

Cordex Exploration Co.

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The Honorable Governor Brian Sandoval
Capitol Building
Carson City, Nevada 89701

March 27, 2011

Dear Sir:

I own a mineral exploration company called Cordex with nine employees based in Reno. Cordex spends about \$2,000,000 annually in Nevada, mostly all with other Nevada-owned businesses. Cordex has been operating in Nevada for forty years.

I recognize that in these times of falling revenues and shrinking economies, government spending beyond our means is a serious problem. States are slashing budgets and the federal government is finally talking about reductions in spending. It has become apparent we cannot spend what we do not have and cuts are necessary. The difficult part is to make these cuts equitable and not adversely affect the more successful programs in the State. The currently proposed fifty-two percent cut to the Nevada Bureau of Mines and Geology (NBMG) is not only inequitable but will certainly severely impact this successful program, likely permanently crippling its ability to perform its function.

Mining is an integral part of Nevada's economy and has created enormous sums of real wealth, unlike today's paper wealth that seems to disappear overnight. The Nevada Bureau of Mines and Geology has been an invaluable resource to my company and the citizens of Nevada in the pursuit of our mineral wealth. NBMG creates baseline data critical to our job of mineral exploration, none of which is available from other sources, and also serves as a depository of a wealth of useful information from other sources.

Mining in Nevada creates some of the highest paying jobs in the state and adds considerably to the taxes that run Nevada. The minerals industry is built on the backs of the miners who preceded us and the industry going forward will be dependent on the work we are accomplishing now. NBMG provides that bridge that connects us to the past as well as the future.

The work that NBMG does in the public safety realm is also essential for Nevada's prosperity. The potential earthquake hazard in Nevada is among the highest in the Nation. Proper mapping of fault zones and landslide hazards are essential tools in urban planning and public safety. NBMG has also been involved in radon studies, subsidence in the Las Vegas Valley, mercury contamination studies as well as a myriad of other worthwhile projects.

During dismal economic conditions Nevada needs to spend its limited revenue in the most effective ways. The dollars spent today will largely determine Nevada's prosperity in the future. Excessive cuts to NBMG's budget will negatively impact the future of the mining industry, as well as the public safety of Nevada's citizens.

I know your job is tough particularly during these trying times, but I ask that you revisit the cuts proposed for NBMG and reduce those cuts significantly.

Sincerely,

Andy B. Wallace
Owner
Cordex Exploration Co.