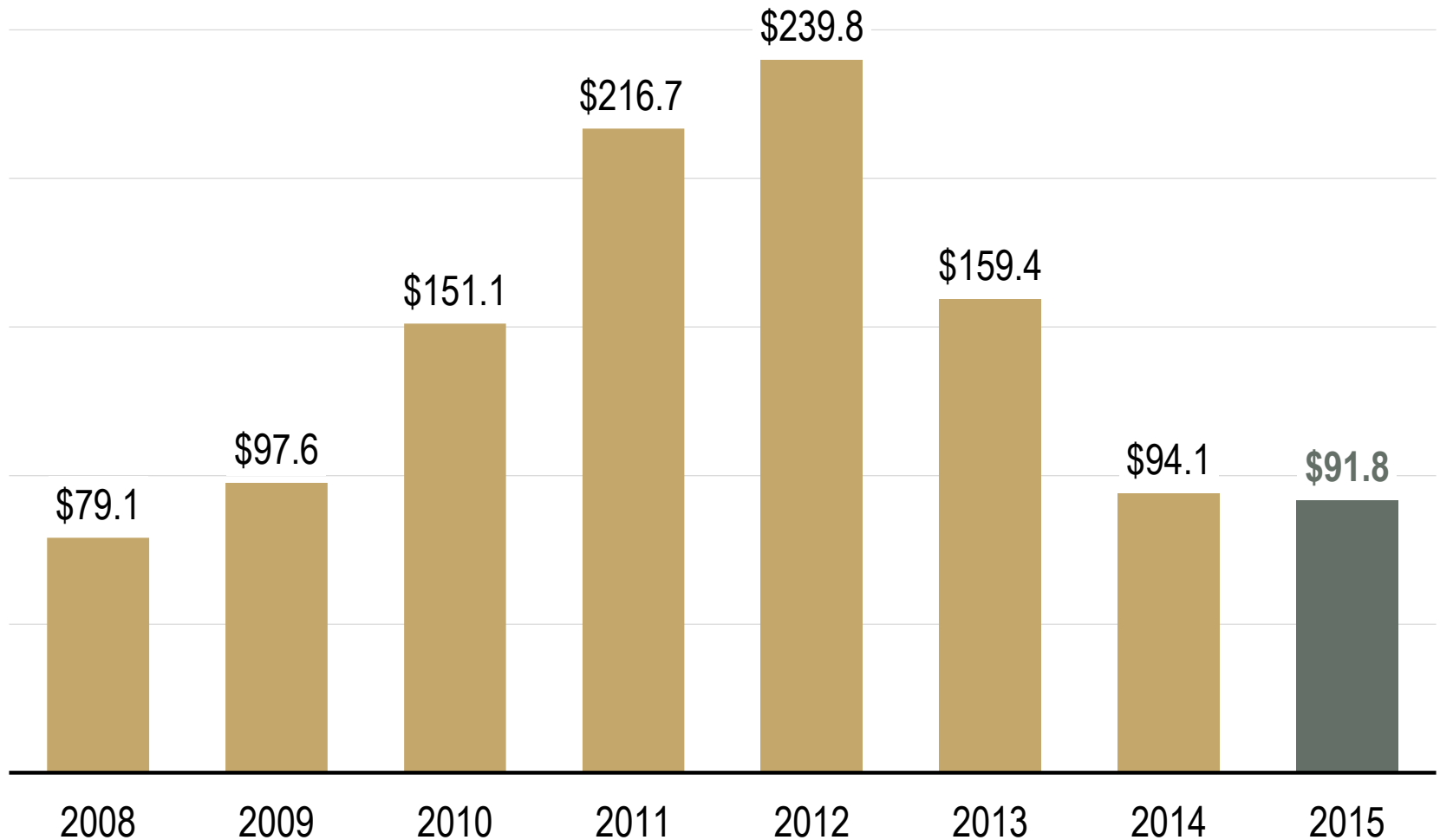
Source: U.S. Bureau of Economic Analysis; Nevada Department of Taxation; IMPLAN; Applied Analysis



# FISCAL IMPACT OF NEVADA MINING



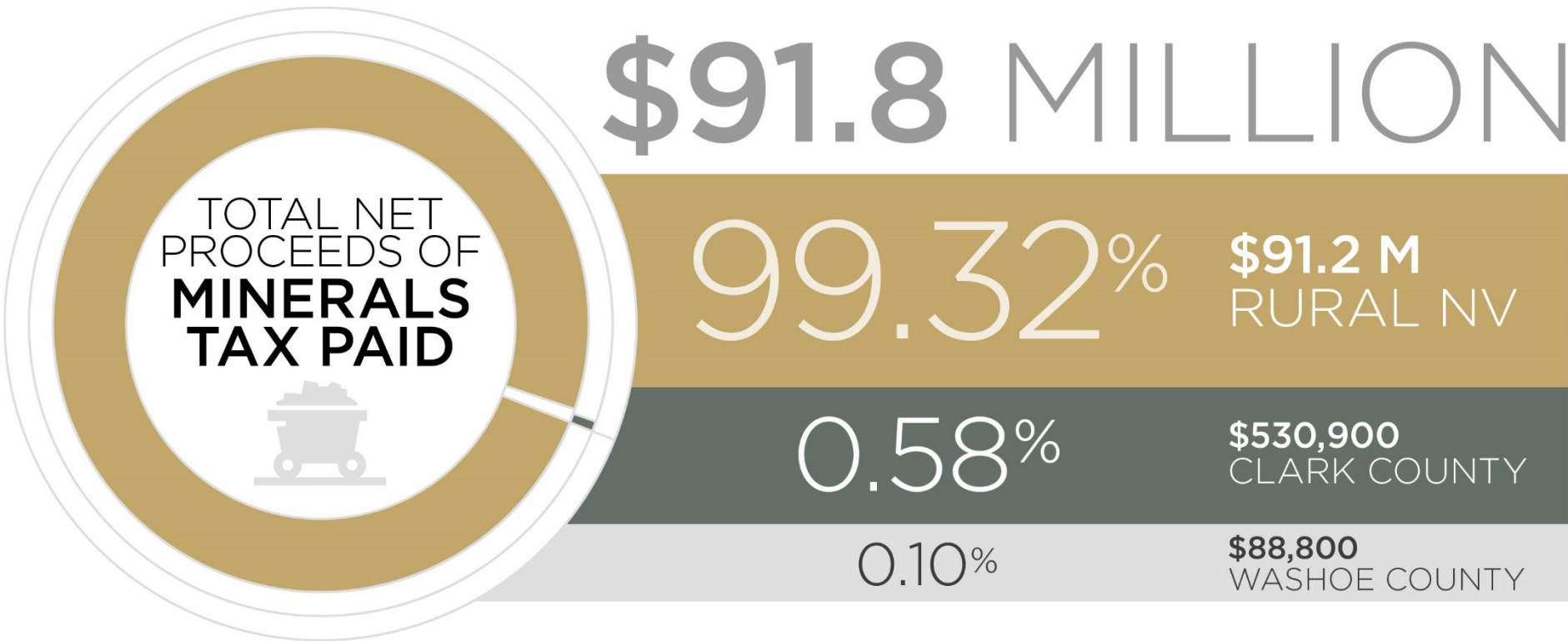
# Net Proceeds of Minerals Tax Paid by Nevada Mining (in Millions)



Source: Nevada Department of Taxation

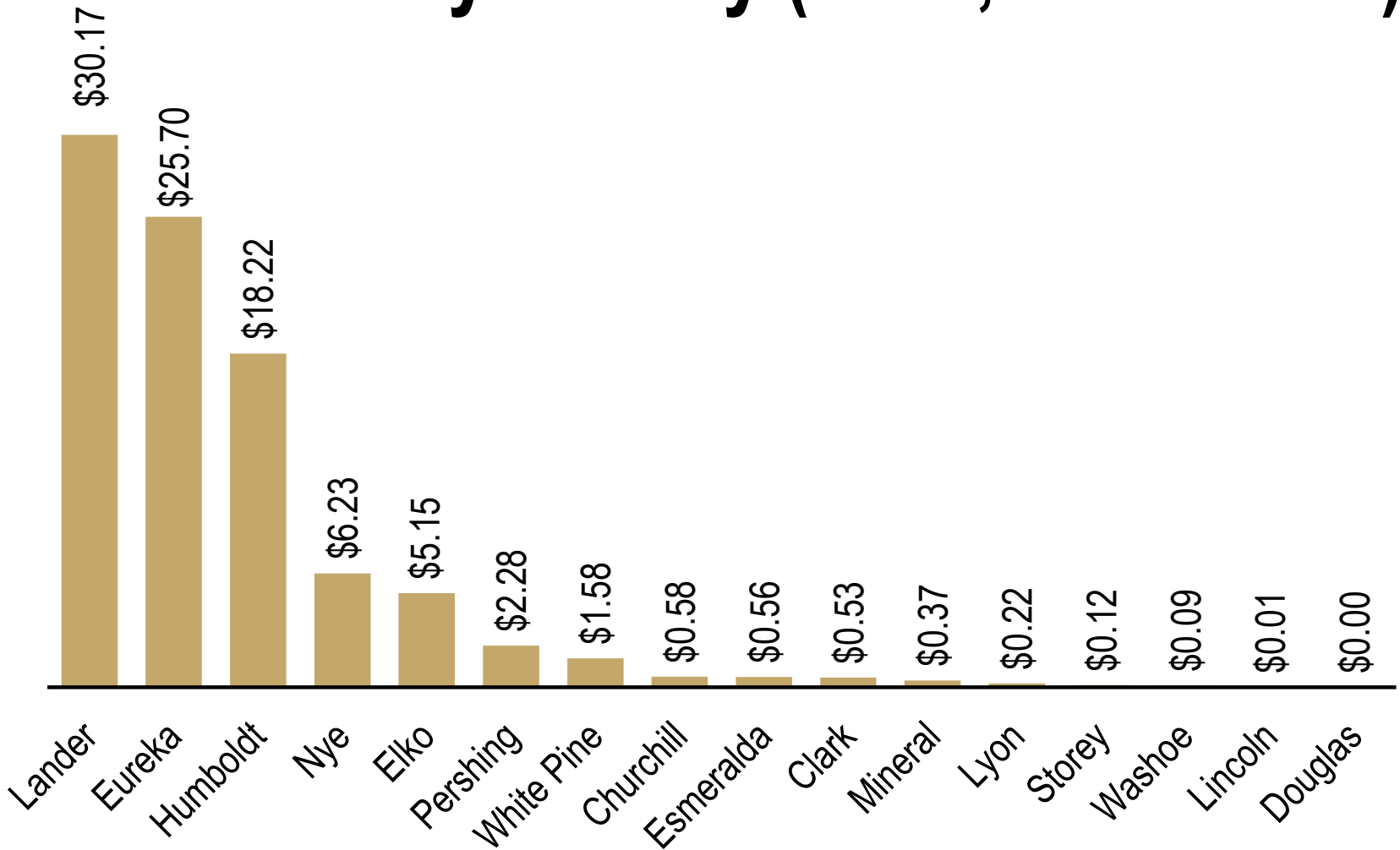


# Net Proceeds of Minerals Tax Paid by Nevada Mining (2015)



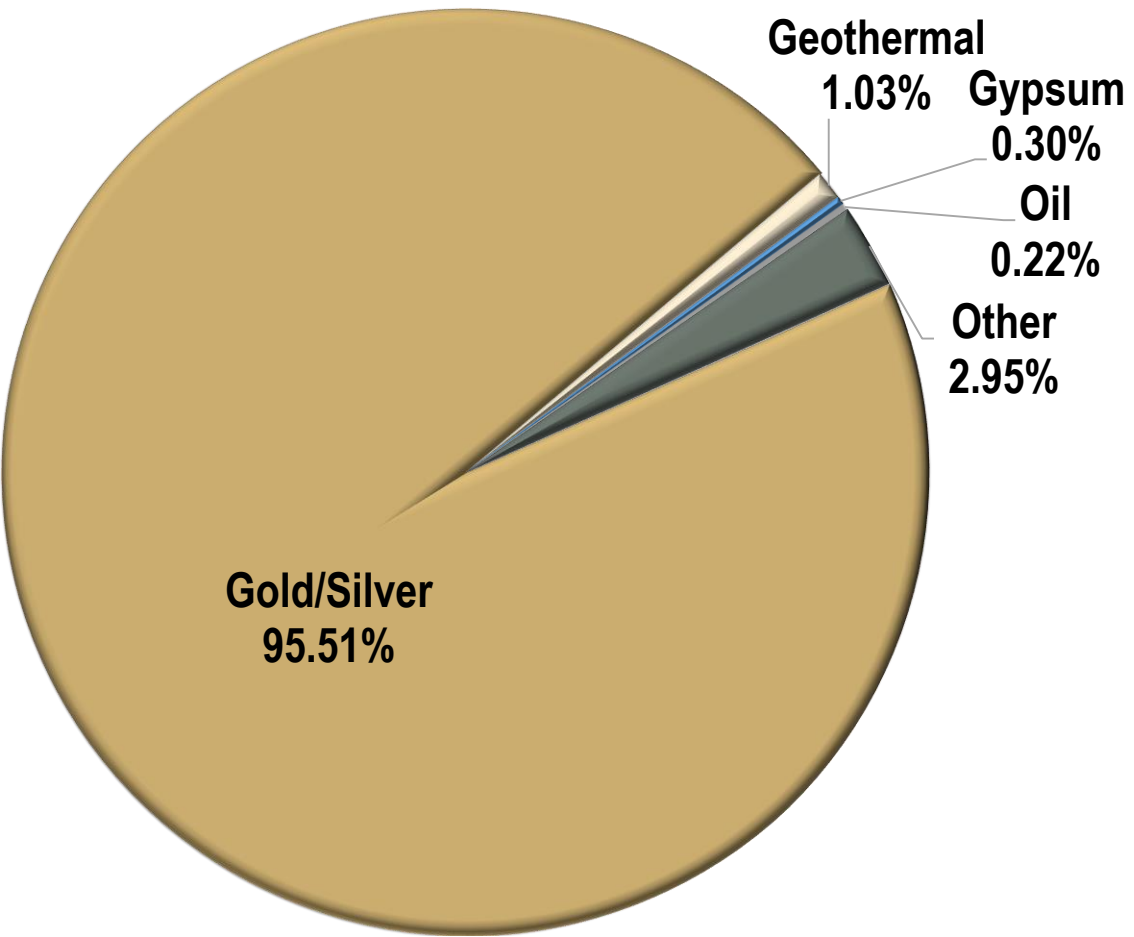
Source: Nevada Department of Taxation

# Net Proceeds Tax Generated by County (2015; in Millions)



Source: Nevada Department of Taxation

# Share of Net Proceeds Tax Generated by Specific Minerals (2015)



**\$87.9 M**

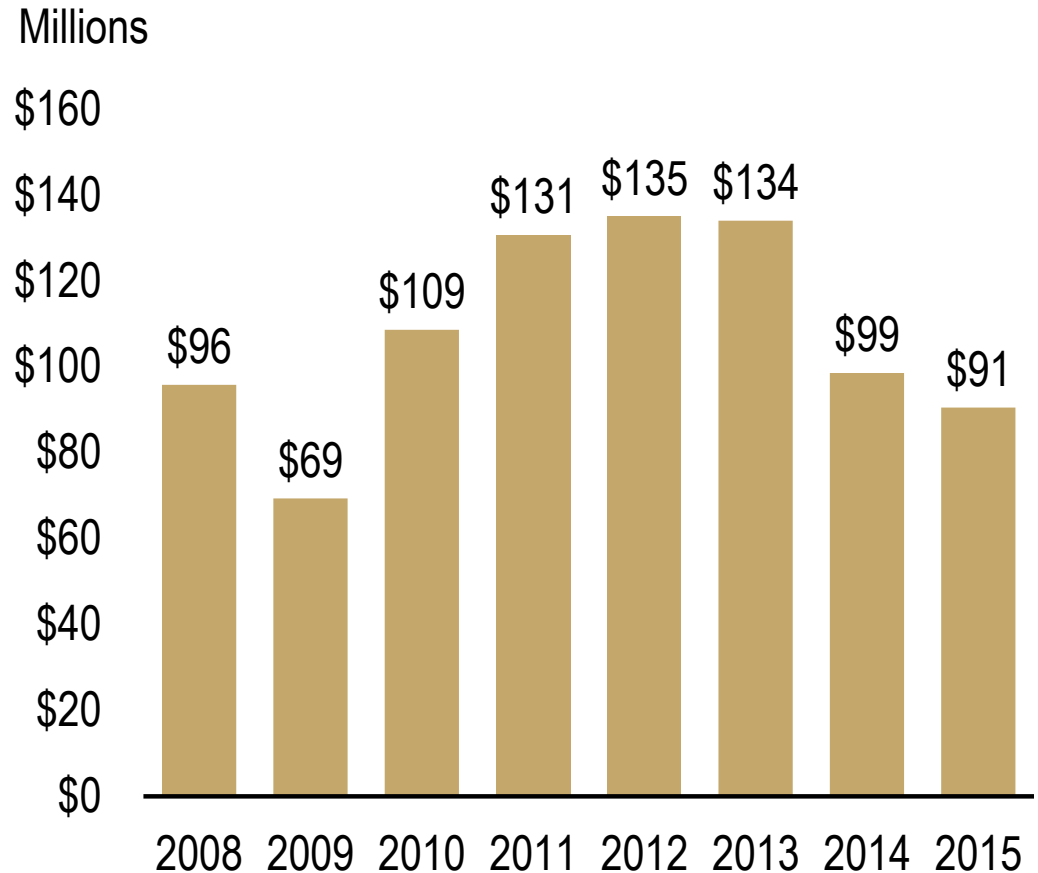
Net Proceeds Tax generated by Gold/Silver in 2015

Source: Nevada Department of Taxation



# Estimated Direct Sales/Use Tax Paid by Nevada Mining

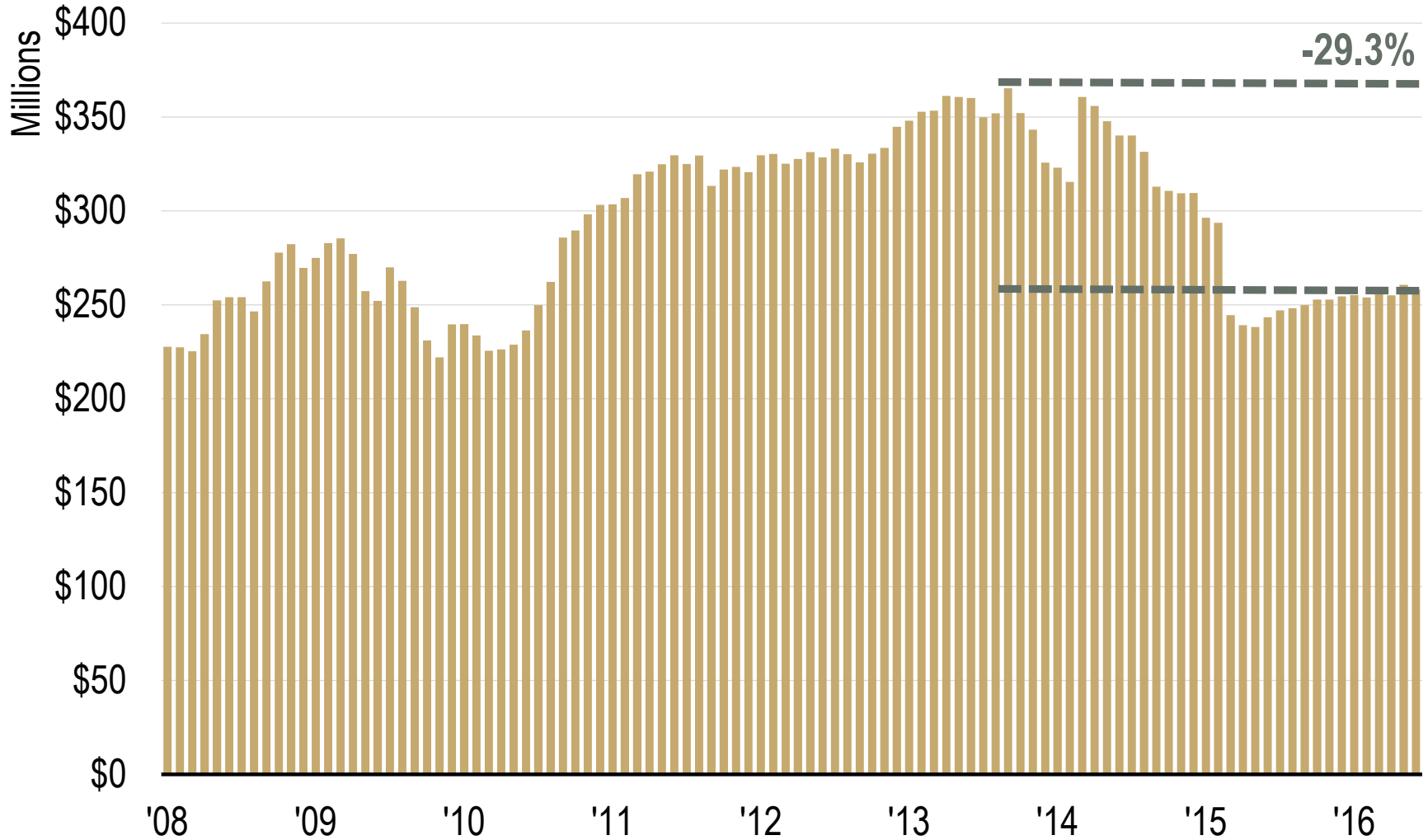
*Estimated direct sales/use tax paid by Nevada mining:*



Source: NVMA Member Survey (2011-2015); Natural Resource Industry Institute (2008 – 2010), NV Dept of Taxation and industry surveys

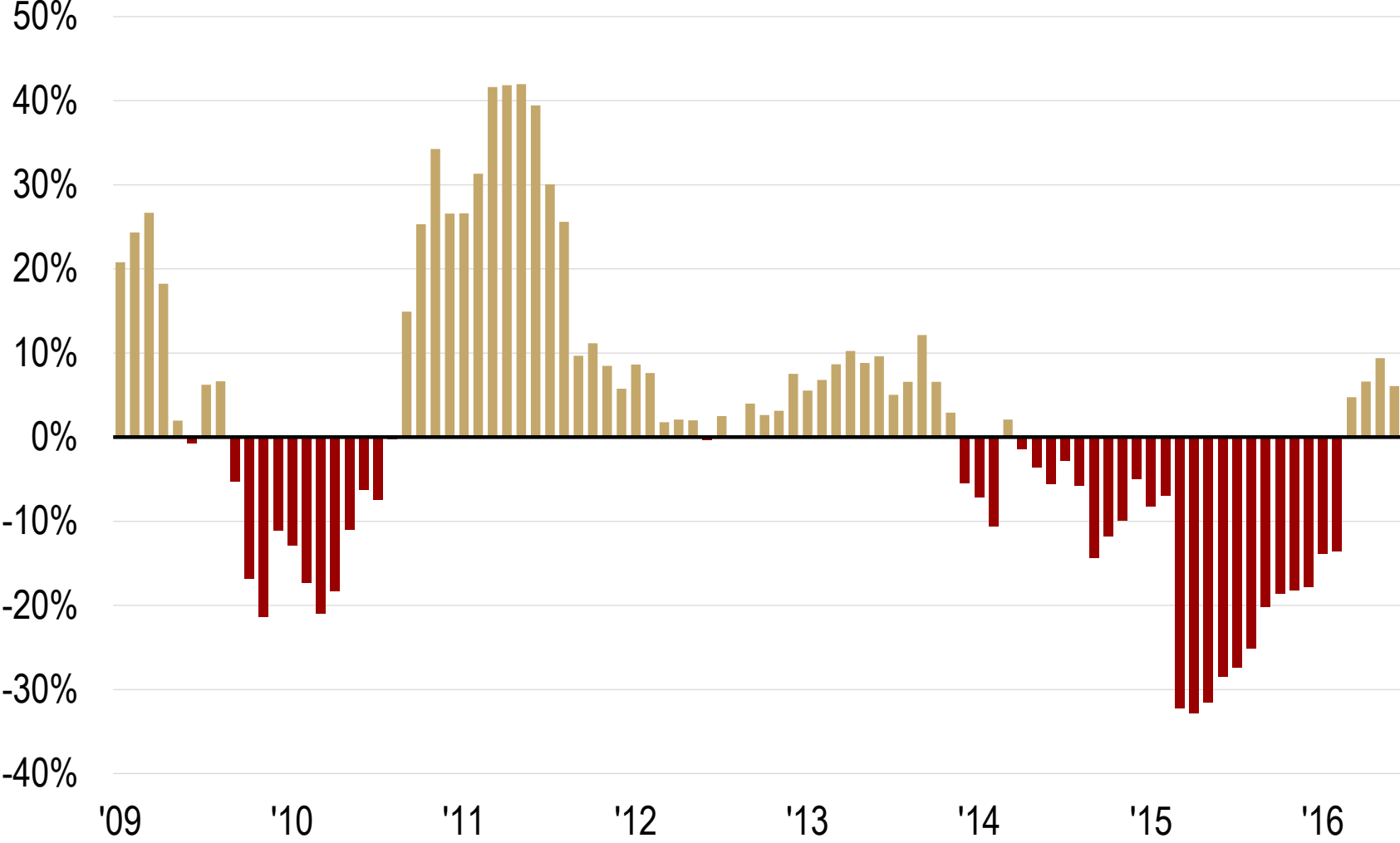
# Nevada Taxable Retail Sales

## Mining/Mining Support (Trailing 12-Month Total)



Source: Nevada Department of Taxation

# Nevada Taxable Retail Sales Mining/Mining Support Annual Growth

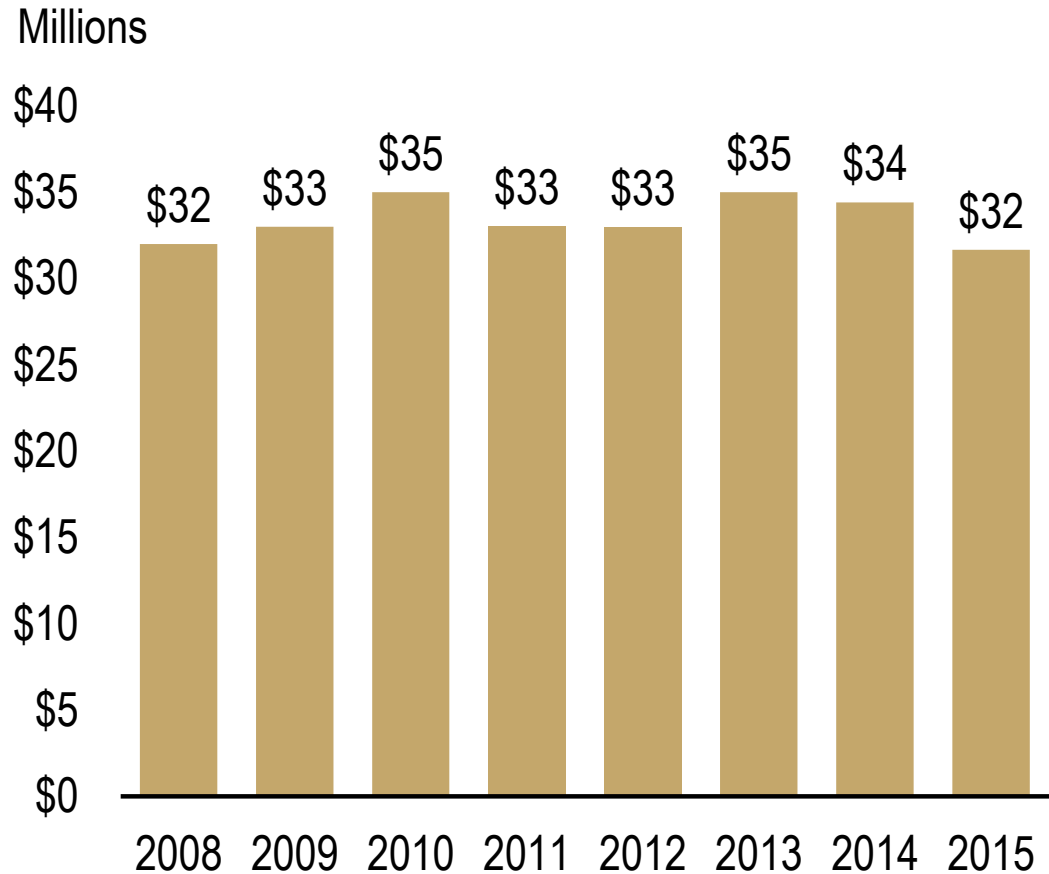


Source: Nevada Department of Taxation



# Estimated Direct Property Tax Paid by Nevada Mining

*Estimated direct  
property tax paid by  
Nevada mining:*



Source: NVMA Member Survey (2011-2015); Natural Resource Industry Institute (2008 – 2010), NV Dept of Taxation and industry surveys



# TOP TEN ASSESSED TAXPAYERS NEVADA

1	MGM Resorts International	\$3,463,940,674
2	NV Energy (1,4)	\$2,425,552,100
3	Caesars Entertainment	\$1,884,346,874
4	Las Vegas Sands Corporation	\$988,434,935
5	Wynn Resorts Limited	\$863,528,905
6	<b>Barrick (2,4)</b>	<b>\$781,128,570</b>
7	<b>Newmont (3,4)</b>	<b>\$653,581,605</b>
8	Station Casinos Inc.	\$577,441,319
9	Ruby Pipeline LLC	\$466,036,202
10	Nevada Property 1 LLC	\$417,970,291

Source: Nevada Department of Taxation





# TOP TEN ASSESSED TAXPAYERS **LANDER COUNTY**

<b>1</b>	<b>Barrick</b>	<b>\$269.0 M</b>
<b>2</b>	<b>Newmont</b>	<b>\$157.6 M</b>
<b>3</b>	<b>Ormat</b>	<b>\$62.5 M</b>
<b>4</b>	NV Energy	\$35.7 M
<b>5</b>	Union Pacific Railroad	\$9.4 M
<b>6</b>	<b>Beowawe Power</b>	<b>\$6.0 M</b>
<b>7</b>	<b>Caterpillar Financial Corp.</b>	<b>\$5.0 M</b>
<b>8</b>	<b>Milpark</b>	<b>\$3.4 M</b>
<b>9</b>	Ledcor CMI	\$2.6 M
<b>10</b>	<b>Small Mine Development</b>	<b>\$2.5 M</b>

Source: Nevada Department of Taxation



# TOP TEN ASSESSED TAXPAYERS EUREKA COUNTY

<b>1</b>	<b>Barrick</b>	<b>\$375.5 M</b>
<b>2</b>	<b>Newmont</b>	<b>\$336.6 M</b>
<b>3</b>	NV Energy	\$16.0 M
<b>4</b>	<b>Homestake Mining Company of Cali.</b>	<b>\$13.4 M</b>
<b>5</b>	Union Pacific Railroad	\$11.5 M
<b>6</b>	Baroid/Halliburton Eng. Serv. Inc.	\$8.5 M
<b>7</b>	<b>Baroid Drilling Fluids</b>	<b>\$7.6 M</b>
<b>8</b>	Mt Wheeler Power Company	\$3.8 M
<b>9</b>	Online Transmission Company	\$3.8 M
<b>10</b>	<b>Elko Land &amp; Livestock Company</b>	<b>\$3.7 M</b>

Source: Nevada Department of Taxation



# TOP TEN ASSESSED TAXPAYERS HUMBOLDT COUNTY

1	Ruby Pipeline LLC	\$181.4 M
2	<b>Newmont</b>	<b>\$136.9 M</b>
3	<b>Allied Nevada Gold/Hycroft</b>	<b>\$116.4 M</b>
4	<b>Turquoise Ridge Joint Venture</b>	<b>\$51.7 M</b>
5	<b>Marigold Mining</b>	<b>\$50.9 M</b>
6	NV Energy	\$39.5 M
7	Idaho Power Company	\$36.7 M
8	Union Pacific Railroad	\$32.9 M
9	<b>NGP Blue Mountain I LLC</b>	<b>\$14.3 M</b>
10	Southwest Gas Corporation	\$11.3 M

Source: Nevada Department of Taxation



# TOP TEN ASSESSED TAXPAYERS PERSHING COUNTY

1	NV Energy	\$35.2 M
2	<b>Ormat</b>	<b>\$23.0 M</b>
3	Union Pacific Railroad	\$19.7 M
4	<b>Coeur Rochester Inc.</b>	<b>\$16.9 M</b>
5	Southwest Gas Corporation	\$14.3 M
6	<b>Florida Canyon Mining Inc.</b>	<b>\$13.4 M</b>
7	<b>EP Mineral LLC</b>	<b>\$10.5 M</b>
8	<b>Pershing Gold Corporation</b>	<b>\$2.9 M</b>
9	Southern California Edison Company	\$2.0 M
10	<b>Standard Gold Mining Inc.</b>	<b>\$1.9 M</b>

Source: Nevada Department of Taxation



# TOP TEN ASSESSED TAXPAYERS ELKO COUNTY

1	Ruby Pipeline LLC	\$216.6 M
2	Union Pacific Railroad	\$61.4 M
3	Peppermill Casinos Inc.	\$41.6 M
4	NV Energy	\$39.6 M
5	<b>Barrick</b>	<b>\$34.1 M</b>
6	<b>Klondex Midas Operations Inc.</b>	<b>\$29.8 M</b>
7	Wendover Casinos Inc.	\$24.6 M
8	<b>Newmont</b>	<b>\$22.5 M</b>
9	Prospector Pipeline Co.	\$20.8 M
10	Cactus Pete's Inc.	\$16.1 M

Source: Nevada Department of Taxation



# TOP TEN ASSESSED TAXPAYERS WHITE PINE COUNTY

<b>1</b>	<b>Barrick</b>	<b>\$87.2 M</b>
<b>2</b>	<b>Robinson Nevada Mining Company</b>	<b>\$69.4 M</b>
<b>3</b>	Online Transmission Company	\$68.1 M
<b>4</b>	Spring Valley Wind Farm	\$59.7 M
<b>5</b>	Mt Wheeler Power Company	\$11.3 M
<b>6</b>	NV Energy	\$6.5 M
<b>7</b>	<b>Caterpillar Financial SVC Corp.</b>	<b>\$5.5 M</b>
<b>8</b>	N A Degerstrom, Inc.	\$4.9 M
<b>9</b>	American Airlines Incorporated	\$2.4 M
<b>10</b>	AT&T Communications	\$2.3 M

Source: Nevada Department of Taxation



# TOP TEN ASSESSED TAXPAYERS NYE COUNTY

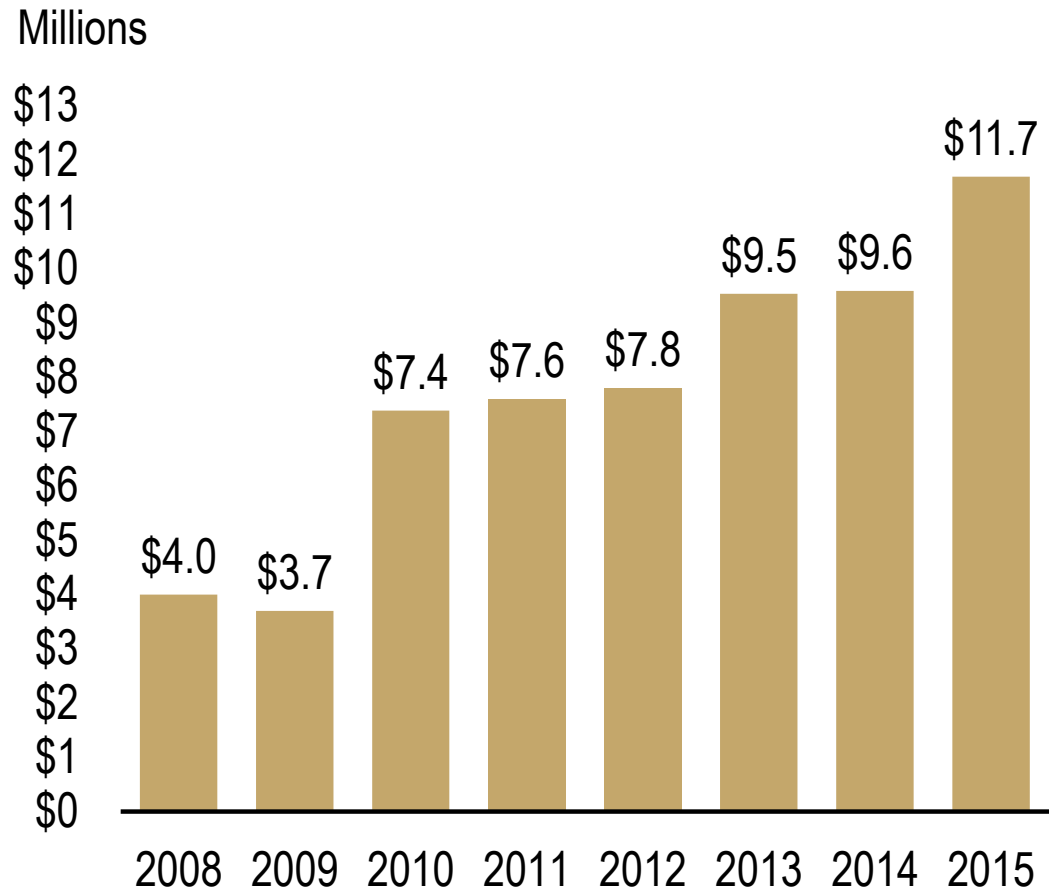
1	Tonopah Solar Energy LLC	\$213.8 M
2	<b>Round Mountain Gold Corp.</b>	<b>\$101.9 M</b>
3	National Security Technologies	\$58.2 M
4	Valley Electric Association IC	\$43.1 M
5	Online Transmission Company	\$38.9 M
6	Los Alamos National Laboratory	\$27.0 M
7	NV Energy	\$24.9 M
8	CCA Western Properties, Inc.	\$12.1 M
9	Sandia National Laboratories	\$10.6 M
10	Utilities Inc. of Central Nevada	\$10.0 M

Source: Nevada Department of Taxation



# Estimated Modified Business Tax Paid by Nevada Mining

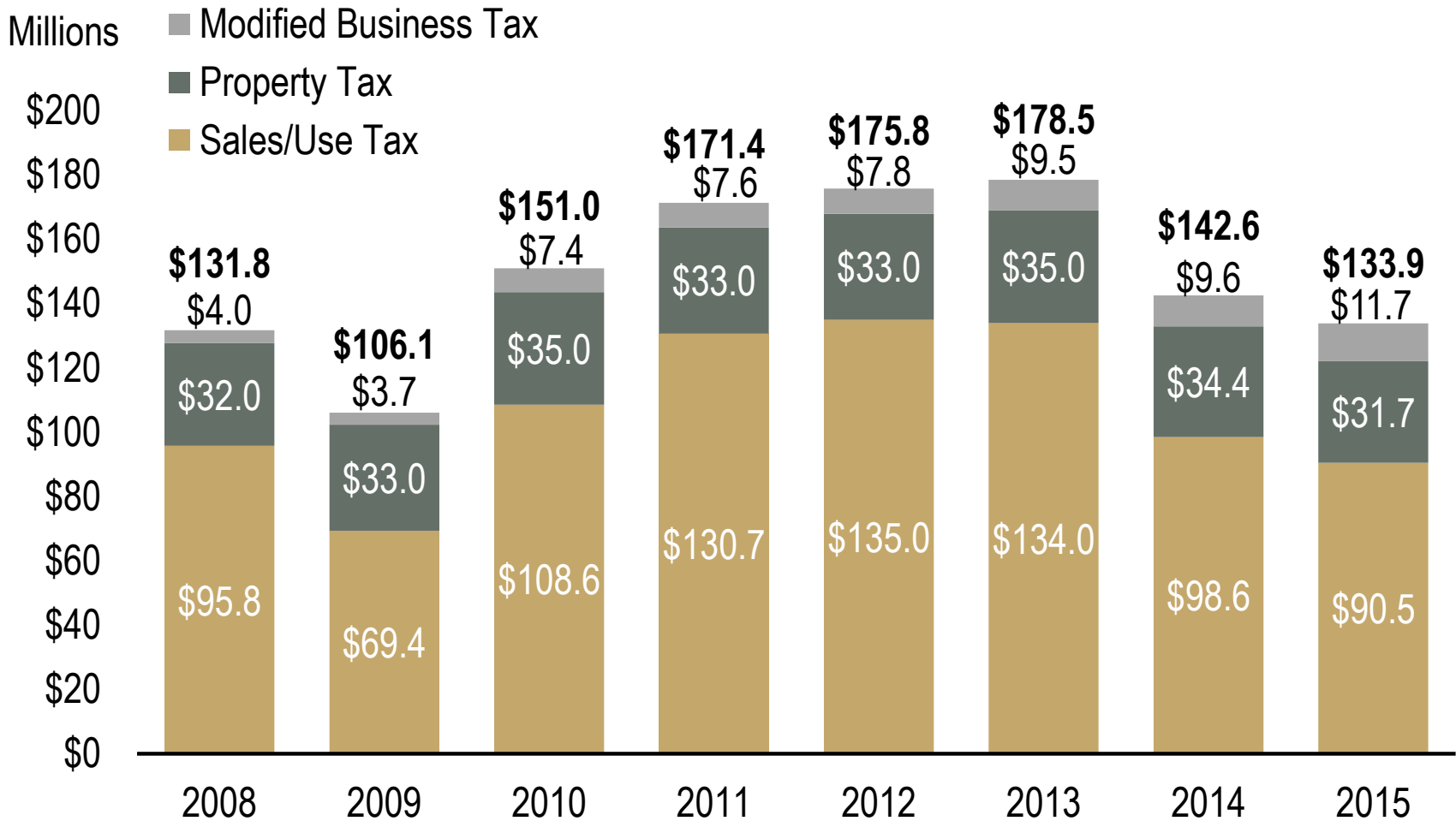
*Estimated modified  
business tax paid by  
Nevada mining:*



Source: NVMA Member Survey (2011-2015); Natural Resource Industry Institute (2008 – 2010), NV Dept of Taxation and industry surveys  
Note: Historical figures may be adjusted to reflect the latest available information.

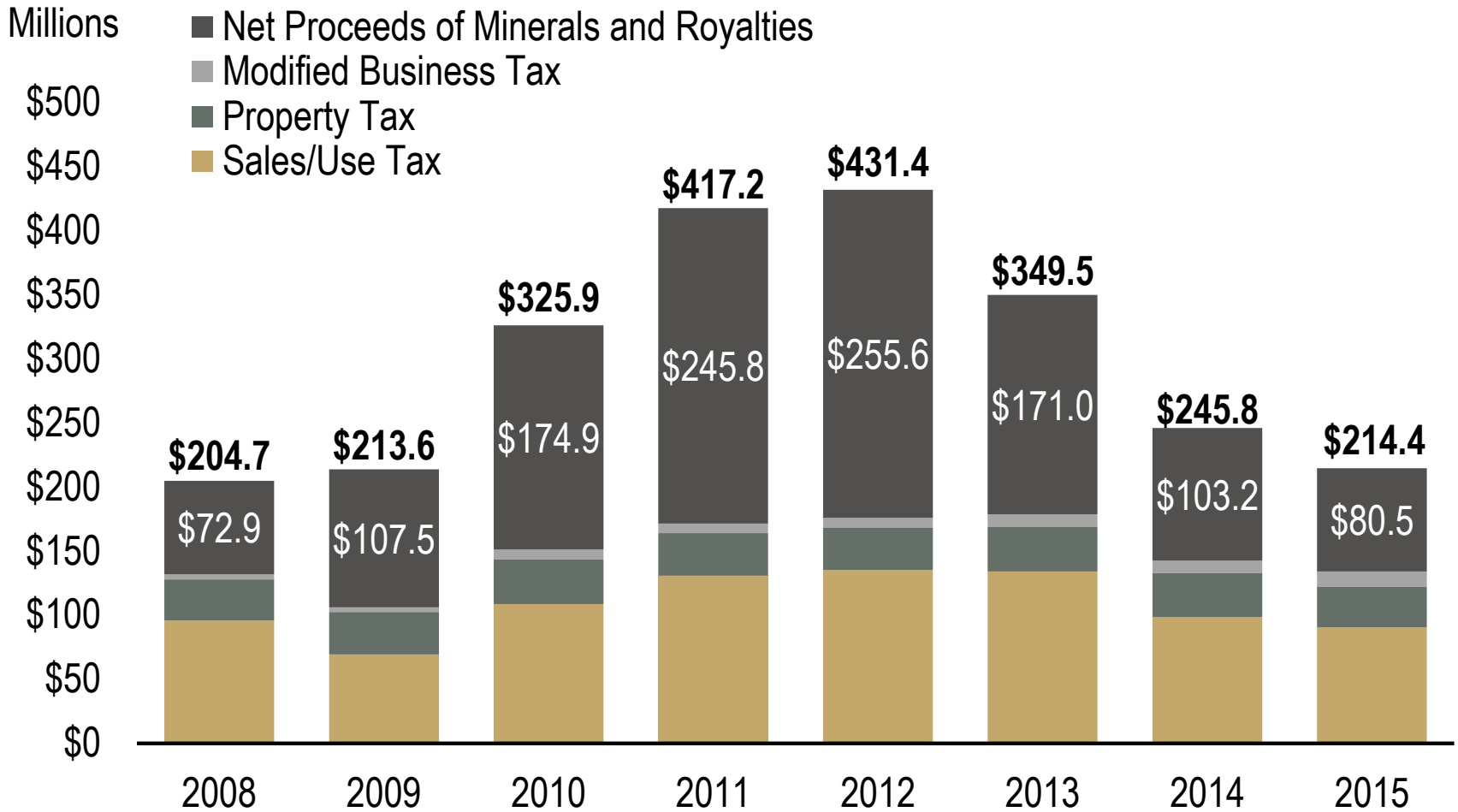


# Non-Industry Specific Estimated Major Taxes Paid by Nevada Mining



Source: NVMA Member Survey (2011-2015); Natural Resource Industry Institute (2008 – 2010), NV Dept of Taxation and industry surveys  
 Note: Historical figures may be adjusted to reflect the latest available information.

# Total Estimated Major Taxes Paid by Nevada Mining



Source: NVMA Member Survey (2011-2015); Natural Resource Industry Institute (2008 – 2010), NV Dept of Taxation and industry surveys

Note: Historical figures may be adjusted to reflect the latest available information.



# COMMUNITY AND ENVIRONMENT





# Charitable Giving by Nevada Mining

*What is the approximate amount of charitable gifts donated by your company in calendar year 2015?*



Monetary donations to non-profit/ charitable organizations:

**\$9.0 Million**



Educational scholarships:

**\$1.5 Million**



Higher education:

**\$1.2 Million**



Capital improvements in local communities:

**\$3.5 Million**

# \$15.2

# Million Total

Source: NVMA Member Survey (2016)



# Charitable Giving by Nevada Mining

*What is the approximate amount of volunteer hours tracked by your company in calendar year 2015?*

Volunteer time:

**930+ Hours**

Source: NVMA Member Survey (2016)



# Environmental Accomplishments by Nevada Mining

Formalized the Bank Enabling Agreement with the Department of Interior for sage grouse habitat conservation, restoration and mitigation.

The Nature Conservancy's Landscape Conservation Forecasting methodology is being utilized for planning.

Worked with the Bureau of Land Management (BLM) to restore wetlands and mine sites

Supplying the most environmentally friendly chemicals for each application.

Collects waste oil, anti-freeze and waste water.

Aluminum and plastic container recycling program.

Reduced electrical demand with the installation of variable speed drives.

Installed replacement high-efficiency furnace to replace old technology.

Supply drums to Nevada customers to recycle oil filters so they do not end up in a landfill.

Recycling program

Source: NVMA Member Survey (2016)



# SUMMARY OF NEVADA MINING IMPACTS





In 2015, the Nevada mining industry...

- Experienced an 8.1% increase in gold production, making it the fastest increase in the past 10 years
- Had the largest GDP growth over the past 10 years than any other sector
  - Nearly 90 percentage points higher than Nevada's industry total
- Barrick Gold and Newmont were once again in the top ten assessed taxpayers
  - Generated a combined \$14.3 billion





In 2015, the Nevada mining industry...

- Donated over \$15.1 million to non-profit/charitable organizations
  - A combined \$2.7 million in education-related donations
  
- Gave in excess of 930 hours to volunteer work
  
- Made green initiatives to help soften the industry's impact on the environment



In 2015, the Nevada mining industry...

- Had a lower unemployment rate in areas with major mining influences
  - 6.2% vs 6.8%
  
- Metal ore mining average annual wages were over double those of Nevada's industry average
  - \$96,669 vs \$45,760
  
- Anticipated workforce growth over the next five years
  - None of the surveyed companies are anticipating workforce reductions



- With the approaching election, political stability on a national level appears to be the primary policy factor influencing Nevada mining
- Mineral prices are once again the most influential economic factor for the mining industry
  - The price of both gold and silver increased this past year
- Nevada's population and taxable retail sales are all all-time highs
  - Nevada's employment will reach peak by 2017



## FISCAL

**\$91.8 Million**

Net Proceeds of Mineral Taxes Paid

**\$133.9 Million**

Non-industry Specific Taxes



## COMMUNITY

**\$15.2 Million**

Non-profit/Charitable Donations

**930+ Hours**

Volunteer Time



## EMPLOYMENT

**\$1.1 Billion**

Metal Ore Mining Salary & Wages

**28,927 Jobs**

Total Mining Employment Impact



## ECONOMIC IMPACT

**\$10.3 Billion**

Total Economic Output

**\$6.5 Billion**

Total Value-Added

**119**

Active Mines

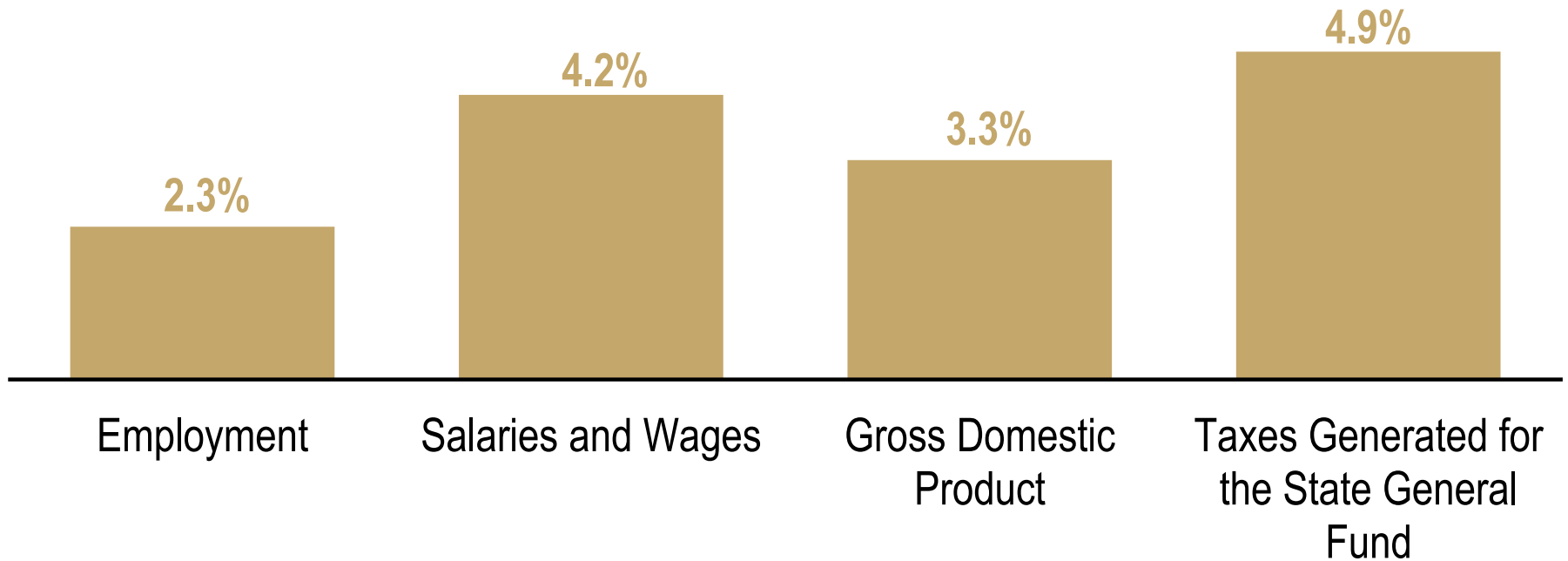
# Bottom Line: The Role of the State's Mining Industry

■ 2011 ■ 2012 ■ 2013 ■ 2014 ■ 2015



# Bottom Line: The Role of the State's Mining Industry

■ 2015



# THE ROLE OF NEVADA'S MINING INDUSTRY

**NEVADA**  
Mining Association

APPLIED  
ANALYSIS 

NEVADA MINING ASSOCIATION'S  
2016 ANNUAL CONVENTION