

SUMMARY OF THE PROPOSED ROSEMONT COPPER PROJECT MINE PLAN OF OPERATIONS SUMMARY

INTRODUCTION

In July 2007, Rosemont Mining Company (the “Company”) submitted to the Coronado National Forest (CNF) a Mine Plan of Operations (the “proposal”) for the mining and processing of copper, molybdenum, and silver ore in the Rosemont Valley area of the Nogales Ranger District. The CNF reviewed the proposal and in October 2007 provided comments to the Company and requested additional information about the proposed mining activity. Over the next few months the requested information was provided to the CNF by the Company. Upon review of that information, the CNF determined on March 2, 2008, that they had sufficient information about the proposed activity to begin National Environmental Policy Act analysis of the Company’s proposal. An Environmental Impact Statement (EIS) for the proposed project began with publication of a Notice of Intent in the *Federal Register* on March 13, 2008. A draft EIS is expected to be completed by March 2009. All applicable statutes, regulations, policy, and directions will be followed throughout the analysis process.

The Company proposes to construct an open pit mine in Pima County, Arizona, near the northern portion of the Santa Rita Mountains. The project would be located on approximately 4,415 acres of land, including of 995 acres of private land, 3,330 acres of land administered by the National Forest, 15 acres of land administered by the Bureau of Land Management, and 75 acres of Arizona State Land Department State Trust land. Figures 1 and 2 depict the location of the proposed Rosemont Project and surface management responsibilities for the area. Approximately 75,000 tons per day (tpd) of ore and between 195,000 and 267,000 tpd of waste rock would be mined each day from the 1.2-square-mile pit. In addition to the mine, leaching, processing and support facilities would include a mill, a heap-leach facility, a solvent extraction electrowinning (SX/EW) plant, waste rock storage areas, and a dry-stack tailing disposal area. Figure 3 depicts the final configuration of the proposed operation. Annual production from these facilities would be approximately 230 million pounds of copper, 5 million pounds of molybdenum, and 3.5 million ounces of silver and would be sustained over the estimated 19-year life of the mine.

The major components of the Company’s proposed mining operation, including the open pit mine, ore processing, waste rock storage areas, tailings storage, and ancillary facilities and general operational infrastructure, are described in the following sections.

MINE

Copper ore would be mined from an open pit mine developed in seven phases. During the first phase of mining, surface soils and overburden would be removed to create a starter pit. Once the surface material has been removed, the ore body would be mined by drilling and blasting along 50-foot-high benches around the pit. Blasted material would then be excavated and loaded onto

haul trucks using large shovels. Waste rock would be transported to the waste rock storage areas via haul trucks on roads constructed around the northern, eastern, and southern edges of the pit (see Figure 3). The ore would be trucked to processing facilities located east of the pit. Excavation of 1,288 million tons (MT) of waste rock and 600 MT of ore would result in an open pit that measures approximately 6,500 feet north-south by 6,000 feet east-west at the rim, covering approximately 700 acres or 1.2 square miles. Roads and other support facilities for the open pit would cover an additional 250 acres of the surface around the pit. In total, the open pit facility would cover 950 acres, which includes 590 acres of private land and 360 acres of Forest Service land. The walls of the pit would be between 1,800 and 2,900 feet, and the elevation of the pit bottom is projected to be approximately 3,150 feet above mean sea level (amsl). Pit operations would occur 24 hours per day, 365 days per year.

ORE PROCESSING

The Rosemont copper deposit consists of both sulfide and oxide ore types, which require separate processing methods to recover the copper and associated metals. Sulfide ore would be processed using a milling and flotation method (copper-molybdenum flotation). This process involves crushing and grinding the sulfide ore material and copper and molybdenum from the resulting fine material using a variety of reagents. The waste material generated by this process would be deposited in the tailings storage area. Oxide ore would be processed using heap-leaching and solvent extraction electrowinning (known as “heap-leach-SX/EW”). The oxide ore would be trucked from the mine, placed on a lined leach pad, and irrigated with an acidic solution (approximately 0.5 percent). The acid solution would then be collected and sent to the SX/EW plant where copper in the solution would be plated onto high-purity copper sheets. The general processes that the Company proposes to use for these two methods are displayed in Figure 4.

WASTE ROCK STORAGE AREAS

The proposed waste rock storage areas would be on National Forest system land located southeast, east, and northeast of the open pit, as depicted in Figure 3. These facilities are designed to store approximately 1,288 MT of waste rock material. Construction of the waste rock storage areas would begin with starter buttresses placed in Barrel Canyon, to the east of the pit area. The waste rock would then be hauled to the storage areas using 260-ton trucks and placed behind the buttresses. Approximately 195,000 tpd, to a maximum of 287,000 tpd, of waste rock material would be deposited in the waste rock storage areas. The proposal indicates that it would take approximately 5 years to construct the buttresses necessary to hold all of the waste rock material. The final elevation of the buttresses is estimated to reach approximately 5,400 feet amsl, stepping down to 5,140 and 5,050 feet amsl toward the northeast. At capacity, the waste rock disposal areas will reach a final crest elevation of about 5,475 feet amsl.

Revegetation and reclamation of the waste rock buttresses would begin as soon as possible, as described in the reclamation section below.

TAILINGS STORAGE AREAS

The proposal indicates that approximately 73,600 tpd of dry tailings from the sulfide ore processing plant would be deposited into two dry tailings storage areas in lower Barrel Canyon. The north dry-stack area would operate during Years 1–14 and would accommodate approximately 375 MT of tailings. The south dry-stack area would operate during Years 15–19 and would store up to approximately 170 MT. Construction of these facilities would begin with installation of a stormwater diversion ditch upstream of the tailings storage areas. Additionally, two perimeter buttresses would be constructed from waste rock material trucked from the open pit. The dry tailings would be transported from the filter plant at the mill via an overland conveyor, and a radial stacker would then place the dry tailings against the starter buttresses. Heavy equipment would spread and compact the tailings as necessary. A secondary conveyor that would be constructed to transport tailings into the upper drainage area would also be used during periods of maintenance or when the radial stacker is moved. During operation of the tailings facility, concurrent tailings and waste rock placement would occur, with waste rock deposition advancing ahead of tailings levels in successive lifts.

ANCILLARY FACILITIES AND OPERATIONAL INFRASTRUCTURE

Proposed ancillary facilities include a 17,000-square-foot administration building; a 9,840-square-foot change house and boiler facility; a 6,600-square-foot warehouse; a 8,400-square-foot analytical laboratory; a 4,950-square-foot light vehicle repair building and fuel storage area; a 20,000-square-foot mine truck shop and fuel storage area; a truck wash facility; powder magazines and ammonium nitrate storage silos; and a main guard house and truck scale.

Operational infrastructure required for the operation would include roads, power, water and other utilities, and stormwater controls. The proposal indicates that two types of roads would be required for in-plant roads and haul roads. Haul roads, which would measure 125 feet wide, would generally be constructed in the pit and run from the pit to the crusher and waste rock storage areas. The in-plant roads, which would measure approximately 24 feet wide and have 5-foot-wide drainage channels, would extend from the mine entrance and provide access to processing and other operational facilities, including the truck shop, freshwater storage tank, potable water tank, and process water tank.

The primary access road into the operation would extend approximately 3.7 miles west/southwest from State Route 83 beginning a point between Mile Posts 46 and 47 and ending at the main guard building at the entrance to the plant. Secondary access is proposed from the west side of the property. Utilities, including power, water, and sanitary facilities, would be provided to mine and support facilities as necessary. Although the exact utility routes have not been determined, the main electrical power supply to the mine would enter the property from the west and east and would be provided by multiple providers. Various distribution lines would provide power to the pit area and all of the operational facilities. In addition, the Company proposes on-site electrical generation using passive solar technology. Process water for the mine

would be pumped from Company-owned wells located within the Upper Santa Cruz sub-basin of the Tucson Active Management Area groundwater basin. Preliminary estimates indicate that at peak operation, the mine and support facilities would require approximately 5,000 gallons per minute of water and 5,000 acre-feet of water annually. Sanitary waste at the mine would be handled by septic systems, with leach fields located in the vicinity of each building. A Site Water Management Program (SWMP) is proposed to control surface water flows and prevent runoff and sediment transport during active mining, as well as during long-term closure and reclamation. The SWMP includes stormwater management provisions for the mine, heap-leach facilities, dry-stack tailings and waste rock storage areas, access roads, drainage diversions, process ponds, and the compliance point dam. Any surface water management facilities would be designed to handle runoff generated from a 100-year, 24-hour storm event.

RECLAMATION

The Company proposes to conduct concurrent reclamation from the initial soil stripping through the conclusion of operations, including such activities as ongoing revegetation and reclamation of the waste rock buttresses during their construction. Leaching activities would be completed early in the project life and the SX/EW plant closed and buried within the waste rock storage facility. The Company proposes to implement measures to accelerate the growth of vegetation on the upper benches of the waste rock storage areas and mine where applicable.

Most buildings and operating facilities would be removed at closure and the area regraded as necessary to manage drainage and promote site stability. At closure, the mine area would be bermed and/or fenced to restrict access and provide public safety. Proposed post-mining reclamation objectives for the Rosemont Property include dispersed recreation, wildlife habitat, and ranching.

Figure 1. General Location Map

Figure 2. Land Ownership Map

Figure 3. Proposed Action

Figure 4. Process Flow Chart

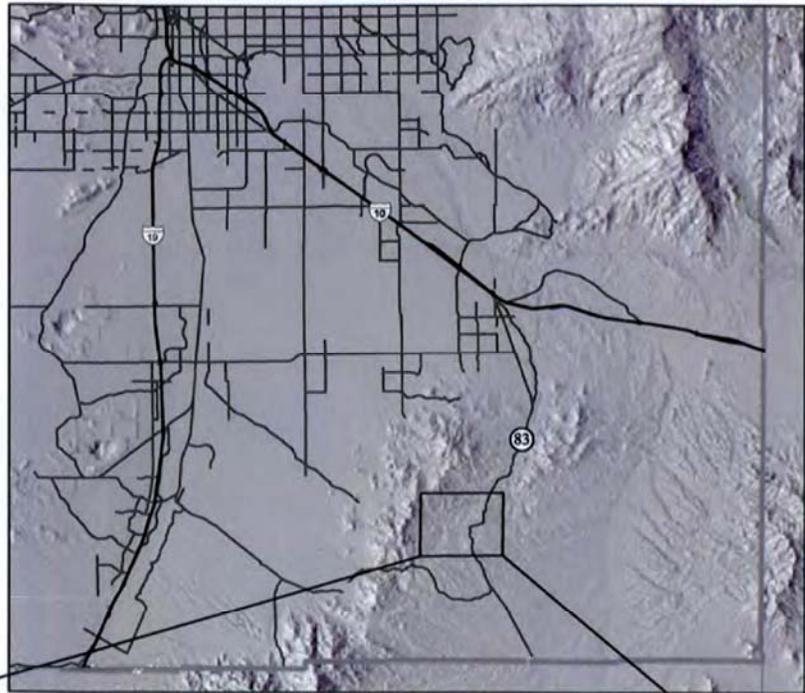
Figure 5. Mine Composite Reclamation Map

ARIZONA

SOUTHEASTERN PIMA COUNTY

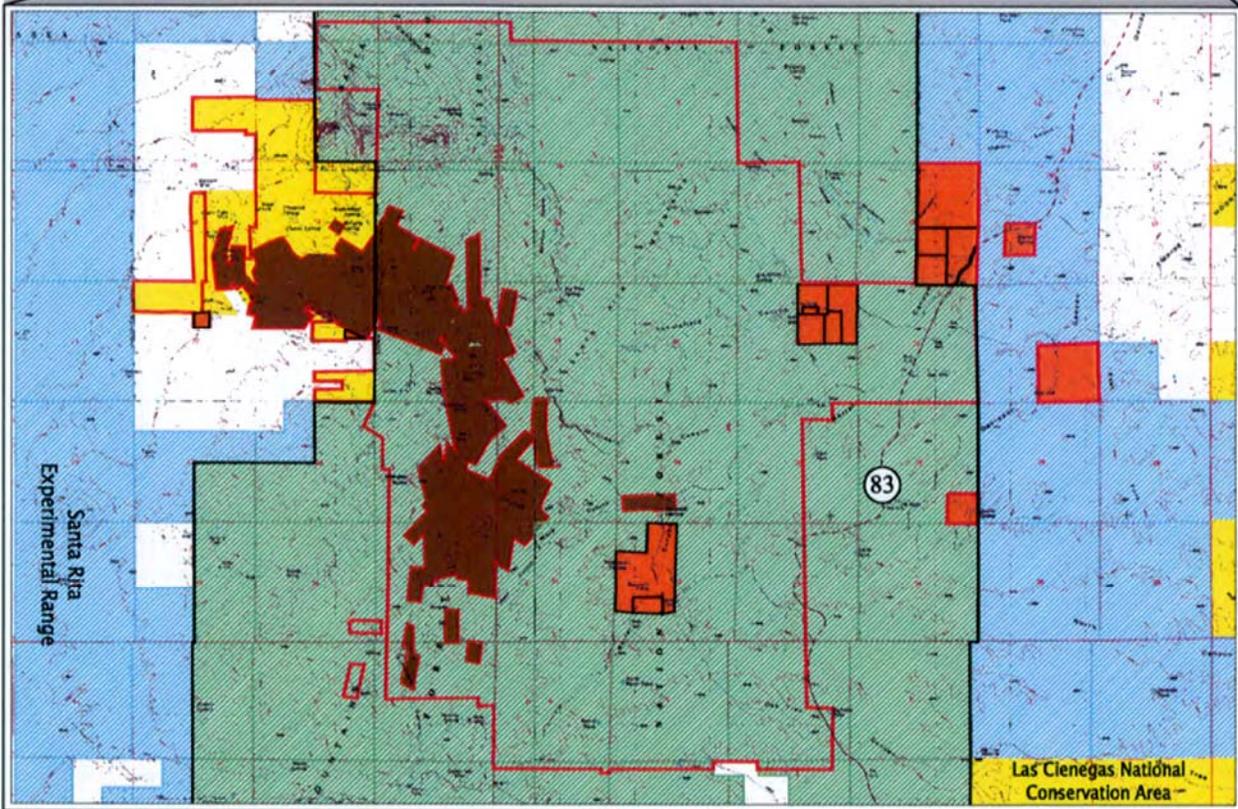


PROJECT
LOCATION



Approximate Scale 1" = 10 Miles

- CORONADO NATIONAL FOREST BOUNDARY
- ROSEMONT CLAIMS BOUNDARY
- PATENTED CLAIMS
- FEE LANDS
- STATE TRUST
- CORONADO NATIONAL FOREST
- BLM



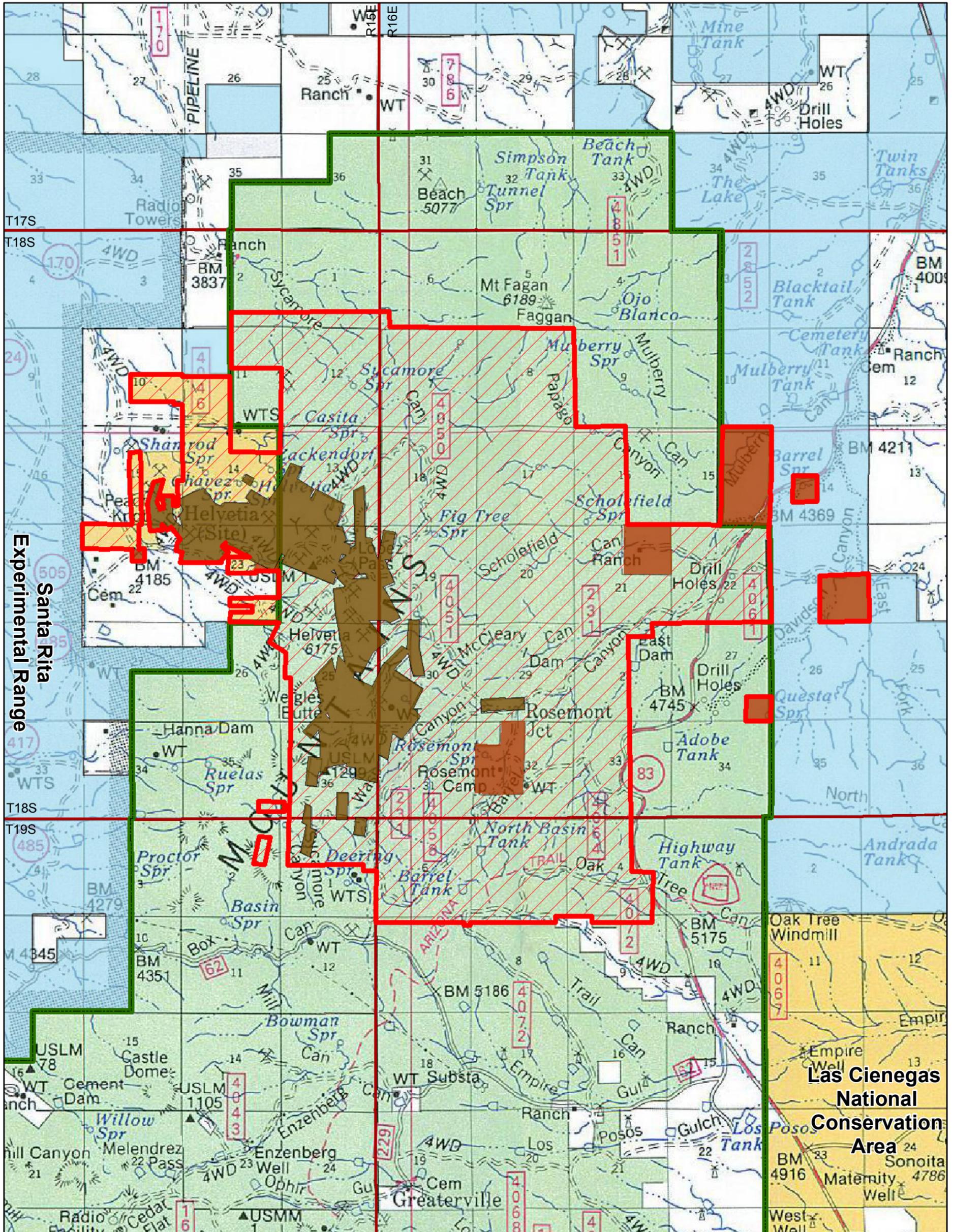
0' 4200' 8400'
APPROX. SCALE: 1" = 8400'

T.18S.,R.15E., Portion of Sections 1,2, 10-15, 22-25, 35 & 36,
T.19S.,R.15E., Portions of Sections 1 & 2,
T.18S.,R.16E., Portion of Sections 6-8, 14-23, & 27-33,
T.19S.,R.16E., Portions of Sections 4, 5, & 6.
Pima County, Arizona
Mt. Fagan, Empire Ranch, Coronado de Tucson & Helvetia
USGS 7.5 Minute Quadrangles



ROSEMONT PROJECT
VICINITY MAP

Figure 1



Data Source: ALRIS
 Map Source: Coronado National Forest Nogales Ranger District Map

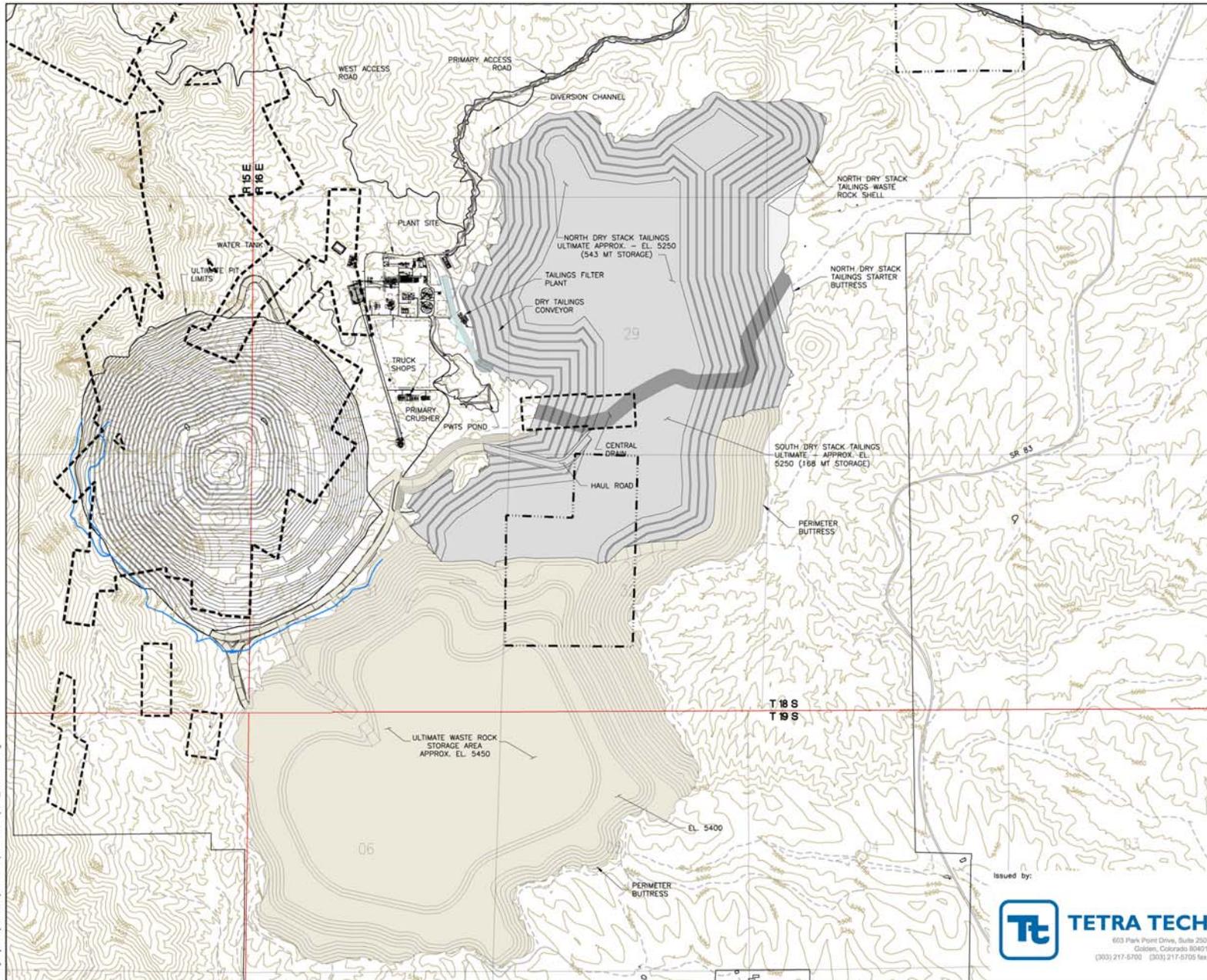
Legend

- ROSEMONT CLAIM BOUNDARY
- PATENTED CLAIMS
- ROSEMONT PRIVATE LANDS
- ROSEMONT UNPATENTED CLAIMS
- SURFACE MANAGEMENT**
- CORONADO NATIONAL FOREST BOUNDARY
- CORONADO NATIONAL FOREST
- BLM
- STATE TRUST
- PRIVATE

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 REVISION
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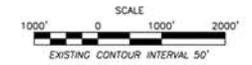
ROSEMONT PROJECT

Claim Boundary Map
 Figure 2



- GENERAL LEGEND/SYMBOLS:**
- EXISTING CONTOURS
 - EXISTING UNPAVED ROAD
 - EXISTING PAVED ROAD
 - PROPOSED ROAD
 - PATENTED CLAIMS
 - ROSEMONT PRIVATE LANDS

- NOTES:**
1. PLANT, CRUSHER, ACCESS ROADS, PIT LIMITS, AND WASTE ROCK STORAGE AREAS DESIGNED BY OTHERS.
 2. CONTOURS SHOWN FOR EXISTING GROUND, DRY TAILING STACKS, AND PIT ARE IN 50' INTERVALS. CONTOURS SHOWN FOR THE WASTE ROCK STORAGE AREA ARE IN 25' INTERVALS. CONTOURS SHOWN FOR THE HEAP LEACH PAD ARE IN 20' INTERVALS.
 3. EXISTING ROADS THAT MAY BE RELOCATED, ELIMINATED, OR HAVE PORTIONS CLOSED ARE PROVIDED ON FIGURE 3-7 IN THE MINE PLAN OF OPERATIONS.
 4. REFER TO FIGURE 2-1 IN THE MINE PLAN OF OPERATIONS FOR DETAILED SITE ARRANGEMENT.

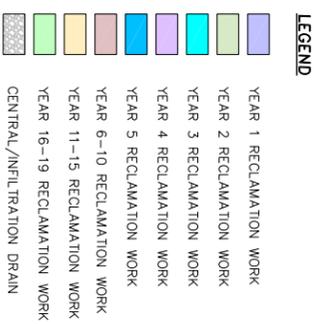
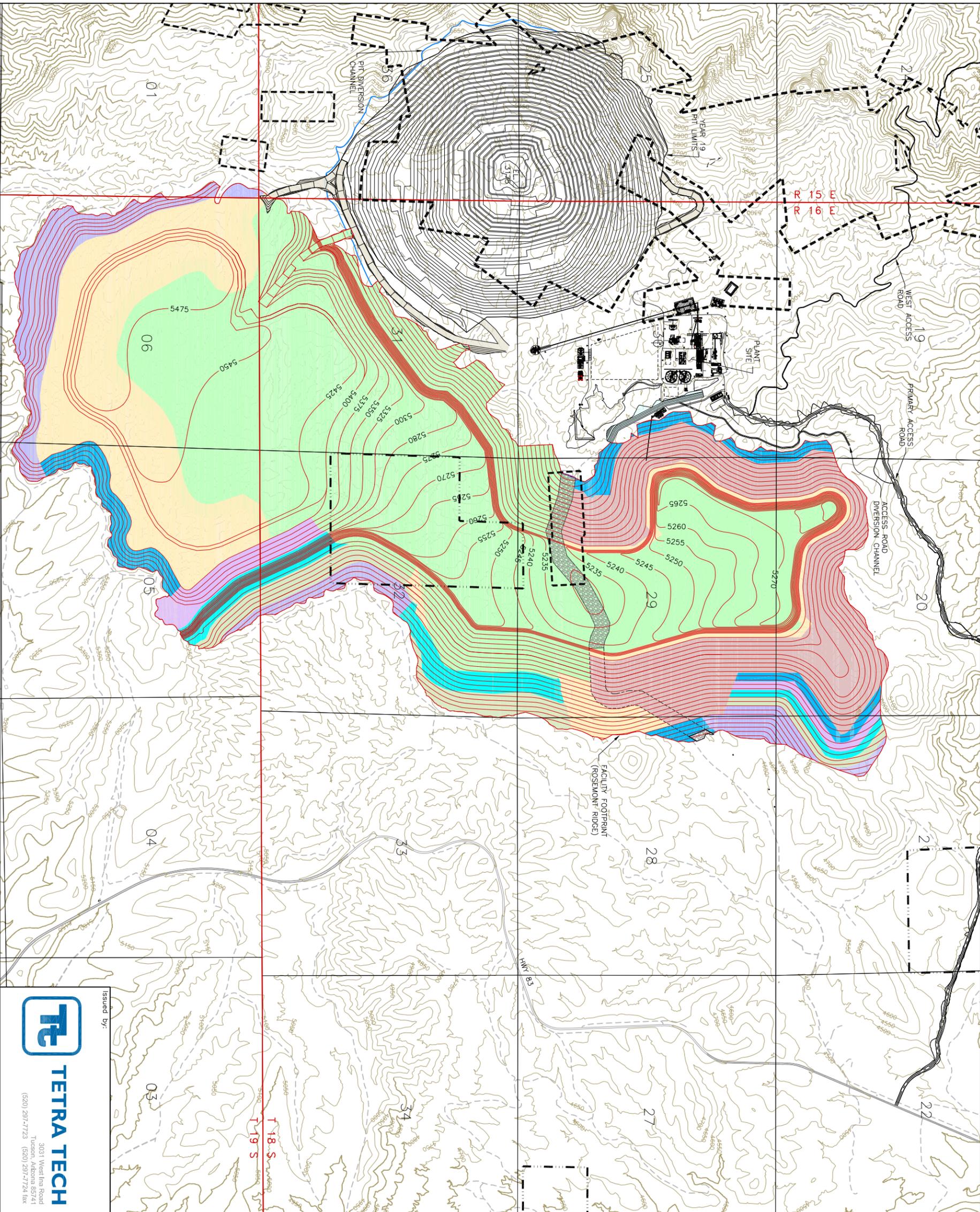


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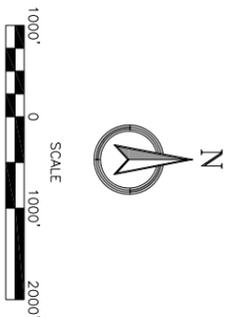
TETRA TECH
603 Park Point Drive, Suite 250
Golden, Colorado 80401
(303) 217-9700 (303) 217-9709 fax

Title: FACILITY PLAN ULTIMATE CONFIGURATION			
Project: ROSEMONT	Project no.: 320614	Figure no.:	
Location: PIMA COUNTY, ARIZONA	Date: 2/08	3	

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- NOTE:**
1. PLANT, CRUSHER, ACCESS ROADS, PIT LIMITS, AND WASTE ROCK STORAGE AREA DESIGNED BY OTHERS.
 2. PLANT SITE SHOWN FOR CLARITY ONLY.
 3. REVEGETATION AREAS ARE APPROXIMATE.
 4. CONTOURS SHOWN FOR EXISTING GROUND, DRY TAILING STACKS AND PIT ARE IN 50' INTERVALS. CONTOURS SHOWN FOR THE WASTE ROCK STORAGE AREA ARE IN 25' INTERVALS. CONTOURS SHOWN FOR THE HEAP LEACH PAD ARE IN 20' INTERVALS.
 5. EXISTING ROADS THAT MAY BE RELOCATED, ELIMINATED OR HAVE PORTIONS CLOSED ARE PROVIDED ON FIGURE 5-7 IN THE MINE PLAN OF OPERATIONS.



Issued by:

TETRA TECH
 3031 West Iha Road
 Tucson, Arizona 85741
 (620) 297-1723 (520) 297-1724 fax

**Title: RECLAMATION AND CLOSURE PLAN
 ROSEMONT RIDGE
 COMPOSITE OF YEARLY
 RECLAMATION AREAS**

Project: ROSEMONT COPPER
 Project no.: 320614
 Date: 04/08

Location: PIMA COUNTY, ARIZONA



REVISION

Figure no.: 5