

2010 Mid-Year Update

Survey of Mining Companies 2009/2010



Fred McMahon and Miguel Cervantes

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Survey Information

The Fraser Institute *Survey of Mining Companies: 2010 Mid-year Update* was sent to approximately 3,000 exploration, development, and other mining-related companies around the world. Several mining publications and associations also helped publicize the survey. (Please see acknowledgements.) The survey, conducted from June 1 to June 30, represents responses from 429 of those companies; 51 jurisdictions were ranked.

Acknowledgements

We would like to thank the hundreds of members of the mining community who have responded to the survey update. You do a service to your industry by providing such valuable information.

We would also like to thank the Minerals Council of Australia for making this update possible. We also owe a debt of gratitude to a number of mining associations and publications that generously helped inform their readers and members of the opportunity to participate in the survey. These include the Australasian Institute of Mining & Metallurgy, the South Australian Chamber of Mines and Energy, l'Association minière du Québec, and l'Association de l'exploration minière du Québec.

We would also like to thank then-Executive Director Michael Walker and Laura Jones for conceptualizing this project over a decade ago.

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Executive Summary

Survey of Mining Companies—2010 Mid-year Update

Background

Since 1997, The Fraser Institute has conducted an annual survey of metal mining and exploration companies to assess how mineral endowments and public policy factors such as taxation and regulation affect exploration investment. Survey results represent the opinions of executives and exploration managers in mining and mining consulting companies operating around the world.

The 2010 mid-year update

As commodity prices recovered, a number of jurisdictions took steps that could increase both regulatory hurdles and taxation, and thus make mining more difficult and costly. As table 13 shows, miners judged that attitudes towards the mining industry had become more hostile in 41 of the 51 jurisdictions examined in the survey.

Examples include Quebec, where mining taxes were increased without consultation, and where the mining act is scheduled for revision; Nevada, where a referendum was proposed to dramatically increase mining taxes (the drive to put the tax on the ballot failed, but Nevada did enact a one-time claims tax); Chile, where a proposed tax increase was recently rejected by Congress; and Australia, where a super-profits tax was proposed and then withdrawn, though miners still face large tax increases.

This update is intended to gauge the reaction to such measures.

We also wished to make the update survey briefer than the full survey. To that end, we dropped several of questions that are asked in the annual survey, but added a few to better gauge the changes. We also shortened the list of nations surveyed, as discussed later.

Changes amid stability: The Policy Potential Index

The Policy Potential Index is a composite index of the 11 policy areas examined in the update survey. A jurisdiction that ranks first in every category would have a score of 100; one that scored last in every category would have a score of 0. Since no jurisdiction in this survey update ranked either first or last in *every* policy area, there are no 100 or 0 scores.

Although the scores and rankings of most jurisdictions did not change dramatically, several jurisdictions did move substantially. (See table 1 for the data and page 16 for an explanation of the structure of the PPI.)

The developed world: losers

Australia

Earlier this year, the Australian government announced plans to impose a heavy Resources Super Profits Tax (RSPT) on the mining industry. During the time the update survey was open, the Australian government remained committed to this tax. Thus, responses to the survey reflect concerns about the tax.

However, after the survey update was closed at the end of June, the Australian government decided to drop the RSPT. Nonetheless, the government still announced other plans for large tax increases on the mining industry in lieu of the RSPT.

The response to the RSPT was extraordinarily negative. The average score of the Australian states declined from 62.9 out of 100 in the 2009/10 annual survey, conducted late in 2009 and released in the spring of 2010, to 40.9 in this survey update.

Fifty-one jurisdictions were included in this update. The average rank of the Australian states fell to 31st out of 51 jurisdictions in the update from 18th in the 2009/2010 index, adjusted to include the same 51 jurisdictions as in the update to create an apples-to-apples comparison. (See “Comparing the Policy Potential Index” on pages 16 and 17 for an explanation.)

As mentioned, the survey closed prior to the cancellation of the super tax. However, it is unclear what the reaction will be to the newly announced tax changes, the structure of which is still uncertain. Clearly, the new changes will raise taxes substantially on miners, though less than the RSPT would have. Our 2010/2011 Annual Survey of Mining Companies, to be conducted in the autumn of this year, will make interesting reading in gauging the reaction of miners to the new tax structure.

Nevada

After the Australian states, Nevada’s score suffered the biggest fall in the developed world, from 88.8 to 77.0 out of 100, and from a rank of 3rd to 10th out of 51.

According to miners, Nevada still remains a good place to mine, but the results show that they were worried by an effort to put a huge tax increase to a referendum (the referendum petition failed to get enough signatures to be put on the ballot). The legislature did, however, enact a new one-time mining tax.

Quebec

Moderate increases in mining taxes in Quebec were announced, without consultation, in the province’s spring budget.

As well, Quebec’s mining legislation is to be reviewed in the autumn. Conversations with miners reveal concerns about growing hostility to mining in the province. Quebec’s Policy Potential Index score fell by 6.2 points and its ranking from 1st to 3rd. Like Nevada, Quebec remains a good place to mine, though miners’ confidence has been shaken.

Chile

Chile was one of the jurisdictions that motivated this survey update; it had proposed a new mining tax. On July 8, 2010, Congress defeated the tax proposal. Although the tax defeat came after the survey update had closed, Chile's ranking remained relatively unchanged in this survey update despite the threatened imposition of a new mining tax.

The developed world: gainers

Several jurisdictions rose in the survey. California's score rose by 15.2 points, but from a very low level. British Columbia increased its score by 9.4 over the 2009/2010 survey, in effect, returning to roughly where it was in the 2008/2009 survey. The scores for two of Canada's territories have also moved up. The Yukon gained 11.6 points, which moved it from 13th out of 51 jurisdictions in the adjusted 2009/2010 survey to 4th spot out of 51 jurisdictions in this update. Nunavut gained 9.0 points and climbed from 32nd out of 51 jurisdictions to 20th out of 51.

Low and middle income jurisdictions: losers

Kazakhstan's score dropped the most in this survey update. It fell from a score of 42.8 to just 8.0 points, and in rank from 33rd spot in the adjusted 2009/10 survey to 49th in the update survey. Russia suffered the third biggest loss; its score dropped from 48.4 to 14.8 points, which caused it to plummet from 29th to 46th spot.

Low and middle income jurisdictions: gainers

The Philippines rose from 12.6 to 34.0 points, and with that, its rank climbed from 49th in the adjusted 2009/10 survey to 35th spot in the update survey. Colombia's score rose from 40.2 to 54.6 points, and its rank increased from 35th in the adjusted 2009/10 survey to 21st in the update survey.

Top and bottom scorers: Policy Potential Index

There is considerable consistency between the 2009/2010 annual survey and this update, even when using the original, unadjusted scores from the 2009/10 survey. (The comparisons above are from Policy Potential Index scores adjusted so that they include the same questions and jurisdictions in both the 2009/2010 annual survey and this 2010 update to enable direct comparisons. See "Comparing the Policy Potential Index" on pages 15 and 16 for a discussion. The following comparisons are from original scores in both surveys.)

The top 10 scorers in this update are: Alberta, 96.0; Finland, 93.8; Quebec, 92.0; Yukon, 85.8; Saskatchewan, 84.4; Chile, 82.5; Newfoundland and Labrador, 80.0; Botswana, 79.3; Alaska, 78.4; and Nevada, 76.5.

In comparison, the top 10 scorers in the 2009/2010 annual survey were: Quebec, 96.7; New Brunswick, 94.1; Finland, 90.2; Alberta, 89.9; Nevada, 88.8; Saskatchewan, 81.6; Chile, 79.1; Newfoundland and Labrador, 78.3; Manitoba, 76.8; and South Australia, 75.9.

Seven of the top 10 are the same in each survey. The three exceptions are New Brunswick, which was not included in the update survey, Manitoba, which was just outside the top 10 in 11th spot, and South Australia, the score for which was adversely affected by the tax controversy in Australia.

The bottom scorers in the update are: Ecuador, 3.8; Mongolia, 4.0; Kazakhstan, 7.3; Bolivia, 10.2; Venezuela, 12.5; Zimbabwe, 14.2; Russia, 15.8; Colorado, 18.7; Indonesia, 23.5; and Tasmania, 26.4.

In comparison, the bottom 10 scorers in the 2009/2010 annual survey were: Venezuela, 6.9; Ecuador, 10.5; Philippines, 14.0; Zimbabwe, 14.7; Democratic Republic of the Congo, 18.9; Mongolia, 19.0; Bolivia, 20.1; Honduras, 20.4; Guatemala, 21.9; and California, 22.6.

Five nations moved out of the bottom 10 in the update: Philippines, Democratic Republic of the Congo, Honduras, Guatemala, and California. Two of these, Honduras and Guatemala, were not in the update. Democratic Republic of the Congo was 12th from the bottom, the Philippines 14th, and California 15th.

Further analysis, including a discussion of other questions, can be found in the main text.

Table 1: Policy Potential Index

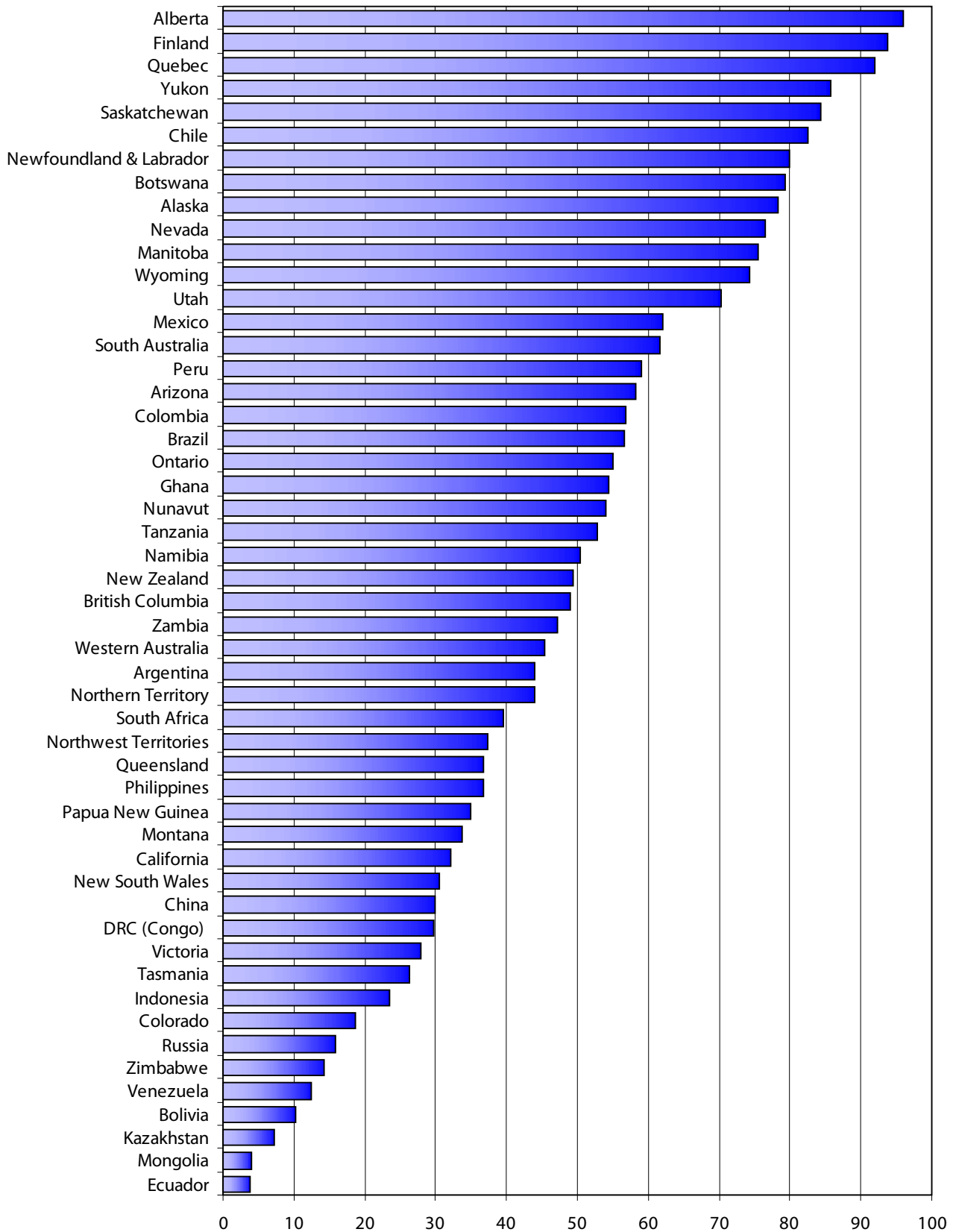
		Score				Rank			
		2010 update	Com-parative update index	Com-parative 2010/2009 index	Differ-ence	2010 update	Com-parative update index rank	Com-parative 2010/2009 index rank	Differ-ence
Canada	Alberta	96.0	95.8	90.6	5.2	1	1	2	1.0
	Brit. Columbia	49.1	47.2	37.8	9.4	26	27	37	10.0
	Manitoba	75.5	73.6	73.6	0.0	11	12	11	-1.0
	Newfoundland & Labrador	80.0	79.8	75.4	4.4	7	7	9	2.0
	Northwest Territories	37.3	37.6	38.4	-0.8	32	33	36	3.0
	Nunavut	54.0	55.0	46.0	9.0	22	20	32	12.0
	Ontario	55.1	55.2	57.6	-2.4	20	19	21	2.0
	Quebec	92.0	91.2	97.4	-6.2	3	3	1	-2.0
	Saskatchewan	84.4	83.8	81.4	2.4	5	5	6	1.0
	Yukon	85.8	84.8	73.2	11.6	4	4	13	9.0
	Average change				3.3				3.7
USA	Alaska	78.4	77.6	72.8	4.8	9	9	14	5.0
	Arizona	58.2	59.0	55.4	3.6	17	16	23	7.0
	California	32.2	31.8	16.6	15.2	37	39	47	8.0
	Colorado	18.7	20.6	24.6	-4.0	44	44	42	-2.0
	Montana	33.6	34.4	35.6	-1.2	36	34	39	5.0
	Nevada	76.5	77.0	88.8	-11.8	10	10	3	-7.0
	Utah	70.2	72.0	68.8	3.2	13	13	15	2.0
	Wyoming	74.4	76.2	75.6	0.6	12	11	8	-3.0
	Average change				1.3				1.9
Australia	New South Wales	30.5	31.8	60.4	-28.6	38	38	19	-19.0
	Northern Territory	44.0	48.4	73.6	-25.2	29	25	12	-13.0
	Queensland	36.7	38.2	56.2	-18.0	33	32	22	-10.0
	South Australia	61.6	64.0	73.8	-9.8	15	14	10	-4.0
	Tasmania	26.4	29.0	62.8	-33.8	42	40	17	-23.0
	Victoria	27.8	28.2	49.4	-21.2	41	42	28	-14.0
	Western Australia	45.5	46.8	64.4	-17.6	28	28	16	-12.0
	Average change				-22.0				-13.6
Oceania	Indonesia	23.5	21.8	26.4	-4.6	43	43	41	-2.0
	New Zealand	49.5	52.4	52.8	-0.4	25	23	25	2.0
	Papua New Guinea	34.9	33.6	37.2	-3.6	35	36	38	2.0
	Philippines	36.7	34.0	12.6	21.4	34	35	49	14.0
		Average change				3.2			

Table 1: Policy Potential Index

		Score				Rank			
		2010 update	Com-parative update index	Com-parative 2010/2009 index	Differ-ence	2010 update	Com-parative update index rank	Com-parative 2010/2009 index rank	Differ-ence
Africa	Botswana	79.3	78.4	77.8	0.6	8	8	7	-1.0
	Dem. Rep. of Congo (DRC)	29.6	28.4	23.4	5.0	40	41	43	2.0
	Ghana	54.4	53.2	60.0	-6.8	21	22	20	-2.0
	Namibia	50.4	48.4	53.8	-5.4	24	26	24	-2.0
	South Africa	39.6	39.0	22.2	16.8	31	31	44	13.0
	Tanzania	52.9	50.8	51.2	-0.4	23	24	26	2.0
	Zambia	47.1	46.0	40.8	5.2	27	29	34	5.0
	Zimbabwe	14.2	15.6	13.6	2.0	46	45	48	3.0
Average change		2.1				2.5			
Latin America	Argentina	44.0	42.4	28.2	14.2	30	30	40	10.0
	Bolivia	10.2	11.2	19.2	-8.0	48	47	46	-1.0
	Brazil	56.5	56.0	47.8	8.2	19	18	31	13.0
	Chile	82.5	83.0	82.8	0.2	6	6	5	-1.0
	Colombia	56.9	54.6	40.2	14.4	18	21	35	14.0
	Ecuador	3.8	4.2	8.6	-4.4	51	51	50	-1.0
	Mexico	62.0	59.8	60.6	-0.8	14	15	18	3.0
	Peru	59.1	57.4	49.8	7.6	16	17	27	10.0
	Venezuela	12.5	10.8	6.2	4.6	47	48	51	3.0
Average change		4.0				5.6			
Eurasia	China	30.0	33.0	48.2	-15.2	39	37	30	-7.0
	Finland	93.8	94.0	87.2	6.8	2	2	4	2.0
	Kazakhstan	7.3	8.0	42.8	-34.8	49	49	33	-16.0
	Mongolia	4.0	4.4	21.2	-16.8	50	50	45	-5.0
	Russia	15.8	14.8	48.4	-33.6	45	46	29	-17.0
Average change		-18.7				-8.6			

See “Comparing the Policy Potential Index” on pages 15 and 16 for an explanation of this table.

Figure 1: Policy Potential Index



Survey Results

Survey background

Since 1997, The Fraser Institute has conducted an annual survey of metal mining and exploration companies to assess how mineral endowments and public policy factors such as taxation and regulation affect exploration investment. Survey results represent the opinions of executives and exploration managers in mining and mining consulting companies operating around the world.

The effects of increasingly onerous, seemingly capricious regulations, uncertainty about land use, higher levels of taxation, and other policies that interfere with market conditions are rarely felt immediately, as they are more likely to deter companies looking for new projects than they are to shut down existing operations.

In order to address this problem and assess how various public policy factors influence companies' decisions to invest in different regions, The Fraser Institute launched its anonymous survey of senior and junior companies.

This is the first mid-year update to the survey. As commodity prices recovered in 2010, a number of jurisdictions took steps that would increase both regulatory hurdles and taxation, and thus make mining more difficult and costly.

Examples include Quebec, where mining taxes were increased without consultation, and where the mining act is scheduled for revision; Nevada, where a referendum was proposed to dramatically increase mining taxes (the drive to put the tax on the ballot failed, but Nevada did enact a one-time claims tax); Chile, where a proposed tax increase was recently rejected by Congress; and Australia, where a super-profits tax was proposed and then withdrawn, though miners still face large tax increases.

This update is intended to gauge the reaction to such measures.

As discussed below, we shortened the update survey in both the number of jurisdictions and questions in the survey.

Survey structure in detail

In our regular annual survey, we examine 13 policy-related factors that contribute to the ability of jurisdictions to attract exploration investment and on two overall questions on the attractiveness of a jurisdiction under current and under best practices policies. Companies were asked to rate jurisdictions on the following factors on a scale of 1 to 5:

- Uncertainty concerning the administration, interpretation, and enforcement of existing regulations
- Uncertainty concerning environmental regulations
- Regulatory duplication and inconsistencies (including federal/provincial or federal/state and interdepartmental overlap)

Taxation regime (including personal, corporate, payroll, capital taxes, and the complexity associated with tax compliance)

Uncertainty concerning disputed land claims

Uncertainty concerning which areas will be protected as wilderness, parks, or archeological sites

Infrastructure (*not included in this update*)

Socioeconomic agreements (includes local purchasing, processing requirements or supplying social infrastructure such as schools or hospitals, etc.)

Political stability

Labor regulation/employment agreements

Geological database (including quality and scale of maps and ease of access to information) (*not included in this update*)

Security (includes physical security due to the threat of attack by terrorists, criminals, guerrilla groups, etc.)

Availability of labor/skills (*not included in this update*)

Overview questions

Mineral potential assuming current regulation and land use restrictions (*not included in this update*)

Mineral potential assuming no regulation or land restrictions (but further assuming industry “best practice” standards) (*not included in this update*)

Scale

1 = encourages exploration investment

2 = not a deterrent to exploration investment

3 = mild deterrent to exploration investment

4 = strong deterrent to exploration investment

5 = would not pursue exploration investment in this region due to this factor

Respondents were asked to score only jurisdictions with which they are familiar and only on those policy factors with which they were familiar.

Changes in this update

For this update, we shortened the length of the survey to the extent we could, realizing that two surveys in a year put a burden on our respondents. We dropped policy questions that do not relate to taxation or regulatory policy, specifically, those questions on:

Quality of infrastructure,

Quality of the geological database,

Supply of labor and skills.

We also dropped the two overview questions:

Mineral potential assuming current regulation and land use

Mineral potential assuming no regulation or land restrictions

As well, we dropped several investment-related questions.

We also shortened the list of jurisdictions. We included the following: Alberta, British Columbia, Manitoba, Newfoundland and Labrador., Northwest Territories, Nunavut, Ontario, Quebec, Saskatchewan, Yukon, Alaska, Arizona, California, Colorado, Montana, Nevada, Utah, Wyoming, New South Wales, Northern Territory, Queensland, South Australia, Tasmania, Victoria, Western Australia, Indonesia, New Zealand, Pap. N. Guinea, Philippines, Botswana, Democratic Republic of Congo (DRC), Ghana, Namibia, South Africa, Tanzania, Zambia, Zimbabwe, Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Mexico, Peru, Venezuela, China, Finland, Kazakhstan, Mongolia, and Russia.

The jurisdictions that were included in the 2009/2010 survey, but which were dropped in this update are: New Brunswick, Nova Scotia, Idaho, Michigan, Minnesota, New Mexico, South Dakota, Washington, Wisconsin, Burkina Faso, Mali, Guatemala, Honduras , Panama, India, Ireland, Kyrgyzstan, Norway, Spain, Sweden, and Turkey. Based on response rates and comments from miners, these jurisdictions were judged to be less importance to miners than the jurisdictions included in the abbreviated update. Of course, they remain highly important for miners exploring or developing in these jurisdictions and will be included again in the 2010/2011 *annual* survey.

However, we did add three new questions to gauge the reaction to what some view as attacks on the mining industry. The questions are:

Uncertainty over future taxation regime and tax levels (includes personal, royalty, corporate, payroll, capital, and other taxes, and complexity of tax compliance). This uses the scale for policy questions noted above.

Are you concerned that attitudes to the mining industry are becoming: 1: Considerably more hostile, 2: Somewhat more hostile, 3: Less hostile, 4: Considerably less hostile, 5: No change.

In which jurisdictions do you do you see increased uncertainty in the future concerning the following: taxes, regulatory burden, union/labor demands, security threats, political instability, other threats.

Only the first of these was included in the PPI, because it directly relates to policy. The “attitude” question did not fit this requirement, and the other question overlaps with existing policy questions, so could create double counting if included in the PPI.

Policy Potential Index: A “Report Card” to Governments on the Attractiveness of their Mining Policies

While geologic and economic evaluations are always requirements for exploration, in today’s globally competitive economy where mining companies may be examining properties located on different continents, a region’s policy climate has taken on increased importance in attracting and winning investment. The Policy Potential Index serves as a report card to governments on how attractive their policies are from the point of view of an exploration manager.

The Policy Potential Index is a composite index that measures the effects on exploration of government policies reflected by the questions listed above (see table 1 and figure 1).

The Policy Potential Index (PPI) is based on ranks and is normalized to maximum score of 100. Each jurisdiction is ranked in each policy area based on the percentage of respondents who judge that the policy factor in question “encourages investment.” The jurisdiction that receives the highest percentage of “encourages investment” in any policy area is ranked first in that policy area; the jurisdiction that receives the lowest percentage of this response is ranked last. The ranking of each jurisdiction across all policy areas is averaged and normalized to 100. A jurisdiction that ranks first in every category would have a score of 100; one that scored last in every category would have a score of 0.

Since no jurisdiction in this survey update ranked either first or last in *every* policy area, there are no 100 or 0 scores.

Comparing the Policy Potential Index from this update with the PPI from the 2009/2010 Annual Survey

As discussed above, the mixture of questions and jurisdictions in the update differ somewhat from those in the 2009/2010 survey.

In table 1, note the columns headed: “Score 2010 Update”; and “Rank 2010 Update.” These scores and ranks are based on the calculations of the full set of nations and policy questions in the 2010 survey update. They form the basis for figure 1.

The columns headed: “Score, Comparative Update Index” and “Rank, Comparative Update Index” recalculate the Policy Potential Index from this update without including the question on future taxes, so that it can be directly compared to the 2009/2010 Annual Survey, which does not include this question.

Finally, the columns headed: “Score, Comparative 2009/2010 index” and “Rank, Comparative 2009/2010 index” are a recalculation of the 2009/2010 Policy Potential Index to include only those questions and jurisdictions included in the update survey.

In short, the columns marked “comparative” provide an apples-to-apples comparison between the PPI in the 2009/10 index and in the update 2010 index. These are based on the identical lists of countries and questions.

There is little variation between the 2010 update columns and the 2010 update *comparative* columns. Similarly, a comparison of the PPI scores and ranks in our 2009/2010 annual report is quite similar to the comparative indexes found in table 1. However, we thought it important to ensure the absolute integrity of the comparison by making the adjustments discussed above to ensure the PPI for 2009/2010 and for the 2010 update were *exactly* comparable.

The figures and tables

Figures 2 through 12 show the percentage of respondents who rate each policy factor as a “mild deterrent to investment exploration” or “strong deterrent to exploration investment” or “would not pursue exploration investment in this region due to this factor” (“3”, “4” or “5” on the scale above). The tables adjacent to the charts give more information on the responses. Tables 13, 15, and 16 provide more information and are self-explanatory.

A word of explanation on table 14: as noted above, we ask respondents to specify the jurisdictions they know, and require that they respond to questions only on these jurisdictions. However, all respondents were permitted to respond to the questions for table 14.

We took the number of respondents who ticked off an answer for a jurisdiction for table 14, then divided that number by the number of respondents who claimed familiarity with that jurisdiction. Thus, if 50 respondents said they were familiar with a jurisdiction and 20 indicated they were concerned about a policy area in that jurisdiction, it would appear in the table as 40 percent. Similarly, if 50 respondents indicated they were familiar with a jurisdiction and 75 said they were concerned about a policy in that jurisdiction, it would appear in the table as 150 percent.

By opening up question 14 to all respondents, we were able to gauge how much news about each jurisdiction travels to other miners who might not know that jurisdiction particularly well.

For example, the fact that the responses in table 14 for taxation on Australia are above 100 percent means that many more miners responded negatively to these questions than claimed direct familiarity with Australia. In other words, concerns about the proposed super tax had spread globally throughout the mining community.

Analysis of the Results

This survey provides an immense amount of information. Readers can determine whether miners view a jurisdiction more or less favorably on 11 policy areas, plus gather information about hostility levels and miners' concerns about the future (figure 13 and tables 13 and 14.) In fact, as table 13 shows, miners judged that attitudes towards the mining industry had become hostile in 41 of the 51 jurisdictions examined in the survey.

However, like many surveys, the responses do not explain why the score for a particular jurisdiction went up or down. In some cases, the reason is pretty straightforward. In Australia's case, the introduction of the RSPT and the fall in the score of its states is a case in point. In other cases, the reason is less obvious: Did South Africa move up in part because of the optimism generated by the FIFA World Cup? We occasionally mention factors below that may be relevant to a jurisdiction's score, but readers should understand that these are *speculative*.

Developed world: losers

Australia

Earlier this year, the Australian government announced plans to impose a heavy Resources Super Profits Tax (RSPT) on the mining industry. During the time the update survey was open, the Australian government remained committed to this tax. Thus, responses to the survey reflect concerns about the tax.

However, after the survey update was closed at the end of June the Australian government decided to drop the RSPT. Nonetheless, the government still announced other plans for large tax increases on the mining industry in lieu of the RSPT.

The response to the RSPT was extraordinarily negative. The average score of the Australian states declined from 62.9 out of 100 in the 2009/10 annual survey, conducted late in 2009 and released in the spring of 2010 to 40.9 in this survey update.

Fifty-one jurisdictions were included in this update. The average rank of the Australian states fell to an average of 31st out of 51 jurisdictions in the update from 18th in the 2009/2010 index, adjusted to include the same 51 jurisdictions as in the update to create an apples-to-apples comparison. (See "Comparing the Policy Potential Index" on pages 16 and 17 for an explanation.)

As mentioned, the survey closed prior to the cancellation of the super profits tax. However, it is unclear what the reaction will be to the newly announced tax changes, the structure of which is still uncertain. Clearly, the new changes will raise taxes substantially on miners, though less than the RSPT would have. Our 2010/2011 Annual Survey of Mining Companies, to be conducted in the autumn of this year, will make interesting reading in gauging the reaction of miners to the new tax structure.

Interestingly, Australia is the second jurisdiction to raise taxes dramatically on the resource sector and then have to pull back due to loss or projected loss of investment and job creation. Alberta announced a large tax

increase for the oil sector in 2009, but earlier this year announced a rollback while admitting the tax increase had a serious negative impact on investment and economic growth.

The magnitude of the reaction in Australia, as captured by this survey, suggests that the economic reaction to the super tax would have been quite severe.

Australia: Specific questions

Australia overall has middling negative responses to the question on current taxation (figure 5 and table 5). However, miners were clearly worried about the future. In the question on *future* taxation (figure and table 12), the seven Australian states take up seven of the bottom eight spots, with only Venezuela slipping in to break the Australian grip on the bottom of the standings.

Australia also does very poorly on the question of whether or not hostility to mining is growing (table 13 and figure 13.) On average for the Australian states, about a third of respondents say Australia is getting “considerably more hostile” while another third say the states are becoming “somewhat more hostile” to mining.

News about Australia’s attempted tax hike clearly traveled around the world. As table 14 reveals, more miners said they were worried about Australia’s future taxes than said they were familiar with mining issues in Australia. Moreover, this concern spilled over into other areas; a considerable number of miners were worried about the regulatory burden and labour/union demands in table 14.

Nevada

After the Australian states, Nevada’s score suffered the biggest fall in the developed world, from 88.8 to 77.0 out of 100, and from a rank of 3rd to 10th out of 51.

According to miners, Nevada still remains a good place to mine, but the results show that they were worried by an effort to put a huge tax increase to a referendum (the referendum petition failed to get enough signatures to be put on the ballot). The legislature did, however, enact a new one-time mining tax.

Miners also rated Nevada relatively negatively on the future taxation questions (figure 12 and tables 12 and 14), but the state did not score particularly badly on the question about whether hostility towards mining was growing there (table 13).

Quebec

Moderate increases in mining taxes in Quebec were announced, without consultation, in the province’s spring budget. As well, Quebec’s government will be reviewing its mining legislation in the autumn. Quebec’s Policy Potential Index score fell by 6.2 points and its ranking from 1st out of 51 to 3rd out of 51. Like Nevada, Quebec remains a good place to mine, though miners’ confidence has been shaken.

Quebec did relatively well in the taxation and future taxation questions (figures and tables 5 and 12, and table 14), though not as well as it did in the 2009/2010 survey to the current taxation question. Concern about growing hostility to mining is relatively high for a Canadian jurisdiction (table 13), but not as high as it is for British Columbia or Ontario.

Chile

Chile was one of the jurisdictions that motivated this survey update in that a new mining tax had been proposed for that nation. On July 8, 2010, Congress defeated the tax proposal. Although the tax defeat came after the survey update had closed, Chile's ranking remained relatively unchanged in this survey update.

Developed world: gainers

Several jurisdictions rose in the survey. California's score rose by 15.2 points, but from a very low level. British Columbia increased its score by 9.4 over the 2009/2010 survey, in effect, returning to roughly where it was in the 2008/2009 survey. The scores for two of Canada's territories have also moved up. The Yukon gained 11.6 points, which moved it from 13th out of 51 jurisdictions in the adjusted 2009/10 survey to 4th spot out of 51. Nunavut gained 9.0 points and climbed from 32nd out of 51 jurisdictions to 20th out of 51.

Low and middle income jurisdictions: losers

Kazakhstan's score dropped the most in this survey update. It fell from a score of 42.8 to just 8.0 points, and in rank from 33rd spot in the adjusted 2009/10 survey to 49th in the update survey. Russia suffered the third biggest loss; its score dropped from 48.4 to 14.8 points, which caused it to plummet from 29th to 46th spot.

Low and middle income jurisdictions: gainers

The Philippines rose from 12.6 to 34.0 points, and with that, its rank climbed from 49th in the adjusted 2009/2010 survey to 35th spot in the update survey. Earlier in the year, the Philippines held relatively clean and peaceful elections. South Africa rose from a score of 22.2 to 39.0 and from a rank of 44th in the adjusted 2009/10 survey to 31st in the update survey.

Colombia's score rose from 40.2 to 54.6 points, and its rank increased from 35th in the adjusted 2009/2010 survey to 21st in the update survey. Like the Philippines, this may be partly due to a clean and peaceful election, though, unlike the Philippines, Colombia has a long history as a successful democracy, despite problems with violent drug gangs and leftist insurgencies, both now largely under control. That may be the second reason for the improvement in Colombia's score—an increasing understanding of the large gains the nation has made in recent years.

Top and bottom scorers: Policy Potential Index

There is considerable consistency between the 2009/2010 annual survey and this update, even when using the original, unadjusted scores from the 2009/10 survey. (The comparisons above are from Policy Potential Index scores adjusted so that they include the same questions and jurisdictions to enable direct comparisons. See "Comparing the Policy Potential Index" on pages 16 and 17 for a discussion. The following comparisons are from the original scores in both surveys.)

The top 10 scorers in this update are: Alberta, 96.0; Finland, 93.8; Quebec, 92.0; Yukon, 85.8; Saskatchewan, 84.4; Chile, 82.5; Newfoundland and Labrador, 80.0; Botswana, 79.3; Alaska, 78.4; and Nevada, 76.5.

In comparison, the top 10 scorers in the 2009/2010 annual survey were: Quebec, 96.7; New Brunswick, 94.1; Finland, 90.2; Alberta, 89.9; Nevada, 88.8; Saskatchewan, 81.6; Chile, 79.1; Newfoundland and Labrador, 78.3; Manitoba, 76.8; and South Australia, 75.9.

Seven of the top 10 are the same in each survey. The three exceptions are New Brunswick, which was not included in the update survey, Manitoba, which was just outside the top 10 in 11th spot, and South Australia, the score for which was adversely affected by the tax controversy in Australia.

The bottom scorers in the update are: Ecuador, 3.8; Mongolia, 4.0; Kazakhstan, 7.3; Bolivia, 10.2; Venezuela, 12.5; Zimbabwe, 14.2; Russia, 15.8; Colorado, 18.7; Indonesia, 23.5; and Tasmania, 26.4.

In comparison, the bottom 10 scorers in the 2009/2010 annual survey were: Venezuela, 6.9; Ecuador, 10.5; Philippines, 14.0; Zimbabwe, 14.7; Democratic Republic of the Congo, 18.9; Mongolia, 19.0; Bolivia, 20.1; Honduras, 20.4; Guatemala, 21.9; and California, 22.6.

Five nations moved out of the bottom 10 in the update: Philippines, Democratic Republic of the Congo, Honduras, Guatemala, and California. Two of these, Honduras and Guatemala, were not in the update. Democratic Republic of the Congo was 12th from the bottom, the Philippines 14th, and California 15th.

Survey Tables and Figures

The data tables and corresponding figures compiled from the survey data follow.

Table 2: Uncertainty Concerning the Administration, Interpretation, and Enforcement of Existing Regulations

	1: Encourages investment	2: Not a deterrent to investment			
	3: Mild deterrent	4: Strong deterrent			
	5: Would not pursue investment due to this factor				
Response	1	2	3	4	5
Canada					
Alberta	44%	38%	15%	0%	3%
British Columbia	21%	19%	34%	19%	7%
Manitoba	54%	26%	14%	6%	0%
Newfoundland & Labrador	67%	20%	7%	7%	0%
Northwest Territories	5%	26%	30%	26%	14%
Nunavut	8%	40%	38%	13%	3%
Ontario	26%	32%	25%	17%	1%
Quebec	72%	17%	7%	3%	1%
Saskatchewan	57%	31%	10%	0%	2%
Yukon	45%	38%	12%	5%	0%
USA					
Alaska	32%	34%	32%	0%	3%
Arizona	17%	34%	37%	7%	5%
California	3%	6%	25%	28%	39%
Colorado	3%	3%	53%	28%	13%
Montana	4%	23%	23%	19%	31%
Nevada	40%	39%	13%	5%	3%
Utah	34%	38%	28%	0%	0%
Wyoming	33%	44%	19%	4%	0%
Australia					
New South Wales	4%	45%	35%	9%	7%
Northern Territory	43%	39%	14%	2%	2%
Queensland	18%	37%	27%	15%	3%
South Australia	58%	29%	7%	2%	4%
Tasmania	18%	57%	14%	4%	7%
Victoria	4%	22%	43%	22%	9%
Western Australia	26%	40%	23%	4%	7%
Oceania					
Indonesia	4%	31%	33%	18%	13%
New Zealand	9%	27%	52%	6%	6%
Papua New Guinea	15%	42%	19%	15%	8%
Philippines	19%	11%	26%	41%	4%

Table 2: Uncertainty Concerning the Administration, Interpretation, and Enforcement of Existing Regulations

	1: Encourages investment	2: Not a deterrent to investment			
	3: Mild deterrent	4: Strong deterrent			
	5: Would not pursue investment due to this factor				
Response	1	2	3	4	5
Africa					
Botswana	46%	46%	7%	0%	0%
Democratic Republic of Congo (DRC)	19%	0%	27%	15%	38%
Ghana	31%	48%	21%	0%	0%
Namibia	19%	56%	26%	0%	0%
South Africa	12%	27%	37%	20%	4%
Tanzania	16%	36%	32%	8%	8%
Zambia	15%	35%	35%	12%	4%
Zimbabwe	4%	0%	15%	23%	58%
Latin America					
Argentina	21%	23%	40%	15%	2%
Bolivia	0%	18%	0%	32%	50%
Brazil	36%	38%	20%	7%	0%
Chile	55%	36%	8%	1%	0%
Colombia	21%	45%	28%	7%	0%
Ecuador	0%	19%	16%	22%	44%
Mexico	42%	40%	15%	1%	1%
Peru	37%	38%	22%	3%	0%
Venezuela	4%	0%	0%	4%	92%
Eurasia					
China	3%	24%	21%	28%	24%
Finland	52%	43%	4%	0%	0%
Kazakhstan	18%	36%	45%	0%	0%
Mongolia	4%	24%	16%	52%	4%
Russia	7%	23%	7%	30%	33%

Figure 2: Uncertainty Concerning the Administration, Interpretation, and Enforcement of Existing Regulations

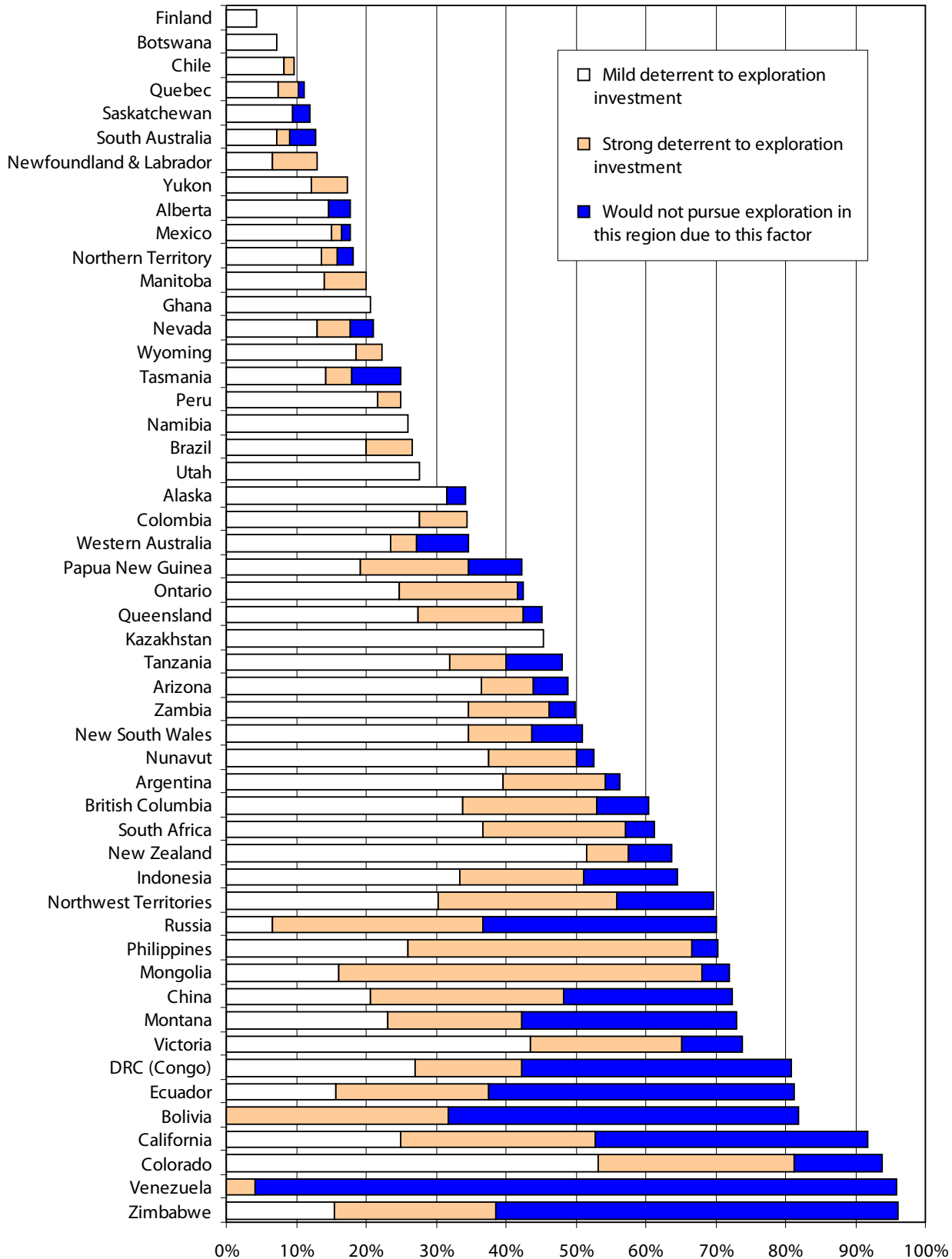


Table 3: Environmental Regulations

Response	1: Encourages investment	2: Not a deterrent to investment	3: Mild deterrent	4: Strong deterrent	5: Would not pursue investment due to this factor
	1	2	3	4	5
Canada					
Alberta	36%	42%	15%	3%	3%
British Columbia	7%	22%	36%	24%	11%
Manitoba	21%	63%	13%	2%	2%
Newfoundland & Labrador	30%	55%	11%	5%	0%
Northwest Territories	4%	26%	33%	20%	17%
Nunavut	13%	28%	38%	20%	3%
Ontario	12%	34%	33%	17%	4%
Quebec	37%	44%	15%	3%	1%
Saskatchewan	27%	49%	20%	0%	5%
Yukon	30%	37%	28%	5%	0%
USA					
Alaska	8%	47%	36%	8%	0%
Arizona	10%	29%	43%	14%	5%
California	3%	3%	14%	33%	47%
Colorado	0%	9%	38%	38%	16%
Montana	0%	15%	31%	31%	23%
Nevada	26%	48%	19%	5%	2%
Utah	24%	45%	21%	10%	0%
Wyoming	30%	41%	26%	4%	0%
Australia					
New South Wales	4%	27%	45%	18%	5%
Northern Territory	11%	59%	28%	2%	0%
Queensland	8%	38%	35%	17%	3%
South Australia	19%	56%	19%	2%	4%
Tasmania	3%	38%	34%	21%	3%
Victoria	0%	24%	43%	26%	7%
Western Australia	10%	46%	33%	11%	0%
Oceania					
Indonesia	7%	42%	35%	14%	2%
New Zealand	3%	18%	39%	27%	12%
Papua New Guinea	8%	68%	16%	8%	0%
Philippines	12%	40%	24%	16%	8%

Table 3: Environmental Regulations

Response	1: Encourages investment	2: Not a deterrent to investment	3: Mild deterrent	4: Strong deterrent	5: Would not pursue investment due to this factor
	1	2	3	4	5
Africa					
Botswana	30%	63%	7%	0%	0%
Democratic Republic of Congo (DRC)	27%	36%	23%	5%	9%
Ghana	29%	57%	14%	0%	0%
Namibia	12%	72%	16%	0%	0%
South Africa	20%	53%	22%	4%	0%
Tanzania	25%	42%	21%	8%	4%
Zambia	23%	62%	15%	0%	0%
Zimbabwe	9%	48%	17%	13%	13%
Latin America					
Argentina	17%	33%	35%	11%	4%
Bolivia	11%	39%	17%	22%	11%
Brazil	14%	62%	21%	2%	0%
Chile	34%	62%	4%	0%	0%
Colombia	11%	61%	25%	0%	4%
Ecuador	0%	31%	38%	10%	21%
Mexico	27%	59%	10%	1%	3%
Peru	27%	46%	22%	3%	2%
Venezuela	4%	25%	25%	13%	33%
Eurasia					
China	11%	50%	36%	0%	4%
Finland	36%	50%	9%	5%	0%
Kazakhstan	9%	55%	36%	0%	0%
Mongolia	0%	56%	16%	24%	4%
Russia	11%	54%	21%	4%	11%

Figure 3: Uncertainty Concerning Environmental Regulations

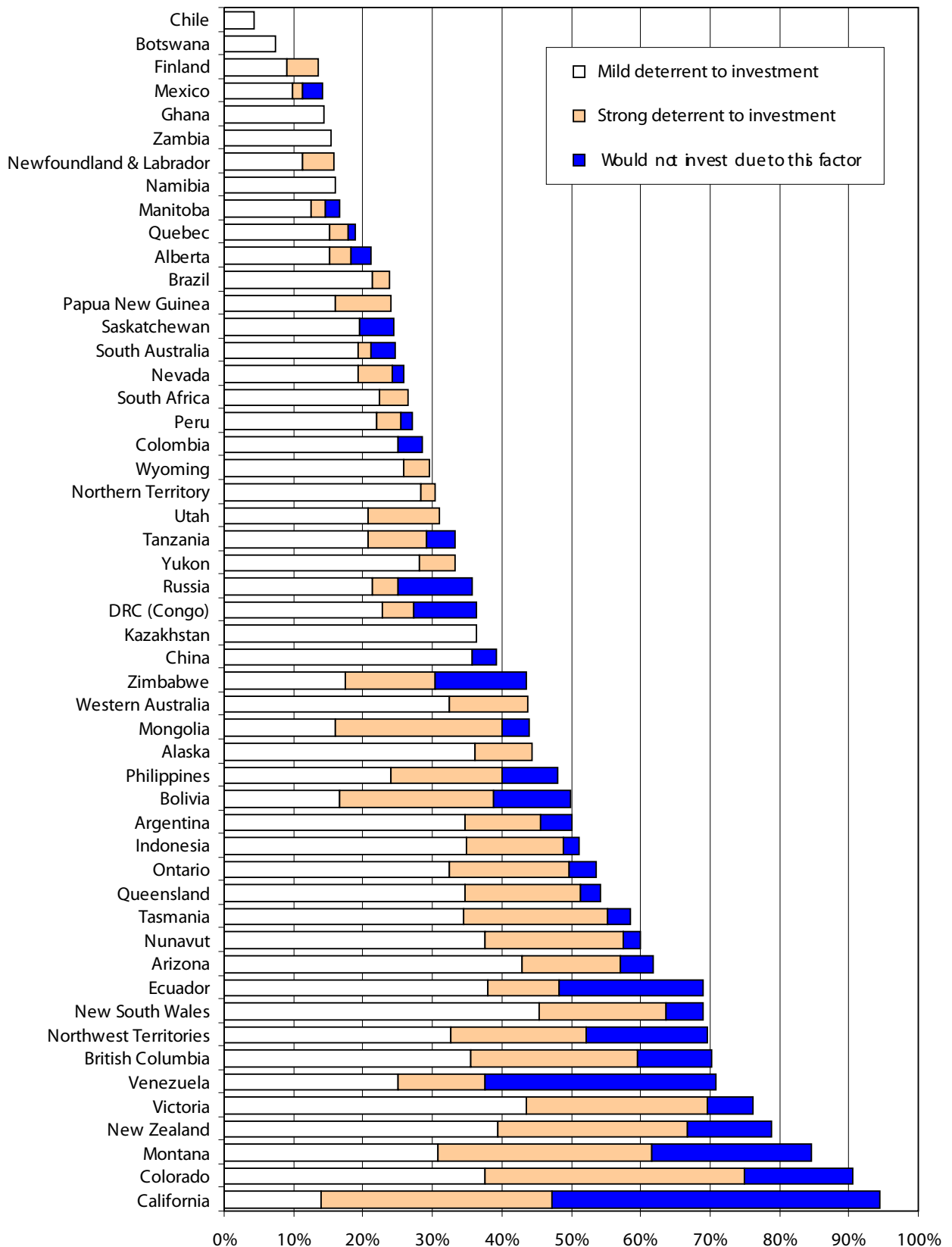


Table 4: Regulatory Duplication and Inconsistencies

Response	1: Encourages investment	2: Not a deterrent to investment	3: Mild deterrent	4: Strong deterrent	5: Would not pursue investment due to this factor
	1	2	3	4	5
Canada					
Alberta	35%	39%	23%	3%	0%
British Columbia	5%	31%	36%	18%	9%
Manitoba	19%	44%	29%	8%	0%
Newfoundland & Labrador	26%	50%	17%	7%	0%
Northwest Territories	0%	25%	34%	20%	20%
Nunavut	5%	28%	48%	15%	5%
Ontario	11%	34%	41%	11%	2%
Quebec	32%	47%	15%	6%	1%
Saskatchewan	21%	63%	13%	3%	0%
Yukon	20%	47%	27%	5%	0%
USA					
Alaska	17%	46%	29%	6%	3%
Arizona	11%	37%	42%	5%	5%
California	0%	12%	30%	27%	30%
Colorado	3%	17%	45%	24%	10%
Montana	0%	16%	32%	36%	16%
Nevada	17%	49%	29%	2%	3%
Utah	15%	48%	33%	4%	0%
Wyoming	8%	63%	29%	0%	0%
Australia					
New South Wales	6%	30%	43%	15%	7%
Northern Territory	13%	47%	31%	9%	0%
Queensland	7%	39%	30%	21%	3%
South Australia	23%	43%	16%	16%	2%
Tasmania	4%	50%	25%	18%	4%
Victoria	0%	22%	38%	33%	7%
Western Australia	9%	45%	32%	14%	0%
Oceania					
Indonesia	0%	24%	38%	24%	14%
New Zealand	16%	28%	31%	19%	6%
Papua New Guinea	8%	50%	35%	4%	4%
Philippines	4%	27%	35%	31%	4%

Table 4: Regulatory Duplication and Inconsistencies

	1: Encourages investment	2: Not a deterrent to investment			
	3: Mild deterrent	4: Strong deterrent			
	5: Would not pursue investment due to this factor				
Response	1	2	3	4	5
Africa					
Botswana	31%	62%	8%	0%	0%
Democratic Republic of Congo (DRC)	4%	38%	21%	13%	25%
Ghana	14%	69%	14%	3%	0%
Namibia	20%	60%	16%	0%	4%
South Africa	11%	45%	30%	9%	6%
Tanzania	13%	54%	17%	8%	8%
Zambia	8%	58%	25%	4%	4%
Zimbabwe	0%	21%	21%	17%	42%
Latin America					
Argentina	6%	38%	40%	8%	8%
Bolivia	5%	24%	19%	33%	19%
Brazil	7%	63%	21%	9%	0%
Chile	29%	57%	14%	0%	0%
Colombia	23%	50%	23%	4%	0%
Ecuador	0%	23%	37%	13%	27%
Mexico	19%	51%	27%	3%	0%
Peru	7%	52%	34%	3%	3%
Venezuela	0%	9%	9%	39%	43%
Eurasia					
China	4%	11%	36%	43%	7%
Finland	43%	39%	17%	0%	0%
Kazakhstan	0%	50%	50%	0%	0%
Mongolia	0%	33%	46%	13%	8%
Russia	0%	23%	29%	29%	19%

Figure 4: Regulatory duplication and inconsistencies

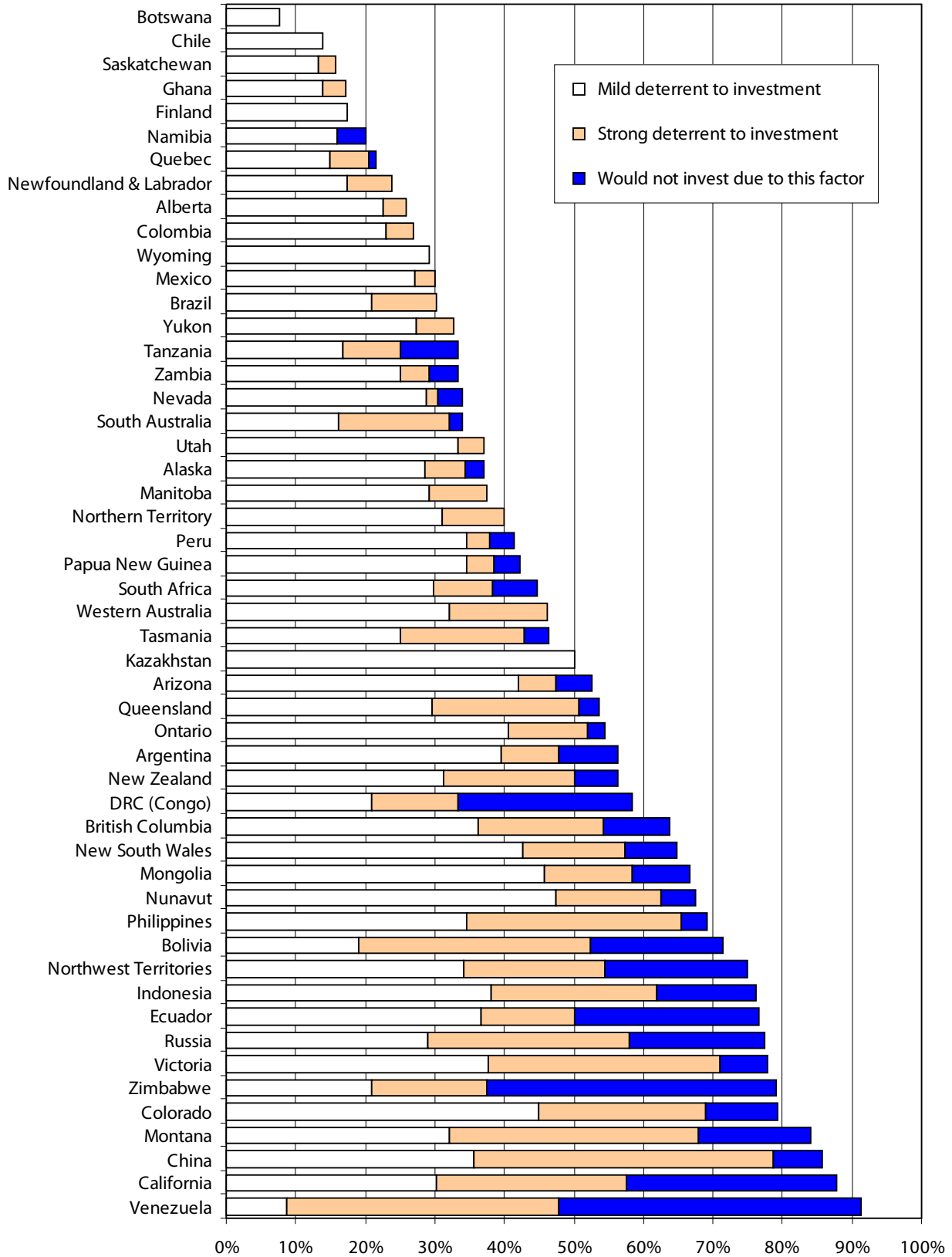


Table 5: Taxation Regime

Response	1: Encourages investment	2: Not a deterrent to investment			
	3: Mild deterrent	4: Strong deterrent	5: Would not pursue investment due to this factor		
	1	2	3	4	5
Canada					
Alberta	31%	44%	16%	9%	0%
British Columbia	15%	43%	36%	4%	2%
Manitoba	28%	48%	22%	2%	0%
Newfoundland & Labrador	21%	48%	26%	5%	0%
Northwest Territories	5%	57%	30%	8%	0%
Nunavut	9%	50%	32%	9%	0%
Ontario	12%	47%	32%	8%	1%
Quebec	49%	33%	17%	2%	0%
Saskatchewan	27%	57%	16%	0%	0%
Yukon	30%	53%	15%	2%	0%
USA					
Alaska	23%	58%	13%	6%	0%
Arizona	11%	55%	29%	0%	5%
California	6%	23%	19%	35%	16%
Colorado	0%	39%	43%	18%	0%
Montana	5%	50%	36%	9%	0%
Nevada	18%	42%	31%	7%	2%
Utah	11%	67%	19%	4%	0%
Wyoming	13%	63%	25%	0%	0%
Australia					
New South Wales	2%	40%	25%	21%	13%
Northern Territory	0%	47%	21%	19%	14%
Queensland	4%	34%	23%	31%	8%
South Australia	7%	41%	13%	31%	7%
Tasmania	0%	46%	15%	27%	12%
Victoria	4%	38%	16%	29%	13%
Western Australia	5%	37%	18%	29%	11%
Oceania					
Indonesia	8%	47%	34%	11%	0%
New Zealand	3%	60%	27%	7%	3%
Papua New Guinea	10%	70%	20%	0%	0%
Philippines	14%	38%	29%	19%	0%

Table 5: Taxation Regime

Response	1: Encourages investment	2: Not a deterrent to investment			
	3: Mild deterrent	4: Strong deterrent	5: Would not pursue investment due to this factor		
	1	2	3	4	5
Africa					
Botswana	27%	58%	15%	0%	0%
Democratic Republic of Congo (DRC)	9%	26%	35%	13%	17%
Ghana	15%	48%	37%	0%	0%
Namibia	17%	52%	30%	0%	0%
South Africa	10%	48%	36%	7%	0%
Tanzania	19%	14%	48%	10%	10%
Zambia	13%	26%	39%	17%	4%
Zimbabwe	0%	23%	27%	23%	27%
Latin America					
Argentina	14%	34%	39%	11%	2%
Bolivia	0%	28%	22%	22%	28%
Brazil	14%	44%	31%	11%	0%
Chile	21%	63%	16%	0%	0%
Colombia	21%	54%	17%	4%	4%
Ecuador	0%	24%	24%	20%	32%
Mexico	22%	57%	18%	3%	0%
Peru	19%	54%	17%	6%	4%
Venezuela	5%	20%	10%	15%	50%
Eurasia					
China	0%	48%	33%	10%	10%
Finland	27%	59%	9%	5%	0%
Kazakhstan	0%	40%	40%	20%	0%
Mongolia	0%	33%	29%	29%	10%
Russia	5%	36%	32%	5%	23%

Figure 5: Taxation Regime

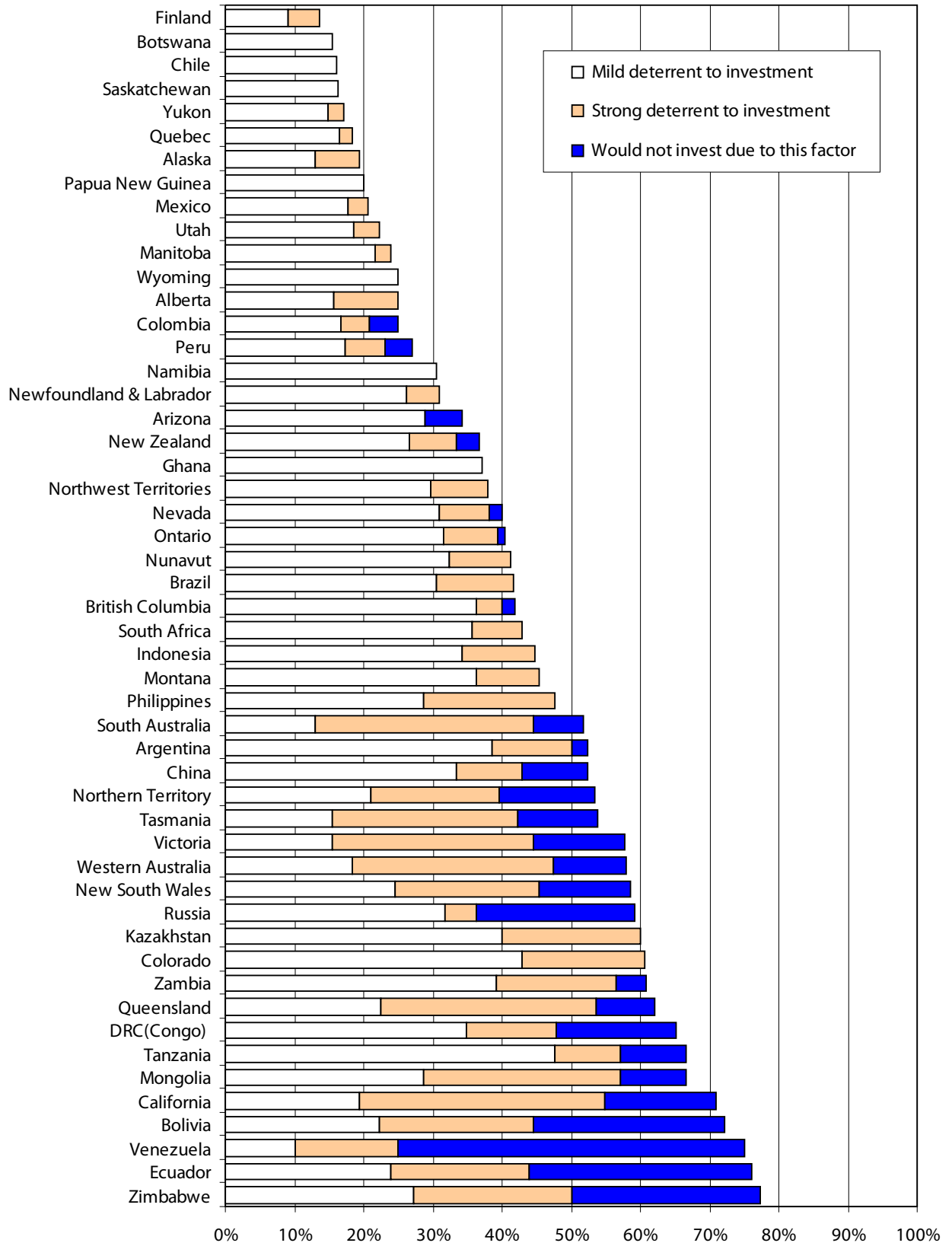


Table 6: Uncertainty Concerning Disputed Land Claims

Response	1: Encourages investment	2: Not a deterrent to investment	3: Mild deterrent	4: Strong deterrent	5: Would not pursue investment due to this factor
	1	2	3	4	5
Canada					
Alberta	32%	43%	18%	7%	0%
British Columbia	6%	13%	38%	25%	18%
Manitoba	11%	47%	33%	7%	2%
Newfoundland & Labrador	27%	32%	32%	10%	0%
Northwest Territories	0%	11%	39%	26%	24%
Nunavut	17%	34%	40%	6%	3%
Ontario	8%	25%	33%	25%	9%
Quebec	29%	49%	13%	9%	0%
Saskatchewan	19%	58%	19%	3%	0%
Yukon	16%	38%	38%	6%	2%
USA					
Alaska	26%	48%	23%	0%	3%
Arizona	19%	61%	6%	8%	6%
California	10%	43%	27%	10%	10%
Colorado	11%	64%	21%	0%	4%
Montana	10%	57%	19%	10%	5%
Nevada	21%	58%	17%	2%	2%
Utah	25%	54%	21%	0%	0%
Wyoming	24%	52%	20%	4%	0%
Australia					
New South Wales	4%	37%	51%	8%	0%
Northern Territory	5%	40%	38%	14%	2%
Queensland	5%	29%	48%	18%	0%
South Australia	17%	40%	35%	4%	4%
Tasmania	4%	54%	42%	0%	0%
Victoria	5%	45%	50%	0%	0%
Western Australia	4%	36%	49%	9%	1%
Oceania					
Indonesia	6%	25%	47%	22%	0%
New Zealand	20%	37%	30%	7%	7%
Papua New Guinea	0%	18%	68%	14%	0%
Philippines	9%	18%	55%	18%	0%

Table 6: Uncertainty Concerning Disputed Land Claims

Response	1: Encourages investment		2: Not a deterrent to investment		
	3: Mild deterrent	4: Strong deterrent	5: Would not pursue investment due to this factor		
	1	2	3	4	5
Africa					
Botswana	27%	58%	15%	0%	0%
Democratic Republic of Congo (DRC)	0%	24%	29%	19%	29%
Ghana	12%	50%	35%	4%	0%
Namibia	9%	57%	22%	13%	0%
South Africa	7%	23%	40%	30%	0%
Tanzania	14%	33%	33%	14%	5%
Zambia	17%	48%	26%	0%	9%
Zimbabwe	0%	8%	17%	25%	50%
Latin America					
Argentina	12%	40%	37%	12%	0%
Bolivia	0%	32%	11%	26%	32%
Brazil	13%	47%	29%	11%	0%
Chile	25%	61%	13%	2%	0%
Colombia	9%	59%	27%	5%	0%
Ecuador	0%	24%	24%	24%	28%
Mexico	17%	35%	40%	6%	2%
Peru	20%	39%	27%	12%	2%
Venezuela	6%	11%	11%	33%	39%
Eurasia					
China	9%	32%	23%	23%	14%
Finland	30%	65%	5%	0%	0%
Kazakhstan	0%	56%	33%	11%	0%
Mongolia	0%	24%	29%	41%	6%
Russia	0%	41%	9%	32%	18%

Figure 6: Uncertainty Concerning Disputed Land Claims

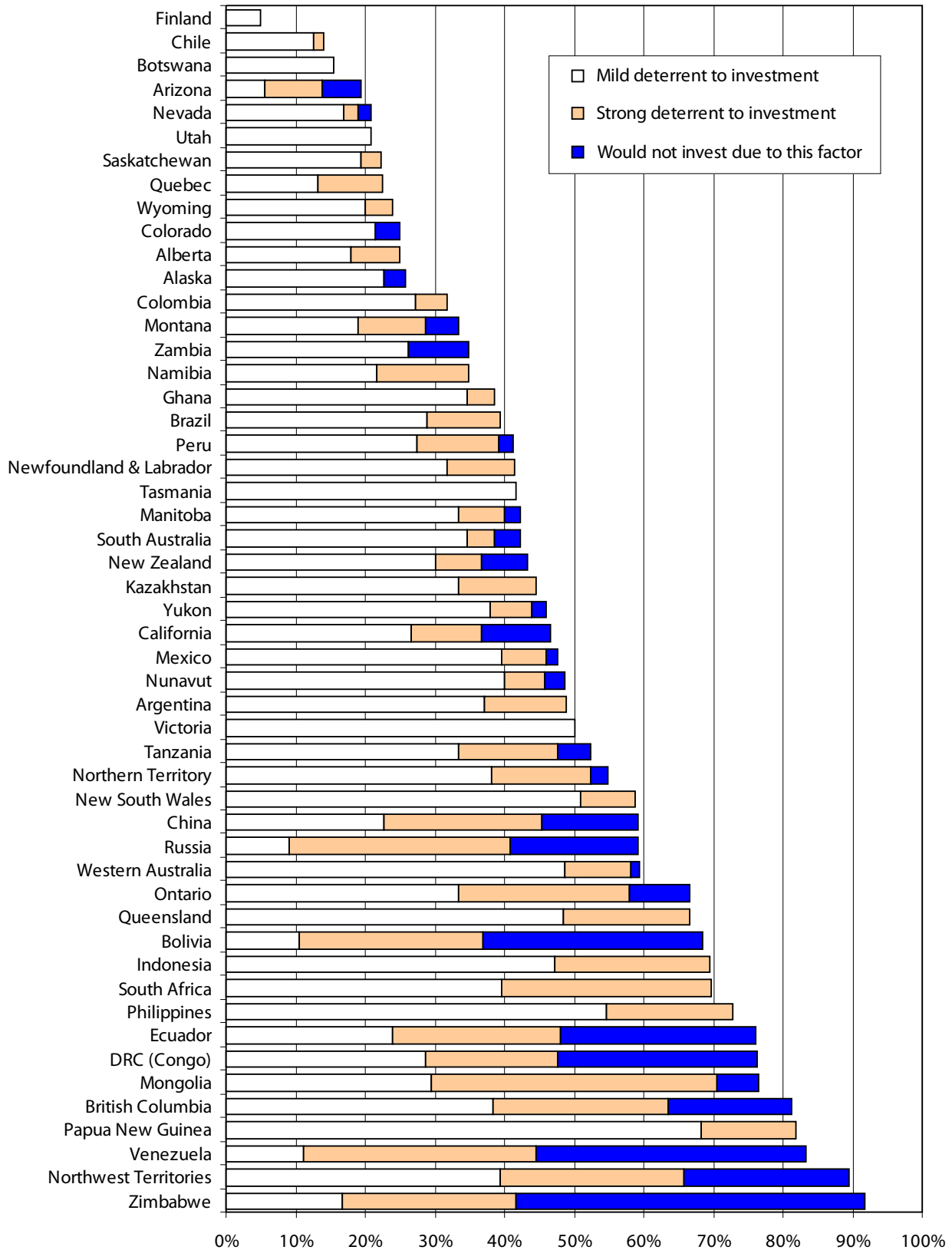


Table 7: Uncertainty over which Areas will be Protected as Wilderness, Parks, or Archeological Sites

Response	1: Encourages investment	2: Not a deterrent to investment	3: Mild deterrent	4: Strong deterrent	5: Would not pursue investment due to this factor
	1	2	3	4	5
Canada					
Alberta	26%	39%	29%	6%	0%
British Columbia	4%	12%	37%	33%	14%
Manitoba	9%	69%	13%	4%	4%
Newfoundland & Labrador	5%	52%	29%	14%	0%
Northwest Territories	2%	17%	33%	33%	14%
Nunavut	5%	32%	50%	13%	0%
Ontario	4%	24%	36%	26%	10%
Quebec	16%	49%	24%	10%	2%
Saskatchewan	16%	59%	22%	3%	0%
Yukon	12%	35%	38%	13%	2%
USA					
Alaska	10%	32%	32%	19%	6%
Arizona	8%	30%	35%	23%	5%
California	3%	15%	12%	47%	24%
Colorado	0%	17%	37%	37%	10%
Montana	4%	17%	30%	39%	9%
Nevada	11%	57%	18%	11%	4%
Utah	12%	27%	58%	4%	0%
Wyoming	16%	40%	36%	4%	4%
Australia					
New South Wales	4%	33%	48%	13%	2%
Northern Territory	10%	48%	36%	5%	2%
Queensland	2%	28%	42%	23%	5%
South Australia	6%	48%	38%	6%	2%
Tasmania	0%	24%	44%	24%	8%
Victoria	2%	30%	35%	26%	7%
Western Australia	8%	40%	42%	10%	0%
Oceania					
Indonesia	3%	61%	21%	11%	5%
New Zealand	3%	32%	32%	19%	13%
Papua New Guinea	5%	82%	14%	0%	0%
Philippines	10%	62%	29%	0%	0%

Table 7: Uncertainty over which Areas will be Protected as Wilderness, Parks, or Archeological Sites

Response	1: Encourages investment	2: Not a deterrent to investment	3: Mild deterrent	4: Strong deterrent	5: Would not pursue investment due to this factor
	1	2	3	4	5
Africa					
Botswana	17%	71%	13%	0%	0%
Democratic Republic of Congo (DRC)	10%	50%	15%	15%	10%
Ghana	15%	65%	8%	12%	0%
Namibia	14%	64%	18%	5%	0%
South Africa	11%	60%	24%	4%	0%
Tanzania	21%	42%	26%	11%	0%
Zambia	24%	67%	10%	0%	0%
Zimbabwe	5%	59%	9%	14%	14%
Latin America					
Argentina	8%	51%	36%	5%	0%
Bolivia	0%	50%	17%	17%	17%
Brazil	10%	41%	46%	3%	0%
Chile	18%	60%	20%	2%	0%
Colombia	13%	48%	26%	9%	4%
Ecuador	4%	17%	42%	17%	21%
Mexico	19%	63%	13%	5%	0%
Peru	16%	49%	29%	4%	2%
Venezuela	6%	39%	6%	17%	33%
Eurasia					
China	18%	41%	29%	6%	6%
Finland	10%	60%	30%	0%	0%
Kazakhstan	0%	75%	13%	13%	0%
Mongolia	0%	44%	28%	28%	0%
Russia	5%	55%	18%	14%	9%

Figure 7: Uncertainty over which Areas will be Protected as Wilderness, Parks, or Archeological Sites

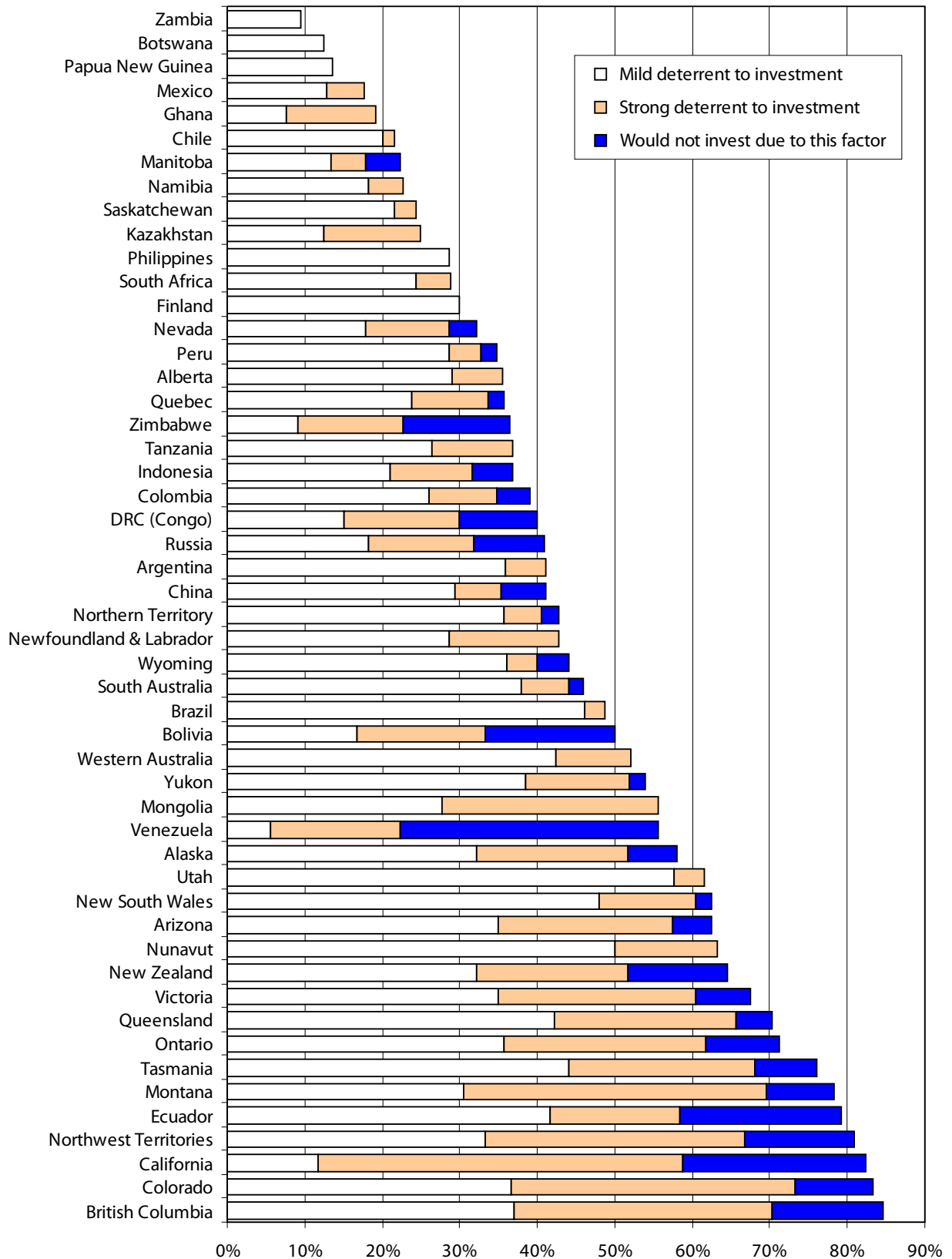


Table 8: Socioeconomic Agreements/Community Conditions

Response	1: Encourages investment	2: Not a deterrent to investment			
	3: Mild deterrent	4: Strong deterrent	5: Would not pursue investment due to this factor		
	1	2	3	4	5
Canada					
Alberta	36%	54%	7%	0%	4%
British Columbia	13%	46%	29%	8%	5%
Manitoba	18%	64%	16%	2%	0%
Newfoundland & Labrador	16%	51%	26%	7%	0%
Northwest Territories	11%	24%	43%	14%	8%
Nunavut	6%	49%	26%	20%	0%
Ontario	12%	53%	27%	5%	4%
Quebec	25%	57%	13%	4%	1%
Saskatchewan	15%	71%	9%	3%	3%
Yukon	17%	56%	23%	2%	2%
USA					
Alaska	20%	57%	17%	7%	0%
Arizona	16%	68%	8%	5%	3%
California	7%	55%	21%	10%	7%
Colorado	0%	62%	28%	10%	0%
Montana	9%	64%	14%	9%	5%
Nevada	24%	59%	15%	0%	2%
Utah	25%	50%	17%	4%	4%
Wyoming	16%	60%	20%	0%	4%
Australia					
New South Wales	12%	61%	24%	4%	0%
Northern Territory	7%	72%	16%	5%	0%
Queensland	9%	63%	25%	3%	0%
South Australia	13%	66%	19%	0%	2%
Tasmania	8%	68%	20%	4%	0%
Victoria	7%	69%	19%	5%	0%
Western Australia	5%	69%	21%	4%	0%
Oceania					
Indonesia	5%	28%	56%	10%	0%
New Zealand	31%	45%	14%	7%	3%
Papua New Guinea	10%	24%	62%	5%	0%
Philippines	5%	33%	48%	14%	0%

Table 8: Socioeconomic Agreements/Community Conditions

Response	1: Encourages investment	2: Not a deterrent to investment	3: Mild deterrent	4: Strong deterrent	5: Would not pursue investment due to this factor
	1	2	3	4	5
Africa					
Botswana	12%	56%	32%	0%	0%
Democratic Republic of Congo (DRC)	0%	27%	32%	27%	14%
Ghana	0%	59%	26%	15%	0%
Namibia	0%	58%	29%	13%	0%
South Africa	4%	27%	40%	27%	2%
Tanzania	5%	30%	50%	10%	5%
Zambia	0%	57%	39%	4%	0%
Zimbabwe	4%	9%	35%	26%	26%
Latin America					
Argentina	2%	59%	29%	10%	0%
Bolivia	0%	25%	20%	30%	25%
Brazil	8%	54%	36%	3%	0%
Chile	21%	62%	15%	2%	0%
Colombia	14%	52%	29%	5%	0%
Ecuador	0%	21%	38%	25%	17%
Mexico	5%	60%	29%	6%	0%
Peru	6%	42%	36%	16%	0%
Venezuela	0%	18%	18%	24%	41%
Eurasia					
China	0%	50%	39%	6%	6%
Finland	45%	55%	0%	0%	0%
Kazakhstan	0%	56%	44%	0%	0%
Mongolia	0%	22%	56%	22%	0%
Russia	0%	48%	30%	17%	4%

Figure 8: Socioeconomic Agreements/Community Conditions

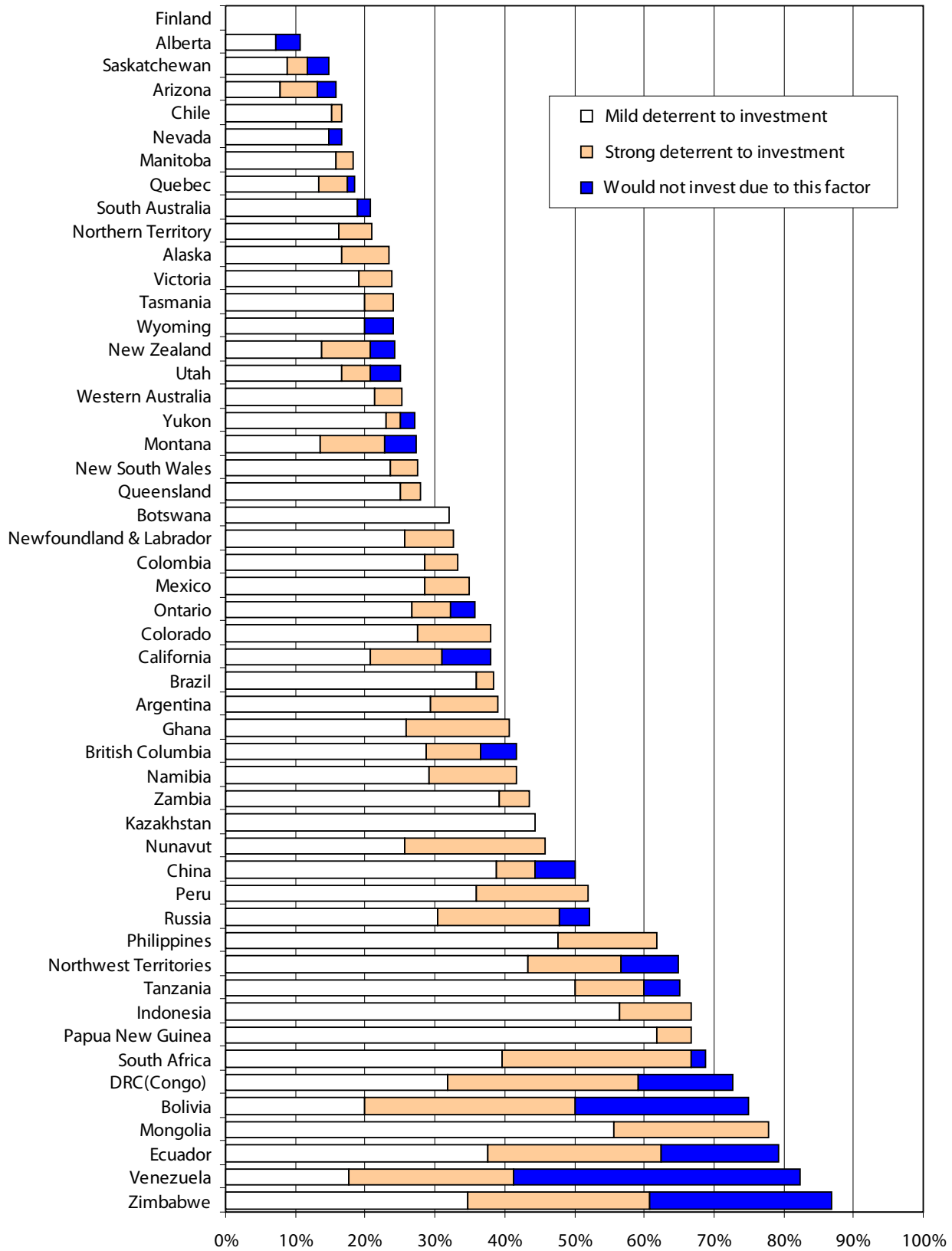


Table 9: Political Stability

Response	1: Encourages investment	2: Not a deterrent to investment	3: Mild deterrent	4: Strong deterrent	5: Would not pursue investment due to this factor
	1	2	3	4	5
Canada					
Alberta	61%	35%	3%	0%	0%
British Columbia	30%	30%	22%	12%	6%
Manitoba	38%	51%	11%	0%	0%
Newfoundland & Labrador	40%	40%	16%	5%	0%
Northwest Territories	30%	38%	25%	3%	5%
Nunavut	27%	43%	30%	0%	0%
Ontario	37%	37%	22%	4%	1%
Quebec	52%	44%	4%	0%	0%
Saskatchewan	46%	49%	5%	0%	0%
Yukon	56%	30%	12%	0%	2%
USA					
Alaska	50%	34%	16%	0%	0%
Arizona	41%	38%	13%	8%	0%
California	26%	26%	23%	16%	10%
Colorado	23%	33%	23%	13%	7%
Montana	26%	35%	22%	13%	4%
Nevada	43%	44%	9%	4%	0%
Utah	48%	44%	8%	0%	0%
Wyoming	44%	40%	12%	4%	0%
Australia					
New South Wales	23%	40%	25%	8%	4%
Northern Territory	35%	37%	21%	7%	0%
Queensland	25%	39%	25%	9%	1%
South Australia	38%	30%	23%	8%	2%
Tasmania	24%	28%	44%	4%	0%
Victoria	24%	27%	40%	9%	0%
Western Australia	31%	35%	25%	8%	1%
Oceania					
Indonesia	3%	18%	46%	26%	8%
New Zealand	38%	41%	16%	3%	3%
Papua New Guinea	9%	27%	36%	27%	0%
Philippines	0%	17%	46%	38%	0%

Table 9: Political Stability

	1: Encourages investment	2: Not a deterrent to investment			
	3: Mild deterrent	4: Strong deterrent			
	5: Would not pursue investment due to this factor				
Response	1	2	3	4	5
Africa					
Botswana	42%	46%	12%	0%	0%
Democratic Republic of Congo (DRC)	0%	10%	30%	15%	45%
Ghana	18%	59%	18%	5%	0%
Namibia	23%	50%	23%	5%	0%
South Africa	4%	22%	42%	27%	4%
Tanzania	15%	40%	35%	5%	5%
Zambia	9%	43%	22%	17%	9%
Zimbabwe	0%	0%	8%	20%	72%
Latin America					
Argentina	2%	33%	49%	16%	0%
Bolivia	0%	16%	0%	37%	47%
Brazil	21%	56%	21%	3%	0%
Chile	40%	43%	16%	0%	0%
Colombia	9%	30%	39%	17%	4%
Ecuador	0%	4%	18%	43%	36%
Mexico	14%	43%	34%	9%	0%
Peru	6%	51%	37%	2%	4%
Venezuela	0%	0%	0%	20%	80%
Eurasia					
China	17%	35%	26%	4%	17%
Finland	67%	33%	0%	0%	0%
Kazakhstan	0%	30%	60%	0%	10%
Mongolia	0%	6%	44%	44%	6%
Russia	0%	29%	29%	21%	21%

Figure 9: Political Stability

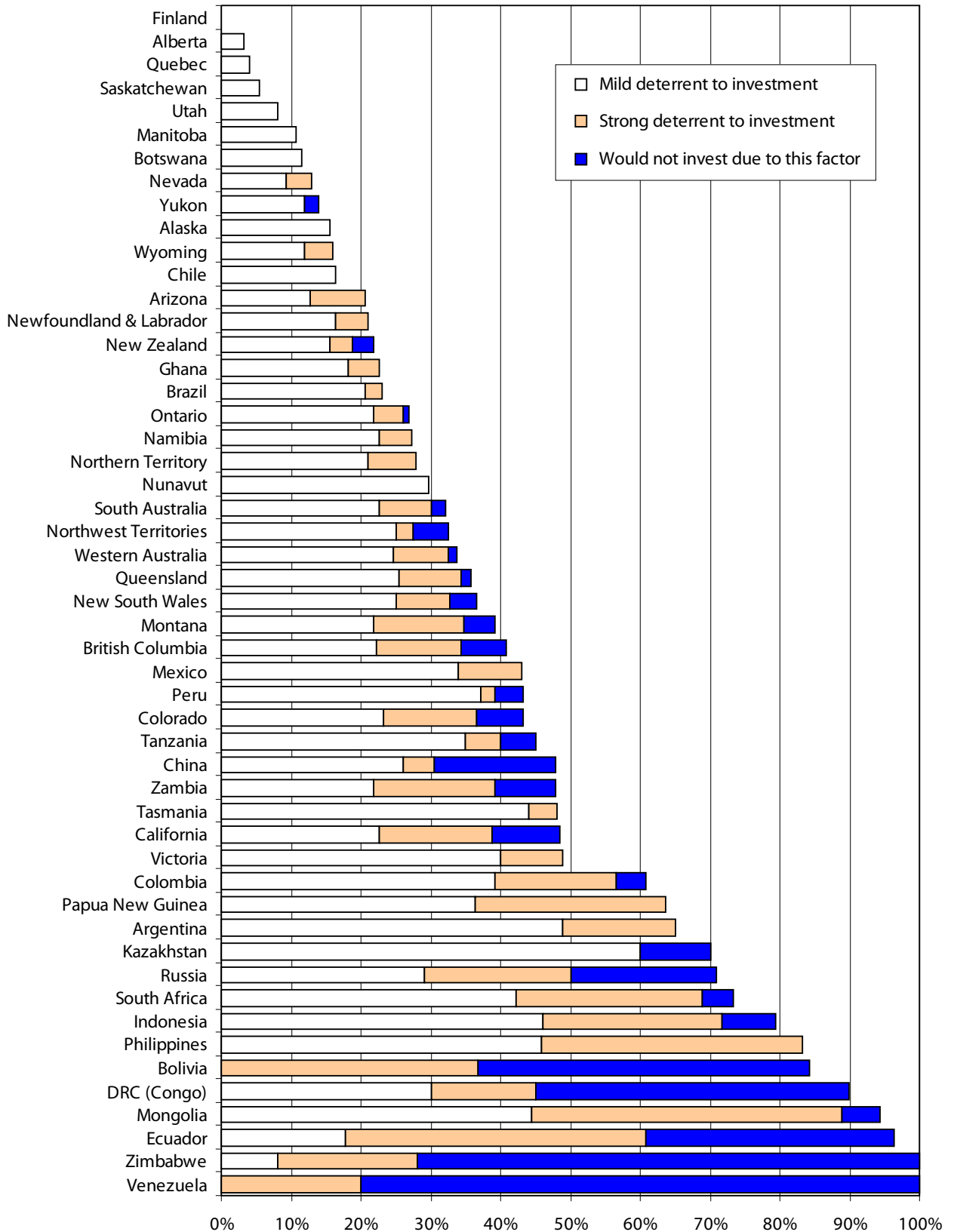


Table 10: Labor Regulations/Employment Agreements

Response	1: Encourages investment	2: Not a deterrent to investment			
	3: Mild deterrent	4: Strong deterrent	5: Would not pursue investment due to this factor		
	1	2	3	4	5
Canada					
Alberta	36%	60%	4%	0%	0%
British Columbia	15%	41%	39%	3%	2%
Manitoba	21%	65%	14%	0%	0%
Newfoundland & Labrador	23%	53%	25%	0%	0%
Northwest Territories	16%	56%	28%	0%	0%
Nunavut	20%	37%	43%	0%	0%
Ontario	17%	52%	28%	2%	0%
Quebec	26%	51%	22%	1%	0%
Saskatchewan	21%	71%	9%	0%	0%
Yukon	37%	46%	17%	0%	0%
USA					
Alaska	41%	52%	7%	0%	0%
Arizona	19%	56%	22%	0%	3%
California	8%	40%	24%	28%	0%
Colorado	0%	81%	19%	0%	0%
Montana	15%	70%	15%	0%	0%
Nevada	27%	57%	14%	0%	2%
Utah	24%	52%	24%	0%	0%
Wyoming	27%	50%	18%	5%	0%
Australia					
New South Wales	6%	58%	24%	10%	2%
Northern Territory	5%	67%	26%	2%	0%
Queensland	8%	54%	37%	2%	0%
South Australia	10%	58%	28%	2%	2%
Tasmania	0%	63%	29%	8%	0%
Victoria	10%	50%	31%	10%	0%
Western Australia	8%	59%	28%	4%	0%
Oceania					
Indonesia	6%	66%	26%	3%	0%
New Zealand	7%	54%	32%	7%	0%
Papua New Guinea	17%	67%	17%	0%	0%
Philippines	5%	59%	27%	9%	0%

Table 10: Labor Regulations/Employment Agreements

	1: Encourages investment	2: Not a deterrent to investment			
	3: Mild deterrent	4: Strong deterrent			
	5: Would not pursue investment due to this factor				
Response	1	2	3	4	5
Africa					
Botswana	9%	73%	18%	0%	0%
Democratic Republic of Congo (DRC)	0%	35%	24%	29%	12%
Ghana	9%	73%	14%	5%	0%
Namibia	10%	55%	30%	5%	0%
South Africa	3%	25%	53%	18%	3%
Tanzania	0%	47%	35%	6%	12%
Zambia	5%	62%	33%	0%	0%
Zimbabwe	0%	30%	30%	20%	20%
Latin America					
Argentina	8%	43%	46%	3%	0%
Bolivia	6%	13%	25%	31%	25%
Brazil	12%	53%	32%	3%	0%
Chile	19%	61%	18%	2%	0%
Colombia	16%	47%	32%	0%	5%
Ecuador	5%	23%	41%	23%	9%
Mexico	10%	57%	27%	7%	0%
Peru	11%	53%	28%	4%	4%
Venezuela	0%	14%	36%	29%	21%
Eurasia					
China	10%	29%	48%	5%	10%
Finland	42%	53%	5%	0%	0%
Kazakhstan	0%	44%	44%	11%	0%
Mongolia	0%	31%	56%	6%	6%
Russia	6%	56%	22%	17%	0%

Figure 10: Labor Regulations/Employment Agreements

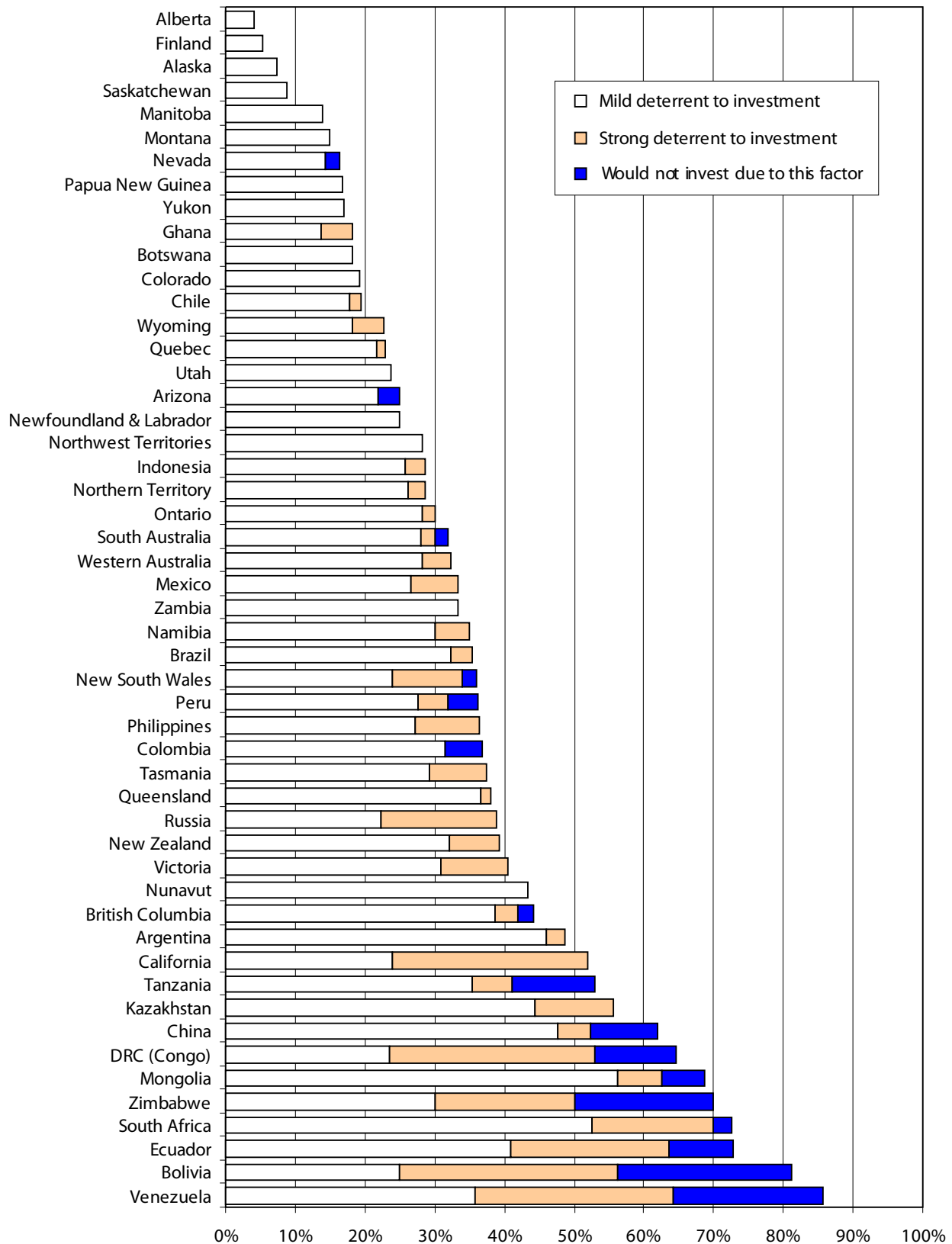


Table 11: Security Situation

Response	1: Encourages investment	2: Not a deterrent to investment			
	3: Mild deterrent	4: Strong deterrent	5: Would not pursue investment due to this factor		
	1	2	3	4	5
Canada					
Alberta	74%	23%	3%	0%	0%
British Columbia	54%	39%	4%	2%	1%
Manitoba	60%	32%	6%	2%	0%
Newfoundland & Labrador	67%	31%	2%	0%	0%
Northwest Territories	63%	27%	5%	5%	0%
Nunavut	68%	30%	3%	0%	0%
Ontario	52%	37%	8%	3%	0%
Quebec	60%	39%	0%	1%	0%
Saskatchewan	67%	31%	3%	0%	0%
Yukon	71%	25%	2%	2%	0%
USA					
Alaska	69%	31%	0%	0%	0%
Arizona	56%	41%	3%	0%	0%
California	41%	47%	13%	0%	0%
Colorado	43%	53%	0%	3%	0%
Montana	35%	61%	4%	0%	0%
Nevada	55%	45%	0%	0%	0%
Utah	50%	50%	0%	0%	0%
Wyoming	58%	42%	0%	0%	0%
Australia					
New South Wales	61%	39%	0%	0%	0%
Northern Territory	62%	38%	0%	0%	0%
Queensland	58%	40%	1%	0%	0%
South Australia	56%	44%	0%	0%	0%
Tasmania	67%	33%	0%	0%	0%
Victoria	61%	36%	0%	2%	0%
Western Australia	62%	37%	1%	0%	0%
Oceania					
Indonesia	0%	18%	63%	16%	3%
New Zealand	65%	35%	0%	0%	0%
Papua New Guinea	0%	9%	55%	32%	5%
Philippines	0%	8%	67%	21%	4%

Table 11: Security Situation

Response	1: Encourages investment	2: Not a deterrent to investment			
	3: Mild deterrent	4: Strong deterrent	5: Would not pursue investment due to this factor		
	1	2	3	4	5
Africa					
Botswana	28%	60%	12%	0%	0%
Democratic Republic of Congo (DRC)	0%	5%	26%	32%	37%
Ghana	4%	70%	22%	4%	0%
Namibia	14%	64%	23%	0%	0%
South Africa	7%	9%	49%	29%	7%
Tanzania	10%	35%	35%	15%	5%
Zambia	9%	52%	35%	4%	0%
Zimbabwe	4%	8%	12%	28%	48%
Latin America					
Argentina	12%	57%	31%	0%	0%
Bolivia	0%	32%	21%	32%	16%
Brazil	13%	61%	21%	5%	0%
Chile	38%	53%	8%	0%	2%
Colombia	0%	9%	52%	30%	9%
Ecuador	0%	15%	62%	15%	8%
Mexico	5%	18%	44%	32%	2%
Peru	4%	46%	36%	12%	2%
Venezuela	0%	11%	28%	28%	33%
Eurasia					
China	17%	61%	17%	4%	0%
Finland	73%	27%	0%	0%	0%
Kazakhstan	0%	44%	56%	0%	0%
Mongolia	6%	50%	44%	0%	0%
Russia	5%	18%	41%	27%	9%

Figure 11: Security Situation

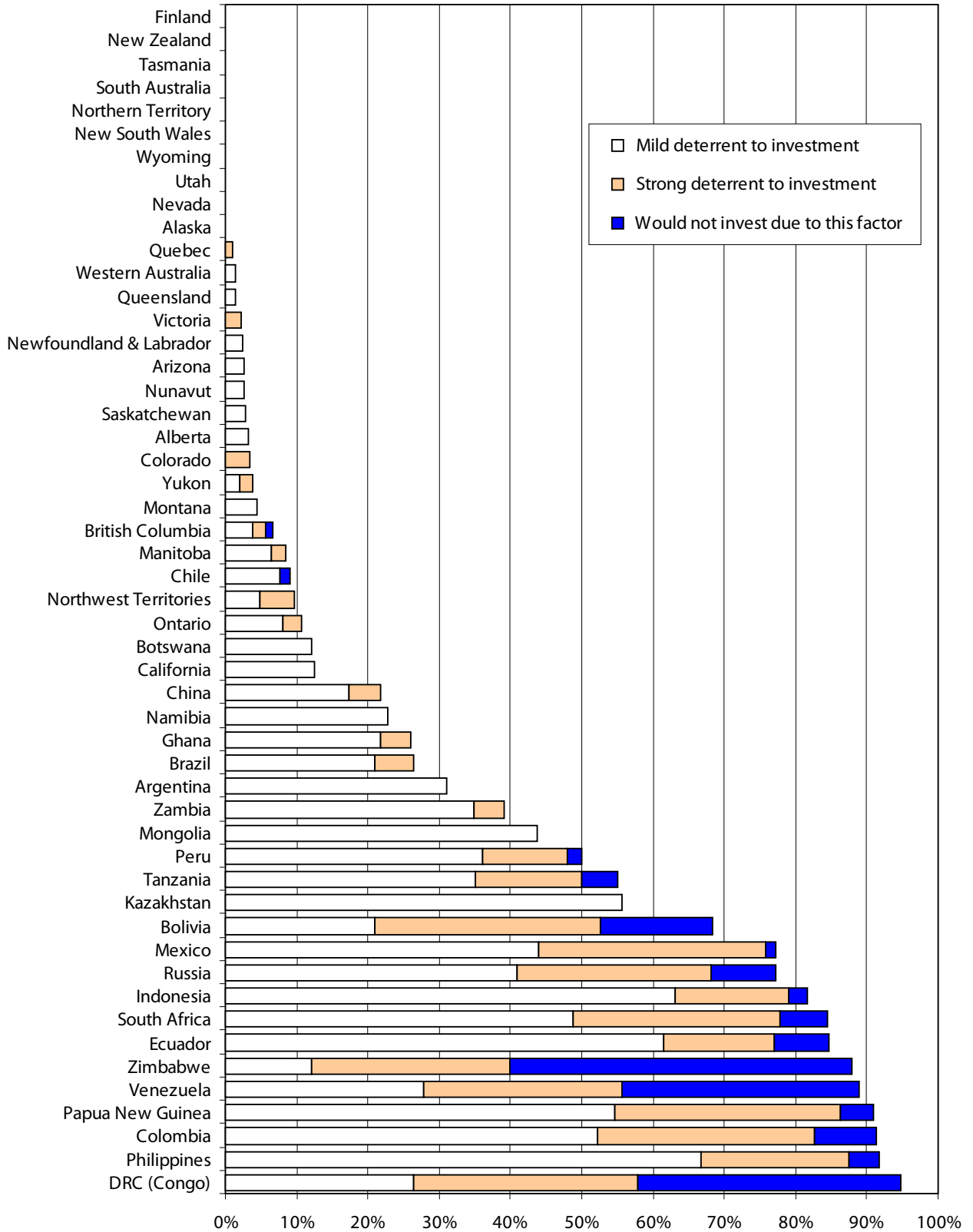


Table 12: Uncertainty over Taxation Regime and Future Tax Levels

Response	1: Encourages investment	2: Not a deterrent to investment			
	3: Mild deterrent	4: Strong deterrent	5: Would not pursue investment due to this factor		
	1	2	3	4	5
Canada					
Alberta	21%	39%	30%	9%	0%
British Columbia	7%	31%	44%	15%	3%
Manitoba	18%	56%	22%	4%	0%
Newfoundland & Labrador	12%	56%	24%	7%	0%
Northwest Territories	6%	53%	31%	8%	3%
Nunavut	9%	49%	34%	6%	3%
Ontario	8%	40%	37%	13%	2%
Quebec	23%	47%	23%	7%	1%
Saskatchewan	23%	49%	26%	3%	0%
Yukon	19%	56%	21%	4%	0%
USA					
Alaska	19%	48%	29%	3%	0%
Arizona	5%	53%	35%	3%	5%
California	6%	12%	24%	33%	24%
Colorado	3%	27%	37%	30%	3%
Montana	4%	33%	38%	21%	4%
Nevada	14%	39%	34%	7%	5%
Utah	4%	78%	15%	4%	0%
Wyoming	12%	60%	28%	0%	0%
Australia					
New South Wales	0%	10%	8%	60%	23%
Northern Territory	0%	9%	9%	60%	21%
Queensland	1%	9%	13%	59%	19%
South Australia	2%	9%	15%	54%	20%
Tasmania	0%	4%	8%	69%	19%
Victoria	0%	4%	9%	67%	20%
Western Australia	1%	7%	12%	58%	22%
Oceania					
Indonesia	5%	43%	30%	15%	8%
New Zealand	3%	57%	33%	3%	3%
Papua New Guinea	5%	55%	41%	0%	0%
Philippines	13%	13%	61%	13%	0%

Table 12: Uncertainty over Taxation Regime and Future Tax Levels

Response	1: Encourages investment	2: Not a deterrent to investment			
	3: Mild deterrent	4: Strong deterrent	5: Would not pursue investment due to this factor		
	1	2	3	4	5
Africa					
Botswana	23%	54%	19%	4%	0%
Democratic Republic of Congo (DRC)	9%	13%	17%	43%	17%
Ghana	15%	41%	37%	7%	0%
Namibia	8%	54%	33%	4%	0%
South Africa	5%	27%	45%	18%	5%
Tanzania	14%	24%	29%	24%	10%
Zambia	9%	30%	43%	13%	4%
Zimbabwe	4%	8%	20%	24%	44%
Latin America					
Argentina	5%	26%	50%	17%	2%
Bolivia	0%	14%	0%	43%	43%
Brazil	14%	46%	30%	11%	0%
Chile	16%	59%	23%	3%	0%
Colombia	15%	46%	27%	8%	4%
Ecuador	0%	11%	30%	19%	41%
Mexico	12%	51%	31%	6%	0%
Peru	13%	47%	30%	8%	2%
Venezuela	0%	10%	14%	29%	48%
Eurasia					
China	0%	32%	36%	23%	9%
Finland	35%	60%	5%	0%	0%
Kazakhstan	0%	40%	50%	0%	10%
Mongolia	0%	19%	14%	57%	10%
Russia	0%	35%	22%	26%	17%

Figure 12: Uncertainty over Taxation Regime and Future Tax Levels

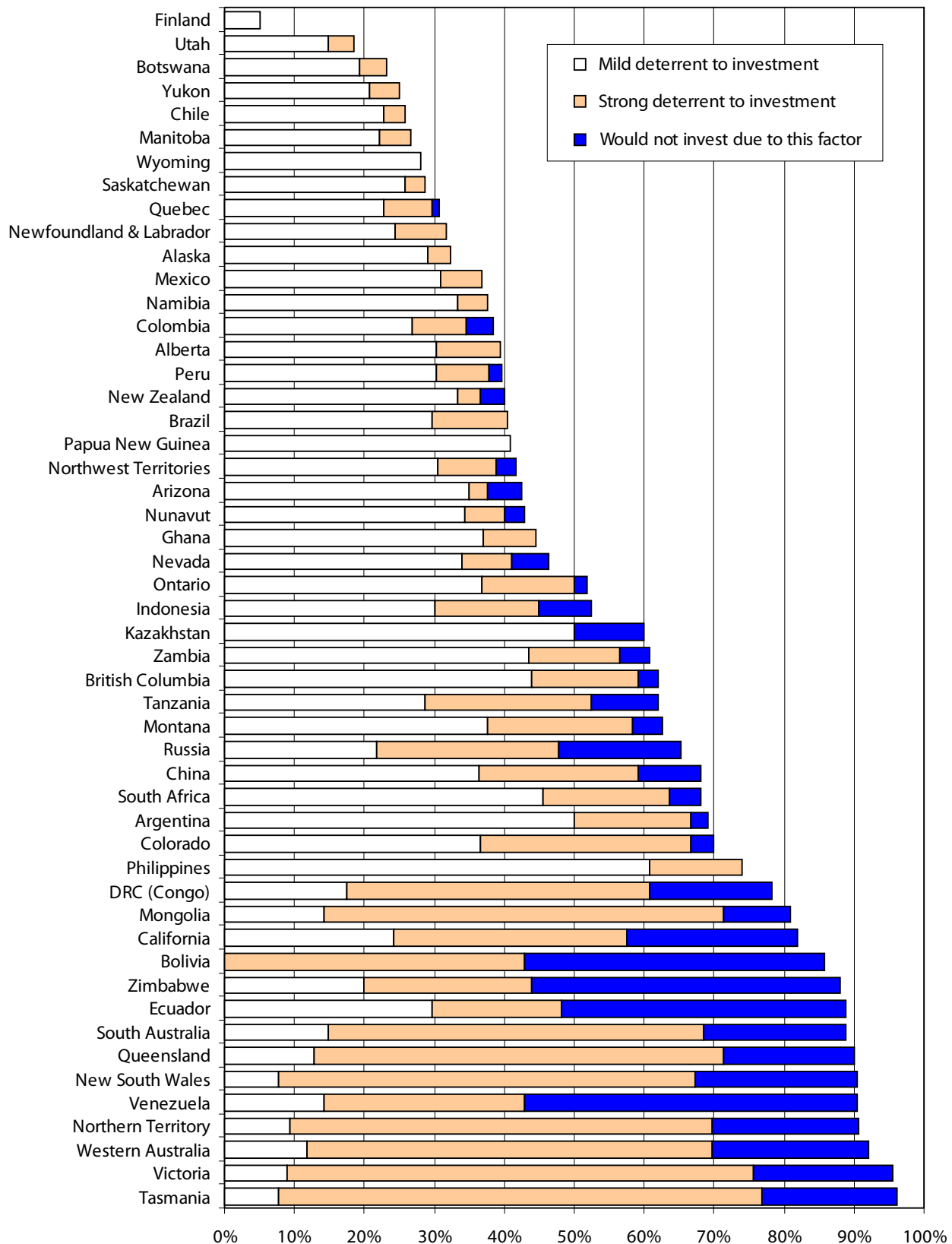


Table 13: Are You Concerned that Attitudes towards the Mining Industry are Becoming...

Response	1: Considerably more hostile	2: Somewhat more hostile	3: Less hostile		4: Considerably less hostile		5: No change
	1	2	3	4	5		
Canada							
Alberta	4%	27%	13%	5%	50%		
British Columbia	15%	43%	15%	1%	25%		
Manitoba	2%	13%	16%	2%	67%		
Newfoundland & Labrador	1%	26%	18%	2%	53%		
Northwest Territories	10%	28%	13%	4%	45%		
Nunavut	2%	32%	16%	6%	44%		
Ontario	21%	42%	6%	3%	29%		
Quebec	8%	36%	10%	8%	37%		
Saskatchewan	0%	10%	17%	14%	59%		
Yukon	3%	17%	18%	11%	51%		
USA							
Alaska	3%	37%	21%	7%	31%		
Arizona	9%	40%	10%	5%	37%		
California	30%	43%	6%	4%	17%		
Colorado	16%	48%	5%	4%	27%		
Montana	24%	34%	8%	8%	25%		
Nevada	5%	36%	11%	6%	42%		
Utah	6%	21%	16%	7%	49%		
Wyoming	2%	26%	16%	5%	52%		
Australia							
New South Wales	35%	35%	6%	2%	21%		
Northern Territory	29%	28%	11%	5%	27%		
Queensland	30%	41%	6%	4%	19%		
South Australia	31%	28%	10%	8%	24%		
Tasmania	33%	25%	10%	4%	28%		
Victoria	30%	35%	11%	2%	21%		
Western Australia	30%	31%	16%	4%	20%		
Oceania							
Indonesia	1%	32%	17%	6%	43%		
New Zealand	6%	16%	24%	13%	41%		
Papua New Guinea	5%	32%	26%	6%	32%		
Philippines	11%	32%	21%	5%	31%		

Table 13: Are You Concerned that Attitudes towards the Mining Industry are Becoming...

Response	1: Considerably more hostile	2: Somewhat more hostile		3: Less hostile	
	3: Less hostile	4: Considerably less hostile	5: No change		
	1	2	3	4	5
Africa					
Botswana	4%	9%	24%	5%	58%
Democratic Republic of Congo (DRC)	47%	20%	11%	9%	13%
Ghana	3%	17%	19%	12%	49%
Namibia	3%	13%	22%	6%	56%
South Africa	15%	41%	16%	5%	23%
Tanzania	14%	21%	19%	5%	40%
Zambia	12%	24%	24%	3%	37%
Zimbabwe	42%	22%	15%	5%	17%
Latin America					
Argentina	11%	32%	32%	0%	26%
Bolivia	37%	31%	13%	1%	18%
Brazil	3%	16%	23%	3%	55%
Chile	4%	15%	19%	9%	53%
Colombia	3%	25%	28%	20%	25%
Ecuador	26%	49%	11%	3%	12%
Mexico	8%	33%	12%	9%	39%
Peru	8%	28%	18%	3%	43%
Venezuela	57%	23%	4%	3%	13%
Eurasia					
China	10%	30%	10%	9%	41%
Finland	7%	7%	18%	12%	56%
Kazakhstan	7%	31%	15%	5%	42%
Mongolia	14%	42%	9%	6%	28%
Russia	11%	39%	13%	6%	31%

Figure 13: Attitudes towards the Mining Industry

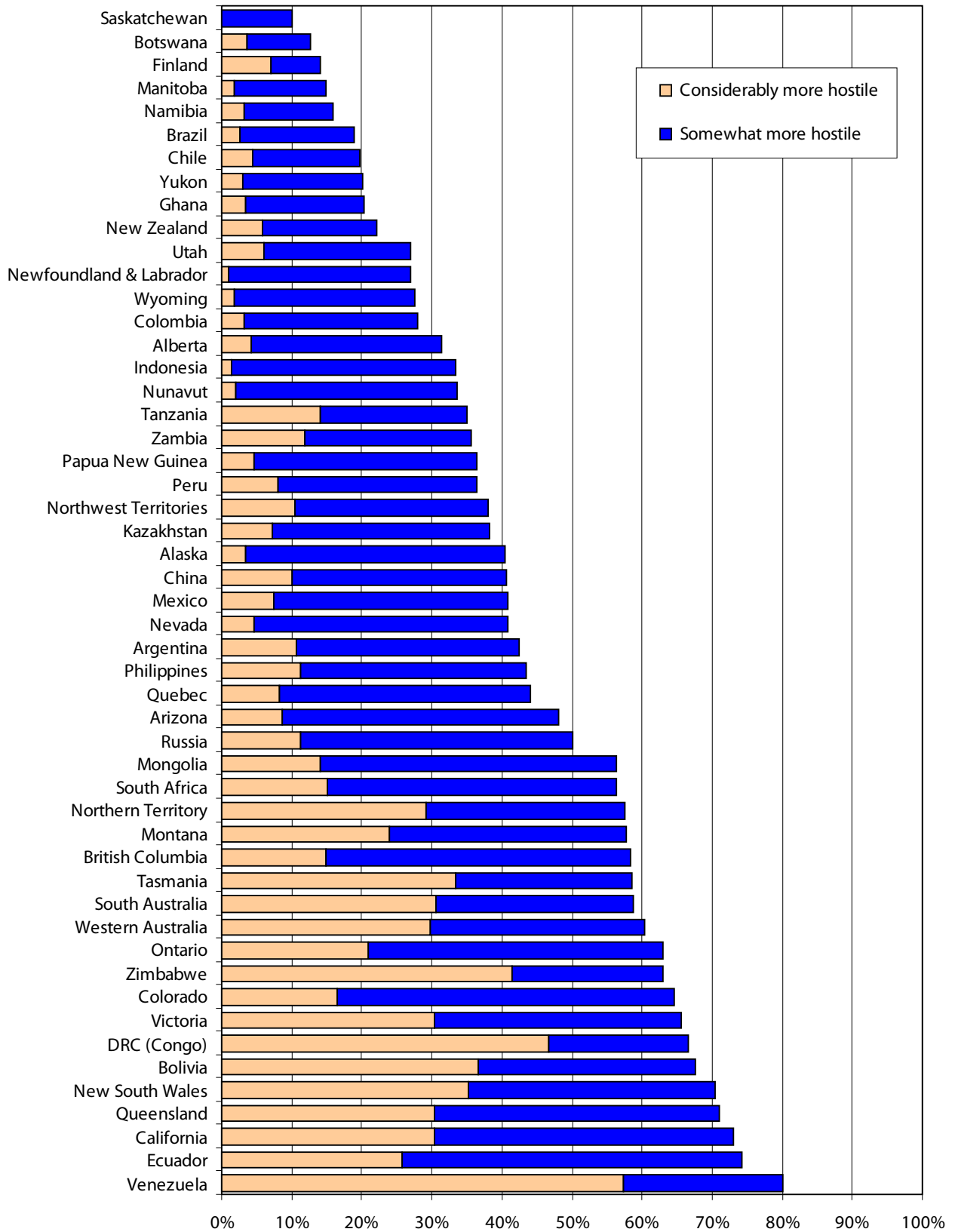


Table 14: In Which Jurisdictions Do You See Increased Uncertainty in the Future Concerning the Following...

	Taxes	Regulatory burden	Union/labor demands	Security threats	Political instability	Other threats
Canada						
Alberta	42.5%	57.5%	17.5%	0.0%	2.5%	10.0%
British Columbia	27.1%	47.9%	17.9%	5.0%	10.0%	14.3%
Manitoba	21.8%	29.1%	12.7%	1.8%	1.8%	9.1%
Newfoundland & Labrador	25.0%	38.5%	19.2%	1.9%	1.9%	7.7%
Northwest Territories	20.0%	47.3%	12.7%	3.6%	3.6%	9.1%
Nunavut	29.5%	54.5%	13.6%	0.0%	2.3%	11.4%
Ontario	24.8%	37.6%	12.8%	7.1%	6.4%	7.8%
Quebec	27.6%	29.9%	9.4%	1.6%	3.1%	7.1%
Saskatchewan	16.0%	26.0%	16.0%	0.0%	0.0%	6.0%
Yukon	10.4%	32.8%	4.5%	0.0%	4.5%	4.5%
USA						
Alaska	22.0%	53.7%	12.2%	0.0%	2.4%	7.3%
Arizona	15.6%	31.1%	13.3%	4.4%	2.2%	11.1%
California	41.5%	61.0%	17.1%	7.3%	4.9%	9.8%
Colorado	28.6%	68.6%	14.3%	0.0%	2.9%	20.0%
Montana	29.0%	58.1%	16.1%	3.2%	0.0%	12.9%
Nevada	30.9%	44.1%	7.4%	0.0%	0.0%	8.8%
Utah	15.6%	43.8%	15.6%	3.1%	0.0%	9.4%
Wyoming	21.4%	39.3%	10.7%	0.0%	0.0%	10.7%
Australia						
New South Wales	143.1%	55.4%	43.1%	4.6%	18.5%	6.2%
Northern Territory	180.8%	51.9%	48.1%	1.9%	17.3%	3.8%
Queensland	125.6%	52.4%	31.7%	1.2%	11.0%	4.9%
South Australia	150.0%	43.8%	40.6%	3.1%	15.6%	4.7%
Tasmania	247.2%	77.8%	63.9%	2.8%	25.0%	8.3%
Victoria	175.4%	70.2%	54.4%	1.8%	15.8%	5.3%
Western Australia	110.4%	35.4%	28.1%	0.0%	9.4%	3.1%
Oceania						
Indonesia	24.5%	22.6%	7.5%	28.3%	22.6%	13.2%
New Zealand	16.2%	27.0%	5.4%	2.7%	0.0%	5.4%
Papua New Guinea	13.3%	20.0%	10.0%	46.7%	43.3%	23.3%
Philippines	21.2%	30.3%	15.2%	51.5%	48.5%	27.3%

Table 14: In Which Jurisdictions Do You See Increased Uncertainty in the Future Concerning the Following...

	Taxes	Regulatory burden	Union/labor demands	Security threats	Political instability	Other threats
Africa						
Botswana	18.8%	18.8%	9.4%	18.8%	15.6%	18.8%
Democratic Republic of Congo (DRC)	57.6%	54.5%	30.3%	97.0%	93.9%	45.5%
Ghana	18.2%	15.2%	6.1%	12.1%	15.2%	21.2%
Namibia	21.9%	28.1%	15.6%	12.5%	12.5%	15.6%
South Africa	31.7%	35.0%	30.0%	36.7%	43.3%	21.7%
Tanzania	30.0%	43.3%	20.0%	20.0%	30.0%	20.0%
Zambia	26.5%	20.6%	14.7%	17.6%	26.5%	20.6%
Zimbabwe	63.6%	54.5%	39.4%	78.8%	75.8%	33.3%
Latin America						
Argentina	29.4%	25.5%	9.8%	5.9%	17.6%	15.7%
Bolivia	75.0%	79.2%	37.5%	54.2%	83.3%	41.7%
Brazil	26.9%	23.1%	11.5%	3.8%	7.7%	9.6%
Chile	20.0%	10.0%	8.8%	1.3%	2.5%	2.5%
Colombia	23.5%	29.4%	8.8%	29.4%	50.0%	14.7%
Ecuador	60.6%	51.5%	27.3%	39.4%	90.9%	18.2%
Mexico	17.9%	13.1%	14.3%	38.1%	27.4%	9.5%
Peru	14.9%	19.4%	10.4%	13.4%	10.4%	7.5%
Venezuela	104.0%	88.0%	48.0%	76.0%	108.0%	44.0%
Eurasia						
China	41.0%	43.6%	20.5%	5.1%	10.3%	12.8%
Finland	22.2%	29.6%	7.4%	3.7%	7.4%	18.5%
Kazakhstan	85.7%	78.6%	35.7%	78.6%	92.9%	35.7%
Mongolia	70.4%	63.0%	29.6%	37.0%	55.6%	25.9%
Russia	27.0%	32.4%	27.0%	35.1%	35.1%	18.9%

Explaining the table

Respondents specify the jurisdictions they know. We ask that they respond to questions only on those jurisdictions. However, all respondents were permitted to respond to this question.

We took the number of respondents who ticked off an answer for a jurisdiction for table 14, then divided that number by the number of respondents who claimed familiarity with that jurisdiction. Thus, if 50 respondents said they were familiar with a jurisdiction and 20 indicated they were concerned about a policy area in that jurisdiction, it would appear in the table as 40 percent. Similarly, if 50 respondents indicated they were familiar with a jurisdiction and 75 said they were concerned about a policy in that jurisdiction, it would appear in the table as 150 percent.

By opening up question 14 to all respondents, we were able to gauge how much news about each jurisdiction travels to other miners who might not know that jurisdiction particularly well.

For example, the fact that the responses for taxation on Australia are above 100 percent means that many more miners responded negatively to these questions than claimed direct familiarity with Australia. In other words, concerns about the proposed super tax had spread globally throughout the mining community.

About the Survey Respondents

Table 15: Who responded to the survey?

A) Do you represent?	Number	Percent
An exploration company	235	55%
A producer company with less than US\$50M revenue	31	7%
A producer company with more than US\$50M revenue	70	16%
A consulting company	53	12%
Other (please specify)	40	9%
What is your position?		
President	198	46%
Vice-president	56	13%
Other executive	54	13%
Manager	72	17%
Consultant	27	6%
Other (please specify)	22	5%

Table 16: What Commodity is Assigned the Largest Proportion of Your Budget

Mineral	Number	Percent
Au (Gold)	138	44.37%
Cu (Copper)	45	14.47%
Ni (Nickel)	17	5.47%
U (Uranium)	19	6.11%
Coal	16	5.14%
Ag (Silver)	17	5.47%
Zn (Zinc)	10	3.22%
Fe (Iron)	11	3.54%
Diamonds	4	1.29%
Mo (Molybdenum)	5	1.61%
PGM (Platinum)	2	0.64%
Li (Lithium)	3	0.96%
Other (please specify)	23	7.40%

What Miners Are Saying

Comments have been edited for clarity and length.

Africa

“Tanzania has proceeded to adopt a xenophobic attitude to all foreign investment. The country is sliding back into old communist political rhetoric and responding to misinformed social reaction against mining. Over the past 5 years Tanzania has changed from a country encouraging foreign mining investment to one which actively discourages new investment, constantly harasses resident foreign miners, and keeps changing the laws and regulations or abusing the operation of current laws and regulations to the detriment of the foreign miner and the benefit of the corrupt government.”

—A producer company with more than US\$50M revenue, Vice-president

“The apparent hardening attitude towards mining in Africa is not simple. Lack of transparency and an absence of public understanding of the industry is often manipulated by politicians/civil servants either for self gain or to cover for their failure to deliver meaningful service to the people. Add to this the Chinese way of doing things and risk will continue to increase unless we get out there and start educating”.

—A producer company with more than US\$50M revenue, Manager

“Access to reliable power in South Africa will present problems. Africa, having some of the world’s most significant undeveloped resources, has one of the most attractive jurisdictions with respect to exploration and development—Botswana—and one of the worse—DRC.”

—An exploration company, Vice-president

Australia

“The way in which the Australian Federal Government has introduced the proposed Resources Super Profits Tax [RSPT], with no warning and no consultation, and the subsequent lack of understanding of what impact those changes project is highly disturbing.”

—A producer company with less than US\$50M revenue, Manager

“Unfortunately the Australian federal government has demonstrated an extremely poor understanding of the mining and exploration sector with the proposed introduction of a major new tax, on top of existing taxes, which would make Australia by far the highest taxer of mining op-

erations in the world. It was also done without any serious prior consultation—it is a mess of the federal government’s making, is affecting the entire Australian industry, and is a great example to the rest of the world what not to do.”

—A producer company with less than US\$50M revenue, Executive

“Australian federal government interference in the States’ management of minerals exploration/exploitation will devastate future investment here, i.e., RSPT—an illogical and unjustified horror tax. Gainers to be Canada and Africa.”

—A consulting company, President

“Australia seems to be taking a fiscal lead from Mongolia.”

—An exploration company, President

“The federal government in Australia is having a strongly adverse effect on mining investment in all areas of Australia.”

—An exploration company, President

“Australian government federal tax changes to the mining sector pose a considerable sovereign risk. The government has ruled that any returns above the long-term bond rate of 6% to be a super-profit subject to a further 40% tax rate. The new changes represent an appropriation of equity through the taxation system. Effective taxation including existing taxes will rise from approximately 42% to 58% on each project. This will kill project economics. Debt financing will become expensive, if not impossible. The Australian mining industry is under severe threat from a government which is attempting nationalization by stealth.”

—An exploration company, Executive

“The Australian government’s proposed new resource rent tax puts the country on a par with some of the worst perceived countries in the world with respect to sovereign risk. The issue of sovereign risk has been stealthily increasing in Australia for some time, particularly in the state of Queensland.”

—An exploration company, President

Note: The comments on Australia were collected prior to the government's decision to scrap the Resources Super Profits Tax.

Canada

“With the new changes to the Mining Act, Quebec is fast declining as a place to do business. The government has no clear policy and is guided by the flow of public opinion rather than common sense.”

—An exploration company, President

“Canada has serious issues re: overlapping provincial/federal regulations with new aboriginal regulations. It’s a nightmare. We’re thinking of getting out of mining.”

—An exploration company, President

“Manitoba is becoming “bad news” for miners. We are battling not only the environmentalists but also First Nations and now Manitoba Hydro.”

—An exploration company, President

“Uncertainty [is being created] over new mining royalties in Quebec (Bill 79).”

—An exploration company, Vice-president

Latin America

“The increase of criminal organizations in Mexico posing as anti-mining groups is problematic. These groups continue to extort mining companies and create false claims in the press which damages companies’ reputations.”

—A producer company with less than US\$50M revenue, President

“Mexico is becoming increasingly more dangerous and the drug cartel activities continue to increase and spread the violence to historically non-violent areas.”

—A producer company with less than US\$50M revenue, Executive

“Mexico has big opportunities for investment in mining business.”

—A producer company with less than US\$50M revenue, Vice-president

“Peru has deteriorated dramatically. Tenure is no longer secure. Government policy is being dictated by NGOs. Too bad.”

—An exploration company, President

“Uruguay is moving in a positive direction and is intending to parallel their exploration and mining legislation with Quebec’s.”

—An exploration company, President

“In Argentina, politicians and officers of the government have such a lack of knowledge regarding mining activity that they have the biggest chunk of responsibility when it’s time to measure the increase of [negative] attitudes against the sector.”

—Legal firm advising both exploration and exploitation companies, Consultant and company board member

United States

“In the US, generally, Alaska, Idaho, Montana, Nevada, Wyoming, Utah, Arizona are mining friendly, but the preponderance of federal land is a problem as the US government is generally anti-mining and the bureaucracy can hold one up forever.”

—A producer company with less than US\$50M revenue, Manager

“A recent decision in Nevada to levy a “one-time” tax on mining claim holders to pay off a State budget shortfall will prove to be fatal to exploration in Nevada. The long-term consequences will be devastating to mining in Nevada which already is burdened by high land-holding costs and a mature exploration regime.”

—An exploration company, President

General

“I expect increased uncertainty in all jurisdictions. I expect increased regulation everywhere in the world regarding mining.”

—Consultant

“The biggest attack is being fueled by NGOs that make money from scaring good folks that don’t know the industry.”

—A consulting company, President

“All Australian jurisdictions are now not worth exploring due to proposed Resource Super Profits Tax; New Zealand is a basket case with the government trying to encourage mining but a bureaucracy that has been trained by Leningrad that acts in the opposite direction;

Botswana—excellent and forward-looking.”

—An exploration company, President

“Mining executives should learn foreign languages in order to deal with the political and economic issues and help to solve problems. Contacts with the World Bank and other international institutions and universities will help to solve some of the issues.”

—An exploration company, President