



ROSEMONT COPPER

Resourceful.

Rosemont Copper - What's Going on in Arizona

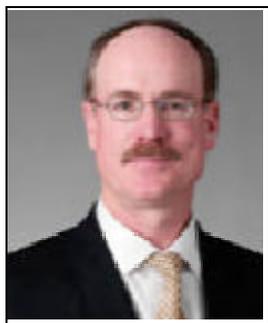
Mine Design, Operations and Closure Conference

Fairmont Hot Springs

May 5, 2010



Who is Rosemont Copper Company?



Rod Pace
President & CEO
28+ yrs

- An Arizona Corporation, wholly owned subsidiary of Augusta Resource Corporation
- Augusta Resource is traded on the American Stock Exchange using the symbol AZC
- Offices in Tucson and Denver
- Team with over a century of mining experience



Jamie Sturgess
VP Sustainable
Development
30 yrs



Lance Newman
VP Project
Development
22 yrs



Fermin Samorano
Mine Manager
15 yrs



Dan Ryan
Community
Relations Mgr
28 yrs



Dennis Fischer
Site Coordinator
26 yrs



Jeff Cornoyer
Geologist
5 yrs

We all need copper every day

Copper is critical to the American economy



439 pounds



55 pounds



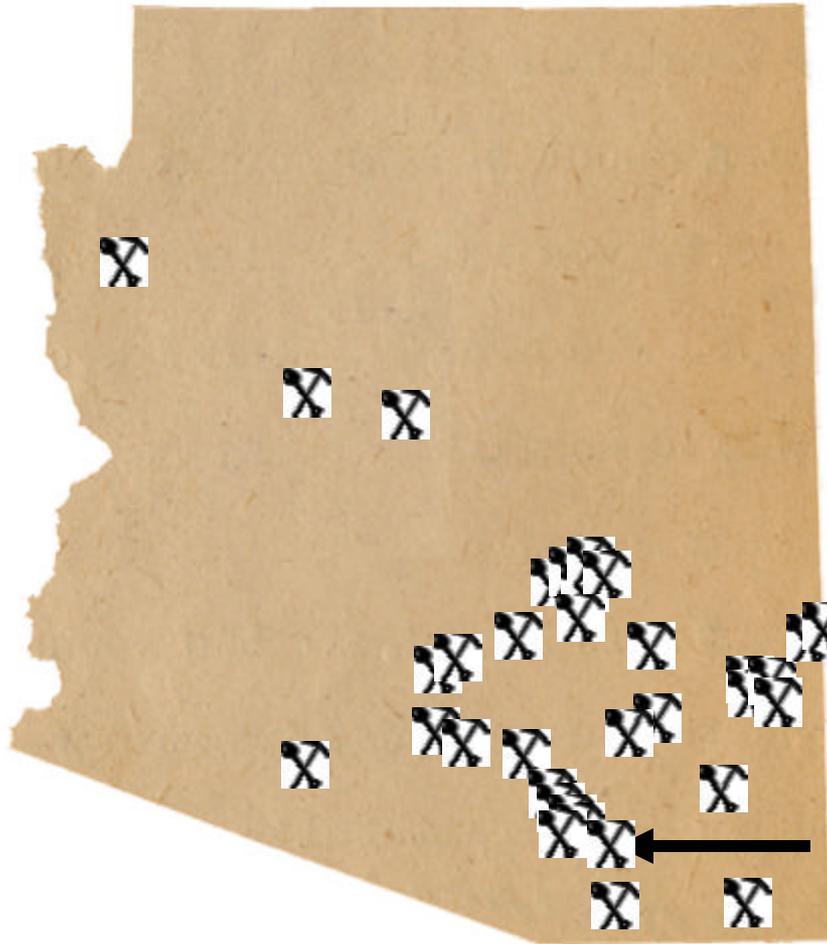
100+ pounds

The average U.S. person uses – 7 pounds of copper per year .
The average Asian person uses - 2 pounds of copper per year.

In 2008 the U.S. imported 35 % of its copper needs.

Wind generation requires 12 times the amount of copper than a coal fired power plant to produce a kilowatt of power.

Arizona: The Copper State



Arizona's history is intertwined with mining

- Nation's top copper producer
- Provides 65% of U.S. copper supply on one quarter of 1% of state land
- More than all other 49 states combined

Rosemont Copper

History and Ownership

Helvetia/Rosemont Mining District

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

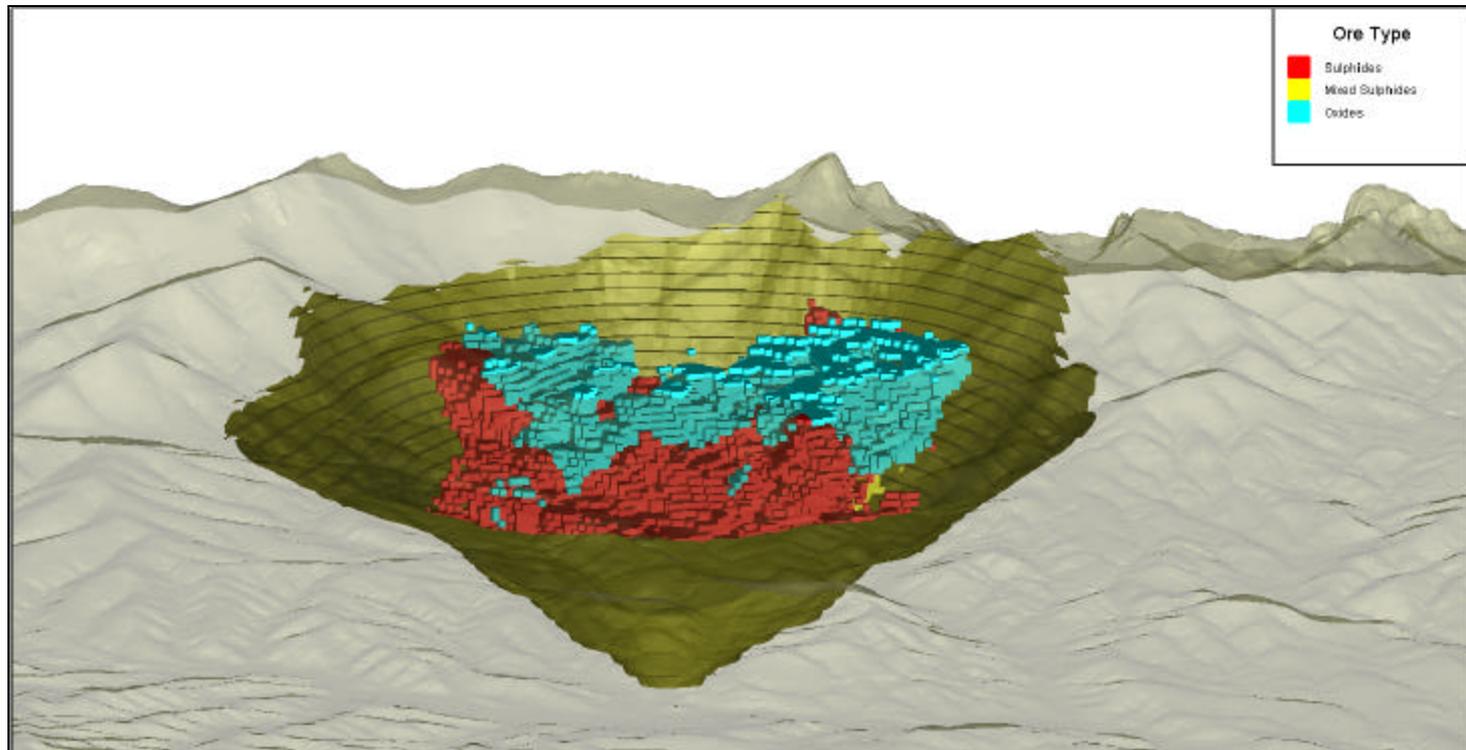


Old Rosemont, Ca. 1900

Drilling at Rosemont

Company	Time Period	Drill Holes	
		Number	Feet
Banner	1950s-1963	3	4,226
Anaconda	1963-1973	113	136,728
Anamax	1973-1988	52	54,350
ASARCO	1988-1998	11	14,695
Augusta	2005-2008	75	113,876
Total		254	323,875

Rosemont Deposit

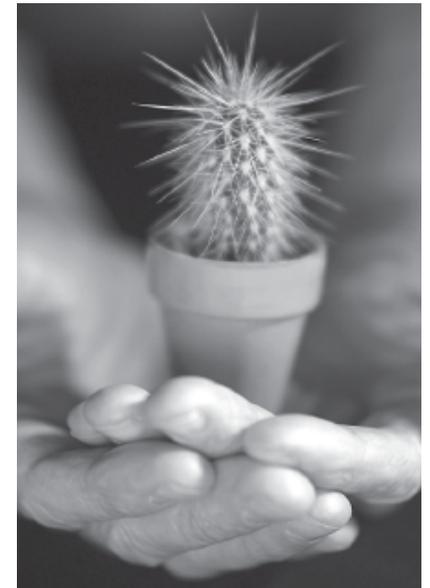


Sulfide Reserves				Oxide Reserves	
Short Tons (thousands)	% Cu	% Mo	Ag oz/t	Short Tons (thousands)	% Cu
546,338	0.45	0.015	0.012	69,974	0.17

Setting Design Standards

Environmental Initiatives

- ❶ Sustainable Water Source
- ❷ Concurrent Reclamation
- ❸ Viewshed Protection
- ❹ Recognize goals of the Sonoran Desert Conservation Plan
- ❺ Community Endowment



Sustainable Water Source



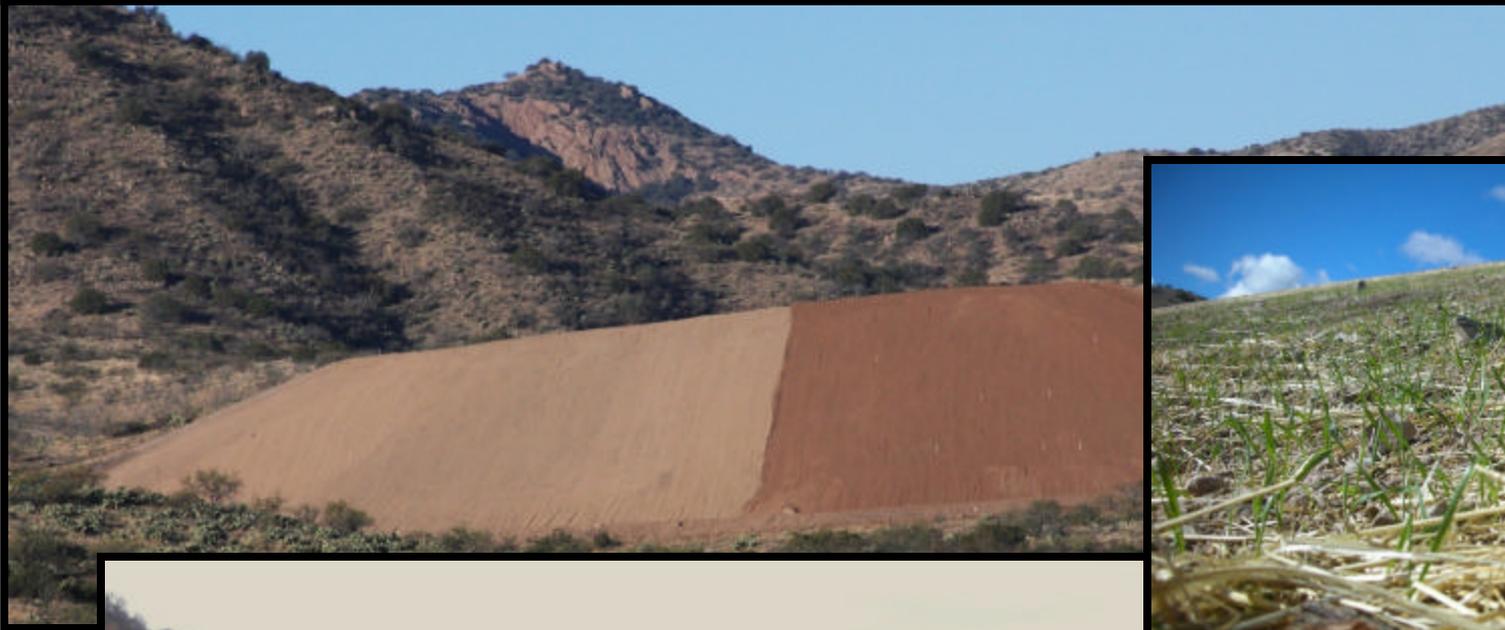
- Progressive water conservation and recycling techniques
- 50-60% reduction in water use due to Dry Stack Tailings technology
- Recharged 45,000 ac-ft of CAP water into Tucson Active Management Area
- No fault insurance and well protection program in place for local well-owners

Concurrent Reclamation

- Slopes of 18 degrees (3:1)
- Topsoil and growth medium removed and saved for reclamation
- Reclamation to begin in the first year of copper production
- Rosemont \$550,000 research grant to U of A for studying native plant species



UofA Reclamation Test Plots



Viewshed Protection

Reclamation at Year 10



Sonoran Desert Conservation Plan

- Biological core areas avoided
- Facilities placed in one compact area to minimize impacts to surrounding area
- Viewshed protection by perimeter berm
- Water diversions to maintain downstream flows

Why Rosemont?

Large

- ✓ 7.7 billion lbs copper; 190 million lbs molybdenum; 80 million oz silver
- ✓ Third largest copper producer in the US, 10% of Nation's production

Robust economics

- ✓ \$1.85 cu, 18% IRR, 5 Yr Payback
- ✓ \$2.47 cu, 28% IRR, 3 Yr Payback

High quality

- ✓ 32% clean copper concentrates

Low cost

- ✓ \$0.62 per pound

Low risk

- ✓ Excellent infrastructure near Tucson
- ✓ Not dependent upon disposable income



*Rosemont Copper – Bankable Feasibility
Completed Jan. 2009*

Project Capital Investment

Time Period (2010-2012)

Capital Cost Estimate – December 2009 Dollars

	Sulfide Plant (thousands)	Oxide Plant (thousands)	Total (thousands)
Direct Cost	\$ 444,600	\$ 53,600	\$ 498,200
Mine Equipment	214,600		214,600
Indirect Costs	109,600	6,000	115,600
Contingency	63,800	5,100	68,900
Total	\$ 832,600	\$ 64,700	\$ 897,300

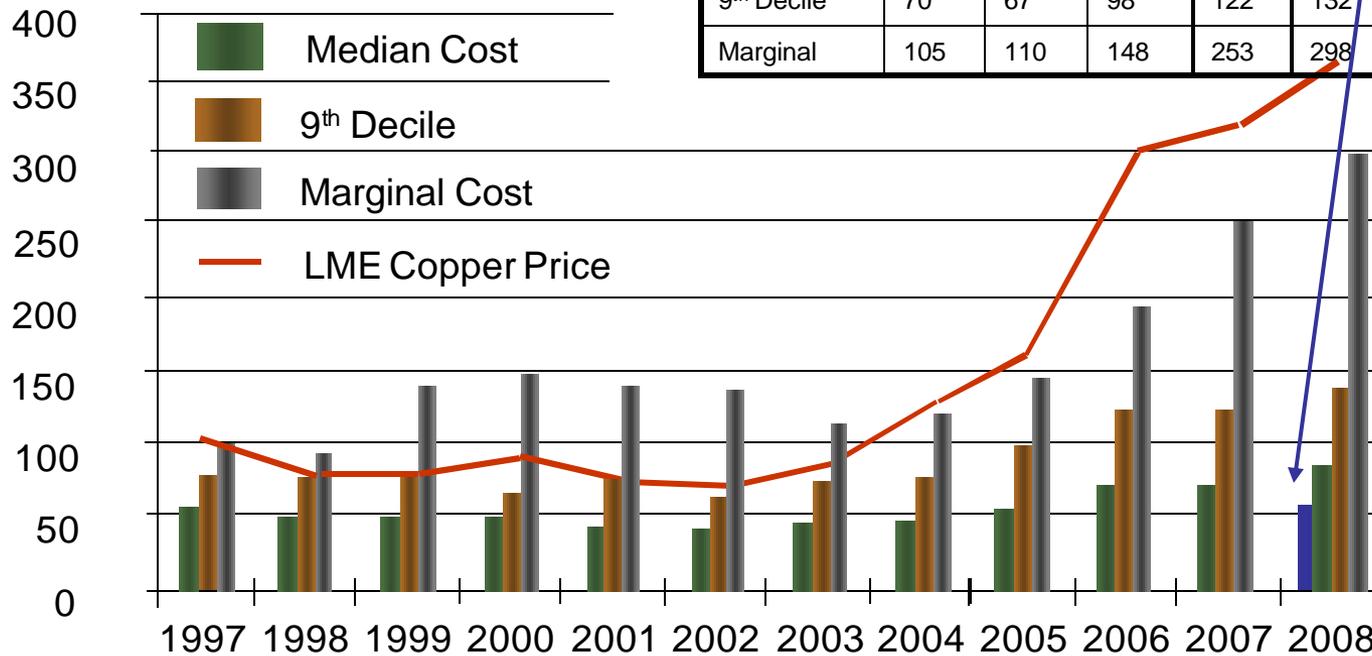
Amounts rounded to the nearest \$100,000

Robust Economics

Copper Mines: Recent Cost Structure Evolution
(Net Cash Costs (C1); US\$/lb)

	2001	2003	2005	2007	2008*
Quartile 1	38	38	46	47	54
Quartile 2	44	45	55	66	78
Quartile 3	52	53	68	87	109
9 th Decile	70	67	98	122	132
Marginal	105	110	148	253	298

1997 – 2008
(US\$/lb; Composite Costing)



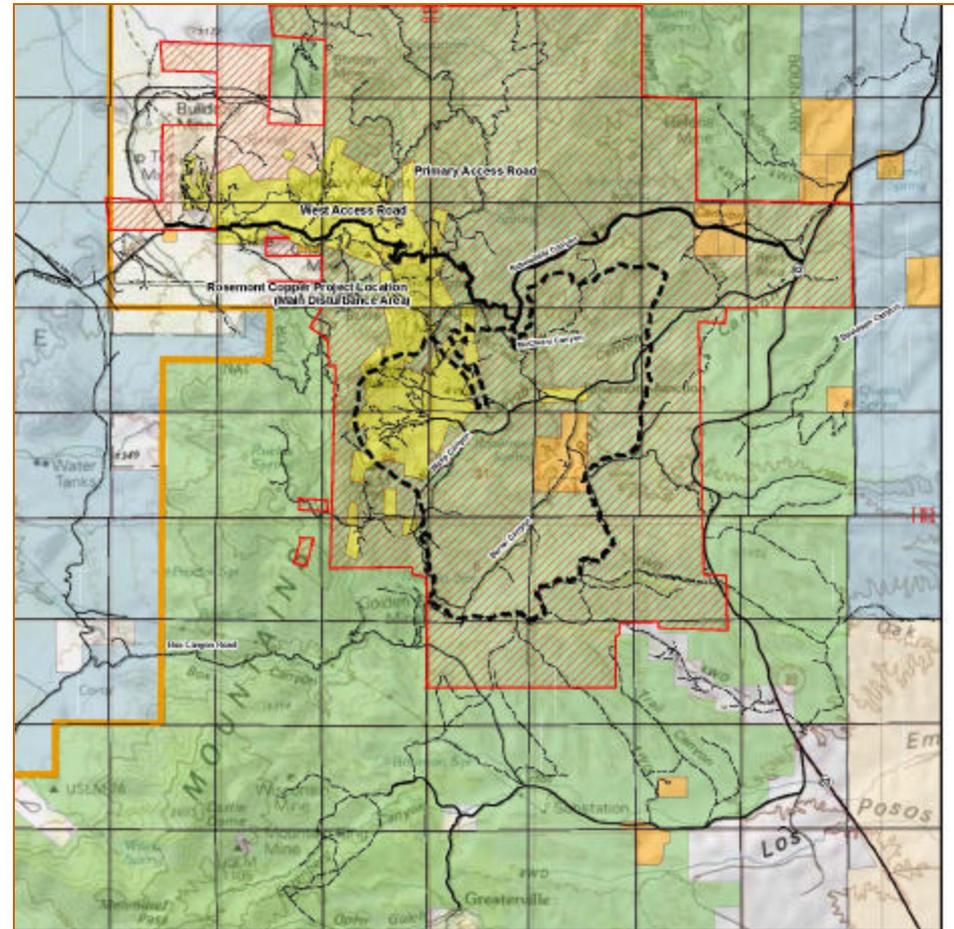
Source: www.minecost.com; GSJBW Research Estimates

*AZC cost estimates fall near Quartile 1 at ~\$0.62/lb - well below median and marginal cost producers.**

* Based on January 2009 Bankable Feasibility Study

Rosemont Copper Project

- Approximately 4,400 acres
 - 3,300 acres Federal
 - 900 acres Private
 - 200 acres State
- 30,000-acre working cattle ranch



Rosemont Oxide Ore Processing

- 🕒 **Standard Leach, SX-EW**
- ✓ Run-of-Mine Oxide Ore placed on a lined leach pad
- ✓ Double-lined ponds
- ✓ Solvent Extration – Electrowinning process
- ✓ Copper cathodes shipped directly to customers



Electrolyte production at a solvent extraction plant

Oxide Leach Pad



Rosemont Concentrate Production

- 🔍 Standard Crush-Grind-Flot
- ✓ Sulfide ore is processed in the following steps:
 - Crushing - primary gyratory crusher
 - Grinding to a slurry – SAG (Semi-Autogenous Grinding) mill and ball mill combination
- ✓ Standard Flotation
- ✓ Moly recovery
- ✓ Copper and moly concentrate is shipped off-site



SAG and Ball Mill combination

Tailings Management

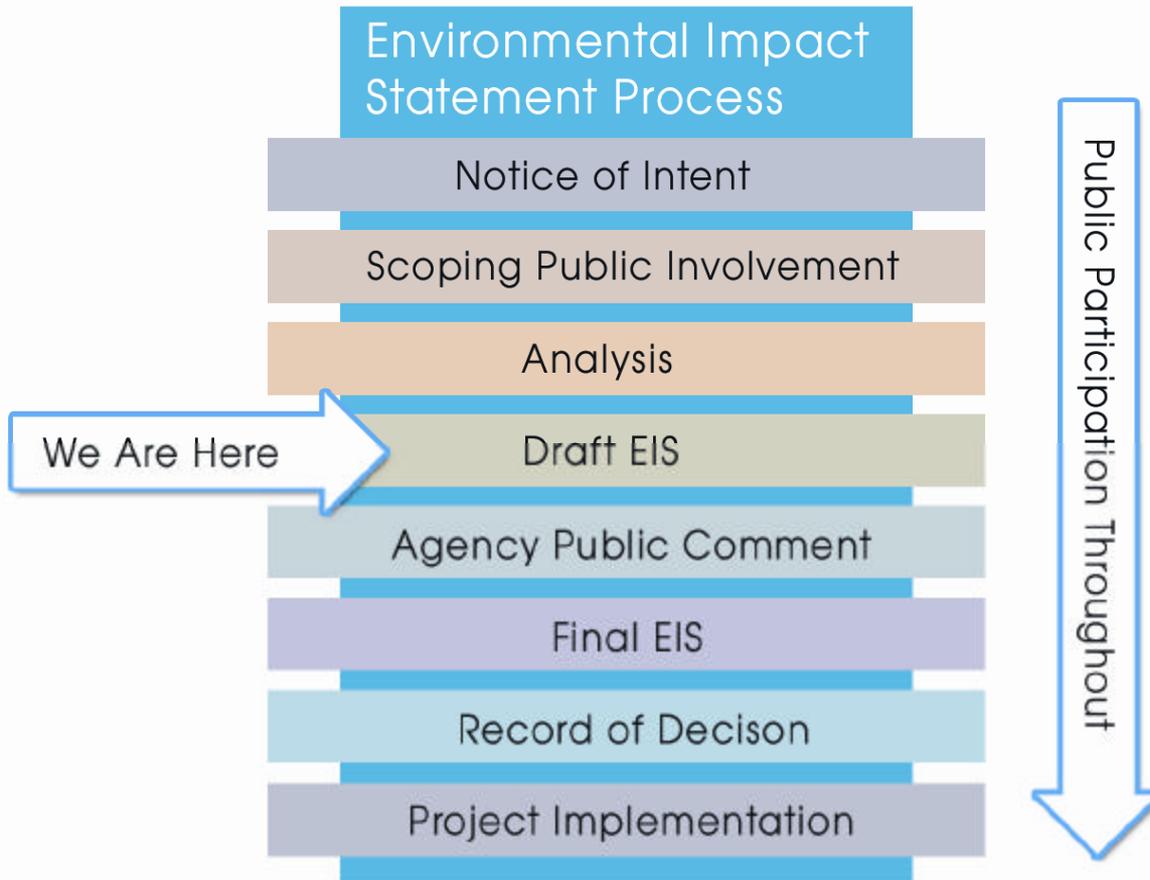


La Coipa Mine in Chile

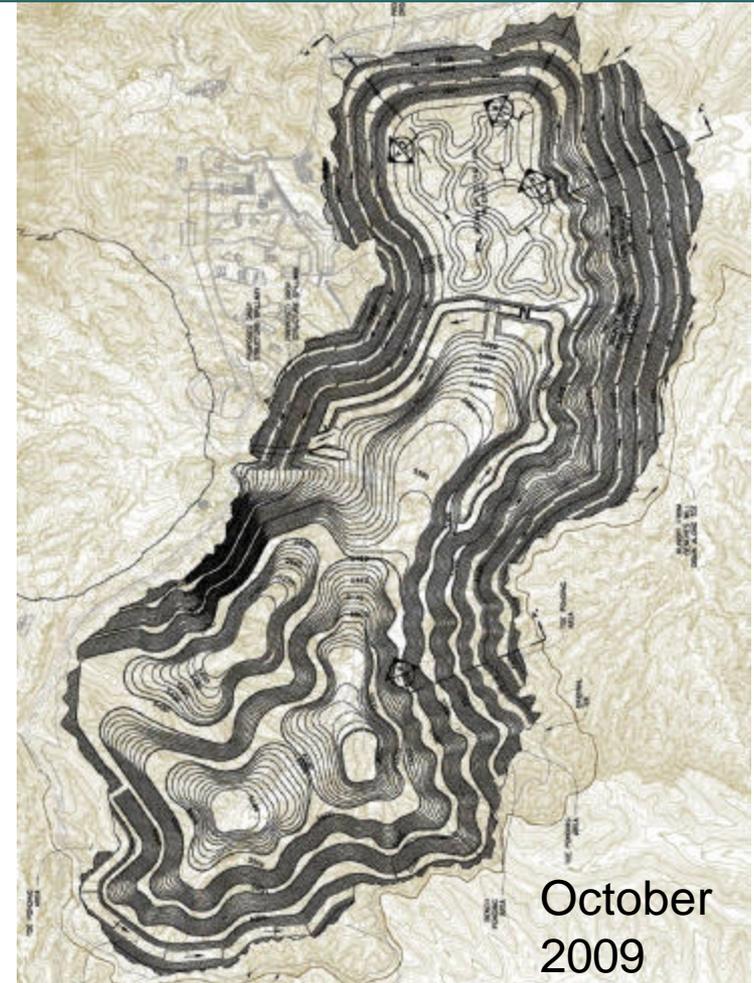
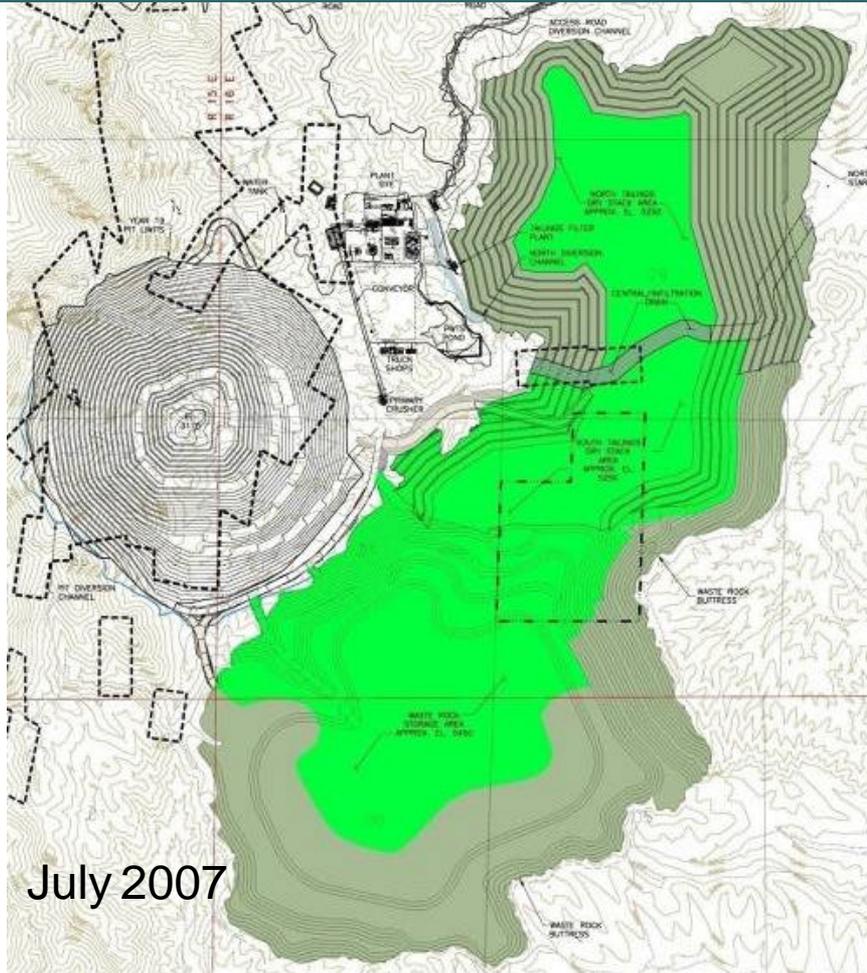
Mine Plan of Operations

- Rosemont Copper submitted a Mine Plan of Operations to the US Forest Service on July 11, 2007.
- The MPO includes the Rosemont Copper project progressive design, conservation, and **sustainability initiatives**.
- The MPO consists of several documents:
 - The Mine Plan of Operations
 - The Infrastructure Plan
 - The Reclamation Plan
 - Additional Information requested by the Forest Service and BLM
- Forest Service declares sufficient to proceed to an EIS under NEPA in October 2007

Environmental Impact Statement



One Possible Interpretation of Changes Due to Public Comment

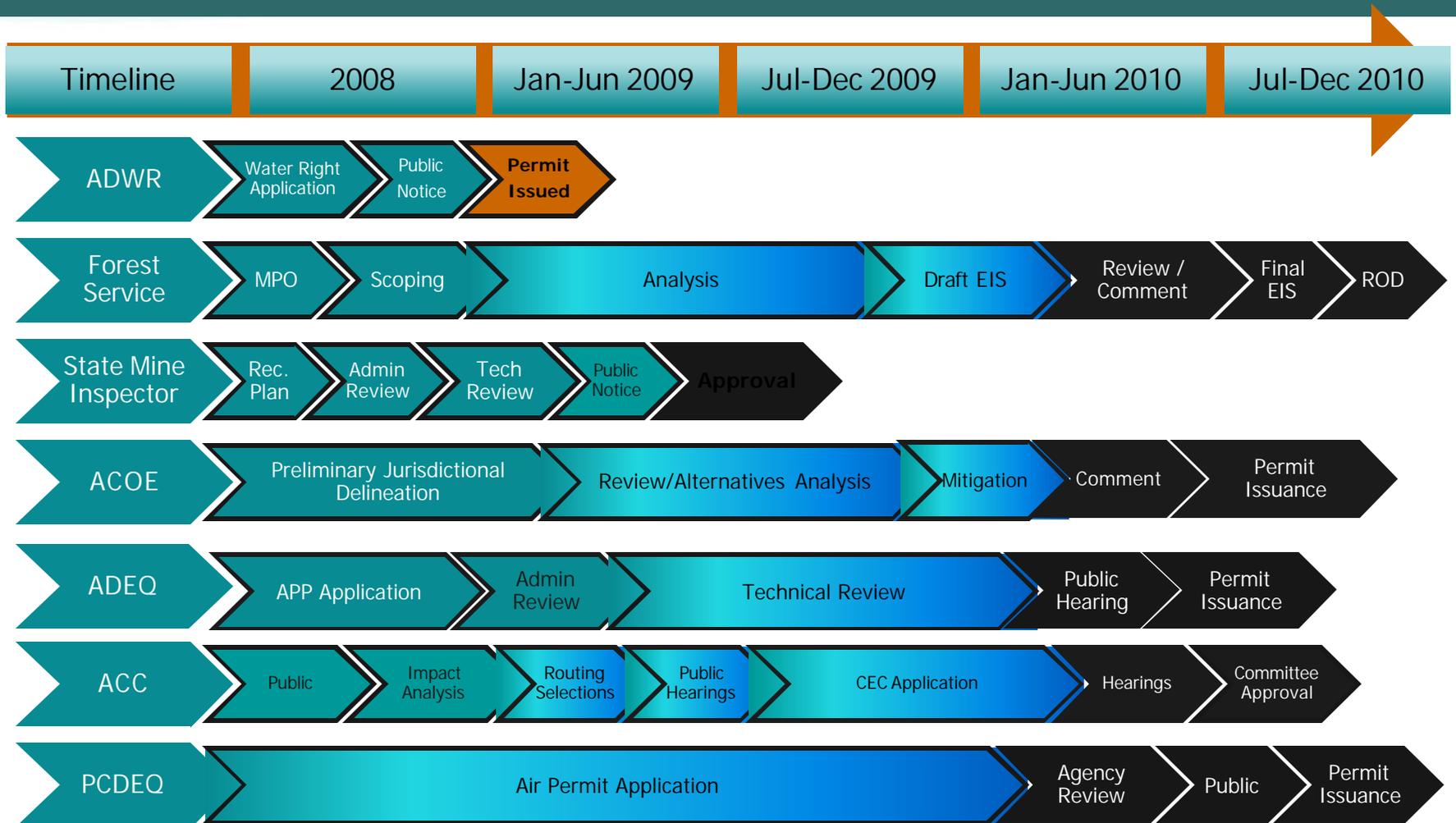


Many Levels of Review

- Federal
 - US Forest Service
 - Army Corps of Engineers
 - Bureau of Land Management
- State of Arizona
 - Dept of Water Resources
 - Dept of Environmental Quality
 - Dept of Agriculture
 - State Mine Inspector
- Pima County
 - Dept of Environmental Quality



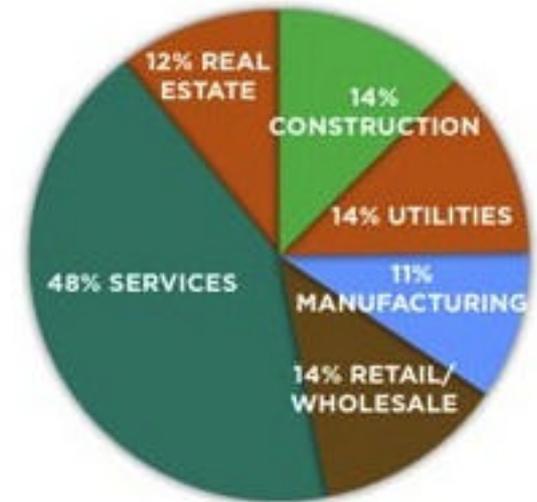
Permitting Timeframes



Major Economic Engine

- Jobs during production – 22 years
 - 2,100 annual direct and indirect jobs local
 - 2,900 annual direct and indirect jobs state
 - 4,200 annual direct and indirect jobs nation
- Annual Taxes for Arizona
 - \$ 19 million to local governments
 - \$ 32 million to state governments
 - \$128 million to federal governments
- Annual Economic Impact
 - \$701 million for 20 years to local counties
 - \$900 million for 20 years to the state
 - \$1.3 billion to the nation for 20 years

LOCAL STIMULUS



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

Made in Arizona

Rosemont already contracts with many local firms employing hundreds of people

- M3 Engineering
- Mountain States R&D
- Tetra Tech
- AMEC
- WestLand Resources
- Applied Environmental Consulting
- E.L. Montgomery and Associates
- Strongpoint Public Relations
- Fennemore Craig, PC
- Sonoran Pump Supply
- Darling Environmental/Survey
- Call and Nicholas
- DM Engineering
- Securitas
- Western Refining
- Stantec
- Cooper Aerial
- Verdad Group, L.L.C.
- Mountain View Tours
- Bonesteel Consultants
- Navigant
- Securitas
- Verizon
- Skyline Labs
- Fedex-Kinkos
- Alphagraphics
- Southwest Exploration Services
- Turner Laboratories
- Reprographics
- Physical Resource Laboratories
- Metcon
- Boart Longyear
- Lang Drilling
- Layne Drilling
- University of Arizona
- Geomechanics Southwest
- Zonge Geosciences, Inc.
- Thomas Promotions
- Crossroad's Café in Sonoita
- Metro Restaurants
- Viscount Suite Hotels
- P&G Inc.
- KR Saline
- Environmental Planning Group
- Schlumberger Water Services
- CAS Laboratories
- Zimmerman and Associates
- Bob's Backhoe
- McMahon's Restaurants
- Pima Air and Space Museum
- Allegra Printing

Community Endowment

During operations, \$25 million endowment

Plus annual donation of \$500,000 run by a Board of Directors from community

Current community involvement program for local charities and activities.

- The Arizona Trail
- University of Arizona Athletics
- The University of Arizona College of Engineering
- Rocky Mountain Elk Foundation
- Tucson SME Chapter
- Chicanos Por La Causa
- Tucson Rough Riders
- SME Diggers & Duffers Golf Tournament
- Tucson Gem & Mineral Show
- Community Water Company
- Sahuarita Rage ASA Fastpitch
- Teachers Wish List
- Community Food Bank
- El Tour de Tucson
- Arizona Cattle Growers
- Tucson Hispanic Chamber
- Tucson Metro Chamber
- Green Valley/Sahuarita Chamber of Commerce
- Arizona Mining Association
- Greater Green Valley Community Foundation
- Tucson Regional Economic Opportunities
- Green Valley Rotary
- Volunteer Center of So. Arizona
- Arizona-Mexico Commission
- AMIGOS
- Metropolitan Pima Alliance
- Arizona Geological Society
- Arizona Hydrogeological Society
- So. Arizona Environmental Managers Society (SAEMS)
- Greater Tucson Leadership Council (GTL)
- Casa de LosNinos
- Arizona Theater Company
- Tucson Rodeo
- Key to Employment 21st Century
- Boys and Girls Club
- Pima Community College
- Pima Community College Foundation
- Tucson Alliance for Autism
- Steele Children's Research
- Foster Care Review Board
- American Heart Association
- National Rifle Association
- Pima Community College
- El Rio Foundation
- Mining Foundation of the Southwest
- Amphi Foundation
- Reading Seed
- Girl Scouts
- Green Chamber of Commerce
- Perimeter Bicycling Association
- Gala-Nochede Exitos
- 4-H Club
- Sahuarita Elks Lodge
- Angel Charities
- Southern Arizona Rescue Association
- Arizona Foundation for Resource Education
- Biosphere 2 Earth Day
- Salvation Army
- Knights of Columbus
- Women in Science and Engineering (WISE)
- Sonoran Astronomical Society
- Ann Stranding Foundation
- Glassman Foundation
- Santa Cruz County Fair and Rodeo Association
- Arizona Opera Company



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Thank you

www.RosemontCopper.com