

**Nevada Department of Taxation**  
**List of Net Proceeds of Minerals Audits**

Exhibit 1

Company	Year Audited	Audit Status	Deficiency Notice	Audit Background
Eagle Picher Filtration & Minerals Inc TID No. 1005565171	2006 production year	Audit Complete 3-16-10 Pending possible settlement	Three Mines Audited: Hazen Mine Amt Due: \$4,008.67; Clark Mine Amt Due: \$602,722.02; Lovelock Mine Amt Due: \$3,372,576.64	EP appealed certification value established by DOAS to SBE, case no. 07-1230, 2006 Net Proceeds of Minerals. EP changed original reporting to DOAS to reflect a new reporting methodology which resulted in reduced volume of mineral, reduced value per ton, and changes in all expense categories. DOAS rejected the new reporting methodology because it did not properly arrive at net proceeds from mining activities. On 9-14-2007, the case came before the SBE; and the EP asked for a continuance pending the results of an audit. Once the audit began, EP was to withdraw its appeal before the SBE. See <i>Tr.</i> , 9-14-2007, pp. 137-139. The audit also involved the issues in the Graymont Western case.
Turquoise Ridge Joint Venture	2003,2004, 2005	Closed 2/9/07	No Change Audit	
Queenstake Resources	2004,2005, 2006	Closed later 2007	No Change Audit	
Newmont Mining Corporation, Ref. No. 61355	2002, 2003, 2004	Completed 2006; Re - determination 2008	Eleven mines audited: Midas Mine Amt due: \$882,439.54; Capstone Mine Amt due: (refund of \$321,328.30); Carlin I&II Amt due: (Refund of \$706,608.55); Twin Creeks Amt due: \$980,764.55; Lone Tree Amt due: (Refund of \$119,143.28) McCoy Cove Mine: No change Mule Canyon Amt due: \$1,852 Rain Mine: No change Phoenix Mine: No change Trenton Canyon Mine: No change	The original overhead allocation claimed by Newmont in its various mines was disallowed by DOAS as an allocation of expenses from extractive sites in other jurisdictions. The matters were appealed to the SBE under case numbers M329, 330, 331, 332, 333, 334, 335, and 336 and came before the SBE on October 6, 2005. Newmont and the Department stipulated that Newmont would withdraw its appeals if the Department recertified using Newmont's values; and any further dispute would be resolved through audit. The subsequent audit agreement allowed for an allocation of overhead expenses based on a formula method. See also <i>Tr.</i> , 10-6-2005, pp. 11-14.
Art Wilson Co	2004 - 2006	Closed 7/06	\$25,789.23	

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Barrick Goldstrike Mines, Ref. 61318	2001, 2002, 2003	Closed	Meikle Mine - Amt due: (refund of \$785,464.78 and \$25,553.00 with interest); Betze Post Mine Amt due: (refund of \$71,430 with interest)	Betze Post Mine in Eureka; Meikle Mine in Elko. As of 12-23-08, one matter remained outstanding regarding the disallowance of a deduction of the actual cost of reclamation. DOAS had originally disallowed accrued reclamation costs (not actual) based on a strict interpretation of NRS 362.120(3) ("deductions incurred during that period, and none other"). Subsequently the NTC adopted NAC 362.300 allowing accrued reclamation based on a formula. The debate in the audit was how the formula should be applied. Offer and compromise.
Barrick Goldstrike Mines	1994, 1995, 1996	Closed 3-5-1999 as to Meikle audit; closed in 2001 as to balance of audit.	Balance Due @5-31-01 was \$266,475.36	Audit disallowed some of the hazard insurance premium, as the letter from the insurance agent lacked reasonable definition. "inventory write-off" was disallowed. "capitalized administration" was disallowed. "Trade association fees (World Gold Council)" was disallowed. Ultimately, a stipulated settlement was signed in which the Department withdrew the disallowances for obsolete inventory and administration costs; World Gold Council dues are deductible as an actual cost of marketing but would be subject to workshops; the percentage of fire insurance claimed by Barrick was accepted; and other matters.
Newmont Gold Company	1994, 1995, 1996, 1997	Closed		Audit disallowed bank service charges, World Gold Council dues as a cost of marketing. Upon appeal of the deficiency determination to the NTC, the NTC upheld its prior determination on May 21, 1991 that World Gold Council dues represent "an actual cost of marketing."
Coeur Rochester, Inc	1995-1997	Closed 4/97	\$9,845.44	
Graymont Western U.S. Inc	2007 production year	<b>No audit; Advisory Opinion issued by AG</b>	SBE approved Stip Agreement dated 5-21-09 reducing value from \$22,749,834 to \$5,336,250	SBE case no. 08-1346 heard on 9-26-08. The taxpayer and the Department stipulated to the value reported by the Taxpayer pending resolution of policy matters before the NTC. See Decision Letter, November, 2008. In lieu of a hearing before the NTC, the Department issue an Advisory Opinion which stated that the point of the first marketable product is the point at which gross yield must be measured. (Limestone v. lime)