



**ROSEMONT COPPER**

A Bridge to a Sustainable Future.

# **Bridging Arizona's History To A Sustainable Future**



# Our Objective

- **Build and operate** the *world-class* Rosemont Mine
- **Develop** a *robust* portfolio of copper assets in North America
- **Focus** on early stage acquisitions and organic *growth*
- **Become** a *leading* copper development and mining company

North American growth in **Copper**

# Rosemont Team



**Lance Newman**  
V.P. Project  
Development



**Rod Pace**  
President &  
CEO



**Jamie Sturgess**  
Senior V.P. Corporate  
Development &  
Government Affairs



**Kathy Arnold**  
V.P. of Environmental  
& Regulatory Affairs



**Patrick Glynn**  
Project Manager  
EPCM



**Scott Walston**  
Supply &  
Procurement  
Manager



**Dan Ryan**  
Community  
Relations



**Danny Crandall**  
IT Technician



**John Palmer**  
HR Manager



**Rachel Chávez**  
Executive  
Assistant to CEO



**Fermin Samorano**  
Mine Manager



**Jim McCallum**  
Director of  
Administration



**Jason Choi**  
Metals Trading  
Manager



**David Krizek**  
Environmental  
Manager



**Charlene Burkhard**  
Environmental  
Admin. Assistant



**Ron Tornberg**  
Senior Electrical  
Engineer



**Clarissa Barraza**  
Project Engineer



**Scott Sims**  
Chief Metallurgist



**Dr. CS Hwang**  
Senior Civil Engineer



**Kelly Medlock**  
Office Manager



**Diane Hozjan**  
EPCM Admin.  
Assistant



**Dennis Fischer**  
Site Coordinator



**Jeff Cornoyer**  
Sr. Mine Geologist

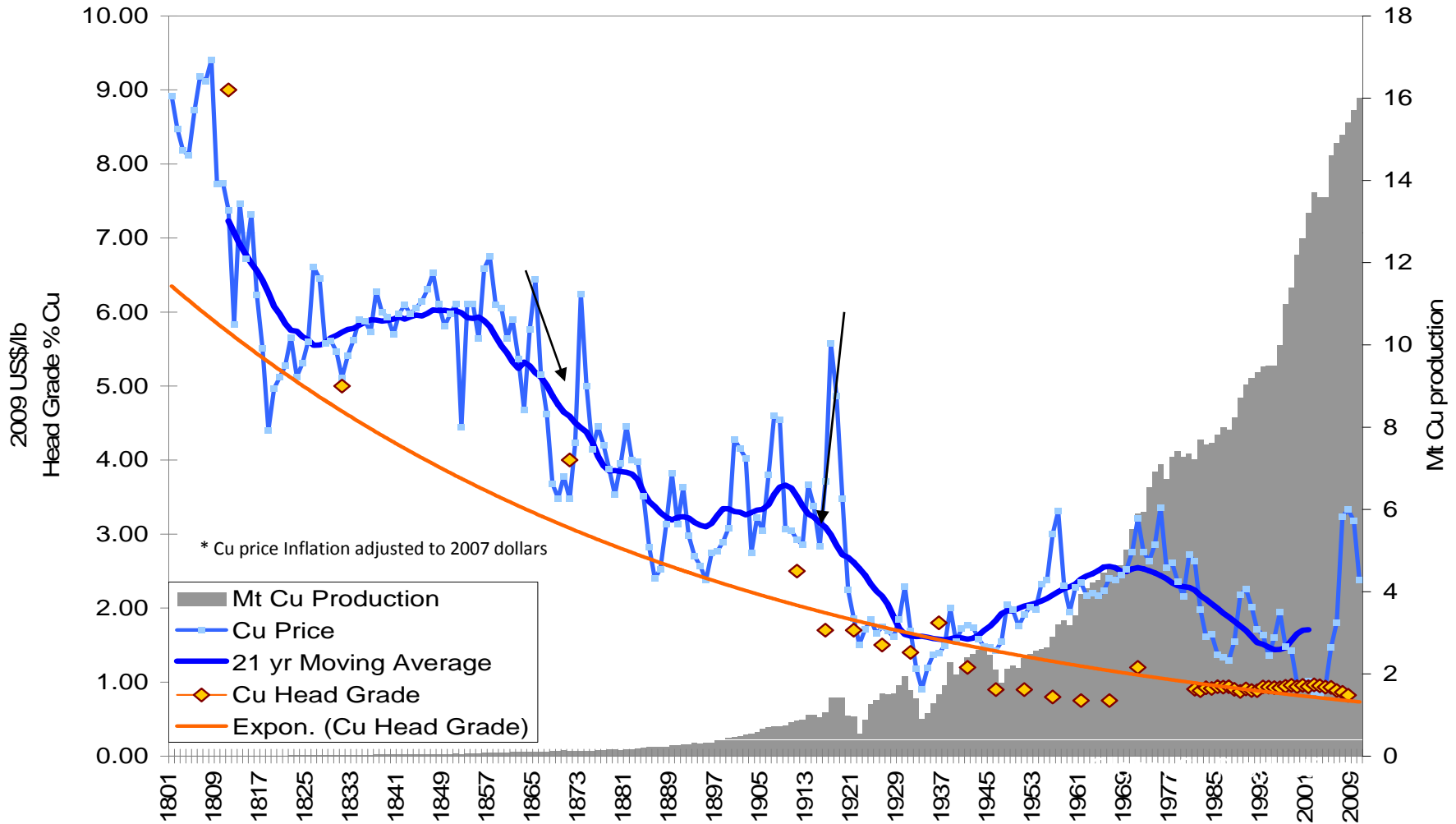


**Buck Andrews**  
Controller

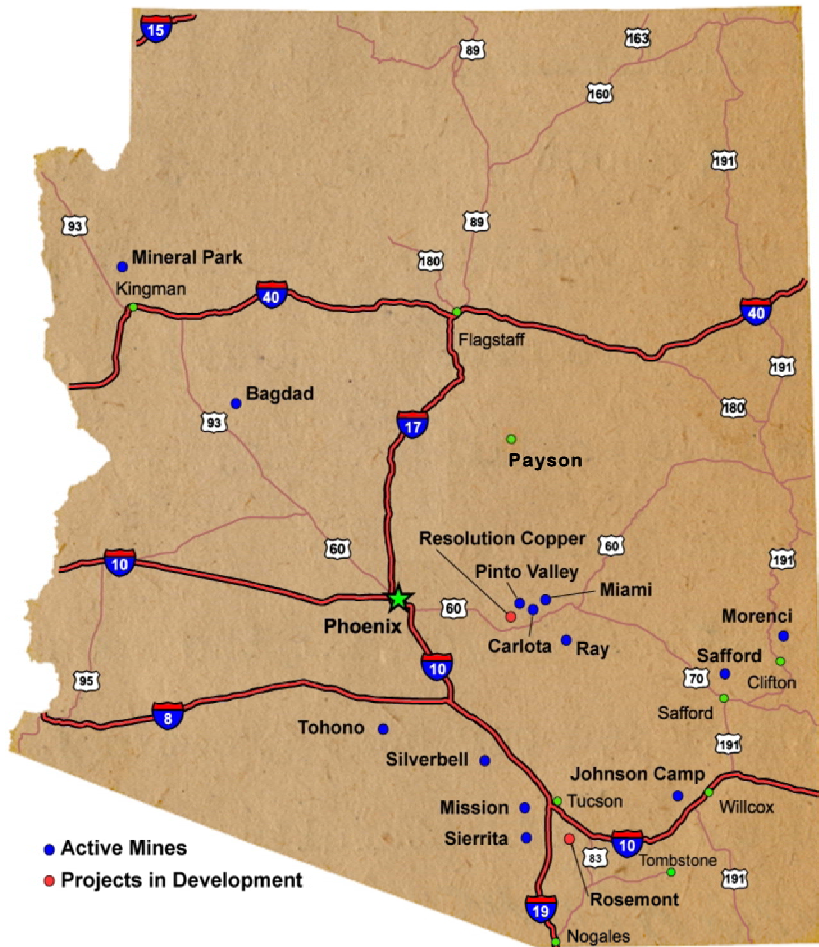


**Dorothy Strosky**  
Accounts Payable

# Industry Technology Trends and Copper Grade, Price, and Production



# Arizona: The Copper State



## *Arizona's history is intertwined with mining*

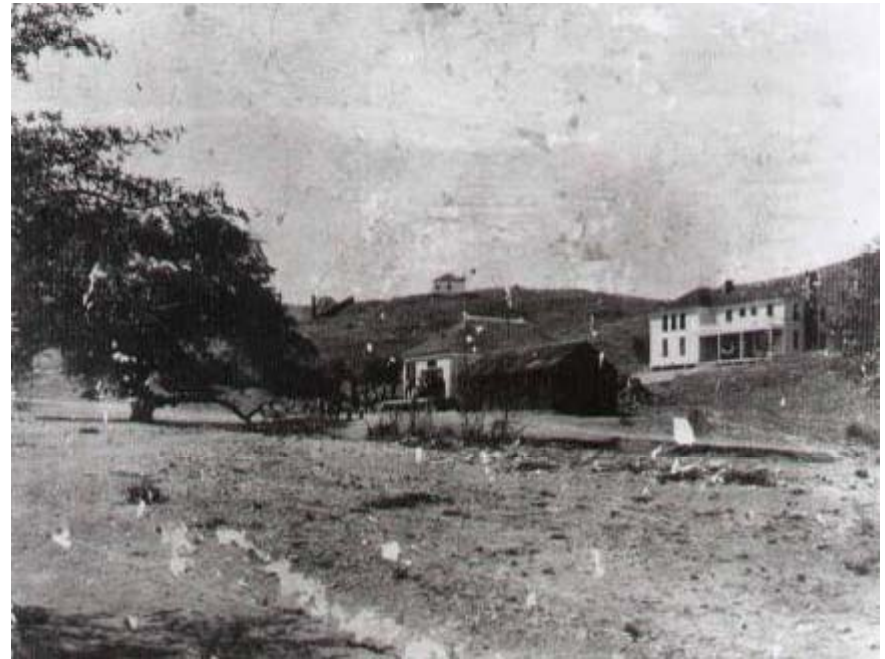
- Provides 65% of U.S. copper on one quarter of 1% of state and federal land
- Dozen Operating Copper Mines In Az.
- 2010 Economic Impact \$12.101 Billion
- 73,100 jobs in 2010 from Copper
- Average mining base wage \$60,000
- 34 % additional benefit package.
- U.S. imports 35% of its copper needs
- Imports mainly from South America

(Approx. 30 miles SE of Tucson)

# History and Ownership

## Helvetia and Rosemont Mining District

- Congress recognizes Helvetia and Rosemont Mining Districts - 1880
- Southern Arizona led the nation's copper production - 1900
- Rosemont District mined - 1870 through 1950
- First mining claims:
  - Narragansett, 1879
  - Eclipse, 1884
  - Backbone, 1885
- Recent History:
  - Banner Mining Company, 1961
  - Anamax, 1973 - 1986
  - Asarco, 1988 - 2004
  - Rosemont Copper, 2005



**Old Rosemont, ca. 1900**  
**Store and warehouse, center;**  
**Rosemont Hotel, right.**

Date

# Rosemont is large

Current copper resource

**5.2B lbs**

Proven & probable reserve

**6.0B lbs**

Measured & indicated resource

**1.7B lbs**

Inferred resource

Expected annual production

**220M lbs**

Copper

**4.7M lbs**

Molybdenum

**2.4M oz**

Silver

Long mine life of +21 years

# 21<sup>st</sup> Century Design Philosophy

- Community Endowment
  - \$25 million permanent endowment and \$500,000 annual
- Sustainable Water Supply
  - Replace what we take and protect what is there
- Concurrent Reclamation
  - Reclamation starts the first year of operation
- Scenic Value Recognition
  - Perimeter buttress and reduced footprint
- Modern Technology
  - GPS high precision equipment and filtered tailings.

# Made in Arizona

Rosemont already contracts with many local firms employing hundreds of people

## Engineering

- WestLand Resources
- Tetra Tech
- M3 Engineering
- Mountain States R&D
- AMEC
- Applied Environmental Consulting
- E.L. Montgomery and Associates
- Call and Nicholas
- P&G Inc.
- KR Saline
- Environmental Planning Group
- Schlumberger Water Services
- GeoTrans Southwest
- Oracle Environmental
- Revegetation Services
- Kimberlite, LLC
- Geomechanics Southwest
- Zonge Geosciences, Inc.
- Stantec
- GeoSystems Analysis Inc.
- Bonesteel Consultants
- University of Arizona, Nat. Resources
- Navigant
- DLM

## Public Relations

- Strongpoint Public Relations
- Marketing Intelligence
- Zimmerman Public Affairs

- Allegra Printing
  - Thomas Promotions
- ## Legal and Other Services
- Fennemore Craig, PC
  - Jordan-Bischoff
  - Maguire-Pearce
  - Darling Environmental/Survey
  - DM Engineering
  - Securitas
  - Sonoran Pump Supply
  - Western Refining
  - Cooper Aerial
  - Verdad Group, L.L.C.
  - Southwest Exploration Services
  - Turner Laboratories
  - Xeneco Laboratories
  - Physical Resource Laboratories
  - Metcon
  - Bob's Backhoe
  - Skyline Labs
  - Adams Consulting Group

## Vendors/Suppliers/Etc.

- Empire Machinery
- Boart Longyear
- Lang Drilling
- Layne Drilling
- Crossroad's Café in Sonoita
- Metro Restaurants
- Top Notch Catering

- Parties Plus
- Viscount Suite Hotels
- Pastiche Modern Eatery
- Café Terre Cotta
- Pima Air and Space Museum
- Enterprise and Avis Rentals
- Apple Store
- San Miguel High School
- Mountain View Tours
- Verizon / Alltel / AT&T
- Fedex-Kinkos
- Alphagraphics
- Reprographics
- SOLON
- Solar Gain
- Edge Technologies
- Parsons Electric

# Working Toward Higher Education

## University of Arizona

- UA Dept of Natural Resources – 5 yr \$537,000 reclamation study
- AZ Science Foundation grants to benefit scholarships at the UA School of Mining
- UA Women in Science & Engineering
- Scholarship programs at UA
- SBS College Magellan sponsor of anthropology and archaeology students
- Arizona Assurance Program - \$100,000 over 4 years

## Pima College

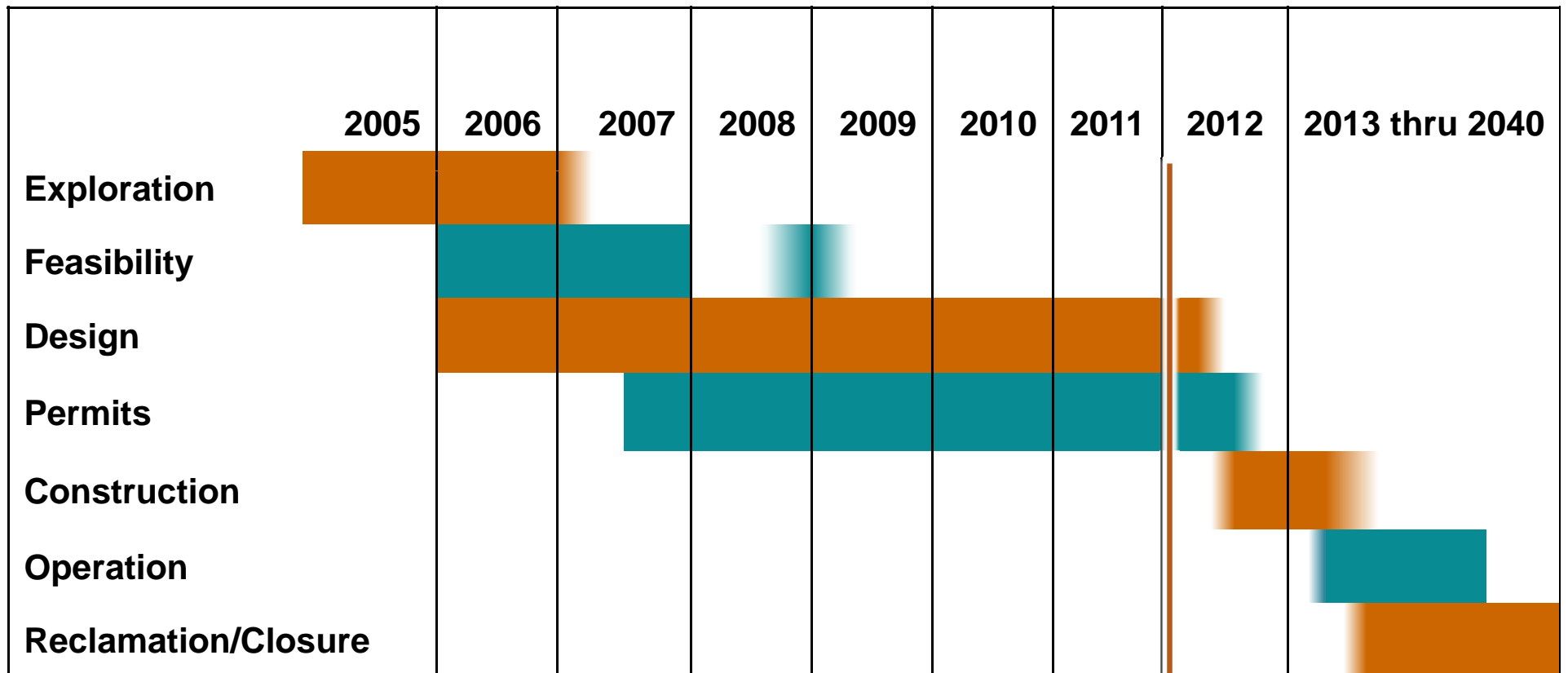
- Launched programs focused on science and engineering with an emphasis on mining
- 18 scholarships totaling \$32,000
- Local students who will be first in family to attend college
- Pima College to administer scholarship program

# Sustainable Water Source

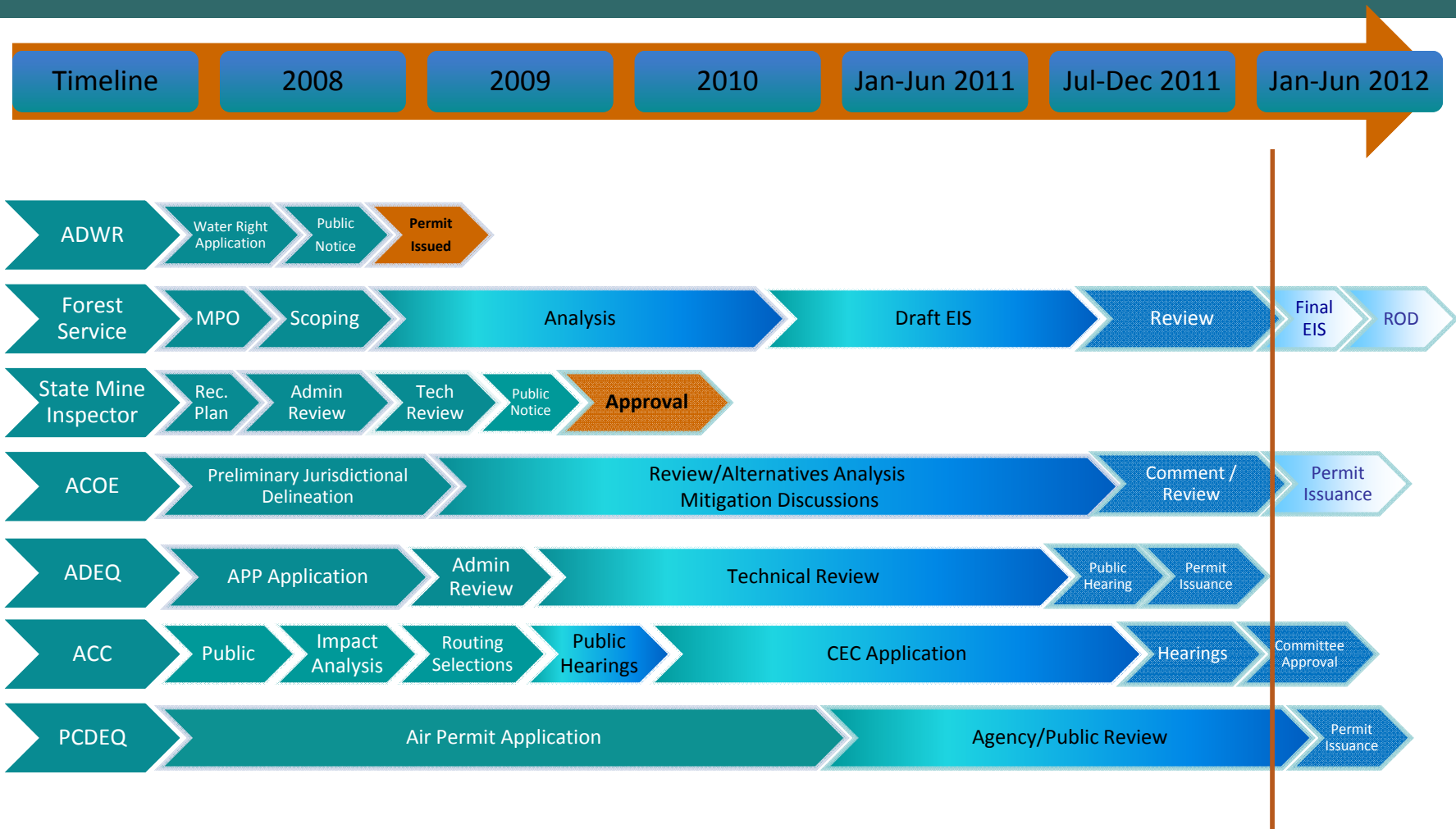
## Neutral Impact to Water Table

- Progressive water conservation and recycling techniques
- 50-60% reduction in water use due to Dry Stack Tailings technology
- Recharged 45,000 ac-ft of CAP water into Tucson Active Management Area
- No fault well protection program in place for local well-owners

# Rosemont Project Schedule



# Permitting Timeframes





# Viewshed Protection

## Reclamation at Year 10



# Project Construction

- Private investment to build project -1 Billion
  - Mill
  - Mine
  - Predevelopment
- Construction schedule
  - 2 Years
- Average construction workforce
  - 1500 Workers



# Rosemont has established funding

## Project Financing

- Sources of funds

	US\$M	% of total
Equity* (incl. LGI/KORES)	\$256	26%
Silver Wheaton (equity)	\$230	23%
Equipment financing (capital leases)	\$100	10%
EX/IM bank financing	\$404	41%
Senior Bank debt	\$0	0%
<b>Total</b>	<b>\$990</b>	<b>100%</b>

\* ~\$80M in equity already invested

Approx. **50:50** debt: equity  
All equity raised

- Uses of funds

	US\$M	% of total
Oxide plant	\$68	7%
Sulfide plant	\$591	60%
Mine equipment	\$222	22%
Spare parts and working capital	\$17	2%
Sub-total <i>(including \$68M overrun contingency)</i>	\$897	91%
Pre-production capital	\$14	1%
Pre-production expenses	\$34	3%
Reclamation bond fee	\$19	2%
Interest during construction	\$25	3%
<b>Total</b>	<b>\$990</b>	<b>100%</b>

# Major Economic Engine

- Jobs during production – 20 years
  - 2,100 private jobs to local area
  - 800 additional private jobs to State
  - 1,300 additional private jobs to nation
- Annual Taxes for Arizona
  - \$19 million/yr to local governments
  - \$13 million/yr additional state taxes
  - \$96 million/yr additional federal taxes
- Annual Economic Impact
  - \$700 million/yr for 20 years to local counties.
  - \$200 million/yr additional impact to the state.
  - \$400 million/yr additional to the nation.



Source: L. William Seidman  
Research Inst. W.P. Carey School  
of Business ASU July, 2009

# Business Association Support

- Associations representing over 2000 businesses and their employees:
  - ACT (Alliance of Construction Trades)
  - ABA (Arizona Builders' Alliance)
  - ACA (Arizona Contractors Association)
  - AMIGOS (Arizona Mining Industry Gets Our Support)
  - SACA (Southern Arizona Contractors Association)
  - SAEDG (Southern Arizona Economic Development Group)
  - SAHBA (Southern Arizona Home Builders Association)
  - TUCA (Tucson Utility Contractors Association)
  - PALF (Pima Area Labor Federation)
  - USW (United Steelworkers of America)

# Local City and County Support

- 🌐 City of Marana
- 🌐 Benson/San Pedro Chamber of Commerce
- 🌐 Benson City Council
- 🌐 Marana Chamber of Commerce
- 🌐 Northern Pima County Chamber of Commerce
- 🌐 Tucson Hispanic Chamber of Commerce
- 🌐 Tucson Metropolitan Chamber of Commerce
- 🌐 Metropolitan Pima Alliance
- 🌐 12,000 Families signed to support

# Southern Arizona Business Leaders

CAID Industries	William Assenmacher	President/CEO
Ashland Group	Duff C. Hearon	President/CEO
BBVA Compass Bank	Mark Mistler	President, Southern Arizona
Carondelet Foundation	Janice Cox	Retired Chief Executive Officer
Jim Click Automotive Team	Jim Click, Jr	Jim Click Automotive Team
FLSmith Krebs	Pat Turner	President
McMahon Restaurants	R.B. McMahon	Chairman
Tucson Toros	Jay Zucker	President/CEO
STAT Computer Services	Boyd A. Burkhardt	Principal
Sundt Construction, Inc	David S. Crawford	President/CEO
Mountain Bikes America, LLC	Todd A. Sadow	President/CEO
Desert Earth Contracting, LLC	Bryan Johnson	Manager
Alberto Moore & Associates	Alberto Moore	President
Borderland Construction Company, Inc.	Toby Allen	President
HT Metals	Carlos Ruiz	President/CEO
M3 Engineering & Technology Corp.	Daniel H. Neff	President
AAA Landscape	Richard Underwood	President
Arizona Contractors Association, Inc.	David N. Jones	President/CEO
Leon Taylor Management, Inc.	Eddie Leon	President
Perimeter Bicycling Association of America, Inc.	Richard J. DeBernardis	President/CEO
O'Rielly Motor Company	R.B. (Buck) O'Rielly	President
Sundt Construction, Inc.	Raymond C. Bargull	Executive V.P./CFO
Caterpillar, Inc. & Tinaja Hills DLC	Jeffrey Fitch	Marketing Manager

# Southern Arizona Business Leaders

Mama's Hawaiin BBQ	Sam P. Alboy	President
CCS Systems	Anders E. Billings	President
Earth-Scrapes Excavating, Inc	Jody A. Mott	Vice President
Sun Mechanical Contracting, Inc.	Scott Candrian	President
Alliance of Contractor Trades	James J. Kuliesh	Executive Director
Broadway Hotel Corporation, Inc.	Joe Cesare	President
Southwest Energy, LLC	Thomas D. Toole	President
CORE Construction Services of Arizona	Fred J. Knapp	V.P. of Tucson Operations
Tucson Metro Chamber of Commerce & AMA	John Low	Retired Chairman
Arizona Builders Alliance	David B. Pittman	Southern Arizona Director
Diversified Design & Construction, Inc.	Hal Ashton	Chairman
Ekobuilt, Inc.	Glen W. Kerslake	President/CEO
HSL Properties	Humberto S. López	President
O'Leary Construction, LLC	Robert E. O'Leary	Managing Member
John Wesley Miller Companies	John Wesley Miller	President
Granite Construction Company	James D. Richards	Arizona Region Manager
Prestige Fitness, LLC	Ron Yousefnejad	Owner
W.G. Valenzuela Drywall, Inc.	William (Bill) G. Valenzuela	President/CEO
A-1 Mattress, Inc.	Bobby Boido	Owner
Tucson Realty & Trust	Hank Amos	President
Horizon Steel	Jim E. Caffall	President
Jacobs Engineering Group, Inc.	J. Gary Mandel	Executive Vice President
R.E. Monks Construction Company	Rich Monks	President
Parsons Steel Builders	Joe Parson	Vice President

# Southern Arizona Business Leaders

Bonita Steel Builders, Inc.	Joel Matthews	Vice President	jcdmatthews@dakotacom.net
Taste of Texas Restaurant	Michael E. Arino	Owner	mike@wgval.com
Azteca Business Management Corp.	José M. Vargas	President/CEO	jvargas@abmcorp.net
Southwest Commodities	Jim Wingate	CEO	N/A
Mr. An's Japanese Restaurants	K.C. An	CEO	kc@mrantucson.com
Diversified Design & Construction, Inc.	Larry M. Lang	President	larry@ddc-az.com
El Charro Restaurants	Carlotta Flores	Owner, Chef	lotaflores@aol.com
CB Richard Ellis-Tucson	Timothy J. Prouty	Managing Director	tim.prouty@cbre.com
Laron Incorporated	John Hansen	CEO	jhansen@laron.com
Horizon Moving Systems, Inc.	Bruce Dusenberry	President	bdusenberry@horizonmoves.com
Mountain States R&D International, Inc.	Dr. Roshan Bhappu	President	Rbhappu@aol.com
Empire Southwest	Chris Zaharis	Executive V.P.	czaharis@empire-cat.com
Arizona Chamber of Commerce & Industry	Glenn Hamer	President/CEO	Mspears@BHFS.com
CTI, Inc.	Gregg Gibbons	President	tom@cti-az.com
Circuit-Tron Corp DBA PrevenTronics	Larry W. Studley	President	lstudley@preventronics.com
Carole Electric Corporation	Frederick R. Sowerby	President	fredericksowerby@cox.net
Agate, Inc.	Jim Uhl	President	jim.uhl@agateinc.com
Robinette Architects, Inc.	Ron Robinette	President	jjgriffith@robinettearchitect.com
Service Techs of America, LLC	Richard M. Hozjan	President	rick8896@yahoo.com
Purcell Rubber & Tire Co.	Mason Hess	Vice President	mason.hess@purcelltire.com
Filter Products Corp.	Tracy L. Sparby	President/CEO	tsparby@filterspro.com
JC-LLC	John Condon	President	jc9890@msn.com

# Southern Arizona Business Leaders

Industrial Mining Supply Co, Inc.  
Pulice Construction, Inc.  
Munger & Chadwick PLLC  
K.D. Engineering  
Dan Starr Organization, Inc.  
Copper Resource Contracting, Inc.  
Marana Chamber of Commerce  
Kitchell Contractors  
Copper State Bolt & Nut Co.  
Northern Pima County Chamber  
Blue Sierra, Inc  
Architectural Install Masters, Inc  
Creative Millwork, Inc  
Sierra Steel Fabricators, LLC  
Sierra Shutters & Sun Control, LLC  
Sierra Woodworks, LLC  
Estelle Solid Surface, LLC  
Estelle Solid Surface, LLC  
Neff Rental  
Kachina Business Solutions  
Western Claims

Dave Corson  
John M. Kraemer  
John F. Munger  
Brad C. Schwab  
Dan Starr  
Jeb Dalmolin  
Ed Stolmaker  
Mike Rock  
Leon Punt  
Dave P. Perry  
Bill Oetting  
Melinda Oetting  
Leah Vaughan  
Gubby Sulbranson  
Ivan Whitney  
Janet Cousemaker  
John Slattery  
Lou Giovannini  
Ryan Dokman  
Howard Sloane  
David Conger

President  
Vice President  
Attorney At Law  
Vice President-Engineering  
President  
President  
President/CEO  
President  
V.P. & General Manager  
President/CEO  
Owner  
Owner  
CFO  
Steel Division  
Managing Member  
Corporate Secretary  
Managing Member  
Managing Member  
Sales Representative  
President/CEO  
Owner

# Rosemont Setting New Standards

Answering the Demand for Copper

While Setting Environmental Standards



**Energy Use**



**Water**



**Air Quality**



**Reclamation**



**Land Conservation**