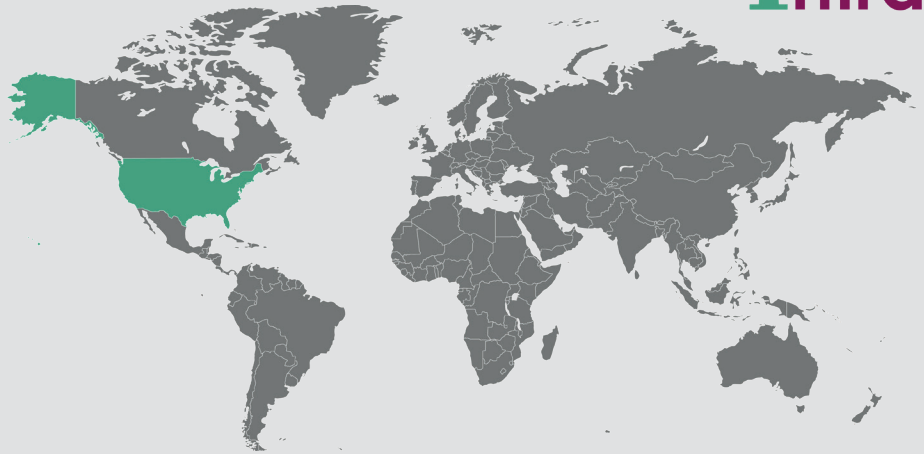


UNITED STATES OF AMERICA

Specific Conditions and Competitive Advantages



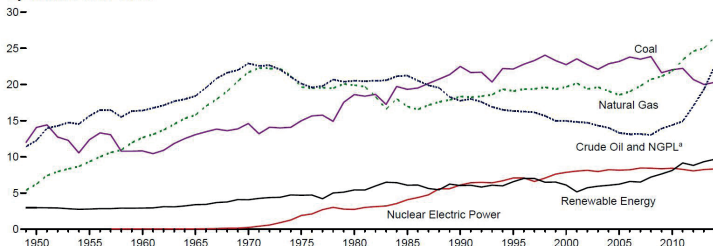
Substantial natural resource endowment enabled production of a large range of minerals:

→ Both historically, but also within current production and in reserves, the U.S. still has a major portfolio of minerals, and access to substantial feedstock for recycling.

There are ample energy supplies from coal, natural gas, and alternative energy sources:

→ Energy availability is, with the shale gas revolution, now a key strength in the U.S. economy at large.

By Source, 1949–2014



Primary energy production (quadrillion Btu).
Source: Energy Information Administration (2015)

There is a strong tradition of free markets in capital, labour, and business:

→ The U.S. remains a pro-business environment, although issues such as social licence can be a significant challenge for mineral development.

There is strong protection of private ownership and separable mineral rights from land rights:

→ The U.S. generally has a high-intensity of derived value from land relative to its footprint utilisation.

Investment capital is widely available:

→ Open domestic investment and easy access to foreign investment eases development.

Mineral and raw material production is driven by market forces:

→ Minerals and raw materials are only developed when economically feasible, but otherwise there is reliance on imports if they are cheaper. This does effectively leave resources in the ground until their higher value is realisable with higher commodity prices in the future.

There are stable tax and mining law policies:

→ The U.S. is a predictable business environment and there is protection of invested capital.

The claim and royalty process on federal lands is simple:

→ Large footprint of the country is available for easy prospecting and development.

There is a highly skilled workforce and historically liberal labour immigration policies, especially for skilled labour:

→ Access to labour is more a function of cost than availability. Wages can trend higher because of worker mobility, but skills can be obtained for the right costs.

Government data, maps, and reports are in the public domain with both a world-class national geological survey charged with mapping mineral potential, but also individual state geological surveys which do so even more locally:

→ One of the most valuable investments by the government is the groundwork done for resource development and providing the data for free. This also opens up the market for value-added enterprises, lowers the entry level for engaging in raw material development, and improves the transparency of supply and demand.