WEISSENBORN APPRAISAL

January 22, 2023

Gerald Sanchez, RPRA, Chief Appraiser
USDA Forest Service, Washington Office Lands & Realty
333 Broadway SE, Room 333
Albuquerque, New Mexico 87102

RE: Real Property Appraisal Report
Southeast Arizona Land Exchange and Conservation Act
Selected Federal Land – Mineral Withdrawal Area (MWA)
Pinal County, Arizona

Greetings Jerry:

Per USDA Forest Service Contract No. 12837120C0041, I have commissioned an appraisal and submit herewith the report relating the findings thereof for the Mineral Withdrawal Area portion of the Selected Federal Lands included in the Southeast Arizona Land Exchange and Conservation Act. The 766.58-acre subject property, referred to in the report as the Mineral Withdrawal Area, or MWA, is located just east of the historic Magma Mine, near Superior, Arizona. It includes the fee simple interest in the surface and underlying mineral estate.

This is a CONFIDENTIAL REPORT. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the prior written consent of the appraiser, and in any event only with properly written qualifications and only in its entirety.

The client in this appraisal assignment is the USDA Forest Service.

Weissenborn Appraisal, LLC is the contractor under the above referenced contract and is providing appraisals of the Offered Non-federal Land component of the Southeast Arizona Land Exchange and Conservation Act. But Weissenborn Appraisal lacks the professional background and expertise necessary to provide credible valuations of the Selected Federal Land component of the exchange. Accordingly, Weissenborn Appraisal commissioned Spanish Flat Mining Company, which has extensive experience in the valuation of mineralized and mine-related properties and possesses the professional expertise necessary to complete this leg of the assignment.

The accompanying report correctly identifies Weissenborn Appraisal, LLC as the client of Spanish Flat Mining Company, but it was, and still is, recognized that the report was prepared for submittal to the Forest Service under Contract No.12837120C0041.

The intended users of the appraisal report are the USDA Forest Service, the USDA Office of General Counsel and Resolution Copper Mining, LLC. The appraisal and report are not intended for any other user.

The intended use of the appraisal is to provide a basis of market value for the legislated land exchange between the United States of America and Resolution Copper Mining, LLC, pursuant to 16 U.S.C. §539p. The appraisal and report are not intended for any other use.

The purpose of the appraisal was to provide an opinion of market value for the subject property. The definition of market value is included in the accompanying report.

The estate appraised includes the fee simple interest, subject to valid and existing rights. Those rights are further delineated within the report.

At the direction of the client, the appraisal is based on the following hypothetical condition:

> *The Federal Property shall be appraised as though it is in private ownership, is freely alienable, and zoned consistently with other similarly situated non-Federal properties within the jurisdiction of the zoning authority. Federal law provides that, upon conveyance, _[t]he Federal Property shall be available to Resolution Copper for mining and related activities subject to and in accordance with applicable Federal, State, and local laws pertaining to mining and related activities on land in private ownership._ 16 U.S.C. §539p(c)(8). This hypothetical condition does not alter the facts that: the Federal Property is encumbered by mining claims held by a party other than the United States; said mining claims confer all rights to locatable minerals to that party in accordance with the Mining Law and are not part of the estate owned by the United States, 30 U.S.C. §§26, 181, 611; that the United States currently holds the rights to reasonably regulate surface use of the Federal land for mining purposes under 36 C.F.R. 228 Subpart A, 16 U.S.C. § 551; or that the United States may not prohibit the use of the surface of NFS land for mining purposes, nor may it materially interfere with such uses. 30 U.S.C. § 612.*

Note that use of that hypothetical condition may have impacted assignment results.

It has been my pleasure to work with the Forest Service and Spanish Flat Mining Company on this project. Thank you for this opportunity to be of service.

Barry Weissenborn
Arizona Certified General Real Estate Appraiser #30724

CONFIDENTIAL

Real Property Appraisal Report
Southeast Arizona Land Exchange and Conservation Act
Mineral Withdrawal Area Parcel
United States of America Ownership

Globe Ranger District, Tonto National Forest
Pinal County, Arizona

Prepared For:
Weissenborn Appraisal, LLC
326 South Convent Avenue
Tucson, AZ 85701

Prepared By:
Marc P. Springer *AZ CGA#* (b) (6) *IIMA CMA#* (b) (6) *CA PG#* (b) (6)
Spanish Flat Mining Company
(b) (6)
Carlsbad, CA 92011
and
Evan Mudd *AZ CGA#* (b) (6) *IIMA CMA#* (b) (6) *WI, ID, MO, KS & IA PE*
Rock Associates, Ltd
(b) (6)
Overland Park, KS 66214

Appraisal Effective Date: 12 April 2022
Original Appraisal Report Date: 25 August 2022
Revised Appraisal Report Date: 20 January 2023

CONFIDENTIAL

Spanish Flat Mining Company

(b) (6)
Carlsbad, CA 92011

Office **(760) 585-2259** Cell (b) (6) email: spanishflatmining@hotmail.com

20 January 2023

Weissenborn Appraisal, LLC
326 South Convent Avenue
Tucson, AZ 85701

RE: Real Property Appraisal Report for the Mineral Withdrawal Area Portion of the Southeast Arizona Land Exchange and Conservation Act; Globe Ranger District, Tonto National Forest

Dear Mr. Weissenborn-

Per your request and our contractual agreement, Spanish Flat Mining Company (the Contractor) hereby transmits the Real Property Appraisal Report to Weissenborn Appraisal, LLC (the Client) for the ±766.58-acre Mineral Withdrawal Area (MWA) portion of the 2,422.11-acre Selected Federal Land component of the Southeast Arizona Land Exchange and Conservation Act tracts, located in Pinal County, Arizona. The purpose of the appraisal is to provide an opinion of market value of the Federal Mineral Withdrawal Area property interest to be exchanged; the intended use is to provide the basis of value for the Federal Mineral Withdrawal Area portion of the legislated land exchange between the USA and RCM, LLC pursuant to 16 U.S.C. §539p.

The Subject parcel is fee simple interest owned by the USA; appraised as though it is in private ownership. Surface resources are managed by the USFS, from the Globe Ranger District, Tonto National Forest; mineral resources are managed by the BLM. Subject is vacant land, excepting minor surface improvements consisting of a primitive 50-acre campground (Oak Flat Campground), hosting 16 campsites and *two (2) vault toilets within the Oak Flat Campground which shall be considered in the appraisal*.

We inspected the Subject on 12 April 2022, the effective date of this appraisal, and conducted subsequent research and valuation analyses to conclude a supported opinion of value, reported, as revised, 20 January 2023. Our analyses, determinations, conclusions, and opinions are compliant with: the Original Statement of Work and Modifications to Original Statement of Work (22 April 2022), Uniform Appraisal Standards for Federal Land Acquisitions, Uniform Standards of Professional Appraisal Practice, 36 CFR 254.9, and 16 U.S.C. §539p standards. This Report presents the factual data, findings, analyses, and conclusions from our appraisal, additional support information/data are retained, and available for inspection, in our work file.

Spanish Flat Mining Company

(b) (6)
Carlsbad, CA 92011

Office **(760) 585-2259** Cell (b) (6) email: spanishflatmining@hotmail.com

This appraisal is subject to certain assumptions and limiting conditions, including one authorized/prescribed hypothetical condition.

> **Prescribed Hypothetical Condition**:
> *The Federal Property shall be appraised as though it is in private ownership, is freely alienable, and zoned consistently with other similarly situated non-Federal properties within the jurisdiction of the zoning authority. Federal law provides that, upon conveyance, "[t]he Federal Property shall be available to Resolution Copper for mining and related activities subject to and in accordance with applicable Federal, State, and local laws pertaining to mining and related activities on land in private ownership." 16 U.S.C. §539p(c)(8). This hypothetical condition does not alter the facts that: the Federal Property is encumbered by mining claims held by a party other than the United States; said mining claims confer all rights to locatable minerals to that party in accordance with the Mining Law and are not part of the estate owned by the United States, 30 U.S.C. §§26, 181, 611; that the United States currently holds the rights to reasonably regulate surface use of the Federal land for mining purposes under 36 C.F.R. 228 Subpart A, 16 U.S.C. § 551; or that the United States may not prohibit the use of the surface of NFS land for mining purposes, nor may it materially interfere with such uses. 30 U.S.C. § 612.*
>
> ***Rationale for the Hypothetical Condition**: The hypothetical condition is based upon direction and guidance from 36 CFR 254.9(b)(ii), FSH 5409.12_65.11(5), FSH 5454, and 16 U.S.C. §539p(c)(8). Federal land is generally not freely alienable, local government entities do not have the authority to zone land owned by the United States, and mining operations on National Forest System land are subject to federal laws and regulations applicable to the administration of the National Forest System and are often exempt from State and local laws. For the purposes of appraisal, the appraiser shall determine and support a conclusion of zoning based on similarly situated private property within the jurisdiction of the zoning authority. This hypothetical condition does not alter or affect the rights of Resolution Copper to the unpatented mining claims and locatable minerals on the Federal land pursuant to the United States Mining Law, or the estate to be appraised in consideration of the existence of the mining claims. The hypothetical condition shall be prominently reported on the transmittal letter, summary page, conclusion page, and certification.*

We determined the Subject to be a single, standalone, larger parcel within the Selected Federal land component of the Southeast Arizona Land Exchange and Conservation Act parent tract of land; our concluded determination of the Subject's highest and best use is **exploration and development of the Subject MWA parcel mineral resource as a portion of the Resolution Copper deposit**.

Spanish Flat Mining Company

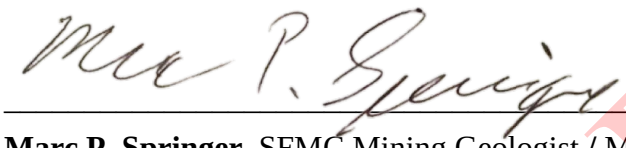
(b) (6)
Carlsbad, CA 92011

Office **(760) 585-2259** Cell (b) (6) email: spanishflatmining@hotmail.com

Our market value opinion, effective **12 April 2022**, for the Subject Mineral Withdrawal Area real property parcel, comprising **±766.58 acres**, is:

US$22,000,000
($28,699/acre)

Respectfully Submitted,



20 January 2023

Marc P. Springer, SFMC Mining Geologist / Mineral Appraiser **Date**
Arizona Certified General Real Estate Appraiser, CGA# (b) (6) (expires 29 February 2024)

20 January 2023

Evan Mudd, Rock Associates Mineral Appraiser/Mining Engineer **Date**
Arizona Certified General Real Estate Appraiser, CGA# (b) (6) (expires 31 March 2024)

Executive Summary & Salient Facts

Executive Summary

Section 3003 of the National Defense Authorization Act for Fiscal Year 2015 (NDAA) is the legal authorization for The Southeast Arizona Land Exchange and Conservation Act, P.L. 113-291 now incorporated as 16 U.S.C. §539p. The Act, which authorizes, directs, facilitates, and expedites the exchange of lands between the Secretary of Agriculture and Resolution Copper Mining, LLC (RCM), and the basis for this Appraisal/Report, is referred to as Southeast Arizona Land Exchange and Conservation Act (SALECA). The selected federal land component of SALECA is comprised of a ±2,422.11-acre tract of Federal land, owned by the USA, is located in the Tonto National Forest (TNF) of northeastern Pinal County, Arizona.

Public Land Order (PLO) 1229 (September 1955), withdrew ±766.58 acres of land from all forms of appropriation under the public land laws, including mining laws/authorizations in the Oak Flat area of the TNF; in 1971, PLO 5132 (36 FR 19029) modified PLO 1229, but retained the withdrawal of locatable minerals (30 U.S.C. §§ 22-42). This withdrawn land in the Oak Flat area is referred to as the Mineral Withdrawal Area (MWA) and is the subject of this Appraisal assignment (Subject). The Subject MWA parcel is considered fee simple, with the surface resources and subsurface (mineral) rights owned by the USA; surface resources are managed by U.S. Forest Service (USFS) and the subsurface interests managed by the U.S. Bureau of Land Management (BLM).

The portion of the SALECA Federal lands, described as *Lands outside of the Oak Flat Withdrawal Area* (1,655.53 acres), contiguous with the MWA, is referred to as the Mining Claim Zone (MCZ). The MCZ is considered fee simple, with the surface estate owned by the USA and the mineral rights owned by Resolution Copper Mining, LLC (RCM), via unpatented lode mining claims.

RCM has conducted extensive exploration work, ore body delineation, preliminary mine shaft rehabilitation/development, and mine/environmental planning, from their fee land and within the MCZ parcel, contiguous with the Subject and adjacent to the historical Magma Mine. The valuation for the MCZ land was conducted in a separate report.

The historical Magma Mine, just west of the SALECA tract, which began as a silver prospect in 1875, produced copper intermittently from 1910 to 1996. The Magma Copper Company (MCC)

exploration drilling program discovered significant copper mineralization below the Magma Copper Mine deposit, referred to as the Resolution copper deposit. BHP acquired MCC and its mineral interest and closed the historical Magma Mine in 1996, but continued exploration at depth. No exploration work has been done on the Subject MWA.

Kennecott Exploration (a Rio Tinto subsidiary) initiated a drilling campaign in 2001 to further explore the deep-seated Resolution copper deposit, as an earn-in agreement with BHP. In 2004, RCM, a partnership between Rio Tinto (55%) and BHP (45%), assumed control of the legacy Magma Mine site and has conducted exploration of the copper deposit over the last 20 years, which currently identifies an inferred resource of nearly 1.4 billion tons, grading 1.45 % Cu and 0.037% Mo. The Resolution Copper deposit is boasted as one of the largest known undeveloped copper deposits in North America, a portion of which underlies the Subject MWA parcel.

The SALECA would allow RCM to develop the [entire] Resolution Copper deposit in exchange for their offered non-federal lands, which are intended to be acquired by the USFS.

RCM submitted an updated Plan of Operations (POO) to the USFS in 2016 to evaluate environmental baseline data for proposed surface disturbances and resource impacts; the POO includes, among other things, a detailed mine and processing plan, as well as tailings volume and storage sites, and surface conveyance corridors. A Draft Environmental Impact Statement (DEIS) for the Resolution Copper Project and Land Exchange, published by the USFS in August 2019, progressed through the Final Environmental Impact Statement (FEIS) and draft Record of Decision (ROD) in January 2021. The FEIS and draft ROD were officially withdrawn, per request of the submitting agency, on 01 March 2021; no further action, relative to the FEIS, has transpired as of the effective date of this Appraisal.

This real property appraisal concludes a market value opinion for the Subject ±766.58-acre MWA parcel by reconciling value indicators derived from comparable sales, consistent with the Subject's highest and best use, and income capitalization methodology, via a discounted cash flow (DCF). The DCF yields a net present value based on anticipated benefits (royalty payment) from advanced (pre-production) royalty payments and prospective future mine production royalty payments.

Conclusions, determinations, and opinions developed in this appraisal, including highest/best use and larger parcel determinations, are based on analyzing cited appraisal, regulatory, and legal standards, and factual data. Much of the technical and economic data used as DCF input attributes were attained from a 2022 Report (*Generalized Geological/Mining Scenarios, Net Smelter Returns and Discounted Cash Flow*) by Dr. David E. Wahl, Jr., Ph.D. Dr. Wahl's data was reviewed and determined to be reasonable and reliable.

Significant factual data, conclusions, determinations, conditions, assumptions, and a culminating market value opinion are chronicled below in the Salient Facts summary:

Summary of Salient Facts

Subject Property Identification: The selected Federal land portion of the legislated Southeast Arizona Land Exchange and Conservation Act, known as the Oak Flat Withdrawal Area, referred to as the Mineral withdrawal area parcel (MWA), which is the subject of this appraisal assignment (Subject).

Assignment: Develop and report a supported market value opinion (Appraisal/Report) for the Subject real property fee-simple interest.

Location: ±2.5 miles east of Superior; south of U.S. Hwy 60; Tonto National Forest, Pinal County, Arizona

Size: ±766.58 acres

Legal Description: **Lands comprising the Oak Flat Withdrawal Area, Tract 50, 766.58 acres**.

Fee Simple Interest, subject to the following valid and existing rights:

Existing Easement:

United States Department of Interior Easement for Right-of-Way for Electric Transmission Line granted to Arizona Public Service Company, dated 12/22/75. Federal parcel will be conveyed subject to the easement. GLO401905 APS 500KV POWERLINE

Permits and Temporary Easements to convert to Easements in perpetuity:

Permit to Salt River Project Agricultural Improvement and Power District for an overhead transmission line Amendment dated 5/21/74. At closing, Resolution Copper Mining shall grant a replacement authorization to Salt River Project Agricultural Improvement and Power District for those sections involved in the conveyance. It shall contain terms at least equivalent to those in the permit. GLO401143 SRP PERMIT

Date of Value: 12 April 2022

Date of Report (as revised): 20 January 2023

Client: Weissenborn Appraisal, LLC

Intended Users: USDA Forest Service; USDA Office of General Counsel; Resolution Copper Mining, LLC (RCM)

Intended Use: To provide a basis of market value for the legislated land exchange between the United States of America and Resolution Copper Mining, LLC, pursuant to 16 U.S.C §539p.

Interest Appraised: Fee simple interest, appraised *as though it is in private ownership, is freely alienable, and zoned consistently with other similarly situated non-Federal properties within the jurisdiction of the zoning authority.*

Subject Property Ownership: The United States of America (USA)

Subject Property Management: Surface estate- USFS; subsurface estate- BLM

Scope of the Appraisal: This appraisal is not limited in scope, but subject to one authorized hypothetical condition; it is consistent with the *Statement of Work for appraisals supporting Resolution Copper Land Exchange*, and conforms with: the Uniform Appraisal Standards for Federal Land Acquisitions, 2016 edition (UASFLA), Uniform Standards of Professional Appraisal Practice (USPAP), 16 U.S.C. §539p (c)(4)], and 36 CFR 254.9.

Appraisal Problem: Conclude a supported opinion of the market value for the Subject larger parcel, as directed by the Statement of Work for this assignment, which is accurate, credible, not misleading, and consistent with the Subject's highest and best use.

Property Character: The property is characterized by rolling, generally flat, high southwest desert terrain ranging from approximately 3,860′ to 4,140′ in elevation; situated in the Lower Mogollon Transition Zone Ecoregion.

Site Improvements: Subject is considered vacant, excepting: *USA-owned improvements located on the Federal parcel are limited to two (2) vault toilets within the Oak Flat Campground.*

Zoning: Considered as General Rural (GR), consistent with surrounding private lands.

Existing Use: Vacant land; public recreation/campground.

Highest and Best Use: Exploration and development of the Subject MWA parcel mineral resource as a portion of the Resolution Copper deposit.

Larger Parcel: The entire MWA parcel (Subject) as a standalone real property entity.

Effective Date of Value: 12 April 2022

Opined Market Value: US$22,000,000 ($28,699/acre)

Jurisdictional Exception: Appraisal under UASFLA requires that the appraiser not link an estimate of market value to a specific exposure time. This is contrary to Standards Rule 1-2(c) of the 2020-2021 edition of the Uniform Standards of Professional Appraisal Practice, and is considered a Jurisdictional Exception.

Hypothetical Condition: This appraisal is subject to a prescribed hypothetical condition, a special instruction by the USFS. Use of this hypothetical condition may have affected assignment results:

The Federal Property shall be appraised as though it is in private ownership, is freely alienable, and zoned consistently with other similarly situated non-Federal properties within the jurisdiction of the zoning authority. Federal law provides that, upon conveyance, "[t]he Federal Property shall be available to Resolution Copper for mining and related activities subject to and in accordance with applicable Federal, State, and local laws pertaining to mining and related activities on land in private ownership." 16 U.S.C. §539p(c)(8). This hypothetical condition does not alter the facts that: the Federal Property is encumbered by mining claims held by a party other than the United States; said mining claims confer all rights to locatable minerals to that party in accordance with the Mining Law and are not part of the estate owned by the United States, 30 U.S.C. §§26, 181, 611; that the United States currently holds the rights to reasonably regulate surface use of the Federal land for mining purposes under 36 C.F.R. 228 Subpart A, 16 U.S.C. § 551; or that the United States may not prohibit the use of the surface of NFS land for mining purposes, nor may it materially interfere with such uses. 30 U.S.C. § 612.

Rationale for the Hypothetical Condition: *The hypothetical condition is based upon direction and guidance from 36 CFR 254.9(b)(ii), FSH 5409.12_65.11(5), FSH 5454, and 16 U.S.C. §539p(c)(8). Federal land is generally not freely alienable, local government entities do not have the authority to zone land owned by the United States, and mining operations on National Forest System land are subject to federal laws and regulations applicable to the administration of the National Forest System and are often exempt from State and local laws. For the purposes of appraisal, the appraiser shall determine and support a conclusion of zoning based on similarly situated private property within the jurisdiction of the zoning authority. This hypothetical condition does not alter or affect the rights of Resolution Copper to the unpatented mining claims and locatable minerals on the Federal land pursuant to the United States Mining Law, or the estate to be appraised in consideration of the existence of the mining claims. The hypothetical condition shall be prominently reported on the transmittal letter, summary page, conclusion page, and certification.*

Table of Contents

Tabular Data & Illustrations

(Disseminated in text)

Tables

Figures

Table of Contents (Continued)

Maps

Photos

Appendices

Definitions/Glossary

Definitions

Appraisal: *The act or process of developing an opinion of value; an opinion of value.*
Valuation process is *a systematic set of procedures an appraiser follows to provide answers to a client's questions about real property value.*
Appraiser: *One who is expected to perform valuation services competently and in a manner that is independent, impartial, and objective.*
Extraordinary Assumption: *An assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions.*
Fee Simple Interest/Estate: *Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.*
Highest and Best Use: *an appraiser's supported opinion of the most probable and legal use of a property, based on market evidence, as of the date of valuation. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.*
Hypothetical Condition: *A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignmentresults, but is used for the purpose of analysis.*
Jurisdictional Exception: *An assignment condition established by applicable law or regulation, which precludes an appraiser from complying with a part of USPAP; if any applicable law or regulation precludes compliance with any part of USPAP, only that part of USPAP becomes void for that assignment.*
Market Value: *The most probable price in cash, or terms equivalent to cash, which lands or interest in lands should bring in a competitive and open market under all conditions requisite to a fair sale, where the buyer and seller each acts prudently and knowledgeably, and the price is not affected by undue influence.*
Possessory Interest: *The right to the use and occupancy of real estate, as distinguished from any interest in title. Possessory interests are created by contracts such as leases, permits, or licenses.*
Real Estate: *An identified parcel or tract of land, including improvements, if any.*
Real Property: *An interest or interests in real estate; the interests, benefits, and rights inherent in the ownership of real estate.*
Real Property Rights/Interest: *A right of ownership, control, use, or occupation of land and buildings.*
Special Assumption: *An assumption, directly applicable to a specific service, which, if found to be false, could alter the opinions or conclusions in an appraisal or review.*
Stoping: the process, technique, design, or result of underground mine production.

Glossary

ADMMR- Arizona Department of Mines & Minerals
ADWR- Arizona Department of Water Resources
Ag- Silver
ARS- Arizona Revised Statues
ASLD- Arizona State Land Department
ASMI- Arizona State Mine Inspector
ATI- Agreement to Initiate
BHPC- BHP Copper
BLM- US Department of Interior, Bureau of Land Management
CFR- Code of Federal Regulations
Cu- Copper
DCF- Discounted Cash Flow
EIS- Environmental Impact Statement
EPS- East Plant Site
ESA- Environmental Site Assessment
ESG- Environmental Social and Governance
HB&U- Highest and Best Use
Lb- pound (16 oz, avoirdupois)
LME- London Metal Exchange
MCC- Magma Copper Company
MCZ- Mining Claim Zone
MMT Million Metric Tons
Mo- Molybdenum
MSHA- Mine Safety and Health Administration
MWA- Mineral Withdrawal Area
NDAA- National Defense Authority Act
NFS- National Forest System
NSR- Net Smelter Return
OAR- Overall Capitalization Rate
OGC- Office of General Counsel
PCBSD- Pinal County Building Safety Department
PCCP- Pinal County Comprehensive Plan
PLO- Public Land Order
POO- General Plan of Operations
PPB- Parts per billion
PPM- Parts per million
PUD- Planned Unit Development
RC- Resolution Copper
RCM- Resolution Copper Mining, LLC
REC- Recognized Environmental Conditions

ROW- Right-of-Way
SALECA- Southeast Arizona Land Exchange and Conservation Act
SFMC- Spanish Flat Mining Company
SME- Society for Mining, Metallurgy, and Exploration
SOW- Statement of Work
TNF- Tonto National Forest
Ton- Short ton (2,000 lbs)
Tonne- Metric tonne (1,000 kg or 2,204.6 lbs)
UASFLA- Uniform Appraisal Standards for Federal Land Acquisitions
UMC- Unpatented Mining Claim
U.S.C.- United States Code
USDA- US Department of Agriculture
USDI- US Department of the Interior
USFS- US Department of Agriculture, Forest Service
USGS- US Geological Survey
USPAP- Uniform Standards of Professional Appraisal Practice
WPS- West Plant Site

Part I: ASSIGNMENT OVERVIEW

Assignment Purpose, Methodology & Report Structure

Assignment Purpose

The purpose of the appraisal is to provide an opinion of market value for the Federally owned Mineral Withdrawal Area property interest to be exchanged. The intended use of the appraisal will be to provide the basis of value for the legislated land exchange between the United States of America and Resolution Copper Mining, LLC pursuant to 16 U.S.C. §539p. The market value is intended to assist the client, Weissenborn Appraisal, LLC, and other authorized intended users of this appraisal to facilitate the land exchange between Resolution Copper Mining, LLC (RCM) and the US Department of Agriculture, Forest Service Agency (USFS)[1].

The Federal property referenced in the Southeast Arizona Land Exchange and Conservation Act is described in the *AGREEMENT TO INITIATE* (ATI) and *THE STATEMENT OF WORK for appraisals supporting THE RESOLUTION COPPER LAND EXCHANGE* (SOW), appended to this Report.

- EXHIBIT B of the ATI describes the Federal Property selected as: *Property that the U.S.D.A. Forest Service will exchange: Approximately 2,422 acres of land located in Pinal County, Arizona, depicted on the map entitled "Southeast Arizona Land Exchange and Conservation Act of 2011–Federal Parcel–Oak Flat" and dated March 2011…*
- The SOW refers to *TWO FEDERAL PROPERTIES TOTALING ABOUT 2422.11 ACRES LOCATED IN THE TONTO NATIONAL FOREST IN PINAL COUNTY, ARIZONA.* One property described as: *Lands comprising the Oak Flat Withdrawal Area, Tract 50, 766.58 acres* (the subject of this appraisal)*;* the second property described as: *Lands outside the Oak Flat Withdrawal Area, 1655.53 acres.*
- In accordance with UASFLA §1.12 (Appraisals for Federal Land Exchanges), *If an appraiser concludes that the property described in the ATI constitutes two or more separate larger parcels, the method of valuation is generally fact dependent and, in most cases, will be controlled by the provisions of the ATI. In some instances, the appraiser may be instructed to value the different larger parcels as separate entities, while under other circumstances the appraiser may be instructed to value the larger parcels only as they contribute to the whole, as if the property described in the ATI would be sold from one seller to one buyer in one transaction.*

[1] Weissenborn Appraisal, LLC is the primary appraisal contractor for the USFS, relative to the Federal and non-Federal parcels of the Southeast Arizona Land Exchange and Conservation Act. Weissenborn commissioned Spanish Flat Mining Company to complete appraisals on the Federal real property (selected lands) portion of land exchange; the appraisal will be used by the USFS to facilitate the land exchange.

In our opinion, the two Federal parcels, making up the Federal Property, totaling ±2,422.11 acres, selected for the Land Exchange, contain different real property interests and, subsequently, have different highest and best uses; therefore, we determine they are two distinct and separate larger parcels.

The subject of this assignment (Subject) is a portion of the Federal lands, described as *Tract 50* in Township 01 South, Range 13 East (T1S, R13E) of the Gila and Salt River Meridian (G&SRM), comprising ±766.58 acres of National Forest System lands in the Oak Flat Withdrawal Area, referred to as the Mineral Withdrawal Area (MWA). Tract 50 refers to Supplemental Plat of Tracts from the Land Surveyor Report by the Certified DOI Land Surveyor for the Oak Flat Federal Parcel, Arizona.

The following land description and acreage are based on the BLM Cadastral Surveys titled: "Partially Surveyed Township 1 South, Range 13 East, of the Gila and Salt River Meridian, Arizona, Dependent Resurvey and Metes-and-Bounds Survey", approved June 28, 2018, officially filed July 2, 2018, "Partially Surveyed Township 1 South, Range 13 East, of the Gila and Salt River Meridian, Arizona, Supplemental Plat of Tracts 49 and 50", approved February 11, 2020, officially filed February13, 2020, "Township 2 South, Range 12 East, of the Gila and Salt River Meridian, Arizona, Dependent Resurvey and Metes-and-Bounds Survey", approved June 28, 2018, officially filed July 2, 2018, and "Township 2 South, Range 13 East, of the Gila and Salt River Meridian, Arizona", approved February 7, 1921, accepted March 2, 1921, and officially filed May, 20, 1921.

Regarding the MWA:

> *Public Land Order 1229, dated September 27, 1955 withdrew 760 acres (in addition to other lands) in T.1S., R.13E., Gila & Salt River Base Meridian from 'all forms of appropriation under the public land laws, including the mining but not mineral leasing laws' and reserved these lands for use as campgrounds, recreation areas, or for other public purposes (20 FR 7226). In 1971 public land order 1229 was modified by Public land order 5132 (36 FR 19029) which opened up the withdrawn lands to all forms of appropriation applicable to Forest Service lands except the U.S. mining laws. (Affects T1S, R13E, S28, 29, 32 & 33).*

Assignment Methodology

This Appraisal Report complies with the standards set out by the Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA) and the Uniform Standards for Professional Appraisal Practice (USPAP), excepting a stated hypothetical condition, as instructed in the SOW (Appendix A). The Report is also guided by the Agreement to Initiate and Agreement to Initiate 1st

Amendment (Appendix B), and USFS land exchange regulations, 36 CFR 254, SUBPART A - LAND EXCHANGES, where applicable.

Report Structure

The Report is structured in four parts: Part I is the Assignment Overview; Part II is Factual Data; Part III is General Mineral Resources & Mining Data/Trends; and Part IV is Data Analyses, Determinations/Conclusions, Reconciliation & Value Opinion. The structure is designed to establish the background data and applicable standards, make highest and best use and larger parcel determinations, analyze the factual data to generate value indicators, which are reconciled to conclude an opinion of value for the Subject.

Scope of Work

This Scope of Work outlines the critical assignment elements and conditions, including: factual data; appraisal standards and definitions; research and analyses; and determinations, conclusions, and opinions necessary to develop a supported credible, reliable, and accurate real property appraisal. It identifies the appraisal problem and reflects the complexity of the property and the market.

- **Client**
  - Weissenborn Appraisal, LLC (Weissenborn)

- **Other Intended Users**
  - U.S. Department of Agriculture, Forest Service (USFS)
  - U.S. Department of Agriculture, Office of General Counsel (OGC)
  - Resolution Copper Mining, LLC (RCM)

- **Intended Use**
  - To provide the basis of value for the legislated land exchange between the United States of America and Resolution Copper Mining, LLC pursuant to 16 U.S.C. §539p
  - Determinations, conclusions, and opinions expressed in this Assignment are for the sole use of the client and listed intended users; they are not intended to be used for purposes other than the stated intended use.

- **Purpose of the Appraisal**
  - The Purpose of this appraisal is to provide an opinion of market value of the subject Federal property interests to be exchanged in the Southeast Arizona Land Exchange and Conservation Act.

- **Type and Definition of Value**
  - Market value, for the purpose of this appraisal, is defined by USFS Code of Federal Regulations (CFR) Title 36 § 254.2 - Definitions, via the Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA) direction specific to land exchanges[2]:

Market value means the most probable price in cash, or terms equivalent to cash, which lands or interest in lands should bring in a competitive and open market under all conditions requisite to a fair sale, where the buyer and seller each acts prudently and knowledgeably, and the price is not affected by undue influence. (36 CFR 254.2. Definitions_ Market Value)

- **Date of Value**
  - The date of value is 12 April 2022, the date that we physically inspected the Subject Property.

- **Subject Property Description, Ownership/Management, and Location**
  - The subject property, Tract 50[3], ±766.58 acres of National Forest System lands (Subject), are:
    Selected Lands comprising the Oak Flat Withdrawal Area (Fee Simple Interest); Partially Sur., T.1 S., R. 13 E; Tract 50 (766.58 ac), subject to the following valid and existing rights:
    - GLO401905 APS 500KV POWERLINE
    - GLO401143 SRP PERMIT
  - Subject is owned by the USA as a fee simple interest, encumbered by a federal easement for right-of-way and a local agency overhead transmission line permit. Surface interests are managed by the USFS (Tonto National Forest) in the Globe Ranger District, and the subsurface (mineral rights) is managed by the US Department of Interior, Bureau of Land Management (BLM).
  - Subject is located in northeastern Pinal County, Arizona, approximately 60 miles east-southeast of the city of Phoenix (Map 4).
  - Subject legal description is contained in the Agreement to Initiate and Agreement to Initiate 1st Amendment, appended to this Report (Appendix B).

- **Appraisal Problem Identification**
  - The appraisal problem is to conclude an opinion of the market value, as defined

[2] The definition of Market Value given in UASFLA §4.2.1. is specific to the …*standard as the measure of just compensation. It applies to all types of federal acquisitions that involve payment of just compensation*. For appraisal assignments under UASFLA standards, the appraiser(s) is directed to **Special Considerations in Appraisals for Federal Land Exchanges** §1.12, the definition of Market Value, as referenced in 36 CFR 254.2.
[3] Tract 50 refers to Supplemental Plat of Tracts from the Land Surveyor Report by the Certified DOI Land Surveyor for the Oak Flats Federal Parcel, Gila and Salt River Meridian, Arizona, Townships 1 and 2 South, Range 12 East; approved February 7, 1921, accepted March 2, 1921, and officially filed May, 20, 1921.

above, for the Subject larger parcel, as directed by the Statement of Work for this assignment, and consistent with the Subject's highest and best use.

- **Assignment Conditions**
  - The Project's name is Southeast Arizona Land Exchange and Conservation Act. The proposed exchange is a legislated land exchange and is conducted under the authority of 16 U.S.C. §539p.
  - The assignment is to be conducted in compliance with UASFLA, the Uniform Standards for Professional Appraisal Practice (USPAP), and USFS land exchange regulations, 36 CFR 254, SUBPART A - LAND EXCHANGES.
  - Assignment conditions are directed by the SOW, written specifically for this appraisal assignment (Exhibit A), including a preapproved hypothetical condition[4] for the Federal portion of the land exchange. The hypothetical condition stipulates the Subject be appraised *as though it is in private ownership, is freely alienable, and zoned consistently with other similarly situated non-Federal properties within the jurisdiction of the zoning authority*.
  - The Federal Property selected for the Southeast Arizona Land Exchange and Conservation Act totals 2,422.11 acres of land, described as two contiguous parcels, segregated by real property interests and highest and best use as explained in the Assignment Purpose, Methodology & Report Structure section of this Report. The smaller of the two parcels, the subject of this appraisal, is bound by a Public Land Order, which withdraws all forms of appropriation under the public land laws, including the General Mining Law of 1872, which is referred to as the Mineral Withdrawal Area (MWA). The Subject *USA-owned improvements located on the Federal parcel are limited to two (2) vault toilets within the Oak Flat Campground which shall be considered in the appraisal.*

- **Assignment Work Elements**
  - Review available historical and background information, and pertinent reports[5].
  - Research physical, demographic, technical, economic, and market transaction data, via government agencies, internet searches, and market participants.
  - Inspect, verify, and document the Subject and comparable sales, via physical site examinations, map data, and Google Earth®.
  - Analyze acquired data to support determinations, such as: Highest & Best Use; Larger Parcel; conclusions, such as indications of value using accepted approaches to value e.g., cost, sales comparison, and income capitalization approaches to value; value indicator reconciliations; and a supported value opinion for the Subject.

[4] The preapproved hypothetical condition is stated in the transmittal letter, summary page, conclusion page, and certification of this Report.
[5] Several reports and information were made available to me, including a revised Resolution Copper Mining, LLC General Plan of Operation and a report appendix regarding the Resolution Mine Withdrawal Area by Dr. David Wahl Jr., Ph.D.

- The aforementioned review, research, inspection, and analyses work culminates in a supported and credible Real Property Appraisal of the Subject, transmitted in a written Appraisal Report format.
- All reference material and reports, published and unpublished, used for factual information is retained in our work file. Our work file consists of physical, electronic, and internet link formats.

Assumptions, Limiting Conditions & Provisos

This is a CONFIDENTIAL REPORT, possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the prior written consent of the appraiser, and in any event only with properly written qualifications and only in its entirety.

Assumptions

The assumptions listed below pertain to the information and data we used in this Report. Information and data include: published and unpublished documents; written and electronic reports, maps and plats; Federal, state, county public information and databases; and private company reports. We assume all information and data used in this Appraisal Report are true and accurate.

We are not trained surveyors or real property title experts; we relied on reports from experts in said professional disciplines for real property information and data. We assume the legal descriptions, land surveys, and real property title/ownership information used in this Appraisal Report are true and accurate.

We did not observe any hazardous conditions during the course of our site examination; however, we are not trained to recognize environmental hazards and/or risks. We have not been made aware of any unmitigated hazards on the Subject property. This Appraisal assumes no extraordinary or unmitigated hazards and/or risks exists on the Subject property.

The illustrations used in this Appraisal Report, such as maps, images, and figures, are for demonstration purposes only and are not intended to be used for any other purpose.

We assume all real properties and activities described in this Appraisal Report are in compliance with applicable federal, state, and local regulations and laws, including zoning and land use regulations/restrictions, unless otherwise stated.

Where noted, we have relied on data and information developed and/or provided by others. The data and information procured or acquired from personal communications, published and

unpublished documents and reports, government agencies, and industry contacts referenced in this Appraisal Report, are assumed to be true and accurate unless otherwise noted.

Special Assumption

Special Assumption is defined by the Appraisal Institute as:

> *An assumption, directly applicable to a specific service, which, if found to be false, could alter the opinions or conclusions in an appraisal or review.*
> (Appraisal Institute, 2022)

A key work element for this appraisal assignment is the review, acceptance, and use of the *Generalized Geological/Mining Scenarios, Net Smelter Returns and Discounted Cash Flow Regarding the Resolution Mine Mineral Withdrawal* report by Dr. David Wahl, dated 4/12/2022. Dr. Wahl's report includes key technical and economic attributes, which we have relied on to develop value indicators for this appraisal. We have reviewed Dr. Wahl's information/data[6] and assume his supporting evidence is reasonable, credible, and not misleading; we accept the information/data contained in Dr. Wahl's report as true and accurate. Dr. Wahl's report, is confidential.

Abundant qualitative and quantitative exploration results have been identified for the Resolution Copper (RC) deposit, enabling mineral resource estimates and mine planning to commence; however, no physical exploration has been conducted directly underlying the Subject MWA parcel. Mineral resource estimates have been interpolated/extrapolated for the MWA parcel. We assume these MWA resource estimates to be supported, reasonable, credible, and not misleading.

Although extensive technical studies and planning has been accomplished for the RC deposit, no physical development has occurred; mine development and production are currently prospective. We assume the RC mine development and production planning to be maximally productive/efficient, reasonable, credible, and not misleading.

Technical assumptions reviewed and accepted as true, credible, and accurate include:

- Tonnage, grade, and resource classification for the RC Cu deposit
- Tonnage, grade, and mineral classification for the MWA Cu geological resource
- Maximally productive production cut-off grade
- Best practice/maximally productive development and mining methodology

[6] Much of Dr. Wahl's technical information/data is based on RCM's exploration data/General Plan of Operations, and third-party contractors' work, furnishing geologic, mineral resource, and modeling data/illustrations. Third party contractors include Dassault Systemes and AMEC.

- Best practice/maximally productive "ore" processing/beneficiation methodology
- Stoping geotechnical constraint limits
- Mine/Processing plan and schedule

Economic assumptions reviewed and accepted as true, credible, and accurate include:

- Mineral commodity projected prices
- Net Smelter Return (NSR) costs
- Royalty rates
- Discount rates

Limiting Conditions

- Our opinion of value, reported 20 January 2023, is retrospective, as of 12 April 2022, the effective date of this appraisal.
- Spanish Flat Mining Company (SFMC) did not assess the Subject for physical hazards/risks, hazardous materials, or environmental liabilities. SFMC personnel are not qualified to test for, or investigate, possible toxic materials or other environmentally damaging substances. SFMC assumes no responsibility for the presence of any such substance or material on the Subject surface or in the subsurface, nor for any expertise or engineering knowledge required to discover the presence of such material or substance.
- SFMC made no engineering surveys of the Subject. Except as specifically stated, data relative to the size and shape of the Subject are from USFS and publicly available information that is considered reliable.
- All determinations, conclusions, value indicators, and real property value opinions made by SFMC are based on available information for the effective date of this real property appraisal; if additional information becomes available after the effective date, SFMC reserves the right to amend determinations, conclusions, value indicators, and real property value opinions to reflect the additional or supplemental information and data.
- If any of the aforementioned conditions or assumptions information is found to be incorrect, misleading, false, or inaccurate, SFMC reserves the right to amend any or all sections affected by said incorrect, misleading, false, or inaccurate information.

<u>Hypothetical Condition</u>

Hypothetical condition, for the purpose of this assignment, is defined by the Appraisal Institute as:

> *A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. Comment: Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.*
> (The Dictionary of Real Estate Appraisal, 2022)

This appraisal is subject to the prescribed assignment-specific hypothetical condition, as specified in the Statement of Work (Appendix A). The below stated hypothetical condition may affect assignment results. The Statement of Work states:

> *The Federal Property shall be appraised as though it is in private ownership, is freely alienable, and zoned consistently with other similarly situated non-Federal properties within the jurisdiction of the zoning authority. Federal law provides that, upon conveyance, "[t]he Federal Property shall be available to Resolution Copper for mining and related activities subject to and in accordance with applicable Federal, State, and local laws pertaining to mining and related activities on land in private ownership." 16 U.S.C. §539p(c)(8). This hypothetical condition does not alter the facts that: the Federal Property is encumbered by mining claims held by a party other than the United States; said mining claims confer all rights to locatable minerals to that party in accordance with the Mining Law and are not part of the estate owned by the United States, 30 U.S.C. §§26, 181, 611; that the United States currently holds the rights to reasonably regulate surface use of the Federal land for mining purposes under 36 C.F.R. 228 Subpart A, 16 U.S.C. § 551; or that the United States may not prohibit the use of the surface of NFS land for mining purposes, nor may it materially interfere with such uses. 30 U.S.C. § 612.*
>
> ***Rationale for the Hypothetical Condition:*** *The hypothetical condition is based upon direction and guidance from 36 CFR 254.9(b)(ii), FSH 5409.12_65.11(5), FSH 5454, and 16 U.S.C. §539p(c)(8). Federal land is generally not freely alienable, local government entities do not have the authority to zone land owned by the United States, and mining operations on National Forest System land are subject to federal laws and regulations applicable to the administration of the National Forest System and are often exempt from State and local laws. For the purposes of appraisal, the appraiser shall determine and support a conclusion of zoning based on similarly situated private property within the jurisdiction of the zoning authority. This hypothetical condition does not alter or affect the rights of Resolution Copper to the unpatented mining claims and locatable minerals on the Federal land pursuant to the United States Mining Law, or the estate to be appraised in consideration of the existence of the mining claims. The hypothetical condition shall be prominently reported on the transmittal letter, summary page, conclusion page, and certification.*

Provisos

- This assignment is limited to the Contract between Spanish Flat Mining Company (Contractor) and Weissenborn Appraisal, LLC (Client), the Statement of Work, amended Statement of Work, Agreement to Initiate, and First Amendment Agreement to Initiate. Subsequent work, litigation, deposition, court testimony, preparation of the above, or additional assignments shall be addressed in a separate contract or a modification to the original contract if subsequent work is requested.
- This Assignment has been prepared for the exclusive use of the Client and Intended Users

as set forth in this Report's Scope of Work, for the purpose of facilitating the Southeast Arizona Land Exchange and Conservation Act. The content of this Appraisal is confidential and proprietary. Portions of this Report may be reproduced as trial exhibits; the entire Report is not intended to be disclosed to opposing parties.

- The Maps, Figures, Photos, and other illustrations contained within this Report should not be considered as surveys or exact spatial relationships, and are not necessarily to scale. They are not intended to be used for planning, engineering, construction, financial, economic decision making, or investment purposes.
- Determinations, conclusions, opinions, or values contained within this Report are not intended to be used for investment, financial decisions, or any other purposes, other than the intended use specific to this appraisal.
- Acceptance or use of this Appraisal Report by the Client or named Intended Users constitutes acknowledgement and acceptance of the above Assumptions, Special Assumption, Limiting Conditions, and Provisos.

Jurisdictional Exception

USPAP's Jurisdictional Exception Rule simply provides that:

> *"[i]f any applicable law or regulation precludes compliance with any part of USPAP, only that part of USPAP becomes void for that assignment." Further, a Comment in the Jurisdictional Exception Rule states, in part, "When an appraiser properly follows this Rule in disregarding a part of USPAP, there is no violation of USPAP*

UASFLA's Exposure Time Exception

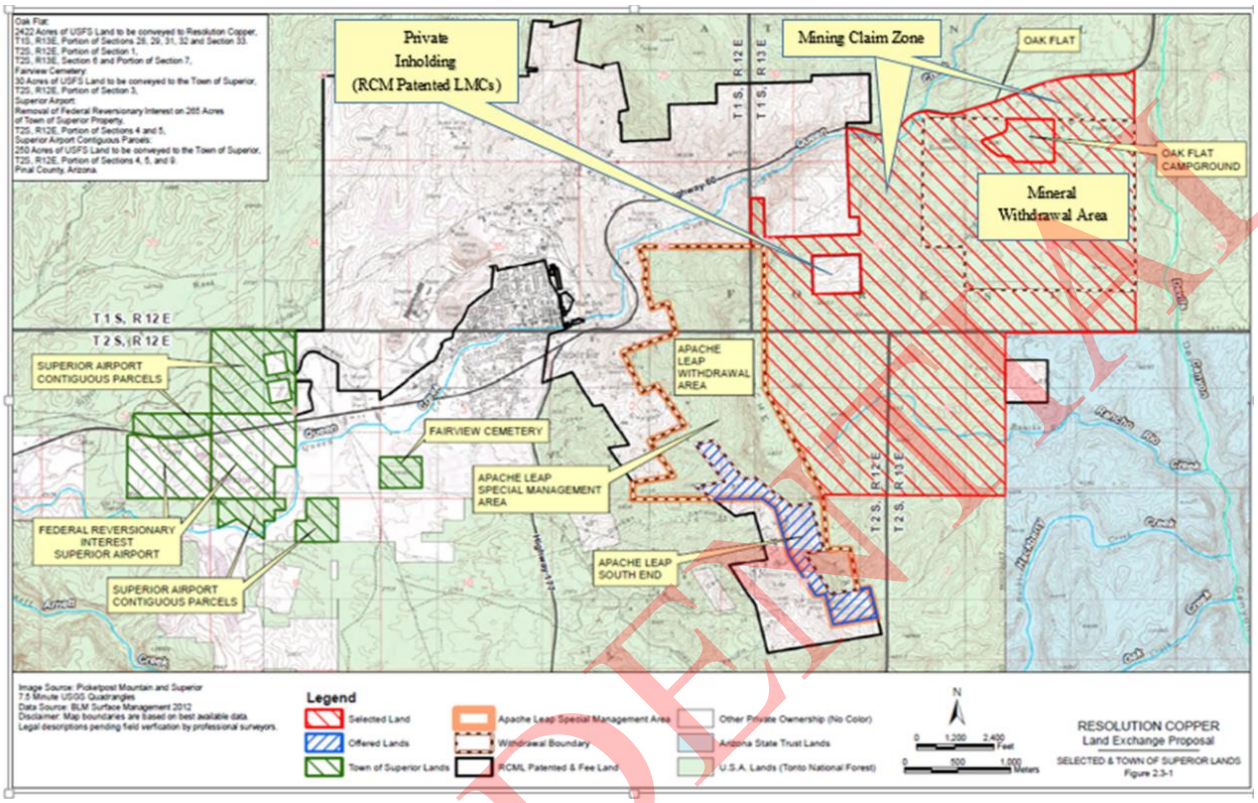
> *Linking Estimate of Value to Specific Exposure Time. Section 1.2.4 provides that the appraiser shall not link an opinion of market value for federal acquisition purposes to a specific exposure time… .*

Exposure times were not a factor for opining market value for this assignment; the Jurisdictional Exception rule was invoked for this assignment.

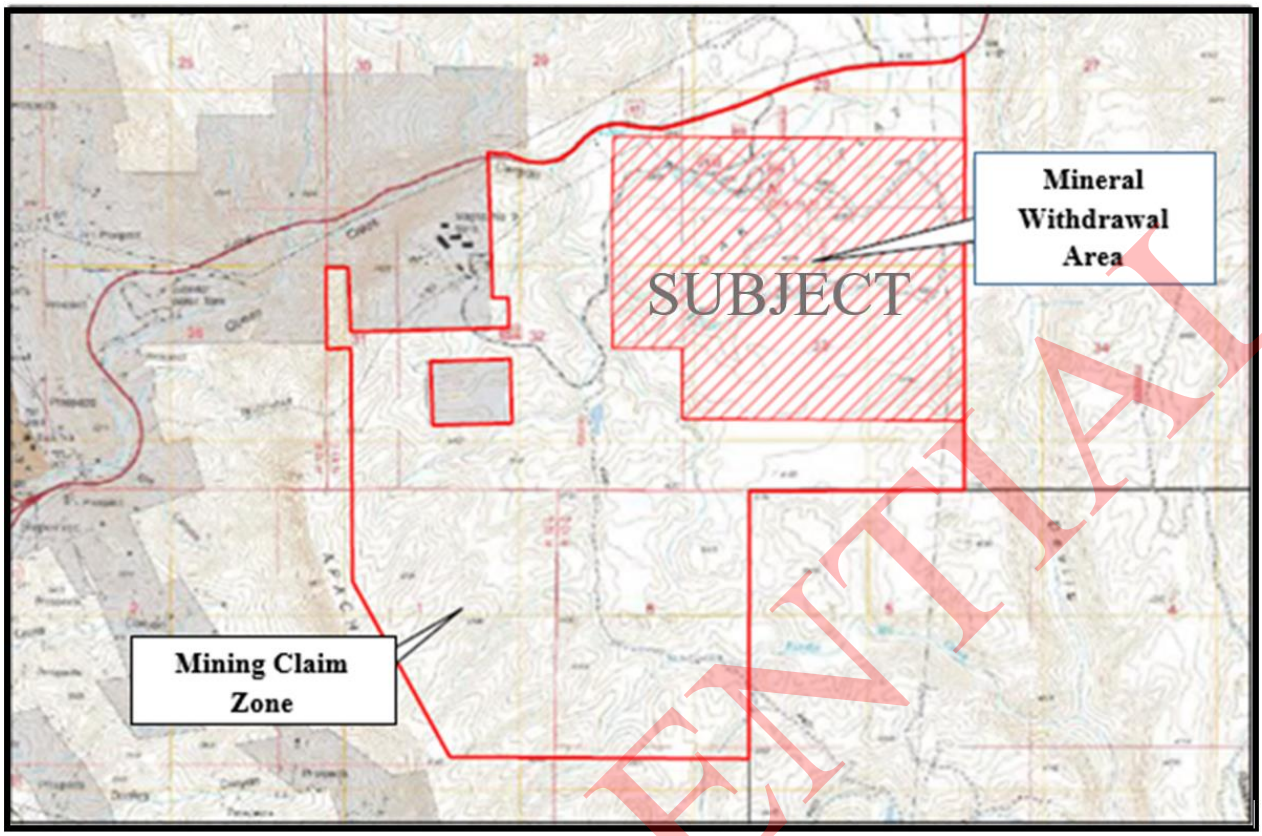
Subject Property Identification & Overview

This real property appraisal is authorized by Southeast Arizona Land Exchange and Conservation Act; Public Law 113–291 (Land Exchange). The Land Exchange consists of two National Forest System parcels: Tract 37, Tract 49, T. 1 & 2 S., R. 12 & 13 E., Section 6; and Tract 50, totaling ±2,422.11 acres. Tract 50, the Subject of this assignment, is referred to as the Mineral Withdrawal Area (MWA), which is the smaller of the two parcels (±766.58 acres). The MWA, in the Oak Flat area, consists of land withdrawn from mineral entry, which encompasses the Oak Flat Area Campground. Tracts 37, 49, and T. 1 & 2 S., R. 12 & 13 E., Section 6, make

up the larger of the two parcels (±1,655.53 acres), referred to as the Mining Claim Zone (MCZ), is underlain by unpatented mining claims and partially surrounds the MWA (Map 1 & Map 2).



Map 1- Southeast Arizona Land Exchange and Conservation Act proposal; Public Law 113–291, showing the land status and ownership, including the Subject MWA parcel.



Map 2- A portion of Superior USGS 7.5 Minute quadrangle map, Arizona-Pinal County, showing the Subject MWA parcel (766.58 acres) and the MCZ parcel (1,655.53 acres)

The USDA Forest Service (USFS) is charged with managing surface resources on Forest System lands; the US DOI Bureau of Land Management (BLM) is tasked with managing the subsurface (mineral interests) on all Public Lands and National Forest System lands.

The MWA parcel is described as fee simple interest, considered *as though it is in private ownership, is freely alienable, and zoned consistently with other similarly situated non-Federal properties within the jurisdiction of the zoning authority* for the purpose of this assignment, subject to certain existing real property rights, including:

- United States Department of Interior Easement for Right-of-Way for Electric Transmission Line granted to Arizona Public Service Company, dated 12/22/75. Federal parcel will be conveyed subject to the easement. GLO401905 APS 500KV POWERLINE

- Permit to Salt River Project Agricultural Improvement and Power District for an overhead transmission line Amendment dated 5/21/74. At closing, Resolution Copper Mining shall grant a replacement authorization to Salt River Project Agricultural Improvement and Power District for those sections involved in the conveyance. It shall contain terms at least equivalent to those in the permit. GLO401143 SRP PERMIT

In the context and scope of this appraisal, GLO401905 APS 500KV POWERLINE and GLO401143 SRP PERMIT have no effect on the value of the Subject.

Subject is considered vacant, unimproved land in northeastern Pinal County, Arizona, approximately 60 miles east-southeast of city of Phoenix and 2 miles east of the town of Superior. The setting is typical southcentral Arizona high desert terrain (~3,860 ′ - 4,140′), situated within Arizona's Lower Mogollon Transition Zone Ecoregion as mapped by the USGS, with few low-profile mountainous areas superimposed on moderately sloping landscape and shallow drainages.

Appraisers' Certification

This is a CONFIDENTIAL REPORT, possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the prior written consent of the appraiser, and in any event only with properly written qualifications and only in its entirety.

We certify that, to the best of our knowledge and belief:

- The statements of fact contained in this Appraisal Report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions; they are our personal, impartial, and unbiased professional analyses, opinions, and conclusions. One authorized hypothetical condition is used in this appraisal report:

Hypothetical Condition:
The Federal Property shall be appraised as though it is in private ownership, is freely alienable, and zoned consistently with other similarly situated non-Federal properties within the jurisdiction of the zoning authority. Federal law provides that, upon conveyance, "[t]he Federal Property shall be available to Resolution Copper for mining and related activities subject to and in accordance with applicable Federal, State, and local laws pertaining to mining and related activities on land in private ownership." 16 U.S.C. §539p(c)(8). This hypothetical condition does not alter the facts that: the Federal Property is encumbered by mining claims held by a party other than the United States; said mining claims confer all rights to locatable minerals to that party in accordance with the Mining Law and are not part of the estate owned by the United States, 30 U.S.C. §§26, 181, 611; that the United States currently holds the rights to reasonably regulate surface use of the Federal land for mining purposes under 36 C.F.R. 228 Subpart A, 16 U.S.C. § 551; or that the United States may not prohibit the use of the surface of NFS land for mining purposes, nor may it materially interfere with such uses. 30 U.S.C. § 612.

Rationale for the Hypothetical Condition:
The hypothetical condition is based upon direction and guidance from 36 CFR 254.9(b)(ii), FSH 5409.12_65.11(5), FSH 5454, and 16 U.S.C. §539p(c)(8). Federal land is generally not freely alienable, local government entities do not have the authority to zone land owned by the United States, and mining operations on National Forest System land are subject to federal laws and regulations applicable to the administration of the National Forest System and are often exempt from State and local laws. For the purposes of appraisal, the appraiser shall determine and support a conclusion of zoning based on similarly situated private property within the jurisdiction of the zoning authority. This hypothetical condition does not alter or affect the rights of Resolution Copper to the unpatented mining claims and locatable minerals on the Federal land pursuant to the United States Mining Law, or the estate to be appraised in consideration of the existence of the mining claims. The hypothetical condition shall be prominently reported on the transmittal letter, summary page, conclusion page, and certification.

- We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest with respect to the parties involved.
- We have performed no services, as an appraiser, or in any other capacity, regarding the property that is the Subject of this report, ever.
- We have no bias with respect to the property, that is the Subject of this report, or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- The appraisal was developed and the appraisal report was prepared in conformity with the Uniform Appraisal Standards for Federal Land Acquisitions.
- The appraisal was developed and the appraisal report prepared in conformance with the Appraisal Standards Board's Uniform Standards of Professional Appraisal Practice and complies with USPAP's Jurisdictional Exception Rule when invoked by Section 1.2.7.2 of the Uniform Appraisal Standards for Federal Land Acquisitions
- We conducted a physical site examination/inspection of the Subject property appraised, on 12 April 2022; and the property owner's designated representatives, were given the opportunity, and did accompany, us on the Subject property examination/inspection.

- We relied on information and data from a technical report and economic analyses provided by Dr. David Wahl, to assist in our valuation analysis and determination; we reviewed Dr. Wahl's information/data and accept it as industry standard and reliable. We used information and data from the technical report and economic analyses provided by Dr. David Wahl, to assist in our valuation analysis and determination.
- All determinations, conclusions, opinions, value indicators, and real property value estimate developed for this real property appraisal assignment are our own.
- It is our opinion that the best available and current information supports our analyses, determinations, conclusions, opinions, and real property value of the Subject Property, owned by the United States of America on the effective date of value.
- The effective date of value for this real property appraisal is 12 April 2022.
- Our opinion of value for the ±766.58-acre MWA real property parcel for the effective appraisal date is **US$22,000,000 ($28,699/acre).**

(b) (6)

20 January 2023

Marc P. Springer, SFMC Mineral Appraiser & Mining Geologist — Date

Arizona Certified General Real Estate Appraiser, CGA- (b) (6) *(expires 29 February 2024)*

International Institute of Mineral Appraisers, (b) (6)

CA State Registered Professional Geologist PG# (b) (6)

BLM Certified Mineral Examiner CME# 0139

(b) (6)

20 January 2023

Evan Mudd, Rock Associates Mineral Appraiser/Mining Engineer — Date

Arizona Certified General Real Estate Appraiser, AZ CGA# (b) (6) *(expires 31 March 2024)*

International Institute of Mineral Appraisers, (b) (6)

Professional Engineer (WI, ID, MO, KS, IA)

Part II: FACTUAL DATA

Real Property Interest Appraised

The Mineral Withdrawal Area real property interest, as defined above in Part I of this Report, is a hypothetical fee simple parcel, appraised *as if in private ownership*; legally described as:

> **Lands comprising the Oak Flat Withdrawal Area, Tract 50, 766.58 acres**.
>
> Fee Simple Interest, subject to the following valid and existing rights:
>
> Existing Easement:
>
> > United States Department of Interior Easement for Right-of-Way for Electric Transmission Line granted to Arizona Public Service Company, dated 12/22/75. Federal parcel will be conveyed subject to the easement. GLO401905 APS 500KV POWERLINE
>
> Permits and Temporary Easements to convert to Easements in perpetuity:
>
> > Permit to Salt River Project Agricultural Improvement and Power District for an overhead transmission line Amendment dated 5/21/74. At closing, Resolution Copper Mining shall grant a replacement authorization to Salt River Project Agricultural Improvement and Power District for those sections involved in the conveyance. It shall contain terms at least equivalent to those in the permit. GLO401143 SRP PERMIT

In the context and scope of this appraisal, GLO401905 APS 500KV POWERLINE EASEMENT and GLO401143 SRP PERMIT, have no effect on the value of the Subject.

The development of a market value opinion for the Subject requires the use of the following **Hypothetical Condition**:

> *The Federal Property shall be appraised as though it is in private ownership, is freely alienable, and zoned consistently with other similarly situated non-Federal properties within the jurisdiction of the zoning authority. Federal law provides that, upon conveyance, "[t]he Federal Property shall be available to Resolution Copper for mining and related activities subject to and in accordance with applicable Federal, State, and local laws pertaining to mining and related activities on land in private ownership." 16 U.S.C. §539p(c)(8). This hypothetical condition does not alter the facts that: the Federal Property is encumbered by mining claims held by a party other than the United States; said mining claims confer all rights to locatable minerals to that party in accordance with the Mining Law and are not part of the estate owned by the United States, 30 U.S.C. §§26, 181, 611; that the*

United States currently holds the rights to reasonably regulate surface use of the Federal land for mining purposes under 36 C.F.R. 228 Subpart A, 16 U.S.C. § 551; or that the United States may not prohibit the use of the surface of NFS land for mining purposes, nor may it materially interfere with such uses. 30 U.S.C. § 612.

Rationale for the Hypothetical Condition: *The hypothetical condition is based upon direction and guidance from 36 CFR 254.9(b)(ii), FSH 5409.12_65.11(5), FSH 5454, and 16 U.S.C. §539p(c)(8). Federal land is generally not freely alienable, local government entities do not have the authority to zone land owned by the United States, and mining operations on National Forest System land are subject to federal laws and regulations applicable to the administration of the National Forest System and are often exempt from State and local laws. For the purposes of appraisal, the appraiser shall determine and support a conclusion of zoning based on similarly situated private property within the jurisdiction of the zoning authority. This hypothetical condition does not alter or affect the rights of Resolution Copper to the unpatented mining claims and locatable minerals on the Federal land pursuant to the United States Mining Law, or the estate to be appraised in consideration of the existence of the mining claims. The hypothetical condition shall be prominently reported on the transmittal letter, summary page, conclusion page, and certification.*

Use of this hypothetical condition may have an impact on the assignment results.

Site Examination, Description & Access

Site Examination

We conducted a site examination of the Subject on 12 April 2022, the effective date of this Appraisal. Prior to our site examination, Mr. Halmbacher inspected the Subject on 08 May 2019. The only noteworthy change between Mr. Halmbacher's 2019 site inspection and our 2022 site examination was the Telegraph Fire, which started near the town of Superior on 04 June 2021. The fire burned 180,757 acres, including portions of the Subject, until it was extinguished in early July, a month later. No major damage occurred to the Subject, but burned areas were still apparent during our examination.

Our site examination consisted of a pre-field orientation meeting, held at RCM's main office/headquarters in the town of Superior, with: RCM staff members (Sterling Hundley, Paul Madueno, Mary Morissette, and Steve Ramos); Weissenborn Appraisal, LLC personnel (Barry and Beverly Weissenborn); Dr. David E. Wahl, Jr., Ph.D., Consulting Geologist; SFMC team members (Linda and Marc Springer); and, Evan Mudd, Rock Associates, Ltd. It was anticipated that representative(s) from the USFS would attend the meeting, but no USFS representative(s) were present.

The purpose of the meeting was to review safety and security protocol, exchange general information between RCM staff and visiting geology/appraisal personnel, and establish the expectations and goals of the field inspection. A Resolution Copper Mining, LLC Visitor Agreement was signed by all non-RCM visitors before entering the RCM facility and mine site.

A field orientation meeting was conducted at the RCM East Plant Site (EPS) facility[7] for: reviewing safety/security guidelines; a general overview of the EPS operation and mine water management, the RC geology and underlying copper deposit, historical and current mineral exploration operation; and the general area geography, landscape, and terrain. The field inspection was attended by Mary Morissette and Steve Ramos from RCM; Barry and Beverly Weissenborn from Weissenborn Appraisal; Dr. Wahl; Evan Mudd, Linda Springer, and Marc Springer. Chad Harrold and Cory Brundson, representing the USFS, attended the field orientation meeting, but opted out of the field inspection.

We had full access to the Subject property without restrictions. We occupied and photo-documented several locations on the Subject from National Forest System (NFS) roads: NFS Roads 469 and 2432, also known as the Magma Mine Road, as well as sites along NFS Road 315 and unnamed roads and mineral exploration drill pad locations adjacent to the aforementioned roads (Map 2, Figure 1 & Photos 1 – 12). We physically occupied and/or visually observed[8] effectively all of the MWA parcel, which represents the physical surface features of the Subject.

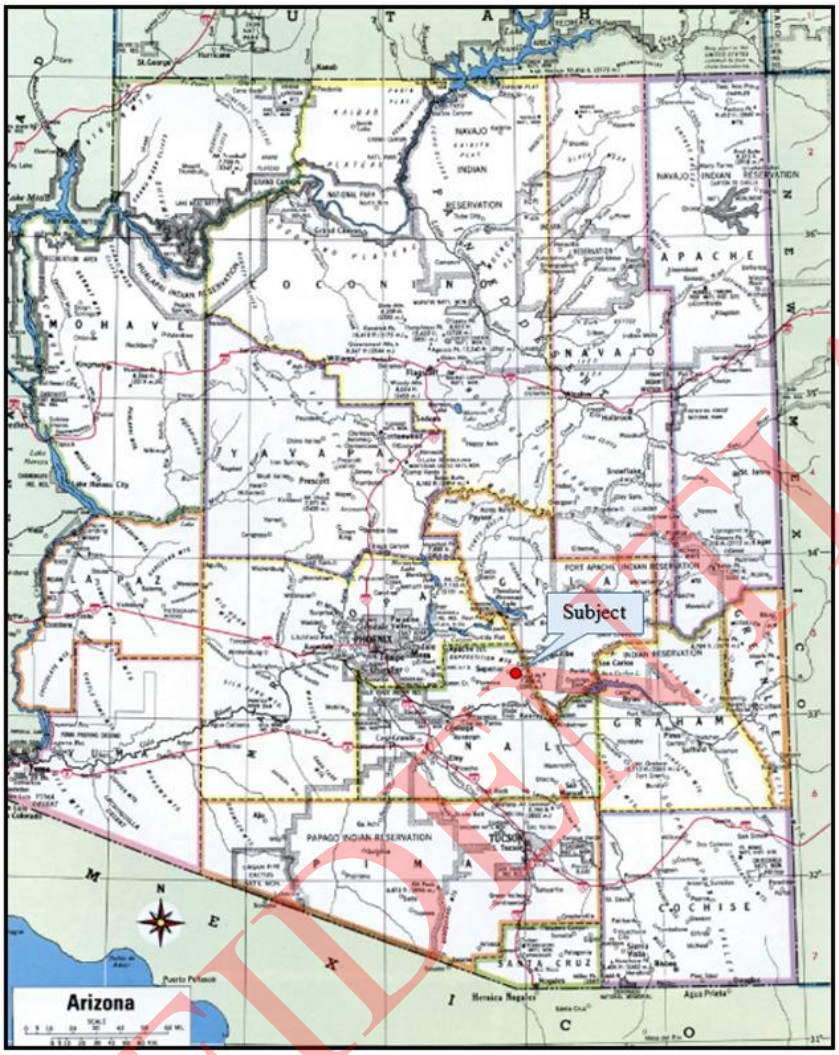
The Subject MWA parcel has been withdrawn from mineral entry for over 65 years (since 1955); no mining or mining claim activity was evident anywhere on the Subject. Oak Flat Campground, including two vault toilets, was the only land development/improvement observed on the parcel.

Site Description

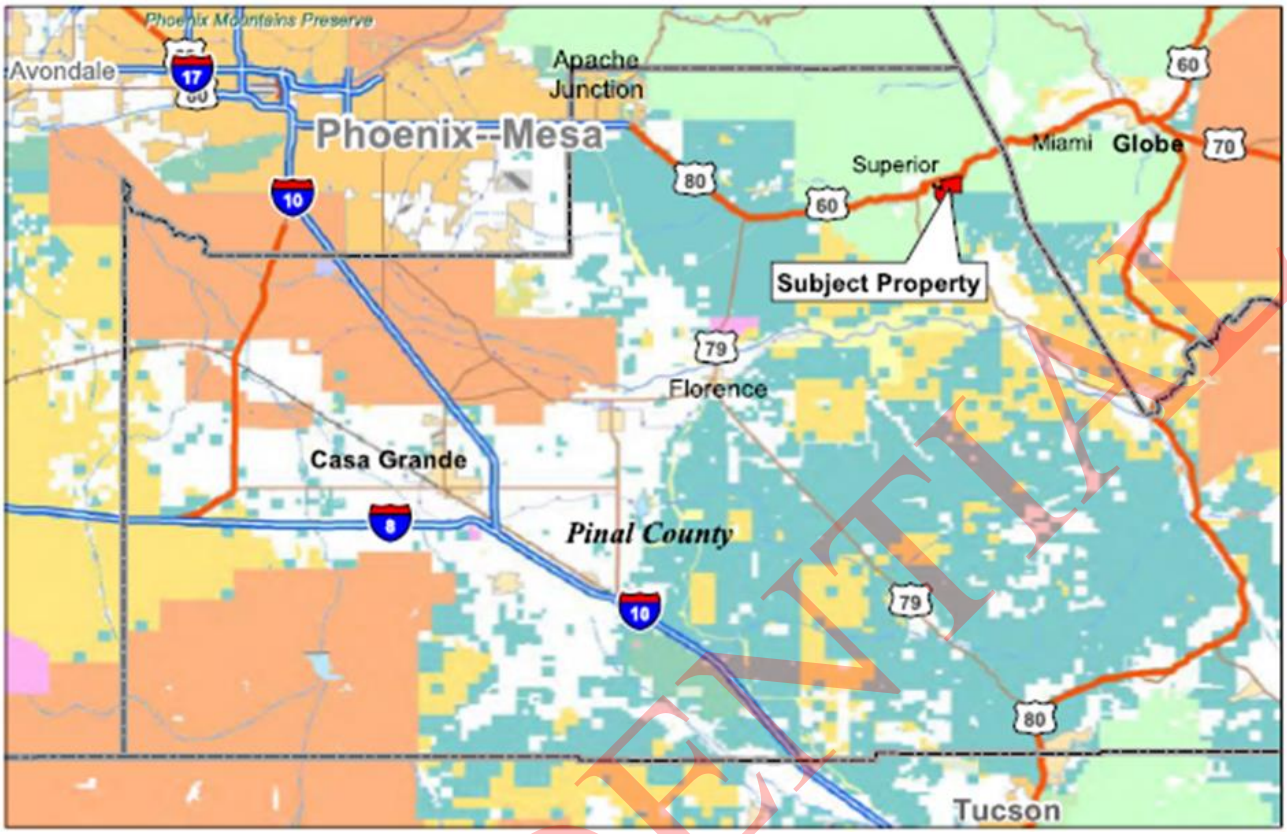
The Subject parcel, located in northeastern Pinal County, Arizona (Maps 2-4), is found in portions of Township 1 South, Range 13 East (T.1 S., R.13 E.), Tract 50, on the Superior USGS 7.5 Minute quadrangle map, Arizona-Pinal County. Subject parcel is: ±766.58 acres; considered vacant for purpose of this assignment; and located south of U.S. Hwy 60, approximately two miles east-northeast of the town of Superior in the Tonto National Forest. Its plan view shape is generally equidimensional, contiguous with, and bounded on three sides by, the MCZ parcel (Figure 1 & Map 2).

[7] No *pictures of anyone or anything on the* [RCM] *Company premises* were permitted *without prior written permission of the Company*. No pictures were taken at the EPS or anywhere beyond the RCM security gate entrance.

[8] In addition to viewing the Subject from strategic vantage points, we also visually observed the entire Subject parcel via Google Earth® Pro imagery.



Map 3- Subject parcel location on state of Arizona Map



Map 4- Subject parcel location on Pinal County Map

The landscape is typical southcentral Arizona high desert terrain (~3,850 ′- 4,200′), with shallow to moderately incised ephemeral drainages. The land surface is generally flat and moderately vegetated in the northern portion of the Subject, in and around the Oak Flat area, with moderately rolling hill topography, sparser vegetation, and prominent volcanic rock outcrop in the southern portion; the entire MWA is situated in the Lower Mogollon Transition Zone Ecoregion. (Figure 1 & Photos 1 – 12).

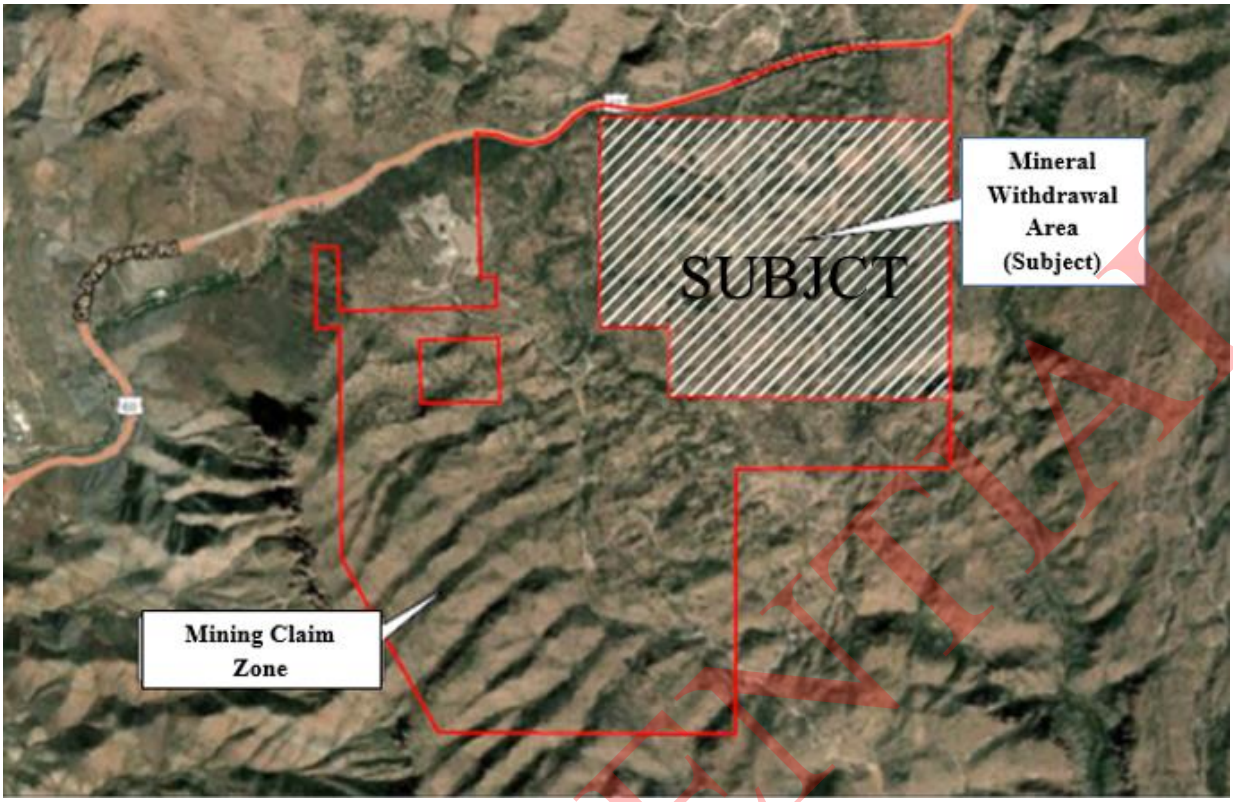


Figure 1- Google Earth Image of the land exchange footprint, showing the Subject Mineral Withdrawal Area and Mining Claim Zone parcels and the sparse to moderately vegetated high desert rocky, rugged terrain of the Lower Mogollon Transition Zone Ecoregion.

Photo Documentation

Photos of the Subject, taken during the site examination, are illustrated below.

Photo 1- Looking easterly from RCM's former exploration drill pad (RES) # 22 off of NFS Road 2432, along the western boundary of the northwestern portion of the Subject. (MPS 04/12/2022; photo site #1)

Photo 2- A distant view, looking northerly across the western portion of the Subject toward the Oak Flat area and campground. (MPS 04/12/2022; photo site #2)

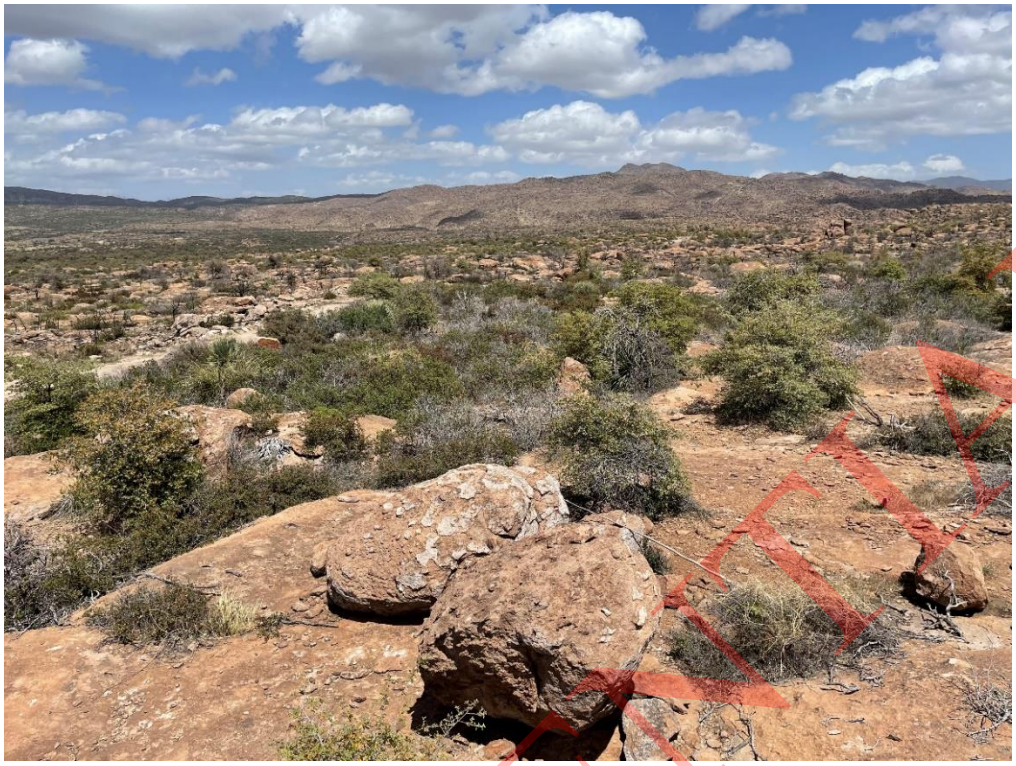


Photo 3- Looking northeasterly from near the southwestern portion of the Subject, toward the central and eastern areas of the MWA. (MPS 04/12/2022; photo site #2)

Photo 4- A local view of the central part of the MWA, looking easterly from the northcentral part of the Subject. (MPS 04/12/2022; photo site #3)

Photo 5- Looking southeast at the central and southern portion of the MWA from the northcentral portion of the Subject. (MPS 04/12/2022; photo site #3)

Photo 6- Looking southwest from the northcentral portion of the Subject, at the southwestern part of the MWA. (MPS 04/12/2022; photo site #3)

Photo 7- A local view looking westerly at the terrain and vegetation in the northcentral portion of the Subject. (MPS 04/12/2022; photo site #4)

Photo 8- A northwesterly view of the northwestern portion of the MWA parcel from just south of the Oak Flat Campground. (MPS 04/12/2022; photo site #4)

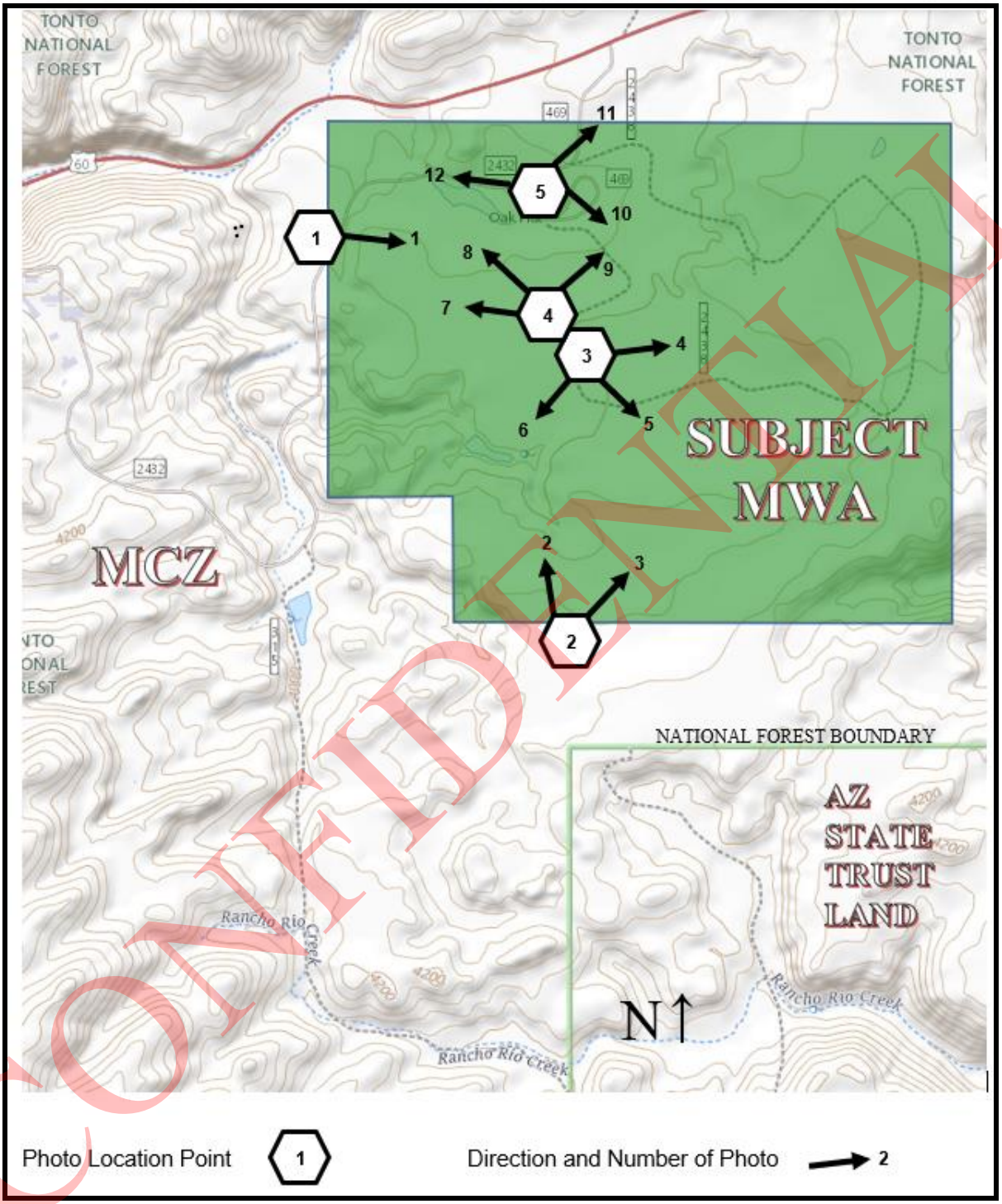
Photo 9- Looking northeasterly at the Oak Flat area and northeastern part of the MWA from just south of the Oak Flat campground. (MPS 04/12/2022; photo site #4)

Photo 10- Looking southeasterly at the Oak Flat Campground entrance sign and the campground in the background. (MPS 04/12/2022; photo site #5)

Photo 11- A northeasterly view of the Oak Flat area from near the intersection of NFS Roads 2432 and 469. (MPS 04/12/2022; photo site #5)

Photo 12- Looking westerly at Magma Mine Rd (NFS Road 2432) from the Oak Flat Campground entrance. (MPS 04/12/2022; photo site #5)

Subject (MWA) Photo Location Map



Map 5- A portion of Superior USGS 7.5 Minute quadrangle map, Arizona-Pinal County, showing the Subject MWA parcel, with numbered locations (#1 – #5) of photo sites, corresponding to the photos in this section.

Site Access

The Subject is located approximately 65 road miles east-southeast of the Phoenix (Sky Harbor) airport, via Interstate 10 and U.S. Highway 60 (Hwy 60); it is just south of Hwy 60, and easily accessed from the town of Superior, the nearest incorporated town to the Subject. The Subject is physically accessible via the NFS road system; site-specific road numbers are identified on Map 5. The NFS road system is legally accessible by the public, unless explicit road closures are in effect. All NFS roads transecting the Subject were open and accessible during the site examination. However, because the Subject *shall be appraised as though it is in private ownership*, legal public access is not determinable[9]. Many of the NFS roads are classified as *Road Not*
Maintained for Passenger Cars and prior to travel recommends to *Check with local Forest Service unit for current travel conditions and restrictions*.

To access the MWA from Superior:

- Head east on Hwy 60 ±4 miles;
- Exit south on North Magma Shaft 9 Road (NFS Road 469);
- NFS Road 469 trends southerly across the MCZ for ±0.25 mile and crosses into the MWA prior to intersecting Magma Mine Road (NFS Road 2432).
- A portion of the northwest corner of the MWA can be accessed by heading west on NFS Road 2432, which crosses the MWA's western boundary with the MCZ after approximately three quarters of a mile;
- The northeast corner of the MWA is traversed by E Oak Flat Road and NFS 2438 which trend easterly from NFS Road 469 through the greater Oak Flat area;
- E Oak Flat Road turns north and returns to Hwy 60;
- NFS Road 2438 turns south and circles around clockwise into Oak Flat Campground.

State, County, Market Area & Subject Data

State of Arizona

Arizona is geographically the sixth largest state in the U.S., with a total land area of 295,146 square miles. Regional governance within the state is executed by 15 counties, which vary in size from 792,000 acres to nearly 12,000,000 acres. Approximately 43% of the land area in the State is controlled by federal agencies including: the U.S. Department of Agriculture, Forest

[9] Private roads do not necessarily accommodate legal access.

Service (USFS); the U.S. Department of Interior (USDI), Bureau of Land Management (BLM); USDI National Park Service; and various branches of the military. Approximately 27.5% is within the boundaries of Indian reservations, and nearly 13% is controlled by the State of Arizona. Only 16.5% of the total land area in the state is held by private entities.

In recent years, Arizona has been one of the fastest growing states in the nation. The 2020 US Census shows Arizona's population at more than 7 million, up 11.9% over 2010, and placed Phoenix as the fifth largest city in the country; Phoenix, in Maricopa County, is the capital and most populous city in Arizona. Nearly 65% of Arizona's population growth has been in Maricopa County, which hosts approximately 60% of the state's population.

The COVID-19 pandemic has had a significant impact on Arizona's economy, as it has for most of the US and worldwide, since early 2020. Several consumer-driven sectors, particularly the service sector, has been severely affected; impacts, exacerbated by supply-chain and low service employment levels, have taken its toll on the state's economy since the onset of the pandemic.

George W. Hammond, Ph.D., of the University of Arizona Eller Economic Research Center, conducts business, demographic and economic research for Arizona, https://eller.arizona.edu/, the Center reports:

> *Arizona's population rose by 1.5 % in 2021 to* [Sic] *an estimated 109,000. The forecast calls for the state to add 116,300 residents in 2022, 121,900 in 2023, and 113,100 in 2024. Population gains help sustain strong housing permit activity through 2023.*
>
> *Arizona housing permit activity remained strong in 2021, according to the preliminary estimates from the U.S. Census Bureau. Arizona permits totaled 64,924 in 2021, up 7.6% from the revised 2020 total, calculated using non-seasonally adjusted monthly data. Phoenix permits hit 51,143 in 2021, up 6.0% from the revised 2020 count. Single-family permits were up 9.0% and multi-family permits were up 0.4%. Permits are forecast to hit 64,501 in 2022, 61,815 in 2023 before dropping to 50,158 in 2024, a level more consistent with population change.*
>
> *In December 2021, the median house price in Phoenix hit $452,000, up 27.3% over the year. The Tucson median house price was $338,000, up 27.5%. House prices for Phoenix, and Tucson were well above their prior peak at the end of 2021.*
>
> *Arizona has replaced all of the jobs lost during the early months of the pandemic… after regaining their pre-pandemic peak in November 2021. In addition, the state unemployment plunged during the second half of the year, as the state's labor market tightened significantly. Nominal retail sales continued to rise rapidly through the end of the year, reflecting past income gains, rising household wealth, and rapid inflation.*

Wage gains accelerated at the end of 2021…Over the year in the third quarter, Arizona personal income rose by 3.7%, …For total compensation of private industry workers, the index increased by 4.9% over the year in the fourth quarter, up from 4.6% in the third. Growth in the fourth quarter was the fastest since the fourth quarter of 2006.

Arizona's preliminary seasonally-adjusted unemployment rate plummeted again in December, according to preliminary estimates. The unemployment state rate has fallen from 6.8% in June 2021 to 4.1% in December, which was the lowest since December 2007.

Arizona Outlook Summary
Annual Growth Rates and Levels

	Actual	Forecast		
	2021	2022	2023	2024
Growth Rate				
Nonfarm Jobs	3.2	4.6	3.1	2.2
Personal Income	6.0	1.9	6.5	6.2
Retail Plus Remote Sales	19.9	2.3	3.1	5.2
Population	1.5	1.6	1.6	1.5
Level				
Unempl. Rate	6.1	4.5	4.5	4.5
Housing Permits	64,692	64,501	61,815	50,158

Personal income and retail sales are forecast in 2021.

Pinal County

Pinal County, established in 1875 from parts of Maricopa and Pima Counties, is located in south-central Arizona; Florence, located in the center of the county, is the county seat. Pinal County hosts two distinct regions: the western region is characterized by low desert and irrigated farmland; the eastern portion, on the west and east side of the San Pedro River Basin, is rougher terrain, with elevations exceeding 6,000 feet north of Superior on the easterly side of the Superstition Mountains.

Most of the county's estimated 449,557 residents[10] live in cities and towns in the desert and farmland zones in the central and western area of the county. Coolidge, Casa Grande, Eloy, and Marana are situated along I-10 which links the Phoenix and Tucson metro areas. Copper mining and processing in the Superior, Ray, Kearney, Hayden, and Mammoth areas have historically

[10] From Arizona census estimate as of July 2021.

been an important industry in the county. The Globe-Miami copper mining district in Gila County is just east of Pinal County along U.S. Highway 60.

Much of the western part of Pinal County is in open valley terrain and has historically supported irrigated agriculture. The eastern portion of the county is mountainous terrain, where mining and ranching industries have historically been the economic and employment foundations of this region.

Pinal County land tenure sectors are shown below:

Total Land Area: 5,365 Square Miles

- State of Arizona: 35% Central & Eastern
- Indian Reservations: 23% NE, NW, SW Corners
- Individuals/Corporations: 22% Mostly Western
- Federal, BLM & USFS: 14% Mostly Eastern
- Other Public Land: 6% Scattered

The county includes portions of the San Carlos Indian Reservation at the northeast corner, the Gila River and Ak Chin Indian Reservations at the northwest corner, and the Tohono O'Odham Indian Reservation at the southwest corner. Most private ownership is in the western part of the county, where irrigated agriculture is giving way to residential development and industrial activity. Land tenure in the eastern portion of the county is primarily administered by state and Federal agencies; approximately 22% of the land is under private ownership.

Private holdings within National Forests boundaries are comprised of two general types of land: homestead entries and patented mining claims. Homestead lands and placer mining claims are typically located in valley bottoms and canyon floors, where surface water is present. Lode mining claims are typically found in rugged, steep terrain, where mineral seams were more readily discoverable. Both types now often support residential and recreational activity.

Pinal County, ranked by 2020 total population, is the third most populous county in Arizona, after Maricopa and Pima Counties. The bulk of the County's population lives in the western portion, along the Interstate 10 Corridor, where urban expansion is rapidly displacing farm occupancies. Coolidge and Florence, in the central part of the county, are also rapid growth areas as a result of the eastward expansion of urban activity. The Copper Corridor communities in the eastern part of the county have seen a greater level of stability over the years, with the extent of growth being closely related to the proximity to urbanized areas of the state.

Economy – Pinal County

The table that follows shows employment figures, including the leading sectors listed by their level of contribution to the economies of the county as a whole.

Industry Ranked by Employment (thousands)

Industry	Thousands	%
Education, health care & social assistance	30.0	21.3%
Retail trade	16.6	11.8%
Arts, entertainment, food & recreation services	15.0	10.6%
Professional, scientific, & administrative services	13.9	9.9%
Manufacturing	13.2	9.4%
Public administration	12.2	8.6%
Finance, insurance & real estate	8.9	6.3%
Construction	8.6	6.1%
Transportation, warehousing, & utilities	7.1	5.0%
Other services, except public administration	5.8	4.1%
Agriculture, forestry, fishing, hunting, & mining	4.8	3.4%
Wholesale trade	2.5	1.8%
Information	2.4	1.7%

Table 1- Pinal County Employment Figures by Industry

The area between Globe-Miami, southwesterly to Superior and south to the Hayden-Ray area has supported and continues to support copper mining activity with active operations at Miami, Pinto Valley and Ray.

Transportation – Pinal County

Interstate10 (I-10), which is a primary east-west route across the southern U.S., connects the Pacific coast in California to the Atlantic coast in Florida; I-10 bisects Pinal County from northwest to southeast. U.S. Highway 60 (Hwy 60) is the primary route from Phoenix, east to Globe, it continues northeast to Show Low-Pinetop, and crosses into New Mexico, east of Springerville.

Market Area (Subject Neighborhood)

The subject neighborhood, which is considered the market area for this assignment, is the area in and adjacent to the Copper Triangle, extending from west of the town of Superior, in Pinal County, northeast to Globe/Miami, in Gila County, and southerly to Winkelman (Figure 2). This area is generally rural, well-known for silver and copper mining, as well as livestock grazing and ranch lands. Historical and active mining activity, including mineral processing and exploration operations, are commonplace.

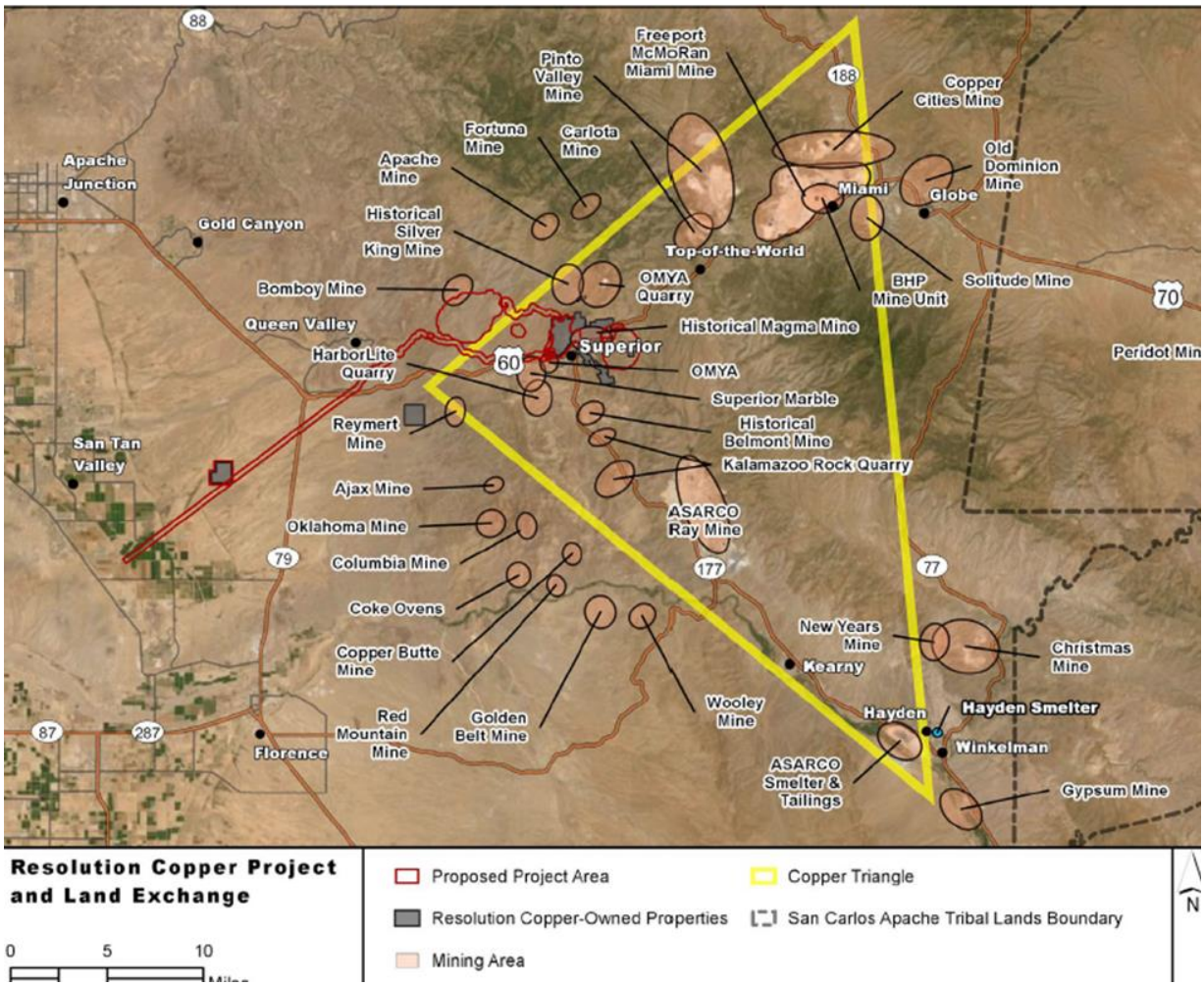


Figure 2- An illustration of the Copper Triangle area, showing active and historical copper and silver mining areas, smelter and tailings storage areas, as well as RCM's proposed project area.

The historic Magma Mine at Superior was operated as an underground copper mine from 1910 until 1996. Operations included a 300 ton-per-day concentrator built in 1914 and the Magma Arizona Railway, completed in 1915, which connects Superior to the Southern Pacific Railroad at Magma. Copper concentrates were shipped to the smelter at Hayden until 1924 when the Magma smelter was commissioned. The original concentrator was replaced in 1946. As a cost reduction measure the smelter was closed in 1971 and concentrates were then shipped to Newmont's smelter at San Manuel approximately 40 miles northeast of Tucson in Pinal County. Due to high operating costs and declining copper prices in the late 1970s and early 1980s, mining and milling operations closed in 1982. With increasing copper prices in the late 1980s the Magma Mine was dewatered, and operations resumed from1990 to 1996 when operations ceased and the mine was closed.

With copper prices again rising in the early 2020s (Figure 3), copper deposit exploration and related activities increased. Resolution Copper began acquiring land position proximal to the newly discovered Resolution Copper deposit.

Figure 3- Copper price graph showing copper's price escalations; the most recent increase from the early 2020s.

The town of Superior formerly housed workers at the Magma Mine and processing plant. When mining ceased the population declined but like many other historical mining towns, Superior rejuvenated and became a retreat from urban areas like Phoenix and Tucson. Because of its proximity to Hwy 60, Superior is a popular tourist stop and offers nearby recreational and cultural opportunities. The Boyce Thompson Arboretum, a 320-acre State Park, is a major attraction that sees nearly 75,000 visitors annually. It is approximately three miles west of Superior and is the oldest and largest botanical garden in Arizona.

Subject Data

The Subject MWA property, 766.58 acres, is part of the Tonto National Forest, encompassed by the MCZ parcel to the north, west, and south, and state land to the east (Map 1).

Utilities

There are no electrical, telephone, natural gas, water, or sewer systems apparent on or adjacent to the property.

Water Rights

There are water rights associated with the subject SALECA Federal lands: Surface water rights are noted for three stock tanks which are the Apache Leap Tank 38-2397, the Oak Flat Tank 38-65060, and the Rim Pond 33-77040. The Tonto National Forest is the named owner of these

tanks. Additionally, ADWR records show a total of 51 wells, almost all of which are exploration geotechnical boreholes or hydrologic test wells, but not water production wells. RCM is the named owner of most of these wells, many of which are co-located with other named owners such as BHP Copper and the Tonto National Forest.; each is suitable for use by livestock and wildlife. Those waters are appurtenant to the land on which they are located and not separately marketable. In that regard, the waters included on the subject SALECA Federal lands are viewed as a component of the land. While the focus of the valuation is on the subsurface interest, per the H&BU, ground water developed beneath the Subject are from well and drill hole improvements, not considered in this appraisal.

Surface Rights

The Subject surface rights are owned by the USA and managed by the USFS.

Mineral Rights

Mineral rights underlying the Subject have been withdrawn from mineral entry since 27 September 1955[11]; they are owned by the USA and managed by the BLM.

Flood Hazard

A Phase I Environmental Site Assessment indicates there are no identified flood hazard areas on the subject property. The area has been mapped by the Federal Emergency Management Agency (FEMA); map panels show that the entirety of the Property is designated as flood Zone D, which is the designation for areas where FEMA has not conducted a flood hazard analysis and the potential flood hazard has not been determined. There are no FEMA-designated floodplains identified within the Property and none were observed during previous site visits (WestLand 2004a, 2015).

Environmental Hazards

A Phase I Environmental Site Assessment (ESA) performed for the Subject concludes that there are no Recognized Environmental Conditions (REC) but notes the following:

- Surface water quality in the Devils Canyon Watershed and the Queen Creek Watershed is in overall compliance with applicable surface water standards with the following exceptions: arsenic, copper, dissolved oxygen, E. coli bacteria, iron, lead, pH, and selenium.
- Water quality in regional groundwater basins meets EPA and State of Arizona overall drinking water standards, with a few exceptions. Several samples fell below the federal secondary standard for pH and slightly above the federal secondary standards for iron and manganese. In addition, several samples did not meet federal secondary standards for total dissolved solids and sulfate, and one sample also exceeded federal and state primary

[11] PLO 1229 withdrawal order withdrew public land laws, including Mining Law (locatable minerals).

standards for nitrate. It is not known if these conditions are naturally occurring and/or the result of anthropogenic activity.

Improvements and/or Fixtures

For the purpose of this assignment, improvements on Subject include:

> *USA-owned improvements located on the Federal parcel are limited to two (2) vault toilets within the Oak Flat Campground which shall be considered in the appraisal.*
> (*Statement of Work for appraisals supporting Resolution Copper Land Exchange*)

Because the focus of the valuation is on the subsurface interest, per the H&BU, surface improvements do not contribute value to the subsurface interest[12], therefore are not considered in this appraisal.

Use, Sales, and Rental History

The Subject's primary use has been public recreation. Tonto National Forest has been in existence for over 100 years; the Subject has never been sold or rented.

Assessed Value and Property Taxes

As Federal land the subject is not currently on the tax rolls. It is assumed that the taxes would be comparable to those on similar properties.

Zoning and Other Land Use Regulations

The Appraisal Report Specifications include the following requirement regarding disclosure and analysis of property zoning:

> *Determine "consistent" zoning (and other land use restrictions) of Federal land by research and analysis, not by making an assumption. As instructed above, include a hypothetical condition that the Federal land be appraised as though in private ownership and zoned consistent with other non-Federal lands. In determining consistent zoning for the Federal land, the appraiser should not consider entitlements such as master planning that are not in place as of the date of value.*

The subject property is in an area zoned Pinal County GR – General Rural Zone. This is the predominant rural classification throughout the county and permitted uses include single family dwellings, various agricultural uses and quasi-public uses such as parks and schools. The minimum lot size is 1.25 acres. This classification does not specifically allow or prohibit mining but per Arizona Revised Statutes:

[12] For appraisal purposes, the unit rule precludes the sum of values of various interests; different physical elements or components of a tract of land are not to be separately valued and added together.

11-812. Restriction on regulation; exceptions; aggregate mining regulation; definitions

A. Nothing contained in any ordinance authorized by this chapter shall:

2. Prevent, restrict or otherwise regulate the use or occupation of land or improvements for railroad, mining, metallurgical, grazing or general agricultural purposes, if the tract concerned is five or more contiguous commercial acres. For the purposes of this paragraph:
(b) "Mining" has the same meaning prescribed in section 27-301…

10. "Mining" means those activities conducted to develop or extract materials from a mine including on-site transportation, concentrating, milling, leaching, smelting or other processing of ores or other materials. Mining includes mined land reclamation activities regulated pursuant to chapter 5 or 6 of this title.

Pinal County Code affirms the state statutes at 2.05-050 – Statutory Exemptions:

As specified in A.R.S. title 11, Ch. 6 (A.R.S. § 11-801 et seq.), the provisions of this title shall not prevent, restrict, or otherwise regulate in any zoning district the use or occupation of land or improvements for railroad, mining, metallurgical, grazing or general agriculture purposes, as defined herein, provided the tract or premises so used is five or more contiguous commercial acres.

Zoning & Land Use

National Forest System lands are not zoned or managed by state or local jurisdictions; Pinal County has planning authority over privately-owned land. Private properties in the region, neighboring the Subject, are zoned by districts under Pinal County's Planning Department jurisdiction. Most of the privately owned land surrounding the Subject in the Tonto National Forest, is zoned GR (General Rural). GR zoning districts allow agricultural and low density rural residential use (minimum 1.25-acre divisions), and other public, quasi-public, and private sector entities such as churches, museums, schools, clinics, and riding stables (10 acre minimum parcels).

Per the [Arizona] State Revised Statues, Arizona counties are not allowed to prevent, restrict, or otherwise regulate the use of occupation of land or improvements for railroad, mining metallurgical, grazing or general agricultural purposes, if the tract concerned is five or more

contiguous commercial acres. Mining is considered a legally permissible use by Pinal County; the permitting authority for mining related activities is under state and county jurisdictions.

The Pinal County Comprehensive Plan (PCCP), updated January 2021, states …*all private and public entities share the responsibilities of …encourage retention of existing and creation of new (and diverse) employment opportunities, including mining*… Pinal County claims 1,757 mining industry jobs county wide, which accounts for 3.2% of its total jobs.

The PCCP, in its Commerce-Related Land Uses section specific to Mining/Extraction,

> *Identifies those areas where mineral resources have been identified or are likely to be identified in the future. The intent of this designation is to protect the mineral resources by minimizing conflicts with surrounding land uses. This designation recognizes the rights of exploration, mining, and processing of mineral resources. Copper mining is currently occurring around Superior and Kearny. All mining operations conducted by whatever techniques and technologies employed are required to comply with all applicable federal, state, and local laws providing for the protection of environmental resources.*

Regulatory & Permitting Structure

National Forest System surface resources are managed by the USFS; the subsurface (mineral interest) is managed by the BLM. The Subject is in the Tonto National Forest, Globe Ranger District jurisdiction; however, for the purpose of this Report, the Subject is considered fee simple ownership, *as though it is in private ownership, is freely alienable, and zoned consistently with other similarly situated non-Federal properties within the jurisdiction of the zoning authority*.

RCM submitted an updated General Plan of Operations (POO, aka GPO) to the USFS in August 2016 to evaluate environmental baseline data for proposed surface disturbances and resource impacts, as required by the Southeast Arizona Land Exchange and Conservation Act (the Act):

> *The Act requires that the land exchange and the GPO be considered and evaluated by the Forest Service in a single EIS. In order to support the environmental evaluation of both the GPO and the land exchange, this GPO identifies where mine development would occur on or under public lands included in the exchange.*

The USFS is charged with processing POOs, as well as bonding, monitoring, reclamation, final mine closure, and compliance issues; compliance with NEPA, via the Council on Environmental Quality, is also a regulatory requirement. However, because the Subject is considered, *as though it is in private ownership*, RCM's proposed POO will be processed as if under state jurisdiction

and the USFS surface management authorities/responsibilities are not a component of the estate to be appraised.

The privately owned land surrounding the National Forest System lands, including the Subject, are zoned GR under Pinal County jurisdiction, which allows mining related activities as a legally permissible use. The Arizona State Mine Inspector (ASMI) must be notified prior to starting, moving or stopping a mining operation. The Arizona Department of Mines & Mineral Resources (ADMMR) is the principal authority for mine permitting and reclamation, which is regulated by the ASMI. ADMMR requires the mine operator to submit a Mined Land Reclamation Plan and financial assurance (reclamation bond), for all metalliferous mining units and exploration operations with surface disturbances on private lands greater than five acres. Mine operators are responsible for obtaining all necessary environmental, planning, building, and operational permits; operators are referred to the Arizona Mining Permitting Guide, 2nd Edition, published by the US Department of the Interior, and compiled/edited by the ADMMR, for permitting assistance.
The statutory laws of Arizona are referred to as the Arizona Revised Statutes (ARS), organized by subject area into Titles, Chapters, Articles and Sections (https://www.azleg.gov/arstitle/); there are currently 49 titles, although three have been repealed. ARS Titles include ARS Title 1- General Provisions through ARS Title 49- The Environment; a few citations in this report are from Minerals, Oil and Gas (ARS Title 27).

The Pinal County Comprehensive Plan (updated January 2021) is a broad policy statement, which addresses most of the County's future planning objectives and provides guidelines for sustainable growth. Pinal County Planning & Development Department provides information, regulatory requirements, and permitting guidelines for specific: multi-family dwelling units, such as planned unit developments (PUDs); large commercial and industrial developments and special land uses; and institutional developments, such as schools, libraries and churches.

Pinal County Building Safety Department (PCBSD) requires building permits and inspections, via their building code ordinance, as amended (2018); PCBSD provides inspection, plan review and investigative services to the unincorporated areas of the county.

Mine safety and health compliance is regulated and inspected by state and federal authorities. ASMI is the state agency charged with safety and health regulatory compliance for mining operations. Mine Safety and Health Administration (MSHA) is the federal authority for training, regulatory compliance and inspecting active mining operations. No permitting structure exists for mine safety/health programs, but notification, prior to initiating mining operations, and regulatory compliance is required by both ASMI and MSHA.

Geology & Mining History

Regional Geology

The Subject is located in the southern Basin & Range Province, which transitions to the Colorado Plateau Province. The physiography of the Basin and Range Province is known for narrow, roughly north-south trending, parallel mountain ranges separated by broad arid valleys, often filled with alluvium. The basins and ranges geography formed as a result of extension of the earth's crust due to listric normal faulting with opposing normal faults.

The north-south trending Apache Leap Escarpment, a prominent west-facing cliff, located west of the Subject, is the most notable topographic feature in the region. East of the escarpment, and encompassing the Subject, the surface lithology consists uniformly of the post-mineral Apache Leap Tuff, an Early to Middle Miocene massive dacitic tuff, light brownish gray in color. The tuff is underlain by:

> *Lower Precambrian schist… overlain by a sequence of chiefly sedimentary upper Precambrian and Paleozoic rocks that dip east. Diabase intrudes the Precambrian rocks and dioritic plutonic and hypabyssal rocks intrude the entire sequence. Conglomerate and lava and ash flows of Cenozoic age blanket the older rocks…* (USGS Geologic Map of the Superior Quadrangle, Pinal County, Arizona, Peterson, 1969)

The predominant structural trend in east-central Arizona is east-northeast, which manifests in the foliation of the Pinal Schist, as well as in mineralized structures in the Subject area:

> *This E-NE trend is also indicated by the distribution and elongation of Laramide intrusions, the distribution of mineral deposits, and the orientation of veins and dikes…. most of the veins below Apache Leap show an E-W to E-NE trend.* (Hehnke et. al., *Geology and Exploration Progress at the Resolution Porphyry Cu-Mo Deposit, Arizona*, Society of Economic Geologists, Inc., Special Publication 16, 2012)

Site Geology

Stratigraphically the rock formations underlying the Subject area are illustrated in *Resolution Cross Section Through No. 9 Shaft Looking Approximately West*, (Hehnke, et. al., 2012), Figure 4.

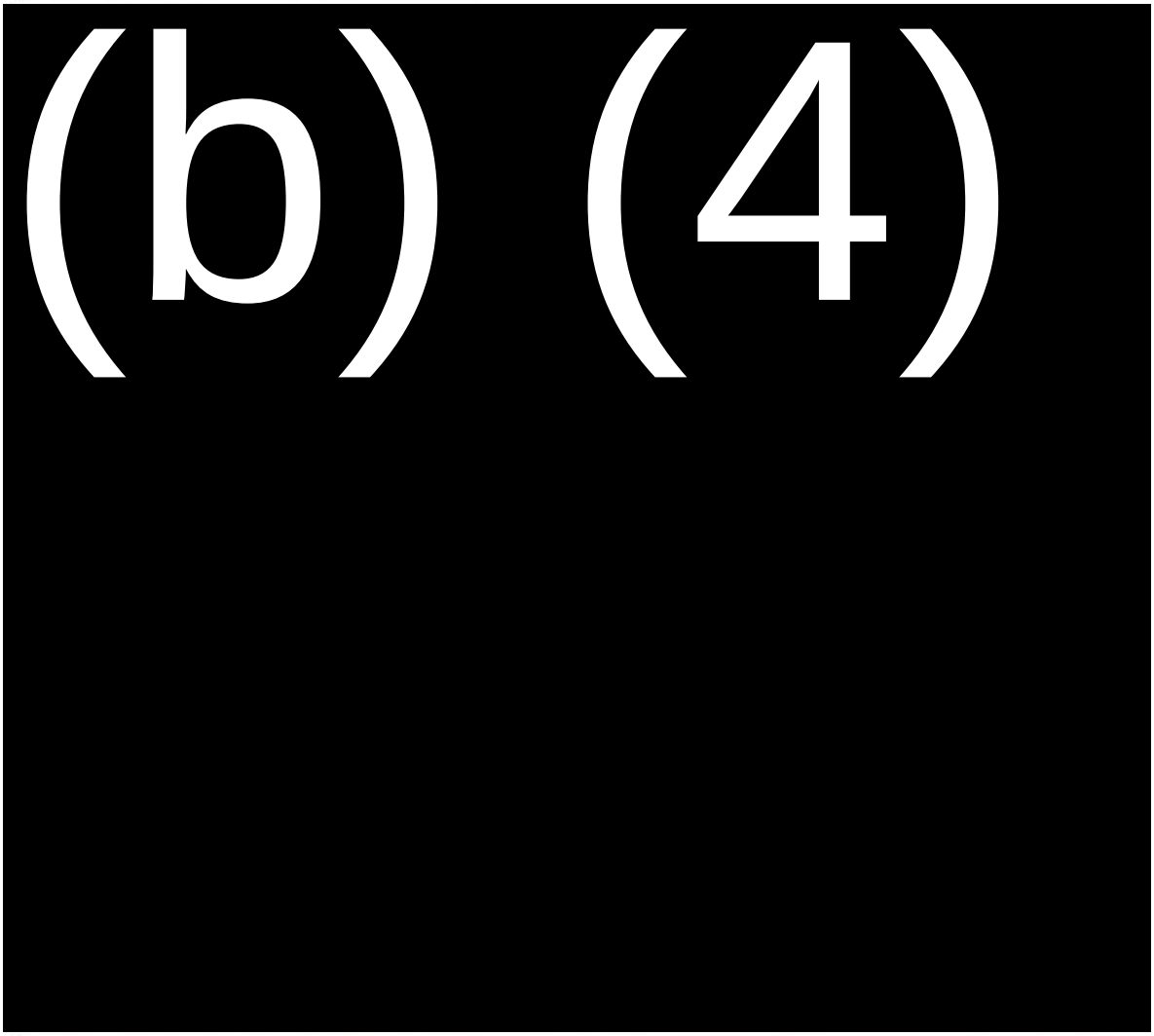


FIG. 4. Cross section of geology, looking northeast through the Magma shaft 9 and Resolution deposit. Abbreviations: RCML = Resolution Copper Mining L.L.C.; see also Figure 2 caption.

Figure 4- Cross Section showing Subject structure and stratigraphy. (Hehnke et. al., *Geology and Exploration Progress at the Resolution Porphyry Cu-Mo Deposit, Arizona*, Society of Economic Geologists, Inc., Special Publication 16, 2012)

The late Precambrian Apache Group, comprised of Dripping Springs Quartzite, Mescal Limestone, Apache Basalt, Troy Quartzite and Diabase Sills, is overlain by Paleozoic carbonates, sandstone, and shale; as well as Cretaceous quartzose sedimentary rocks, volcaniclastic, and epiclastic rocks. Tertiary-Cretaceous felsic porphyry intrusive rocks are responsible for the mineralized vein and replacement deposits in the upper oxide zone, at the Magma Mine, and for the deeper-seated Resolution Copper disseminated porphyry system. Post-mineral rock units include the Tertiary Whitetail Conglomerate, sitting unconformably on Mesozoic sediments and

volcaniclastics, overlain by the Tertiary Apache Leap Dacite Tuff, which is exposed on the surface, as outcrops, on the Subject and surrounding Apache Leap/Oak Flat area.

Generally, structural faulting during the Laramide is responsible for the complexity of the geology as well as the source of mineral bearing fluids:

> *Determining the detailed structural geology within the deposit is challenging because the deposit is known only from drilling. Most faults within the deposit are inferred based on stratigraphic offsets in adjacent drill holes but critical additional support comes from oriented drill core….*
>
> *….The porphyry copper deposit at Resolution is centrally located within a fault-bounded block with plan dimensions of ~3 x 3 km. The fault-bounded block first developed as a hosrt, which led to local erosion of Paleozoic strata but was later inverted as a graben, which preserves ~1 km of Cretaceous strata not otherwise present in the Superior area…. Crustal extension and tilting across multiple, large Tertiary normal faults since the onset of Whitetail Conglomerate deposition has rotated the deposit approximately 25^{o} to the east northeast.* (Hehnke et. al., 2012)

Mining History

Mining in the Pioneer District, also known as the Superior mining area, dates to the mid-late 1800s when silver was the predominant metal target. With infrastructure development, railroads in particular, and increasing demand for copper to support expanding electric power grids, copper mining became profitable. Copper production at the Magma Mine, formerly the Silver Queen Mine and largest mine in the district, began in earnest shortly after the turn of the century:

> *Early production was of native silver from east-trending veins that cut the Proterozoic and Paleozoic rocks. Below the oxide zone, the veins were found to carry bornite, chalcocite, chalcopyrite, tetrahedrite, and sphalerite, and in the Magma mine, the largest mine, the veins were followed eastward for 3 km. From the mid 1960s through closure in 1996 most of the production from the Magma mine was from chalcopyrite-bornite-chalcocite-pyrite-specularite mantos within the Paleozoic carbonate sequence adjacent to the veins.*
> (Ballantyne et al., *The Resolution Copper Deposit, a Deep, High-Grade Porphyry Copper Deposit in the Superior District, Arizona*, presented at the Marco T. Einaudi Symposium, Society of Economic Geologists Student Chapter, Colorado School of Mines, Golden, CO, 2003)
>
> *The short, irregular, supergene chalcocite ore shoots originally mined for native silver were found to change downward to more continuous hypogene chalcocite-*

> *bornite mineralization with depth (Ransome, 1912), and significant copper production began.* (Hehnke et. al., 2012)

Copper production continued in the district until 1982 when the Magma Mine closed due to declining copper prices and higher operating costs; it resumed operation in 1990, with higher copper prices, until the deposit was exhausted and was closed in 1996. The Magma Mine produced approximately 27 million tons of ore which averaged 5% copper and yielded approximately 1.3 million tons of copper, 36,000 tons of zinc, 34.3 million ounces of silver, and 686,000 ounces of gold.

The geology of the Pioneer District indicated the potential for a porphyry copper deposit below the replacement, vein, and mantos deposits. An underground drilling program was initiated at the Magma Mine, which resulted in the discovery of a large, deep-seated copper-molybdenum resource, the Resolution Copper deposit.

> *In 1995, the Magma Copper Company discovered a porphyry copper deposit beneath thick postmineral cover 2 km south of the historic Magma mine in Superior, Arizona. Since that time drilling has delineated a large, high-grade, hypogene copper-molybdenum deposit, now named the Resolution deposit, with an Inferred Resource of 1,624 million metric tons (Mt) at 1.47% Cu and 0.037% Mo.* (Hehnke et. al., 2012)

Part III:
GENERAL MINERAL RESOURCE & MINING DATA/TRENDS

Part III discusses general mineral resource and mining industry factual data, including regulatory and permitting issues, socio-economic, environmental and political trends, and selected mineral commodity supply, demand, and price information[13]. Although the intent of Part III information is not specific to the Subject mineral interest, a few historical and geological references are discussed which shed light on the deposit and influence property value. The general data are intended to illustrate the fundamental physical, legal, regulatory, economic, and timeframe attributes that the mineral exploration and mining industries consider in pre-feasibility and feasibility studies for mineral exploration, development, and production.

Mineral Commodity Market Data, Economic & Trend Considerations

The Resolution Copper deposit hosts a polymetallic resource containing copper (Cu), molybdenum (Mo), and minor silver (Ag) credits. The Magma Mine, situated above the Resolution Copper deposit, originally mined for silver during the late 1800s, it was then developed into a notable copper producer, operating intermittently as an underground operation from 1910 to 1996. Although intrinsically related, the Magma and Resolution Copper deposits differ by: ore genesis and tenor, mineralogy, and mining method. The Magma Mine ore (Cu, Zn, Au & Ag) was primarily a structurally controlled replacement deposit of moderate to high-grade copper and zinc mineralization (average 4.9% Cu, 0.13% Zn grades over the life of mine), hosted primarily in diabase/basalt, limestone, quartzite, and schist, confined to relatively narrow veins and shoots, which were mined selectively for grade control and to minimize dilution. The Resolution Copper ore is a relatively low-grade disseminated porphyry and replacement sulfide deposit (1.47% Cu, 0.037% Mo) hosted primarily in, porphyritic and sediment rock, limestone, and heterolithic breccia. This deep-seated Cu-Mo deposit will be mined by large-scale panel caving.

Although the inferred mineral deposit underlying the MWA has not been physically sampled or tested, extensive exploration core drilling adjacent to, and partially surrounding the Subject indicates/infers substantial copper resources, with viable molybdenum and silver byproducts. Copper is the primary target commodity, estimated to account for 94% of the deposit value (Dr. David Wahl, 2022).

[13] Mining and commodity weight units are reported in short tons (tons) for ore, waste, and concentrates; avoirdupois pounds (lb.) for base metals; and Troy ounces (Toz) for precious metals, unless otherwise indicated.

Copper (Cu)
https://www.usgs.gov/centers/national-minerals-information-center/copper-statistics-and-information

Copper is mined as a primary commodity world-wide, from both oxide and sulfide porphyry deposits; molybdenum and silver commonly occur as by-products, which is the case with the Resolution Copper deposit. Copper also occurs as a major component in large iron oxide-copper-gold deposits. Most modern copper mining operations are large-scale ventures, both underground and open pit mines, with associated processing/beneficiation facilities. These large mining operations require a large capital outlay before production and cash flow commence, hence, limiting the operators to a few large companies and/or joint ventures/partnerships.

> *Copper is one of the oldest metals ever used and has been one of the important materials in the development of civilization. Because of its properties, singularly or in combination, of high ductility, malleability, and thermal and electrical conductivity, and its resistance to corrosion, copper has become a major industrial metal, ranking third after iron and aluminum in terms of quantities consumed. Electrical uses of copper, including power transmission and generation, building wiring, telecommunication, and electrical and electronic products, account for about three quarters of total copper use. Building construction is the single largest market, followed by electronics and electronic products, transportation, industrial machinery, and consumer and general products.*
>
> *Copper is usually found in nature in association with sulfur. Pure copper metal is generally produced from a multistage process, beginning with the mining and concentrating of low-grade ores containing copper sulfide minerals, and followed by smelting and electrolytic refining to produce a pure copper cathode. An increasing share of copper is produced from acid leaching of oxidized ores.*
> (Flanagan, Mineral Commodity Specialist, Copper, U.S. Geological Survey; 2022).

During the last decade, copper has become an increasingly important metal in the renewable energy and electric vehicle (EV) industries; copper supply, and forecasted production, is estimated to be well below future consumption needs to satisfy current and emerging demands/technologies for the foreseeable future. Currently the USGS lists the government stockpile[14] of copper at "none" (0).

The long-term copper supply deficiency has been anticipated and well chronicled by the mining and EV industries over the last several years; an example of this message is recounted below in an article from investingnews.com https://investingnews.com/copper-supply-heading-for-deficit/:

[14] Government stockpile is the US Strategic and Critical Materials Stockpile; the General Services Administration (GSA) is responsible for planning, programming, and reporting on the stockpile.

Copper Supply to Catch Breath in 2022 Before Heading for Significant Deficit

Copper supply is expected to increase this year, but will it be able to keep up in the long term? Experts are forecasting a major shortage in the years ahead.
Copper prices have been on the rise since last year, reaching a fresh all-time high in early March at US$10,674 per tonne, partially on the back of concerns over low inventory levels.
In the short term, demand may rise in 2022, but still come in lower than supply. Top consumer China's growth seems to be taking a pause, and supply for the red metal is forecast to increase, supported by a recovery in mine output, expansions and new projects expected to come online later this year.

Looking longer term, the picture gets tighter — almost half of global copper supply is used in construction, but demand from sectors like electric vehicles and energy storage has increased investor interest in the base metal.

With governments pushing for green energy transitions and carmakers committing to more electric models every year, future demand for copper is looking up...

By 2030, analysts at Rystad Energy project that copper demand will outstrip supply by more than 6 million tonnes.

"A deficit of this magnitude would have wide-reaching ramifications for the energy transition as there is currently no substitute for copper in electrical applications," they said in a note. "(However,) significant investment in copper mining is required to avoid the shortfall."

CRU analysts are also expecting the copper market to start to move into deficit in the mid-2020s, with a structural deficit realized by the early 2030s — unless there is additional mine investment. Experts eye potential copper supply risks, from geopolitics to ESG. (Barrera, Priscila; March, 2022)

In a recent article by MINING.COM, similar sentiment is expressed in monetary terms:

Miners Need to Invest Over $100 Billion to Meet Copper Demand

The global copper industry needs to spend more than $100 billion to build mines able to close what could be an annual supply deficit of 4.7 million tonnes by 2030, Erik Heimlich, head of base metals supply at CRU said this week.

Speaking at the 2022 CRU World Copper Conference held in Santiago, Chile, the analyst said the supply gap for the next decade is estimated at six million tonnes per year, as the clean energy and electric vehicles sectors ramp up. This means the world would need to build eight projects the size of BHP's (ASX: BHP) Escondida in Chile, the world's largest copper mine, over the next eight years. Such task,

Heimlich said, seems questionable – "possible" rather than "probable", given the bigger scale developments required and the fact that about half the projects in the pipeline are greenfield.

"Historically, the completion rates of these projects have been low. A large share of the greenfield possible projects in 2012 remain under-developed so there are questions about the ability to respond to the supply gap in an efficient and timely manner," he said, as reported by Mining Journal…

Bank of America (BofA) Global Research's latest report backs CRU's forecast. According to the bank's analysts, visibility over the near-term copper project pipeline is good, but activity increases will "come with a wrinkle".

"Many of the projects currently developed have been in the making for almost three decades, and with exploration activity relatively limited in recent years, supply increases may fade from 2025," the experts said. [15]
(Jamasmie, Cecilia; MINING.COM, March 2022)

Global Copper Production, Reserves, and Resources

Chile is by far the world's largest copper producer, with over 5,600,000 tonnes[16] from mine operations and 200,000,000 tonnes of contained Cu in reserve, which equates to roughly 27% of the world's production and 23% of the world's copper reserve. Other countries with significant Cu production/reserves include: Australia, Peru, Russia, Mexico, and the USA, in descending order; the USA accounts for approximately 5½ % of the world's production and reserves, most of which is from Arizona.

Copper resources, as well as other base metals are tentative, due to the uncertainty of permitting, ESG[17], future production/consumption dynamics, and commodity prices. (Flanagan, 2022)

U.S. Geological Survey study of global copper deposits indicated that, as of 2015, identified resources contained 2.1 billion tons of copper, and undiscovered resources contained an estimated 3.5 billion tons.
(Mineral Commodity Summaries 2022, Copper; U.S. Geological Survey, 2022)

[15] This MINING.COM article lists the US-based Rio Tinto Resolution Copper Project, a portion of the Subject of this Appraisal/Report, as being the 2nd largest development project (in the feasibility stage), based on contained copper resource, in the world.
[16] Tonne is a metric measure of weight, equal to 2,205 avoirdupois pounds and 1.1 short tons.
[17] ESG, environmental, social, and [corporate] governance, has recently been identified as the primary challenge for new mine start-ups as well as established mine expansions. Conventionally, ESG includes procuring social license, diversity, equality, and inclusion.

Domestic Copper Resources & Production-Consumption Dynamics

Currently, domestic copper production from mined ore is estimated to be 1,200,000 tonnes annually, with a significant amount coming from recycled scrap; nearly 32% of the copper supply is recovered from scrap (recycled copper) in the US. The US is a net importer of copper (imports exceed exports), importing an estimated 933,000 tonnes Cu, exporting approximately 410,000 tonnes Cu; US copper consumption was estimated at 2,000,000 tonnes in 2021. (U.S. Geological Survey**,** 2022)

Copper was recovered and/or processed at 25 mines nationally. Arizona was the leading copper-producing state, which accounted for an estimated 71% of domestic output; a lesser contribution was produced by Michigan, Missouri, Montana, Nevada, New Mexico, and Utah.

The Resolution Copper deposit is touted as a world-class Cu resource and likely one of the largest undeveloped deposits in North America.

> *Rio Tinto has reported an inferred resource of 1.624 billion tonnes containing 1.47 percent copper and 0.037 percent molybdenum at depths exceeding 1,300 metres (0.81 mi).[1][2] The proposed mine is one of the largest copper resources in North America.*
> (Wikipedia, 2022)

Copper Price Dynamics

The COMEX spot copper price was $4.71/lb. on 12 April 2022, the effective date of this appraisal (Figure 5), up more than 50% from the price in 2020 and over 5% greater than the previous all-time high of $4.01 per pound in 2011.

> *Strong global manufacturing activity, constrained growth in world copper production, low stockpiles, and supply constraints owing to shipping delays contributed to the increased copper price.* (U.S. Geological Survey, 2022)

Figure 5- Copper Spot Price Five-Year History mid-March 2017 through mid-March 2022

Molybdenum (Mo)

https://www.usgs.gov/centers/national-minerals-information-center/molybdenum-statistics-and-information

Molybdenum is a major by-product of the Resolution Copper deposit, which enhances the ore value. Mo is an essential element in steel manufacturing and as a refractory metal; there are no acceptable substitutes for many of its uses. The USGS reports:

> *Molybdenum (Mo) is a refractory metallic element used principally as an alloying agent in steel, cast iron, and superalloys to enhance hardenability, strength, toughness, and wear and corrosion resistance. To achieve desired metallurgical properties, molybdenum, primarily in the form of molybdic oxide or ferromolybdenum, is frequently used in combination with or added to chromium, manganese, niobium, nickel, tungsten, or other alloy metals. The versatility of molybdenum in enhancing a variety of alloy properties has ensured it a significant role in contemporary industrial technology, which increasingly requires materials that are serviceable under high stress, expanded temperature ranges, and highly corrosive environments. Moreover, molybdenum finds significant usage as a refractory metal in numerous chemical applications, including catalysts, lubricants, and pigments. Few of molybdenum's uses have acceptable substitutes.* (Polyak, Désirée E.; USGS Molybdenum Commodity Specialist, 2022)

Global molybdenum production in 2021 increased slightly compared with that in 2020. In descending order of production, China, Chile, the United States, Peru, and Mexico provided 93% of total global production.

U.S. mine production of molybdenum in 2021 decreased by 6% to an estimated 48,000 tons compared with that in the previous year. Molybdenum ore was produced as a primary product at two mines—both in Colorado—whereas seven copper mines (four in Arizona and one each in Montana, Nevada, and Utah) recovered molybdenite concentrate as a byproduct.

Identified resources of molybdenum in the United States are about 5.4 million tons, and in the rest of the world, about 20 million tons. Molybdenum occurs as the principal metal sulfide in large low-grade porphyry molybdenum deposits and as an associated metal sulfide in low-grade porphyry copper deposits. Resources of molybdenum are adequate to supply world needs for the foreseeable future.

Estimated U.S. imports for consumption increased by 18% compared with those in 2020. U.S. exports increased by 5% from those in 2020. Apparent consumption in 2021 was essentially unchanged compared with that in 2020.
In 2021, the estimated average molybdic oxide price increased by 81% compared with that in 2020, and U.S. estimated mine production of molybdenum decreased by 6% from that in 2020. The decrease in production was mainly the result of one byproduct mine in Utah [Bingham Canyon Cu Mine] *decreasing its production by almost more than 70%. This decrease in production in Utah was offset by production increases at other molybdenum producers.* (Mineral Commodity Summaries 2022, Molybdenum; U.S. Geological Survey, 2022)

Molybdenum spot prices rose sharply (from ±$10/lb. to ±$20/lb., approximately 100%) from the end of 2020, through mid-2021, then leveled off at ±$20/lb. by March 2022.

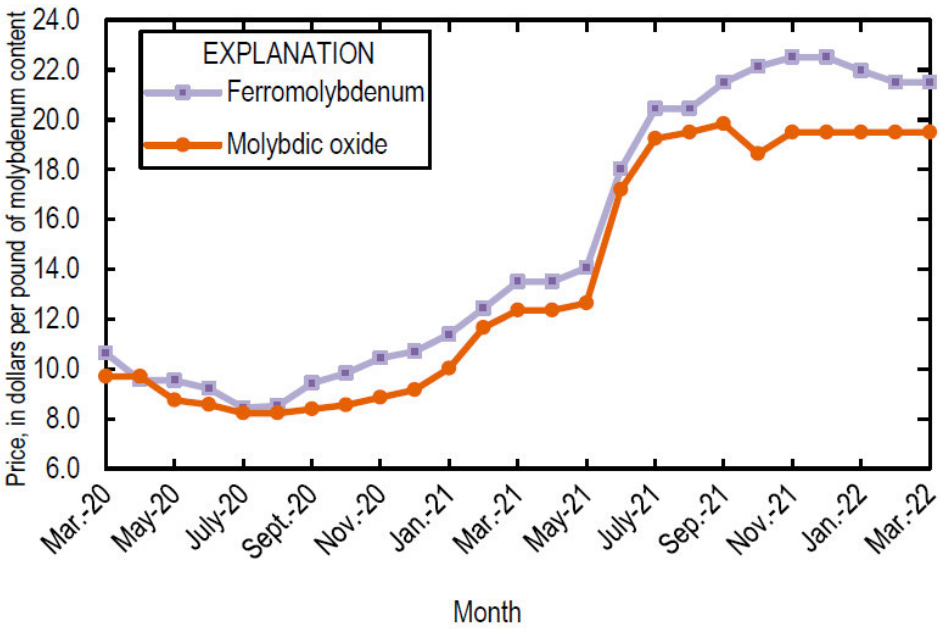


Figure 6- Molybdenum Spot Price Two-Year History March 2020 through March 2022

Currently the USGS lists the government stockpile of molybdenum at "none" (0).

Silver (Ag)

https://www.usgs.gov/centers/national-minerals-information-center/silver-statistics-and-information

Silver has long been valued as a precious metal and valued internationally as a store of value in the form of currency and investment bullion. Additionally, silver is used for its ornamental, conductive, reflective, and medical applications. In 2015, the USGS estimated domestic uses for silver: electrical and electronics, 29%; coins and medals, 25%; photography, 8%; jewelry and silverware, 7%; and other, 31% (U.S. Geological Survey, 2016).

Globally in 2021 the majority of silver production was not as a primary product but as a byproduct of gold and polymetallic deposits.

> *Although silver was a principal product at several mines, silver was primarily obtained as a byproduct from lead-zinc, copper, and gold mines, in descending order of production. The polymetallic ore deposits from which silver was recovered account for more than two-thirds of U.S. and world resources of silver. Most recent silver discoveries have been associated with gold occurrences; however, copper and lead-zinc occurrences that contain byproduct silver will continue to account for a significant share of reserves and resources in the future.*
>
> *World silver mine production increased slightly in 2021 to an estimated 24,000 tons, principally as a result of increased production from mines in Argentina, India, Mexico, and Peru following shutdowns in 2020 in response to the global COVID-*

19 pandemic. Domestic silver mine production was estimated to have decreased by 3% in 2021 to 1,000 tons compared with the 1,030 tons produced in 2020.

In 2021, U.S. mines produced approximately 1,000 tons of silver with an estimated value of $830 million. Silver was produced at 4 silver mines and as a byproduct or coproduct from 33 domestic base- and precious-metal operations. Alaska continued as the country's leading silver-producing State, followed by Nevada. (U.S. Geological Survey**,** 2022).

Three commercial silver mining districts active in the U.S., on the date of valuation, were in Alaska, Idaho, and Nevada.

The Greens Creek Mine, operated by the Hecla Greens Creek Mining Company (Hecla), in the Admiralty Mining District of Alaska is the largest silver mine in the US, which produced 9,200,000 ounces of silver in 2021, as well as substantial gold and base metal by-products.

The Coeur d'Alene Mining District, also known as the Silver Valley Mining District, in northern Idaho, is a world-class silver mining district, which has produced over 1 billion ounces of silver and remains an important silver producer today. Historically, the Galena Mine has produced well over 200,000,000 ounces of silver, grading approximately 21.25 Toz Ag/ton; and, 159,000,000 pounds of copper, as well as significant credits from lead and zinc.

Nevada is the "Silver State" and historically a world class silver producer; today, most of the silver production is by-product from large-scale low-grade gold mining operations. Few Nevada mines operate as primary silver producers, but the Rochester Mine, operated by Coeur Rochester, Inc., produced 3,200,000 ounces of silver and significant gold by-product in 2021.

Silver currently trades internationally and domestically on a spot price basis (Figure 7). The spot price for silver on 12 April 2022 was US$25.01/Toz [18].

[18] US$25.01/Toz, historical London fixed price for 12 April 2022 price, reported by Kitco.com

Figure 7- Silver Spot Price Five-Year History 01 May 2017 through 12 April 2022

Base Metals Market Dynamics

Mineral resource exploration and mining industries are subject to several economic pressures and risks; some of the key factors include: supply-demand dynamics and price fluctuations, significant lag-times between exploration and income generating production, and social, political, and regulatory uncertainties/risks. Because these factors heavily influence mining industry behavior, it is important to consider market data, economics, and trends.

Several cost factors are critical for polymetallic project economics; the primary cost considerations include:

- Economies of Scale- smaller operations generally incur higher unit costs relative to larger operations, which due to size and mass-production, realize lower unit cost benefits
- Deposit and overburden/intraburden configurations[19]
- Grade- direct ship smelter feed vs low-grade deposits requiring beneficiation/concentration
- Transportation infrastructure- distance and cost of truck, rail, and seaborne transport
- Regulatory and environmental constraints, risks, and environmental mitigation costs- permitting, mitigation, and lag-times

[19] The Resolution Copper Project, as an underground mining operation, plans to process all material as ore, once development is completed into the orebody, regardless of grade; i.e., no overburden or intraburden (sub-economic material adjacent to or within the defined orebody) will be transported to the surface.

Mining Industry Environmental, Social & Governance (ESG) Uncertainties/Risks

USFS, Region 3, manages about 9.5 million acres of surface resource land in Arizona, including nearly 2.9 acres in the Tonto NF, where the Subject MWA is located; BLM manages 17.5 million subsurface acres in Arizona, including the Subject. These agencies are responsible for managing multiple, and often competing, land uses, including permitting, bonding, and overseeing mining operations on Federal lands. Conflicts between competing land uses are often controversial and occasionally contentious, which frequently creates permitting headwinds and delays for proposed mining operations. Permitting delays have become more common than not on Federal lands, as well as state and private lands, in the US and internationally.

An emerging trend of denying, tactical stalling, or litigating extractive resource industries, due to increasing social and political pressures, is a significant risk consideration for most mineral exploration and mining companies. Uncertainty with mining project permitting and legal obstacles creates extended time periods between predevelopment costs and anticipated income, as well as increased risk that the project will be denied or litigated.

The Fraser Institute (Fraser) surveys mining companies world-wide relative to mining issues, favorable/unfavorable jurisdictions, and risks; latest results are published in their Annual Survey of Mining Companies 2021 report (https://www.fraserinstitute.org/studies/annual-survey-of-mining-companies-2021).

Fraser also publishes figures for several mining related attributes. Two key attributes, relative to risk and cost factors for Arizona mining operations, are the Investment Attractiveness Index (IAI) and the Best Practices Mineral Potential Index (BPMPI). Arizona ranked fifth for IAI out of nearly 90 states and counties worldwide, in the 2021 survey and third in the BPMPI, behind West Australia and Alaska.

> *All US states surveyed had a high percentage of positive responses regarding the level of confidence that respondents will eventually be granted the necessary permits with the exception of Arizona…57 percent of the Fraser respondents for Arizona claimed that permit approval times are getting worse in the state*; one exploration company manager stated: *New federal regulations around waterways in jurisdictions like Arizona are having an impact on the permitting process.*
> (Yunis and Aliakbari, The Fraser Institute, 2021)

Environmental, social, and governance (ESG) issues have recently become the biggest mine permitting and operating risk; several mining operations and proposed mining projects have ceased during 2021 and early 2022 due to social and/or environmental resistance. One example is detailed in an April 2022 article from MINING.COM, which illustrates how *Copper Mines Are Shutting In Peru With Social Conflicts*:

As of Wednesday, about a fifth of the country's copper output will be off-line as MMG Ltd's Las Bambas mine joins Southern Copper Corp.'s Cuajone in succumbing to community protests. At the same time, unions in the mineral-rich Cusco region are staging strikes against rising prices, while residents near a Glencore Plc copper mine are preparing to resume protests.

To be sure, community conflicts are nothing new in Peru and some of the current unrest is more about protecting water supplies than grabbing a bigger share of the mineral spoils. (Bloomberg News; MINING.COM; 20 April 2022)

In another MINING.COM article entitled *Miners Gather in Copper Capital Facing 'Another World' of Tumult*, Bloomberg News reports:

Chile's a prime example. Its vast deposits and decades of regulatory stability made it the dominant supplier. Now major investments are on hold after street protests that erupted in 2019 gave rise to a constitutional rewrite and a new government intent on raising taxes to address inequalities...

"Compared with April 2019, we are in another world," said Alejandra Wood, executive director of Cesco, the copper research center behind this week's seminars and social events. "There's a great need to clear up all the uncertainty facing an industry that's so essential for the energy transition."

After all, copper is used in everything from wiring and pipes to batteries and motors, making it a key ingredient in the push toward renewable power and electric vehicles. If producers fail to address a looming deficit, prices will keep rising and present a challenge to world leaders counting on a global energy transition to fight climate change.

A similar battle is taking place in other mineral-rich nations like Peru and Serbia as populations fight projects seen as either too dirty or not offering enough economic benefit. In the U.S., efforts to source so-called critical minerals locally are being met with community resistance.

The industry's ability to secure social licenses needed to ramp up supply will depend on how effectively it switches to clean energy, engages communities and highlights its contribution to state coffers.
(Attwood, James; Bloomberg News, MINING.COM, March 2022)

Evolving environmental policies present uncertainties for future mine site situation; over the last few decades, dozens of abandoned polymetallic mine sites in the U.S. have become superfund sites, also known as CERCLA sites. Some notable CERCLA mine sites include: Bunker Hill

Mine, ID; Butte and Basin mining areas, MT; Leadville Mining District, Standard Mine, and Summitville Mine, CO.

Political uncertainties are a substantial risk for mine permitting, largely due to fluctuating governmental policies that can delay or impede proposed mining projects, as has been the case during the last few presidential administrations. Obtaining social license[20] and environmental compliance are also significant potential delay factors in the U.S. as well as internationally.

MINING.COM illustrates political uncertainties in an article entitled, *Navigating Mining Challenges on the Road to America's EV Future*:

> *As the US accelerates the transition to the electric vehicle (EV) era and a greener economy, obtaining the minerals and metals required for EV batteries remains a challenge.*
>
> *The Biden Administration has set a target for EVs to make up 50% of all new car sales in the US by 2030. Today, fewer than 1% of the country's 250 million vehicles are electric.*
>
> *To achieve the goal, president Biden has pushed to expand the domestic critical minerals supply chain, a move to break the dependence on other countries, especially China…*
>
> *"We can't build a future that's made in America if we ourselves are dependent on China for the materials that power the products of today and tomorrow," Biden said at a White House event.*
>
> *The goal is to create a fully domestic supply chain for the metals necessary to power electric vehicle motors, wind turbines, and more. The challenge is to ensure critical minerals production is sustainable and responsible. Biden himself has said the US will support new mines that avoid 'historical injustices'.*
>
> *President Biden came into office vowing to safeguard Native American resources and uphold the rights of Indigenous communities.*
>
> *But even as the president stresses the need to boost domestic production of critical minerals, his administration has blocked several proposed US mines…*
> (Venditti, Bruno; MINING.COM, June 2022)

[20] Social license refers to the acceptance of a company or industry's standard business practices and operating procedures by its employees, stakeholders, and the general public.

Mineral Resource/Reserve Estimates & Reporting Standards

Mineral resource and reserve estimates and their reporting standards are the basis for ore deposit comparison, economic evaluation, and investment purposes. Several country-specific international investment standards dictate how mineral resources and reserves are reported and the qualifications of the reporters. Below is a list of the major mineral resources/reserves reporting standards used worldwide[21]:

There are many resource/reserve codes worldwide namely:

- JORC CODE - Joint Ore Reserve Committee (Australasia)
- SAMREC CODE - South African Mineral Committee (South Africa)
- REPORTING CODE - (UK / Western Europe)
- CIM GUIDELINES (NI43-101) - Canadian Institute of Mining, Metallurgy and Petroleum (Canada)
- SME GUIDE - Society for Mining, Metallurgy and Exploration (USA)
- CERTIFICATION CODE - (Chile)

Foreign mining companies, conducting mining operations and using publicly traded capital, are required to abide by their respective country's standards. The most common mining companies doing business in the western US are domestic, Canadian, and Australian companies.

US industry and publicly-traded investment standards impose technical guidelines for exploration results, mineral resource, and reserve estimates based on exploration, sampling, and test results, as well as technical/economic studies for, among other things, permitting and market analyses. Industry mineral resource/reserve technical standards and terminology in the U.S. are from The Society for Mining, Metallurgy, and Exploration, Inc. (SME). For mineral/mining property investment purposes, the United States Securities and Exchange Commission (SEC) assumes jurisdiction for reporting standardization and consumer protection. SEC has recently revised their standard[22] for publicly traded mineral/mining interests; the SEC states:

> *We are adopting amendments to modernize the property disclosure requirements for mining registrants, and related guidance, currently set forth in Item 102 of Regulation S-K under the Securities Act of 1933 and the Securities Exchange Act of 1934 and in Industry Guide 7. The amendments are intended to provide investors with a more comprehensive understanding of a registrant's mining properties, which should help them make more informed investment decisions. The*

[21] In recent years, the international mining community has adopted international mineral resource/reserve estimation standards (CRIRSCO standard classification, 2019), as well as mineral/mining valuation standards (IMVAL); however, county-specific jurisdiction standards remain in effect. The "qualified/competent" evaluator is responsible for specifying the applicable standard.

[22] SEC's former reporting standard for mineral/mining interests, referred to as Industry Guide 7, has been rescinded, the *effective February 25, 2019, except for the amendments to 17 CFR 229.801(g) and 229.802(g), which will be effective on January 1, 2021*; the new guidance, *Modernization of Property Disclosures for Mining Registrants* is in full force and effect.

amendments also will more closely align the Commission's disclosure requirements and policies for mining properties with current industry and global regulatory practices and standards. In addition, we are rescinding Industry Guide 7 and relocating the Commission's mining property disclosure requirements to a new subpart of Regulation S-K.

SME establishes guidelines for exploration results/targets/potential, mineral resources, such as indicated, inferred, and measured resources, as well as probable and proven mineral reserves below, effective 2017 (the most recent SME guideline); *THE SME GUIDE FOR REPORTING EXPLORATION RESULTS, MINERAL RESOURCES, AND MINERAL RESERVES* (The SME Guide).

Mineral Resource

A Mineral Resource is a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade or quality, and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade or quality, continuity, and other geological characteristics of a Mineral Resource are known, estimated, or interpreted from specific geological evidence and knowledge, including sampling.

Mineral Resources are subdivided, in order of increasing geoscientific confidence, into Inferred, Indicated and Measured classes.

- **Inferred Mineral Resource**
  An Inferred Mineral Resource is that part of a Mineral Resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity.

  An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.

- **Indicated Mineral Resource**
  An Indicated Mineral Resource is that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing and is sufficient to assume geological and grade or quality continuity between points of observation.

An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource and may only be converted to a Probable Mineral Reserve.

- **Measured Mineral Resource**
  A Measured Mineral Resource is that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing and is sufficient to confirm geological and grade or quality continuity between points of observation.

  A Measured Mineral Resource has a higher level of confidence than that applying to either an Indicated Mineral Resource or an Inferred Mineral Resource. It may be converted to a Proven Mineral Reserve or to a Probable Mineral Reserve.

Mineral Reserve

A Mineral Reserve is the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by appropriate level of study at Pre-Feasibility, Feasibility, or equivalent, that includes the application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified. The reference point at which Reserves are defined, usually the point where the ore is delivered to the processing plant, must be stated. It is important that, in all situations where the reference point is different, such as for a saleable product, a clarifying statement is included to ensure that the reader is fully informed as to what is being reported.

- **Probable Mineral Reserve**
  A Probable Mineral Reserve is the economically mineable part of an Indicated and, in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Mineral Reserve is lower than that applying to a Proven Mineral Reserve.

- **Proven Mineral Reserve**
  A Proven Mineral Reserve is the economically mineable part of a Measured Mineral Resource. A Proven Mineral Reserve implies a high degree of confidence in the Modifying Factors.

Figure 8, below, is from *The 2017 SME Guide* and graphically shows the relationships between the above resource/reserve classifications.

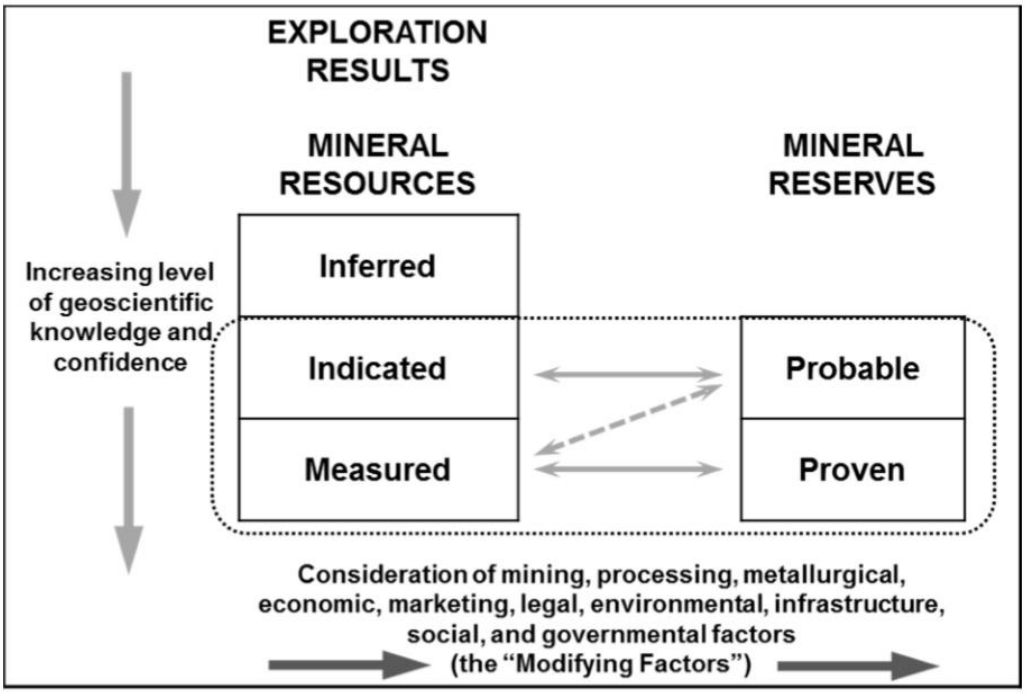


Figure 8- The relationship between Exploration Results, Mineral Resources, and Mineral Reserves, and how they can advance with increasing levels of certainty, based on positive explorations results and/or higher stages of permitting, ESG, and project development. (The 2017 SME Guide)

- **Modifying Factors**

Modifying Factors are considerations used to convert Measured and Indicated Mineral Resources to Proven and Probable Mineral Reserves. These include, but are not restricted to, mining, processing, metallurgical, economic, marketing, legal, environmental, infrastructure, social and governmental factors.

Mineral Resources are supported by Modifying Factors based on benchmarks and/or the opinion and experience of the Competent Person[23]. For Mineral Reserves, Modifying Factors are defined and applied by studies completed at "Pre-Feasibility Study" or "Feasibility Study" level.

Technical Studies/Reports

Three widely recognized types of technical studies, generally used for mine planning/modeling, and preliminary economic assessment (PEA) analyses, progress as information is generated by exploration, permitting, and geotechnical results. The typical

[23] *A Competent Person is a minerals industry professional who is a Registered Member of the SME or an eligible member of an approved "Recognized Professional Organization" ("RPO") included in a list promulgated by the SME from time to time (Appendix A). A requirement for a professional organization to be recognized as an RPO is that it has enforceable disciplinary processes including the powers to suspend or expel a member.*
A Competent Person must have a minimum of five years relevant experience in the style of mineralization and type of deposit under consideration and in the activity which that person is undertaking. (The 2014 SME Guide)

progression, based on favorable results and increasing confidence level, is: scoping, pre-feasibility, and feasibility studies.

- **Scoping Study**[24]

  A Scoping Study is an order of magnitude technical and economic study of the potential viability of Mineral Resources that includes appropriate assessments of realistically assumed Modifying Factors together with any other relevant operational factors that are necessary to demonstrate that at the time of reporting that progress to a Pre-Feasibility Study can be reasonably justified.

  Scoping Studies are commonly early economic evaluations of a project and may be based on a combination of directly gathered project data together with assumptions sourced from similar deposits or operations to the case envisaged.

- **Pre-Feasibility Study**

  A Pre-Feasibility Study is a comprehensive study that may include a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, is established and an effective method of mineral processing is determined. It includes a financial analysis based on the Modifying Factors and the evaluation of any other relevant factors which are sufficient for a Competent Person, acting reasonably, to determine if all or part of the Mineral Resource maybe converted to a Mineral Reserve at the time of reporting. A Pre-Feasibility Study is at a lower confidence level than a Feasibility Study.

- **Feasibility Study**

  A Feasibility Study is a comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of applicable Modifying Factors together with any other relevant operational factors and detailed financial analysis that are necessary to demonstrate at the time of reporting that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The confidence level of the study will be higher than that of a Pre-Feasibility Study.

Reserve criteria vary between different types of commodities and deposits, as well as mining, metallurgical, economic, marketing, legal, environmental, social, and government factors. Reserve estimates are dynamic; they are subject to factors such as changes with new deposit geology information, commodity prices, regulatory changes, and emerging technologies.

[24] Scoping Studies may include a preliminary economic assessment (PEA)

The Canadian equivalent system for mineral property offerings uses their National Instrument 43-101 tool, which requires the economically minable part of a measured or indicated mineral resource to be demonstrated by at least a Preliminary Feasibility study for a Canadian listed company. This study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified.

Mineral/Mining Property Timeframe & Value Considerations

Market data, economics, uncertainties/risks, and trends are a key consideration for any mineral exploration and/or mineral development project. Pre-feasibility and feasibility analyses disclose the physical, legal, financial, and economic attributes necessary to continue exploration or begin developing a mineral occurrence.

Mineral exploration and mining property values are typically based on successive stages of project development at acceptable levels of certainty; positive exploration results, planning and permitting stages, ESG compliance, financing, and mine infrastructure construction/development play a key role in reducing risk and increasing value.

Proposed mining projects generally require several years lead time prior to mineral production. US Geological Survey (USGS) studies indicate base metal mining projects, including copper mining projects, are extremely risky (Flanagan, U.S. Geological Survey Copper Specialist) and typically require six to nine years of exploration, planning/mine modeling, permitting, and development before mine production and income commence; larger and/or more contentious mine project generally require additional lead-time. The typical timeframe for a mining project, from initial exploration to mining is illustrated below (Figure 9).

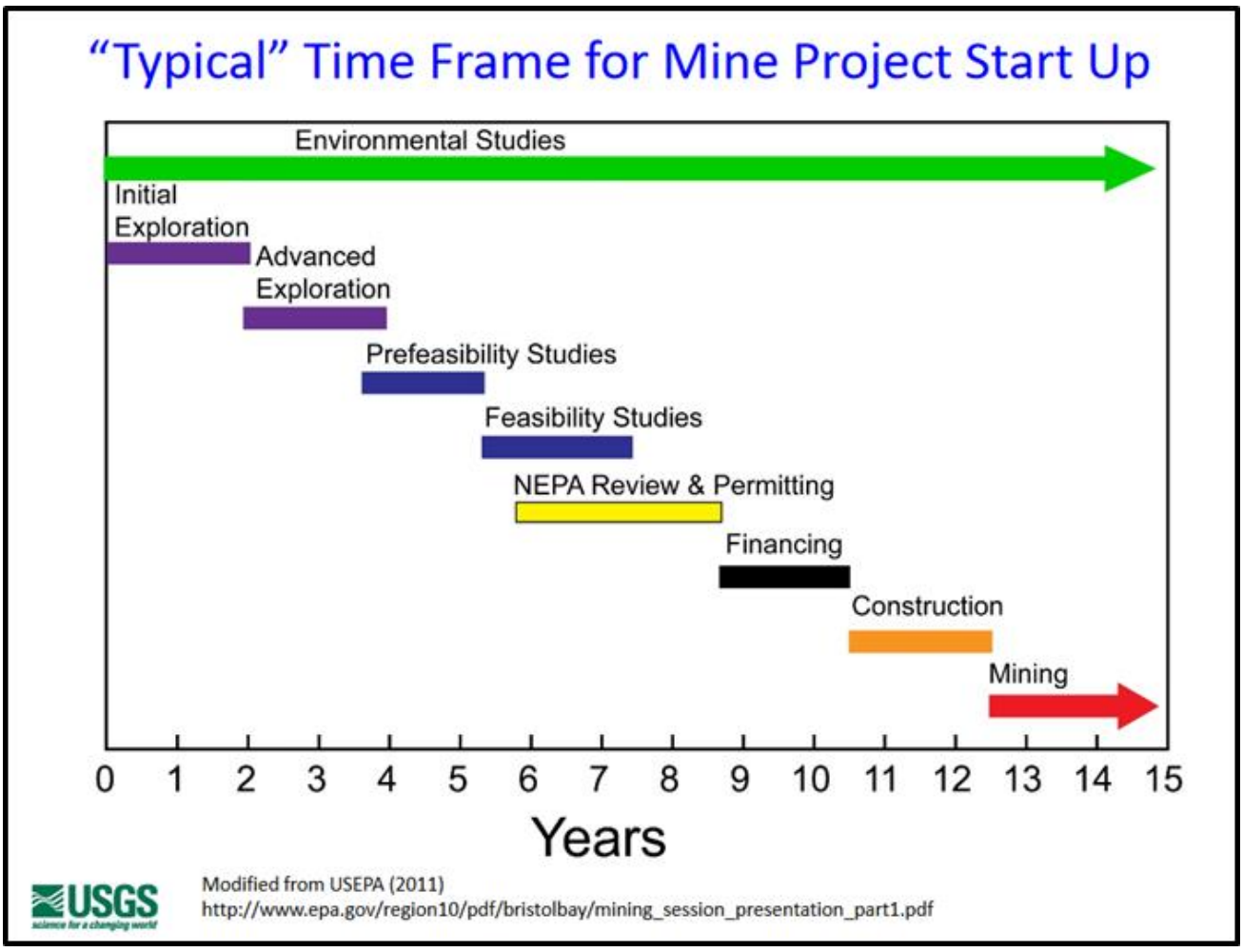


Figure 9- USGS Chart showing the typical timeframe for mine production (mine startup), from initial exploration to mining; as the level of certainty increases towards mine production, with positive exploration/feasibility results, successful permitting, and ESG compliance, the mine property value increases.

Part IV: DATA ANALYSES, DETERMINATIONS & CONCLUSIONS

Mineral Resource Underlying the Subject MWA Parcel

The purpose of this Report section is to present information, data, illustrations, mineral resource estimates, and analyses, relative to the mineral resource underlying the Subject MWA parcel, used as a basis for the subsequent determinations and opinions in Part IV of this Report. Most of the information, data, illustrations, analyses, and mineral resource estimates used in this section are from RCM staff[25], a report by Dr. David Wahl[26], and a Kennecott Exploration Company conference paper/report[27]. After our review and additional research, we believe the information, data, illustrations, mineral resource estimates, and analyses used in this section to be true and accurate, to the extent of knowledge available at the effective date of this appraisal[28].

As the historical Magma Copper Mine was ceasing mining operations in the mid-1990s, an exploration campaign conducted from the lower mine levels by Magma Copper Company and BHP (1995 -1998) discovered strong copper sulfide mineralization to the southeast and well below the lower limits of the Magma copper/zinc orebody. This deep-seated copper deposit, since named the Resolution Copper (RC) deposit, appears genetically related to the Magma orebody, but features a somewhat different mineral suite and depositional characteristics[29].

[25] RCM staff information, illustrations, and resource analyses have been developed and reported from the early 2000s to present.
[26] Dr David Wahl's report, entitled *Generalized Geological/Mining Scenarios, Net Smelter Returns and Discounted Cash Flow Regarding the Resolution Mine Mineral Withdrawal Area*, was last updated 12 April, 2022.
[27] The Kennecott Exploration Company conference paper/report (2003), by Ballantyne, *et al*, was presented at the Colorado School of Mines, Golden, Colorado in April 2003.
[28] Much of the information, from multiple sources, are estimates, projections, and interpretations, based on factual data, interpolation, extrapolation, and geological modeling.
[29] The Magma Copper Mine deposit was structurally controlled (fracture filling and replacement veins and adjacent carbonate mantos), with relatively narrow high-grade (±5%) copper mineralization. The Resolution Copper deposit presents as an extensive disseminated, lower grade (±1.5%), porphyry deposit, largely in various host-rock formations. Note- the Resolution Copper deposit is low grade relative to the Magma Copper Mine, but high-grade relative to most porphyry type deposits.

*The Resolution Project copper deposit is a large, deep (approximately 5,000 to 7,000 ft…beneath the ground surface), relatively low-grade, and widely disseminated porphyry deposit. (*RCM POO, §3.2.9.1.; 2016*)*

During the summer of 2001, Kennecott Exploration Company (Kennecott)[30], under an earned-in agreement with BHP, conducted further exploration, which extended the limits of the deposit, establishing a significant deep-seated high-grade copper porphyry resource immediately west of the Oak Flat area and campground (Figure 10).

Subsequent exploration drilling over the past two decades, with positive assay results, has expanded the limits of the deposit underlying the MCZ, in depth and laterally, as well as projecting a geological resource and exploration potential into the MWA subsurface.

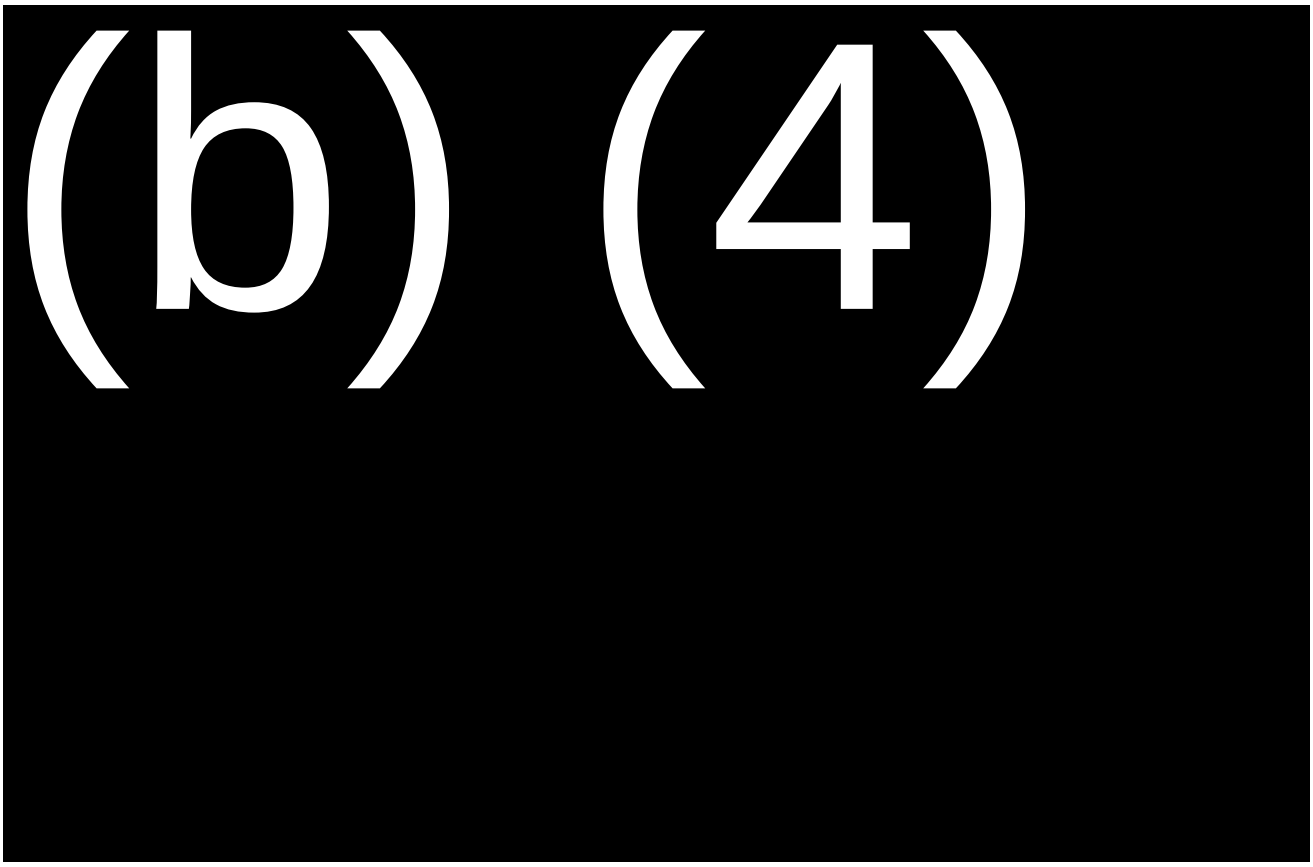


Figure 10-A north-south cross-section through the Resolution Copper deposit, showing drill hole traces from RCM drill stations through the upper "waste" formations (Apache Leap Tuff and Whitetail Conglomerate) into the deep-seated porphyry ore zone below. The 1% Cu zone includes various rock units associated with the porphyry intrusive, as well as some copper ore replacement, primarily in the Mescal Limestone. (Ballantyne, *et al*; Kennecott Exploration Company, 2003)

[30] Kennecott is a wholly owned subsidiary of Rio Tinto.

A joint venture limited liability company, RCM, was formed between Rio Tinto and BHP in 2004; RCM established an extensive land position including private land and 148 contiguous mining claims on National Forest System lands, owned by the USA, and managed by the USFS (Tonto National Forest). The unpatented lode mining claims (LMC) cover a large portion of the mineral deposit.

A land exchange, between the USFS and RCM, referred to as the Southeast Arizona Land Exchange and Conservation Act (SALECA), was proposed in 2011, subject to, among other things, market value appraisals for the private (offered) lands and the Federal (selected) lands to be exchanged; and is the purpose for this appraisal. The SALECA, comprising a ±2,422.11-acre tract of land, is divided into two separate parcels: the Mining Claim Zone (MCZ), 1,655.53 acres, and the Mineral Withdrawal Area (MWA), 766.58 acres. The MWA is the Subject of this appraisal assignment.

The northeastern-most portion of the identified deposit, which has not been physically explored, projects under the southwest portion of the MWA in the Oak Flat area, which was withdrawn from mineral entry in 1955, precluding mining claim location.

(b) (4)

[31] (b) (4)

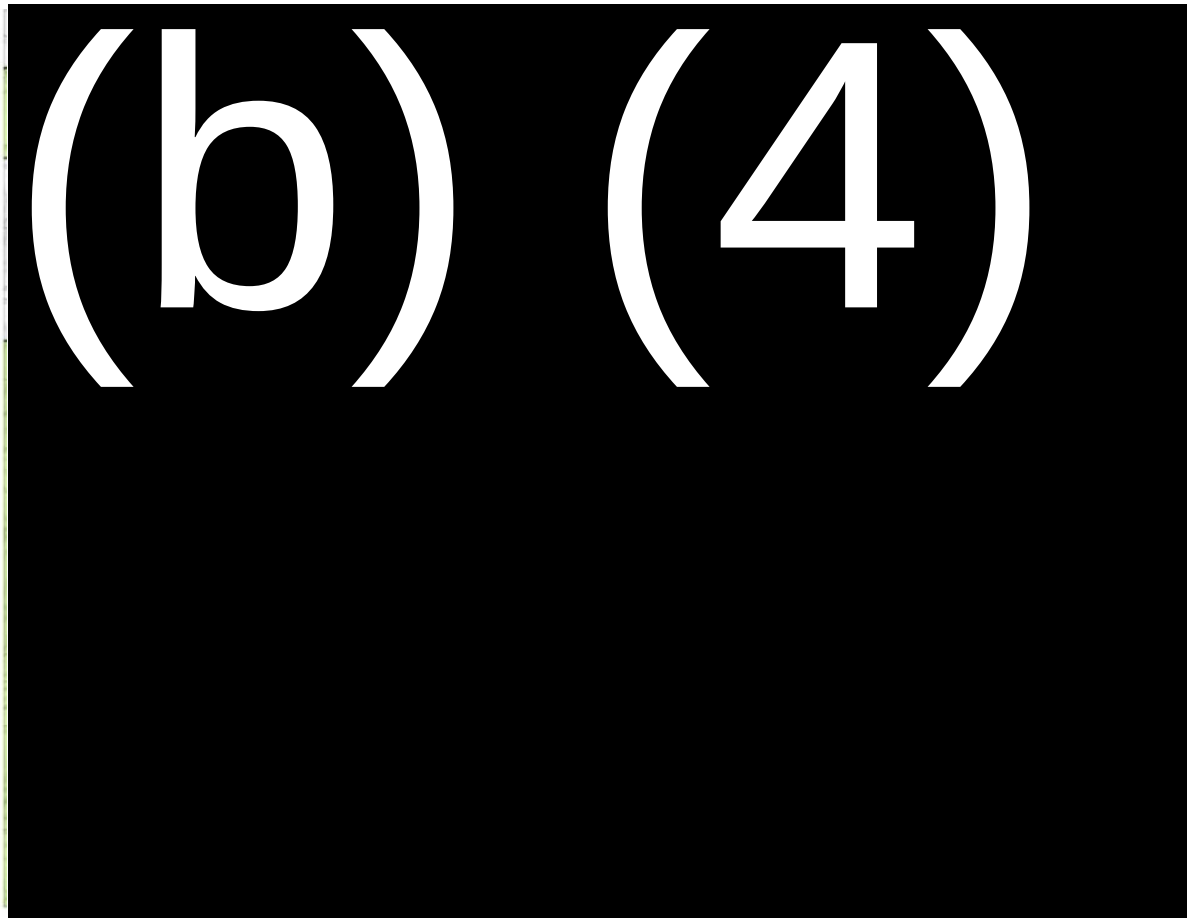


Figure 11- A topographical map showing (b) (4)

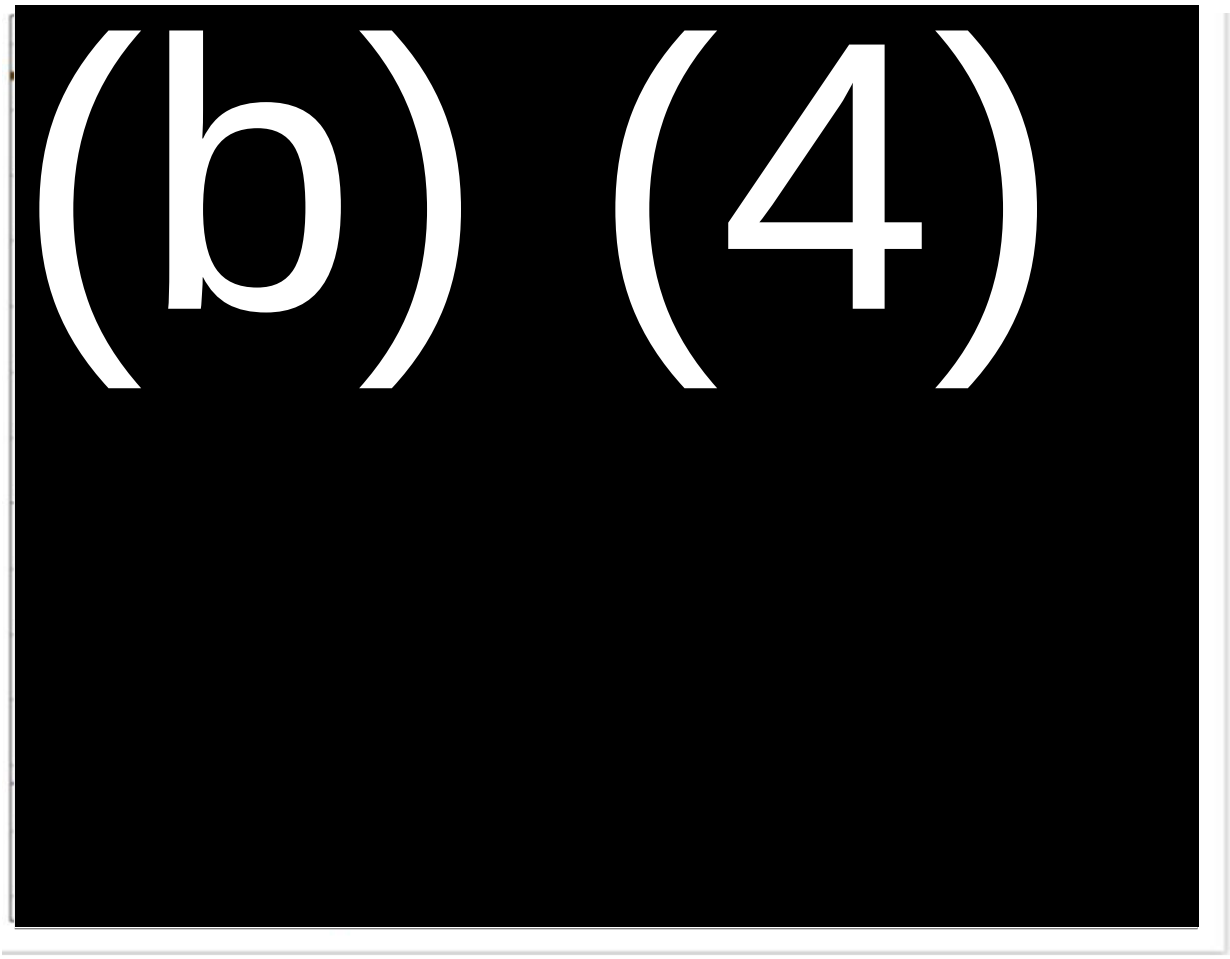


Figure 12- A(b) (4)

.

((b) (4)

Dr. Wahl's report, with (b) (4)

[32] (b) (4)

[33] (b) (4)

[34] The term ore implies economically viable (minable) mineralized material, usually used in the context of measured mineral resources and mineral reserves.

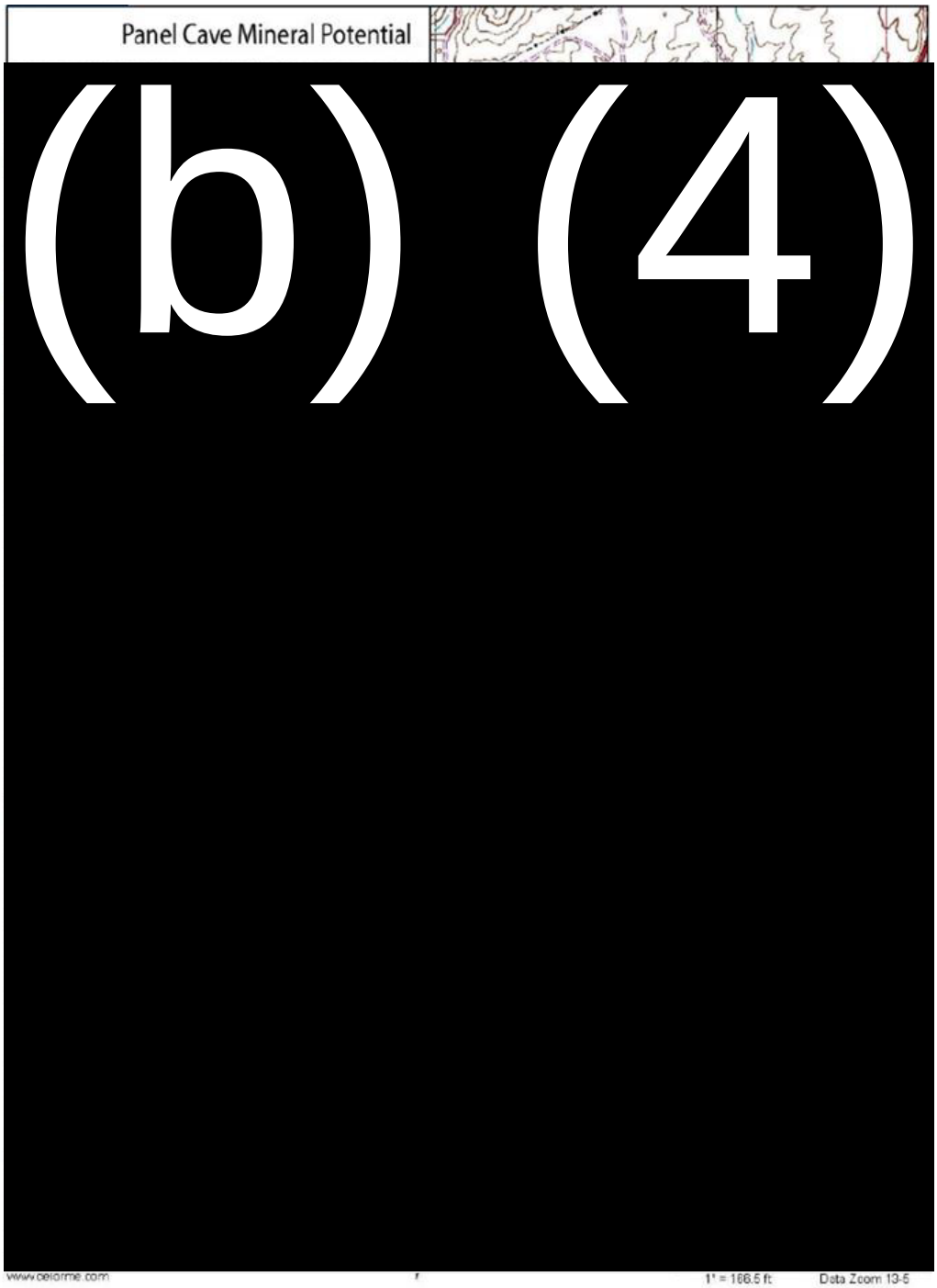
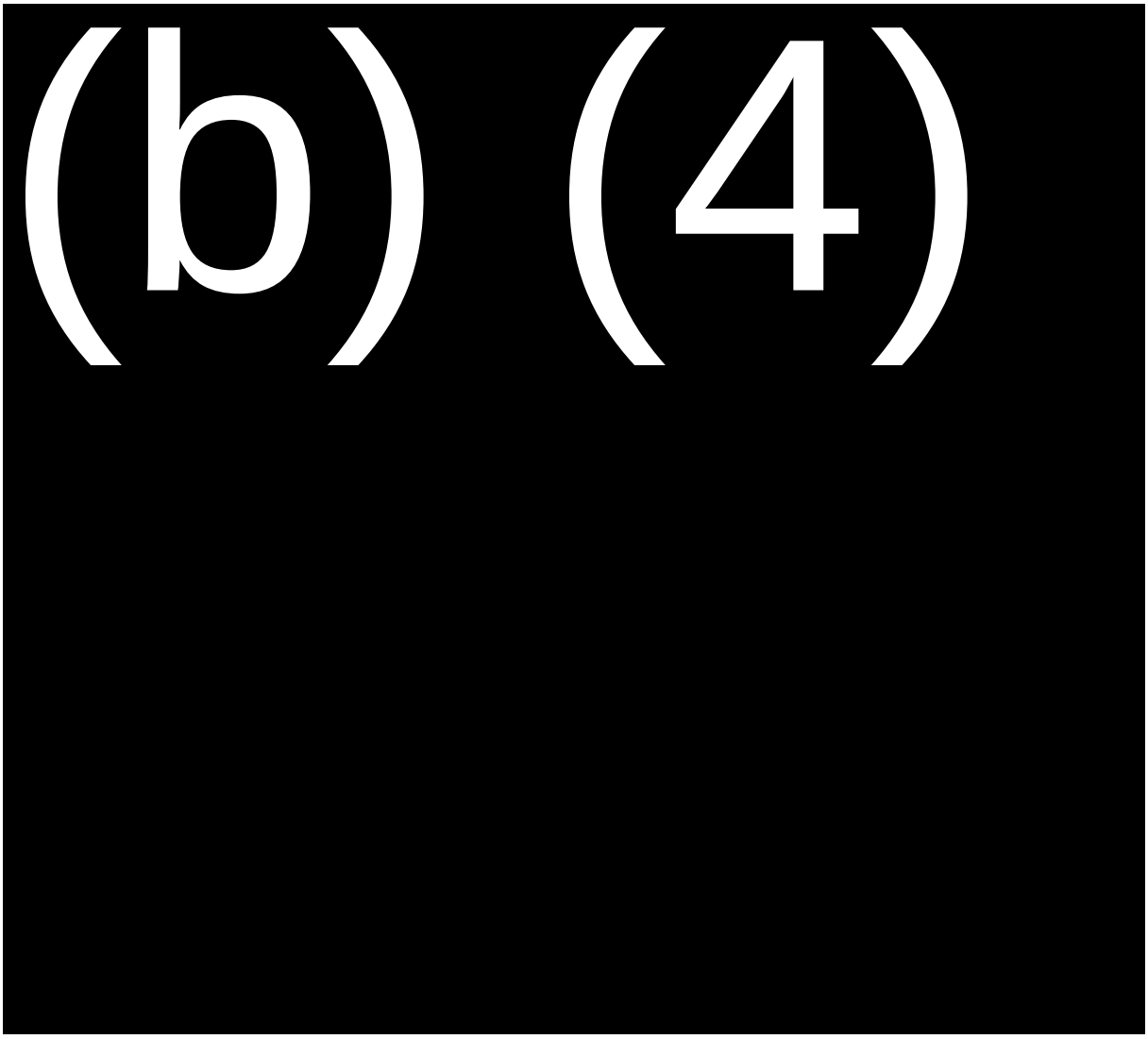


Figure 13- A topographical plan view map showing (b) (4)



(b) (4) (RCM Staff via Dr. David Wahl Report)

Inferred and indicated resource classification standards are presented in the SME Guide for Reporting Exploration Results, Mineral Resources, and Mineral Reserves, see the Mineral Resource/Reserve Estimates & Reporting Standards section in Part III of this Report.

(b) (4)

[35] For the purpose of this appraisal, tons are short tons (2,000 lbs.), unless otherwise labeled/noted.
[36] Tr oz/ton is Troy ounces per ton.
[37] (b) (4)

Subject MWA Mineral Resource Valuation Factors Considered for this Appraisal

Essential valuation factors considered for this mineral appraisal include, but are not limited to, standards outlined in the Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA), i.e., UASFLA §1.10.3. *Special Considerations for Minerals Properties* and UASFLA §4.8.3. *Valuation Approaches for Mineral Resources*. Some key mineral specific valuation concepts, relevant to this appraisal, include:

- *A comprehensive understanding of the rights and interests to be appraised is critical to the proper development of both the sales comparison and income capitalization approaches to value.*

Sales Comparison Approach

  - *To properly develop a sales comparison approach to value for a mineral-bearing property, the appraiser must understand the level of information available concerning the mineralization found on the subject property. It is then important to identify comparable sales that had similar levels of information about mineralization available at the time of sale. Significant variables typically include rights conveyed, conditions of sale, the presence of multiple ores on the same property, access for extraction purposes, topography and cover (stripping ratios), transportation availability and cost, and distance to smelters or refineries. All of these factors may require adjustment.*
  - *In analyzing a sale of a mining property as a comparable sale, the sale may include the mine, mill, extraction plant, offices, and various other support facilities. These capital improvements are part of the real property and are also components of the business of mining and selling the mineral. The appraiser must understand the complex interplay of the real property components and identify where the real property ends and the business interests begin.*
  - *Also important in the sales comparison approach is the selection of the appropriate unit of comparison. Such selection should generally mirror that unit of comparison used by participants in the market…*

Income Capitalization Approach

  - *In developing an opinion of value by the income capitalization approach for a mineral property, it is generally recognized that the most appropriate method of capitalization is yield capitalization, most notably discounted cash flow (DCF) analysis. The income that may be capitalized is the royalty income, and not the income or profit generated by the business of mining and selling the mineral. For this reason, the income capitalization approach, when applied to mineral properties, is sometimes referred to as the royalty income approach.*

- *In developing an estimated income stream, the proper royalty rate can be derived from comparable mineral lease transactions, and the mineral unit price to which the royalty rate is applied may be derived from appropriate market transactions*.

Key mineral valuation attributes, relative to the RC deposit and the Subject MWA resource, for comparable mineral property transaction selection and adjustments, relevant to this appraisal, include:

- Commodity Type/Class
- Stage of Project Development
- Mineral Resource Estimation/Classification
  - Deposit Size/Grade
- Mining/Processing Methods

Commodity Type/Class

- The RC deposit[38] is a deep-seated, primary Cu sulfide porphyry deposit with Mo and Ag credits. Cu is estimated to comprise 94% of the MWA resource value.

Stage of Project Development

- The RC Project, in our opinion, is between the late pre-feasibility to early feasibility stages. The MWA portion of the Project is physically unexplored and not permitted for exploration or development operations; resource attribute and rock mechanic data are inferred from exploration data outside of the MWA[39].

Mineral Resource Estimate/Classification[40]

- The RC deposit is estimated to contain an inferred/indicated resource of:
  - ± 1,405,385,000 tons
  - @ 1.47% Cu; 0.029% Mo; 0.110 Tr oz/t Ag
- The MWA portion of the deposit is estimated to contain an inferred/indicated resource of:
  - ± 141,875,000 tons
  - @ 1.88% Cu, 0.029% Mo, and 0.127 Tr oz/t Ag

[38] The Resolution Copper deposit, for the purpose of this analysis, includes the target mineralized body within the ≥ 1% shell, as depicted in Figures 12 and 15, including the MWA portion, unless otherwise noted.
[39] The MWA is the subject of this appraisal, but is not a standalone project that can be practicably developed or valued independent of the RC Project. Because the MWA portion of the RC mineral resource is: estimated at 13% of the total copper in the RC deposit, its contribution to the copper resource is inferred from surrounding exploration, and has not yet been explored, it is our opinion that the RC project, as a whole, has not achieved the feasibility stage of development.
[40] Mineral Resource Estimate is a quantitative deduction of the identified deposit's tonnage and grade, supported by exploration sampling, testing and assay results. Mineral Resource Classification is the qualitative certainty level of the Mineral Resource Estimate.

Mining/Processing Methods

A 2014 RCM Plan of Operation (POO), last revised in 2016, includes proposed mining and processing operations for the RC deposit[41]. RCM mine/processing planning is based on current knowledge of the deposit, rock mechanics, and "ore" characteristics; associate studies include "ore" block modeling, surface impacts, and operating cost projections.

- **Mining**- Underground/Shaft(s) Development; Panel Caving Stoping Production

  Porphyry deposits are typically lower grade deposits that have to be mined at larger production rates to be economically viable. Typically, large porphyry deposits are mined by open pit mining methods because, on average, they are much lower grade than other copper ore deposit types and are located near the surface. Examples of these deposits within the Copper Triangle include the Ray Mine, Pinto Valley, and the Miami Mine. Other porphyry deposits that are located at depths too deep for open pit mining can be mined by underground methods like panel or block caving.

  Surface and open pit mining techniques are not technologically or economically feasible for such deep, dispersed deposits. Traditional underground mining techniques for high-grade vein-type deposits such as those used at Magma Mine are also not feasible.
  (RCM POO, §3.2.9.1.; 2016)

  - Panel cave stoping is a semi-controlled mining method, utilizing drill & blast drift/undercut development and caving (gravity stoping) production.
  - Mine production is estimated to recover ±90% of the target "ore" body; expected mine production losses are from unminable ore left in place, predominantly for ground support, geotechnical constraints, and dilution/intraburden.

  Resolution Copper will use the underground mining method known as panel caving, which is a variation of the high-volume underground mining technique known as block caving…Block caving is an underground mining system in which ore extraction depends primarily on the action of gravity and internal rock stresses. Caving of the ore is induced by undercutting the ore zone, which removes its ability to support the overlying rock material. Fractures spread throughout the area to be extracted, causing it to collapse and form a cave, which propagates upward throughout the mining process.

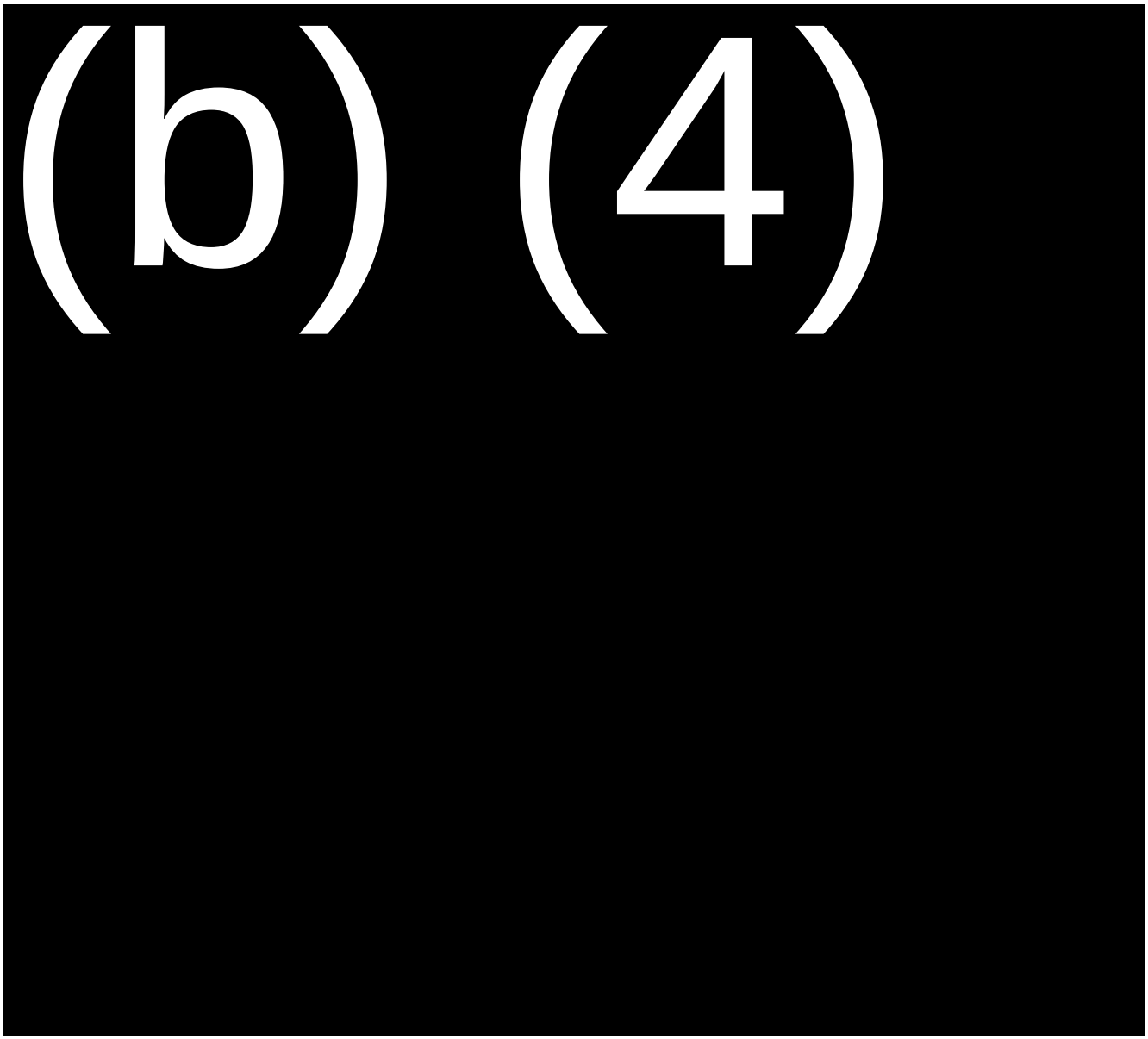
  Mining method selection is based on a combination of the value of the ore (grade), the quantity of the ore (size), and the shape of the deposit, as well as geotechnical and other engineering factors. These factors must be balanced by the economics

[41] No underground mine workings (development or production) currently, or historically, exist in the RC deposit or beneath the MWA parcel; also, no mineral processing (reduction or beneficiation) infrastructure currently exists to process "ore" from the RC deposit or the MWA parcel.

> *and costs associated with building and operating the mine. In the case of Resolution Copper, panel caving is the only viable method given these constraints.*
> (RCM POO, §3.2.9.1.; 2016)

The RC Project is subject to physical/technical constraints, as well as several uncertainties and risks, including, but not limited to: technical, ESG, economic, and legal issues as discussed in Part III of this Report.

A major geotechnical constraint, limiting the Resolution Copper resource, is the acceptable physical size and geographical area of projected surface subsidence from underground stoping. Based on current available geology, rock mechanics, and panel caving stoping design modeling information, projected surface subsidence from underground stoping will limit stope size and subsequently maximum mine production. (b) (4) [redacted]


(b) (4)

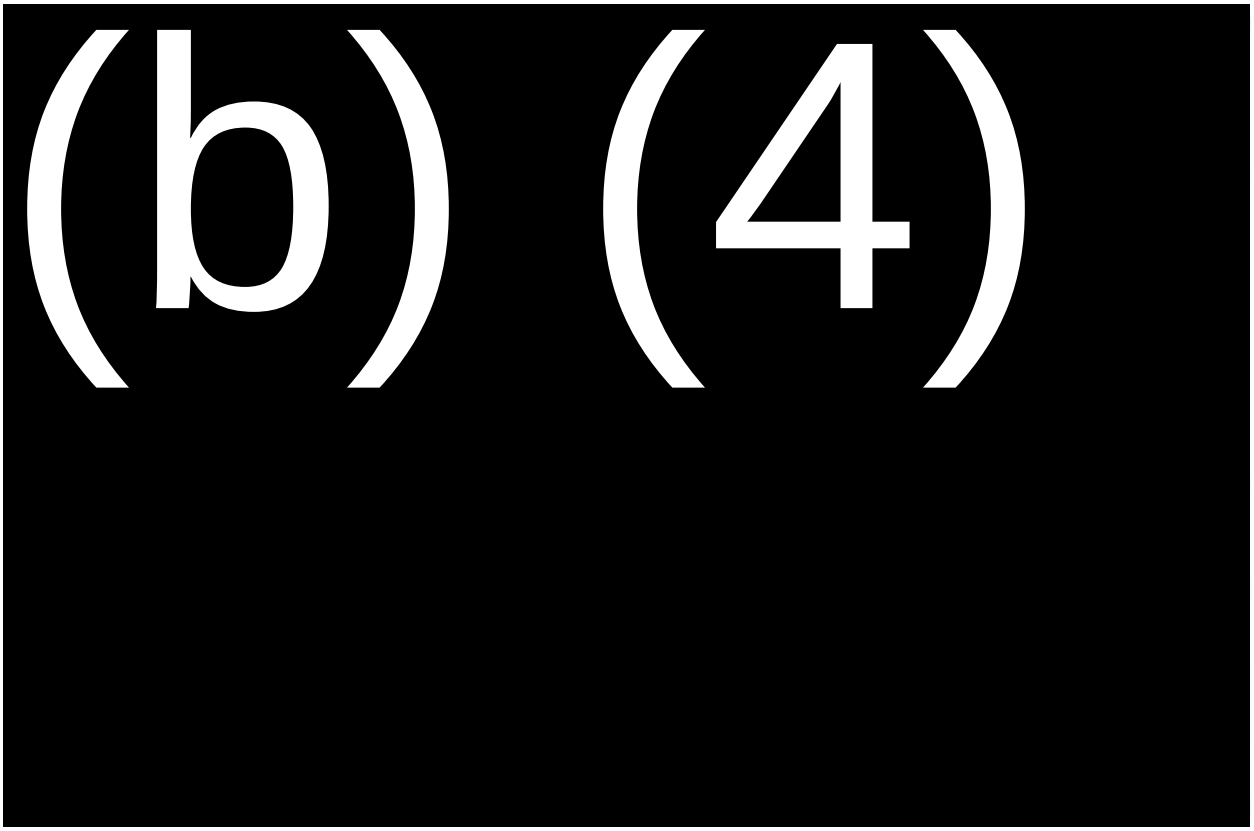


Figure 16- (b) (4)

(b) (4)

- **Processing**- Reduction & Beneficiation (crushing, grinding, concentration/recovery)
    - Sulfide ore is typically concentrated by conventional froth floatation. Cu floatation concentrates are anticipated to be shipped to Asia for smelting/refining; molybdenum concentrates are to be roasted and transported to Mexico and/or Belgium for refining.
    - Based on bench-scale floatation testing, RC "ore" recovery is estimated approximately 90 to 91 % Cu and approximately 75 % Mo. Cu and Mo grade concentrates are anticipated to average approximately 29 to 31 % and 52 %, respectively.

Copper and molybdenum will be recovered by grinding and froth flotation, with the principal recovered minerals being the sulfide copper minerals bornite, chalcocite, and chalcopyrite. Ore is initially crushed underground at EPS to approximately plus-or-minus 6 in…, skipped in the production shafts to a transfer point located approximately 3,500 ft…below surface, and then loaded onto the Inclined Underground to Surface Conveyor System. This conveyor system transports the ore from EPS [East Plant Site] *to WPS* [West Plant Site] *at the covered Ore Stockpile*

> *in the Concentrator Complex ... The Ore Stockpile is used as a surge stockpile and will be located in a covered facility. Bench-scale flotation testing work completed on ore samples has determined that average metal recovery will range from approximately 90 to 91 percent for copper and will average approximately 75 percent for molybdenum. The concentrate produced will have average copper and molybdenum grades of approximately 29 to 31 and 52 percent, respectively.*
> *The grinding circuit will reduce the ore from 80 percent passing 156 mm to 80 percent passing 160* microns (*0.0063 inches or -80 mesh screen* [fine/very fine sand size]) *as feed to the flotation circuit*. (RCM POO, §3.3.1.1.; 2016)

Highest & Best Use

Highest & Best Use Standard(s)

Highest and best use (H&BU), for the purpose of this appraisal, is defined by USFS Code of Federal Regulations (CFR) Title 36 § 254.2 - Definitions, via the Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA) direction specific to land exchanges:

> *Highest and best use means an appraiser's supported opinion of the most probable and legal use of a property, based on market evidence, as of the date of valuation.* (36 CFR §254.2)

Section 1.12 of UASFLA, which addresses appraisals for federal land exchanges, acknowledges the authority for use of that definition, but reference to UASFLA provides important guidance toward the development of a supportable opinion of highest and best use.

The UASFLA definition of highest and best use is as follows:

The highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future. (UASFLA Section 1.4.4.)

UASFLA also indicates that before it can be concluded that any use for a property is indeed its highest and best use … that use must be physically possible, legally permissible, financially feasible, and must result in the highest value. (UASFLA Section 1.4.5.)

Highest and Best Use Analysis

Subject's current use, for the purpose of this appraisal assignment, is: minimally improved public recreation land considered as *it is in private ownership*, which is encumbered by certain easements, right-of-way, permits, and a federal grazing allotment. Improvements include a

primitive 50-acre campground (Oak Flat Campground), hosting 16 campsites and *two (2) vault toilets within the Oak Flat Campground which shall be considered in the appraisal*.

Historic uses of the Subject's surface estate include public recreation and livestock grazing

- The Subject and surrounding area has been, and continues to be, under a lease agreement (federal grazing allotment) for open range cattle grazing.

Considering the high cost of deep underground mining and floatation concertation/smelting, and the size/configuration of the mineral resource underlying the Subject MWA parcel[42], it is our professional opinion that the MWA portion of the RC deposit would not likely be economically feasible to develop as a standalone operation.

Future land uses meeting the highest and best use criteria, consistent with typical vacant land uses in the area within Pinal County's GR zoning district, were considered; however exploration and development of the mineral deposit underlying the Subject together with the RC proposed mining operation is clearly the most productive use of the land and will yield the highest value[43], as well as being physically possible, legally permissible, and financially feasible.

Highest and Best Use Determination

Based on available technical and market evidence as of 12 April 2022, the effective date of valuation, our determination of the highest and best use for the Subject MWA parcel, comprising ±766.58 acres of fee simple vacant land, that supports the most probable and legal use of the land (subsurface estate), is: **exploration and development of the Subject MWA parcel mineral resource as a portion of the Resolution Copper deposit**.

Larger Parcel

Larger Parcel Standard(s)

A larger parcel assessment and determination is required for this real property appraisal, per UASFLA standards.

> *Essential to the appraiser's analysis of highest and best use is the determination of the larger parcel. These Standards define the larger parcel as that tract, or those tracts, of land that possess a unity of ownership and have the same, or an integrated, highest and best use.*

[42] The mineral resource underlying the Subject MWA parcel is estimated at ± 10% of the total RC deposit tonnage and ± 13% of the total Cu resource.

[43] The mineral deposit underlying the Subject is a portion of a world-class copper orebody as analyzed/determined in the previous section of this report: *Mineral Resource Underlying the Subject Parcel*.

Elements to be considered in determining the larger parcel are ***contiguity*** *(or proximity) as it bears on the highest and best use of the property,* ***unity of ownership****, and* ***unity of highest and best use****.* (UASFLA, Section 1.4.6.)

In accordance with UASFLA section regarding Appraisals for Federal Land Exchanges:

If an appraiser concludes that the property described in the ATI constitutes two or more separate larger parcels, the method of valuation is generally fact dependent and, in most cases, will be controlled by the provisions of the ATI. In some instances, the appraiser may be instructed to value the different larger parcels as separate entities, while under other circumstances the appraiser may be instructed to value the larger parcels only as they contribute to the whole, as if the property described in the ATI would be sold from one seller to one buyer in one transaction.
(UASFLA Section 1.12)

Larger Parcel Analysis

Both the Agreement To Initiate (ATI, 2017) and the First Amendment Agreement To Initiate (ATI 1st Amendment, 2020) describe the … *Property that the U.S.D.A. Forest Service will exchange: Approximately 2,422 [or 2,422.11] acres of land*… as one tract of land, and does not differentiate between the MWA and MCZ parcels; however the *STATEMENT OF WORK for appraisals supporting RESOLUTION COPPER LAND EXCHANGE* does make that differentiation.

Contiguity

The subject MWA parcel is physically contiguous with the MCZ parcel, which together make up the Selected Federal Land component of Southeast Arizona Land Exchange and Conservation Act.

Unity of Ownership

The Subject is one of two parcels in a parent tract of land[44] under consideration for the SALECA, described as *Lands comprising the Oak Flat Withdrawal Area, Tract 50, ±766.58*, referred to as the Mineral Withdrawal Area (MWA) parcel.

The MWA parcel, for the purpose of this assignment, is considered to be fee simple ownership as if in private ownership, based on the aforementioned prescribed hypothetical condition, with beneficial interests in the surface and mineral estates.

[44] The two federal parcels making up the parent tract totals 2422.11 acres; the Subject MWA parcel is described as: *lands comprising the oak flat withdrawal area, tract 50, 766.58 acres*; and the second parcel (MCZ parcel) is described as: *lands outside the oak flat withdrawal area, 1655.53 acres*.

The MCZ parcel is also considered to be fee simple ownership as if in private ownership; however, the subsurface interest is owned by a private entity (RCM), via unpatented mining claims; *These unpatented mining claims confer all right to locatable minerals in the Property, and the right to use the surface for mining purposes, including destructive use of the surface reasonably incident to mining, to a third party, and which rights are therefore no longer held by the United States.*[45]

Unity of Highest & Best Use

The highest and best use of the Subject MWA parcel is determined to be: **exploration and development of the Resolution Copper deposit.**

The highest and best use of the MCZ parcel has been determined to be: **surface land use in support of a mining operation.**

Larger Parcel Determination

We determine, based on the aforementioned standards and analysis, that the Subject MWA parcel, comprising ±766.58 acres of fee simple land, and the MCZ comprising ±1,655.53 acres of fee simple land encumbered by unpatented mining claims, are distinctly separate entities, with different highest and best uses, and therefore constitute two distinct larger parcels within the parent tract of the Selected Federal Land component of Southeast Arizona Land Exchange and Conservation Act. This assignment is specific the MWA parcel, the Subject, as a standalone larger parcel.

Standard Appraisal Valuation Approaches & Unit of Measure/Comparison

Approaches to Value

The three generally accepted approaches to value used for appraising real property are:

- **Cost Approach**
- **Sales Comparison Approach**
- **Income Capitalization Approach**

Appraisal approach is defined by the Appraisal Institute as:

> *A systematic process of developing an opinion of value. Depending on the nature of the property, purpose of the assignment, and scope of work, three approaches*

[45] Language from the *Treatment of Unpatented Mining Claims encumbering the Federal parcel outside of the withdrawal area, 1655.53 acres +/-* section of the *STATEMENT OF WORK for appraisals supporting RESOLUTION COPPER LAND EXCHANGE*.

may be applied: ***sales comparison****,* ***income capitalization****, and* ***cost approaches*** *or variations thereof.* (The Dictionary of Real Estate Appraisal, 2022)

While developing each approach to value, it is important to consider the applicable appraisal standard, as well as the Subject's highest and best use.

Unit of Measure/Comparison

The unit of measurement and comparison for the Subject MWA parcel is the established resource tenor (tons and grade)[46] based on the Subject's highest and best use. Several factors are considered while assessing base/industrial metal[47] mineral properties, as they relate to measure of value[48] and elements of comparison; some attributes contributing to value include:

- Primary target commodity and contributing byproduct credits
    - Base metal deposit values vary, based on the primary and contributing byproduct production/consumption[49] and price dynamics (discussed in Part III of this Report)
- Stage of project/deposit development (illustrated in Figure 9, Part III of this Report)
    - As a project/deposit progresses from exploration, through construction, in to production, the level of project certainty increases, project risks are reduced, and project/deposit value increases.
- Mineral resource/reserve classification (as described in Part III of this Report)
    - Mineral deposits are classified by a progressive level of certainty
        - Mineral resource: inferred, indicated, and measured
        - Mineral reserve: probable or proven
- Deposit type, size/scale/morphology, and depth
    - The type, scale, shape, and size of base/industrial metal deposits dictate mining plans and mining methods, which affect cost/price dynamics, and therefore have a major impact on value.
        - Deposit types include oxide vs sulfide ore or reworked tailings, as well as mining methods, ore recovery, dilution rates, etc.
        - Deposit size/scale/morphology - economies of scale and low vs high-cost extraction and material conveyance techniques impact value.
        - Deposit depth- generally, exploration, development, and production cost increase with the depth of a deposit, sometimes exponentially, relative to shallow deposits, which has a significant value impact.

[46] For the purpose of this appraisal, tons are short tons (2,000 pounds), unless otherwise stated; grade is expressed as copper equivalent (CuEq). CuEq is the combined value of salable resource commodities (Cu, Mo, and Ag in the Resolution Copper deposit) expressed as % Cu or lbs. of Cu/ton.

[47] Base and industrial metals include copper, lead, nickel, and zinc, as well as other metals, e.g., molybdenum, cobalt, aluminum, tin, tungsten, etc.

[48] Value of mining interests, like many other types of real property, are based on the economic principle of substitution; a property that costs less to develop is more attractive/valuable than *an equally desirable (and comparable) alternative deposit* that are more costly to develop.

[49] Production/consumption is closely related to supply and demand.

        - Many of the factors above influence mine planning, methods, and technique. Underground mining methods are generally smaller scale and deeper operations, relative to surface mines. Underground mining operating unit costs ($/ton) are typically much higher than surface costs.
- Ore processing/beneficiation considerations
    - Several factors influence processing/beneficiation cost, including operational scale and equipment. The most significant cost impact for base metals stems from the type of ore: oxide vs sulfide ore.
        - Oxide ore is relatively inexpensive to process, using heap or vat leaching (soluble extraction) and anode/cathode electrolysis/electroplating (electrowinning) often referred to as (SX/EW).
        - Sulfide ore is relatively expensive to process, requiring fine grinding, froth floatation, as well as smelting treatment cost and fees, refining costs, and deleterious material penalty charges.

In conclusion, the unit of measure and the unit of comparison for selecting comparable sales and adjusting sales prices, for this assignment, is complex and challenging due to the number and magnitude of mining property factors/variables. Ultimately, base/industrial metal mining property deposits, analyzed in this Report are assessed for similar commodity type, project level of certainty, resource classification, and cost considerations, in terms of:

- Pounds of copper (lbs. Cu)
- Percent copper (%Cu)
- Dollars per ton of ore ($/ton)
- Dollars per commodity percent (e.g., $/%Cu)
- Dollars per commodity weight unit (e.g., $/lb.Cu or $/lb.CuEq)

A common unit of measure, used in real property valuation, is in terms of dollars per acre ($/acre)[50].

Cost Approach to Value

Cost Approach Standard

The Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA)[51] states:

> *In the cost approach, the market value of the vacant land is added to the depreciated reproduction or replacement cost (contribution) of the improvements to arrive at an indication of the value of the property. The value of the land, vacant and subject to improvement, is generally developed by the sales comparison approach for land…* (UASFLA; Section 1.5.3.)

[50] ($/ac) is used as a generic unit of measure in this Report, but does not account for the mineral interest contribution to the Subject, and was not used as a unit of comparison.
[51] UASFLA is the Uniform Appraisal Standards for Federal Land Acquisitions 6th edition, 2016, from The Interagency Land Acquisition Conference (AKA "The Yellow Book").

Cost Approach Analysis & Determination

Relative to the Subject's highest and best use, **exploration and development of the Subject MWA parcel mineral resource as a portion of the Resolution Copper deposit**, the Subject is considered vacant land[52] (no mineral related exploration, development, or improvements), therefore, in our opinion, the cost approach is not a viable value indicator. The cost approach was considered, but not applicable for this appraisal assignment.

Sales Comparison Approach to Value

Sales Comparison Approach Standard(s)

The sales comparison approach is defined by the Appraisal Institute as:

> *The process of deriving a value indication for the subject property by comparing sales of similar properties to the property being appraised, identifying appropriate units of comparison, and making adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered as though vacant when an adequate supply of comparable sales is available.*
> (The Dictionary of Real Estate Appraisal, 2022)

In the UASFLA's discussion regarding the underlying legal foundations for approaches to value, the sales comparison approach is regarded as the preferred approach to market value:

> *Because the "federal conception of market value . . . is intimately related to selling prices in the market,"* the sales comparison approach is normally preferred as the best evidence of market value in federal acquisitions.* (UASFLA Section 4.4.2.)
> *Footnote omitted

The UASFLA describes the sales comparison approach as follows:

> *The sales comparison approach is a systematic procedure in which appraisers study the market for sales of properties with the same highest and best use as the subject property that are as close in proximity and time as possible…Each sale is*

[52] Surface, non-mineral related improvements, include a primitive 50-acre campground (Oak Flat Campground), hosting 16 campsites and *two (2) vault toilets within the Oak Flat Campground which shall be considered in the appraisal* (language reference from the SOW), which is not consistent with the Subject's highest and best use, and therefore not a value component for this Cost Approach analysis/determination.

adjusted for elements that are different from the subject property and the resulting array of sales data is reconciled to a final opinion of market value.
(UASFLA Section 1.5.2.)

Sales Comparison Approach Analysis

Methodology

The sales comparison approach analyzes closed transactions, listings, or pending sales to develop an indication of market value. The premise of this approach is that a buyer would pay no more for a given property than the cost of obtaining an alternate one with similar benefits of ownership.

The approach is developed by researching and verifying market transaction data, identifying the relevant unit of comparison to perform the analysis, analyzing the differences between each transaction, and reconciling adjustments between each sale into a concluded value for the subject.

Unit of Comparison

The unit of comparison is based on the subject's highest and best use as well as how market participants typically analyze the subject property type. For this analysis, the unit of comparison relates to the size of the subject's copper deposit in dollars per pound ($/lbs. Cu or Cu equivalent).

Elements of Comparison

The elements of comparison relate to characteristics of each property that would be considered during a typical, market transaction. The primary elements of comparison considered in sales comparison analysis are:

- Property rights conveyed
- Financing terms
- Conditions of sale
- Expenditures made immediately after purchase
- Market conditions
- Location and physical characteristics

Comparable Sales Data

Comparable sales data for this analysis was gathered through research of public records, investment research databases, news sources, and interviews with professionals in the industry. We initiated our search by identifying deposits with greater than one billion pounds of copper resources that, similar to the subject, were in regions absent of substantially deterrent geopolitical risks such as central Africa and northeast Asia. This field was narrowed by both technical aspects and transactional aspects and focused on late-stage copper project transactions

that had occurred within the preceding five years. Our initial search resulted in 68 candidate copper projects that were examined against the following criteria.

Deposit Setting

Copper deposits typically include deposits that are structurally controlled (veins/fissures), replacement controlled (chemically reactive rock types/formations), or disseminated (porphyry type). In practice, each deposit setting will require a different type of mining method.

Shallow oxide mineralization types are often locally concentrated/enriched by near-surface red/ox leaching and selectively precipitated, i.e., supergene enrichment. These are generally conducive to open pit, surface mining methods or in-situ (in place solution).

Surface mining operations are generally less costly to operate on a per-ton basis than underground operations. Surface mining generally employs large excavating/hauling equipment, which enables lower unit-cost methods. Because of lower mining costs, surface mines are able to mine lower grade ore. They are well-suited for low- to moderate-grade porphyry Cu deposits and are able to afford moderate dilution.

By contrast, deep sulfide mineralization is generally mined by underground methods. These methods require the costly development of underground workings and equipment capable of operating within the constraints of an underground environment. They are also subject to a variety of infrastructure requirements such as hoisting, pumping, and ventilation.

The subject is a deep sulfide deposit requiring underground mining methods. Transactions involving these methods are considered.

Transaction Date

Factors changing with time may include investor sentiment, availability of financing, operating costs, commodity pricing changes in competition, and others. Market conditions should closely reflect the appraisal's effective date. Transactions occurring five years prior to the effective date or less were included in this analysis.

Transaction Framework

Transactions in the data set included cash sales, stock sales, work-in agreements, royalty streaming agreements, and other types. Some transactions required complex procedures with numerous assumptions to calculate the cash equivalency. Therefore, those transactions involving cash terms or having minimal adjustments for financing were considered.

Deposit Type and Metal Content

Oxide ore is generally processed by vat or heap leach soluble extraction (SE) and cathode electrolysis precipitation procedures known as electrowinning (EW). Due to the relative ease of implementation, these processes typically occur domestically on-site.

Sulfide ore is processed by floatation concentration and smelting/refining. Floatation is generally a higher-cost process due to fine grinding, being subject to concentrate transportation costs, tariffs, smelting charges, payment deductions, fees, refining costs, and deleterious element penalties. Concentrate transportation typically occurs offshore to processing facilities in areas such as China for base metals and Belgium for Molybdenum. The subject includes sulfide ore with those related processing and transportation requirements.

Also, the subject deposit is 94% copper and not significantly influenced by other base metal or precious metal markets. Therefore, the search for comparable sales was limited to deposits with an emphasis on sulfide-based production that included similar (approximately 80% or greater) copper content.

The following table depicts global late-stage copper projects considered as candidate properties.

Late-Stage Copper Project Candidates

ID	Project	Country	Owner/Operating Company	Resource (Report Date) Cu (B lbs)	Resource (Report Date) % Cu	Reason Excluded
1	Pebble	USA	Northern Dynasty	81.46	0.339	Surface mining Project
2	Reko Diq	Pakistan	Antofagasta	53.67	0.415	Surface mining Project
3	La Granja	Peru	Rio Tinto	48.62	0.511	Surface mining Project
4	Junin	Ecuador	Enami	37.29	0.440	Surface mining Project
5	Nueva Union	Chile	Teck Resources	36.65	0.372	Surface mining Project
6	Resolution (Non-MWA)	USA	Rio Tinto	35.60	1.526	-
7	Onto	Indonesia	Vale/STM	34.21	0.897	-
8	Tampakan	Philippines	Sagittarius Mines	33.43	0.516	Surface mining Project
9	El Pachon	Argentina	Glencore	33.13	0.481	Surface mining Project
10	Los Azules	Argentina	McEwen Mining	29.58	0.370	Surface mining Project
11	Frieda River	PNG	Pan Aust	27.79	0.465	Surface mining Project
12	Mesaba	USA	Teck	26.23	0.392	Surface mining Project
13	Taca Taca	Argentina	First Quantum	25.79	0.400	Surface mining Project
14	Duluth Metals/Maturi	USA	Antofagasta	25.68	0.529	-
15	Cascabel	Ecuador	SolGold	24.60	0.348	-
16	El Arco	Mexico	Southern Copper	23.91	0.407	Surface mining Project
17	Los Helados	Chile	NGEx Resources	23.41	0.363	-
18	Los Volcanes	Chile	Antofagasta	21.82	0.497	Surface mining Project
19	Lookout Hill	Mongolia	Rio Tinto	21.36	0.559	-
20	West Wall	Chile	Glencore	19.59	0.460	Surface mining Project
21	Wafi-Golpu	PNG	Newcrest Mining	19.09	0.853	-
23	Namosi	Fiji	Newcrest Mining	17.70	0.354	Surface mining Project
24	Vizcachitas	Chile	Los Andes Copper	17.06	0.374	Surface mining Project
25	Los Bronces	Chile	Anglo American	16.07	0.810	Surface mining Project
26	Michiquillay	Peru	Southerm Copper	15.98	0.630	Surface mining Project
27	Rio Blanco	Peru	Zijin Mining	15.67	0.565	Surface mining Project
28	Mason	USA	Hudbay Minerals	15.43	0.285	Surface mining Project
29	Haquira	Peru	First Quantum	13.93	0.456	Surface mining Project
30	Kisanfu	DRC	China Molybdenum	13.84	1.720	Surface mining Project
31	Altar	Argentina	Aldebaran Res.	13.14	0.423	Surface mining Project
32	Copper World	USA	Hudbay Minerals	12.94	0.409	Surface mining Project
33	Galore Creek	Canada	Newmont/Teck	12.61	0.440	Surface mining Project
34	Polo Sur	Chile	Antofagasta	11.92	0.326	Surface mining Project
35	La Americana	Chile	Codelco	11.81	0.700	-
36	Casino	Canada	Western Copper	10.78	0.127	Surface mining Project
37	Josemaria	Argentina	Josemaria Res.	10.34	0.246	Surface mining Project
38	Deziwa	DRC	China Nonferrous	10.14	1.441	Surface mining Project
22	Copper Creek	USA	Faraday Copper	10.01	0.513	-
39	Quebradona	Colombia	AngloGold Ashan.	9.70	0.729	Surface mining Project
40	Galeno	Peru	China Minmetals	9.48	0.444	Surface mining Project
41	Rosemont	USA	Hudbay Minerals	9.17	0.366	Surface mining Project
42	Schaft Creek	Canada	Teck Resources	8.99	0.242	Surface mining Project
43	Canariaco N.	Peru	Candente Copper	8.88	0.443	Surface mining Project
44	Los Chancas	Peru	Southern Copper	8.51	0.532	Surface mining Project
45	Tintaya	Peru	Glencore	8.44	0.672	Surface mining Project
46	Koksay	Kazakhstan	KAZ Minerals	8.35	0.428	Surface mining Project
47	Yellowhead	Canada	Taseko Mines	7.96	0.258	Surface mining Project
48	Upper Kobuk	US	Trilogy Metals	7.87	1.925	Surface mining Project
49	Baihe	Peru	Zijin Mining	6.94	0.630	Surface mining Project
50	Trapiche	Peru	CdM Buenavent.	6.88	0.369	Surface mining Project
51	Yandera	PNG	Freeport Res.	6.79	0.321	Surface mining Project
52	La Verde	Mexico	Solaris Resources	6.41	0.390	Surface mining Project
53	Costa Fuego	Chile	Hot Chili	6.35	0.399	Surface mining Project
54	Kingking	Philippines	St Augustine Gold	6.35	0.244	Surface mining Project
55	NorthMet	US	PolyMet Mining	6.19	0.247	Surface mining Project
56	Silangan	Philippines	Philex Mining	6.11	0.513	-
57	Los Calatos	Peru	CD Capital NR	5.91	0.760	-
58	Santo Tomas	Mexico	Oroco Resource	5.84	0.323	Surface mining Project
59	Tia Maria	Peru	Southern Copper	5.77	0.354	Surface mining Project
60	Beutong	Indonesia	Asiamet Res.	5.36	0.478	Surface mining Project
61	White Pine	USA	Highland Copper	5.36	1.053	-
62	Haib	Namibia	Deep-South Res.	5.31	0.301	Surface mining Project
63	Bahuerachi	Mexico	Jinchuan Group	5.29	0.397	Surface mining Project
64	Cotabambas	Peru	Panoro Minerals	5.25	0.329	Surface mining Project
65	Antakori	Peru	Regulus Res.	5.05	0.444	Surface mining Project
66	Laver	Sweden	Boliden	5.05	0.215	Surface mining Project
67	Mocoa	Columbia	Libero Copper	4.63	0.330	Surface mining Project
68	Cactus Mine	USA	Arizona Sonoran Copper	3.59	0.422	-

Sources: News research, S&P Market Intelligence, Company websites, RFC Cambrian Copper Project Review, CSA Sedar, SEC Edgar

Table 2- Global late-stage copper projects considered as comparable properties**.**

The first criteria applied to each project was in regard to mining methods. The subject is a proposed underground block-cave mine extending nearly 7,000 feet deep. Infrastructure requirements and costs unique to underground mining including shafts, hoisting, pumping, ventilation, and specialized haulage equipment. Projects relying on surface mining methods that use open pit mine designs, surface mining shovels, trucks, and other associated equipment were removed from the data set. Comparable sales, including a blend of surface and underground mining, were retained for further analysis resulting in the following group of candidate copper projects.

Late-Stage Copper Projects - Underground

ID	Project	Country	Owner/Operating Company	Transaction Date	Transaction Amount	Reason Excluded
6	Resolution (Non-M	USA	Rio Tinto	-	-	No recent transaction
7	Onto	Indonesia	Vale/STM	-	-	No recent transaction
14	Duluth Metals/Matu	USA	Antofagasta	January 23, 2015	USD $77.6 million	No recent transaction
15	Cascabel	Ecuador	SolGold	October 16, 2018	USD $59.12 million	-
17	Los Helados	Chile	NGEx Resources	July 19, 2019	USD $42 million (stock spinout)	Corporate spinout / no buyer or seller
19	Lookout Hill	Mongolia	Rio Tinto	-	-	No recent transaction
22	Copper Creek	USA	Faraday Copper	August 31, 2018	USD $10.1 million	-
21	Wafi-Golpu	PNG	Newcrest Mining	-	-	No recent transaction
35	La Americana	Chile	Codelco	-	-	No recent transaction
56	Silangan	Philippines	Philex Mining	-	-	No recent transaction
57	Los Calatos	Peru	CD Capital NR/Metminco	June 14, 2017	USD $5.0 million	-
61	White Pine	USA	Highland Copper	July 27, 2021	Assumed property, obligations, risk	Non-cash transaction
68	Cactus Mine	USA	Arizona Sonoran Copper	April 22, 2022	USD 27.5 million	-

Each project was then assessed for recent transactions. Copper demand, copper pricing, availability of capital, geopolitical risk, and other factors are most accurately reflected with recent comparable sales. Deposits with no recent transaction, or those transactions occurring more than five years prior to the effective date, were removed from the list of sale comparable candidates. Candidate 17, Los Helados, was a stock spinout with parent company stockholders retaining an equal amount of interest in the spinout company. This transaction was excluded because there was no true buyer or seller. Candidate 61, White Pine, was excluded because it involved the non-cash assumption of assets and obligations and lacked equivalency to a cash sale. The resulting four candidates were given further consideration[53]:

Late-Stage Copper Projects - Underground - Recent Transactions

ID	Project	Country	Owner/Operating Company	Transaction Date	Transaction Amount	Metal Content % Cu	Resource Cu B lbs (At Transaction Date)	Resource Grade % Cu (At Transaction Date)	Reason Excluded
15	Cascabel	Ecuador	SolGold	October 16, 2018	USD $35.0 million	69%	24.60	0.35	Low % Copper
22	Copper Creek	USA	Faraday Copper	August 31, 2018	USD $10.1 million	92%	4.26	0.51	-
57	Los Calatos	Peru	CD Capital NR/Metminco	June 14, 2017	USD $5.0 million	88%	5.92	0.76	-
68	Cactus Mine	USA	Arizona Sonoran Copper	April 22, 2022	USD $27.5 million	100%	3.59	0.42	-

[53] Copper Creek reported 4.26 B lbs. Cu grading 0.51% Cu at the time of transaction and 4.65 B lbs. of total Cu equivalent resources.

The Resolution Copper deposit includes approximately 94% copper. To further compare deposit candidates, those deposits with similar metal content were selected. Candidate 15, the Cascabel Project in Ecuador, includes significant gold and silver content, which was dissimilar to the subject's end-market copper emphasis.

Late-Stage Copper Projects - Underground - Recent Transaction - Comparable Copper

ID	Project	Country	Owner/Operating Company	Transaction Date	Transaction Amount (USD)	Metal Content % Cu	Resource Cu Blbs (At Transaction Date)	Resource Grade %Cu (At Transaction Date)
22	Copper Creek	USA	Faraday Copper	August 31, 2018	USD $10.1 million	92%	4.26	0.51
57	Los Calatos	Peru	CD Capital NR/Metminco	June 14, 2017	USD $5.0 million	88%	5.92	0.76
68	Cactus Mine	USA	Arizona Sonoran Copper	April 22, 2022	USD $27.5 million	100%	3.59	0.42

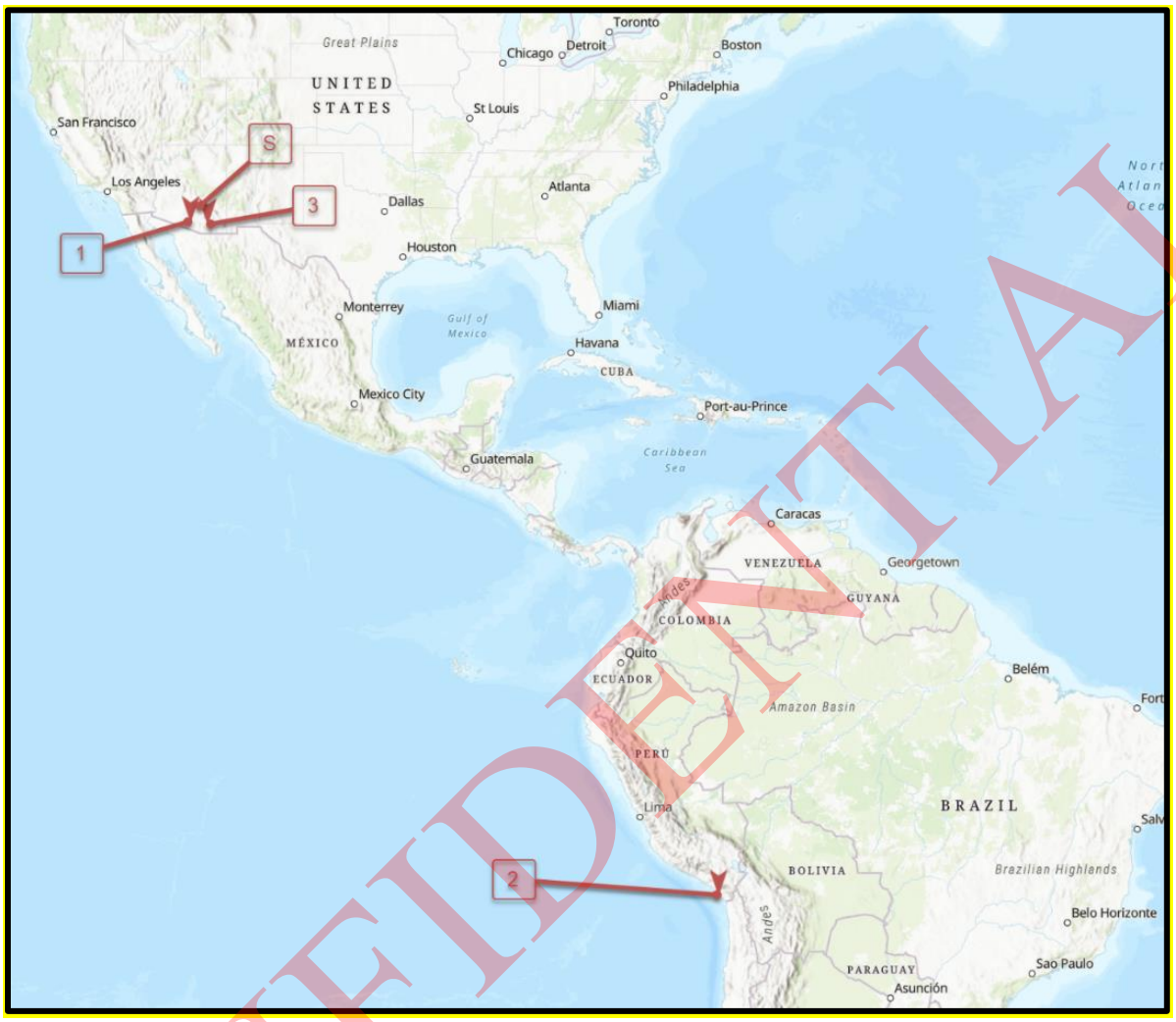
The following three sales from the field of initial deposit candidates were examined in greater detail (Table 3). Sales data sheets for the three selected comparable sales are in Appendix D.

Comparable Copper Deposit Transactions

	Sale 1	Sale 2	Sale 3
Property Name	Copper Creek	Los Calatos	Cactus Mine
State/Province	Arizona	Mariscal Nieto Province	Arizona
Country	United States	Peru	United States
Latitude	32.75257722	-16.89591164	32.94690606
Longitude	-110.4901434	71.00444643	-111.8259617
Sale Price ($USD equivalent)	$10.1 million	$5.0 million	$27.5 million
Date of Sale	June 25, 2018	June 14, 2017	April 22, 2022
Conditions of Sale	Typical	Typical	Typical
Deposit Type (%Cu Sulfide)	100%	100%	100%
Mining Method	Underground	Underground	Surface/Underground
Copper Resource (Cu lbs)	4.26 billion	5.92 billion	3.59 billion
Other Metal Equivalents (Cu lbs)	0.38 billion	0.79 billion	0.00 billion
Total Copper Resource Equivalent (Cu lbs)	4.65 billion	6.71 billion	3.59 billion
Property Interest	100%	49%	100%
Copper Resource Equivalent Interest (Cu lbs)	4.65 billion	3.29 billion	3.59 billion
$/Cu lb equivalent	$0.0022	$0.0015	$0.0077

Table 3- Comparable Sales selected for Analysis

Comparable Sales Map



Map 6- MWA Comparable Sales Location Map

Sale Transaction 1 – Copper Creek Project, Winkelman, Arizona

This transaction involved a property with exploration activities that initially began in 1907. The property has intermittently produced copper using underground mining methods less than approximately 500 feet in depth. The property has been owned by a number of firms over the past 100 years including Calumet and Arizona Mining Company, Phelps Dodge Corporation, Bear Creek Mining Company (Kennecott), Exxon, Newmont, Magma, and most recently Redhawk Copper, which sold 100% of the property interest to CopperBank in 2018. Since that time, CopperBank was renamed to Faraday Copper Corp. and is the current owner.

The property was acquired by CopperBank on August 31, 2018, in an all-stock transaction with CopperBank supplying 0.929 shares for each share in Redhawk. In total, CopperBank provided 66,152,977 shares that were valued on the Toronto Stock Exchange at CAD $0.20 per share on the transaction date. The resulting equity value of the transaction was CAD $13.23 million, or USD $10.12 million (CAD $1.30677 to USD $1.00 on the transaction date).

Since transacting, exploration has continued with the most recent resource estimate being released on July 6, 2022. At the time of sale, the most recent publicly available technical report (October 28, 2013) characterized mineral resources as 4.26 billion lbs. of copper with 0.38 billion lbs. of other metal equivalents. The deposit lies near the confluence of several deposits including Lakeshore, Silverbell, San Manuel/Kalamazoo, Safford, Morenci, Superior (Resolution Copper deposit), Christmas, and Miami-Inspiration[54].

The property is most suited to underground mining. At the time of sale, technical reports outlined a development plan using four major production levels that rely on cut-and-fill mining methods (Figure 17). The total mine life was estimated to be 18 years.

PILLAR REPLACEMENT MINING METHOD

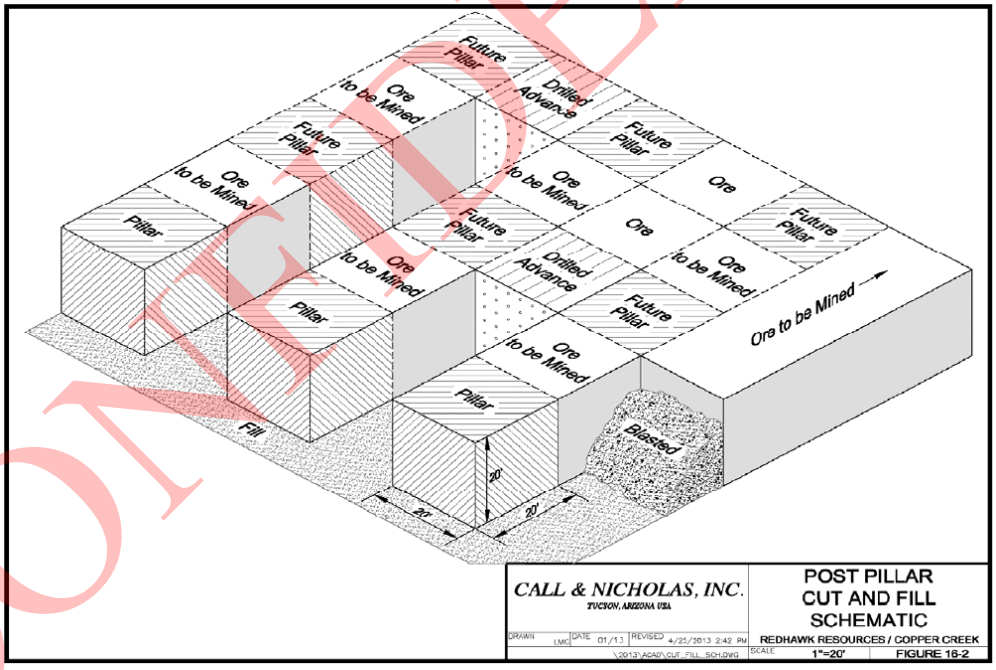


Figure 17- Copper Creek Project post pillar cut & fill schematic.

[54] Copper Creek Mineral Resource, Pinal County, AZ, Technical Report for Redhawk Resources, Inc., Independent Mining Consultants, 2012, Page 7-1

Sale Transaction 2 – Los Calatos, Mariscal Nieto Province, Peru

This sale included a copper-molybdenum project in southern Peru that is located near three other copper-molybdenum mines (Cuajone, Toquepala, and Cerro Verde). Prior to the sale, this exploration stage property was previously 100% owned by an Australian firm, Metminco Limited. Metminco released results from a Mining Scoping Study in March of 2013 indicating the property contained 721.6 million tons of ore grading 0.45% Cu (6.49 billion lbs.) and 0.026% Mo (0.38 billion lbs.). The property continued to be explored, and in September of 2015 the results were downgraded to include less ore (173.8 million tons) at higher grade (0.74% Cu and 0.055% Mo). The net effect was a reduction in metal content with updated results indicating approximately 5.92 billion lbs. of copper and 0.25 billion lbs. of molybdenum.

The company sold a 51% ownership stake in the project in 2016 for a reported consideration of USD $16 million. As a condition of sale, the buyer, CD Capital Natural Resources Fund III LP, was required to carry all project costs leading to a completed feasibility study. Approximately one year later in June of 2017, the most recent transaction occurred with the same firm, CD Capital Natural Resources Fund III LP, acquiring the remaining 49% interest in the property for a total consideration of USD $5 million in cash. The project has been proposed to include an underground, sub-level caving, mining operation with a concentrator using conventional sulfide flotation.[55]

Sale Transaction 3 – Cactus Mine, Casa Grande, Arizona

This was a brownfield project previously operating under ownership by American Smelting and Refining Co (ASARCO) as the Sacaton Mine. At this property, previous mining occurred from 1929-1984 using a combination of surface and underground mining methods. The property was acquired by Elim Mining on July 13, 2020, for a total consideration of $19.1 million. Since that time, Elim Mining completed additional exploration work along with a Preliminary Economic Assessment (PEA) dated August 31, 2021, and changed its name to Arizona Sonoran Copper Company.

On April 22, 2022, Arizona Sonoran Copper closed a non-brokered private placement of CAD $35 million (17,500,000 Common Shares at CAD $2.00 per share). The US dollar equivalent was USD $27,162,736 (CAD $1.28853 to USD $1 on the transaction date). The number of company shares outstanding at the time of this transaction was 88,682,815, and the transaction represented the following ownership stakes:

- Rio Tinto Technology Holdings Corporation: 6,400,000 common shares or 7.22%
- Tembo Capital Elim Co-Investment LP: 3,911,916 common shares or 4.41%
- Other institutional investors: 7,188,084 common shares or 8.1054%

[55] https://im-mining.com/2015/08/05/metminco-reports-on-development-of-los-calatos-cu-mo-project/

The deposit is characterized as copper porphyry hosted in Precambrian Oracle Granite, Laramide monzonite porphyry, and quartz monzonite porphyry. The project includes stockpiled leachable ore as well as an in-place east orebody and a west orebody. The 2021 PEA described the orebodies as being bounded by normal faults to the east and west and "structurally complex with intense fracturing, faulting, and both pre-mineral and post-mineral brecciation."

In its August 31, 2021, PEA, Arizona Sonoran Copper reported the orebodies include 151.8 million tons of indicated in-ground resources grading 0.531% Cu and 228.9 million tons of inferred in-ground resources grading 0.384% Cu. The property also includes a stockpile mineral resource with 77.4 million tons of copper ore grading 0.169% Cu. This calculates to a combined copper resource of 458,100 million tons grading 0.392% Cu, or 3.59 billion pounds of copper.

The company plans to begin operations by heap leaching existing material stockpiles. Surface development begins to take over as the primary production method in year 5. Underground development will occur last, becoming the primary form of production in years 14 through 18.

LIFE OF MINE PRODUCTION SCHEDULE
(TONS & CU GRADE)

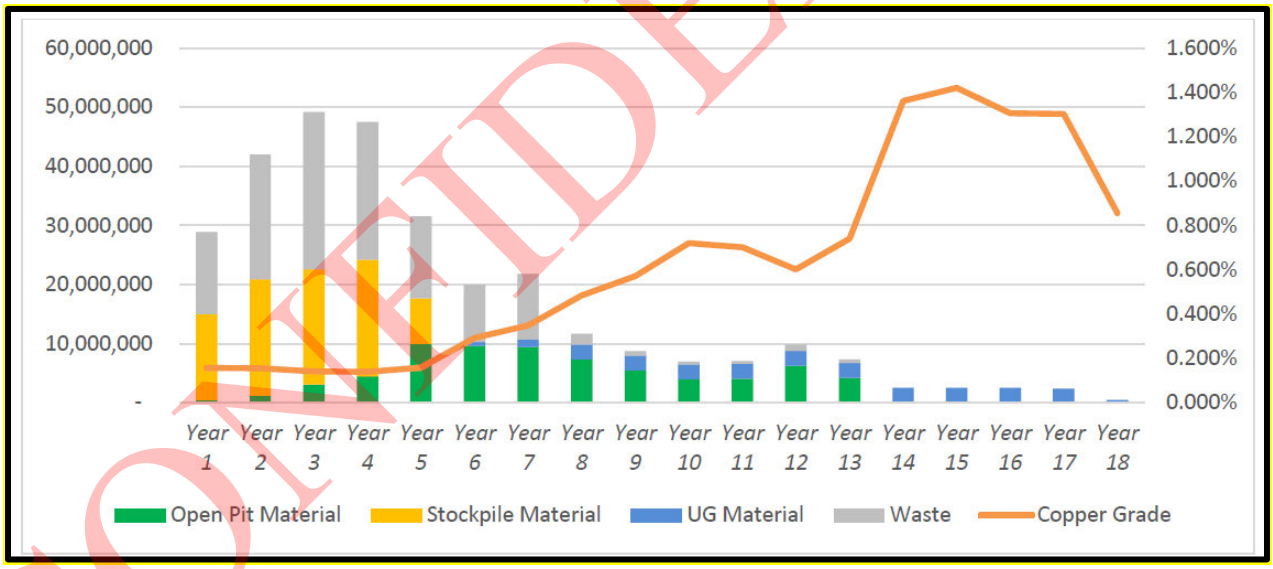


Figure 18- Cactus Mine LOM production schedule.

Sales Comparison Analysis

The following is an analysis of differences in various elements of comparison, including transaction adjustments, market conditions, and physical characteristics.

Transaction Adjustments

Transaction adjustments include (1) real property rights conveyed, (2) financing terms, (3) conditions of sale and (4) expenditures made immediately after purchase. These items, which are applied prior to the market conditions and property adjustments, are discussed as follows:

Property Rights Conveyed

The appraised value is the property's fee simple estate including both surface and mineral interests. The subject includes real estate only and does not include any business, marketing, or other values associated with an exploration firm. Sale 1 included the acquisition of Redhawk Copper, which held 100% interest in the Copper Creek property. The entity, Redhawk Copper, included non-realty components of value such as equipment, marketing, and personnel. Therefore, this transaction includes both an operating firm and the mineral deposit, and the property conveyed is slightly superior to the subject due to having these additional components of value. Sale 2 included 49% interest Los Calatos Holding Limited, an entity holding real estate interests in Los Calatos and also actively participating in development, which is superior to the subject and was adjusted downward. Sale 3 was a private equity placement that procured three stakes in the Arizona Sonoran Copper Company. This form of ownership includes company attributes in addition to the mineral deposit, which is a slightly superior form of ownership. However, the sale also only included the acquisition of a partial interest, which embodies less control than the fee simple estate and is inferior to the subject. These factors are considered to offset with no adjustment made.

Financing Terms

Sales that involve non-market terms require adjustments for cash equivalency to reflect typical market terms. Sale 1 was an all-stock transaction. Stockholders of the acquired (target) company were compensated with 0.929 shares of CopperBank stock for each share previously held in Redhawk Copper. This is considered slightly inferior to a cash payment due to the stock equity embodying some degree of market risk. Sales 2 and 3 were cash transactions, and no adjustments were warranted.

Conditions of Sale

Adjustments for conditions of sale may reflect sale attributes such as buyer and seller motivations, or external factors influencing the sale price. Sales 1 and 3 were representative of typical sale conditions. Sale 2 involved a sale to a related firm that had controlling interest in the property. This indicates the seller's bargaining power was less than that of an arms-length transaction. This sale also occurred at a significant discount to a previous sale occurring with the same firm only one year prior. Company news releases at the time of sale also indicated the seller desired to exit the project for strategic reasons and re-deploy capital on an alternate project. The conditions of this sale are considered inferior to the subject.

Expenditures Made Immediately After Purchase

Cost of expenditures immediately after sale carry influence over the sale price. For mining development properties, continued expenditures for exploration and development are anticipated within the sale price. All three sales were considered to be typical for mineral development properties with no off-market costs implied such as environmental cleanup or other liabilities. As such no adjustments were made.

Market Conditions Adjustment

Market elements such as inflation, deflation, changes to the competitive landscape, fluctuations in commodity price, and other factors may influence the sale price at any point in time. The subject's field of comparable properties, which includes copper exploration and development projects, is most influenced by commodity price. Although the adjustment is applied as a specific percentage and/or dollar figure, it is best viewed as a measure of the appropriate magnitude of the adjustment rather than a precise measure of the impact of the difference (in size or character) between the subject and comparable sales. As such, we have adjusted each transaction in relationship to metal pricing at the time of transaction.

Sale 1 Market Conditions Adjustment

Property	Month	Copper (US $/lb)	Molybdenum (US $/lb)	Silver (US $/oz)	Gold (US $/oz)	
Subject	April, 2022	$4.62	21.27	$24.65	$1,934	
Sale 1	June, 2018	$3.16	12.44	$16.52	$1,282	
Price Difference (%)		46%	71%	49%	51%	
Deposit Content (%)		92%	8%	0%	0%	Total Adjustment (%)
Weighted Price Difference (%)		42%	6%	0%	0%	48%

Sale 2 Market Conditions Adjustment

Property	Month	Copper (US $/lb)	Molybdenum (US $/lb)	Silver (US $/oz)	Gold (US $/oz)	
Subject	April, 2022	$4.62	21.27	$24.65	$1,934	
Sale 2	June, 2017	$2.60	8.30	$16.95	$1,260	
Price Difference (%)		78%	156%	45%	53%	
Deposit Content (%)		86%	14%	0%	0%	Total Adjustment (%)
Weighted Price Difference (%)		67%	22%	0%	0%	89%

Sale 3 Market Conditions Adjustment

Property	Month	Copper (US $/lb)	Molybdenum (US $/lb)	Silver (US $/oz)	Gold (US $/oz)	
Subject	April, 2022	$4.62	21.27	$24.65	$1,934	
Sale 3	April, 2022	$4.62	21.27	$24.65	$1,934	
Price Difference (%)		0%	0%	0%	0%	
Deposit Content (%)		100%	0%	0%	0%	Total Adjustment (%)
Weighted Price Difference (%)		0%	0%	0%	0%	0%

Property Adjustments

Property adjustments are usually expressed quantitatively as percentages or dollar amounts that reflect the differences in value attributable to the various characteristics of the property. In some instances, however, qualitative adjustments are used. These adjustments are based on locational and physical characteristics and are applied after transaction and market condition adjustments.

Geographic Location

Geographic location of a deposit correlates to jurisdictional risk; environmental, social, and governance criteria; local/regional resistance or support for mining; permitting timeframes; political risk; distance to markets; and transportation to smelters. Sales 1 and 3 occurred in the copper triangle region of Arizona, which is similar to the subject with no adjustment being warranted. Sale 2 was in a high-altitude mountainous region of Mariscal Nieto Province, Peru with less favorable climactic conditions and inferior proximity to labor and infrastructure such as electricity, utilities, and roads. This location was inferior to the subject and an upward adjustment was made.

Mining Method

Surface mining operations are generally less costly to operate on a per-ton basis than underground operations. Surface mining generally employs large excavating/hauling equipment, enabling lower unit-cost methods. Because of lower mining costs, surface mines are able to mine lower grade ore. They are well-suited for low- to moderate-grade porphyry Cu deposits, and able to afford moderate dilution. Sales 1 and 3 included portions of the resource that were amenable for surface mining, which is superior to the subject and downward adjustments were made.

By contrast, deep sulfide mineralization is generally mined by underground methods. These methods require the costly development of underground workings and equipment capable of operating within the constraints of an underground environment. They are also subject to a variety of infrastructure requirements such as hoisting, pumping, and ventilation.

Project Stage

The Resolution Copper deposit as a whole is in a Prefeasibility/Feasibility project stage that includes both Inferred and Indicated Resources. The subject MWA Parcel is physically unexplored, and all metal grade and rock mechanics data are inferred from exploration on adjacent properties. The subject alone is in an advanced Exploration/Prefeasibility Stage with a conceptual mine plan and project economics having been studied. Sale 1 had established mineral resources with infill drilling planned but had not yet detailed a mine plan or performed prefeasibility feasibility economics. The project stage was less advanced and slightly inferior to the subject, thus warranting an upward adjustment. Sale 2 included an established mineral resource that had a feasibility study in process at the time of sale. This is similar to the subject's project phase and no adjustment was warranted. Sale 3 included an established mineral resource that had been previously studied with a PEA. At the time of sale, the company had updated the

mineral resource estimate and was conducting an updated PEA. This stage, with the mineral resource estimate complete, is slightly more advanced than the subject and a downward adjustment was made.

Resource Classification

The subject is an inferred resource defined by the 2017 SME guide as being *"that part of a Mineral Resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling*."[56] An Inferred Resource embodies the lowest level of confidence of all resource classes. Indicated and Measured resource classes characterize higher levels of confidence. In industry practice, Indicated and Measured classes are commonly reported both separately and in combination. Reporting the combined Indicated and Measured resources provides a simple benchmark to understand the quantity of resources that fall within the higher confidence classes. Therefore, in this analysis, each sale's combinations of Indicated and Measured resource classes are assessed.

The subject includes only indicated resources with no indicated or measured classes being present. Sale 1 included a resource base with more than 47% being a combination of indicated and measured classes, which is superior to the subject and a downward adjustment was made. Sale 2 included a resource base with more than 39% being a combination of indicated and measured classes, which is superior to the subject, warranting a downward adjustment. Sale 3 included 45% indicated resources but no measured resources, which are the class with highest confidence. This was superior to the subject, although to a lesser degree than Sales 1 and 2. Therefore a modest downward adjustment was made.

Deposit Size

The deposit size correlates with mine capital and operating costs and contributes to favorable or unfavorable economies of scale. Larger operations, both underground and surface, are able to extract and process material at a lower unit cost ($/ton) relative to smaller operations. Deposits operating at a larger scale can extract and process generally lower grades with better economics than small-scale deposits. The subject copper deposit is approximately 5.33 billion lbs. in size. Sale 1 was similar in size to the subject and no adjustment was made. Sales 2 and 3 were slightly smaller in size, which is inferior to the subject, and upward adjustments were applied.

A summary of the adjustments made to the comparable sales is presented in the Sales Adjustment Grid (Table 4) on the following page.

[56] *2017 SME Guide for Reporting Exploration Information, Mineral Resources, and Mineral Reserves*, Page 75.

SALES ADJUSTMENT GRID

	Subject	Sale 1	Sale 2	Sale 3
Project Name	USFS MWA Area	Copper Creek	Los Calatos	Cactus Mine
Parent Company Interests at Time of Sale	Rio Tinto (55%)	Redhawk Resources (100%)	CD Capital NR (51%); Melminco (49%)	Arizona Sonoran Copper Company
Location	Arizona, USA	Arizona, USA	Mariscal Nieto Province, Peru	Arizona, USA
Method	Block Cave	Open Pit/Underground	Block Cave	Open Pit/Underground
Project Phase	Exploration/Development	Exploration	Exploration/Development	Exploration/Development
Deposit Cu (percent)	93% Cu	92% Cu	88% Cu	100% Cu
Deposit Cu (lbs)	5.33 B lbs	4.26 B lbs	5.92 B lbs	3.59 B lbs
Other Base Metals Cu equivalent (billion lbs)	0.28 B lbs	0.38 B lbs	0.79 B lbs	-
Precious Metals Cu equivalent (billion lbs)	0.07 B lbs	-	-	-
Total Cu and equivalent (billion lbs)	5.68 B lbs	4.65 B lbs	6.71 B lbs	3.59 B lbs
Transaction Date	**April-22**	**June-18**	**June-17**	**April-22**
Property Interest		100.00%	49.00%	100.00%
Unadjusted Sales Price ($ USD)		$10.1 mm	$5 mm	$27.5 mm
Sale Cu equivalent (lbs)		4.65 B lbs	3.29 B lbs	3.59 B lbs
Unadjusted Sales Price per Cu equivalent ($/lb)		**$0.0022**	**$0.0015**	**$0.0077**
Transactional Adjustments				
Property Rights Conveyed	*Fee Simple Real Estate*	*Fee Simple Real Estate and Operating Superior*	*Fee Simple Real Estate and Operating Firm Superior*	*Fee Simple Real Estaet and Operating Firm Superior*
Rating				
Adjustment		*-10%*	*-10%*	*-10%*
Financing Terms	*Cash to Seller*	*Stock Transaction Inferior*	*Cash to Seller Similar*	*Cash to Seller Similar*
Rating				
Adjustment		*10%*	-	-
Conditions of Sale	*Typical*	*Typical Similar*	*Related Firm Inferior*	*Typical Similar*
Rating				
Adjustment		-	*20%*	-
Expenditures After Sale	*Market-standarad*	*Market-standarad Similar*	*Market-standarad Similar*	*Market-standarad Similar*
Rating				
Adjustment		-	-	-
Market Conditions Adjustment				
Transaction Date	*April-22*	*June-18*	*June-17*	*April-22*
Change in Commodity Price from Date of Value		*48%*	*87%*	-
Net Transactional Adjustment		48%	97%	-10%
Analyzed Sales Price per Cu equivalent ($/lb)		$0.0032	$0.0030	$0.0069
Physical Adjustments				
Deposit				
Geographic Location	*Arizona, USA*	*Arizona, USA Similar*	*Mariscal Nieto Province, Peru Inferior*	*Arizona, USA Similar*
Rating				
Adjustment		-	*20%*	-
Mining Method	*Block Cave*	*Open Pit/Underground Superior*	*Block Cave Similar*	*Open Pit/Underground Superior*
Rating				
Adjustment		*-20%*	-	*-20%*
Project Stage	*Exploration/Prefeasibility*	*Exploration Inferior*	*Exploration/Prefeasibility Similar*	*Prefeasibility Superior*
Rating				
Adjustment		*15%*	-	*-15%*
Resource Classification	*Inferred Only*	*47% Indicated + Measured Superior*	*39% Indicated + Measured Superior*	*45% Indicated Superior*
Rating				
Adjustment		*-15%*	*-15%*	*-10%*
Size	*5.68 Billion lbs*	*4.65 Billion lbs Similar*	*3.29 Billion lbs Inferior*	*3.59 Billion lbs Inferior*
Rating				
Adjustment		-	*10%*	*10%*
Net Physical Adjustment		*-20%*	*15%*	*-35%*
Adjusted Sale Price per Cu Equivalent ($/lb)		**$0.0026**	**$0.0034**	**$0.0045**

*Consistent with generally accepted market practice, the quantitative adjustments applied as specific percentages are based on commodity price data, and are best viewed as a measure of the appropriate adjustment magnitude rather than a precise measure/impact of the difference between the subject and comparable sales.

Table 4- Sales Comparison Data Adjustment Grid.

Sales Comparison Approach Determination/Conclusions

We have researched a world-wide collection of copper deposit sales and identified those with relevant characteristics similar to the subject. After accounting for differences in each transaction and making physical adjustments, the following statistical data apply to the field of comparable sales.

Sale Statistics

Description	Unadjusted	Analyzed	Adjusted
Minimum Sale Price per lb	$0.0015	$0.0030	$0.0026
Maximum Sales Price per lb	$0.0077	$0.0069	$0.0045
Median Sales Price per lb	$0.0022	$0.0032	$0.0034
Mean Sales Price per lb	$0.0038	$0.0044	$0.0035

The adjusted prices range from $.0026 to $.0045 per billion pounds of copper, with a median adjusted sale price of $0.0034 per billion lbs. and a mean adjusted sale price of $0.0035 per billion lbs.

Sale 1 and 3 had locations that were similar to the subject and were considered the most reliable indicators. Sale 2 was considered slightly less reliable because the transaction occurred with a firm already having an operating interest in the asset. Sale 3 was given slightly more weight than the other sales due to being a recent sale. However, it should be noted that firm, paired data or other type of support for most adjustments was lacking. Base metal property transactions do not occur on a frequent basis. Although data was sought to support quantitative adjustments, the limited pool of candidates, and unique features of each sale prevented assembling this data into a usable analysis.

Therefore, we have derived a value indication for the subject given the available sales, but it is our opinion that this approach is not reliable for concluding a value of the subject. This approach is most usable for testing the magnitude of a separate value conclusion.

Based on the adjusted prices and the analysis of the sales presented, a reasonable mid-point of the adjusted range of $0.0037 per pound, provides an indication of value for the subject property as follows.

Value Indication (US $)				
Market Value Indication - Copper [equivalent] Mineral Deposit (rounded)				
5.68 Billion lbs	x	$0.0037 per lb	=	$21,000,000

The Sales Comparison Approach value indication for the Subject larger parcel (±766.58 acres) as of the effective date (12 April 2022) is:

$21,000,000

Income Capitalization Approach to Value

Income Capitalization Approach Standard(s)

Income capitalization is a well-established and accepted valuation tool that is widely used in business and industry. It is based on capitalizing the projected future income stream of a property's most productive earning potential. Income capitalization is also used by appraisers to derive an indication of value, commonly in conjunction with other value indicator techniques, which are typically reconciled to support an opinion of a property's value.

Discounted cash flow analysis is a procedure by which estimated future cash flows are discounted so they reflect the present worth of those future benefits. This is often appropriate for mining properties where future cashflows lack uniformity, new capital expenditures are required based on upcoming geologic conditions, or the income stream will end in the near- to mid-term due to depletion of mineral resources.

With regard to an income capitalization approach, the UASFLA states:

> *In appraising property that generates income, it may be appropriate to develop an opinion of market value using the income capitalization approach. This approach should generally be used in addition to the sales comparison approach and can serve as additional support for the final opinion of market value. In developing the income capitalization approach, it is critical that the appraiser have market support for every component such as income, expenses, capitalization, and/or discount rates.* (UASFLA, Section 1.5.4.)

With regard to market rent and market rental value, UASFLA states:

> *The income that is to be capitalized in the income approach is the market or economic rent for the subject property. These Standards* [UASFLA] *use the following definition of market rental value: Market rental value is the rental price in cash or its equivalent that the leasehold would have brought on the date of value on the open market, at or near the location of the property acquired….*
> (UASFLA, Section 1.5.4.1.)

The income capitalization approach is defined by the Appraisal Institute as:

> *Specific appraisal techniques applied to develop a value indication for a property based on its earning capability and calculated by the capitalization of property income.* (The Dictionary of Real Estate Appraisal, 2022)

Discounted cash flow (DCF) analysis is defined by the Appraisal Institute as:

> *The procedure in which a discount rate is applied to a set of projected income streams and a reversion. The analyst specifies the quantity, variability, timing, and duration of the income streams and the quantity and timing of the reversion, and discounts each to its present value at a specified yield rate.*
> (The Dictionary of Real Estate Appraisal, 2022)

UASFLA states that:

> *In developing an opinion of value by the income capitalization approach for a mineral property, it is generally recognized that the most appropriate method of capitalization is yield capitalization, most notably discounted cash flow (DCF) analysis.*
>
> *In conducting a DCF analysis, the appraiser must avoid estimating a property-specific investment value to a particular owner instead of developing an opinion of the market value of the property if it were placed for sale on the open market. Like application of the subdivision development method to value, DCF analysis in the valuation of mineral properties can be highly complex. Creation of a detailed mining plan for the property is often required. The essential components of this approach are: (1) the royalty rate; (2) the unit sale price of the mineral to which the royalty rate is applied (e.g., $20 per ton); (3) the projected annual amount of mineral production (e.g., 100,000 tons per year)—with the product of this ingredient and the prior two ingredients yielding the annual income; (4) the projected number of years of production and the year when the production will begin; and (5) the proper capitalization or discount rate.*
> (UASFLA, Section 1.10.3).

Mining Activities

Meriam Webster's Dictionary defines mining as "*The process or business of working mines*."[57] Mining itself is an activity that includes labor, capital, technical expertise, marketing, and other facets. In-place minerals serve as inputs to this business activity. To this regard, the Appraisal Institute stipulates:

[57] https://www.merriam-webster.com/dictionary/mining

> *It is also important to remember that the activity of mineral extraction is a business activity and that real property interests must be separated from those of a business.* (The Appraisal of Real Estate 15th Edition, Page 191)

Mining businesses are most commonly valued using an income capitalization approach that incorporates revenues, expenses, and risks of operating a mine site into a discounted cash flow analysis.

Mineral Real Estate

The valuation of in-place minerals (mineral real estate) requires a different form of income analysis to accurately isolate the mineral real estate interest. The appropriate value of in-place mineral property is most commonly derived from mineral leases. Mineral lease agreements, or royalty agreements, provide a mining business the right to occupy a property and extract economic minerals of interest identified within the terms of the lease.

In such a transaction, the fee simple owner is compensated for another party's occupancy and extraction of minerals on the property for what is typically an extended number of years. The owner agrees to relinquish most, or nearly all property rights, such as the right to entry or right to develop the surface or subsurface until the termination of the lease. Also, at the conclusion of mining, the property is normally exhausted of further mineral development potential.

Therefore, the income derived from mineral leasing is used to approximate fee simple ownership. To this end, UASFLA states:

> *The income that may be capitalized is the royalty income, and not the income or profit generated by the business of mining and selling the mineral. For this reason, the income capitalization approach, when applied to mineral properties, is sometimes referred to as the royalty income approach.* (UASFLA, Section 1.10.3)

Income Capitalization Approach Analysis

Royalty income assumes the property owner will receive rental payments while the mineral property is explored or developed. For base metal properties like the subject, it is most common for the property owner to receive a royalty that is based on a share of profitability in the operating mine. This share of profit is commonly based on a percentage of the mine's Net Smelter Return (NSR)[58]. The value of these lease payments over the life of the mine forms the basis of the royalty income capitalization approach.

[58] Revenues less refining and transportation costs.

Mineral Resources

The subject's underground deposit has been studied to an extensive degree by RCM, Dr. Wahl and Dassault Systemes who have modeled the geology and mine development sequences. In completing this appraisal, we reviewed geologic and economic parameters that were used to model the MWA by Arizona Geologist Dr. David Wahl, author of the 2022 study titled *Generalized Geological/Mining Scenarios, Net Smelter Returns and Discounted Cash Flow Regarding the Resolution Mine Mineral Withdrawal Area.* In this report, geologic conclusions for the subject were derived by researching exploratory data from properties that adjoin the MWA and reviewing other RCM analysis. A mining plan for the subject's MWA was developed by block caving specialists of Dassault Systemes. We reviewed this report for reasonableness and replicated the calculations by Dr. David Wahl of Net Smelter Returns applicable to the MWA to validate the results. Relevant features of the MWA deposit and mine plan are reported as follows:

- Block cave underground mine design with 10-year pre-production construction timeframe
- Mine life of 31 years
- Mining activities reach 2,175 feet below sea level, or approximately 6,400 feet below surface
- 141,874,468 tons of inferred mineral resource grading 1.88% Cu
- 5.33 billion lbs. of copper contained within MWA minable ore
- 90% recovery of copper from ore body
- Maximum production of approximately 58,000 tons/day of ore (reached in year 11)
- Overall metal content is 94% Cu and 6% molybdenum and silver equivalents

Molybdenum and silver production are to occur concurrently with copper production. In-place molybdenum resources include 81.23 million lbs. In-place silver resources include 17.98 million ounces.

Net Smelter Return

To assess income generated from mining and refining activities, NSRs have been calculated for each year of operation.

> *Net smelter returns are what a mineral owner is paid for metals after they have been smelted and refined at a toll-based treatment facility. Obviously, there are fees for these processes, and total value of metal content is not paid because of incomplete metal recovery and small metal deductions as part of the toll smelting/refining agreement.* (*Generalized Geological/Mining Scenarios, Net Smelter Returns and Discounted Cash Flow Regarding the Resolution Mine Mineral Withdrawal Area*, Dr. David Wahl, 2022)

After metallic ore is extracted from the block cave mining area, it is converted into a concentrated form that may be economically shipped to a smelting facility.

"*The cost of transporting concentrates to the smelting/refining facility as well as metal treatment charges are taken as deductions to what the unburdened NSR owner will be paid. For example, say a mine operator receives $100 from a smelter/refinery as payment for concentrates and a private landowner has a 3% NSR on that mineral production. Further assume that the cost of concentrate transport and processing was $30. The final obligation to the 3% NSR owner would be 3% of $70".* (Dr. David Wahl, 2022)

Transport Costs

The smelter must be able to process the subject's ore content and have capacity to do so. Based on research by Dr. Wahl, the most likely copper smelting location is in southeast Asia. Transportation cost for copper is based on freight to Wilmington port, California, then shipped to Asia. Molybdenum processing is most likely to occur in Mexico and Belgium with an average cost of transport to those locations used. For this appraisal, we cross-checked Dr. Wahl's transportation cost estimates against freight costs and ocean carrier estimates from a widely recognized source of mining industry data—Mine Cost Service. Using this data source, we estimated over-the-road freight was likely to fall near $.12 per ton-mile, or, approximately $30 per ton to ports in southern California.

To test the ocean freight cost, we analyzed more than 30 freight estimates from this publication for various distances using Capsize and Panamax vessels. Growth in shipping cost from the time of publication was accounted for using the Baltic Exchange Dry Index. We concluded that an average ocean transport cost for a 7,000-mile shipment from southern California to Southeast Asia would fall near $.004 per ton per mile, or approximately $30 per ton.

In addition to these transport fees, shipping costs would also include final mile transport to a smelter. Most are located within 200-300 miles of the southeast Asian coast, which implies an additional $20-$30 per ton to finalize the concentrate delivery. The sum of these three shipping steps (mine to port, ocean transport, and destination port to smelter) falls between $80 and $90 per ton, which is similar to the amount researched by Dr. Wahl. Based on this, we've concluded the transportation costs supplied by Dr. Wahl ($88.57 per concentrate ton, or approximately $0.15 per lb. of copper) to be reasonable for use in the calculation of Net Smelter Return.

Metal Recovery

The calculation of Net Smelter Returns requires an estimate of metal recovery from concentrating and smelting the mined ore. Based on the research conducted by Dr. Wahl, the recovery of copper, molybdenum, and silver metals from the MWA are expected to be closely aligned with the following:

Metal recovery Summary

Description	Concentrator Recovery	Smelter Recovery	Overall Recovery
Copper	90.0%	96.6%	86.9%
Molybdenum	*75.0%*	*99.0%*	74.3%
Silver			70.0%

The subject's concentrator recoveries include 90% for copper and 75% for molybdenum. After concentrate transport, smelter and roast recoveries are estimated to include a 96.6% smelter recovery for copper and a 99.0% roasting recovery for Molybdenum. Silver is a minor byproduct of the MWA. Overall, 70% of the subject's silver is projected to be recovered through both the concentrator and smelting processes.

Treatment and Refining Cost

After transporting metal concentrates to the smelter, Treatment Costs (TC) and Refinement Costs (RC) are charged to refine concentrates into the finished metal. At the smelter, high temperatures are used to further purify the ore through smelting and electrolytic metal recovery. Based on research by Dr. Wahl, these costs are estimated to fall near $84.82 per concentrate ton and $0.23 per lb. of copper. Similar to the transportation cost estimates, we cross-checked Dr. Wahl's Treatment and Refining figures with publications from Mining Cost Service (Smelting and Refining, 2018) and found them to be reasonable by comparison to the Mine Cost Service industry survey.

Metal Pricing

Revenues generated through mining the Resolution Copper deposit are linked with metal pricing at the time of mining and refinement. According to research conducted by Dr. David Wahl using price forecasts from the State of Arizona Department of Revenue and a consensus forecast from eleven separate investment banks and advisory firms, long-term copper pricing is estimated at $3.4514 per lb. Similarly, the long-term price forecast for Molybdenum is estimated at $ 10.6505 per lb., and the long-term silver price is estimated at $20.80 per lb. In completing this appraisal, we checked each of these metal price forecasts against long-term projections by the Commodity Research Bureau[59] and found them to be in alignment with other industry-standard projections.

Metal Price Projection Summary

Description	Effective Date Spot Price (USD $)	Effective Date Long Term Forecast (USD $)
Copper	$4.71	$3.45
Molybdenum	$19.21	$10.65
Silver	$25.52	$20.80

[59] Accessed via market data firm, Barchart.

Royalty

The subject's real estate value includes the value of mineral interests and land. Mineral interest is not to be confused with the going concern net present value of a mining operation. Mineral interest is the value of in-place minerals. This is most accurately accomplished by capitalizing a non-participating royalty interest in mineral land.

In appraising this property, we have assessed the relevant characteristics in the same way that a typical market participant would. We have reviewed the available geologic information to understand the subject's mineral content, analyzed the regional geologic setting, confirmed the cost of transportation and refinement of the metals, assessed the long-term market demand for the product, and finally, compared the subject with royalty lease agreements of commensurate properties. In the mining industry, and more specifically the metals sector, lease agreements commonly include four features:

1. **Up-Front Option Payment** — This payment is made in connection with the mining company procuring the right to occupy, explore, and develop the property.
2. **Milestone Payments** — These payments provide the property owner with a monetary benefit upon delivery of property studies with increasing degrees of certainty such as a prefeasibility or feasibility study.
3. **Advanced Minimum Royalty** — These payments compensate the fee owner at a minimum annual rate. The payments also have the effect of accelerating property development so the mining company may derive a benefit from ongoing cash payments made to the fee owner.
4. **Percentage of Net Smelter Return** — Often described as the "royalty rate," this percentage is applied to the mining company's net proceeds from sale of the metals (deducting for transportation, off-site treatment and refining costs, and losses).

Regarding the subject, significant royalty agreement research has been conducted and summarized by Dr. David Wahl. We have reviewed each of the royalty agreements presented by Dr. Wahl and considered his report conclusions stating:

> *A study of 13 NSR private ownership, porphyry-type mining options in the southwest US (11 in Arizona) shows that nine of the projects yield a 2% NSR and four are written to pay 2.5% NSR. Kennecott (an exploration arm of Rio Tinto, majority owner of Resolution) has granted 2% NSRs to underlying landowners on five of these options, two of which are very near the Resolution project.*
>
> *On the face of it, something between 2% and 2.5% NSR might seem like the only obligation to a royalty holder should a mine go into production in the future. However, these private party options commonly have significant payments due long before production begins.* (*Generalized Geological/Mining Scenarios, Net Smelter Returns and Discounted Cash Flow Regarding the Resolution Mine Mineral Withdrawal Area,* Dr. David Wahl, 2022)

We have reviewed pertinent data from the royalty agreements presented by Dr. Wahl and also cross-checked these agreements with internet sources to verify their validity and applicability. Based on this, we've concluded the subject is most similar to six specific agreements summarized on the following page. The agreements each call for varying degrees of up-front payments, milestone payments, advanced minimum royalties, and percentage of net smelter returns. We have given the most weight to agreements occurring within the past five years that are similar to the subject as an underground mining exploration target and do not involve complex stock transfers, work-in components, or connections with other related deal transactions.

Summary Table of Draft Summaries of Mining Property Option Agreements

#	Property	Date	Project Stage	Property Interest	NSR	Initial Payment	AMR	Milestone Bonus Payments
1	(b) (4)							
2								
3								
4	(b) (4)							
5	(b) (4)							
6								
7	(b) (4)							
8	(b) (4)							
9	(b) (4)							
10								
11								
12								
13								
14	(b) (4)							
15	(b) (4)							
16								

The most likely royalty structure will reflect comparable agreements from the mining industry but also accommodate the subject's specific attributes. Based on the subject's permit risk and

extended development timeline, we have concluded that a royalty structure with slightly lower up-front payments, but higher net smelter return would most accurately reflect the market and specific project characteristics related to developing the MWA.

The uncertainty of the subject receiving permission to operate is of importance because if the project is cancelled or delayed indefinitely then the up-front option payments and advance minimum royalties would be lost. A typical market participant would desire to mitigate this risk. Also, even if a mining permit was already granted, the project will by all estimates require an extended development timeline. Therefore, any royalty agreement with significant up-front costs would be less desirable to the mining operator, and early project payments would likely be substituted for a higher net smelter return when the project is operational.

According to this and the six most comparable lease agreements (Table 5), we have concluded that the most likely lease structure would include up-front option payments of approximately $200,000 until the time a Feasibility Study is completed. At this point, it is anticipated and reasonable that higher, advanced minimum royalties would apply until production begins. Completion of project milestones are concluded to result in one-time payments similar to the comparable royalty leases with $500K being paid upon completion of a PEA, $1,000K paid upon completion of a prefeasibility study, and $2,500K paid upon completion of a feasibility study.

Based on the scope of the MWA project, extended pre-production timeline (time value of money/opportunity cost consideration), USGS's stated ESG risks, and Dr. Wahl's NSR data and analysis, of similar mineral property projects in the exploration stage of project development, concluding something between 2% and 2.5% NSR might seem like the only obligation to a royalty holder should a mine go into production in the future, we opine the upper end of Dr. Wahl's conclusion, of 2.5% NSR rate, is appropriate for the subject valuation.

Royalty Agreement Summary

ID	Date	Location	Project Stage	Option/Bonus Payments	Advanced Royalty	Milestone Payments	NSR Royalty
[redacted]							

Table 5- Royalty agreement summary.

Royalty Calculations[60]

Given the subject's applicable metal pricing, concentrator recovery, smelting metal recovery, transportation costs, treatment costs, refining cost, and net smelter return, the royalty calculation for copper metals is summarized as follows (transportation and treatment costs converted to a per pound basis).

Copper Royalty Summary

Description		Amount
Potential Gross Revenue ($/lb)		$3.45
Payable Metal Recovery (%)	x	*96.6%*
Estimated Gross Revenue ($/lb)		$3.33
Transportation Cost ($/lb)		-$0.15
Treatment Cost ($/lb)		-$0.14
Refining Cost ($/lb)		-$0.09
Net Smelter Return ($/lb)		$3.10
2.5% Royalty	x	2.50%
Royalty (USD $/lb)		**$0.078**

Likewise, Molybdenum royalties are calculated below.

Molybdenum Royalty Summary

Description		Amount
Potential Gross Revenue ($/lb)		$10.65
Payable Metal Recovery (%)	x	*99.0%*
Estimated Gross Revenue ($/lb)		$10.54
Transportation Cost ($/lb)		-$0.40
Roasting Cost ($/lb)		-$0.98
Net Smelter Return ($/lb)		$9.56
2.5% Royalty	x	2.50%
Royalty (USD $/lb)		**$0.239**

Silver metals are concentrated along with copper and separated at the time copper undergoes its refining process. Therefore, transportation, treatment, and refining costs are not charged separately for silver.

[60] Commodity royalty rates are based on Dr. David E. Wahl, Jr., PhD's NSR data and analysis, of similar mineral property projects in the exploration stage of project development from his Draft Summaries of Mining Property Option Agreements, reported 4/12/2022.

Silver Royalty Summary

Description		Amount
Potential Gross Revenue ($/oz)		$20.80
2.5% Royalty	x	2.50%
Royalty (USD $/oz)		**$0.520**

Discount Rate

Selection of the Discount Rate

The discount rate is the single rate that discounts all future benefits (cash flows and reversion) to an estimated present value. To this end, research undertaken by Dr. David Wahl has studied several industry-standard methodologies to conclude an appropriate discount rate for the subject given its unique physical and project characteristics. Dr. Wahl explains:

> *The Resolution project has a long history which is characterized by numerous long delays. Although panel cave mining is the most efficient mining method for the Resolution deposit, it is one that requires extensive pre-production development prior to achieving cash flow. In addition to a myriad of workings that must be constructed beneath the ore body for access and ore removal, additional shafts will have to be sunk or deepened to a depth of ~1,000 feet. In its General Plan of Operations, RCM estimates that production would begin ten years after title is granted for exchange parcels.* (*Generalized Geological/Mining Scenarios, Net Smelter Returns and Discounted Cash Flow Regarding the Resolution Mine Mineral Withdrawal Area*, Dr. David Wahl, 2022)

Essentially, the subject's complexity and long-term development timeframe carry significant influence of the discounted value of future cash flows. Dr. Wahl further concludes:

> *Because payment for predicted metal recovery must be paid before full construction activity can begin, RCM will have to pay upfront for values that are expected to come out of the ground at least ten to 41 years past the payment date. Payments of this type must be discounted to account for time value of money over so long a period of time. Actual discount rate depends heavily on amount of risk in a venture, and because mining is inherently risky, mining discount rates have historically been high.* (*Generalized Geological/Mining Scenarios, Net Smelter Returns and Discounted Cash Flow Regarding the Resolution Mine Mineral Withdrawal Area*, Dr. David Wahl, 2022).

Various studies[61] report that major risks in mining include confidence in deposit tonnage and grade, political stability and social/environmental issues. Metals prices and demand for those metals are other obvious concerns. Canadian Institute of Mining, Metallurgy and Petroleum publications detail discount rates used in mining projects (Bayzae, 2019; Smith, 2003a, 2003b, 2013). They have found that discount rates for base metals are significantly higher (several %) than for gold due to price instabilities and a less ready market for base metals. Ultimately, stage of project development is usually the prime controlling factor in mining project discount rates (Figure 19).

Real Discount Rates
Industry Practice at Different Project Stages

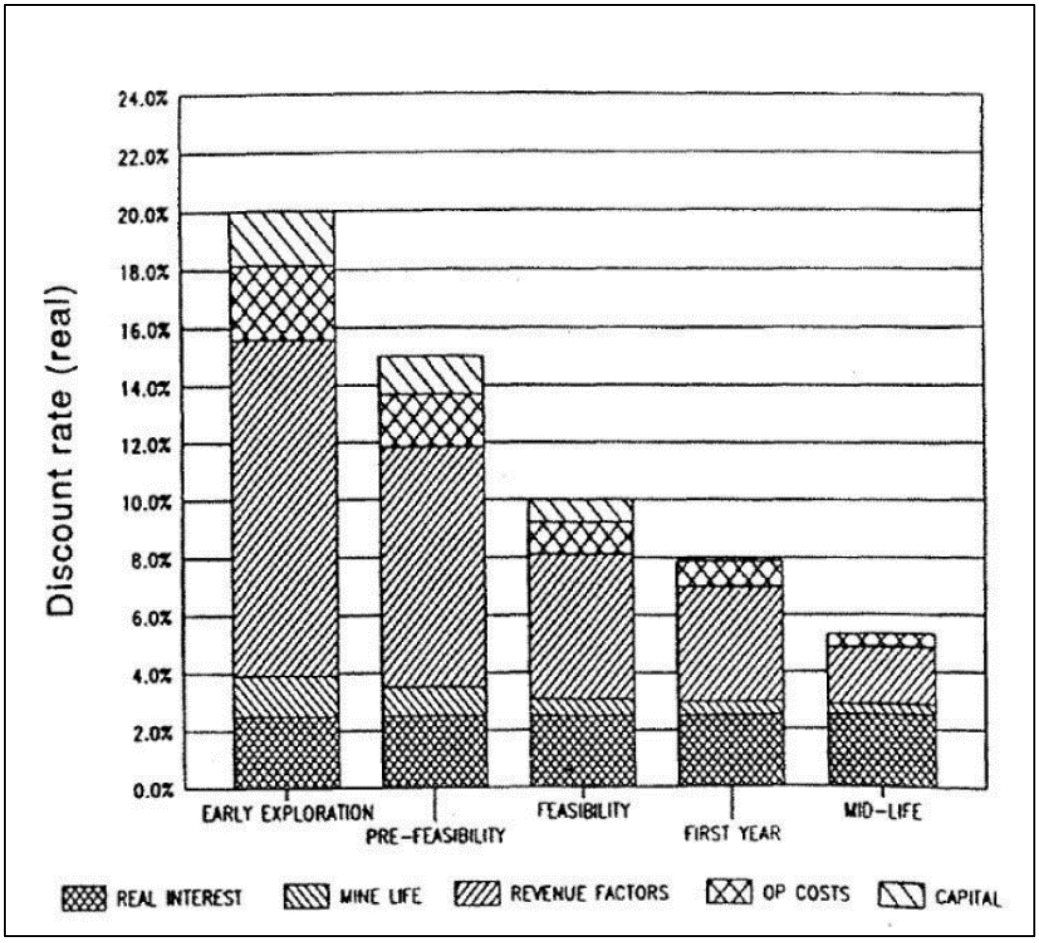
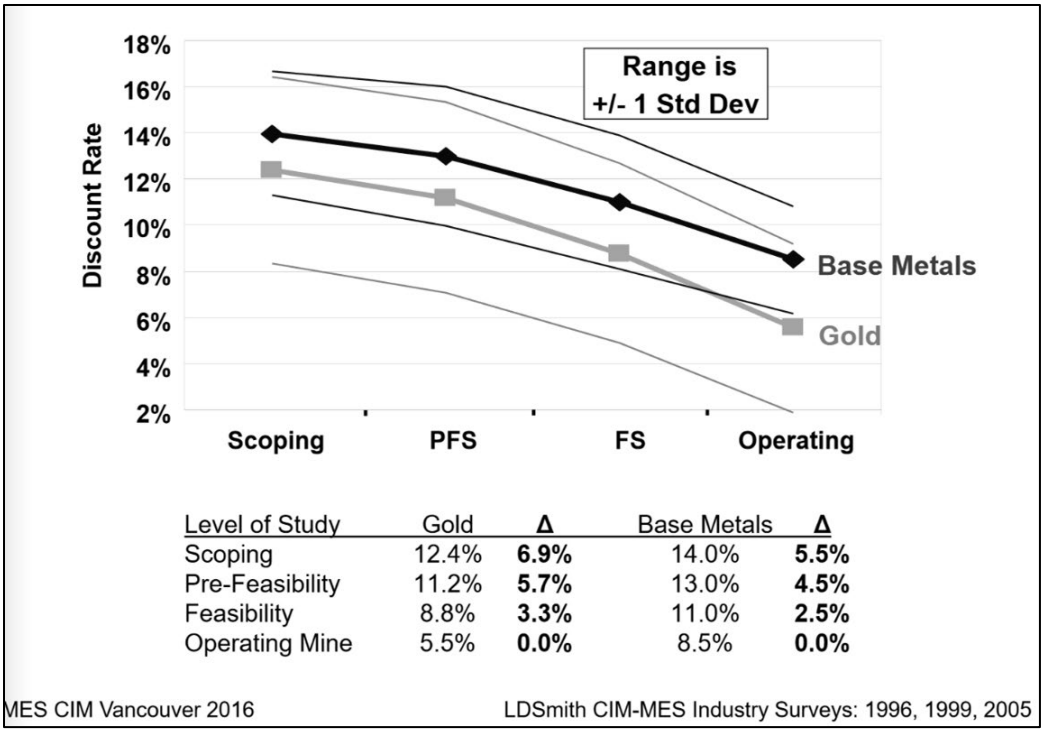


Figure 19- Components of real discount rates at different stages of project development. Revenue factors include metal price, grade, recovery, and throughput. 100% equity (Smith 2003b).

[61] Various studies include: Example, Risks and Opportunities for Mining - KPMG 2019, Valuation Guidelines for Natural Resource Property - Arizona Department of Revenue 2021, Discount rates and net present value - Greg Gosson and Graham Wood 2013.



Level of Study	Gold	Δ	Base Metals	Δ
Scoping	12.4%	**6.9%**	14.0%	**5.5%**
Pre-Feasibility	11.2%	**5.7%**	13.0%	**4.5%**
Feasibility	8.8%	**3.3%**	11.0%	**2.5%**
Operating Mine	5.5%	**0.0%**	8.5%	**0.0%**

MES CIM Vancouver 2016 LDSmith CIM-MES Industry Surveys: 1996, 1999, 2005

Figure 20- Discount rate at various stages of development for gold and base metals.

This data, Figures 19 & 20, provides an indication of common industry practice at various stages of development. Base metals have historically commanded a higher discount rate than gold properties. According to this data, the subject would likely fall in the Scoping to Prefeasibility (PFS) range with a discount rate near 13-14%. Because the data in this analysis was derived from studies occurring almost 17 years ago, additional indications have also been developed.

Arizona Valuation Guidelines

The Arizona Department of Revenue publishes an annual study on discount rates for mining property. In it, a base capitalization rate for discounting future cash flows is determined each year by review of current industry practice. In this study, the Department emphasizes:

> *An important characteristic of a discount rate is that it should be matched to the type of future projected income stream. A discount rate will vary depending on the type of risk and parameters used for valuation. The discount rate may vary with assumptions concerning metal prices, mine lives, production rates, development status, country risk, foreign currency translations, and many other factors.* (Valuation Guidelines for Natural Resource Property, Arizona Department of Revenue, 2021)

In completing its annual analysis, the Arizona Department of Revenue researches numerous transactions related to the metals industry. The source of data for these transactions includes various merger and acquisition developments, technical project reports, annual financial reports

press releases professional journals, periodicals, and other publications. The Department concludes that for copper properties, the range of discount rates ranges from 5% to 15% with the majority of the rates applicable to copper properties falling within a range of 5% to 8% (Valuation Guidelines for Natural Resource Property, Arizona Department of Revenue, 2021). The data includes a mix of pre-tax and post-tax rates[62].

For this analysis, we've isolated only those transactions relating to copper properties with the subject's metal inclusions (copper, molybdenum, silver). Also included is each data point's project stage.

Discount Rate Indications for Copper Properties with Molybdenum and Silver

Source/Property	Date	Analyst/Source	Commodity	Inc. Taxes	Stage	Disc. Rate
Trident	2020	First Quantum Minerals	Copper	-	Production	8.5%-10%
Kamoa-Kakula	2020	Kamoa Copper SA	Copper	Aft-Tax	Production	8.00%
Haib	2020	Deep-South Resources	Copper	Aft-Tax	Prefeasibilit	7.50%
Quebrada Honda I&II	2020	Barrow Mining SpA	Copper, Moly	Aft-Tax	Production	8.00%
Kamoa-Kakula	2020	Kamoa Copper SA	Copper	Aft-Tax	Production	8.00%
Black Butte	2020	Sandfire Resources	Copper	Aft-Tax	Developmen	5.00%
White Pine North	2019	Highland Copper Co.	Copper, Silver	Aft-Tax	Prefeasibilit	8.00%
CuMo	2019	American CuMo Mining	Copper, Moly, Silver	Aft-Tax	Exploration	8.00%
Gibraltar	2019	Taseko Mines Limited	Copper, Moly, Silver	Aft-Tax	Production	8.00%
Arctic	2018	Trilogy Metals Inc.	Copper	Aft-Tax	Feasibility	8.00%
CuMo	2018	American CuMo Mining	Copper,Moly,Silver	Aft-Tax	Exploration	5.00%
Proyecto Touro	2018	Atalaya Mining Plc	Copper	Aft-Tax	Production	8.00%
Timok	2018	Nevsun Resources, Ltd.	Copper	Aft-Tax	Production	8.00%
Antilla	2018	Panoro Minerals Ltd.	Copper	Aft-Tax	Prefeasibilit	7.50%
Kombat	2018	Trigon Metals	Copper,Silver	Aft-Tax	Production	7.60%
Copper Mountain	2018	Copper Mountain Mining	Copper	Aft-Tax	Production	8.00%
Minera Tres Valles	2018	Sprott Resource Holdings	Copper	Aft-Tax	Production	8.00%
Florence	2017	Taseko Mines Limited	Copper	Pre-Tax	Prefeasibilit	7.50%
El Porvenir	2017	Milpo Andina Peru S.A.C.	Copper,Silver	Aft-Tax	Production	9.00%
Cerro Lindo	2017	V.M.Holding, S.A.	Copper,Silver	Aft-Tax	Production	9.00%
Magistral	2017	VM Holding S.A.	Copper,Silver,Moly	Aft-Tax	Prefeasibilit	9.00%
Kakula	2017	Ivanhoe Mines Ltd	Copper	Aft-Tax	Feasibility	8.00%
Gunnison	2016	Excelsior Mining Corp	Copper	Pre-Tax	Feasibility	7.50%
Average						**7.82%**

Table 6- Discount rate indications for Cu/Mo/Ag properties.

Almost every project is a surface mining endeavor except for Cerro Lindo, which is an underground producing property. It should also be noted that these rates are mostly applicable to transactions on an after-tax basis. To this point, the Department concludes:

[62] *Post tax premium calculation: Cost of Capital in Goodwill Impairment Reviews*, James Palmer - Duff & Phelps, 2011.

> *Because of the inherent disparity in the assumptions used to develop this data, the selection of a base discount rate for use by the Department in its valuation of mines and mining property is a matter of judgment… the base discount rate for natural resource property for the 2022 tax year has been established at 10.0% for base metal, industrial mineral, and other mining property.* (Valuation Guidelines for Natural Resource Property, Arizona Department of Revenue, 2021, page 21)

When compared with these rates, the subject is one of the only underground deposits. An underground setting embodies a greater degree of risk and can be expected to command a higher discount rate. In addition, the subject is also an exploration phase project and is at an inferior stage of development compared with most properties in this survey. Last, the Subject includes extended development timelines and geotechnical risks. For example, no drill core has actually penetrated the MWA deposit, and geotechnical suitability of the orebody for block cave mining is not known with certainty.

Because the subject is an undeveloped, exploration phase project, being analyzed on a pre-tax basis, the concluded rate for the subject would likely fall above the average range of data points, and this general recommendation of the report. The average discount rate indication from this list and considerations of additional risk factors for the subject are indicated as follows.

Discount Rate Indications for Copper Properties with Molybdenum and Silver

Description	Rational	Rate
Arizona Discount Rate Dataset Average for Copper, Molybdenum, Silver (rounded)		7.75%
After-tax premium	Industry surveyed after-tax premium	+3.50%
Geologic certainty premium	Subject has not been drilled adding to high geologic/geotechnical	+1.00%
Project stage premium	Permit risks exist, Project feasibility yet to be completed	+1.00%
Project Specific Premium	Complex, underground, extended development timeline	+1.00%
Risked Rate		**14.25%**

Weighted Average Cost of Capital (WACC)

As the cash flows from mining projects are subject to numerous uncertainties, a common framework is to assess the mining project in light of the company's Weighted Average Cost of Capital (WACC). This is the weighted average cost of a company's debt and equity financing. A company expects to earn at least the weighted average cost of its debt and equity financing in order to undertake a project. The formula for the WACC (Corporate Finance Institute, 2019) follows:

$$\text{WACC} = \left(\frac{E}{V} \times Re\right) + \left(\frac{D}{V} \times Rd \times (1 - Tc)\right)$$

- E: Market value of total equity
- D: Market value of total debt
- V=E+D (the total market value of debt and equity combined)
- Re: Cost of equity
- Rd: Cost of debt
- Tc: Corporate income tax rate

Tax Influence

The WACC inherently includes the cost of debt and its influence on corporate income tax. Therefore, even under circumstances in which all other factors were equal, the WACC is not immediately comparable to discount rates used in a pre-tax analysis, and an adjustment for tax is required.

Capital Constraints

In practice, companies do not have access to unlimited amounts of capital. Therefore, if multiple project opportunities exist at a given point in time and a limited pool of capital is available, then it is reasonable for those companies to pursue projects with the highest available rates of return. Therefore, in addition to this minimum, companies may at times require a premium on top of the WACC in order to pursue even an average-risk project.

Project Risk

When a project likely faces additional risks compared to a company's average project, these risks must be considered. Therefore, project-specific risk premiums are warranted when comparing the WACC to an individual project. It should also be noted that WACC calculations typically involve companies with a significant proportion of cashflows derived from operating assets. The subject is a non-operating mineral resource that includes different risks than producing mines.

Inflation

The WACC is a market-derived rate that accounts for investor expectations of inflation and growth. Therefore, the WACC is also most applicable to cash flow analysis that is performed on a nominal, inflated dollar basis with growth and inflation applied to annual cash flows. This is in contrast to the subject, which is valued on a constant dollar basis.

In consideration of the preceding four factors, we have researched the historic WACC for five publically traded base metal mining companies on the last reporting day of the preceeding five years.[63] The most recent WACC is also reported as of the end of June 2022. These companies have significant involvment in copper projects but also allocate resources to other commodities such as precious metals.

[63] This calculation averages the book value of debt over the preceding two years and utilizes the capital asset price model to value the equity component (Gurufocus.com, 2022).

Comparable WACC's

Company	2017	2018	2019	2020	2021	2022	2-Year Trailing
BHP Billiton	7.19%	6.74%	7.61%	5.06%	5.76%	6.21%	5.99%
Freeport MCMoran	12.42%	15.56%	9.04%	8.95%	11.96%	13.76%	12.86%
Rio Tinto	8.76%	8.98%	8.94%	7.70%	5.06%	6.41%	5.74%
Southern Copper	6.61%	6.74%	5.78%	7.35%	7.37%	8.37%	7.87%
Tech Resources	18.41%	23.31%	11.68%	4.28%	5.37%	6.58%	5.98%
Average							**7.69%**

Given the reasons mentioned, this rate requires numerous adjustments to derive an indication for the subject property. Multiple authorities in discount rate selection caution that WACC lacks reliability as an indicator for a project-specific discount rate.

The Society of Mining, Metallurgy, and Exploration's *Mining Engineering Handbook* cautions:

> *The WACC method is based on the proportional cost of equity and debt for a particular corporation at a specific time. It should be used as a discount rate only for companies; it is not appropriate for valuing single projects.*
> (SME Mining Engineering Handbook, 3rd Edition, 2011, Page 221)

The Arizona Department of Revenue futher stipulates that:

> *if a market-determined discount rate (e.g., the cost of capital) is used, the rate will contain a component for inflation and should, therefore, only be used when revenues and costs are also adjusted for inflation.* (Valuation Guidelines for Natural Resource Property, Arizona Department of Revenue, 2021, page 21)

Based on these facts, an indication utilizing the WACC is considered to be less reliable for to value the subject. We have made several adjustments to the WACC, but it is our opinion that this indicator generally lacks applicability.

Discount Rate Indications Using WACC for Copper Properties with Molybdenum and Silver

Description	Rational	Rate
WACC Dataset Average for Copper, Molybdenum, Silver (rounded)		7.75%
After-Tax Premium	Industry surveyed after-tax premium	3.50%
Capital Constraints	Long-term development timeframe warrants higher rate	2.00%
Project Risk	Development project with higher risk than majority of corporate portfolio	5.00%
Capital Appreciation	Convert to constant dollar analysis by deducting long-term inflation and growth	-3.00%
Risked Rate		**15.25%**

Other Sources

In addition to technical project elements, Dr. David Wahl has conducted research into discount rates suitable to value the MWA. It is Dr. Wahl's opinion that:

> *In mid-late 2020, a discount rate of ~13.5% was envisioned as suitable for use in Net Present Value (NPV) calculation for anticipated MWA production.* (*Generalized Geological/Mining Scenarios, Net Smelter Returns and Discounted Cash Flow Regarding the Resolution Mine Mineral Withdrawal Area*, Dr. David Wahl, 2022)

The state of Utah also publishes an annual discount rate study for natural resources. This study primarily derives discounts rates from publically traded equities of mining companies in Coal, Precious Metals, Non-Precious Metals, Non-metals, and other types of mining. The 2022 capitalization rate study indicates an equity yield rate of 11.04% for non-precious metals. For similar reasons as the WACC indicator, this rate would need to be adjusted for project-specific risks, inflation, and capital constraints. An income tax adjustment is not necessary because this is an equity rate that does not include tax benefits associated with corporate debt components. Based on using similar adjustments as were made to the WACC, an additional 4% premium would be expected, resulting in a discount rate indication near 15%.

Base Discount Rate Conclusion

Discount rate indications were derived as follows:

- Metal mining project discount rate studies by Lawrence Smith – **14%**
- Arizona DOR transaction surveys – average 7.75%, **adjusted to 14.25%**
- Arizona DOR rate for metal, industrial mineral, other mineral property – 10%, **adjusted to 14%**
- Weighted Average Cost of Capital (WACC) – **15.25%**
- RCM Study – Dr. David Wahl – **13.5%**
- Utah State Tax Commission Non-Precious Metal Equity Rate – 11.04%, **adjusted to 15%**

As mentioned earlier, the weighted average cost of capital indication is believed to be less reliable and was not given weight. The Arizona DOR survey of mineral projects is considered the strongest indicator because it is based on an extensive list of actual transactions involving copper, molybdenum, and silver properties. The discount rate studies by Mr. Lawrence Smith are relied upon extensively in industry practice. Even given the date of these studies, the rates appear to provide a reliable indication.

Overall, based on these various studies, surveys, and the adjustments made, we have concluded a discount rate near the middle of this range**,** near **14.25%,** to be most suitable to value the subject royalty interest.

Project Delay

The subject is an exploration/prefeasibility project requiring drilling and technical studies to progress toward development. It is common for projects that have a complex permit framework, are publically controversial, and utilize mining methods that require extensive pre-development to be delayed a number of years prior to production. The project promoters, Rio Tino and BHP Biliton, have publically stated the project development is expected to consume approximately 10 years[64]. As of the date of this report, the subject's exploration and permitting efforts have been underway for approximately 18 years with more than $2 billion expended to date[65]. Dr. David Wahl stipulates:

> *RCM's anticipated metal production in ten years is considered optimistic," and that "Many similar mining projects have been delayed severely by litigation during permitting and construction phases.* (*Generalized Geological/Mining Scenarios, Net Smelter Returns and Discounted Cash Flow Regarding the Resolution Mine Mineral Withdrawal Area*, Dr. David Wahl, 2022)

Based on the historical timeline of this project and the likelihood that future court appeal processes will take place, we have concluded that the most reasonable development timeframe is longer than the 10-year construction period anticipated by RCM. A project delay of 13 years from the effective date is utilized.

Income Capitalization Approach Determination/Conclusion

Royalty Discounted Cash Flow Schedule

The following discounted cash flow schedule accounts for the concluded project delay and applies commodity royalties for each recoverable metal. Commodity production and recovery data (Tables 8-10) were estimated from Block Cave Assessment of Resolution Copper, prepared DESSAULT SYSTEMES (2019) caving specialists The concluded discount rate of 14.25% converts future cash flows to a present value (Tables 7-11).

[64]Final Environmental Impact Statement - Resolution Copper Project and Land Exchange, Page 10.
[65] https://resolutioncopper.com/project-overview/

Non-Production Payment Calculation

Period	Option/Bonus (USD $)	Advanced (USD $)	Milestone (USD $)	Non-Production Payments (USD $)	Present Value Factor (@14.25%)	Present Value of Royalties (USD $)
Year 1	$1,000,000	$200,000	-	1,200,000.00	0.87527	$1,050,328
Year 2		$200,000	-	200,000.00	0.76610	$153,221
Year 3	-	$200,000	-	200,000.00	0.67055	$134,110
Year 4	-	$200,000	$500,000	700,000.00	0.58691	$410,840
Year 5	-	$200,000	-	200,000.00	0.51371	$102,742
Year 6	-	$200,000	$1,000,000	1,200,000.00	0.44964	$539,565
Year 7	-	$200,000	-	200,000.00	0.39356	$78,711
Year 8	-	$200,000	$2,500,000	2,700,000.00	0.34447	$930,067
Year 9	-	$250,000	-	250,000.00	0.30150	$75,376
Year 10	-	$250,000	-	250,000.00	0.26390	$65,975
Year 11	-	$250,000	-	250,000.00	0.23098	$57,746
Year 12	-	$250,000	-	250,000.00	0.20217	$50,544
Year 13	-	$250,000	-	250,000.00	0.17696	$44,239
Year 14	-	-	-	-	0.15489	-
Year 15	-	-	-	-	0.13557	-
Year 16	-	-	-	-	0.11866	-
Year 17	-	-	-	-	0.10386	-
Year 18	-	-	-	-	0.09091	-
Year 19	-	-	-	-	0.07957	-
Year 20	-	-	-	-	0.06964	-
Year 21	-	-	-	-	0.06096	-
Year 22	-	-	-	-	0.05335	-
Year 23	-	-	-	-	0.04670	-
Year 24	-	-	-	-	0.04087	-
Year 25	-	-	-	-	0.03578	-
Year 26	-	-	-	-	0.03131	-
Year 27	-	-	-	-	0.02741	-
Year 28	-	-	-	-	0.02399	-
Year 29	-	-	-	-	0.02100	-
Year 30	-	-	-	-	0.01838	-
Year 31	-	-	-	-	0.01609	-
Year 32	-	-	-	-	0.01408	-
Year 33	-	-	-	-	0.01232	-
Year 34	-	-	-	-	0.01079	-
Year 35	-	-	-	-	0.00944	-
Year 36	-	-	-	-	0.00826	-
Year 37	-	-	-	-	0.00723	-
Year 38	-	-	-	-	0.00633	-
Year 39	-	-	-	-	0.00554	-
Year 40	-	-	-	-	0.00485	-
Year 41	-	-	-	-	0.00425	-
Year 42	-	-	-	-	0.00372	-
Year 43	-	-	-	-	0.00325	-
Year 44	-	-	-	-	0.00285	-
Total						**$3,693,465**

Table 7- Non-production payment calculation.

Copper Royalty Calculation

Period	Production (Mlbs)	Copper Recovery (Mlbs)	Royalty (USD $/lb)	Copper Royalty (USD $)	Factor (@14.25%)	of Royalties (USD $)
Year 1	-	-	-	-	0.87527	-
Year 2	-	-	-	-	0.76610	-
Year 3	-	-	-	-	0.67055	-
Year 4	-	-	-	-	0.58691	-
Year 5	-	-	-	-	0.51371	-
Year 6	-	-	-	-	0.44964	-
Year 7	-	-	-	-	0.39356	-
Year 8	-	-	-	-	0.34447	-
Year 9	-	-	-	-	0.30150	-
Year 10	-	-	-	-	0.26390	-
Year 11	-	-	-	-	0.23098	-
Year 12	-	-	-	-	0.20217	-
Year 13	-	-	-	-	0.17696	-
Year 14	8.03	7.22	$0.074	$533,556	0.15489	$82,641
Year 15	80.11	72.09	$0.074	$5,325,562	0.13557	$721,975
Year 16	159.95	143.95	$0.074	$10,633,552	0.11866	$1,261,767
Year 17	242.56	218.30	$0.074	$16,125,587	0.10386	$1,674,789
Year 18	254.89	229.40	$0.074	$16,945,843	0.09091	$1,540,464
Year 19	136.18	122.56	$0.074	$9,053,214	0.07957	$720,336
Year 20	141.30	127.17	$0.074	$9,394,211	0.06964	$654,239
Year 21	329.47	296.52	$0.074	$21,903,549	0.06096	$1,335,162
Year 22	668.34	601.50	$0.074	$44,432,377	0.05335	$2,370,626
Year 23	928.33	835.50	$0.074	$61,717,271	0.04670	$2,882,132
Year 24	805.57	725.01	$0.074	$53,555,628	0.04087	$2,189,052
Year 25	383.53	345.17	$0.074	$25,497,626	0.03578	$912,209
Year 26	78.14	70.32	$0.074	$5,194,704	0.03131	$162,667
Year 27	1.46	1.32	$0.074	$97,341	0.02741	$2,668
Year 28	0.92	0.83	$0.074	$61,268	0.02399	$1,470
Year 29	113.51	102.16	$0.074	$7,546,087	0.02100	$158,450
Year 30	195.39	175.85	$0.074	$12,990,026	0.01838	$238,739
Year 31	203.43	183.09	$0.074	$13,524,575	0.01609	$217,561
Year 32	178.02	160.22	$0.074	$11,835,342	0.01408	$166,641
Year 33	157.74	141.96	$0.074	$10,486,518	0.01232	$129,234
Year 34	113.33	102.00	$0.074	$7,534,584	0.01079	$81,273
Year 35	79.73	71.76	$0.074	$5,300,583	0.00944	$50,044
Year 36	28.27	25.44	$0.074	$1,879,247	0.00826	$15,530
Year 37	2.34	2.11	$0.074	$155,810	0.00723	$1,127
Year 38	10.11	9.10	$0.074	$672,420	0.00633	$4,257
Year 39	11.98	10.78	$0.074	$796,580	0.00554	$4,414
Year 40	10.36	9.33	$0.074	$688,835	0.00485	$3,341
Year 41	4.73	4.26	$0.074	$314,330	0.00425	$1,334
Year 42	1.70	1.53	$0.074	$113,024	0.00372	$420
Year 43	0.93	0.83	$0.074	$61,602	0.00325	$200
Year 44	0.12	0.11	$0.074	$8,022	0.00285	$23
Total	**5,330**	**4,797**				**$17,584,784**

Table 8- Copper royalty calculation.

Molybdenum Royalty Calculation

Period	Production (Mlbs)	Molybdenum Recovery (Mlbs)	Royalty (USD $/lb)	Molybdenum Royalty (USD $)	Factor (@14.25%)	of Royalties (USD $)
Year 1	-	-	-	-	0.87527	-
Year 2	-	-	-	-	0.76610	-
Year 3	-	-	-	-	0.67055	-
Year 4	-	-	-	-	0.58691	-
Year 5	-	-	-	-	0.51371	-
Year 6	-	-	-	-	0.44964	-
Year 7	-	-	-	-	0.39356	-
Year 8	-	-	-	-	0.34447	-
Year 9	-	-	-	-	0.30150	-
Year 10	-	-	-	-	0.26390	-
Year 11	-	-	-	-	0.23098	-
Year 12	-	-	-	-	0.20217	-
Year 13	-	-	-	-	0.17696	-
Year 14	0.20	0.15	$0.229		0.15489	$0
Year 15	1.71	1.28	$0.229	$293,542	0.13557	$39,795
Year 16	2.46	1.84	$0.229	$422,187	0.11866	$50,096
Year 17	2.23	1.68	$0.229	$384,075	0.10386	$39,890
Year 18	1.73	1.29	$0.229	$296,511	0.09091	$26,954
Year 19	1.18	0.89	$0.229	$203,646	0.07957	$16,203
Year 20	3.59	2.70	$0.229	$617,680	0.06964	$43,017
Year 21	8.45	6.34	$0.229	$1,452,318	0.06096	$88,528
Year 22	11.73	8.80	$0.229	$2,016,282	0.05335	$107,576
Year 23	11.43	8.58	$0.229	$1,965,228	0.04670	$91,774
Year 24	7.69	5.77	$0.229	$1,321,759	0.04087	$54,026
Year 25	3.37	2.53	$0.229	$579,059	0.03578	$20,717
Year 26	0.72	0.54	$0.229	$124,447	0.03131	$3,897
Year 27	0.02	0.01	$0.229	$2,741	0.02741	$75
Year 28	0.03	0.03	$0.229	$5,786	0.02399	$139
Year 29	3.48	2.61	$0.229	$597,371	0.02100	$12,543
Year 30	5.50	4.12	$0.229	$944,969	0.01838	$17,367
Year 31	4.84	3.63	$0.229	$831,125	0.01609	$13,370
Year 32	3.54	2.65	$0.229	$608,012	0.01408	$8,561
Year 33	2.92	2.19	$0.229	$501,343	0.01232	$6,178
Year 34	1.97	1.48	$0.229	$338,630	0.01079	$3,653
Year 35	1.11	0.83	$0.229	$190,229	0.00944	$1,796
Year 36	0.31	0.23	$0.229	$53,747	0.00826	$444
Year 37	0.05	0.04	$0.229	$8,154	0.00723	$59
Year 38	0.24	0.18	$0.229	$40,862	0.00633	$259
Year 39	0.29	0.22	$0.229	$50,202	0.00554	$278
Year 40	0.27	0.20	$0.229	$45,964	0.00485	$223
Year 41	0.14	0.10	$0.229	$23,728	0.00425	$101
Year 42	0.03	0.03	$0.229	$5,919	0.00372	$22
Year 43	0.01	0.01	$0.229	$1,545	0.00325	$5
Year 44	0.00	0.00	$0.229	$146	0.00285	$0
Total	**81.23**	**60.93**				**$647,547**

Table 9- Molybdenum royalty calculation.

Silver Royalty Calculation

Period	Silver Production (Moz)	Silver Recovery (Moz)	Silver Royalty (USD $/oz)	Silver Royalty (USD $)	Present Value Factor (@14.25%)	Present Value of Royalties (USD $)
Year 1	-	-	-	-	0.87527	-
Year 2	-	-	-	-	0.76610	-
Year 3	-	-	-	-	0.67055	-
Year 4	-	-	-	-	0.58691	-
Year 5	-	-	-	-	0.51371	-
Year 6	-	-	-	-	0.44964	-
Year 7	-	-	-	-	0.39356	-
Year 8	-	-	-	-	0.34447	-
Year 9	-	-	-	-	0.30150	-
Year 10	-	-	-	-	0.26390	-
Year 11	-	-	-	-	0.23098	-
Year 12	-	-	-	-	0.20217	-
Year 13	-	-	-	-	0.17696	-
Year 14	0.02	0.02	$0.52	$8,256	0.15489	$1,279
Year 15	0.20	0.14	$0.52	$73,218	0.13557	$9,926
Year 16	0.35	0.25	$0.52	$129,175	0.11866	$15,328
Year 17	0.46	0.33	$0.52	$169,140	0.10386	$17,567
Year 18	0.49	0.34	$0.52	$178,387	0.09091	$16,216
Year 19	0.65	0.46	$0.52	$237,236	0.07957	$18,876
Year 20	0.75	0.52	$0.52	$272,303	0.06964	$18,964
Year 21	1.14	0.80	$0.52	$416,469	0.06096	$25,386
Year 22	1.98	1.38	$0.52	$718,967	0.05335	$38,359
Year 23	2.21	1.55	$0.52	$805,327	0.04670	$37,608
Year 24	2.42	1.70	$0.52	$882,355	0.04087	$36,066
Year 25	2.14	1.50	$0.52	$778,549	0.03578	$27,854
Year 26	1.18	0.83	$0.52	$429,005	0.03131	$13,434
Year 27	0.05	0.04	$0.52	$19,826	0.02741	$543
Year 28	0.00	0.00	$0.52	$831	0.02399	$20
Year 29	0.34	0.24	$0.52	$125,017	0.02100	$2,625
Year 30	0.63	0.44	$0.52	$228,708	0.01838	$4,203
Year 31	0.64	0.45	$0.52	$233,653	0.01609	$3,759
Year 32	0.54	0.38	$0.52	$195,001	0.01408	$2,746
Year 33	0.50	0.35	$0.52	$181,313	0.01232	$2,234
Year 34	0.43	0.30	$0.52	$157,804	0.01079	$1,702
Year 35	0.43	0.30	$0.52	$154,774	0.00944	$1,461
Year 36	0.25	0.17	$0.52	$89,530	0.00826	$740
Year 37	0.01	0.00	$0.52	$2,435	0.00723	$18
Year 38	0.03	0.02	$0.52	$9,320	0.00633	$59
Year 39	0.04	0.03	$0.52	$13,009	0.00554	$72
Year 40	0.04	0.03	$0.52	$15,501	0.00485	$75
Year 41	0.03	0.02	$0.52	$10,428	0.00425	$44
Year 42	0.01	0.01	$0.52	$4,430	0.00372	$16
Year 43	0.01	0.00	$0.52	$2,587	0.00325	$8
Year 44	0.00	0.00	$0.52	$423	0.00285	$1
Total	**17.98**	**12.58**				**$297,191**

Table 10- Silver royalty calculation.

Table 11- Total royalty calculation.

Total Royalty Calculation

Period	Copper Royalty (USD $)	Molybdenum Royalty (USD $)	Silver Royalty (USD $)	Non-Production Payments (USD $)	Milestone (-500k Per Year)	Total Payments and Royalties (USD $)	Factor (@14.25%)	Present Value (USD $)
Year 1	-	-	-	$1,200,000	-	$1,200,000	0.87527	$1,050,328
Year 2	-	-	-	$200,000	-	$200,000	0.76610	$153,221
Year 3	-	-	-	$200,000	-	$200,000	0.67055	$134,110
Year 4	-	-	-	$700,000	-	$700,000	0.58691	$410,840
Year 5	-	-	-	$200,000	-	$200,000	0.51371	$102,742
Year 6	-	-	-	$1,200,000	-	$1,200,000	0.44964	$539,565
Year 7	-	-	-	$200,000	-	$200,000	0.39356	$78,711
Year 8	-	-	-	$2,700,000	-	$2,700,000	0.34447	$930,067
Year 9	-	-	-	$250,000	-	$250,000	0.30150	$75,376
Year 10	-	-	-	$250,000	-	$250,000	0.26390	$65,975
Year 11	-	-	-	$250,000	-	$250,000	0.23098	$57,746
Year 12	-	-	-	$250,000	-	$250,000	0.20217	$50,544
Year 13	-	-	-	$250,000	-	$250,000	0.17696	$44,239
Year 14	$533,556	$0	$8,256	-	-$500,000	$41,812	0.15489	$6,476
Year 15	$5,325,562	$293,542	$73,218	-	-$500,000	$5,192,323	0.13557	$703,912
Year 16	$10,633,552	$422,187	$129,175	-	-$500,000	$10,684,913	0.11866	$1,267,861
Year 17	$16,125,587	$384,075	$169,140	-	-$500,000	$16,178,802	0.10386	$1,680,315
Year 18	$16,945,843	$296,511	$178,387	-	-$500,000	$16,920,742	0.09091	$1,538,182
Year 19	$9,053,214	$203,646	$237,236	-	-	$9,494,096	0.07957	$755,415
Year 20	$9,394,211	$617,680	$272,303	-	-	$10,284,194	0.06964	$716,219
Year 21	$21,903,549	$1,452,318	$416,469	-	-	$23,772,336	0.06096	$1,449,077
Year 22	$44,432,377	$2,016,282	$718,967	-	-	$47,167,627	0.05335	$2,516,561
Year 23	$61,717,271	$1,965,228	$805,327	-	-	$64,487,825	0.04670	$3,011,514
Year 24	$53,555,628	$1,321,759	$882,355	-	-	$55,759,743	0.04087	$2,279,144
Year 25	$25,497,626	$579,059	$778,549	-	-	$26,855,233	0.03578	$960,779
Year 26	$5,194,704	$124,447	$429,005	-	-	$5,748,156	0.03131	$179,998
Year 27	$97,341	$2,741	$19,826	-	-	$119,908	0.02741	$3,286
Year 28	$61,268	$5,786	$831	-	-	$67,885	0.02399	$1,629
Year 29	$7,546,087	$597,371	$125,017	-	-	$8,268,475	0.02100	$173,618
Year 30	$12,990,026	$944,969	$228,708	-	-	$14,163,703	0.01838	$260,310
Year 31	$13,524,575	$831,125	$233,653	-	-	$14,589,353	0.01609	$234,689
Year 32	$11,835,342	$608,012	$195,001	-	-	$12,638,356	0.01408	$177,947
Year 33	$10,486,518	$501,343	$181,313	-	-	$11,169,174	0.01232	$137,647
Year 34	$7,534,584	$338,630	$157,804	-	-	$8,031,018	0.01079	$86,628
Year 35	$5,300,583	$190,229	$154,774	-	-	$5,645,586	0.00944	$53,302
Year 36	$1,879,247	$53,747	$89,530	-	-	$2,022,524	0.00826	$16,714
Year 37	$155,810	$8,154	$2,435	-	-	$166,398	0.00723	$1,204
Year 38	$672,420	$40,862	$9,320	-	-	$722,602	0.00633	$4,575
Year 39	$796,580	$50,202	$13,009	-	-	$859,790	0.00554	$4,764
Year 40	$688,835	$45,964	$15,501	-	-	$750,300	0.00485	$3,639
Year 41	$314,330	$23,728	$10,428	-	-	$348,486	0.00425	$1,479
Year 42	$113,024	$5,919	$4,430	-	-	$123,372	0.00372	$458
Year 43	$61,602	$1,545	$2,587	-	-	$65,734	0.00325	$214
Year 44	$8,022	$146	$423	-	-	$8,591	0.00285	$24
Grand Total								**$21,921,047**

Based on the preceding income capitalization approach, the concluded market value opinion of the subject is:

Value Indication ($ USD)	
Market Value Indication - Copper Mineral Deposit	$22,000,000

The Income Capitalization Approach value indication for the Subject larger parcel (±766.58 acres) as of the effective date (12 April 2022) is:

$22,000,000

Transaction Scale Analysis

The Subject MWA parcel is one of two Selected Federal Land properties included in the Southeast Arizona Land Exchange and Conservation Act. These properties are contiguous parcels in the Oak Flat area of Pinal County, Arizona, with similar geographic and ecological settings. Together they represent a portfolio of independent properties with different highest and best use and economic criteria, each subject to a different set of market forces. We are aware of no market data that suggests an increment in value or a discount attributable to the bulk nature of the legislated transaction.

In our opinion, market evidence implicitly demonstrates that both larger parcels would contribute their full value to the value of the whole property as defined in the ATI. The MWA value for exploration and development of the mineral resource as a portion of the Resolution Copper deposit; and the MCZ value for the surface land use in support of a mining operation, which is of no benefit to the mining portfolio, considering consolidation of the acquisition of the fee in the MWA with the partial, non-mineral interest of the MCZ.

No benefit is indicated by the MCZ and MWA transacting at the same time; there is no value enhancement or diminution.

Final Reconciliation & Opinion of Market Value

The final step in the appraisal valuation process is reconciling the concluded value indicators, relative to the analyzed factual data and the Subject's highest and best use and larger parcel determinations, and to form a final opinion of market value.

Final Reconciliation Standard(s)

In UASFLA's discussion of the Reconciliation Process and Final Opinion of Value, it states:

> *A critical part of developing an appraisal under these Standards and forming a final opinion of market value is the reconciliation process…All of the supporting data for each of the approaches to value is examined for consistency and accuracy with the subject property and market data as well as the highest and best use and larger parcel analyses.* (UASFLA, Section 1.6.)

The Appraisal Institute defines Final Reconciliation as:

> *The last phase in the development of a value opinion in which two or more value indications derived from market data are resolved into a final value opinion, which may be either a range of value, in relation to a benchmark, or a single point estimate.* (The Dictionary of Real Estate Appraisal, 2022)

This appraisal is not limited in scope, but subject to one authorized/prescribed hypothetical condition, which conforms with the *Statement of Work for appraisals supporting Resolution Copper Land Exchange*, and consistent with: the Uniform Appraisal Standards for Federal Land Acquisitions, 2016 edition (UASFLA), Uniform Standards of Professional Appraisal Practice (USPAP), 16 U.S.C. §539p (c)(4)], and 36 CFR 254.9.

> **Prescribed Hypothetical Condition**:
> *The Federal Property shall be appraised as though it is in private ownership, is freely alienable, and zoned consistently with other similarly situated non-Federal properties within the jurisdiction of the zoning authority. Federal law provides that, upon conveyance, "[t]he Federal Property shall be available to Resolution Copper for mining and related activities subject to and in accordance with applicable Federal, State, and local laws pertaining to mining and related activities on land in private ownership." 16 U.S.C. §539p(c)(8). This hypothetical condition does not alter the facts that: the Federal Property is encumbered by mining claims held by a party other than the United States; said mining claims confer all rights to locatable minerals to that party in accordance with the Mining Law and are not part of the estate owned by the United States, 30 U.S.C. §§26, 181, 611; that the United States currently holds the rights to reasonably regulate surface use of the Federal land for mining purposes under 36 C.F.R. 228 Subpart A, 16 U.S.C. § 551; or that the United States may not prohibit the use of the surface of NFS land for mining purposes, nor may it materially interfere with such uses. 30 U.S.C. § 612.*

Rationale for the Hypothetical Condition: *The hypothetical condition is based upon direction and guidance from 36 CFR 254.9(b)(ii), FSH 5409.12_65.11(5), FSH 5454, and 16 U.S.C. §539p(c)(8). Federal land is generally not freely alienable, local government entities do not have the authority to zone land owned by the United States, and mining operations on National Forest System land are subject to federal laws and regulations applicable to the administration of the National Forest System and are often exempt from State and local laws. For the purposes of appraisal, the appraiser shall determine and support a conclusion of zoning based on similarly situated private property within the jurisdiction of the zoning authority. This hypothetical condition does not alter or affect the rights of Resolution Copper to the unpatented mining claims and locatable minerals on the Federal land pursuant to the United States Mining Law, or the estate to be appraised in consideration of the existence of the mining claims. The hypothetical condition shall be prominently reported on the transmittal letter, summary page, conclusion page, and certification.*

Final Reconciliation Analysis and Determination

Based on the availability and reliability of data, we've concluded that the Income Capitalization Approach is the most reliable indicator to value the MWA. We also developed the Sales Comparison Approach, but only a few sales could be found that are genuinely comparable to the subject. Even the sales analyzed in this approach included key differences between their transactional terms, market conditions, and physical characteristics as compared with the MWA. Also, due to the limited pool of comparable data, adjustments for each differing element of the sales were unable to be made using common application of paired data or other statistical methods. Therefore, we have considered the reliability of the Sales Comparison Approach to be generally inadequate for the purpose of concluding a value of the subject. The value indication provided by the Sales Comparison Approach is most usable to confirm, as a test of reasonableness, the magnitude and conclusion of the Income Capitalization Approach.

The Income Capitalization Approach was derived through application of a discounted cash flow analysis. This approach relied upon the studies of consulting geologist Dr. David Wahl and other outside resources to cross-check the inputs and results. The quality and availability of data within this approach was ample to derive a value indication. The conclusion of this analysis falls within the magnitude of comparable sales transactions and is considered the most reliable indication of value.

Value indications from both the Sales Comparison Approach and Income Capitalization Approach are summarized in the following table. The Cost Approach was not applicable to the subject and therefore was not developed.

Value Indications

Approach to Value	As Is
Cost Approach	Not Developed
Sales Comparison Approach	$21,000,000
Royalty Income Capitalization Approach	$22,000,000

Based on the two value indicators, with the higher credibility given to the Income Capitalization Approach, and weighted accordingly, it is reasonable to conclude the Subject MWA parcel value at $22,000,000.

Final Opinion of Market Value

Value Conclusion

Description	Value
Value Type	Market Value
Property Rights Appraised	Fee Simple
Effective Date of Value	April 12, 2022
Value Conclusion	**$22,000,000**

Our final opinion of market value for the Subject larger parcel (±766.58 acres) as of the effective date (12 April 2022) is:

$22,000,000
($28,699/acre)

Appraisers' Qualifications

Curriculum Vitae of Marc P. Springer

Office Phone (760) 585-2259 / Mobile Phone (b) (6)
e-mail- spanishflatmining@hotmail.com

(b) (6)
Carlsbad, CA 92011

SUMMARY

My professional background combines 45 years of industry (1977 - present) and federal government (1998 – 2014) experience, including: mineral property valuation/appraisal; mineral resource exploration/assessment; reclamation/financial assurance planning and permitting (CFR-3809/SMARA Plans/Notices and NEPA/CEQA Environmental Documents; and mining industries. My professional certifications include state (California), national, and federal government recognition in real property valuation/appraisal, mineral property evaluation, and geology.

The focus of my mineral resources and mining industry experience has been: mineral valuation/appraisal, principally in precious metals, industial minerals, and construction aggregate; minerals exploration; mining and mineral processing operations; and general mine management.

My federal government (Bureau of Land Management) service was predominantly mining law and surface management for operations authorized by the Federal Mining Law (unpatented mining claims). My BLM experience included: mineral appraisals/appraisal reviews for federal land actions; reclamation/bond planning/permitting for mining and mineral resource exploration operations; mineral patent and mining claim validity examinations/determinations; mineral potential and valuation reports; and administering BLM's Mining Law Program for California.

My recent mineral/mining work experience, over the last 20 years, has been primarily: mineral rights appraisal and valuation services; mining law and litigation work; mineral potential reports (Federal Standard); mining claim validity determinations and economic evaluations; mineral property evaluation; and reclamation/financial assurance cost estimation planning.

I have provided expert witness reports and testimony for federal and county government mineral resources and mining legal proceedings, as well as lead roles for settlement agreements and mediation.

Key Geology, Mining, and Appraisal Certifications (all listed certifications are current)

- CA State Certified General Real Estate Appraiser: **CA BREA #**(b) (6)
- CA State Registered Professional Geologist: **CA PG#** (b) (6)
- AZ Certified General Real Estate Appraiser: **CGA-** (b) (6)
- International Institute of Minerals Appraisers (IIMA) Certified Mineral Appraiser: **IIMA CMA #**(b) (6)
- Bureau of Land Management (BLM) Certified Mineral Examiner: **BLM CME#** (b) (6)
- Mine Safety & Health Administration (MSHA) Instructor (Surface and Underground): **MSHA MIIN#** (b) (6)

Key Organiztional Affiliations

- IIMA (International Institute of Minerals Appraisers) [certified member]
- ISEE (International Society of Explosives Engineers) [emeritus]
- AI (Appraisal Institute) [practicing affiliate member]

Mineral Appraisal, Valuation & Economic Evaluation Experience

Industrial Minerals/Metals & Construction Aggregate

- Amargosa Valley, CA
- North Slope, AK
- Cool (Georgetown Divide), CA
- Lebec/Tejon (Tehachapi Mountains), CA
- Cottonwood Creek/Kern River, CA
- Weaverville, CA
- Hay Fork, CA
- Clear Creek (Redding), CA (2)
- Shasta, CA
- Mecca Hills, CA
- Newberry Springs, CA
- Tuolumne River (Waterford), CA
- San Joaquin River (Fine Gold), CA
- Fresno River (Coarse Gold), CA
- Medicine Lake, CA
- Lucerne Valley, CA
- Inyo National Forest, CA
- Yuba Goldfields, CA
- Bangor, CA
- Newtown, CA
- Fort Jones, CA
- Red Rock Canyon, CA
- West Sacramento, CA
- Santa Maria, CA
- Hollister, CA
- Johnson Valley, CA
- Groom Mining District, NV

Precious and/or Base Metal

Hard Rock Gold/Silver

- Golden Zone, AK
- Chichikoff Island, AK
- Willow Creek/Independence, AK
- Garden Valley, CA (2)
- Ophir, CA
- Spanish Flat, CA (3)

- Greenwood, CA
- Mesquite, CA
- West Point, CA
- Canada Hill, CA (4)
- Silver Reef Mine (Tohono O'odham Reservation), AZ
- Hornbrook, CA
- Groom Mining District, NV (lead/silver)

Placer Gold

- Chunilna Creek, AK
- Fairbanks Area, AK
- Willow Creek, AK
- Canada Hill, CA
- Weaverville, CA
- Garden Valley/Kelsey, CA (3)
- Spanish Flat (Gulch), CA
- Newtown, CA
- Coolgardie, CA
- Ancestral Feather River (Seneca), CA
- Ancestral Feather River (Magalia), CA (2)
- Cottonwood Creek/Kern River, CA
- Ancestral Yuba River (Malakoff), CA
- Cold Foot, AK (District Evaluation)
- Gilmore/Steese, AK

Qualified Expert Witness Testimony and Mediation Experience

- Underground Gold Mine; Placer County Superior Court (Auburn, CA); July 1996
- Mining Claims (Gold); Federal Office of Hearings and Appeals (Oroville, CA); July/August 2006
- Aggregate/Placer Gold Quarry; El Dorado County Superior Court (Placerville/Lake Tahoe, CA); September 2008 (Deposition) & July/August 2009 (Trial)
- Industrial Minerals- Condemnation/Takings; Federal Claims Court (Sacramento, CA/Washington D. C.); June 2013 (Deposition) & September 2013 (Trial)
- Participation in key roles for Settlement Agreement and Fiscal Mitigation Issues; Salt Lake City, UT & Sacramento, CA); 2000 – 2013
- Underground/Surface Base Metal & Silver Mine/Mining Claims; U.S. District Court, District of Nevada (Las Vegas, NV); January 2017 (Deposition)

- Surface Industrial Mineral/Iron Ore; U.S. District Court, Central District of California (Costa Mesa, CA); October 2017 (Deposition)
- Multiple government and private arbitration/dispute resolution cases.

BUREAU OF LAND MANAGEMENT EXPERIENCE

Geologist, Certified Mineral Examiner, Mineral Appraiser, Mining Law Administration Program Lead (CA)
1998 - 2014

- Mineral Validity Examinations and Reports
- Mineral Appraisal Development, Reports and Reviews
- Mining Safety and Health Instructor (MSHA and CalOSHA authorities)
- Mineral Interest and Fiscal Mediation/Settlement Agreement Negotiations
- Mining Law Administration Program Lead (CA)
- Mineral Resource Planning
- Abandoned Mine Lands Program Lead and Project Support (CA)

PROFESSIONAL INDUSTRY EXPERIENCE

Spanish Flat Mining Company
Co-Owner; Geologist, Minerals Appraiser
1996 - Present

- Mineral appraisal and valuation analyses
    - Multiple industrial minerals and precious metals appraisal development/reports, valuation consulting and economic evaluations (feasibility analyses)
- Expert witness reports and court testimony
    - Expert reports; attorney consultation; depositions; expert witness testimony
    - Dispute resulution and arbitrtory intervention between mineral property rights owners and mining lessees.
- Mineral resource exploration program management investigation and report writing
    - Exploration drill hole planning; deposit sampling/testing programs
- Mineral resource underground mine exploration, development and production consulting
    - Planning; cost estimation; ore sampling and testing; development and production methods and design; drill/blast design; safety assessment and inspection; etc.
- Mine safety and health training (underground and surface mining)
    - OSHA Safety Representaive; MSHA Underground & Surface Part 46/48 Instructor
- Retained by Spreckels Limestone & Aggregate Products as a mining manager and geological consultant; specificlly short /long term planning; economic evaluation, marketing, budget planning, and cost analysis; industrial mineral marketing;

environmental management, permitting & compliance; blasting and rock mechanics; and safety and health instruction.

- Composed long range mine plan with multiple scenarios, estimated costs, time frame and ore reserves.
- Geologic mapping and overseeing drill programs for ore reserve and engineering data.
- Market entry feasibility for expanding industrial mineral products.
- Stockpile, ore block, and slope material surveys for volume estimates, cost analysis, and ore reserve calculation.
- Formulated Plan of Operation, Reclamation Plan, and Financial Assurance Bond Calculations.
- Liaison for the Cool Cave Limestone Quarry lease; assisted with developing the royalty rate determination with BLM for the US Bureau of Reclamation mineral lease.

Independent Mine Operator and Operations Manager
Underground Mine Management
1986 to 1996 in El Dorado and Placer Counties of California

Responsibilities included all phases of mine management including: developing capital resources; engineering; mine property evaluations; federal, state and local permitting; budgeting and financial projections; equipment procurement; report writing; product marketing; industrial relations, ore grade control; and safety training for five small-scale lode gold mines.

Project involvement:

- Supervision of surface and underground exploration, development, and production.
- Directed 3,200 feet of raises, winzes, main haulage, and two gravity concentration mills.
- Arbitrated disputes between contiguous property owners and operator regarding apex law and related mining laws.
- Interfaced with governmental regulatory agencies for mine permitting, safety, and environmental compliance procedures. Training of surface and underground safety/health procedures.
- Ongoing liaison and arbitrator between property owners, investors, and operator regarding contract negotiations and royalty distribution.
- Expert witness testimony.
- Core and rotary drilling (surface and underground) for structure, formation, and ore body determination.
- Composed and submitted mineral patent application (Mineral Survey #7004, Round Hill Lode Claim, filed 9/28/94) to Bureau of Land Management.

Coronado Mining Company & Enserch Exploration, Inc., Alaska Mineral Operations
Project Manager
Anchorage, Alaska
1981 to 1986

Manage exploration, mine development, and metallurgy analysis at the Golden Zone Mine in the Mount McKinley/Denali National Park area for economic feasibility analysis. Continual management interface with other company mining operations in South-Central and Southeastern Alaska..
Responsible for:

- Financial control of $1.5 million annual budget involving planning, cost projections, logistics, and equipment purchasing.
- Geologic evaluations and calculation of ore reserves.
- Design and management of a surface exploration core drilling program (16,000' NQ core).
- Mine infrastructure and facilities refurbishment.
- Management of remote field camps: mobilization, personnel relations, logistics, and coordination with contractors.
- Assist BLM Mineral Assessor in placer evaluation for patenting 13 claims on Chinilna Creek; drill program (Churn Drill) and bulk sampling (Denver Gold Saver).

Quadra Engineering
Staff Geologist
Anchorage, Alaska
1980 to 1981

- Underground mapping and drill logging - North Slope, Anchorage, and Juneau areas.
- Directed soil mechanics research program in Northern Alaska. The geotechnical information collected was used in the design criteria for roadways and structures associated with the Trans-Alaskan Pipeline.

United Nuclear Corporation
Production Superintendent
Gallup, New Mexico
1978 to 1980

- Responsible for: underground urainium ore development and production; grade control; underground core drilling program; and geological mapping of ore bodies. Gained extensive experience with blasting methods.
- Directly managed 3 foremen, indirectly responsible for 32 miners, 47 grade control geologists, and oversaw the performance of an additional 140 personnel.

U.S. Geological Survey
Geologist
Menlo Park, CA Office (Alaska Operations)
1977

- Reconnaissance mapping of Interior and North Slope Regions, Alaska for the U. S. section of the natural gas pipeline (Prudue Bay to Canada) EIS investigation and report; mapping and projections for industrial gravel deposits.

EDUCATION

Geology

- BS Geological Sciences, University of Southern California, 1977

Real Estate Appraisal/Mineral Appraisal and Economic Evaluation

- CA State accredited appraisal courses; Appraisal Institute & American Society of Farm Managers and Rural Appraisers; ±300 hours
- Economic Evaluation and Investment Decision Methods; Colorado School of Mines; 40 hours

Mining Law

- Mining Law; Rocky Mountain Mineral Law Foundation

BLM National Training Center- Mineral Law & Validity of Mining Claims and Sites

- BLM core Certified Mineral Examiner program; 640 hours.

CERTIFICATIONS

National

- International Institute of Mineral Appraisers, Certified Member # (b) (6)

U. S. D.O.I. Bureau of Land Management

- Certified Mineral Examiner # (b) (6)
- Former Mine Safety & Health Instructor (Active and Abandoned Mines)

U. S. Department of Labor - MSHA

- Mine Safety & Health Instructor MIIN# (b) (6) (Surface and Underground, 1989)

State of California

- CA Registered Professional Geologist # (b) (6)
- CA General Appraiser # (b) (6)
- Blaster # (b) (6) General Underground Mining and General Above-ground Mining (currently inactive)
- Gas Tester # (b) (6) Tunneling (currently inactive)
- Safety Representative # (b) (6) Mining (currently inactive)
- Emergency Medical Technician – EMT 1; # (b) (6) (currently inactive)

State of Arizona

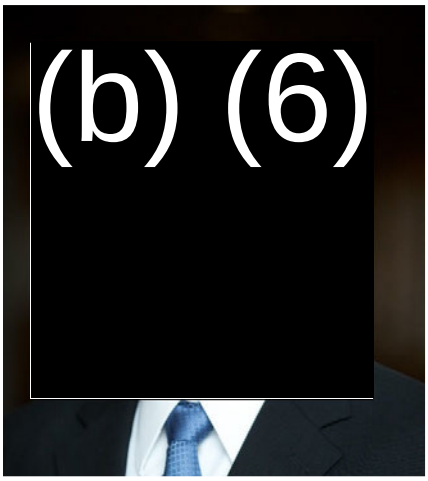
- AZ Certified General Real Estate Appraiser CGA- (b) (6)

PROFESSIONAL ASSOCIATIONS

- International Society of Explosive Engineers (ISSE); Emertius
- International Institute of Mineral Appraisers (IIMA); Member
- Appraisal Institute (AI); Associate Member

Evan Mudd, PE, CG, MBA, PMP, QP, CMA

Mining Engineer, Mineral Appraiser



Expertise

- Mineral Property Appraisal
- Mineral Project Feasibility
- Commercial Real Estate Appraisal
- M&A Target Analysis
- Design of Mine / Processing Systems
- Capital Project Management $10M+

Education

M.B.A. Finance/General Mgmt.
University of Wisconsin – La Crosse, WI

M.S. Environmental Engineering
Missouri S&T – Rolla, MO

B.S. Mining Engineering
Missouri S&T – Rolla, MO

Appraisal Coursework and Exams

Certified General Appraiser QE (10 Courses)
Advanced/Designation Courses:
·Quantitative Analysis
·Advanced Income Capitalization
·Advanced Market Analysis and HBU
·Advanced Concepts and Case Studies

Work History

Rock Associates, LLC (2018 - Current)
Shaner Appraisals | Valbridge (2019 -2021)
Compass Minerals (2016-2018)
Badger Mining Corp (2008 – 2016)
Davy Engineering (2007 – 2008)
Collegiate Internships:
·Peabody Energy (2006)
·United States Gypsum (2005)
·Martin Marietta Materials (2004)

Professional Associations and Activities

Appraisal Institute – Candidate for Designation
Institute of Minerals Appraisers – Certified Member
International Right of Way Assoc. (IRWA) – Member
Society of Mining, Metallurgy and Exp.– Registered
NCEES Mine Eng. Licensure Exam Committee
Professional Engineer (WI,MN,IA,KS,IL,+36 more)
Certified General Real Estate Appraiser (KS,+6 more)

As a Professional Engineer (PE) in mining, I am experienced with managing the feasibility and design of mining and mineral processing systems. I also hold certification as a Professional Project Manager (PMP), which was earned with years of education and experience in managing all aspects of project delivery from design phases through final commissioning. For mining companies, I have analyzed operations in managerial accounting contexts, evaluated strategic projects for executive management and relied consistently on DCF methodologies to provide indications of value. As a Registered SME member, I am qualified by the SEC to disclose my analysis of mining operations and feasibility in public reports such as 8K's and 10K's. As a Certified General Real Estate Appraiser and a Candidate for Designation with the Appraisal Institute, I actively value mine and commercial property and review mineral appraisal reports for government use. I consistently author USPAP-compliant reports in complex Highest and Best Use scenarios that involve minerals.

Select Appraisals

Industrial Sand and Construction Aggregate Facility (Confidential, 2022)
An acquisition involved assets from a publicly traded supplier of industrial silica that had recently undergone Chapter 11 reorganization. I evaluated the previous mineral reserve reports, developed conclusions of the property's remaining mineral resources. Inspected the condition of the real estate, machinery and mobile equipment, and appraised the property's minerals, land, industrial buildings and going concern. The property's value was analyzed under two specific scenarios involving multiple parties and lease agreements. Results were reported to two lending institutions

Joint Venture Acquisition of Dimension & Crushed Stone Properties (MN, 2020)
Multiple parties requested a value opinion to purchase historically operating and depleted limestone quarries. I valued the individual mineral rights, surface rights, and improvements for each of three quarry properties. Work included assessing the geologic, mineral processing, and financial circumstances, and drawing individual value conclusions. Surface improvements comprised two miles of rail track infrastructure and mineral processing facilities. A collective Going-Concern value including two of the properties was developed in addition to real estate-only values. Allocations were provided to lending institutions representing the fractional owners in this acquisition.

Condemnation of Low-Volume Change Clay Property (KS, 2020)
A government entity proposed partial taking of an operating mineral property. I compared site-specific geology to the overall regional geologic setting and established a basis for how commonplace the subject's minerals were. I then assessed factors contributing to the subject's mine development potential including proximity to market, transportation linkages, geotechnical constraints, site-specific suitability for mining, and others including compliance with local municipal code. I compared the subject's mineral development potential with alternate properties having similar mine development potential to derive value conclusions. .

Condemnation of Historically Operating Quarry Property (MO, 2020)
The partial acquisition of a limestone quarry impacted areas that were suitable for both mineral-production and commercial industrial development. I assessed the subject's geologic resources and mine plan both before the acquisition and after the acquisition. I analyzed the subject's historical production of limestone along with the local market for products fitting the subject's limestone quality. A discounted cash flow analysis projecting market absorption of limestone product over the subject's long-term mine plan was developed both before the acquisition and after the acquisition. The difference in these values, along with conclusions about the subject's industrial land, formed the basis for valuing the partial taking. Temporary and permanent access easements were also valued.

Damages to Mine Property by Flood and Wetland Determination (Confidential, 2020)
A mineral resource was flooded and rendered unworkable after the local hydrologic setting was altered by a flood control structure. To value the damages, I evaluated the extent to which propagation of flood water and protected wetland plant species had limited potential mine development. Historical operations on the subject were compared with current market conditions. The subject's geologic character and prevalence of alternate mineral resources in the locality were considered to develop an opinion of value for damages to the mineral real estate.

Estate Planning for Operating Quarry Portfolio (TN, 2020)
The owners of a family-operated mining company desired to renegotiate fractional interests of an inherited estate and finance a buyout. I assessed the mining and non-mining property held by the company, as well as the mining and mineral process machinery and equipment. My analysis included an evaluation of the geologic context, mining methods, mineral processing, local markets, and historical financial performance of the company. I considered each property's suitability for mining and analyzed feasible mining areas with discounted cash flow analysis. Areas with alternate Highest and Best Uses were valued for their surface interest and included contributory value of all improvements. In addition to real property values, I derived a going concern value for the collection of all three properties.

Complex Easement and Environmental Factors (CA, 2021)
A flood-prone mineral property was bisected by a major fault and electric transmission corridor. I assessed historical mining activities, future mine plans, and the technical constraints that would govern continued development. My analysis included consideration of permit-specific slope stability requirements as well as mining under transmission lines, setbacks from structures, and suitability of mining methods for future flood-prone areas. I analyzed alternate highest and best uses based on available mineral resources, site constraints, and finished product absorption by the local market. Resulting excess land was valued alongside all mining lands.

World's Largest Underground Industrial Storage Cavern (MO, 2020)
A previously mined, underground cavern property encompassing more than 8 million square feet of industrial area was valued. I examined the condition of the underground environment, the profile of tenants leasing space within the facility, the comparability of the facility to other underground industrial facilities nationwide, and potential for future development within the subject facility. My research included an analysis of physical characteristics, as well as rents and market vacancy rates. I drew conclusions about tenant turnover and the facility's overall risk profile. In addition, I compared historical 10-year Profit and Loss statements to competing facilities, leading to final conclusions about operating income, capitalization rates, and value of the leased-fee interest.

Traditional/Special Commercial Property
Helicopter Repair Facility (KS), 60-Acre Commercial Subdivision (KS), US Forest Service Wildfire Airport Base (OR), US Army Base Communications Easement (WI), US Air Force Hangar Lease (NE), Industrial Truck Repair Facility (IA), Rail Car Storage Facility (WA), Black Hills Recreational Land (SD), Automotive Manufacturing Facility (MO), Class-I Railroad Land Acquisition (MO).

Evan Mudd, PE, CG, MBA, PMP, QP, CMA

Select Mine and Mineral Process Evaluations

Exploratory Drilling and Geologic Modeling (WI, 2008-2016)
A mining company required the exploration of mineral deposits on more than 5,000 acres of owned, leased, and prospective land holdings. Over the course of an eight-year period, I assessed the geologic setting, planned, and executed exploratory drill campaigns with appropriate hole spacing and sample intervals, and created three-dimensional block models with cost and quality parameters that were used for economic analysis and mine planning.

Short, Mid, and Long-range Mine Planning and Design (WI, 2008-2016)
A 450-acre, 4 million ton per year, historically operating mine required annual updates of mine plans to sustain ongoing operations. I authored all aspects of short, mid, and long-range mine plans including environmental planning, site hydrology, overburden stripping, ore block scheduling, blasting practices, mining methods, land recontouring and final reclamation.

Crushing and Screening Project Feasibility (WI, 2013-2014)
A mining company desired to construct a crushing and screening plant that would process up to 8 million tons of material per year. I completed an economic analysis considering the quantity and quality of ore within the local deposit, the demand for approximately eight finished products, alternatives for the location of improvements, mineral process alternatives, costs of construction, and timing of development leading to approval of the project.

Corporate-wide Mine and Mineral Process Strategy (WI, 2015)
A mining company desired to optimize production costs between two separate mines with different mining, processing, and shipping networks that were located on two separate Class-A rail carrier systems. I analyzed the mine plans, fixed and variable cost structures, the demand for individual products, and rail origin and destination pairs. Based on this analysis, an optimum solution was found to mine and ship different materials at different time intervals from each mine.

Industrial Mineral M&A Target Analysis (KS, 2016)
A mining company sought to diversify holdings and acquire a new industrial minerals producer. I performed a strategic analysis of the industry and targets within the industry including an assessment of mining, processing, and logistics, leading to recommendations for senior management.

High Frequency Fine Screening Project Feasibility (Canada, 2017)
An underground mine required mineral process upgrades to meet finished product specifications. I studied the geologic setting, the occurrence and quality of materials within existing mine limits, and analyzed alternative scenarios for processing and blending the finished product leading to final recommendations for management and project approval.

Mineral Supply Chain Analysis and Optical Sorting Feasibility (Canada, 2018)
A mining company with separate mines, processing facilities, and distribution outlets sought to optimize material processing and transport between the facilities. Furthermore, an opportunity existed to diversify product offerings by sorting and blending new mineral products. I assessed the unit costs of processes within the facilities and the shipping costs to distribution outlets. I also analyzed the geologic quantity and quality of materials that were available for sorting and blending. This resulted in an economic evaluation that included modifications to revenue, operating costs, and accounted for detrimental impacts to previously unblended products. The project was determined to be feasible, leading to final management recommendations and approval.

Evan Mudd, PE, CG, MBA, PMP, QP, CMA

Mining Engineer, Mineral Appraiser

Education

M.B.A. Finance/General Mgmt
(UNIVERSITY OF WISCONSIN – LA CROSSE, WI) Sep. 2014 – Dec. 2017

M.S. Environmental Engineering
(MISSOURI S&T – ROLLA, MO) Jan. 2007 – May. 2011

B.S. Mining Engineering
(MISSOURI S&T – ROLLA, MO) Sep. 2002 – Dec. 2006

Professional Credentials

- Certified Minerals Appraiser (CMA) - Granted by the International Institute of Minerals Appraisers (IIMA), 2020
- Certified General Real Estate Appraiser – Licensed in AZ,KS,WI,LA,MS,MO,IA
- Registered Member of SME (RM) - Granted by the Society of Mining, Metallurgy and Exploration (SME), 2018
- Qualified Person (QP) as defined in SEC Regulation S-K (Subpart 1300)
- Project Management Professional (PMP) - Granted by the Project Management Institute (PMI), 2018
- Professional Engineer (PE) – Model Law Engineer (MLE), Licensed in 41 States:
  AL,AZ,AR,CA,CO,FL,GA,ID,IL,IN,IA,KS,KY,LA,ME,MD,MI,MN,MS,MO,MT,NE,NV,NH,NM,NC,ND,OH,OK,
  OR,PA,SC,SD,TN,TX,UT,VT,WA,WV,WI,WY

Associations and Activities

- Professional Mining Engineer Exam Committee – National Council of Examiners, Engineering & Surveying (NCEES)
- International Institute of Minerals Appraisers – Technical Session Chair -2019/2020/2021
- Appraisal Institute – Candidate for Designation
- Society for Mining, Metallurgy and Exploration – Registered Member
- Natural Stone Institute – Member
- National Stone, Sand and Gravel Association - Member
- International Right of Way Association - Member

Select Presentations

- SME / IIMA Valuation Session 2019 – *Technology Boosts Industrial Minerals – A Valuation Perspective*
- SME / IIMA Valuation Session 2018– *Impact of Adverse Environmental Conditions on Mineral Appraisal*
- SME / IIMA Valuation Session 2017 – *Influence of Market and Freight Factors on Valuation of Silica Sand*

Appendix A

Statement of Work
for appraisals supporting
Resolution Copper Land Exchange
(Undated)

and

Modifications to Original Statement of Work
(April 22, 2022)

Appendix A_1

Statement of Work

for appraisals supporting
Resolution Copper Land Exchange

DESCRIPTION/SPECIFICATIONS/STATEMENT OF WORK-

UNITED STATES FOREST SERVICE, REGION 3
STATEMENT OF WORK
for appraisals supporting
RESOLUTION COPPER LAND EXCHANGE

EIGHT +/- NON-FEDERAL PROPERTIES, TOTALING ABOUT 5459.72 ACRES WHICH ARE LOCATED IN COCONINO, GILA, MARICOPA, PINAL, SANTA CRUZ, AND YAVAPAI COUNTIES IN ARIZONA.

TWO FEDERAL PROPERTIES TOTALING ABOUT 2422.11 ACRES LOCATED IN THE TONTO NATIONAL FOREST IN PINAL COUNTY, ARIZONA.

In December 2014, the Carl Levin and Howard P. 'Buck" McKeon National Defense Authorization Act for Fiscal Year 2015 (hereinafter, the Act) became law. The Act, now incorporated as 16 U.S.C. §539p, directed the Southeast Arizona Land Exchange. This statement of work provides for the appraisal of the properties comprising the Resolution Copper Land Exchange (hereinafter, the Exchange) to provide a basis of value for the exchange of approximately 5459.72 acres of non-Federal properties for approximately 2422.11 acres owned by the United States of America. The non-Federal properties, comprised of 8 +/- parcels are located within areas managed by the Bureau of Land Management and the Tonto and Coconino National Forests and in six Arizona Counties. The two Federal parcels are located on the Tonto National Forest in Pinal County, Arizona. An appraisal report is needed for each of the Larger Parcels, determined by the appraiser, after evaluating the Agreement to Initiate and completing the highest and best use analysis. The appraisals must comply with this statement of work, the Act [with particular attention to 16 U.S.C. §539p (c)(4)], 36 CFR 254.9 (available at www.ecfr.gov), the *Uniform Appraisal Standards for Federal Land Acquisitions,* 2016 edition, henceforward UASFLA, and the *Uniform Standards of Professional Appraisal Practice* (current edition, as of the date of value), henceforward, USPAP. 16 U.S.C. §539p is available at the following url as of this writing: https://uscode.house.gov/view.xhtml?req=(title:16%20section:539p%20edition:prelim)

If clarification of these instructions is needed, and/or to arrange for site inspection and pre-work meeting, the contract appraiser shall contact the Contracting Officer assigned to this case. The completed appraisal reports shall be delivered ONLY to the Forest Service Review Appraiser named below.

David R. McInnis, RPRA, Regional Appraiser
USDA Forest Service, Southwestern Region
333 Broadway SE, Albuquerque, NM 87102
505.842.3379 (phone) / 505.842.3142 (fax)
David.McInnis@usda.gov

A summary of the properties involved in the exchange are included in the table on the following page.

Resolution Copper Land Exchange Parcel Summary

Resolution Copper Land Exchange Parcel Summary					
Property Name	**Size (acres)***	**County**	**PLSS***	**Title Commitment #**	**Title Commit Date**
Apache Leap	139.66	Pinal	Part Sec 1,2,11,12, T2S,R12E	2295733622D	1/8/2016
Cave Creek	149.30	Maricopa	Part Sec 21, T7N, R4E	2295733622B	1/8/2016
Turkey Creek	146.95	Gila	Part Sec 3&4, T7N, R12E	2295733622	7/15/2015
Tangle Creek	148.11	Yavapai	Part Sec 2, T9N, R5E and Part Sec 34 & 35, T9 1/2N, R5E	2295733622A	2/29/2016
East Clear Creek	640.00	Coconino	All Sec 9 T14N, R12E	2295733622C	1/8/2016
Dripping Springs Parcel	160.00	Gila	Part Sec 7 & 8, T4S, R 15E	2295733622F	1/15/2016
Lower San Pedro	3120.16	Pinal	Part Sec 3 & 4, T9S, R17E; Part Sec 7, 17-21, 28,29,32, & 33, T8S, R17E; Part Sec 12, T8S, R16E	2295733622E	1/8/2016
Appleton Ranch	955.54	Santa Cruz	Part Sec 14&15, T21S, R18E; Part Sec 17, T21S, R18E; Part Sec 28, T21S, R18E	01837369-090-AC4	1/5/2016
Non-Federal	**5459.72**				
Selected Lands comprising the Oak Flat Withdrawal Area (Fee Simple Interest)	766.58	Pinal	Partially Sur., T.1 S., R. 13 E., Tract 50 (766.58 ac)		
Selected Lands outside of the Oak Flat Withdrawal Area (Subject to 1872 Act claims)	1655.53	Pinal	Partially Sur., T.1 S., R. 13 E., Tract 49 (864.79 ac); T.2 S., R. 12 E., Tract 37 (385.90 ac); T. 2 S., R. 12 E., Section 6 (404.84 ac)		
Federal	**2422.11**				
*In case of conflict, BLM Land Surveyor Reports (LSRs) control with regard to legal description & land area.					

GENERAL SPECIFICATIONS

Contracting – Contracting and payment of the appraiser for this assignment will be through the US Forest Service Acquisition Management (AQM) organization.

Contracting Officer: Warren Abbott, Contracting Officer
Southwest Region 3 Acquisition Management
Assigned to:
USFS
30 S. Chiricahua Drive POB 640
Springerville, AZ 85938
Email: warren.abbott@usda.gov
Phone: 928.333.6344
Fax: 928.333.5966

Review Appraiser: David R. McInnis, Regional Appraiser
USDA Forest Service, Southwestern Region
333 Broadway Blvd SE
Albuquerque NM 87015
Email: David.McInnis@usda.gov
Phone: 505.842.3379

Performance – The contract appraiser shall furnish all materials, supplies, tools, equipment, personnel, travel, and shall complete all requirements including performance of the professional services listed herein. The appraiser shall assume responsibility for all work, including the selection and work product of subcontractors. The appraiser must notify the Forest Service Review Appraiser of the selection of all subcontract appraisers or specialists before they start work. The appraiser shall present specialist and consulting reports in the addenda to the appraisal report or make them available for inspection by the Forest Service Review Appraiser.

Communication Protocol – Primary communication with the contract appraiser shall be with the Contracting Officer and the Review Appraiser. It is anticipated that significant communication with Resolution Copper Mining, LLC (hereinafter, RCM) will be required as they possess significant data related to the properties. Communication between RCM and the contract appraiser shall be copied to the Review Appraiser. Day to day communication with the contract appraiser and monitoring of the work shall be performed by the assigned Review Appraiser. Release of the appraisals to RCM and USFS personnel will occur after the appraisals have been reviewed and approved. As stated in FSM 5410.71_5, "The unauthorized release of an appraisal report prior to completion of review will invalidate its use in supporting an Agency action."

Confidentiality on the part of the Contract Appraiser – The appraiser may provide information about the assignment, appraisal results, or portions thereof only to the Contracting Officer, Forest Service Review Appraiser, or Regional Appraiser. Assignment Results may only be distributed to the client and intended users upon written instructions by the Forest Service Regional Appraiser, upon authorization of

the Director of Lands and Minerals.

Confidential Information: Information provided by RCM may be furnished under confidentiality provisions, consistent with applicable law. Confidential information provided by RCM to the contract appraiser shall be marked accordingly and maintained in the contract appraiser's file. Review of the appraisal reports may require inspection of the confidential documents by the Forest Service Review Appraiser without taking the documents into to the government's possession.

Federal Law Controls – Federal law may differ from the law of some states and supersedes State law when they conflict. Accordingly, the appraiser must understand Federal law as it affects the appraisal process in the development of market value.

UASFLA and USPAP Conflicts – In the uncommon instance where UASFLA and USPAP conflict, UASFLA takes precedence, subject to the 16 U.S.C. §539p. If it is necessary to invoke the Jurisdictional Exception Rule to USPAP to meet certain provisions of the UASFLA or the 16 U.S.C. §539p, such action must include a citation of the over-riding federal policy, law, or regulation that requires it. Any jurisdictional exceptions must be discussed with the assigned Forest Service Review Appraiser prior to their use.

Definition of Terms – Unless specifically defined herein, within the Act, or in current editions of either the USPAP or UASFLA, definitions of all terms are the same as those found in *The Dictionary of Real Estate Appraisal*.[1] Subject to the Act, UASFLA takes precedence in any differences among definitions. The value definition for this assignment is that contained in 36 CFR 254.2.

Comprehensive Review – An appraisal report is acceptable for agency use only after approval by the assigned Forest Service Review Appraiser. As an alternative to disapproval, the Forest Service Review Appraiser may discuss findings of deficiency and request corrections. Simultaneous release of the appraisal reports to the Forest Service and the exchange proponent will occur only after the reviews are complete.

Freedom of Information Act – Freedom of Information Act (FOIA) provisions may result in the release of all or part of the appraisal report. If providers of information gathered by the appraiser request it be kept confidential, that information should not to be included in the report. The appraiser must make confidential information available to the Forest Service Review Appraiser upon request, but such information will not be incorporated in a Forest Service system of records.

The contract appraiser is directed to the following webpage to review US Department of Justice guidance relating to confidential information under FOIA exemption 4 after the *Food Marketing Institute vs. Argus Leader Media*, 139 S. Ct. 2356 (2019) decision. https://www.justice.gov/oip/exemption-4-after-supreme-courts-ruling-food-marketing-institute-v-argus-leader-media

[1] Appraisal Institute, *The Appraisal of Real Estate Appraisal* (Appraisal Institute, Chicago). Edition current as of date of report.

Testimony – Upon the request of the United States Attorney or the Department of Justice, the contract appraiser shall testify regarding the appraisal. A supplemental contract will be negotiated as necessary.

APPRAISAL REPORT SPECIFICATIONS

The following specifications required by the Forest Service are in addition to those set forth in *Uniform Standards of Professional Appraisal Practice* (USPAP) and the *Uniform Appraisal Standards for Federal Land Acquisitions* (UASFLA), 2016 edition.

Report Format – Assignment results shall be reported as Appraisal Reports as defined by the current USPAP. Unless otherwise specified in the following Assignment Instructions, the appraisal report shall contain all applicable components listed in UASFLA §2.3. Any question as to their applicability shall be determined by the assigned Forest Service Review Appraiser.

Appraiser's Certification – In addition to the requirements of USPAP and UASFLA, include the value conclusion, the date of value, applicable hypothetical conditions, and extraordinary assumptions in the certification above a signature and date. Appraisers not meeting Forest Service qualifications shall not sign a certification.

Inspection Notice – The appraiser shall provide the parties advance notice of the inspection date and shall give the parties, or their designated representative(s), an opportunity to accompany the appraiser during the inspection of the properties. These notices shall be documented in the transmittal letter accompanying the appraisal report.

Statement of Assumptions and Limiting Conditions – Since all appraisal reports submitted to the Forest Service become the property of the United States and may be used for any legal and proper purpose, do not include any conditions that limit distribution of the report. Do not use unauthorized extraordinary assumptions or hypothetical conditions without written direction from the Forest Service Review Appraiser.

Hazmat/Environmental Conditions – Recognized hazmat and/or environmental conditions must be dealt with as they exist on the Subject properties. The property shall be appraised as-is, with regard to hazmat issues, without making assumptions relating to hazmat/environmental conditions.

Maps – Include detailed topographic and aerial imagery of the appraised properties with the property boundaries and dimensions delineated. Significant encumbrances and both legal and physical access routes must be shown. Each report shall include one map per subject property which shows the relationship of all the sales to that subject property. The maps in the report shall be sufficient to find the properties and comparable sales on the ground using only the report.

The following Hypothetical Condition applies only to the Federal Property:

Hypothetical Condition: The Federal Property shall be appraised as though it is in private ownership, is freely alienable, and zoned consistently with other similarly situated non-Federal properties within the

jurisdiction of the zoning authority. Federal law provides that, upon conveyance, "[t]he Federal Property shall be available to Resolution Copper for mining and related activities subject to and in accordance with applicable Federal, State, and local laws pertaining to mining and related activities on land in private ownership." 16 U.S.C. §539p(c)(8). This hypothetical condition does not alter the facts that: the Federal Property is encumbered by mining claims held by a party other than the United States; said mining claims confer all rights to locatable minerals to that party in accordance with the Mining Law and are not part of the estate owned by the United States, 30 U.S.C. §§26, 181, 611; that the United States currently holds the rights to reasonably regulate surface use of the Federal land for mining purposes under 36 C.F.R. 228 Subpart A, 16 U.S.C. § 551; or that the United States may not prohibit the use of the surface of NFS land for mining purposes, nor may it materially interfere with such uses. 30 U.S.C. § 612.

> ***Rationale for the Hypothetical Condition:*** The hypothetical condition is based upon direction and guidance from 36 CFR 254.9(b)(ii), FSH 5409.12_65.11(5), FSH 5454, and 16 U.S.C. §539p(c)(8). Federal land is generally not freely alienable, local government entities do not have the authority to zone land owned by the United States, and mining operations on National Forest System land are subject to federal laws and regulations applicable to the administration of the National Forest System and are often exempt from State and local laws. For the purposes of appraisal, the appraiser shall determine and support a conclusion of zoning based on similarly situated private property within the jurisdiction of the zoning authority. This hypothetical condition does not alter or affect the rights of Resolution Copper to the unpatented mining claims and locatable minerals on the Federal land pursuant to the United States Mining Law, or the estate to be appraised in consideration of the existence of the mining claims. The hypothetical condition shall be prominently reported on the transmittal letter, summary page, conclusion page, and certification.

Zoning – Determine "consistent" zoning (and other land use restrictions) of Federal land by research and analysis, not by making an assumption. As instructed above, include a hypothetical condition that the Federal land be appraised as though in private ownership and zoned consistent with other non-Federal lands. In determining consistent zoning for the Federal land, the appraiser should not consider entitlements such as master planning that are not in place as of the date of value.

Highest and Best Use – Conduct sufficient depth of market analysis to provide a credible opinion of highest and best use considering the complexity of the assignment and the volatility of the market. Avoid vague highest and best use conclusions such as investment, speculation, and other ambiguous uses that do not define likely physically adaptable uses for the properties.

Larger Parcel – This exchange is a single-owner non-assembled land exchange. In accordance with UASFLA, "the appraiser must make a larger parcel determination in every appraisal conducted under these Standards..." For specific information relating to Larger Parcel determinations in land exchanges, see UASFLA § 1.12, page 52. A portion of paragraph 3 is quoted here:

"For a non-assembled land exchange appraisal (similar to the typical acquisition appraisal, although the estate to be appraised has been identified in the ATI), the appraiser will apply the tests of unity of ownership, of unity of highest and best use, and of contiguity or proximity as it bears on unity of use in determining the larger parcel."

Scope of the Project Rule – If there is a question relating to the existence of a Federal Project, the contract appraiser shall rely upon agency counsel to determine the existence of a Project. A Federal Project is not believed to exist for this assignment.

Comparable Sales – The contract appraiser shall inspect all sales directly compared with subject properties sufficiently for credible analysis and comparison. Discuss unusual circumstances that precluded on-the-ground inspection with the Forest Service Review Appraiser prior to completion of the appraisal report. At a minimum, document all comparable sales with:

- Parties to the transaction
- Date of transaction
- Recordation data
- Confirmation of the price, terms, and conditions of sale with buyer, seller, broker, or other person directly involved in the transaction. Include the confirming parties' name, telephone number, and note his/her relationship to the transaction (i.e. buyer, seller, buyer's broker, seller's broker).
- Highest and Best Use
- Person who verified the transaction and verification date
- Date & means by which the contract appraiser inspected the property
- Buyer motivation
- Location
- Legal and physical access
- Size
- Legal description
- Properties rights conveyed
- Consideration
- Financing terms
- Sale conditions, such as arm's length or distressed (describe fully if not arm's length)
- Improvements
- Physical description (topography, vegetative cover, water influence, and other characteristics.)
- Non-realty items
- Economic characteristics
- Zoning
- Current use
- Topographic map & Photographs
- Map showing all of the Sales and their relationship to the Subject
- Mapping & Instructions sufficient to find each of the sale properties on the ground with only the appraisal report

All of the sales used for direct comparison shall be shown on a sales grid that includes significant characteristics and adjustments made to the sales.

Sales Considered but Not Used –Include a list of the sales considered, but not actually used, in the body

of the report or the addenda. Cite pertinent facts such as date, size, buyer and seller, price, terms, location, and explain why each sale was not used.

Addenda/Other Pertinent Exhibits – Present in the addenda additional data such as documents and charts pertinent to the valuation and referred to in the body of the report. Include a copy of this Statement of Work, purchase order or engagement letter, specialist reports, and supporting documents that describe the properties rights appraised in the addendum of the appraisal report.

Qualifications – Include the qualifications of all appraisers or technicians who made significant professional contributions. The appraiser(s) signing the certification must provide evidence of compliance with the certification requirements of the state where the properties are located, the date their current license expires, and evidence of successful completion of UASFLA-compliant appraisal work or the UASFLA training course.

ASSIGNMENT INSTRUCTIONS

The project's name is the Resolution Copper Land Exchange. The proposed exchange is a legislated land exchange and is conducted under the authority of 16 U.S.C. §539p.

Client of the Appraisal– The contract appraiser shall recognize the USDA Forest Service as client.

Dissemination of deliverables to the proponent and the agency will be after the technical review is completed by the assigned Review Appraiser. The contract appraiser SHALL NOT provide, transmit, or otherwise communicate assignment results to anyone other than the Forest Service Review Appraiser and Contracting Officer without the express written direction of the Review Appraiser and Contracting Officer. (see Communications Protocol, above)

Intended Users—USDA Forest Service, USDA Office of General Counsel, and Resolution Copper Mining, LLC.

Exchange Proponent: Vicky Peacey, Senior Manager – Permitting and Approvals
Resolution Copper Company as Manager of
Resolution Copper Mining, LLC
102 Magma Heights (P.O. Box 1944)
Superior, AZ 85173
victoria.peacey@riotinto.com
Phone: 520.689.3313

Intended Use – The intended use of the appraisal will be to provide the basis of value for the legislated land exchange between the United States of America and Resolution Copper Mining, LLC pursuant to 16 U.S.C. §539p.

Purpose – The purpose of the appraisal is to provide opinions of market value of the Federal and non-Federal property interests to be exchanged.

Definition of Value – In compliance with 16 U.S.C. §539p and for the intended use of this appraisal assignment, Market Value is defined in 36 CFR 254.2 as follows:

> *Market Value* means the most probable price in cash, or terms equivalent to cash, which lands or interest in lands should bring in a competitive and open market under all conditions requisite to a fair sale, where the buyer and seller each acts prudently and knowledgeably, and the price is not affected by undue influence.

This definition makes no linkage between the opinion of market value and exposure time. A specific exposure time shall not be cited in an appraisal report prepared under UASFLA standards. The appraiser may invoke the Jurisdictional Exception Rule to avoid a violation of USPAP standards, which may be interpreted to require the development of a specific exposure time.

Suggested language for the Jurisdictional Exception follows (if deemed necessary):

> The *Uniform Appraisal Standards for Federal Land Acquisitions* provide that the appraiser shall not link an opinion of market value to a specific exposure time. This is contrary to Standards Rule 1-2(c) of the 2020-2021 edition of the *Uniform Standards of Professional Appraisal Practice*, and is considered a Jurisdictional Exception.

Scope of Work –USPAP has reduced the number of appraisal formats to two: Appraisal Report and Restricted Appraisal Report. This case requires the assignment results be reported in an Appraisal Report as defined by USPAP. In addition to the current edition of USPAP, the assignment results communicated in this assignment shall comply with UASFLA, 2016 edition.

If an issue arises during the development of the appraisal that would necessitate the use of a hypothetical condition or extraordinary assumption other than the one(s) specifically instructed in this SOW, the Forest Service Review Appraiser shall be consulted with contemporaneous notice to the exchange proponent and supplemental written instructions issued by the Review Appraiser prior to use of the hypothetical/extraordinary and completion of the assignment.

The appraiser shall conduct all investigations necessary to provide credible results including market/marketability analyses using inferred demand studies. The three approaches to value shall be considered and presented, if deemed reliable, regardless of the appraiser's opinion of added strength to the overall value conclusion. A detailed field inspection of the subject properties shall be made by the appraiser. The comparable sales shall be physically inspected and to the extent necessary to confirm their physical characteristics.

UASFLA defines highest and best use as "The highest and most profitable use for which the properties is adaptable and needed or likely to be needed in the reasonably near future." See §1.4.4 and 1.4.5

The highest and best use conclusion must be clearly supported by market evidence. Sale to the United States or other public entity is not an acceptable highest and best use. The use to which the government or other public entity will put the property after it has been acquired is, as a general rule, an improper highest and best use. A non-economic highest and best use such as "exchange to the government'," "conservation," "natural lands," "preservation," or any use that requires the properties to be withheld from economic production in perpetuity, is not a valid use upon which to base an opinion of market value.

While such uses are discouraged for federal appraisal purposes, and should be avoided if possible, if speculation or investment is deemed to be the highest and best use of the properties, describe and explain its interim and most probable ultimate use as well as the time horizons related to the use(s). Market value cannot be predicated upon potential uses that are speculative and conjectural.

The contract appraiser's opinion of a reasonable probability of a zoning change on the non-Federal parcels must have a factual foundation. The appraisal report shall include a description of the investigation undertaken to determine the probability of rezoning. The investigation shall include thorough research of the use(s) and zoning of properties situated similarly to the subject properties within the area covered by the zoning authority. The stated rezoning conclusion shall be supported by

facts that surfaced in the research, not by assumption.

Nearby arm's length transactions, comparable to the land being appraised, and reasonably current, are the best evidence of market value. The Federal courts recognize the sales comparison approach as being normally the best evidence of market value. Properties purchased by federal, state, and local governments as well as land trusts and parties intending to trade the properties to the United States shall be treated as suspect and are subject to extraordinary confirmation required by UASFLA §1.5.2.4, §4.4.2.4, and as described by Appendix E if they are to be used as sales data in the appraisal.

Analyze the last sale of the subject property if relevant. If the transaction is not used as a comparable sale, explain why. An unsupported claim that a sale of the subject properties was a forced sale, or is not indicative of its current value, is unacceptable.

When supportable by market evidence, the use of quantified adjustments is preferred. Percentage and dollar adjustments may, and often should, be combined. Resort to qualitative adjustments only when there is inadequate market data to support quantitative adjustments. **Factors that cannot be quantified are dealt with in qualitative analysis.** When quantitative and qualitative adjustments are both used in the adjustment process, all quantitative adjustments should be made first. It is inappropriate to sum +/- qualitiative adjustments in a grid as though each adjustment has an equal value. Qualitative adjustments, if used, require considerable narrative so the reader/reviewer may understand the logic and analysis used by the appraiser.

Within the Sales Comparison Approach to value, include a sales adjustment chart summarizing the adjustments and showing the final adjusted sale prices and how the sales compare with the subject properties.

In addition to the Sales Comparison Approach, appraisals of the Federal land will include an income capitalization approach, as required by the Act and as is typically utilized in appraising mineralized properties suitable for development of those mineral resources. The appraiser shall comply with the requirements of UASFLA §4.4.4 and related subsections (i.e. 4.4.4.1, 4.4.4.2, 4.4.4.3, et al), acknowledging the Act controls if UASFLA and the Act conflict.

16 U.S.C. §539p(4)(c) requires the appraiser to develop and "include a detailed income capitalization approach analysis of the market value of the Federal land which may be utilized, as appropriate, to determine the value of the Federal land, and shall be the basis for calculation of any payment under subsection (e)." Subsection (e) is entitled "Value Adjustment Payment to United States."

Transaction Scale Analysis

As a final step in the valuation of each larger parcel, the appraiser shall analyze the parcels comprising each side of the exchange as a whole in the context of the market and report if there is an additional increment of value or discount attributable to portfolio enhancement or the bulk nature of the transaction. Any value enhancement or diminution under this provision shall be recognized in the concluded values for each of the larger parcels.

The Transaction Scale Analysis outlined above is referenced in UASFLA §1.12 on page 52, with particular attention to footnote 107, which states:

"In other words, the value of the whole property cannot be estimated by simply adding together the independently appraised values of the larger parcels, unless market evidence demonstrates that the larger parcels would contribute their full value to the value of the whole property as defined in the ATI."

Date of Value: The date of value shall be the last date the appraiser inspected the properties, unless otherwise instructed in writing by the appraisal reviewer. The appraiser shall submit the completed appraisal reports for review within 90 days of the date of value.

Legal Descriptions: Please see the Land Surveyor Report (LSR) for each tract's legal description and acreage. The two federal tracts are included in a single LSR with acreages for each provided. The descriptions are also contained in the Agreement to Initiate (ATI) signed November/December 2017. If the two conflict on a particular parcel with regard to description or acreage, the LSR controls.

Properties Rights to be Appraised– Property rights vary between the tracts and are variously defined in the RFAS documents, but the property rights appraised shall be defined as follows:

NON-FEDERAL

"Fee Simple Interest, subject to the following reservations of record as shown in the title commitment dated _____:" The appraiser shall then list the property-specific encumbrances and reservations as shown in Schedule B-II of the Title Commitment for that specific parcel. Title evidence indicates mineral rights remain with the fee for most of the non-Federal parcels, and select non-Federal parcels are subject to private mineral reservations or the mineral estate is in the public domain. If the parcel includes water rights, specify the rights that will convey in accordance with the *Water Rights Conveyed with LEX* spreadsheet and the Certificates of Inspection and Possession (CIP). All water rights appurtenant to the non-Federal parcels are to be considered abandoned for the purposes of value.

The following tracts have mineral estates or portions thereof severed from the fee. Please see the "Non-Federal Parcels Mineral Estate Ownership" document for mineral status. The aforementioned document states if severed minerals are patented or reserved by the United States and if there are any unpatented claims encumbering any federal minerals. In summary, the following tracts have minerals severed from the fee:

- Lower San Pedro: Parcel 7, Parcel 8 (part), & Parcel 12
- Appleton Ranch: Parcel 1, Parcel 2, Parcel 3, Parcel 4, Parcel 6, and Parcel 7

FEDERAL

Lands comprising the Oak Flat Withdrawal Area, Tract 50, 766.58 acres

Fee Simple Interest, subject to the following valid and existing rights:

Existing Easement:

United States Department of Interior Easement for Right-of-Way for Electric Transmission Line granted to Arizona Public Service Company, dated 12/22/75. Federal parcel will be conveyed subject to the easement. GLO401905 APS 500KV POWERLINE

Permits and Temporary Easements to convert to Easements in perpetuity:

Permit to Salt River Project Agricultural Improvement and Power District for an overhead transmission line Amendment dated 5/21/74. At closing, Resolution Copper Mining shall grant a replacement authorization to Salt River Project Agricultural Improvement and Power District for those sections involved in the conveyance. It shall contain terms at least equivalent to those in the permit. GLO401143 SRP PERMIT

Lands outside of the Oak Flat Withdrawal Area, 1655.53 acres

Fee Simple Interest, subject to the following valid and existing rights:

Unpatented Mining Claims:

All unpatented mining claims as listed in Section G of the Federal Status Report dated 28 September 2017 and signed by Steve Rinella.

Existing Easements:

Highway Easement Deed granted to State of Arizona, recorded on 3/18/91 in the records of Pinal County, Arizona. Federal parcel will be conveyed subject to the easement. GLO101208 ADOT US60 EASEMENT

United States Department of Interior Easement for Right-of-Way for Electric Transmission Line granted to Arizona Public Service Company, dated 12/22/75. Federal parcel will be conveyed subject to the easement. GLO401905 APS 500KV POWERLINE

Permits and Temporary Easements to convert to Easements in perpetuity:

Permit to Salt River Project Agricultural Improvement and Power District for an overhead transmission line Amendment dated 7/8/85. At closing, Resolution Copper Mining shall grant a replacement authorization to Salt River Project Agricultural Improvement and Power District for those sections involved in the conveyance It shall contain terms at least

equivalent to those in the permit. Forest Service shall amend the permit to reflect those deletions. GLO401137 OAK FLAT 115KV PERMIT

Permit to Quest/Century Link for a telephone line dated 7/2/73. At closing, Resolution Copper Mining shall grant a replacement easement to Salt River Project Agricultural Improvement and Power District for those sections involved in the conveyance It shall contain terms at least equivalent to those in the permit. MASTER SPECIAL USE PERMIT FO209

Title Commitments, deeds, Federal Status Report, the Agreement to Initiate, and associated exception documents are included as supporting information for the appraiser's evaluation of property rights. If there is conflict between the ATI, Title Commitments, and supporting documents, the contract appraiser shall notify the Review Appraiser as soon as possible. All exceptions from title identified for each property shall be individually addressed in the appraisal report as to their effect on value. Proposed reservations shall also be individually addressed.

Treatment of Unpatented Mining Claims encumbering the Federal parcel outside of the withdrawal area, 1655.53 acres +/-:

The contract appraiser shall recognize that the federal land outside of the withdrawal area is encumbered by numerous unpatented mining claims as listed in the Federal Status Report dated 28 September 2017, and incorporated by reference into this Statement of Work.

These unpatented mining claims confer all right to locatable minerals in the Property, and the right to use the surface for mining purposes, including destructive use of the surface reasonably incident to mining, to a third party, and which rights are therefore no longer held by the United States.

As of the date of appraisal and until the exchange is completed, the United States holds the right to manage permitting of the property under a mine plan of operation in compliance with the Mining Laws, a right that is a component of the estate to be appraised.

Access:

Federal
The Federal parcels are legally and physically accessed by US Highway 60.

Non-Federal
Legal, physical, and access conditions vary for each of the non-federal tracts. Additional information supporting legal access is contained in the title commitments and Certificates of Inspection and Possession. Access to the non-Federal parcels is also included in the *Access to the Resolution Project Land Exchange Parcels* document, prepared by WestLand Resources and dated 14 June 2016. Properties are to be valued as they exist with regard to legal and physical access and not by assumption.

Buildings/Site Improvements:

Federal

In accordance with Section (c)(4)(B)(iii), "Any improvements made by Resolution Copper prior to entering in an exchange agreement shall not be included in the appraised value of the Federal land."

USA-owned improvements located on the Federal parcel are limited to two (2) vault toilets within the Oak Flat Campground which shall be considered in the appraisal.

Non-Federal

Improvements believed to exist on the non-Federal parcels are documented in the Certificates of Inspection and Possession (CIP) which are included as an exhibit to the RFAS. With the exception of range improvements such as fencing, water tanks, windmills, and the like, the non-federal properties are all free of value-contributing improvements. The ruins of old homesteads are present on Lower San Pedro, Cave Creek, and Tangle Creek tracts, but they appear to be fully depreciated. If value-contributing improvements are discovered on the properties comprising the exchange, the appraiser shall notify the USFS reviewer of what improvements were discovered as soon as possible.

Trespass/Encroachments:

Federal Parcel: None known. Please see the attached Federal Status Report, dated 28 September 2017

Non-Federal Parcels: None known. Please see Certificates of Inspection and Possession for each parcel.

Archaeological, Endangered Species, and other technical reports: Archaeological, Endangered Species, and other technical reports are provided as exhibits in the Draft Environmental Impact Statement, available online at the following url: https://www.resolutionmineeis.us/documents/categories/draft-eis

Assignment Conditions – The report must conform to the 16 U.S.C. §539p, 36 CFR 254, the most recent editions of the *Uniform Appraisal Standards for Federal Land Acquisitions* and the *Uniform Standards of Professional Appraisal Practice*, as well as this Statement of Work.

The use of an uninstructed assumption or hypothetical condition will invalidate the appraisal. Include only factors relating to the appraisal problem. Do not include limiting conditions that significantly restrict the application of the appraisal. If an issue arises during the development of the appraisal that would necessitate the use of extraordinary assumptions and/or extraordinary conditions, the Review Appraiser shall be consulted with contemporaneous notice to the exchange proponent and supplemental instructions may be issued by the Review Appraiser prior to completion of the assignment.

Deliverables: The contractor shall deliver to the USFS Review Appraiser for the purposes of review one signed hard copy and an electronic copy of an appraisal report for each larger parcel appraised as a part of this assignment. Ten (10) separate reports are anticipated, but that number may vary depending upon the appraiser's larger parcel conclusion. All spreadsheets and other files showing the calculations used in the report shall be provided to the Review Appraiser at this time. After the review process is complete, and the contractors are notified to this effect, replacement pages shall be provided for the review copies of the reports and four (4) additional signed final copies of each appraisal report shall be provided to the Review Appraiser, along with revised electronic copies in PDF.

Required Additional Information – The following information is critical to understanding the assignment and is incorporated into this Statement of Work by reference:

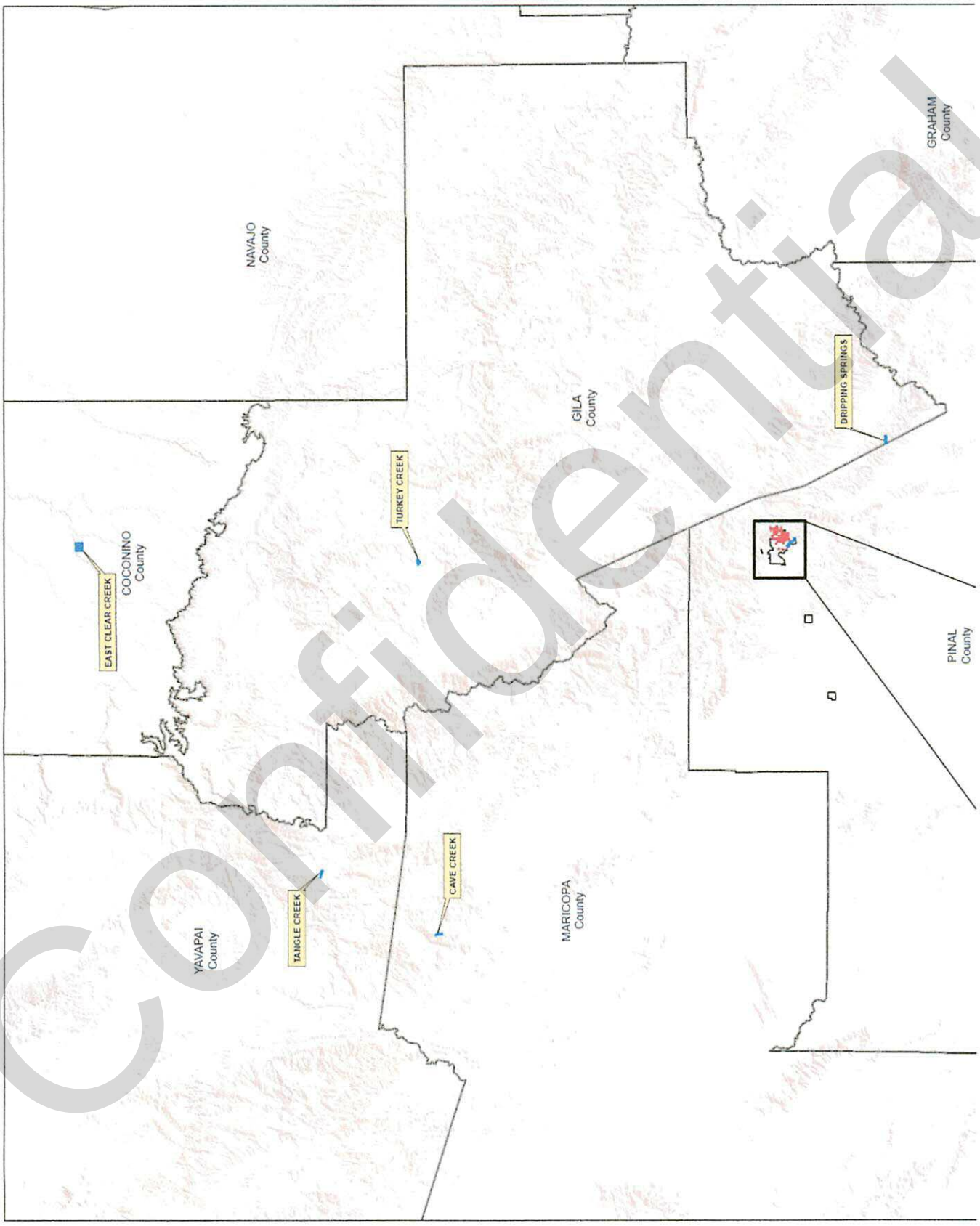
Request for Appraisal Services (RFAS)* dated 12 December 2019, 6 pages and 16 exhibits

A. Water Rights Analysis Report (spreadsheet)
B. Preliminary Title Commitments for each of the 8 non-federal parcels
    a. Vesting Deeds
    b. All Schedule B documents from each of the Title Commitments
C. BLM Land Surveyor Reports (LSR) for all 8 non-federal parcels and the federal parcel, providing legal descriptions and acreage for each parcel [the BLM equivalent to a USFS Land Description Verifications (LDV)]
D. Agreement to Initiate (ATI), executed in November/December 2017 by the US Forest Service, Resolution Copper, and the Bureau of Land Management
E. Maps
    a. Vicinity Maps
    b. Individual Parcel Maps
    c. Encumbrance maps for the Federal
F. Certificates of Inspection and Possession for each of the non-Federal parcels, dated from fall 2017 to spring 2018
G. Federal Status Report for the Federal parcel, dated 28 September 2017
H. Draft Environmental Impact Statement released August 2019
    a. URL: https://www.resolutionmineeis.us/documents/categories/draft-eis
    b. Includes all technical reports supporting the EIS
I. Phase 1 Environmental Site Assessments for all of the parcels comprising the exchange
J. Access to the Resolution Project Land Exchange Parcels document, prepared by WestLand Resources and dated 14 June 2016
K. Mineral Potential Reports for all tracts are forthcoming, but not yet complete.
L. Non-Federal Parcels Mineral Estate Ownership document, showing mineral ownership on the non-federal parcels by Land Surveyor Report tract.

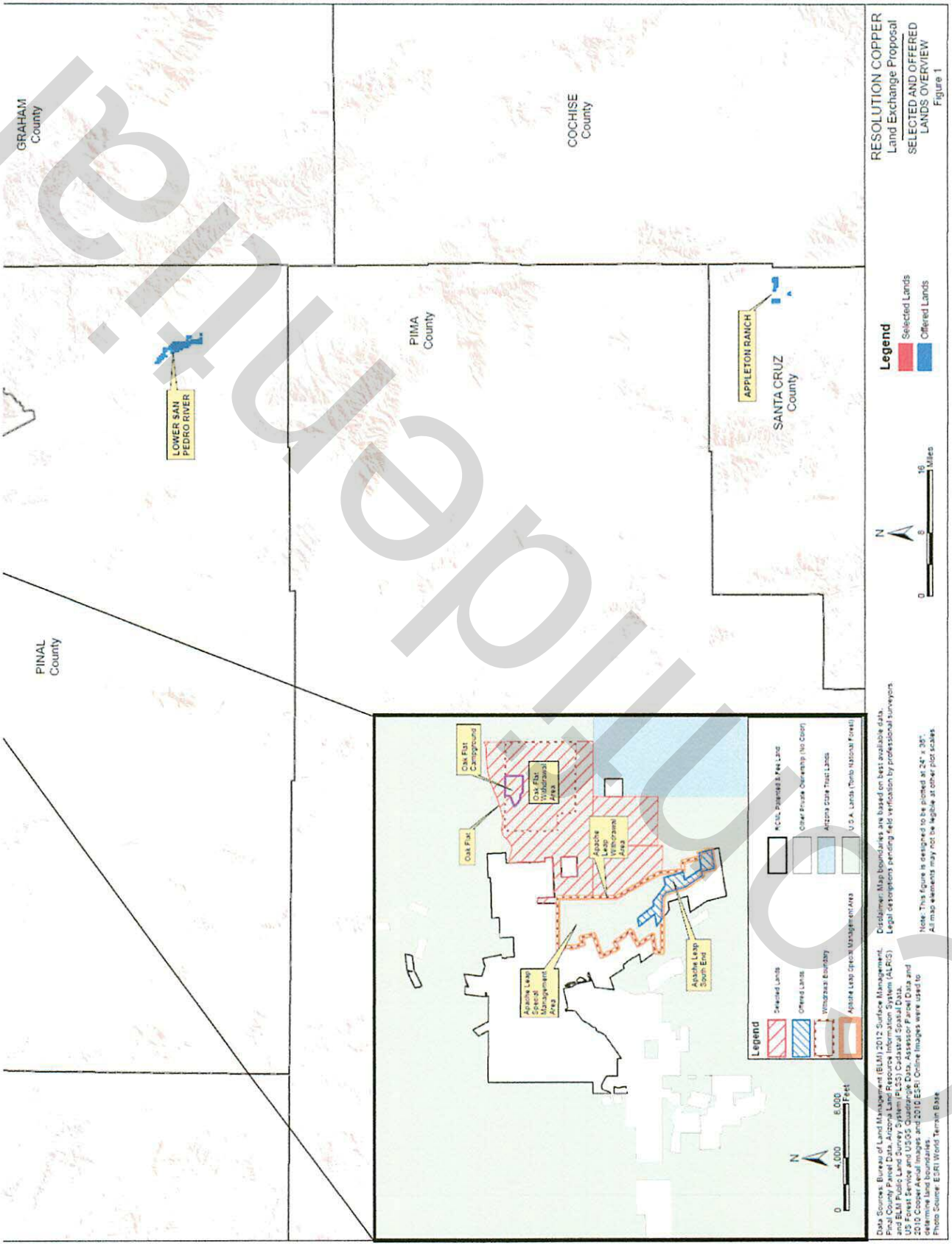
The above documents are housed on an SWCA Environmental Consultants FTP site and will be shared the selected contractor(s).

Pre-Work Conference – The appraiser(s) signing the report will attend a pre-work conference with the assigned Forest Service Contracting Officer, Review Appraiser, and RCM for discussion and understanding of these instructions. The pre-work conference may be held in person or by teleconference.

Exchange Summary Map (north half)



Exchange Summary Map (south half)



Appendix A_2

Modifications to Original Statement of Work

(April 22, 2022)

DESCRIPTION/SPECIFICATIONS/STATEMENT OF WORK-

UNITED STATES FOREST SERVICE, REGION 3
STATEMENT OF WORK
for appraisals supporting
RESOLUTION COPPER LAND EXCHANGE

EIGHT +/- NON-FEDERAL PROPERTIES, TOTALING ABOUT 5459.72 ACRES WHICH ARE LOCATED IN COCONINO, GILA, MARICOPA, PINAL, SANTA CRUZ, AND YAVAPAI COUNTIES IN ARIZONA.

TWO FEDERAL PROPERTIES TOTALING ABOUT 2422.11 ACRES LOCATED IN THE TONTO NATIONAL FOREST IN PINAL COUNTY, ARIZONA.

Modifications to Original Statement of Work

April 22, 2022

Note: The Original Statement of Work as identified above is incorporated by reference. The modifications pertain to the page numbers in the Original Statement of Work. All other items in the Original Statement of Work are still applicable.

Payment Structure: Because of the complexity of the assignment and the likelihood the Forest Service may need revisions to the reports, a partial payment of 60% when the reports are delivered for review will be submitted with the balance (40%) paid upon submittal of completed reports.

Page 15 of 34:

Update 36 CFR 254.9 link to:
https://www.ecfr.gov/current/title-36/chapter-II/part-254/subpart-A/section-254.9

Update 16 U.S.C. 539p link to:
https://uscode.house.gov/view.xhtml?req=(title:16%20section:539p%20edition:prelim)

Modify Forest Service Review Appraiser to:
Gerald Sanchez, RPRA, Chief Appraiser
USDA Forest Service, Southwestern Region
333 Broadway SE, Albuquerque, NM 87102
505.842.3154 (phone) / 202.578.4697 (Mobile)
gerald.sanchez@usda.gov

Page 17 of 34:

Modify Contracting Officer and Review Appraiser to:

Contracting Officer: Geraldine M. Carrasco
Supervisory Contract Specialist (Detail)
Procurement & Property Services, SW Zone Contracting Service Area #4
USDA Forest Service, Gila National Forest
3005 E. Camino Del Bosque, Silver City, NM 88061
575.388.8345 (phone) /578.313.3232 (Mobile)
geraldine.carrasco@usda.gov

Review Appraiser: Gerald Sanchez, RPRA, Chief Appraiser
USDA Forest Service, Southwestern Region
333 Broadway SE, Albuquerque, NM 87102
505.842.3154 (phone) / 202.578.4697 (Mobile)
gerald.sanchez@usda.gov

Page 17 of 34: **Modifications are in bold italic:**

Confidentiality on the part of the Contract Appraiser - The appraiser may provide information about the assignment, appraisal results, or portions thereof only to the Contracting Officer, Forest Service Review Appraiser, or ***Chief Appraiser.*** Assignment Results may only be distributed to the client and intended users upon written instructions by the Forest Service ***Chief Appraiser,*** upon authorization of the Director of Lands and Minerals.

Page 18 of 34: **Modifications are in bold italic:**

Freedom of Information Act - Freedom of Information Act (FOIA) provisions may result in the release of all or part of the appraisal report. ***Providers of confidential information may request that information be kept confidential and closely held.*** If providers of information gathered by the appraiser request it be kept confidential, that information should not be included in the report ***or shall be marked as confidential. During the deliberative appraisal review process,*** the appraiser must make confidential information available to the Forest Service Review Appraiser upon request, ***at a non-government location,*** but such information will not be incorporated in a Forest Service system of records.

Additionally, as a provider of the appraisal report, the contract appraiser shall indicate if the appraisal report is private, confidential, or closely-held in accordance with industry practices. The contract appraiser is requested to review the US Department of Justice guide to determine if the appraisals for the federal and non-federal lands are confidential. Step-by-Step Guide for Determining if Commercial or Financial Information Obtained from a Person is Confidential Under Exemption 4 of the FOIA (justice.gov).

The Department of Justice guide is used to determine whether commercial or financial information provided by a person (contract appraiser) is "confidential" under Exemption 4. The contract appraiser shall consider the following questions:

1. Does the submitter (contract appraiser) customarily keep the information private or closely-held? (This inquiry may in appropriate contexts be determined from industry practices concerning the information.)

- ***If no, the information is not confidential under Exemption 4.***
- ***If yes, answer question 2***

2. Did the government provide an express or implied assurance of confidentiality when the information was shared with the government?

- ***If no, answer question 3.***
- ***If yes, the information is confidential under Exemption 4 (this is the situation that was present in Argus Leader).***

3. Were there express or implied indications at the time the information was submitted that the government would publicly disclose the information?

- ***If no, the information is "confidential" under Exemption 4 (the government has effectively been silent – it hasn't indicated the information would be protected or disclosed – so a submitter's practice of keeping the information private will be sufficient to warrant confidential status).***

- ***If yes, and no other sufficient countervailing factors exist, the submitter could not reasonably expect confidentiality upon submission and so the information is not confidential under Exemption 4.***

If the contract appraiser deems the appraisal reports as "confidential" and should be closely held, the reports should be stamped as "CONFIDENTIAL" and transmitted to the Review Appraiser as such. In this instance, a statement similar to the following shall be prominently displayed in the reports:

> ***"This is a CONFIDENTIAL REPORT, possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the prior written consent of the appraiser, and in any event only with properly written qualifications and only in its entirety."***

Page 20 of 34: **Modifications are in bold italic:**

Statement of Assumptions and Limiting Conditions - Since all appraisal reports submitted to the Forest Service become the property of the United States and may be used for any legal and proper purpose, ***clearly indicate the confidentiality nature of the report(s)*** that ***may*** limit distribution of the report(s). Do not use unauthorized extraordinary assumptions or hypothetical conditions without written direction from the Forest Service Review Appraiser.

Page 23 of 34: **Modifications are in bold italic:**

Addenda/Other Pertinent Exhibits - Present in the addenda additional data such as documents and charts pertinent to the valuation and referred to in the body of the report. Include a copy of ***the Original Statement of Work, Modifications made to Original Statement of Work,*** purchase order or engagement letter, specialist reports, and supporting documents that describe the properties rights appraised in the addendum of the appraisal report.

Page 24 of 34: **Modifications are in bold italic:**

Exchange Proponent: Mary Morissette, Senior Advisor – Land & Permitting
Resolution Copper Company as Manager of
Resolution Copper Mining, LLC
102 Magma Heights
Superior, AZ 85173
mary.morissette@riotinto.com www.resolutioncopper.com
Phone: 520.689.3238

Page 24 of 34: **Modifications are in bold italic:**

Date of Value: The date of value shall be the last date the appraiser inspected the properties, unless otherwise instructed in writing by the appraisal reviewer. The appraiser shall submit the completed appraisal reports for review ***within 120 days of the Statement of Work Modification date***.

Appendix B

Southeast Arizona Land Exchange and Conservation Act

AGREEMENT TO INITIATE

and

FIRST AMENDMENT
AGREEMENT TO INITIATE

Appendix B_1

Southeast Arizona Land Exchange and Conservation Act

AGREEMENT TO INITIATE

AGREEMENT TO INITIATE

U. S. DEPARTMENT OF AGRICULTURE
OMB No. 0596-0105 Forest Service

5430 Exchanges

Tonto National Forest

Bureau of Land Management, Gila District

Resolution Copper Mining, LLC, a Delaware limited liability company

Southeast Arizona Land Exchange and Conservation (the, "Act")

P.L. 113-291, Section 3003

RECITALS

1. The Southeast Arizona Land Exchange and Conservation Act (the "Act"), P.L. 113-291 authorizes and directs the Secretary of Agriculture to enter into a land exchange with Resolution Copper Mining, LLC, Superior, Arizona 85173, Telephone: (520) 689-3456, ("Resolution") on the terms and conditions and according to the procedures set forth in the Act (the "Land Exchange").

2. By this Agreement, Resolution Copper Mining, LLC (Resolution), the Tonto National Forest, Forest Service, U.S. Department of Agriculture (Forest Service) and Gila District, Bureau of Land Management (BLM), U.S. Department of the Interior, agree to initiate the Land Exchange and to take steps to complete the Land Exchange in accordance with the Act. To organize and expedite the Land Exchange process, the parties have agreed to use the Forest Service's land exchange regulations and procedures, 36 C.F.R. § 254 et seq, as guidance for the process, but only to the extent those regulations and procedures are consistent with the Act.

3. The Act permits Resolution to offer to convey to the United States all of its right, title, and interest in and to certain real property located in Arizona and described in the Act and the attached Exhibit A ("Non-Federal Land"), including mineral estates. As described in the Act and in Exhibit A, following an offer to convey from Resolution, portions of the Non-Federal Land will be conveyed separately to the Secretaries of the Departments of Agriculture and the Interior. Exhibit C describes water rights/claims controlled by Resolution that will be offered to the United States should Resolution offer the real property described in Exhibit A. Upon completion of certain requirements specified in the Act, following an offer to convey from Resolution Copper, the Secretary of Agriculture is authorized and directed to convey to Resolution the real property described in Exhibit B ("Federal Land"). Conveyance of the real property described in Exhibit B shall include all surface and mineral interests of the United States including those interests subject to those unpatented mining claims described in Exhibit D such that title to such interests will fully vest in Resolution upon completion of the Exchange.

4. Exhibit E describes other necessary actions either prescribed by the Act or necessary to complete the transaction.

5. Exhibit F describes many of the process steps necessary to complete this exchange, along with responsible party. Parties agree to make best efforts to meet specified completion dates.

AGREEMENT

Resolution, the Forest Service and the BLM agree as follows:

1. The real property to be exchanged will be of equal value (or equalized pursuant to Section (c)(5) of the Act) and will be conveyed under the terms and conditions and procedures as described in the Act. It is understood that the basis for value of the exchange properties shall be appraisals approved by the Forest Service and acceptable to Resolution. This Agreement to Initiate authorizes each party to enter on the above-described lands of the other for such purposes as preparing land value appraisals, land line surveys, completing the Land Exchange in accordance with the environmental review requirements of the Act, and any other actions required or authorized by the Act and 36 C.F.R. § 254 (to the extent consistent with the Act).

2. Resolution and the Forest Service will schedule a "pre-work conference" with the selected appraiser to discuss the exchange and the estimated timeframe to complete the appraisal process. Resolution and Forest Service will agree on the date when appraisals of the Federal Land and Non-Federal Land will begin.

3. It is understood that upon approval of the appraisals required by the Act, the parties may enter into an exchange agreement. It is understood that prior to the exchange agreement, or issuance of a patent or deed by the United States if no exchange agreement is executed, no action taken will create or establish any contractual or other obligations against Resolution or the United States except as provided in the Act. Resolution may withdraw from the Land Exchange at any time until it is completed. Title will be conveyed by patent issued by the USDA-Forest Service. Title to non-Federal parcels will be conveyed by warranty deed.

4. If the final appraised value of the Federal Land exceeds that of the Non-Federal Land, and if the exchange is consummated, Resolution will be required to make a cash payment or convey additional non-Federal land to the Forest Service to equalize value. Under the Act, the Secretary of Agriculture may accept a payment in excess of 25 percent of the total value of the land or interests conveyed despite FLPMA Section 206(b). If the final appraised value of the Non-Federal Land exceeds that of the Federal Land, the Forest Service will not be required to make a cash payment or convey additional Federal land to Resolution to equalize exchange values and any surplus value will be considered a donation by Resolution to the United States.

5. Resolution shall furnish title that: (1) is acceptable to the Secretary of Agriculture, for the land to be administered by the Forest Service, and the Secretary of the Interior, for the land to be administered by the BLM and (2) that conforms to the title approval standards of the Attorney General of the United States applicable to land acquisitions by the Federal Government (Department of Justice Regulations of the Attorney General Governing the Review and Approval of Title for Federal Land Acquisitions (2016) (DOJ Regulations 2016). Resolution will convey title by general warranty deed(s) when notified to do so. For the land to be administered by the Forest Service, Resolution shall provide, at its own expense, the Forest Service with a title insurance commitment from a title company, mutually agreed on by Resolution and the Forest Service, committing to issue to the United States, Department of Agriculture, an ALTA U.S. Policy 9-28-91 (Revised 12-3-12) insuring title to the non-Federal Land and that is satisfactory to the Office of the General Counsel of the Department of Agriculture. For the land to be administered by the BLM, Resolution also shall provide, at its own expense, the BLM with a title insurance commitment from a title company, mutually agreed on by Resolution and the BLM, committing to issue to the United states, Department of the Interior, an ALTA U.S. Policy 9-28-91 (Revised 12-3-12) insuring title to

the non-Federal Land and that is satisfactory to the Office of the Solicitor of the Department of the Interior.

6. The United States does not furnish title insurance for the property it conveys.

7. In accordance with the Act, Resolution agrees to pay, without compensation, all costs associated with the Land Exchange and any environmental review document pursuant to Section (c)(7) of the Act and agreed to by the Secretary of Agriculture. Resolution has entered into Collection Agreements with the Forest Service and BLM to provide for payment of these costs.

8. The timeline for processing the Land Exchange shall be as set forth in the Act and is described in Exhibit F (Implementation Schedule).

9. Qualified tenants occupying the non-Federal lands affected by this proposal may be entitled to relocation benefits under 49 C.F.R. §24.2. Resolution agrees to formally notify the Forest Service of any tenants occupying the non-Federal land and provide the Forest Service documentation that the tenant has been notified of the Land Exchange. Unless otherwise provided by law or regulation (49 C.F.R. §24.101(a)(1)), relocation benefits are not applicable to owner-occupants involved in exchanges with the United States provided the owner-occupants are notified in writing that the non-Federal lands are being acquired by the United States on a voluntary basis. Therefore, this Agreement to Initiate serves as that notice.

10. Each party to this agreement is responsible to provide the other documentation of the existence or non-existence of storage of hazardous substances stored on their respective lands for 1 year or more or disposed of or released on said lands.

11. The parties agree that the same appraisal firm will be used to appraise the Federal Land and Non-Federal Land and may rely on third-party consultants in the preparation of the appraisals.

12. The undersigned is a citizen of the United States or a corporation or other legal entity subject to the laws of the United States or a State thereof. The undersigned is also 21 years old or over and is the owner of the above-described offered land or has a firm contract to acquire it.

13. Notification statement: Public availability of Property-Related Information. Any party who has signed below acknowledges receipt of this notification: All documents pertaining to both Federal and non-Federal Lands necessary for the evaluation, processing, and consummation of a land adjustment transaction, including but not limited to appraisals, timber cruises, specialist reports, geology/mineral reports, title and other property information, are subject to public availability pursuant to the Freedom of Information Act (5 U.S.C. 552) and the Privacy Act (5 U.S.C. 552a).

14. Conflict. In the event of any conflict between the terms of this Agreement and the Act, the provisions of the Act shall control.

15. This Agreement may be executed in several counterparts, each of which shall be deemed an original and all of which shall constitute one and the same instrument, and shall become effective when counterparts have been signed by each of the Parties and delivered to the other Parties; it being understood that all Parties need not sign the same counterparts.

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0596-0105.
The time required to complete this information collection is estimated to average 3 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

6 DEC 2017
Date

BY: _____
Signature

ANDREW LYE
Printed Name

VICE PRESIDENT
Title

Resolution Copper Mining LLC
By: Resolution Copper Company, as Manager
and not on its own behalf.

_____
Date

BY: _____
Signature

_____
Printed Name
U.S. Department of Agriculture
Forest Service

_____
Date

BY: _____
Signature

_____
Printed Name
U.S. Department of the Interior
Bureau of Land Management

Date

BY: _____
Signature

_____
Printed Name

_____
Title

Resolution Copper Mining LLC
By: Resolution Copper Company, as Manager
and not on its own behalf.

11/20/17
Date

BY: _____
Signature

Neil Bosworth
Printed Name
U.S. Department of Agriculture
Forest Service

_____
Date

BY: _____
Signature

_____
Printed Name
U.S. Department of the Interior
Bureau of Land Management

Date

BY: _____
Signature

Printed Name

Title

Resolution Copper Mining LLC
By: Resolution Copper Company, as Manager
and not on its own behalf.

Date

BY: _____
Signature

Printed Name
U.S. Department of Agriculture
Forest Service

11/27/17
Date

BY: A. Scott Feldhausen
Signature

A. Scott Feldhausen
Printed Name
U.S. Department of the Interior
Bureau of Land Management

EXHIBIT A (Subject to revision based on survey)

Property that Resolution will exchange:

I. Non-Federal Land to the United States to be Administered by the U.S. Department of Agriculture

a. Approximately 146.95 acres of land located in Gila County, Arizona within the Tonto National Forest and depicted on the map entitled ''Southeast Arizona Land Exchange and Conservation Act of 2011–Non-Federal Parcel–**Turkey Creek**'' and dated March 2011 and more-specifically described as:

Gila and Salt River Meridian, Arizona
T. 7 N., R. 12 E., unsurveyed
H.E.S. No. 151.

Note: subject to revision of First American Title Insurance Company commitment No. 601-5733622 to show proposed insured and vestee as United States of America

b. Approximately 148.11 acres of land located in Yavapai County, Arizona within the Tonto National Forest and depicted on the map entitled ''Southeast Arizona Land Exchange and Conservation Act of 2011– Non-Federal Parcel–**Tangle Creek**'' and dated March 2011 and more-specifically described as:

Gila and Salt River Meridian, Arizona
Tps. 9 and 9½ N., R. 5 E., unsurveyed
H.E.S. No. 416

Subject to:

1. *An easement for electric transmission lines and incidental purposes, recorded as Book 276 of Official Records, Page 131.*
2. *All matters as set forth in Retracement and Remonumentation of a Portion of the Tonto National Forest Property Line, recorded as Book 12 of Maps, Page 20.*

c. Approximately 149.30 acres of land located in Maricopa County, Arizona within the Tonto National Forest and depicted on the map entitled ''Southeast Arizona Land Exchange and Conservation Act of 2011– Non-Federal Parcel–**Cave Creek**'' and dated March 2011 and more-specifically described as:

Gila and Salt River Meridian, Arizona
T. 7 N., R. 4 E., partially unsurveyed,
H.E.S. No. 317

d. Approximately 640 acres of land located in Coconino County, Arizona within the Coconino National Forest and depicted on the map entitled ''Southeast Arizona Land Exchange and Conservation Act of 2011– Non-Federal Parcel–**East Clear Creek**'' and dated March 2011 and more specifically described as:

Gila and Salt River, Meridian, Arizona
T. 14 N., R. 12 E.
sec. 9 including all oil and gas and other minerals in, on, or under or which may be produced from said land

e. Approximately 142* acres of land located in Pinal County, Arizona within the Tonto National Forest and depicted on the map entitled ''Resolution Copper Land Exchange Proposal–**Apache Leap South End**'' and more-specifically described as:

Parcel No. 1:

Gila and Salt River Meridian, Arizona
T. 2 S., R, 12 E.
M.S. 2836, Panic Lode Claim

Parcel No. 2:

Gila and Salt River Meridian, Arizona
T. 2 S., R, 12 E.
M.S. 2837, Selma Lode Claim (part)*
M.S. 2837, Skiberian Lode (part)*

Parcel No. 3:

Gila and Salt River Meridian, Arizona
T. 2 S., R. 12 E.
M.S. 2838, Touch Not No. 3 Lode Claim
M.S. 2838, Hillside Lode Claim
M.S. 2838, Touch Not Lode Claim
M.S. 2838 Rawhide Lode Claim

Parcel No. 4:

Gila and Salt River Meridian, Arizona
T. 2 S., R. 12 E.
MS 2838, Pacific No. 32 Lode Claim
M.S. 3581, Grand Lode Claim

*Survey required. Legal description and final acreage to be completed post survey

II. Non-Federal Land to the United States to be Administered by the U.S. Department of the Interior

f. Approximately 3050* acres of land located in Pinal County, Arizona and identified as "Lands to DOI" as generally depicted on the map entitled ''Southeast Arizona Land Exchange and Conservation Act of 2011– Non-Federal Parcel–**Lower San Pedro River**'' and dated July 6, 2011 and more specifically described as:

Parcel 1:

Gila and Salt River Meridian, Arizona
T. 9 S. R. 17 E.
sec. 3, SW¼SW¼.

Parcel 2:

Gila and Salt River Meridian, Arizona
T. 9 S. R. 17 E.,
sec. 4, lots 3 and 4, SE¼NW¼, W½NW¼SE¼, SW¼SE¼, SW¼, SW¼NW¼.

Parcel 3:

Gila and Salt River Meridian, Arizona
T. 8 S., R. 17 E.,
sec. 33, W½NW¼, N½SW¼, SE¼SW¼, SW¼SW¼, N½NE¼, SE¼NE¼, NE¼NW¼, N½NE¼SE¼. *

.

Parcel 4:

Gila and Salt River Meridian, Arizona
T. 8 S., R. 17 E.,
sec. 32, N½NE¼, SE¼NE¼.*

Parcel 5:

Gila and Salt River Meridian, Arizona
T. 8 S., R. 17 E.,
sec. 29, E½, E½NW¼.*

Parcel 6:

Gila and Salt River Meridian, Arizona
T. 8 S., R. 17 E.,
sec. 28, W½SW¼, W½NW¼.

Parcel 7:

Gila and Salt River Meridian, Arizona
T. 8 S., R. 17 E.,
sec. 21, SW¼NW¼, W½SW¼.

Parcel 8:

Gila and Salt River Meridian, Arizona
T. 8 S., R. 17 E.,
sec. 20, W½, SW¼SE¼, N½NE¼, SE¼NE¼.*

EXCEPTING A PARCEL OF LAND LOCATED IN THE NORTHEAST QUARTER OF SECTION 20, TOWNSHIP 8 SOUTH, RANGE 17 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA, DESCRIBED AS FOLLOWS: COMMENCING AT THE EAST QUARTER CORNER OF SAID SECTION 20;
THENCE SOUTH 88 DEGREES 25 MINUTES 07 SECONDS WEST ALONG THE CENTER SECTION LINE OF SAID SECTION 20 FOR A DISTANCE OF 1165.09 FEET TO THE POINT OF BEGINNING OF THE LAND TO BE DESCRIBED;
THENCE SOUTH 88 DEGREES 25 MINUTES 07 SECONDS WEST FOR A DISTANCE OF 39.66 FEET ALONG THE ABOVE SAID CENTER SECTION LINE TO A POINT HEREAFTER REFERRED TO AS POINT "A";
THENCE SOUTH 88 DEGREES 25 MINUTES 07 SECONDS WEST ALONG THE ABOVE SAID CENTER SECTION LINE FOR A DISTANCE OF 376.27 FEET TO A SET 5/8 INCH REBAR;
THENCE NORTH 00 DEGREES 00 MINUTES 00 SECONDS EAST FOR A DISTANCE OF 133.54 FEET TO A POINT HEREAFTER REFERRED TO AS POINT "B";
THENCE NORTH 00 DEGREES 00 MINUTES 00 SECONDS EAST FOR A DISTANCE OF 442.77 FEET TO A SET 5/8 INCH REBAR;
THENCE NORTH 72 DEGREES 29 MINUTES 09 SECONDS EAST FOR A DISTANCE OF 435.98 FEET TO A SET 5/8 INCH REBAR;
THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS EAST FOR A DISTANCE OF 696.04 FEET TO THEPOINT OF BEGINNING.

EXCEPT THAT PORTION DESCRIBED IN QUITCLAIM DEED RECORDED JANUARY 31, 2012 AS 2012-007458, OFFICIAL RECORDS. AND EXCEPTING AND RESERVING TO THE UNITED STATES,

ALL THE MINERALS IN THE LAND TOGETHER WITH ALL URANIUM, THORIUM OR ANY OTHER MATERIAL WHICH IS OR MAY BE DETERMINED TO BE PECULIARLY ESSENTIAL TO THE PRODUCTION OF FISSIONABLE MATERIALS, WHETHER OR NOT OF COMMERCIAL VALUE, LYING WITHIN THE NORTH HALF OF THE NORTHEAST QUARTER AND THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 20.

Parcel 9:

Gila and Salt River Meridian, Arizona
T. 8 S., R. 17 E.,
sec. 20, N½SE¼, SE¼SE¼, SW¼NE¼.*

EXCEPTING A PARCEL OF LAND LOCATED IN THE NORTHEAST QUARTER OF SECTION 20, TOWNSHIP 8 SOUTH, RANGE 17 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA, DESCRIBED AS FOLLOWS:
COMMENCING AT THE EAST QUARTER CORNER OF SAID SECTION 20;
THENCE SOUTH 88 DEGREES 25 MINUTES 07 SECONDS WEST ALONG THE CENTER SECTION LINE OF SAID SECTION 20 FOR A DISTANCE OF 1165.09 FEET TO THE POINT OF BEGINNING OF THE LAND TO BE DESCRIBED;
THENCE SOUTH 88 DEGREES 25 MINUTES 07 SECONDS WEST FOR A DISTANCE OF 39.66 FEET ALONG THE ABOVE SAID CENTER SECTION LINE TO A POINT HEREAFTER REFERRED TO AS POINT "A";
THENCE SOUTH 88 DEGREES 25 MINUTES 07 SECONDS WEST ALONG THE ABOVE SAID CENTER SECTION LINE FOR A DISTANCE OF 376.27 FEET TO A SET 5/8 INCH REBAR;
THENCE NORTH 00 DEGREES 00 MINUTES 00 SECONDS EAST FOR A DISTANCE OF 133.54 FEET TO A POINT HEREAFTER REFERRED TO AS POINT "B";
THENCE NORTH 00 DEGREES 00 MINUTES 00 SECONDS EAST FOR A DISTANCE OF 442.77 FEET TO A SET 5/8 INCH REBAR;
THENCE NORTH 72 DEGREES 29 MINUTES 09 SECONDS EAST FOR A DISTANCE OF 435.98 FEET TO A SET 5/8 INCH REBAR;
THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS EAST FOR A DISTANCE OF 696.04 FEET TO THE POINT OF BEGINNING.

Parcel 10:

Gila and Salt River Meridian, Arizona
T. 8 S., R. 17 E.,
Sec. 19, E½NE¼, NE¼SE¼.*

EXCEPT THAT PORTION THEREOF CONVEYED BY FRANK SMITH COMPANY, A CORPORATION TO ARIZONA RARE METALS COMPANY, A CORPORATION, BY DEED DATED APRIL 7, 1916, RECORDED APRIL 15, 1916, IN BOOK 30 OF DEEDS, PAGE 402, RECORDS OF PINAL COUNTY, ARIZONA; AND

EXCEPT THAT PORTION THEREOF LYING WITHIN THE SANTA CATALINA MILLSITE; AND
EXCEPT THAT PORTION THEREOF LYING WITHIN THE TOWNSITE OF MAMMOTH, ACCORDING TO THE PLAT THEREOF OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF PINAL COUNTY, ARIZONA; AND

FURTHER EXCEPT THAT PORTION DESCRIBED AS COMMENCING AT THE EAST QUARTER CORNER OF SAID SECTION 19;
THENCE SOUTH 88 DEGREES 45 MINUTES 05 SECONDS WEST ALONG THE CENTER SECTION LINE A DISTANCE OF 532.18 FEET TO THE POINT OF BEGINNING OF THE LAND TO BE DESCRIBED;
THENCE SOUTH 36 DEGREES 30 MINUTES 39 SECONDS EAST FOR A DISTANCE OF 124.13 FEET TO A SET 5/8 INCH STEEL PIN;
THENCE SOUTH 57 DEGREES 29 MINUTES 27 SECONDS WEST FOR A DISTANCE OF 260.64 FEET TO A SET 5/8 INCH STEEL PIN ON THE EAST LINE OF MAMMOTH TOWNSITE;
THENCE NORTH 36 DEGREES 30 MINUTES 39 SECONDS WEST FOR A DISTANCE OF 224.71 FEET ALONG THE EAST LINE OF MAMMOTH TOWNSITE TO A FOUND ONE INCH STEEL PIN;
THENCE NORTH 48 DEGREES 14 MINUTES 43 SECONDS WEST FOR A DISTANCE OF 77.89 FEET ALONG THE EAST LINE OF MAMMOTH TOWNSITE TO A FOUND ONE INCH STEEL PIN;

THENCE NORTH 88 DEGREES 45 MINUTES 05 SECONDS EAST FOR A DISTANCE OF 337.83 FEET TO THE POINT OF BEGINNING; AND

FURTHER EXCEPT THAT PORTION DESCRIBED AS COMMENCING AT THE EAST QUARTER CORNER OF SAID SECTION 19;
THENCE SOUTH 88 DEGREES 45 MINUTES 05 SECONDS WEST ALONG THE CENTER SECTION LINE A DISTANCE OF 532.18 FEET TO A POINT;
THENCE SOUTH 36 DEGREES 30 MINUTES 39 SECONDS EAST A DISTANCE OF 124.13 FEET TO THE POINT OF BEGINNING;
THENCE SOUTH 36 DEGREES 30 MINUTES 39 SECONDS EAST FOR A DISTANCE OF 307.55 TO A SET 5/8 INCH STEEL PIN ON THE NORTH RIGHT-OF-WAY LINE OF BLUEBIRD STREET;
THENCE SOUTH 53 DEGREES 29 MINUTES 21 SECONDS WEST FOR A DISTANCE OF 260.00 FEET ALONG THE NORTH RIGHT-OF-WAY LINE OF BLUEBIRD STREET TO A FOUND ½ INCH REBAR;
THENCE NORTH 36 DEGREES 30 MINUTES 39 SECONDS WEST FOR A DISTANCE OF 325.74 FEET ALONG THE EAST LINE OF MAMMOTH TOWNSITE TO A SET 5/8 INCH REBAR;
THENCE NORTH 57 DEGREES 29 MINUTES 27 SECONDS EAST FOR A DISTANCE OF 260.64 FEET TO THE POINT OF BEGINNING; AND,

FURTHER EXCEPT THAT PORTION OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 19, DESCRIBED AS FOLLOWS;
COMMENCING AT THE EAST QUARTER CORNER OF SAID SECTION 19;
THENCE SOUTH 01 DEGREES 26 MINUTES 07 SECONDS EAST, A DISTANCE OF 756.29 FEET ALONG THE EAST LINE OF SAID SECTION 19 TO THE POINT OF BEGINNING OF THE LAND TO BE DESCRIBED;
THENCE SOUTH 01 DEGREES 26 MINUTES 07 SECONDS EAST FOR A DISTANCE OF 452.53 FEET ALONG THE EAST LINE OF SAID SECTION 19 TO A POINT;
THENCE NORTH 36 DEGREES 30 MINUTES 10 SECONDS WEST FOR A DISTANCE OF 814.85 FEET ALONG THE EAST LINE OF MAMMOTH TOWNSITE TO A POINT ON THE SOUTH RIGHT-OF-WAY LINE OF BLUEBIRD STREET;
THENCE NORTH 53 DEGREES 29 MINUTES 21 SECONDS EAST FOR A DISTANCE OF 260.00 FEET ALONG THE SOUTH RIGHT-OF-WAY LINE OF BLUEBIRD STREET TO A POINT;
THENCE SOUTH 36 DEGREES 30 MINUTES 10 SECONDS EAST FOR A DISTANCE OF 444.50 FEET TO THE POINT OF BEGINNING; AND,

FURTHER EXCEPT THAT PORTION DESCRIBED IN QUITCLAIM DEED RECORDED JANUARY 31, 2012 AS 2012-007458, OFFICIAL RECORDS.

Parcel 11:

Gila and Salt River Meridian, Arizona
T. 8 S., R. 17 E.,
sec. 18, Lot 1, N½NE¼, NE¼NW¼, SE¼NW¼.*

EXCEPT ANY PORTION LYING WITHIN STATE HIGHWAY 77-177 RIGHT OF WAY; AND

EXCEPT THAT PART OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SAID SECTION 18, DESCRIBED AS:
COMMENCING AT THE SOUTHWEST CORNER OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SAID SECTION 18, SAID POINT BEING THE POINT OF BEGINNING OF THE LAND TO BE DESCRIBED;
THENCE NORTH 00 DEGREES 15 MINUTES 15 SECONDS WEST ALONG THE WEST LINE OF SAID SECTION 18 A DISTANCE OF 85.86 FEET TO A POINT;
THENCE NORTH 39 DEGREES 54 MINUTES 19 SECONDS EAST A DISTANCE OF 1231.61 FEET TO A POINT;
THENCE SOUTH 63 DEGREES 21 MINUTES 53 SECONDS EAST A DISTANCE OF 1316.37 FEET TO A POINT ON THE WEST RIGHT-OF-WAY LINE OF STATE ROUTE NO. 77;
THENCE SOUTH 16 DEGREES 00 MINUTES 53 SECONDS WEST ALONG SAID RIGHT-OF-WAY LINE A DISTANCE OF 174.25 FEET TO A RIGHT-OF-WAY MONUMENT;
THENCE SOUTHWESTERLY ALONG A SPIRAL TRANSITION CURVE TO THE LEFT HAVING A CORD OF 284.12 FEET AND A CORD BEARING OF SOUTH 15 MINUTES 07 DEGREES 09 MINUTES WEST;

THENCE NORTH 89 DEGREES 57 MINUTES 37 SECONDS WEST A DISTANCE OF 1844.22 FEET TO THE POINT OF BEGINNING; AND

EXCEPT THAT PART OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SAID SECTION 18, DESCRIBED AS FOLLOWS:
COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 18, SAID POINT BEING THE POINT OF BEGINNING OF THE LAND TO BE DESCRIBED;
THENCE SOUTH 69 DEGREES 27 MINUTES 06 SECONDS EAST A DISTANCE OF 849.67 FEET TO A POINT;
THENCE SOUTH 39 DEGREES 54 MINUTES 19 SECONDS WEST A DISTANCE OF 1231.61 FEET TO A POINT ON THE WEST LINE OF SAID SECTION 18;
THENCE NORTH 00 DEGREES 15 MINUTES 15 SECONDS WEST ALONG THE WEST LINE OF SAID SECTION 18 A DISTANCE OF 1243.02 FEET TO THE POINT OF BEGINNING; AND

FURTHER EXCEPT THAT PARCEL OF SAID SECTION 18:
BEGINNING AT THE CENTER OF SECTION 18;
THENCE SOUTH 89 DEGREES 52 MINUTES 44 SECONDS WEST FOR A DISTANCE OF 940.24 FEET TO THE SOUTHEAST CORNER OF SAID PARCEL AND THE TRUE POINT OF BEGINNING;
THENCE ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 4683.66 FEET AND A ARC LENGTH OF 428.49 FEET, BEING SUBTENDED BY A CORD OF NORTH 01 DEGREES 08 MINUTES 41 SECONDS EAST FOR A DISTANCE OF 428.34 FEET;
THENCE SOUTH 85 DEGREES 30 MINUTES 57 SECONDS WEST FOR A DISTANCE OF 202.88 FEET;
THENCE SOUTH 03 DEGREES 22 MINUTES 03 SECONDS WEST FOR A DISTANCE OF 413.57 FEET;
THENCE NORTH 89 DEGREES 52 MINUTES 44 SECONDS EAST FOR A DISTANCE OF 218.00 FEET TO THE TRUE POINT OF BEGINNING; AND

FURTHER EXCEPT A PARCEL OF LAND IN SAID SECTION 18:
BEGINNING AT THE WEST QUARTER CORNER OF SAID SECTION 18;
THENCE NORTH 89 DEGREES 44 MINUTES 58 SECONDS EAST 1302.21 FEET TO THE TRUE POINT OF BEGINNING;
THENCE NORTH 00 DEGREES 11 MINUTES 27 SECONDS EAST ALONG THE WEST BOUNDARY OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 18, 827.62 FEET;
THENCE SOUTH 89 DEGREES 48 MINUTES 33 SECONDS EAST 427.50 FEET TO THE WESTERLY RIGHT OF WAY LINE FOR STATE ROUTE 77;
THENCE SOUTHWESTERLY ALONG THE RIGHT OF WAY FOR STATE ROUTE 77 ON A NON TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 4744.57 FEET, PASSING THROUGH A CENTRAL ANGLE OF 04 DEGREES 49 MINUTES 46 SECONDS, AN ARC LENGTH OF 399.91 FEET;
THENCE SOUTH 85 DEGREES 37 MINUTES 00 SECONDS WEST, 202.84 FEET;
THENCE SOUTH 03 DEGREES 22 MINUTES 53 SECONDS WEST, 413.69 FEET TO THE EAST-WEST CENTER LINE OF SAID SECTION 18;
THENCE SOUTH 89 DEGREES 53 MINUTES 28 SECONDS WEST ALONG THE EAST-WEST CENTERLINE OF SAID SECTION 18, 160.58 FEET TO THE TRUE POINT OF BEGINNING; AND

FURTHER EXCEPT THAT PART OF THE SOUTH HALF OF THE NORTHWEST QUARTER OF SAID SECTION 18, DESCRIBED AS FOLLOWS:
COMMENCING AT THE NORTHWEST CORNER OF THE SOUTH HALF OF THE NORTHWEST QUARTER OF SAID SECTION 18;
THENCE SOUTH 89 DEGREES 57 MINUTES 37 SECONDS EAST FOR A DISTANCE OF 1312.20 FEET ALONG THE NORTH LINE OF THE SOUTH HALF OF THE NORTHWEST QUARTER OF SAID SECTION 18 TO THE POINT OF BEGINNING OF THE LAND TO BE DESCRIBED:
THENCE SOUTH 89 DEGREES 57 MINUTES 37 SECONDS EAST FOR A DISTANCE OF 532.02 FEET ALONG THE NORTH LINE OF THE SOUTH HALF OF THE NORTHWEST QUARTER OF SAID SECTION 18 TO A POINT ON THE WEST RIGHT-OF-WAY LINE OF STATE ROUTE 77;
THENCE ALONG A CURVE CONCAVE TO THE LEFT, HAVING A RADIUS OF 4744.57 FEET AND AN ARC LENGTH OF 506.39 FEET, BEING SUBTENDED BY A CHORD OF SOUTH 12 DEGREES 06 MINUTES 45 SECONDS WEST, FOR A DISTANCE OF 506.15 FEET ALONG THE WEST RIGHT-OF-WAY LINE OF STATE ROUTE 77;
THENCE NORTH 89 DEGREES 53 MINUTES 41 SECONDS WEST FOR A DISTANCE OF 427.07 FEET ALONG THE NORTH PROPERTY LINE OF THE DIALYSIS CENTER TO A PLASTIC CAP RLS 29869;
THENCE NORTH 00 DEGREES 08 MINUTES 42 SECONDS EAST FOR A DISTANCE OF 494.47 FEET TOTHE POINT OF BEGINNING.

Parcel 12:

Gila and Salt River Meridian, Arizona
T. 8 S., R. 17 E.,
Sec. 17, NW¼, SW¼SE¼, E½SW¼.

EXCEPT THAT PORTION DESCRIBED IN QUITCLAIM DEED RECORDED JANUARY 31, 2012 AS 2012-007458, OFFICIAL RECORDS.EXCEPTING THEREFROM ALL THE MINERALS IN THE LAND TOGETHER WITH ALL URANIUM, THORIUM OR ANY OTHER MATERIAL WHICH IS OR MAY BE DETERMINED TO BE PECULIARLY ESSENTIAL TO THE PRODUCTION OF FISSIONABLE MATERIALS, WHETHER OR NOT OF COMMERCIAL VALUE, AS RESERVED IN THE PATENT TO THE LAND.

Parcel 13:

Gila and Salt River Meridian, Arizona
T. 8 S., R. 17 E.,
sec. 7, Lots 2 thru 4, E½SW¼, SW¼SE¼.

EXCEPT ANY PORTION LYING WITHIN THE STATE ROUTE 77 RIGHT OF WAY.

Parcel 14:

Gila and Salt River Meridian, Arizona
T. 8 S., R. 16 E.,
sec. 12, W½NE¼, SE¼NE¼, NE¼SE¼.

*Survey required. Legal description and final acreage to be completed post survey.

Subject to:

1. *Any charge upon said land by reason of its inclusion in Central Arizona Water Conservation District. (All assessments due and payable are paid.)*
2. *Reservations or Exceptions in Patents, or in Acts authorizing the issuance thereof.*
3. *Terms, covenants and conditions as set forth in instrument recorded in Docket 1987, Page 335. (Affects Parcel No. 2 and other property.)* **Note:** This exception is a covenant for lands affected by a landfill. The legal description is in error and the landfill is not on lands proposed for conveyance to the United States. Corrective documents have been recorded and this exception will be requested to be removed in next update
4. *The terms, conditions and provisions contained in the document entitled "Pipe Line License" recorded January 18, 1955 as Docket 117, Page 306.*
5. *An easement for electric power line and incidental purposes, recorded as Book 54 of Deeds, Page 579 and Page 580. (Affects Parcel No's. 11 and 13)*
6. *An easement for electric power line and incidental purposes, recorded as Book 55 of Deeds, Page 347. (Affects Parcel No's. 11 and 13)*
7. *An easement for railroad, telephone and telegraph lines and incidental purposes, recorded as Docket 113, Page 473. (Affects Parcel No. 14 and other property)*
8. *An easement for public highway and incidental purposes, recorded as Docket 139, Page 463. (Affects Parcel No's. 11 and 13)*
9. *An easement for communication lines and incidental purposes, recorded as Docket 184, Page 473. (Affects Parcel No's. 6 and 8)*
10. *An easement for pipe line and incidental purposes, recorded as Docket 191, Page 568. (Affects Parcel No's. 11 and 13)*
11. *An easement for roadway purposes and incidental purposes, recorded as Docket 242, Page 104. (Affects Parcel No. 10)*
12. *An easement for roadway and incidental purposes, recorded as Docket 297, Page 319. (Affects Parcel No. 13 and other property)*
13. *An easement for transmission lines and incidental purposes, recorded as Docket 358, Page 574. (Affects Parcel No's. 8 and 9)*
14. *An easement for electric power transmission system and incidental purposes, recorded as Docket 362, Page 595. (Affects Parcel No. 3)*

15. *An easement for electric power transmission line and incidental purposes, recorded as Docket 413, Page 322. (Affects Parcel No. 11)*
16. *An easement for electric lines and incidental purposes, recorded as Docket 686, Page 465. (Affects Parcel No. 5)*
17. *An easement for electric lines and incidental purposes, recorded as Docket 687, Page 292. (Affects Parcel No. 9)*
18. *An easement for drainage and incidental purposes, recorded as Docket 2076, Page 792. (Affects Parcel No. 11)*
19. *An easement for access road, power transmission site and communications and incidental purposes, recorded as 1999-045692 of Official Records. (Affects Parcel No's. 7, 8 and 9)*
20. *An easement for power line and roadway and incidental purposes, recorded as 2003-065283 of Official Records.*
21. *All matters as set forth in Record of Survey, recorded as Book 10 of Surveys, Page 175.*
22. *Unpatented Mining Claims as disclosed by documents recorded as 2004-063884 of Official Records and as 2004-065309 of Official Records.* ***Note:*** *Exception is for unpatented mining claims, based on Federal minerals reserved in patent. Will request removal in next update.*
23. *Purposely left blank for consistency with TIC*
24. *Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.*
25. *The rights of parties in possession by reason of any unrecorded lease or leases or month to month tenancies affecting any portion of the within described property.* ***NOTE:*** *This matter will be more fully set forth or deleted upon compliance with the applicable requirement(s) set forth herein.*
28. *Water rights, claims or title to water.*
29. *The right to enter upon said land and prospect for and remove all uranium, thorium or any other material which is or may be determined to be peculiarly essential to the production of fissionable materials, whether or not of commercial value, lying within Lot 4 and the Southwest Quarter of the Northwest Quarter of Section 4, Township 9 south, Range 17 east of the Gila and Salt River Base and Meridian, Pinal County, Arizona, as reserved in the patent to the land.*
30. *The right to enter upon said land and prospect for and remove all the minerals in the land together with all uranium, thorium or any other material which is or may be determined to be peculiarly essential to the production of fissionable materials, whether or not of commercial value, lying within the Southwest Quarter of the Southwest Quarter; the North Half of the Northeast Quarter; the Southeast Quarter of the Northeast Quarter; the Northeast Quarter of the Northwest Quarter; and the North Half of the Northeast Quarter of the Southeast Quarter of Section 33, Township 8 South, Range 17 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona, as reserved in the patent to the land.*
31. *The right to enter upon said land and prospect for and remove all the minerals in the land together with all uranium, thorium or any other material which is or may be determined to be peculiarly essential to the production of fissionable materials, whether or not of commercial value, lying within the Southwest Quarter of the Northwest Quarter and the West Half of the Southwest Quarter of Section 21, Township 8 South, Range 17 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona as reserved in the patent to the land.*
32. *The right to enter upon said land and prospect for and remove all the minerals in the land together with all uranium, thorium or any other material which is or may be determined to be peculiarly essential to the production of fissionable materials, whether or not of commercial value, lying within the North Half of the Northeast Quarter and the Southeast Quarter of the Northeast Quarter of Section 20, Township 8 South Range 17 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona as reserved in the patent to the land.*
33. *The right to enter upon said land and prospect for and remove all the minerals in the land together with all uranium, thorium or any other material which is or may be determined to be peculiarly essential to the production of fissionable materials, whether or not of commercial value, lying within the Northwest Quarter; the Southwest Quarter of the Southeast Quarter and the East Half of the Southwest Quarter of Section 17, Township 8 South, Range 17 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona, as reserved in the patent to the land.*
34. *Taxes for the full year of 2016. (All property taxes must be paid by the private landowner through the entire year of conveyance to the United States of America).*

g. Approximately 160 acres of land located in Gila and County, Arizona and identified as ''Lands to DOI'' as generally depicted on the map entitled ''Southeast Arizona Land Exchange and Conservation Act of 2011–Non-Federal Parcel–**Dripping Springs**'' and dated July 6, 2011 and more-specifically described as:

Gila and Salt River, Meridian, Arizona
T. 4 S., R. 15 E.,
sec. 7, N½SE¼;
sec. 8, N½SW¼.

h. Approximately 940* acres of land located in Santa Cruz County, Arizona, identified as "Lands to DOI" as generally depicted on the map entitled "Southeast Arizona Land Exchange and Conservation Act of 2011–Non-Federal Parcel–**Appleton Ranch**'' and dated July 6, 2011 and more-specifically described as:

Parcel 1:

Gila and Salt River Meridian, Arizona
T. 21 S. R. 18 E.
sec. 14, NW¼SE¼, E½NE¼SW¼.

Parcel 2:

Gila and Salt River Meridian, Arizona
T. 21 S. R. 18 E.,
Sec. 14, Lot 2, SW¼NE¼, E½SE¼NW¼.

EXCEPT the Northeast quarter of said Lot 2, as conveyed by Deed recorded in Docket 416 at page 491.

Note: the 'Northeast quarter of said Lot 2' is ambiguous and not a valid description*

Parcel 3:

Gila and Salt River Meridian, Arizona
T. 21 S. R. 18 E.,
sec. 14, Lot 3, SW¼NW¼, W½SE¼NW¼.

EXCEPT the Northeast quarter and the Southeast quarter of Lot 3, as conveyed by Deeds recorded in Docket 633 at page 134 and Docket 633 at page 135.

Note: the 'Northeast quarter and the Southeast quarter of Lot 3' is ambiguous and not a valid description*

Parcel 4:

Gila and Salt River Meridian, Arizona
T. 21 S. R. 18 E.,
sec. 14, Lot 4, NW¼SW¼, W½NE¼SW¼.

EXCEPT the West half of Lot 4, as conveyed by Deed recorded in Docket 545 at page 610;
EXCEPT all coal and other minerals as reserved in the Patent from the United States of America.

Note: the 'West half of Lot 4' is ambiguous and not a valid description*

Parcel 5:

Gila and Salt River Meridian, Arizona
T. 21 S. R. 18 E.,
sec. 15, S½ Lot 4, S½NE¼, S½NW¼, N½SE¼

EXCEPT all coal and other minerals as reserved in the Patent from the United States of America.

Note: the 'S½ Lot 4' is ambiguous and not a valid description*

Parcel 6:

Gila and Salt River Meridian, Arizona
T. 21 S. R. 18 E.,
sec. 17, E½

Parcel 7:

Gila and Salt River Meridian, Arizona
Township 21 South, Range 18 East,
Section 28

More particularly described as follows:

BEGINNING at the corner common to Sections 21, 22, 27 and 28 of said Township and Range, a G.L.O. brass cap firmly set and properly marked;
THENCE South 89 degrees 58 minutes 00 Seconds West, 1,194.62 feet along and upon the North line of said Section 28;
THENCE South 01 degrees 29 minutes 22 seconds East, 1,102.46 feet;
THENCE North 85 degrees 45 minutes 02 seconds East, 549.81 feet;
THENCE South 26 degrees 42 minutes 49 Seconds East, 643.82 feet;
THENCE South 82 degrees 34 minutes 49 Seconds West, 642.26 feet;
THENCE North 89 degrees 59 minutes 20 seconds West, 1,043.72 feet;
HENCE South 68 degrees 15 minutes 26 seconds West, 1,020.59 feet;
THENCE North 08 degrees 35 minutes 36 seconds East, 2,119.11 feet to the North Quarter corner of said Section 28;
THENCE North 89 degrees 58 minutes 00 Seconds East, 1,445.41 feet along and upon the North line of Section 28 to the Point of Beginning.

Survey required. Legal description and final acreage to be completed post survey

Subject to:

1. *Liabilities and obligations imposed upon said Land by its inclusion within any district formed pursuant to Title 48, Arizona Revised Statutes.*
2. *Reservations contained in the Patent from the United States of America recorded as Book 12 of Deeds, page 22 (Affects the south half of Lot 4 and the south half of the North half of Section 15).*
3. *Reservations contained in the Patent from the United States of America recorded as Book 15 of Deeds, page 124 (Affects Northwest quarter of Southeast quarter of Section 15).*
4. *Reservations contained in the Patent from United States America recorded as Book 15 of Deeds, page 196 (Affects North half of Northeast quarter of Section 28).*
5. *Reservation of all oil, coal and other minerals as set forth in Deed recorded as Book 16 of Deeds, page 372*
6. *Reservations, exceptions and provisions contained in the patent from the State of Arizona, and in the acts authorizing the issuance thereof recorded as Book 26 of Deeds, page 208 (Affects East half of Section 17).*
7. *Reservation of a 55% interest in all oil, gas, coal and other minerals as set forth in Deed recorded as Book 33 of Deeds, page 178*
8. *Reservations contained in the Patent from the United States of America recorded as Book 13 of Miscellaneous, page 606 (Affects Lots 2 and 3, Southwest quarter of Northeast quarter; south half of Northwest quarter; North half of Southwest quarter and Northwest quarter of Southeast quarter of Section 14).*
9. *Reservations contained in the Patent from United States of America recorded as Book 13 of Miscellaneous, page 607 (Affects Northeast quarter of the Southeast quarter of Section 15 and Lot 4 of Section 14).*
10. *Easement for electric transmission lines and related facilities recorded as Book 22 of Miscellaneous, page 157 (Affects the Northeast quarter of the Northwest quarter and the West half of the Northeast quarter of Section 14).*
11. *Reservation of one half of all mineral rights as set forth in Deed recorded as Docket 16, page 383*

12. *Easement for telephone and telegraph lines recorded as Docket 27, page 281 (Affects the East 10 feet of Section 15).*
13. *Reservations contained in the Patent from United States of America recorded as Docket 37, page 501. (Affects south half of Northeast quarter and the Northwest quarter of Section 28).*
14. *Matters contained in that certain document between The Research Ranch Foundation and The National Audubon Society recorded as Docket 374, page 46*
15. *Reservation of oil, gas, mineral, water and other subsurface rights as set forth in Deeds recorded as:*

Docket 416, page 474
Docket 416, page 475
Docket 416, page 476
Docket 416, page 477
Docket 416, page 478
Docket 416, page 479
Docket 416, page 480
Docket 416, page 481
Docket 416, page 482
Docket 416, page 483
Docket 416, page 484
Docket 416, page 485
Docket 416, page 486
Docket 416, page 488
Docket 508, page 804

16. *Easement for ingress and egress recorded as Docket 427, page 338 (Affects an undefined portion of Section 14).*
17. *Easement for ingress and egress recorded as Docket 468, page 651 (Affects Section 15).*
18. *Easement for electric transmission or distribution line recorded as Docket 517, page 155 (Affects Section 28).*
19. *Easement for telecommunication facilities recorded as Docket 559, page 680 (Affects Section 15).*
20. *Matters contained in that certain document, Affidavit of Disclosure, recorded as 2007-15444.*

III. Water Rights to be conveyed to the United States

Water rights per the list identified in Exhibit C

EXHIBIT B

Property that the U.S.D.A. Forest Service will exchange:

Approximately 2,422 acres of land located in Pinal County, Arizona, depicted on the map entitled "Southeast Arizona Land Exchange and Conservation Act of 2011–Federal Parcel–**Oak Flat**" and dated March 2011 and more-specifically described as follows:

Gila and Salt River Meridian, Arizona

T. 1 S., R. 13 E.,

sec. 28. that portion lying southerly of the centerline of U.S. 60;*

sec. 29, SE¼ and Lot 5, that portion lying southerly of the centerline of U.S. 60; *
sec. 31,*
sec. 32;
sec. 33.
T. 2 S., R. 12 E.,
sec. 1*
T. 2 S., R. 13 E.,
sec. 6;
sec. 7.*

*Survey required. Legal description and final acreage to be completed post survey

Land reservations of the U.S.D.A. Forest Service, exceptions to title and uses to be recognized:

Reservations: None

Outstanding Rights: Unpatented mining claims, per list shown in Exhibit C. Note: The conveyance will include all title of the United States in such unpatented mining claims such that Resolution will own the minerals in fee.

Other:

Permit to Arizona Highway Department for fence dated 2/16/65. Forest Service shall terminate the permit at or before closing. (Affects T1S, R13E, S28)

Permit to Salt River Project Agricultural Improvement and Power District for an overhead transmission line dated 5/21/74. At closing, Resolution Copper Mining shall grant a replacement easement to Salt River Project Agricultural Improvement and Power District for those sections involved in the conveyance. It shall contain terms at least equivalent to those in the permit. Forest Service shall amend the permit to reflect those deletions. (Affects T1S, R13E, S28, 29 & 31)

United States Department of Interior Easement for Right-of-Way for Electric Transmission Line granted to Arizona Public Service Company, dated 12/22/75. Federal parcel will be conveyed subject to the easement. (Affects T1S, R13E, S28 & 33)

Highway Easement Deed granted to State of Arizona, recorded on 3/18/91 in the records of Pinal County, Arizona. Federal parcel will be conveyed subject to the easement. (Affects T1S, R13E, S27, 28, 29 & 33)

Permit issued to Pinal County Highway Department for road maintenance and relocation, dated 11/18/64. Forest Service shall terminate the permit at or before closing. (Affects T1S,

R13E, S28)

Easement to the Salt River Project Agricultural Improvement and Power District for a powerline, recorded at Docket 462, Page 66 and re-recorded at Docket 587, Page 528 records of Pinal County, Arizona. Federal parcel will be conveyed subject to the easement.

Permit to Qwest/Century Link for a telephone line dated 5/21/74. At closing, Resolution Copper Mining shall grant a replacement authorization to Qwest/Century Link for those sections involved in the conveyance. It shall contain terms at least equivalent to those in the permit. Forest Service shall amend the master permit to reflect those deletions.

FLPMA Permit issued to Magma Copper Company for a road. Resolution Copper Mining shall obtain a relinquishment from Magma for the permit. At closing, Forest Service shall terminate the permit. (Affects T1S, R13E, S29)

Term Grazing Permit issued to Integrity Land and Cattle, dated 1/12/15. At closing, Resolution Mining Company shall provide a permit relinquishment on behalf of Integrity Land and Cattle. (Affects all federal lands)

Withdrawal - Public Land Order 1229, dated September 27, 1955 withdrew 760 acres (in addition to other lands) in T.1S., R.13E., Gila & Salt River Base Meridian from 'all forms of appropriation under the public land laws, including the mining but not mineral leasing laws' and reserved these lands for use as campgrounds, recreation areas, or for other public purposes (20 FR 7226). In 1971 public land order 1229 was modified by Public land order 5132 (36 FR 19029) which opened up the withdrawn lands to all forms of appropriation applicable to Forest Service lands except the U.S. mining laws. (Affects T1S, R13E, S28, 29, 32 & 33) Legislation provides for revocation.

EXHIBIT C

Water Rights to be conveyed to the United States:

Parcel II.f. - Lower San Pedro River

Sub-Parcel 2

A well is located on this parcel, within NE¼SE¼SW¼ sec. 4, T.9S., R.17E. GSRM

Prior to initiation of appraisal (end of first quarter 2018), Resolution shall verify if well is producing. If not producing, Resolution shall ensure abandonment of the well and disclaim any water right. If producing, Resolution shall verify/correct state records for ownership and location and convey any right associated with the well to the United States.

Sub-Parcel 3:

Statement of Claim Number 36-102337, filed on October 1, 1990, on behalf of Magma Copper Company, with a claimed priority date of October 26, 1898, notes a historic point of diversion from surface water in the San Pedro River located in the Southwest Quarter (SW ¼) of Section 33, Township 8 South, Range 17 East, G&SR Mer., Pinal County, Arizona, that is no longer in use but asserts a claim to such surface water when and if available on a continuous basis.

Prior to initiation of appraisal (end of first quarter 2018), Resolution shall verify if BHP (successor to Magma Copper Company) put the water to beneficial use. If there is a record of beneficial use, Resolution shall verify/correct state records for ownership and location (as necessary) and convey the right to the United States. If no record of beneficial use, Resolution will disclaim any interest in the surface water right.

Sub-Parcel 4

Two wells are located on this parcel.

The first is likely ADWR well No. 55-624632, also recorded in the ADWR 35-series database as No.35-23343 and GWSI No.324136110371601. Resolution shall verify/correct state records for ownership and location (as necessary) and convey any right associated with the well to the United States.

A second well is located 460 feet north of No. 55624632. Prior to initiation of appraisal (end of first quarter 2018), Resolution shall verify if well is producing. If not producing, Resolution shall ensure abandonment of the well and disclaim any water right. If producing, Resolution shall verify/correct state records for ownership and convey any right associated with the well to the United States.

Sub-Parcel 5, 8, and 9:

Owner	Registration No.	Location	Use
Magma Copper Company	36-102337	Secs. 20 & 29, T8S, R17E	Irrigation Stockwatering
Swift Current Land & Cattle LLC	55-624625	NE¼ SE¼ SE ¼ Sec. 29, T8S, R17E	Irrigation
Swift Current Land & Cattle LLC	55-624643	NE¼ SW¼NE¼ Sec. 29, T8S R17E	Stockwatering

Swift Current Land & Cattle LLC	55-643806	NW¼SE¼ Sec. 20, T8S, R17E	Domestic
Swift Current Land & Cattle LLC	55-225451	SW¼ NW¼ SE¼ Sec. 20, T8S, R17E	Env. Monitoring
Swift Current Land & Cattle LLC	55-225452	SE¼NW¼NW¼ Sec. 20, T8S, R17E	Env. Monitoring/ Piezometer
Swift Current Land & Cattle LLC	55-225453	SW¼NW¼SW¼ Sec. 20, T8S, R17E	Env. Monitoring/ Piezometer

Resolution shall verify/correct state records for ownership and location (as necessary) and convey rights to the United States.

Sub-Parcel 7:

Swift Current Land & Cattle LLC	55-800932	SW¼ NW¼ & W½SW¼ Sec. 210, T8S, R17E	Livestock watering

Resolution shall verify state records for ownership and location and convey right to the United States.

Sub-Parcel 13:

Owner	**Registration No.**	**Location**	**Use**
Swift Current Land and Cattle LLC	55-624641	Lots 2, 3, and 4, and E½SW¼, SW¼SE¼ Sec. 7, T8S, R17E	Domestic
Swift Current Land and Cattle LLC	55-624629	Lots 2, 3, and 4, and E½SW¼, SW¼SE¼ Sec. 7, T8S R17E	Domestic

Prior to initiation of appraisal (end of first quarter 2018), Resolution shall verify if well No, 55-624641 is producing. If not producing, Resolution shall ensure abandonment of the well and disclaim any water right. If producing, Resolution shall verify/correct state records for location and convey any right associated with the well to the United States.

Sub-Parcel 14

The site visit indentified a well located on this parcel. Prior to initiation of appraisal (end of first quarter 2018), Resolution shall verify ownership of the well and resolve any discrepancies with ADWR records. If not producing, Resolution shall ensure abandon of the well and disclaim any water right. If producing, Resolution shall verify/correct state records for ownership and location and convey any right associated with the well to the United States.

Parcel II.h. - Appleton Ranch

Sub-Parcel 1:

Owner	**Registration No.**	**Location**	**Use**	**Capacity**
Marc Francis Appleton	38-94410	NE¼ SW¼ Sec. 14, T21S, R18E	Wildlife Conservation	0.23 acre ft.

Marc Francis Appleton	38-94411	NE¼ SW¼ Sec. 14, T21S, R18E	Wildlife Conservation	1.22 acre ft.
Marc Francis Appleton	38-94412	NW¼ SE¼ Sec. 14, T21S, R18E	Wildlife Conservation	1.3 acre ft.

Resolution shall verify/correct state records for ownership and location (as necessary) and convey all rights to the United States.

Sub-Parcel 4:

Owner	Registration No.	Location	Use	Capacity
Peter Bryce Appleton, Trustee of the Peter Bryce Appleton Trust dated September 18, 1964	2569	SW¼ NW¼ Sec. 14, T21S, R18E	Stockwatering	150,000 gallons per annum
Peter Bryce & Susan Appleton	38-94418	NW¼ SW¼ Sec. 14, T21S, R18E	Wildlife Conservation	8.53 acre ft.
Swift Current Land and Cattle LLC	55-805300			

Resolution shall further verify the specifics of well Registry No. 55-805300. Resolution shall verify/correct state records for ownership and location (as necessary) and convey all rights to the United States.

Sub-Parcel 5:

Owner	Registration No.	Location	Use	Capacity
Ariel Appleton	38-94393	NW¼ NW¼ Sec. 15, T21S, R18E	Wildlife Conservation	0.18 acre ft.
Ariel Appleton	38-94394	NE¼ SE¼ Sec. 15, T21S, R18E	Wildlife Conservation	0.291 acre ft.
Ariel Appleton	38-94395	NW¼ NW¼ Sec. 15, T21S, R18E	Wildlife Conservation	1.14 acre ft.
Ariel Appleton	38-94396	NW¼ NW¼ Sec. 15, T21S, R18E	Wildlife Conservation	0.26 acre ft.
Ariel Appleton	38-94397	NW¼ NW¼ Sec. 15, T21S, R18E	Wildlife Conservation	0.17 acre ft.
Ariel Appleton	38-94398	SW¼ NW¼ Sec. 15, T21S, R18E	Wildlife Conservation	0.37 acre ft.
Ariel Appleton	38-94399	SW¼ NW¼ Sec. 15, T21S, R18E	Wildlife Conservation	0.16 acre ft.

Ariel Appleton	38-94400	SW¼ NW¼ Sec. 15, T21S, R18E	Wildlife Conservation	0.82 acre ft.
Ariel Appleton	38-94401	SW¼ NW¼ Sec. 15, T21S, R18E	Wildlife Conservation	0.18 acre ft.
Ariel Appleton	38-94402	SW¼ NW¼ Sec. 15, T21S, R18E	Wildlife Conservation	0.14 acre ft.
Ariel Appleton	38-94403	NW¼ NW¼ Sec. 15, T21S, R18E	Wildlife Conservation	0.48 acre ft.
Ariel Appleton	38-94404	SE¼ NW¼ Sec. 15, T21S, R18E	Wildlife Conservation	0.19 acre ft.
Ariel Appleton	38-94405	SE¼ NW¼ Sec. 15, T21S, R18E	Wildlife Conservation	0.13 acre ft.

Resolution shall verify/correct state records for ownership and location (as necessary) and convey all rights to the United States.

Sub-Parcel 6:

Owner	**Registration No.**	**Location**	**Use**	**Capacity**
Peter Bryce Appleton, et al.	38-94419	SW¼ NE¼ Sec. 17, T21S, R18E	Wildlife Conservation	0.012 acre ft.
Peter Bryce Appleton, et al.	38-94420	SE¼ SE¼ Sec. 17, T21S, R18E	Wildlife Conservation	2.9 acre ft.
Swift Current Land and Cattle,	55-648930	Sec 17, T21S, R18E		

Resolution shall verify the specifics of well Registry No. 55-648930. and verify/correct State records for ownership and location (as necessary) for the storage claims and convey all rights to the United States.

Sub-Parcel 7

Owner	**Registration No.**	**Location**	**Use**
Swift Current Land and Cattle LLC	55-650978		

Resolution shall verify the specifics of well Registry No. 55-650978. Resolution shall verify if well is producing. If not producing, Resolution shall ensure abandonment of the well and disclaim any water right. If producing, Resolution shall verify/correct state records for location and convey any right associated with the well to the United States and convey rights to the United States.

EXHIBIT C (cont.)

Other:

The following claims were identified through diligence performed by Resolution to establish existing water rights to be conveyed to the United States. They are shown separately to identify that they are not proposed for conveyance. Any actions identified here shall be completed by Resolution prior to closing. Further, for those water rights which are conveyed to the United States, Resolution agrees to support the United States' interest that the non-Federal lands are conveyed with the most accurate water rights records that are reasonably possible, by correcting other discrepancies found if the course of their diligence, if practicable in the course of conducting required actions.

Parcel I.a. - Turkey Creek, Gila County

Owner	Registration No.	Place of Diversion	Use	Quantity
George Cline Trust	36-275260	NE¼ SW¼ Sec. 3, T7N, R12E	Irrigation and Stockwatering	6.4 acre ft. annually

No use in at least 12 years. Resolution will disclaim any interest in this water right

Parcel I.b. - Tangle Creek

Owner	Certification No.	Place of Use	Use	Quantity
G&S Investments	4167.0001	SE¼ SE¼ Sec. 34, T9½ N, R5E	Stockwatering	36,135 gallons per annum
G&S Investments	4167.0001	SE¼ SE¼ Sec. 34, T9½ N, R5E	Domestic	209,500 gallons per annum
G&S Investments	4167.0001	SE¼ SE¼ Sec. 34, T9½ N, R5E	Irrigation	109.50 gallons per annum on 36.50 acres

No use in at least 12 years. Resolution will disclaim any interest in rights.

Parcel I.c. - Cave Creek

Owner	Registration No.	Place of Use	Place of Diversion	Use	Acres Irrigated
Johnson Cattle Co.	36-105175	NW¼ NE¼ Sec. 21 and SW¼ NE¼ Sec. 21, T7N, R4E	SE¼ SE¼ SW¼ Sec. 16, T7N, R4E	Irrigation	20 acres

Jackson Cartwright	36-61162	Sec. 21, T7N, R4E	Not indicated.	Domestic/ Stockwatering	N/A

No use in at least 12 years, Resolution will disclaim any interest in rights.

Parcel II.f. - Lower San Pedro River

Sub-Parcel 5, 8, and 9:

Swift Current Land & Cattle LLC	55-624623	NE1/4 SE1/4 SE1/4 Sec. 19, T8S R17E	Industrial

Resolution shall initiate correction of state record for location as claim not on parcel to be conveyed to the United States.

Parcel II.h. - Appleton Ranch

Sub-Parcel 2

Owner	**Registration No.**	**Location**	**Use**	**Capacity**
National Audubon Society	38-94428	NW¼ NE¼ Sec. 14, T21S, R18E	Wildlife Conservation	0.43 acre ft.

No action necessary. Claim is by 3rd party not in chain of ownership or a party to the exchange.

Sub-Parcel 4

Peter Bryce & Susan Appleton	38-94417	NW¼ NW¼ Sec. 14, T21S, R18E	Wildlife Conservation	0.12 acre ft.
Peter Bryce & Susan Appleton	38-94415	NW¼ NW¼ Sec. 14, T21S, R18E	Wildlife Conservation	0.33 acre ft.
Peter Bryce	38-94414	NW¼ NW¼ Sec. 14,	Wildlife	0.17 acre ft.
& Susan Appleton		T21S, R18E	Conservation	
Peter Bryce & Susan Appleton	38-94413	NW¼ NW¼ Sec. 14, T21S, R18E	Wildlife Conservation	0.15 acre ft.

Resolution shall initiate correction of state records for ownership and location as claims are not on parcel to be conveyed to the United States.

EXHIBIT D (Subject to revision based on survey)

Unpatented Mining Claims Affecting the Federal Parcel

Claim Name	Owner	Status	AZ Mining
ACE Amended	RCM	Unpatented	60173
ACE NO. 1	RCM	Unpatented	60174
ACE NO. 2	RCM	Unpatented	60175
ACE NO. 3	RCM	Unpatented	60176
ACE NO. 4	RCM	Unpatented	60177
ACE NO. 5	RCM	Unpatented	60178
ACE NO. 6	RCM	Unpatented	60178
ALTO Amended	RCM	Unpatented	60180
ALTO NO. 1 Amended	RCM	Unpatented	60181
ALTO NO. 10 Amended	RCM	Unpatented	60190
ALTO NO. 11	RCM	Unpatented	60191
ALTO NO. 2 Amended	RCM	Unpatented	60182
ALTO NO. 3 Amended	RCM	Unpatented	60183
ALTO NO. 4	RCM	Unpatented	60184
ALTO NO. 5	RCM	Unpatented	60185
ALTO NO. 7	RCM	Unpatented	60187
ALTO NO. 8 Amended	RCM	Unpatented	60188
ALTO NO. 9 Amended	RCM	Unpatented	60189
DAN 10	RCM	Unpatented	356189
DAN 13	RCM	Unpatented	356192
DAN 18	RCM	Unpatented	356197
DAN 8	RCM	Unpatented	356187
DAN 9	RCM	Unpatented	356188
EXTENSION NO. 39	RCM	Unpatented	60441
EXTENSION NO. 40	RCM	Unpatented	60442
EXTENSION NO. 41	RCM	Unpatented	60443
GLADIATOR NO. 1	RCM	Unpatented	359396
GLADIATOR NO. 2	RCM	Unpatented	359397
GLADIATOR NO. 3	RCM	Unpatented	359398
GLADIATOR NO. 4	RCM	Unpatented	359399
GLADIATOR NO. 5	RCM	Unpatented	359400
GLADIATOR NO. 6	RCM	Unpatented	359401
GLADIATOR NO. 8	RCM	Unpatented	359403
LEGAL TENDER 10	RCM	Unpatented	356893
LEGAL TENDER 11	RCM	Unpatented	356894
LEGAL TENDER 12	RCM	Unpatented	356895

Claim Name	Owner	Status	AZ Mining
LEGAL TENDER 13	RCM	Unpatented	356865
LEGAL TENDER 14	RCM	Unpatented	356866
LEGAL TENDER 15	RCM	Unpatented	356867
LEGAL TENDER 16	RCM	Unpatented	356896
LEGAL TENDER 17	RCM	Unpatented	356868
LEGAL TENDER 18	RCM	Unpatented	356869
LEGAL TENDER 19	RCM	Unpatented	356897
LEGAL TENDER	RCM	Unpatented	356884
LEGAL TENDER 2	RCM	Unpatented	356885
LEGAL TENDER 20	RCM	Unpatented	356870
LEGAL TENDER 21	RCM	Unpatented	356871
LEGAL TENDER 22	RCM	Unpatented	356872
LEGAL TENDER 23	RCM	Unpatented	356933
LEGAL TENDER 3	RCM	Unpatented	356886
LEGAL TENDER 4	RCM	Unpatented	356887
LEGAL TENDER 5	RCM	Unpatented	356888
LEGAL TENDER 6	RCM	Unpatented	356889
LEGAL TENDER 7	RCM	Unpatented	356890
LEGAL TENDER 8	RCM	Unpatented	356891
LEGAL TENDER 9	RCM	Unpatented	356892
OAK NO. 18	RCM	Unpatented	60141
OAK NO. 19	RCM	Unpatented	60142
OAK NO. 20 Amended	RCM	Unpatented	60143
OAK NO. 21	RCM	Unpatented	60144
OAK NO. 22	RCM	Unpatented	60145
OAK NO. 23	RCM	Unpatented	60146
OAK NO. 24	RCM	Unpatented	60147
OAK NO. 25	RCM	Unpatented	60148
OAK NO. 26	RCM	Unpatented	60149
OAK NO. 27	RCM	Unpatented	60150
OAK NO. 38 Amended	RCM	Unpatented	60165
OAK NO. 39 Amended	RCM	Unpatented	60166
OAK 40	RCM	Unpatented	405556
OAK NO. 41Amended	RCM	Unpatented	60168
OAK NO. 42 Amended	RCM	Unpatented	60169
OAK NO. 43	RCM	Unpatented	60170
OAK NO. 44	RCM	Unpatented	60171
OAK NO. 9	RCM	Unpatented	60136
PINE NO. 7	RCM	Unpatented	60157
PINE NO. 8	RCM	Unpatented	60158
PINE NO. 9	RCM	Unpatented	60159
ROADSIDE 1 (NEW)	RCM	Unpatented	405551

Claim Name	Owner	Status	AZ Mining Claim
ROADSIDE 2 (NEW)	RCM	Unpatented	405552
ROADSIDE 3 (NEW)	RCM	Unpatented	405553
ROADSIDE 4 (NEW)	RCM	Unpatented	405554
ROADSIDE 5 (NEW)	RCM	Unpatented	405555
SOUTH SYNDICATE NO.	RCM	Unpatented	60245
SOUTH SYNDICATE NO.	RCM	Unpatented	60246
SOUTH SYNDICATE NO.	RCM	Unpatented	60247
SOUTH SYNDICATE NO.	RCM	Unpatented	60248
SOUTH SYNDICATE NO.	RCM	Unpatented	60249
SOUTH SYNDICATE NO.	RCM	Unpatented	60394
SOUTH SYNDICATE NO.	RCM	Unpatented	60395
SOUTH SYNDICATE NO.	RCM	Unpatented	60396
SOUTH SYNDICATE NO.	RCM	Unpatented	60397
SUN 62A	RCM	Unpatented	60304
SUN 63A	RCM	Unpatented	60305
SUN 64A	RCM	Unpatented	60306
SUN NO. 10	RCM	Unpatented	60258
SUN NO. 11	RCM	Unpatented	60259
SUN NO. 12	RCM	Unpatented	60260
SUN NO. 13	RCM	Unpatented	60261
SUN NO. 14	RCM	Unpatented	60262
SUN NO. 15	RCM	Unpatented	60263
SUN NO. 16	RCM	Unpatented	60264
SUN NO. 17	RCM	Unpatented	60265
SUN NO. 18	RCM	Unpatented	60266
SUN NO. 19	RCM	Unpatented	60267
SUN NO. 2	RCM	Unpatented	60250
SUN NO. 20	RCM	Unpatented	60268
SUN NO. 21	RCM	Unpatented	60269
SUN NO. 22	RCM	Unpatented	60270
SUN NO. 23	RCM	Unpatented	60271
SUN NO. 24	RCM	Unpatented	60272
SUN NO. 25	RCM	Unpatented	60273
SUN NO. 26	RCM	Unpatented	60274
SUN NO. 27	RCM	Unpatented	60275
SUN NO. 28	RCM	Unpatented	60276
SUN NO. 29	RCM	Unpatented	60277
SUN NO. 3	RCM	Unpatented	60251
SUN NO. 30	RCM	Unpatented	60278
SUN NO. 31	RCM	Unpatented	60279
SUN NO. 32	RCM	Unpatented	60280
SUN NO. 33	RCM	Unpatented	60281

Claim Name	Owner	Status	AZ Mining
SUN NO. 34	RCM	Unpatented	60282
SUN NO. 35	RCM	Unpatented	60283
SUN NO. 36	RCM	Unpatented	60284
SUN NO. 37	RCM	Unpatented	60285
SUN NO. 38	RCM	Unpatented	60286
SUN NO. 4	RCM	Unpatented	60252
SUN NO. 40	RCM	Unpatented	60288
SUN NO. 41	RCM	Unpatented	60289
SUN NO. 42A	RCM	Unpatented	60314
SUN NO. 44	RCM	Unpatented	60290
SUN NO. 45	RCM	Unpatented	60291
SUN NO. 46A	RCM	Unpatented	60315
SUN NO. 48	RCM	Unpatented	60292
SUN NO. 49	RCM	Unpatented	60293
SUN NO. 5	RCM	Unpatented	60253
SUN NO. 50A	RCM	Unpatented	60316
SUN NO. 58	RCM	Unpatented	60300
SUN NO. 6	RCM	Unpatented	60254
SUN NO. 62 Amended	RCM	Unpatented	60304
SUN NO. 63 Amended	RCM	Unpatented	60305
SUN NO. 64 Amended	RCM	Unpatented	60306
SUN NO. 65 Amended	RCM	Unpatented	60307
SUN NO. 66 Amended	RCM	Unpatented	60308
SUN NO. 67 Amended	RCM	Unpatented	60309
SUN NO. 68	RCM	Unpatented	60310
SUN NO. 7	RCM	Unpatented	60255
SUN NO. 8	RCM	Unpatented	60256
SUN NO. 9	RCM	Unpatented	60257

EXHIBIT E

Other:

1. At or prior to closing, resolution shall enter into the agreement with the Forest Service to further provision (i)(3) of the Act.
2. As specified under (g)(3) of the Act, at, or prior to, closing, Resolution shall relinquish all unpatented mining claims or portions of such claims located within the Apache Leap Special Management Area
3. Pending outcome of field inspections of the non-Federal parcels, Resolution shall remove all improvements, trash, or equipment from the parcels as specified by the Forest Service or BLM.
4. For all water rights conveyed to the United States, Resolution shall complete all actions required by the Arizona Department of Water Resources (ADWR) to ensure that all records and transfer applications are current, accurate and complete to the satisfaction of ADWR for filing by the United States with ADWR following conveyance.
5. Resolution will remedy any mining related physical safety hazards that are identified and mutually agreed upon as requiring pre-exchange remediation.

EXHIBIT F[1]

IMPLEMENTATION SCHEDULE

Case Name: Action Item Feasibility Analysis (Items 1-8)	Responsible for Preparation	Responsible for Costs[2]	Target Date
1. Obtain Title Insurance Commitment/preliminary title report for Non-Federal Land	Resolution	Resolution	Complete
2. Boundary Management Review	BLM (for both agencies)	Resolution	Complete
3. Federal Land Status Report	FS	Resolution	Complete
4. Water Rights Analysis	Resolution	Resolution	Complete
5. Identify Party Responsible for Costs		Resolution	Complete
6. Request BLM Serialization/ Segregation	BLM	Resolution	Complete
7. Begin government-to-government consultation with "affected Indian tribes" pursuant to section c(3)(A) of the Act	FS	Resolution	Complete - Initiated 8/15 per USFS Consultation Letter.
8. FS-Resolution to consult t pursuant to section c(3)(B) of the Act.	FS/Resolution	Resolution	Ongoing –
9. Initiate Public Scoping	FS	Resolution	NEPA scoping complete 3/18/16 – 7/18/16
10. Request Land Survey of Federal Lands	FS/BLM	Resolution	complete
11. Prepare Hazardous Substances Evaluation	FS/Resolution	Resolution	Complete; Updates required within 6 months of closing
12. Prepare NEPA Documentation	FS	Resolution	07/17 – 06/19
13. Draft ATI & Exhibits	FS/BLM/Resolution	Resolution	11/2017
14. Execute Agreement To Initiate (ATI)	FS/BLM/Resolution	Resolution	11/2017
15. Prepare Notice of Publication/Posting	FS	Resolution	12/20/2017
16. Notify County Commissioners, State Clearinghouse, Congressional Delegations, Tribal Governments, and other Agencies	FS	Resolution	12/22/2017
17. Notify Permittees	FS	Resolution	12/22/2017
18. 4-Week Publication Period, Including Wetlands and Floodplains Information	FS	Resolution	12/22/2017

19. Request Appraisals	FS	Resolution	1/15/2018
20. Survey work completed and legal descriptions finalized for all parcels	BLM	Resolution	5/2018
21. Complete Certificates of Possession	FS/BLM	Resolution	3/15/2018
22. Certificate of Use and Consent	FS/BLM	Resolution	6/1/2018
23. Obtain SHPO Concurrence	FS	Resolution	12/2018
24. Prepare TES Report/Consultation	FS	Resolution	7/2019
25. Prepare Wetlands/Floodplains Report	FS	Resolution	12/2018
26. *NEPA Comment Period	FS		6/19 – 8/19
27. Finalize Appraisals	Contract Appraiser	Resolution	1/15/20
28. Appraisal Technical Review	FS	Resolution	4/15/20
29. Agreement on Values	FS/Resolution		6/1/20
30. Make Appraisals available for public review pursuant to section c(4)(b)(iv) of the Act	FS		4/15/2020
31. Certify Estate Consistency	FS	Resolution	2/2020
32. Request Preliminary Title Opinion	FS/BLM		4/15/2020
33. Provide Preliminary Title Opinion	OGC/DOI Solicitor		5/15/2020
34. Draft Exchange Agreement	FS	Resolution	4/15/2020
35. Prepare/Obtain Replacement Authorizations/R e linquishments for Special Use Permits	Resolution	Resolution	5/1/2020
36. Prepare Deed to Non-Federal Land; Patent Request to Federal Land	Resolution/FS/BLM	Resolution	5/1/2020
37. Finalize NEPA Document	FS		7/3/2020
38. Publication of Final EIS	FS	FS	7/15/2020
39. Execute Exchange Agreement	Resolution/FS/BLM		7/15/2020
40. Record Exchange Agreement and Update Title Commitments	Resolution	Resolution	7/31/2020
41. Supplemental Certificates of Possession	FS/BLM	Resolution	7/31/2020
42. Closing Instructions Completed	Resolution/BLM/FS/Title Company	Resolution	8/14/2020
43. Deliver Deeds to Non-Federal Land	Resolution	Resolution	8/14/2020
44. Deliver Patent	BLM	Resolution	8/14/2020
45. Execute Easements and Secure Relinquishments/Terminations	Resolution/FS	Resolution	9/15/2020
46. Record Patent and All Deeds	Resolution/FS	Resolution	9/15/2020
47. File Water Rights Transfer/Use Documents	Resolution/FS	Resolution	9/15/2020

48. Return Deeds to Non-Federal Land with Title Insurance Policy	Title Company	Resolution	10/15/2020
49. Final Certificate of Use and Consent	FS/BLM	Resolution	10/15/2020
50. Return Copies of Recorded Patent or Deeds to RO	FS/BLM		
51. Request Final Title Opinion	FS/BLM)		10/15/2020
52. Provide Final Title Opinion	OGC/DOI Solicitor		11/15/2020
53. Post Status and Close Case	FS/BLM		12/31/2020

[1] Modified from the form implementation schedule in the Forest Service Land Acquisition Handbook Section 5409.13(39). Action Items in the form Exhibit F that are superseded by the Act have been removed. Actions items that are required by the Act, but not in the form Exhibit F are italicized.

[2] The Act requires Resolution to be responsible for all costs associated with the land exchange c(7).

Appendix B_2

Southeast Arizona Land Exchange and Conservation Act

FIRST AMENDMENT
AGREEMENT TO INITIATE

U.S. DEPARTMENT OF AGRICULTURE
Forest Service

5430 Exchanges
Tonto National Forest
Bureau of Land Management, Gila District
Resolution Copper Mining, LLC, a Delaware limited liability company

FIRST AMENDMENT
AGREEMENT TO INITIATE

Southeast Arizona Land Exchange and
Conservation Act, P.L. 113-291 Section 3003
The Act of March 20, 1922 (42 Stat. 465, as amended;
The Act of October 21, 1976 (90 Stat. 2743, as amended; 43 U.S.C. 1715, 1716, 1717); and,
The Act of August 20, 1988 (102 Stat. 1086; 43 U.S.C. 1716).

We, Resolution Copper Mining, LLC (Resolution), the Forest Service, U.S. Department of Agriculture (Forest Service), and the Bureau of Land Management (BLM), Gila District, U.S. Department of the Interior, acting through their authorized representatives hereby amend the Agreement to Initiate dated December 6, 2017, entered into by the Parties in the following manner.

Exhibit A:

Delete:

e. Approximately 142* acres of land located in Pinal County, Arizona within the Tonto National Forest and depicted on the map entitled ‘‘Resolution Copper Land Exchange Proposal–Apache Leap South End’’ and more-specifically described as:

Parcel No. 1:

Gila and Salt River Meridian, Arizona
T. 2 S., R. 12 E.
M.S. 2836, Panic Lode Claim

Parcel No. 2:

Gila and Salt River Meridian, Arizona
T. 2 S., R. 12 E.
M.S. 2837, Selma Lode Claim (part)*
M.S. 2837, Skiberian Lode (part)*

Parcel No. 3:

Gila and Salt River Meridian, Arizona
T. 2 S., R. 12 E.
M.S. 2838, Touch Not No. 3 Lode Claim
M.S. 2838, Hillside Lode Claim
M.S. 2838, Touch Not Lode Claim
M.S. 2838 Rawhide Lode Claim

Parcel No. 4:

Gila and Salt River Meridian, Arizona
T. 2 S., R. 12 E.
M.S. 2838, Pacific No. 32 Lode Claim
M.S. 3581, Grand Lode Claim

*Survey required. Legal description and final acreage to be completed post survey.

Replace With:

e. Approximately 139.62 acres of land located in Pinal County, Arizona based on BLM cadastral Survey Titled "Township 2 South, Range 12 East, of the Gila and Salt River Meridian, Arizona, Dependent Resurvey and Metes-and-Bounds Survey", approved June 29, 2018, officially filed July 2, 2018, and more specifically described as:

Gila and Salt River Meridian, Arizona
T. 2 S., R. 12 E.
M.S. 2836, Panic Lode;
M.S. 2837, Selma Lode portions in sections 1 and 2;
M.S. 2837, Skiberian Lode portions in sections 1 and 2;
M.S. 2838, Touch Not No. 3 Lode;
M.S. 2838, Hillside Lode;
M.S. 2838, Touch Not Lode;
M.S. 2838 Rawhide Lode;
M.S. 2838, Pacific No. 32 Lode;
M.S. 3581, Grand Lode Claim.

Delete:

f. Approximately 3,050* acres of land located in Pinal County, Arizona and identified as "Lands to DOI" as generally depicted on the map entitled ''Southeast Arizona Land Exchange and Conservation Act of 2011– Non-Federal Parcel–Lower San Pedro River'' and dated July 6, 2011 and more specifically described as:

Parcel 1:

Gila and Salt River Meridian, Arizona
T. 9 S., R. 17 E.,
sec. 3, SW¼SW¼.

Parcel 2:

Gila and Salt River Meridian, Arizona
T. 9 S., R. 17 E.,
sec. 4, lots 3 and 4, SE¼NW¼, W½NW¼SE¼, SW¼SE¼, SW¼, SW¼NW¼.

Parcel 3:

Gila and Salt River Meridian, Arizona
T. 8 S., R. 17 E.,
sec. 33, W½NW¼, N½SW¼, SE¼SW¼, SW¼SW¼, N½NE¼, SE¼NE¼, NE¼NW¼, N½NE¼SE¼.*

.

Parcel 4:

Gila and Salt River Meridian, Arizona
T. 8 S., R. 17 E.,
sec. 32, N½NE¼, SE¼NE¼.*

Parcel 5:

Gila and Salt River Meridian, Arizona
T. 8 S., R. 17 E.,
sec. 29, E½, E½NW¼.*

Parcel 6:

Gila and Salt River Meridian, Arizona
T. 8 S., R. 17 E.,
sec. 28, W½SW¼, W½NW¼.

Parcel 7:

Gila and Salt River Meridian, Arizona
T. 8 S., R. 17 E.,
sec. 21, SW¼NW¼, W½SW¼.

Parcel 8:

Gila and Salt River Meridian, Arizona
T. 8 S., R. 17 E.,
sec. 20, W½, SW¼SE¼, N½NE¼, SE¼NE¼.*

EXCEPTING A PARCEL OF LAND LOCATED IN THE NORTHEAST QUARTER OF SECTION 20, TOWNSHIP 8 SOUTH, RANGE 17 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA, DESCRIBED AS FOLLOWS: COMMENCING AT THE EAST QUARTER CORNER OF SAID SECTION 20;
THENCE SOUTH 88 DEGREES 25 MINUTES 07 SECONDS WEST ALONG THE CENTER SECTION LINE OF SAID SECTION 20 FOR A DISTANCE OF 1165.09 FEET TO THE POINT OF BEGINNING

OF THE LAND TO BE DESCRIBED; THENCE SOUTH 88 DEGREES 25 MINUTES 07 SECONDS WEST FOR A DISTANCE OF 39.66 FEET ALONG THE ABOVE SAID CENTER SECTION LINE TO A POINT HEREAFTER REFERRED TO AS POINT "A";
THENCE SOUTH 88 DEGREES 25 MINUTES 07 SECONDS WEST ALONG THE ABOVE SAID CENTER SECTION LINE FOR A DISTANCE OF 376.27 FEET TO A SET 5/8 INCH REBAR;
THENCE NORTH 00 DEGREES 00 MINUTES 00 SECONDS EAST FOR A DISTANCE OF 133.54 FEET TO A POINT HEREAFTER REFERRED TO AS POINT "B";
THENCE NORTH 00 DEGREES 00 MINUTES 00 SECONDS EAST FOR A DISTANCE OF 442.77 FEET TO A SET 5/8 INCH REBAR;
THENCE NORTH 72 DEGREES 29 MINUTES 09 SECONDS EAST FOR A DISTANCE OF 435.98 FEET TO A SET 5/8 INCH REBAR;
THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS EAST FOR A DISTANCE OF 696.04 FEET TO THE POINT OF BEGINNING.

EXCEPT THAT PORTION DESCRIBED IN QUITCLAIM DEED RECORDED JANUARY 31, 2012 AS 2012-007458, OFFICIAL RECORDS. AND EXCEPTING AND RESERVING TO THE UNITED STATES, ALL THE MINERALS IN THE LAND TOGETHER WITH ALL URANIUM, THORIUM OR ANY OTHER MATERIAL WHICH IS OR MAY BE DETERMINED TO BE PECULIARLY ESSENTIAL TO THE PRODUCTION OF FISSIONABLE MATERIALS, WHETHER OR NOT OF COMMERCIAL VALUE, LYING WITHIN THE NORTH HALF OF THE NORTHEAST QUARTER AND THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 20.

Parcel 9:

Gila and Salt River Meridian, Arizona
T. 8 S., R. 17 E.,
sec. 20, N½SE¼, SE¼SE¼, SW¼NE¼.*

EXCEPTING A PARCEL OF LAND LOCATED IN THE NORTHEAST QUARTER OF SECTION 20, TOWNSHIP 8 SOUTH, RANGE 17 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA, DESCRIBED AS FOLLOWS:
COMMENCING AT THE EAST QUARTER CORNER OF SAID SECTION 20;
THENCE SOUTH 88 DEGREES 25 MINUTES 07 SECONDS WEST ALONG THE CENTER SECTION LINE OF SAID SECTION 20 FOR A DISTANCE OF 1165.09 FEET TO THE POINT OF BEGINNING OF THE LAND TO BE DESCRIBED;
THENCE SOUTH 88 DEGREES 25 MINUTES 07 SECONDS WEST FOR A DISTANCE OF 39.66 FEET ALONG THE ABOVE SAID CENTER SECTION LINE TO A POINT HEREAFTER REFERRED TO AS POINT "A";
THENCE SOUTH 88 DEGREES 25 MINUTES 07 SECONDS WEST ALONG THE ABOVE SAID CENTER SECTION LINE FOR A DISTANCE OF 376.27 FEET TO A SET 5/8 INCH REBAR;
THENCE NORTH 00 DEGREES 00 MINUTES 00 SECONDS EAST FOR A DISTANCE OF 133.54 FEET TO A POINT HEREAFTER REFERRED TO AS POINT "B";
THENCE NORTH 00 DEGREES 00 MINUTES 00 SECONDS EAST FOR A DISTANCE OF 442.77 FEET TO A SET 5/8 INCH REBAR;
THENCE NORTH 72 DEGREES 29 MINUTES 09 SECONDS EAST FOR A DISTANCE OF 435.98 FEET TO A SET 5/8 INCH REBAR;
THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS EAST FOR A DISTANCE OF 696.04 FEET TO THE POINT OF BEGINNING.

Parcel 10:

Gila and Salt River Meridian, Arizona
T. 8 S., R. 17 E.,
Sec. 19, E½NE¼, NE¼SE¼.*

EXCEPT THAT PORTION THEREOF CONVEYED BY FRANK SMITH COMPANY, A CORPORATION TO ARIZONA RARE METALS COMPANY, A CORPORATION, BY DEED DATED APRIL 7, 1916, RECORDED APRIL 15, 1916, IN BOOK 30 OF DEEDS, PAGE 402, RECORDS OF PINAL COUNTY, ARIZONA; AND

EXCEPT THAT PORTION THEREOF LYING WITHIN THE SANTA CATALINA MILLSITE; AND
EXCEPT THAT PORTION THEREOF LYING WITHIN THE TOWNSITE OF MAMMOTH, ACCORDING TO THE PLAT THEREOF OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF PINAL COUNTY, ARIZONA; AND

FURTHER EXCEPT THAT PORTION DESCRIBED AS COMMENCING AT THE EAST QUARTER CORNER OF SAID SECTION 19;
THENCE SOUTH 88 DEGREES 45 MINUTES 05 SECONDS WEST ALONG THE CENTER SECTION LINE A DISTANCE OF 532.18 FEET TO THE POINT OF BEGINNING OF THE LAND TO BE DESCRIBED;
THENCE SOUTH 36 DEGREES 30 MINUTES 39 SECONDS EAST FOR A DISTANCE OF 124.13 FEET TO A SET 5/8 INCH STEEL PIN;
THENCE SOUTH 57 DEGREES 29 MINUTES 27 SECONDS WEST FOR A DISTANCE OF 260.64 FEET TO A SET 5/8 INCH STEEL PIN ON THE EAST LINE OF MAMMOTH TOWNSITE;
THENCE NORTH 36 DEGREES 30 MINUTES 39 SECONDS WEST FOR A DISTANCE OF 224.71 FEET ALONG THE EAST LINE OF MAMMOTH TOWNSITE TO A FOUND ONE INCH STEEL PIN;
THENCE NORTH 48 DEGREES 14 MINUTES 43 SECONDS WEST FOR A DISTANCE OF 77.89 FEET ALONG THE EAST LINE OF MAMMOTH TOWNSITE TO A FOUND ONE INCH STEEL PIN;
THENCE NORTH 88 DEGREES 45 MINUTES 05 SECONDS EAST FOR A DISTANCE OF 337.83 FEET TO THE POINT OF BEGINNING; AND

FURTHER EXCEPT THAT PORTION DESCRIBED AS COMMENCING AT THE EAST QUARTER CORNER OF SAID SECTION 19;
THENCE SOUTH 88 DEGREES 45 MINUTES 05 SECONDS WEST ALONG THE CENTER SECTION LINE A DISTANCE OF 532.18 FEET TO A POINT;
THENCE SOUTH 36 DEGREES 30 MINUTES 39 SECONDS EAST A DISTANCE OF 124.13 FEET TO THE POINT OF BEGINNING;
THENCE SOUTH 36 DEGREES 30 MINUTES 39 SECONDS EAST FOR A DISTANCE OF 307.55 TO A SET 5/8 INCH STEEL PIN ON THE NORTH RIGHT-OF-WAY LINE OF BLUEBIRD STREET;
THENCE SOUTH 53 DEGREES 29 MINUTES 21 SECONDS WEST FOR A DISTANCE OF 260.00 FEET ALONG THE NORTH RIGHT-OF-WAY LINE OF BLUEBIRD STREET TO A FOUND ½ INCH REBAR;
THENCE NORTH 36 DEGREES 30 MINUTES 39 SECONDS WEST FOR A DISTANCE OF 325.74 FEET ALONG THE EAST LINE OF MAMMOTH TOWNSITE TO A SET 5/8 INCH REBAR;
THENCE NORTH 57 DEGREES 29 MINUTES 27 SECONDS EAST FOR A DISTANCE OF 260.64 FEET TO THE POINT OF BEGINNING; AND,

FURTHER EXCEPT THAT PORTION OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 19, DESCRIBED AS FOLLOWS;
COMMENCING AT THE EAST QUARTER CORNER OF SAID SECTION 19;
THENCE SOUTH 01 DEGREES 26 MINUTES 07 SECONDS EAST, A DISTANCE OF 756.29 FEET ALONG THE EAST LINE OF SAID SECTION 19 TO THE POINT OF BEGINNING OF THE LAND TO BE DESCRIBED;
THENCE SOUTH 01 DEGREES 26 MINUTES 07 SECONDS EAST FOR A DISTANCE OF 452.53 FEET ALONG THE EAST LINE OF SAID SECTION 19 TO A POINT;
THENCE NORTH 36 DEGREES 30 MINUTES 10 SECONDS WEST FOR A DISTANCE OF 814.85 FEET ALONG THE EAST LINE OF MAMMOTH TOWNSITE TO A POINT ON THE SOUTH RIGHT-OF-WAY LINE OF BLUEBIRD STREET;

THENCE NORTH 53 DEGREES 29 MINUTES 21 SECONDS EAST FOR A DISTANCE OF 260.00 FEET ALONG THE SOUTH RIGHT-OF-WAY LINE OF BLUEBIRD STREET TO A POINT;
THENCE SOUTH 36 DEGREES 30 MINUTES 10 SECONDS EAST FOR A DISTANCE OF 444.50 FEET TO THE POINT OF BEGINNING; AND,

FURTHER EXCEPT THAT PORTION DESCRIBED IN QUITCLAIM DEED RECORDED JANUARY 31, 2012 AS 2012-007458, OFFICIAL RECORDS.

Parcel 11:

Gila and Salt River Meridian, Arizona
T. 8 S., R. 17 E.,
sec. 18, Lot 1, N½NE¼, NE¼NW¼, SE¼NW¼.*

EXCEPT ANY PORTION LYING WITHIN STATE HIGHWAY 77-177 RIGHT-OF-WAY; AND

EXCEPT THAT PART OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SAID SECTION 18, DESCRIBED AS:
COMMENCING AT THE SOUTHWEST CORNER OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SAID SECTION 18, SAID POINT BEING THE POINT OF BEGINNING OF THE LAND TO BE DESCRIBED;
THENCE NORTH 00 DEGREES 15 MINUTES 15 SECONDS WEST ALONG THE WEST LINE OF SAID SECTION 18 A DISTANCE OF 85.86 FEET TO A POINT;
THENCE NORTH 39 DEGREES 54 MINUTES 19 SECONDS EAST A DISTANCE OF 1231.61 FEET TO A POINT;
THENCE SOUTH 63 DEGREES 21 MINUTES 53 SECONDS EAST A DISTANCE OF 1316.37 FEET TO A POINT ON THE WEST RIGHT-OF-WAY LINE OF STATE ROUTE NO. 77;
THENCE SOUTH 16 DEGREES 00 MINUTES 53 SECONDS WEST ALONG SAID RIGHT-OF-WAY LINE A DISTANCE OF 174.25 FEET TO A RIGHT-OF-WAY MONUMENT;
THENCE SOUTHWESTERLY ALONG A SPIRAL TRANSITION CURVE TO THE LEFT HAVING A CORD OF 284.12 FEET AND A CORD BEARING OF SOUTH 15 MINUTES 07 DEGREES 09 MINUTES WEST;
THENCE NORTH 89 DEGREES 57 MINUTES 37 SECONDS WEST A DISTANCE OF 1844.22 FEET TO THE POINT OF BEGINNING; AND

EXCEPT THAT PART OF THE NORTH HALF OF THE NORTHWEST QUARTER OF SAID SECTION 18, DESCRIBED AS FOLLOWS:
COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 18, SAID POINT BEING THE POINT OF BEGINNING OF THE LAND TO BE DESCRIBED;
THENCE SOUTH 69 DEGREES 27 MINUTES 06 SECONDS EAST A DISTANCE OF 849.67 FEET TO A POINT;
THENCE SOUTH 39 DEGREES 54 MINUTES 19 SECONDS WEST A DISTANCE OF 1231.61 FEET TO A POINT ON THE WEST LINE OF SAID SECTION 18;
THENCE NORTH 00 DEGREES 15 MINUTES 15 SECONDS WEST ALONG THE WEST LINE OF SAID SECTION 18 A DISTANCE OF 1243.02 FEET TO THE POINT OF BEGINNING; AND

FURTHER EXCEPT THAT PARCEL OF SAID SECTION 18:
BEGINNING AT THE CENTER OF SECTION 18;
THENCE SOUTH 89 DEGREES 52 MINUTES 44 SECONDS WEST FOR A DISTANCE OF 940.24 FEET TO THE SOUTHEAST CORNER OF SAID PARCEL AND THE TRUE POINT OF BEGINNING;
THENCE ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 4683.66 FEET AND AN ARC LENGTH OF 428.49 FEET, BEING SUBTENDED BY A CORD OF NORTH 01 DEGREES 08 MINUTES 41 SECONDS EAST FOR A DISTANCE OF 428.34 FEET;
THENCE SOUTH 85 DEGREES 30 MINUTES 57 SECONDS WEST FOR A DISTANCE OF 202.88 FEET;

THENCE SOUTH 03 DEGREES 22 MINUTES 03 SECONDS WEST FOR A DISTANCE OF 413.57 FEET;
THENCE NORTH 89 DEGREES 52 MINUTES 44 SECONDS EAST FOR A DISTANCE OF 218.00 FEET TO THE TRUE POINT OF BEGINNING; AND

FURTHER EXCEPT A PARCEL OF LAND IN SAID SECTION 18:
BEGINNING AT THE WEST QUARTER CORNER OF SAID SECTION 18;
THENCE NORTH 89 DEGREES 44 MINUTES 58 SECONDS EAST 1302.21 FEET TO THE TRUE POINT OF BEGINNING;
THENCE NORTH 00 DEGREES 11 MINUTES 27 SECONDS EAST ALONG THE WEST BOUNDARY OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SAID SECTION 18, 827.62 FEET;
THENCE SOUTH 89 DEGREES 48 MINUTES 33 SECONDS EAST 427.50 FEET TO THE WESTERLY RIGHT OF WAY LINE FOR STATE ROUTE 77;
THENCE SOUTHWESTERLY ALONG THE RIGHT-OF-WAY FOR STATE ROUTE 77 ON A NON-TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 4744.57 FEET, PASSING THROUGH A CENTRAL ANGLE OF 04 DEGREES 49 MINUTES 46 SECONDS, AN ARC LENGTH OF 399.91 FEET;
THENCE SOUTH 85 DEGREES 37 MINUTES 00 SECONDS WEST, 202.84 FEET;
THENCE SOUTH 03 DEGREES 22 MINUTES 53 SECONDS WEST, 413.69 FEET TO THE EAST-WEST CENTER LINE OF SAID SECTION 18;
THENCE SOUTH 89 DEGREES 53 MINUTES 28 SECONDS WEST ALONG THE EAST-WEST CENTER LINE OF SAID SECTION 18, 160.58 FEET TO THE TRUE POINT OF BEGINNING; AND

FURTHER EXCEPT THAT PART OF THE SOUTH HALF OF THE NORTHWEST QUARTER OF SAID SECTION 18, DESCRIBED AS FOLLOWS:
COMMENCING AT THE NORTHWEST CORNER OF THE SOUTH HALF OF THE NORTHWEST QUARTER OF SAID SECTION 18;
THENCE SOUTH 89 DEGREES 57 MINUTES 37 SECONDS EAST FOR A DISTANCE OF 1312.20 FEET ALONG THE NORTH LINE OF THE SOUTH HALF OF THE NORTHWEST QUARTER OF SAID SECTION 18 TO THE POINT OF BEGINNING OF THE LAND TO BE DESCRIBED:
THENCE SOUTH 89 DEGREES 57 MINUTES 37 SECONDS EAST FOR A DISTANCE OF 532.02 FEET ALONG THE NORTH LINE OF THE SOUTH HALF OF THE NORTHWEST QUARTER OF SAID SECTION 18 TO A POINT ON THE WEST RIGHT-OF-WAY LINE OF STATE ROUTE 77;
THENCE ALONG A CURVE CONCAVE TO THE LEFT, HAVING A RADIUS OF 4744.57 FEET AND AN ARC LENGTH OF 506.39 FEET, BEING SUBTENDED BY A CHORD OF SOUTH 12 DEGREES 06 MINUTES 45 SECONDS WEST, FOR A DISTANCE OF 506.15 FEET ALONG THE WEST RIGHT-OF-WAY LINE OF STATE ROUTE 77;
THENCE NORTH 89 DEGREES 53 MINUTES 41 SECONDS WEST FOR A DISTANCE OF 427.07 FEET ALONG THE NORTH PROPERTY LINE OF THE DIALYSIS CENTER TO A PLASTIC CAP RLS 29869;
THENCE NORTH 00 DEGREES 08 MINUTES 42 SECONDS EAST FOR A DISTANCE OF 494.47 FEET TO THE POINT OF BEGINNING.

Parcel 12:

Gila and Salt River Meridian, Arizona
T. 8 S., R. 17 E.,
Sec. 17, NW¼, SW¼SE¼, E½SW¼.

EXCEPT THAT PORTION DESCRIBED IN QUITCLAIM DEED RECORDED JANUARY 31, 2012 AS 2012-007458, OFFICIAL RECORDS. EXCEPTING THEREFROM ALL THE MINERALS IN THE LAND TOGETHER WITH ALL URANIUM, THORIUM OR ANY OTHER MATERIAL WHICH IS OR MAY BE DETERMINED TO BE PECULIARLY ESSENTIAL TO THE PRODUCTION OF

FISSIONABLE MATERIALS, WHETHER OR NOT OF COMMERCIAL VALUE, AS RESERVED IN THE PATENT TO THE LAND.

Parcel 13:

Gila and Salt River Meridian, Arizona
T. 8 S., R. 17 E.,
sec. 7, Lots 2 through 4, E½SW¼, SW¼SE¼.

EXCEPT ANY PORTION LYING WITHIN THE STATE ROUTE 77 RIGHT-OF-WAY.

Parcel 14:

Gila and Salt River Meridian, Arizona
T. 8 S., R. 16 E.,
sec. 12, W½NE¼, SE¼NE¼, NE¼SE¼.

*Survey required. Legal description and final acreage to be completed post survey.

Replace With:

f. Containing 3,120.16 acres of land located in Pinal County, Arizona based on BLM cadastral Survey Titled "Township 9 South, Range 17 East, of the Gila and Salt River Meridian, Arizona, Dependent Resurvey and Subdivision of Sections 3 and 4, officially filed August 5, 2019;

BLM cadastral Survey Titled "Township 8 South, Range 17 East, of the Gila and Salt River Meridian, Arizona, Dependent Resurvey, Subdivision of certain sections, and Metes-and-Bounds Surveys in Certain Sections", officially filed_August 5, 2019;

BLM cadastral Survey Titled "Township 8 South, Range 17 East, of the Gila and Salt River Meridian, Arizona, Metes-and-Bounds Surveys in the Northeast ¼ of Section 20" officially filed_February 21, 2020;
and more specifically described as:

PARCEL 1:

Gila and Salt River Meridian, Arizona
T. 9 S., R. 17 E.,
sec. 3, SW1/4, SW1/4.

The area described contains 40 acres.

PARCEL 2:

Gila and Salt River Meridian, Arizona
T. 9 S., R. 17 E.,
sec. 4, lots 3 and 4, S1/2NW1/4, W1/2NW1/4SE1/4, SW1/4SE1/4.

The area described contains 380.97 acres.

PARCEL 3:

Gila and Salt River Meridian, Arizona
T. 8 S., R. 17 E.,
sec. 33, W1/2NW1/4, SW1/4, N1/2NE1/4, SE1/4NE1/4, NE1/4NW1/4, N1/2NE1/4SE1/4.

The area described contains 420 acres.

PARCEL 4:

Gila and Salt River Meridian, Arizona
T. 8 S., R. 17 E.,
sec. 32, N1/2NE1/4, SE1/4NE1/4.

The area described contains 120 acres.

PARCEL 5:

Gila and Salt River Meridian, Arizona
T. 8 S., R. 17 E.,
sec. 29, E1/2, E1/2NW1/4.

The area described contains 400 acres.

PARCEL 6:

Gila and Salt River Meridian, Arizona
T. 8 S., R. 17 E.,
sec. 28, W1/2SW1/4, W1/2NW1/4.
The area described contains 160 acres

PARCEL 7:

Gila and Salt River Meridian, Arizona
T. 8 S., R. 17 E.,
sec. 21, SW1/4NW1/4, W1/2SW1/4.
The area described contains 120 acres.

PARCEL 8:

Gila and Salt River Meridian, Arizona
T. 8 S., R. 17 E.,
sec. 20, SW1/4, SW1/4SE1/4, N1/2NE1/4 Parcel I, Parcel M.

The area described contains 468.45 acres.

PARCEL 9:

Gila and Salt River Meridian, Arizona
T. 8 S., R. 17 E.,
sec. 20, N1/2SE1/4, SE1/4SE1/4, Parcel L.

The area described contains 155.96 acres.

PARCEL 10:

Gila and Salt River Meridian, Arizona
T. 8 S., R. 17 E.,
sec. 19, Parcel H.

The area described contains 57.10 acres.

PARCEL 11:

Gila and Salt River Meridian, Arizona
T. 8 S., R. 17 E.,
sec. 18, N1/2NE1/4, Parcel F, Parcel G.

The area described contains 134.15 acres.

PARCEL 12:

Gila and Salt River Meridian, Arizona
T. 8 S., R. 17 E.,
sec. 17, NW1/4, SW1/4SE1/4, Parcel E.

The area described contains 274.24 acres.

PARCEL 13:

Gila and Salt River Meridian, Arizona
T. 8 S., R. 17 E.,
sec. 7, lots 2 through 4, Parcel A, Parcel B, Parcel C, Parcel D.

The area described contains 229.29 acres.

PARCEL 14:

Gila and Salt River Meridian, Arizona
T. 8 S., R. 16 E.,
sec. 12, W1/2NE1/4, SE1/4NE1/4, NE1/4SE1/4.

The area described contains 160 acres.

Delete:

h. approximately 940* acres of land located in Santa Cruz County, Arizona, identified as "Lands to DOI" as generally depicted on the map entitled "Southeast Arizona Land Exchange and Conservation Act of 2011–Non-Federal Parcel–Appleton Ranch'' and dated July 6, 2011 and more-specifically described as:

Parcel 1:

Gila and Salt River Meridian, Arizona
T. 21 S., R. 18 E.

sec. 14, NW¼SE¼, E½NE¼SW¼.

Parcel 2:

Gila and Salt River Meridian, Arizona
T. 21 S., R. 18 E.,
sec. 14, Lot 2, SW¼NE¼, E½SE¼NW¼.

EXCEPT the Northeast quarter of said Lot 2, as conveyed by Deed recorded in Docket 416 at page 491.

Note: the 'Northeast quarter of said Lot 2' is ambiguous and not a valid description.*

Parcel 3:

Gila and Salt River Meridian, Arizona
T. 21 S., R. 18 E.,
sec. 14, Lot 3, SW¼NW¼, W½SE¼NW¼.

EXCEPT the Northeast quarter and the Southeast quarter of Lot 3, as conveyed by Deeds recorded in Docket 633 at page 134 and Docket 633 at page 135.

Note: the 'Northeast quarter and the Southeast quarter of Lot 3' is ambiguous and not a valid description.*

Parcel 4:

Gila and Salt River Meridian, Arizona
T. 21 S., R. 18 E.,
sec. 14, Lot 4, NW¼SW¼, W½NE¼SW¼.

EXCEPT the West half of Lot 4, as conveyed by Deed recorded in Docket 545 at page 610;
EXCEPT all coal and other minerals as reserved in the Patent from the United States of America.

Note: the 'West half of Lot 4' is ambiguous and not a valid description.*

Parcel 5:

Gila and Salt River Meridian, Arizona
T. 21 S., R. 18 E.,
sec. 15, S½ Lot 4, S½NE¼, S½NW¼, N½SE¼.

EXCEPT all coal and other minerals as reserved in the Patent from the United States of America.

Note: the 'S½ Lot 4' is ambiguous and not a valid description.*

Parcel 6:

Gila and Salt River Meridian, Arizona
T. 21 S., R. 18 E.,
sec. 17, E½.

Parcel 7:

Gila and Salt River Meridian, Arizona
T. 21 S., R. 18 E.,
sec. 28.

More particularly described as follows:

BEGINNING at the corner common to Sections 21, 22, 27 and 28 of said Township and Range, a G.L.O. brass cap firmly set and properly marked;
THENCE South 89 degrees 58 minutes 00 Seconds West, 1,194.62 feet along and upon the North line of said Section 28;
THENCE South 01 degrees 29 minutes 22 seconds East, 1,102.46 feet;
THENCE North 85 degrees 45 minutes 02 seconds East, 549.81 feet;
THENCE South 26 degrees 42 minutes 49 Seconds East, 643.82 feet;
THENCE South 82 degrees 34 minutes 49 Seconds West, 642.26 feet;
THENCE North 89 degrees 59 minutes 20 seconds West, 1,043.72 feet;
THENCE South 68 degrees 15 minutes 26 seconds West, 1,020.59 feet;
THENCE North 08 degrees 35 minutes 36 seconds East, 2,119.11 feet to the North Quarter corner of said Section 28;
THENCE North 89 degrees 58 minutes 00 Seconds East, 1,445.41 feet along and upon the North line of Section 28 to the Point of Beginning.

*Survey required. Legal description and final acreage to be completed post survey.

Replace With:

h. Approximately 955.54 acres of land located in Santa Cruz County, Arizona based on BLM cadastral Survey Titled " Fractional Township 21 South, Range 18 East, of the Gila and Salt River Meridian, Arizona, Dependent Survey, Resurvey Subdivision of Sections 14 and 15 and Metes-and-Bounds Surveys in Sections 14, 15, and 28, officially filed July 29, 2019, and more specifically described as:

PARCEL 1:

Gila and Salt River Meridian, Arizona
T. 21 S., R. 18 E.,
sec. 14, NW1/4SE1/4, E1/2NE1/4SW1/4.

The area described contains 60 acres.

PARCEL 2:

Gila and Salt River Meridian, Arizona
T. 21 S., R. 18 E.,
sec. 14, lot 5, SW1/4NE1/4, E1/2SE1/4NW1/4.

The area described contains 85.20 acres.

PARCEL 3:

Gila and Salt River Meridian, Arizona
T. 21S., R. 18 E.,
sec. 14, lot 6, SW1/4NW1/4, W1/2SE1/4NW1/4.

The area described contains 76.19 acres.

PARCEL 4:

Gila and Salt River Meridian, Arizona
T. 21 S., R. 18 E.,
sec. 14, lot 7, NW1/4SW1/4, W1/2NE1/4SW1/4.

The area described contains 77.57 acres.

PARCEL 5:

Gila and Salt River Meridian, Arizona
T. 21S., R. 18 E.,
sec. 15, lot 5, S1/2NE1/4, S1/2NW1/4, N1/2SE1/4.

The area described contains 259.89 acres.

PARCEL 6:

Gila and Salt River Meridian, Arizona
T. 21 S., R. 18 E.,
sec. 17, E1/2.

The area described contains 320 acres.

PARCEL 7:

Gila and Salt River Meridian, Arizona
T. 21 S., R. 18 E.,
sec. 28, Parcel F.

The area described contains 76.69 acres.

Exhibit B:

Delete: All

Replace With:

EXHIBIT B

Property that the U.S.D.A. Forest Service will exchange:

Approximately 2,422.11 acres of land located in Pinal County, Arizona, based on BLM cadastral Survey Titled " Partially Surveyed Township 1 South, Range 13 East, of the Gila and Salt River Meridian, Arizona, Supplemental plat of tracts 49 and 50", February 13, 2020 and more specifically described as follows:

Gila and Salt River Meridian, Arizona
T. 1 S., R. 13 E., partly surveyed
Tracts 49 and 50.
T. 2 S., R. 12 E.,
Tract 37.
T. 2 S., R. 13 E., partly surveyed
sec. 6.

Land reservations of the U.S.D.A. Forest Service, exceptions to title and uses to be recognized:

Reservations: None

Outstanding Rights: Unpatented mining claims, per list shown in Exhibit C. Note: The conveyance will include all title of the United States in such unpatented mining claims such that Resolution will own the minerals in fee.

Other:

United States Department of Interior Easement for Right-of-Way for Electric Transmission Line granted to Arizona Public Service Company, dated 12/22/75. Federal parcel will be conveyed subject to the easement. GLO401905 APS 500KV POWERLINE

Permit to Salt River Project Agricultural Improvement and Power District for an overhead transmission line Amendment dated 5/21/74. At closing, Resolution shall grant a replacement authorization to Salt River Project Agricultural Improvement and Power District for those sections involved in the conveyance. It shall contain terms at least equivalent to those in the permit. GLO401143 SRP PERMIT

Highway Easement Deed granted to State of Arizona, recorded on 3/18/91 in the records of Pinal County, Arizona. Federal parcel will be conveyed subject to the easement. GLO101208 ADOT US60 EASEMENT

Permit to Salt River Project Agricultural Improvement and Power District for an overhead transmission line Amendment dated 7/8/85. At closing, Resolution shall grant a

replacement authorization to Salt River Project Agricultural Improvement and Power District for those sections involved in the conveyance. It shall contain terms at least equivalent to those in the permit. Forest Service shall amend the permit to reflect those deletions. GLO401137 OAK FLAT 115KV PERMIT

Permit to Qwest/Century Link for a telephone line dated 5/21/74. At closing, Resolution shall grant a replacement easement to Qwest/Century Link those sections involved in the conveyance. It shall contain terms at least equivalent to those in the permit. MASTER SPECIAL USE PERMIT FO209

Permit to Arizona Highway Department for fence dated 2/16/65. Forest Service shall terminate the permit at or before closing. (Affects T. 1 S., R. 13 E., sec. 28)

Permit issued to Pinal County Highway Department for road maintenance and relocation, dated 11/18/64. Forest Service shall terminate the permit at or before closing. (Affects T. 1 S., R. 13 E., sec. 28)

FLPMA Permit issued to Magma Copper Company for a road. Resolution shall obtain a relinquishment from Magma Copper Company for the permit. At closing, Forest Service shall terminate the permit. (Affects T. 1 S., R. 13 E., sec. 29)

Term Grazing Permit issued to Integrity Land and Cattle, dated 1/12/15. At closing, Resolution shall provide a permit relinquishment on behalf of Integrity Land and Cattle. (Affects all federal lands)

Withdrawal - Public Land Order (PLO) 1229, dated September 27, 1955 withdrew 760 acres (in addition to other lands) in T.1 S., R.13 E., Gila & Salt River Meridian from 'all forms of appropriation under the public land laws, including the mining but not mineral leasing laws' and reserved these lands for use as campgrounds, recreation areas, or for other public purposes (20 CFR 7226). In 1971 Public Land Order 1229 was modified by PLO 5132 (36 CFR 19029) which opened up the withdrawn lands to all forms of appropriation applicable to Forest Service lands except the U.S. mining laws. (Affects T. 1 S., R. 13 E., sections 28, 29, 32, and 33) Legislation provides for revocation.

Exhibit C:

Delete: All

Replace With:

EXHIBIT C

Water Rights to be conveyed to the United States:

Lower San Pedro River - Table 1

Water Right/ Application/ Registration No.	55-624632 35-23343 GWSI 32413611037 1601	55-624625 GWSI 32421211037 1501	55-643806 GWSI 32431611037 3801	55-225451	55-225452	55-225453	36-102337
Current Owner	Swift Current Land and Cattle LLC	Swift Current Land and Cattle LLC	Swift Current Land and Cattle LLC	Swift Current Land and Cattle LLC	Swift Current Land and Cattle LLC	Swift Current Land and Cattle LLC	Swift Current Land and Cattle LLC
Location	SE¼SE¼NE¼ Sec. 32, T8S, R17E	NE¼SE¼SE¼ Sec. 29, T8S, R17E	NW¼SE¼ Sec. 20, T8S, R17E	SW¼NW¼ SE¼ Sec. 20, T8S, R17E	SE¼NW¼ NW¼ Sec. 20, T8S, R17E	SW¼NW¼ SW¼ Sec. 20, T8S, R17E	SW¼ Sec. 33, T8S, R17E
Original Reported Use	Stockwatering D08017032A DD	Irrigation	Domestic	Environmental Monitoring	Environmental Monitoring/ Piezometer	Environmental Monitoring/ Piezometer	Irrigation

Appleton Ranch - Table 1

Water Right/ Application/ Registration No.	38-94410	38-94411	38-94412	39-94418	39-94394	55-566294
Current Owner	Marc Francis Appleton	Marc Francis Appleton	Marc Francis Appleton	Peter Bryce & Susan Appleton	Aerial Appleton	Swift Current Land and Cattle LLC
Location	NE¼SW¼ Sec. 14, T21S, R18E	NE¼SW¼ Sec. 14, T21S, R18E	NW¼SE¼ Sec. 15, T21S, R18E	NW¼SW¼ Sec. 14, T21S, R18E	NE¼SE¼ Sec. 15, T21S, R18E	NW¼NW¼ SW¼ Sec. 15, T21S, R18E
Original Reported Use	Wildlife Conservation	Wildlife Conservation	Wildlife Conservation	Stockwatering	Wildlife Conservation	Wildlife Conservation

Appleton Ranch - Table 2

Water Right/ Application/ Registration No.	3A-1830 WR#2564	4A-4333 WR#2569 A-2640	38-94398	38-94399	38-94400	38-94401
Current Owner	Peter Bryce Appleton	Peter Bryce Appleton	Peter Bryce Appleton	Aerial Appleton	Aerial Appleton	Aerial Appleton
Location	NW¼SW¼ Sec. 14, T21S, R18E	NW¼SW¼ Sec. 14, T21S, R18E	SW¼NW¼ Sec. 15, T21S, R18E	SW¼NW¼ Sec. 15, T21S, R18E	SW¼NW¼ Sec. 15, T21S, R18E	SW¼NW¼ Sec. 15, T21S, R18E
Original Reported Use	Stockwatering	Stockwatering	Wildlife Conservation	Wildlife Conservation	Wildlife Conservation	Wildlife Conservation

Appleton Ranch - Table 3

Water Right/ Application/ Registration No.	38-94402	38-94396	38-94397	38-94393	38-94403	38-94404
Current Owner	Aerial Appleton	Aerial Appleton	Aerial Appleton	Aerial Appleton	Aerial Appleton	Aerial Appleton
Location	SW¼NW¼ Sec. 15, T21S, R18E	NW¼NW¼ Sec. 15, T21S, R18E	NW¼NW¼ Sec. 15, T21S, R18E	NW¼NW¼ Sec. 15, T21S, R18E	NW¼NW¼ Sec. 15, T21S, R18E	SE¼NW¼ Sec. 15, T21S, R18E
Original Reported Use	Wildlife Conservation	Wildlife Conservation	Wildlife Conservation	Wildlife Conservation	Wildlife Conservation	Wildlife Conservation

Appleton Ranch - Table 4

Water Right/ Application/ Registration No.	38-94405	38-94419	55-648930	38-94420	55-650978
Current Owner	Aerial Appleton	Peter Bryce Appleton, et al.	Swift Current Land and Cattle LLC	Peter Bryce Appleton, et al.	Swift Current Land and Cattle LLC
Location	SE¼NW¼ Sec. 15, T21S, R18E	SW¼NE¼ Sec. 17, T21S, R18E	NW¼SW¼NE¼ Sec. 17, T21S, R18E	SE¼SE¼ Sec. 17, T21S, R18E	NW¼NW¼NE¼ Sec. 28, T21S, R18E
Original Reported Use	Wildlife Conservation	Wildlife Conservation	Wildlife Conservation	Wildlife Conservation	Domestic, Stock, Fire Prevention

All other terms and conditions of the Agreement to Initiate dated December 6, 2017 remain unchanged.

This Agreement may be executed in several counterparts, each of which shall be deemed an original and all of which shall constitute one and the same instrument, and shall become effective when counterparts have been signed by each of the Parties and delivered to the other Parties; it being understood that all Parties need not sign the same counterparts.

4/20/2020
Date

BY: _____
Signature

Approved as to form
RCML legal
April 20, 2020
By: KCM
Karlene Martorana

ANDREW LYE
Printed Name

VICE PRESIDENT
Title

Resolution Copper Mining, LLC, a Delaware limited liability company
By: Resolution Copper Company, as Manager and not on its own behalf

_____
Date

BY: _____
Signature

_____
Printed Name
U.S. Department of Agriculture
Forest Service

_____
Date

BY: _____
Signature

_____
Printed Name
U.S. Department of the Interior
Bureau of Land Management

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0596-0105. The time required to complete this information collection is estimated to average 3 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

This Agreement may be executed in several counterparts, each of which shall be deemed an original and all of which shall constitute one and the same instrument, and shall become effective when counterparts have been signed by each of the Parties and delivered to the other Parties; it being understood that all Parties need not sign the same counterparts.

_____ BY: _____
Date Signature

_____
Printed Name

_____
Title

Resolution Copper Mining, LLC, a Delaware limited liability company
By: Resolution Copper Company, as Manager and not on its own behalf

_____ BY: NEIL BOSWORTH Digitally signed by NEIL BOSWORTH Date: 2020.04.20 11:58:11 -07'00' _____
Date Signature

_____
Printed Name
U.S. Department of Agriculture
Forest Service

_____ BY: _____
Date Signature

_____
Printed Name
U.S. Department of the Interior
Bureau of Land Management

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0596-0105. The time required to complete this information collection is estimated to average 3 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

This Agreement may be executed in several counterparts, each of which shall be deemed an original and all of which shall constitute one and the same instrument, and shall become effective when counterparts have been signed by each of the Parties and delivered to the other Parties; it being understood that all Parties need not sign the same counterparts.

_____
Date

BY: _____
Signature

_____
Printed Name

_____
Title

Resolution Copper Mining, LLC, a Delaware limited liability company
By: Resolution Copper Company, as Manager and not on its own behalf

_____
Date

BY: _____
Signature

_____
Printed Name
U.S. Department of Agriculture
Forest Service

_____
Date

BY: A. Scott Feldhausen
Signature

ANTHONY FELDHAUSEN Digitally signed by ANTHONY FELDHAUSEN Date: 2020.04.17 15:14:32 -07'00'

Printed Name
U.S. Department of the Interior
Bureau of Land Management

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0596-0105. The time required to complete this information collection is estimated to average 3 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

Appendix C

Arizona Certified General Appraisal Certifications

Marc P. Springer
Arizona Certified General
Appraisal Certification
&
Evan Mudd
Arizona Certified General
Appraisal Certification

Appendix C_1

Marc P. Springer
Arizona Certified General
Appraisal Certification

Department of Insurance and Financial Institutions

State of Arizona

CGA - (b) (6)

This document is evidence that: **Marc Perry Springer** has complied with the provisions of Arizona Revised Statutes, relating to the establishment and operation of a:

Certified General Real Estate Appraiser

and that the Deputy Director of Financial Institutions of the State of Arizona has granted this license to transact the business of a:

Certified General Real Estate Appraiser

Marc Perry Springer

This license is subject to the laws of Arizona and will remain in full force and effect until expired, surrendered, revoked or suspended as provided by law.

Expiration Date : **February 29, 2024**

Appendix C_2

Evan Mudd
Arizona Certified General
Appraisal Certification

Department of Insurance and Financial Institutions

State of Arizona

CGA - (b) (6)

This document is evidence that: **Evan Schoultz Mudd** has complied with the provisions of Arizona Revised Statutes, relating to the establishment and operation of a:

Certified General Real Estate Appraiser

and that the Deputy Director of Financial Institutions of the State of Arizona has granted this license to transact the business of a:

Certified General Real Estate Appraiser

Evan Schoultz Mudd

This license is subject to the laws of Arizona and will remain in full force and effect until expired, surrendered, revoked or suspended as provided by law.

Expiration Date : **March 31, 2024**

Appendix D

Comparable Sales Data Summary Sheets

Copper Creek Project Data Sheet
Los Calatos Data Sheet
Cactus Mine Data Sheet

Appendix D_1

Comparable Sales Data Summary Sheets

Copper Creek Project Data Sheet

Copper Creek Project Data Sheet

References from SRK Consulting (U.S.), Inc. NI 43-101 Technical Report and Google Earth® images

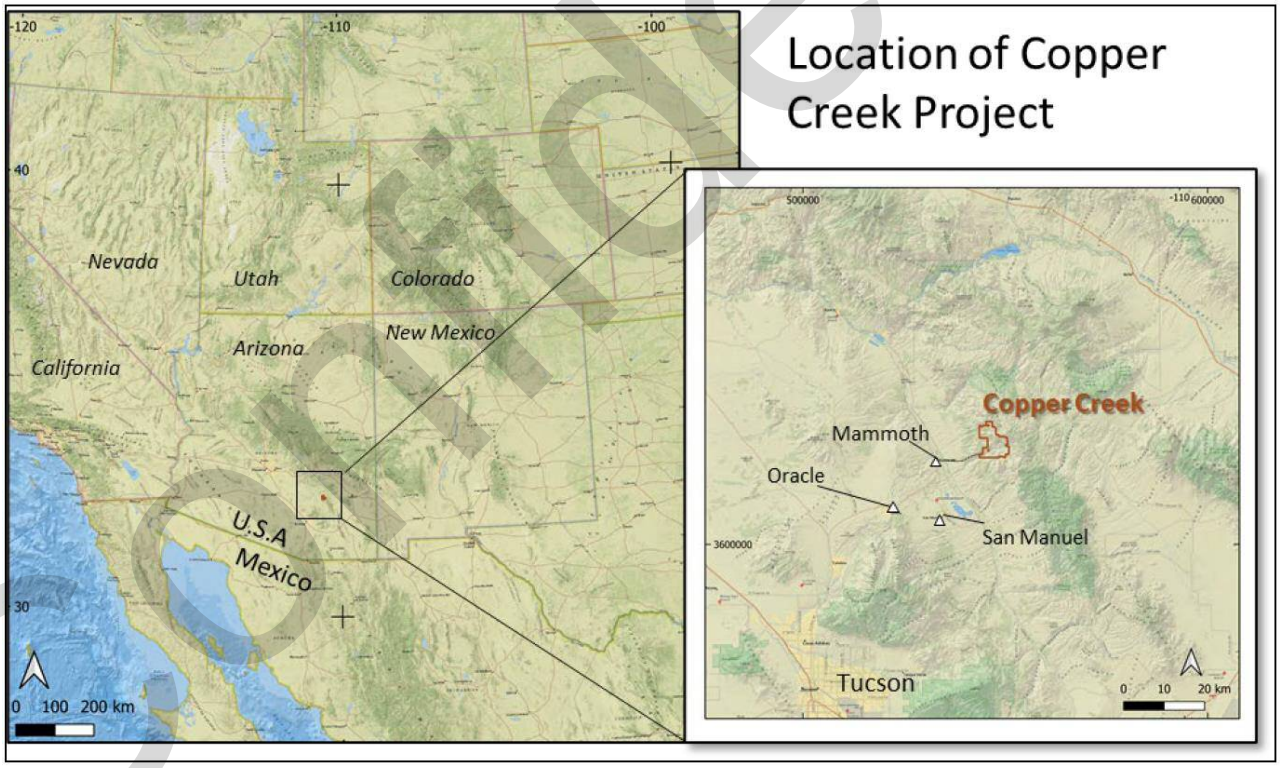
Copper Creek Project, Arizona; Faraday Copper Corp.

https://faradaycopper.com/projects/arizona-project/technical-reports/

Copper Creek represents an advanced-stage exploration project targeting multiple near-surface breccias and deeper porphyry-style copper mineralisation. The modelled breccia units and porphyry areas are open in multiple directions and at depth in certain areas. Further drilling and additional sampling of historical drillholes has the potential to develop additional mineral resources and increase confidence in existing mineral resources.

Copper Creek Project Location/Land Status

The Project is in Pinal County, Arizona, approximately 70 kilometres (km) northeast of Tucson, Arizona, 16 km northeast of San Manuel, Arizona, and 10 km east of Mammoth, Arizona. The Project area entails private, state, and federal surface and mineral rights all located within Township 7 and 8 South, Range 18 East.



Copper Creek Project Data Sheet

The Project is 100 percent (%) controlled by Faraday and consists of approximately 41 square kilometres (km2), spanning seven private patented claims (4.70 km2; 1,161 acres), one private land parcel (3.15 km2; 779 acres), nine Arizona State Land Department (ASLD) prospecting permits (12.10 km2; 2,989 acres), and 325 Bureau of Land Management (BLM) unpatented mining claims (20.53 km2; 5,074 acres). The Project headquarters are located in San Manuel, Arizona, and encompass 0.01 km2 (2.47 acres) that are used for drill core storage and business management

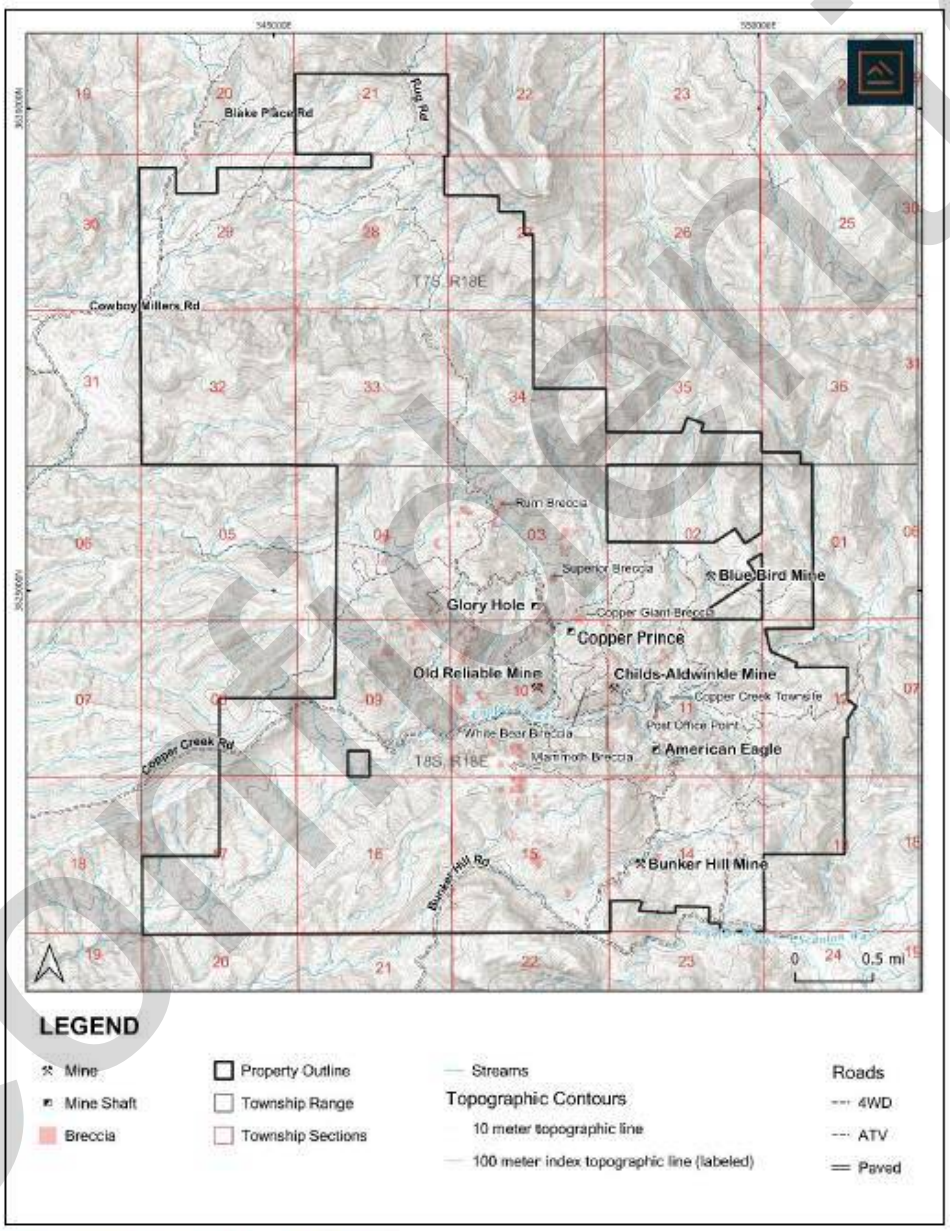
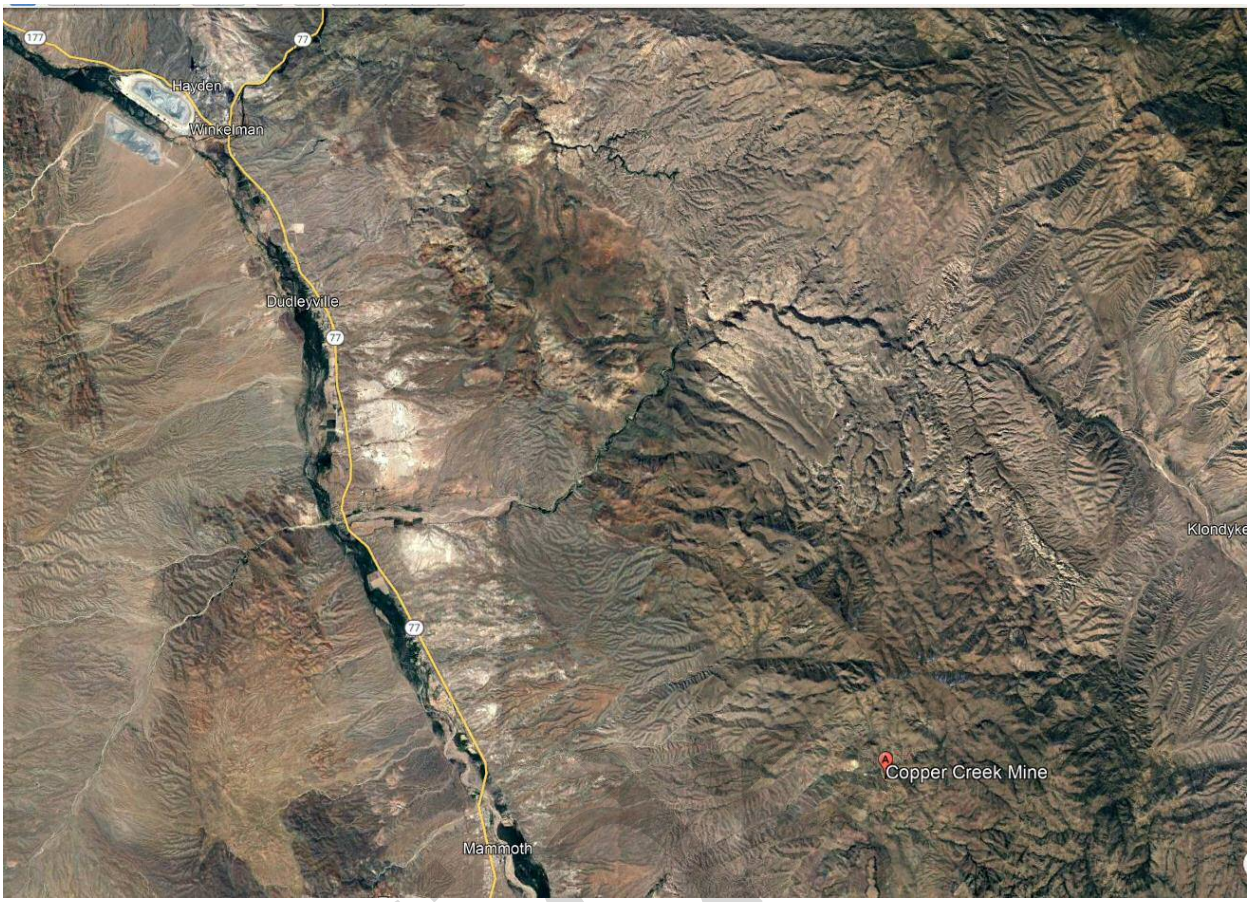


Figure 6.1: Historical Mine Location Map

Copper Creek Project Data Sheet



Google Earth® images Copper Creek Project

Copper Creek Project Geology/Mineralisation/Exploration

Geological Setting of Copper Creek

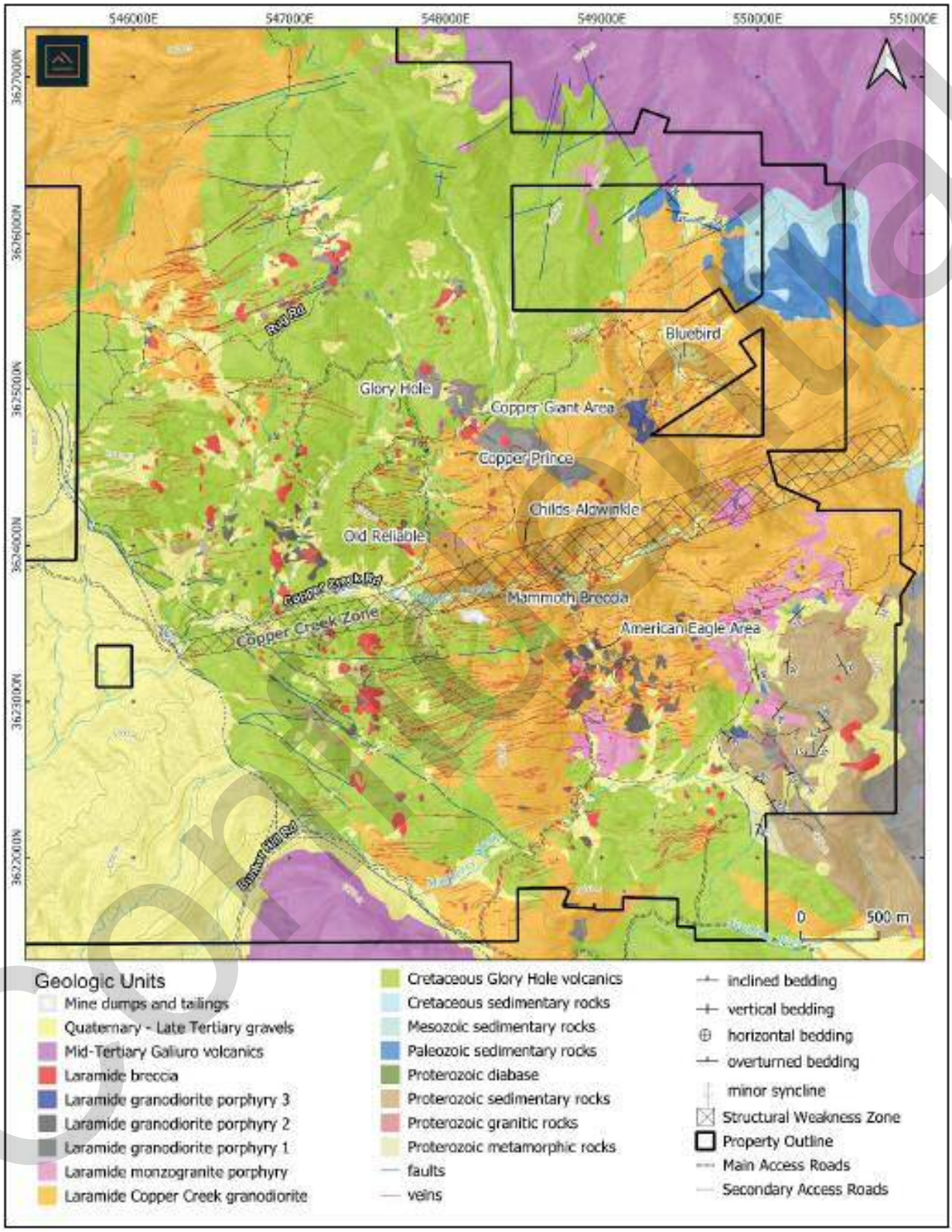
The Project is located within the Galiuro Mountains along a segment of the northwest-southeast-oriented part of a Laramide-age magmatic arc which parallels a major northeast-verging, thick-skinned thrust system (Favorito and Seedorff, 2018). At Copper Creek, these thrust faults are covered by Laramide-age volcanics (the Glory Hole volcanics, see below) and intruded by the Copper Creek batholith (Favorito and Seedorff, 2018).

The property is in the prolific porphyry copper region of southwestern North America at the projected intersection of a major northwest belt of copper deposits (Ray, Miami/Globe, Superior/Resolution, and Johnson Camp) and a major east-northeast belt of copper deposits (San Manuel/Kalamazoo, Silver Bell, Lakeshore, Safford, and Morenci). The Project hosts a porphyry copper deposit in addition to high-grade, near-surface, breccia mineralisation.

The Palaeocene Copper Creek batholith intruded Palaeocene Glory Hole volcanics and Proterozoic to Palaeozoic sedimentary rocks and is the main mineralisation host. Some of the breccias also crosscut the Glory Hole volcanics. The batholith is compositionally zoned and contains a shallowly west dipping monzogranite domain at depth and a dioritic border phase, with the bulk being granodioritic composition. Four main types of granodiorite to quartz diorite porphyry dykes and plugs have been recognized; these largely intruded as narrow, steeply dipping dykes and plugs before and during mineralisation.

The underground (UG) resource occurs largely in early halo (EH) porphyry-style veins and magmatic cupola zones, while the open pit (OP) resource is dominantly hosted in magmatic-hydrothermal breccias. Hypogene copper is predominantly contained in chalcopyrite and bornite. The near-surface mineralised breccias were subjected to partial in situ oxidization that transformed part of the sulphides into secondary copper oxides.
The current geological understanding is considered sufficient for conceptual exploration targeting, geological modelling, and resource estimation of the Copper Creek deposits.

Copper Creek Project Data Sheet



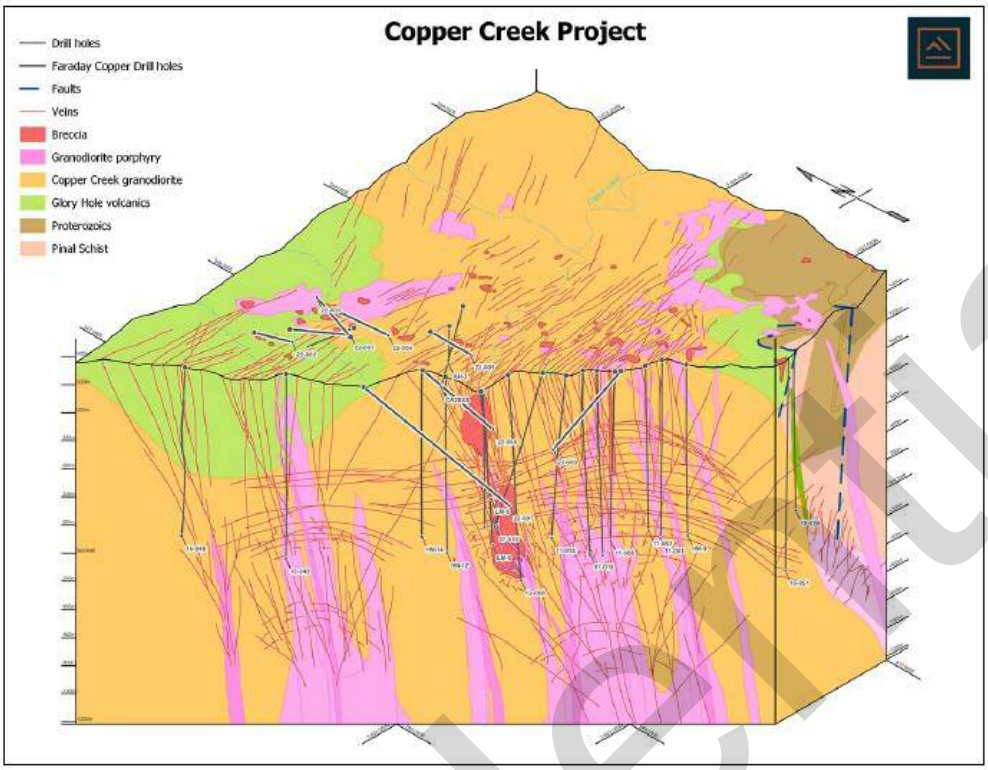
Copper Creek Project Data Sheet

Historically, over 200,000 m of drilling was completed on the Copper Creek property between 1914 and 2016.

Company	Date	Number of Holes	Total Drilling (m)
Calumet & Arizona Mining Company (C&A)	1914	14	1,649
Bureau of Mines	1942 to 1943	31	893
Siskon Corporation (Siskon)	1956 to 1958	25	1,227
Bear Creek Mining Company	1959 to 1962	15	8,865
Newmont Exploration Limited (NEL)	1966	22	9,223
Occidental Minerals Corporation (Oxymin)	1968 to 1970	49	2,810
Ranchers Exploration and Mining Company (Ranchers)	1971	3	239
Magma Copper	1971 to 1972	38	28,734
Exxon Corporation	1971 to 1972	21	22,412
Inspiration Consolidated Copper Company (Inspiration)	1973	6	227
Phelps Dodge	1972 to 1974	9	7,756
AMT International Mining Corporation (AMT)	1995 to 2001	238	58,646
Redhawk Resources Inc. (Redhawk)	2006 to 2012	78	58,030
Redhawk	2013 to 2014	3	4,132
Copper Creek Project, LLC	2014 to 2016	6	7,572
Others		2	311
Total		**560**	**212,726**

Faraday undertook a diamond drilling program in the first half of 2022 totalling 5,923 m.

Hole ID	Azimuth (°)	Dip (°)	Target	Depth (ft)	Depth (m)	Data used for MRE
FCD-22-001	130	-45	Copper Prince	1,588	484.02	Logging
FCD-22-002	170	-45	Glory Hole	1,777	541.63	Logging & partial assay
FCD-22-003	012	-45	Copper Giant	1,748	532.93	Logging
FCD-22-004	175	-45	Copper Prince	1,628	496.21	Logging
FCD-22-005	180	-50	Mammoth	2,678	816.25	Not applicable
FCD-22-006	230	-50	OR	1,519	462.99	Not applicable
FCD-22-007	135	-45	Keel	3,997	1,310.64	Not applicable
FCD-22-008	150	-45	Mammoth	1,580	518.15	Not applicable
FCD-22-009	000	-45	American Eagle	2,319	760.48	Not applicable
Total				**18,834**	**5,923.3**	



Note: Veins and porphyries are shown schematically, and approximate locations of recent drilling are shown.

Figure 7.7: Isometric Diagram of the Copper Creek District

Copper Creek Project Mineral Resource

Table 1.1: Combined OP and UG MRE, Copper Creek Project, as of July 6, 2022, SRK Consulting (U.S.), Inc.

Category	Tonnage (Mt)	Grade				Contained Metal			
		Cu (%)	Mo (%)	Ag (g/t)	CuEq (%)	Cu (Mlb)	Mo (Mlb)	Ag (Moz)	CuEq (Mlb)
OP									
Measured	38.9	0.68	0.010	1.8	0.72	584.2	8.7	2.2	614.6
Indicated	45.7	0.44	0.007	0.9	0.46	446.4	7.2	1.3	467.8
Measured and Indicated (M&I)	**84.6**	**0.55**	**0.009**	**1.3**	**0.58**	**1,030.6**	**16.0**	**3.6**	**1,082.5**
Inferred	29.3	0.35	0.004	0.8	0.36	224.6	2.9	0.8	233.0
UG									
Measured	26.1	0.50	0.012	1.5	0.54	288.7	7.0	1.3	312.7
Indicated	244.4	0.48	0.007	1.2	0.51	2,587.8	39.9	9.7	2,731.1
M&I	**270.5**	**0.48**	**0.008**	**1.3**	**0.51**	**2,876.5**	**46.9**	**11.0**	**3,043.8**
Inferred	45.6	0.41	0.009	0.9	0.44	410.3	9.2	1.3	440.5
Total (OP + UG)									
Measured	65.1	0.61	0.011	1.7	0.65	872.9	15.7	3.5	927.3
Indicated	290.0	0.47	0.007	1.2	0.50	3,034.2	47.2	11.0	3,199.0
M&I	**355.1**	**0.50**	**0.008**	**1.3**	**0.53**	**3,907.1**	**62.9**	**14.5**	**4,126.3**
Inferred	75.0	0.38	0.007	0.8	0.41	634.9	12.0	2.0	673.5

Source: SRK, 2022
CuEq: Copper equivalent
g/t: Grams per tonne
Mlb: Million pounds
Moz: Million troy ounces
Mt: Million tonnes

The underground (UG) resource occurs largely in early halo (EH) porphyry-style veins and magmatic cupola zones, while the open pit (OP) resource is dominantly hosted in magmatic-hydrothermal breccias. Hypogene copper is predominantly contained in chalcopyrite and bornite. The near-surface mineralised breccias were subjected to partial in situ oxidization that transformed part of the sulphides into secondary copper oxides.

The current geological understanding is considered sufficient for conceptual exploration targeting, geological modelling, and resource estimation of the Copper Creek deposits. CuEq is calculated by domain based on the above variable recovery. For example, sulphide CuEq = [(Cu grade/100 * 0.92 Cu recovery * 2,204.62 * 3.8 Cu price) + (Mo grade/100 * 0.78 Mo recovery * 2,204.62 * 13 Mo price) + (Ag grade * 0.50 Ag recovery * 20 Ag price/31.10348)]/(0.92 Cu recovery * 2,204.62 * 3.8) * 100.

Copper Creek Project Mine Plan

Using these metrics, an OP CoG of 0.23% CuEq and an UG CoG of 0.31% were used for reporting mineral resources at Copper Creek. Additionally, both the OP and UG resources were constrained within wireframes derived from the economic parameters noted above. Figure 14.13 and Figure 14.14 show the RPEEE pit shells and underground shapes used to constrain the respective estimates, as well as CuEq grade distributions.

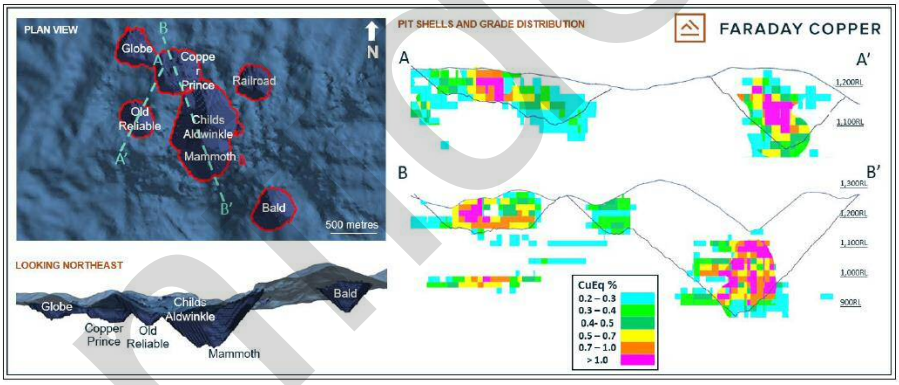


Figure 14.13: RPEEE OP Shells Constraining MRE with Grade Legend Above 0.2% CuEq

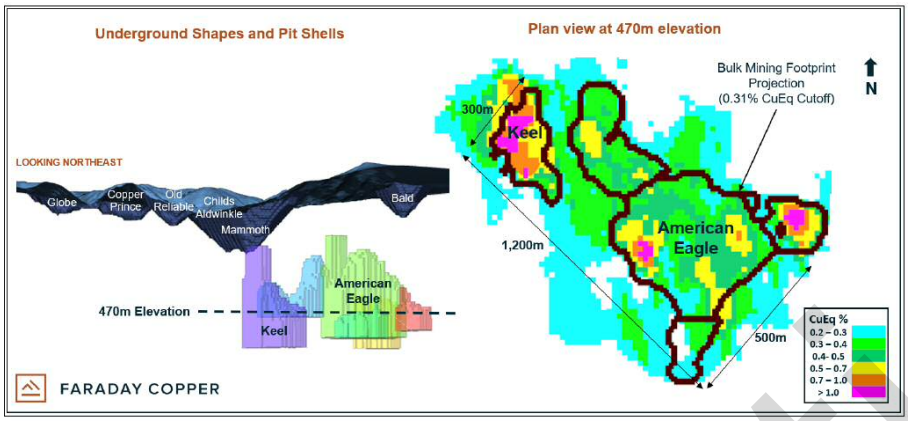


Figure 14.14: RPEEE UG Shapes Constraining MRE with Grade Legend Above 0.2% CuEq

Pit shell constrained resources with RPEEE are stated as contained within estimation domains above 0.23% CuEq CoG. Pit shells are based on an assumed copper price of US$3.80/pound (lb), assumed molybdenum price of US$13.00/lb, assumed silver price of US$20.00/troy ounce (oz), and overall slope angle of 47 degrees (°) based on preliminary geotechnical data. Operating cost assumptions include OP mining cost of US$2.25/tonne (t), processing cost of US$7.95/t, general and administrative (G&A) costs of US$1.25/t, and treatment charges and refining charges (TCRC) and freight costs of US$6.50/t.

UG constrained resources with RPEEE are stated as contained within estimation domains above 0.31% CuEq CoG. UG bulk mining footprints are based on an assumed copper price of US$3.80/lb, assumed molybdenum price of US$13.00/lb, assumed silver price of US$20.00/oz, UG mining cost of US$9.25/t, processing cost of US$7.00/t, G&A costs of US$1.25/t, and TCRC and freight costs of US$6.50/t.

Copper Creek Project Processing/Beneficiation Plan

To date, metallurgical testwork programs have been undertaken by Mountain States R&D International, Inc. (MSRDI) in 1997 and METCON Research (METCON) in 2008 and 2012, respectively.

The results from the various test programs at MSRDI and METCON were consolidated for this report, and forecasts of recovery have been developed by Ausenco Limited (Ausenco) to reflect the grades reported in the MRE. Additional testwork is recommended to confirm these recovery projections for future studies:

Copper-bearing sulphide mineral grains are generally very coarse. They range up to 5 centimetres (cm) in size, and near complete liberation from gangue or other sulphide grains is achieved at 100-mesh (approximately 0.15-millimetre (mm)) grain size.

- Given an average assumed copper feed grade above 0.45% for the Project, a copper recovery of 92% is projected using the trendline for sulphide material flotation.
- For the transitional material, the forecasted copper recovery of 85% is proposed.

- An estimated molybdenum recovery of 78% for sulphide material flotation is recommended for the current Project based on the limited testwork available. For the transitional materials, the forecasted molybdenum recovery is estimated to be 68%.
- METCON reported an average silver (Ag) recovery of 50% for sulphide material flotation for the Cu-Mo second cleaner flotation tests conducted on the composite samples tested. For transitional materials, the silver recovery is estimated to be 40%.

Appendix D_2

Comparable Sales Data Summary Sheets

Los Calatos Data Sheet

Los Calatos Data Sheet

References from three technical reports:
1) 2013 Optimisation Studies to Focus on High Grades at Los Calatos
2) 2013 Independent Mining Scoping Study Confirms Low Cost, Long Life Copper Mine
3) 2015 Presentation- Los Calatos High Grade Development Option

Los Calatos, Mariscal Nieto Province, Peru; CD Capital Natural Resources Fund III LP

https://www.loscerros.com .au › site › PDF ›
https://www.rns -pdf.londonstockexchange.com ›
http://www.asx.com.au › asxpdf › pdf

Los Calatos Location/Land Status

Los Calatos Data Sheet

Los Calatos Geology/Exploration

Figure 1: Los Calatos project - schematic surface geological map.

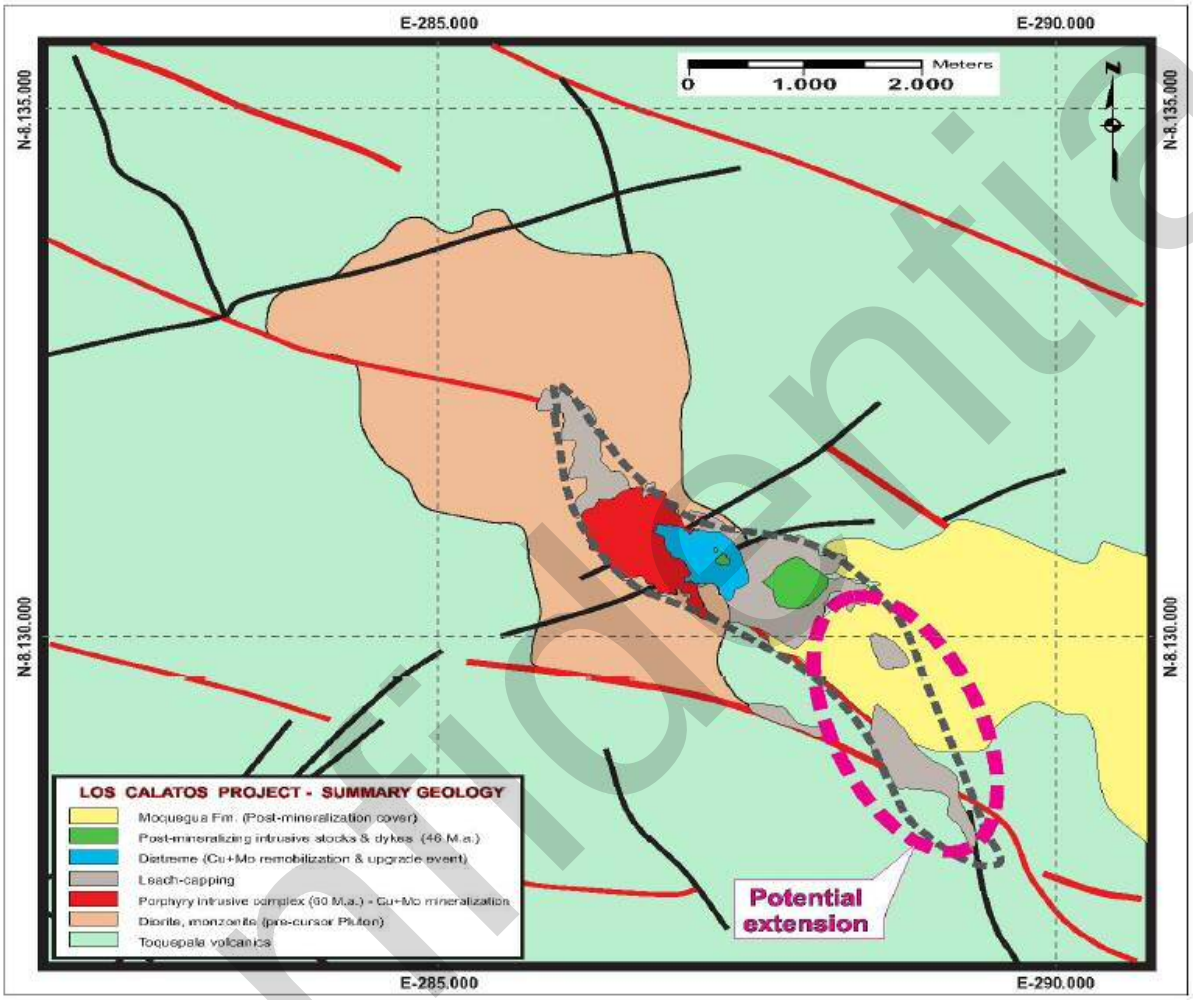
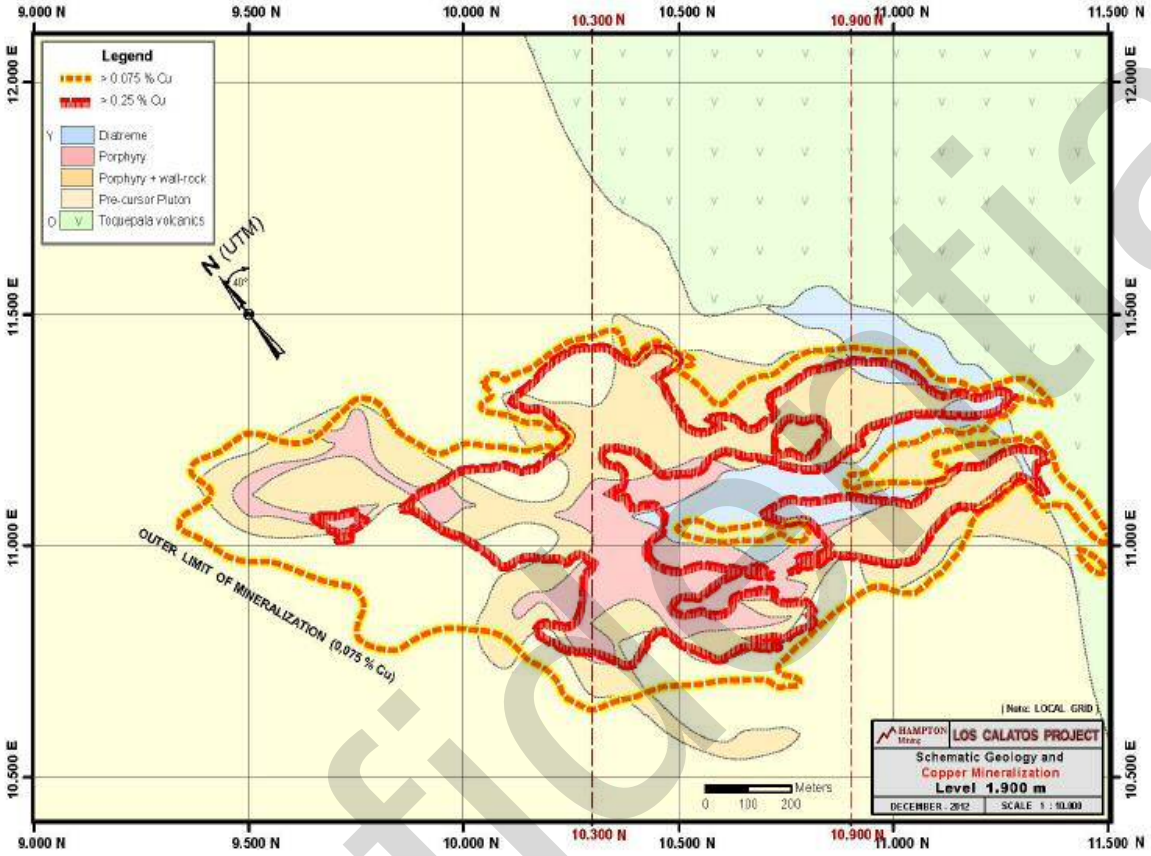
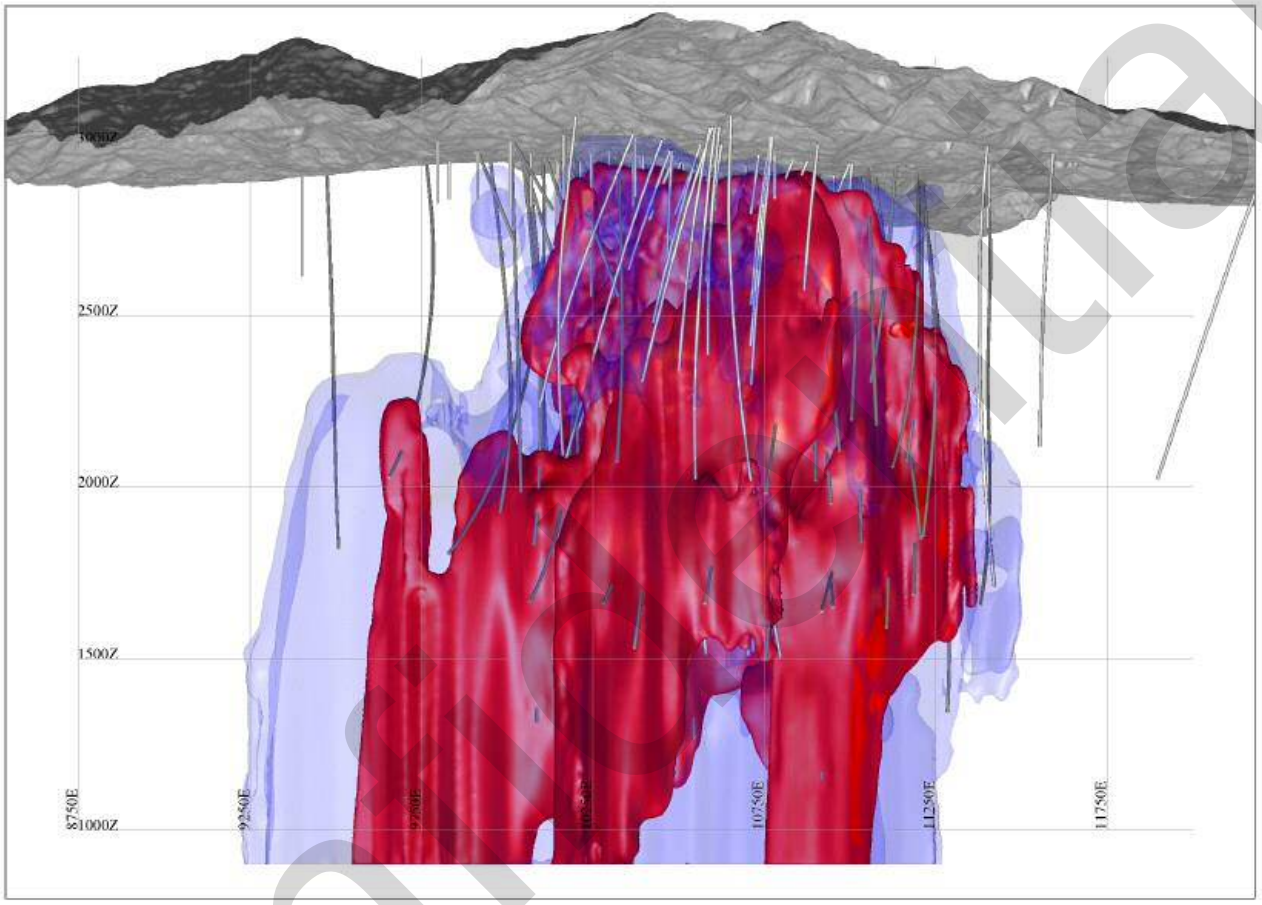


Figure 2: Schematic geological plan showing the distribution of copper mineralisation at the 0.25% Cu and 0.075% Cu grade boundaries.



The mineralised solid model was constructed by SRK based on a geological model produced by Metminco. This mineralised unit is constrained by copper isogrades of 0.25% and 0.075 %, whereas an isograde of 0.013 % was used for molybdenum. The following figure shows the modelled mineralised solid model for copper isogrades of 0.25% (red) and 0.075% copper (blue).

Mineralised solid model



Los Calatos Resource Estimation

Mineral Resource Estimate – February 2013

Since the release of the January 2013 Mineral Resource Estimate compiled by SRK, the Company has updated the latter Mineral Resource Estimate to provide for additional modelling of the near surface supergene mineralisation, as well as further pit optimisation work, which has resulted in an increase in the resources amenable to open pit mining, and a minor decrease in the underground bulk mining resources.

The resources have been categorised into Measured, Indicated and Inferred Mineral Resources in accordance with the JORC Code (2004) for Reporting Mineral Resources and Mineral Reserves (see Tables1 and 2 below).

Los Calatos Data Sheet

Table 1: Mineral Resource Statement for the Los Calatos Project to a vertical depth of 500 metres below surface, SRK, February 2013

Resource Classification	Tonnes (million)	Cu (%)	Mo (%)	CuEq (%)
Measured	121	0.35	0.027	0.47
Indicated	117	0.35	0.016	0.42
Total Measured and Indicated	**238**	**0.35**	**0.022**	**0.44**
Inferred	66	0.40	0.006	0.43

Note:
i) Reported at a cut-off of 0.15% CuEq, above 2500 masl.
ii) Rounding-off of figures may result in minor computational discrepancies; where this happens, it is not deemed to be significant.

Table 2: Mineral Resource Statement for the Los Calatos Project sub-500 metres below surface, SRK, February 2013

Resource Classification	Tonnes (million)	Cu (%)	Mo (%)	CuEq (%)
Measured	281	0.48	0.035	0.63
Indicated	485	0.52	0.022	0.61
Total Measured and Indicated	**766**	**0.51**	**0.027**	**0.62**
Inferred	292	0.52	0.018	0.60

Note:
i) Reported at a cut-off of 0.35% CuEq, below 2500 masl.
ii) Rounding-off of figures may result in minor computational discrepancies; where this happens, it is not deemed to be significant.

Table 3: Sensitivities of mineral resource to CuEq cut-off grades (to a depth of 500 metres below surface)

CuEq Cut-Off (%)	Measured			Indicated			Measured + Indicated			Inferred			Total			
	Tonnes (mt)	Cu (%)	Mo (%)	Tonnes (mt)	Cu (%)	Mo (%)	Tonnes (mt)	Cu (%)	Mo (%)	Tonnes (mt)	Cu (%)	Mo (%)	Tonnes (mt)	Cu (%)	Mo (%)	CuEq (%)
0.40	59	0.51	0.040	48	0.56	0.025	107	0.53	0.033	27	0.65	0.009	134	0.56	0.028	0.68
0.35	70	0.47	0.037	57	0.53	0.023	127	0.50	0.031	31	0.61	0.008	158	0.52	0.026	0.63
0.30	80	0.45	0.035	66	0.49	0.022	146	0.47	0.029	36	0.57	0.008	182	0.49	0.025	0.59
0.25	88	0.42	0.034	75	0.46	0.021	163	0.44	0.028	42	0.53	0.007	205	0.46	0.024	0.56
0.20	97	0.40	0.032	86	0.42	0.019	183	0.41	0.026	52	0.47	0.007	235	0.42	0.022	0.52
0.15	121	0.35	0.027	117	0.35	0.016	238	0.35	0.022	66	0.40	0.006	304	0.36	0.018	0.44
0.10	172	0.28	0.020	172	0.27	0.012	344	0.28	0.016	85	0.34	0.005	429	0.29	0.014	0.35

Table 4: Sensitivities of mineral resource to CuEq cut-off grades (sub-500 metres below surface)

CuEq Cut-Off (%)	Measured			Indicated			Measured + Indicated			Inferred			Total			
	Tonnes (mt)	Cu (%)	Mo (%)	Tonnes (mt)	Cu (%)	Mo (%)	Tonnes (mt)	Cu (%)	Mo (%)	Tonnes (mt)	Cu (%)	Mo (%)	Tonnes (mt)	Cu (%)	Mo (%)	CuEq (%)
0.60	111	0.66	0.060	193	0.70	0.035	304	0.69	0.044	110	0.71	0.030	414	0.69	0.040	0.86
0.55	131	0.63	0.060	233	0.66	0.032	364	0.65	0.042	139	0.67	0.027	503	0.65	0.038	0.82
0.50	156	0.59	0.050	282	0.63	0.029	438	0.62	0.036	170	0.63	0.024	608	0.62	0.033	0.76
0.45	191	0.56	0.045	343	0.59	0.026	534	0.58	0.033	204	0.60	0.022	738	0.59	0.030	0.71
0.40	234	0.52	0.039	416	0.55	0.023	650	0.54	0.029	242	0.56	0.020	892	0.54	0.026	0.66
0.35	281	0.48	0.035	485	0.52	0.022	766	0.51	0.027	292	0.52	0.018	1,058	0.51	0.024	0.61
0.30	313	0.46	0.033	542	0.50	0.020	855	0.49	0.025	332	0.50	0.017	1,187	0.49	0.023	0.59

Los Calatos Mine Planning/Modeling

The envisaged development schedule can be summarised as follows:

- **Years 1 to 4:** Commence underground development;
- **Years 3 and 4:** Pre-strip of open pit with stockpiling of supergene ore. Commence construction of plant and infrastructure;
- **Years 5 to 11:** Open pit mining and processing, and establishment of low grade stockpile.
- **Years 12 to 35:** Underground bulk mining (block caving), which is supplemented by lower grade ore from the open pit stockpile over the period Years 12 to 16.

The project development schedule allows for construction of the surface infrastructure and the metallurgical plant to be undertaken simultaneously with the development of the open pit operation. However, in order to commence underground bulk mining in Year 12, the requisite development would have to be initiated two years prior to the development of the open pit.

The life of the open pit is estimated to be seven years, during which time a low grade stockpile will be established, which will supplement high grade ore from the underground operation during the underground ramp-up stage (Years 12 to 16).

Underground Block Caving

Underground block caving will be the mining method of choice at Los Calatos. This mining method involves preconditioning programs to assist cave propagation involving arrays of long blast holes into the rock mass overlying the planned undercuts, whereafter gravity takes effect. Whilst underground block caving has a higher level of risk than an open pit operation, this can be managed through the application of best practice mine designs and scheduling. Due to the high levels of productivity, unit operating costs are substantially lower than other underground mining methods. In addition, the environmental footprint is reduced considerably by comparison to large open pit operations.

Block cave mining was first adopted in Chile as far back as 1924 (Potrerillos mine), and lends itself to the underground mining of large porphyry copper systems where strip ratios become excessive. It is furthermore the large scale mining method of choice for porphyry deposits as discoveries get deeper, head grades decline and strip ratios become excessive.

Figure 1: Schematic – Section looking northwest showing the open pit, underground bulk stopes and the associated development

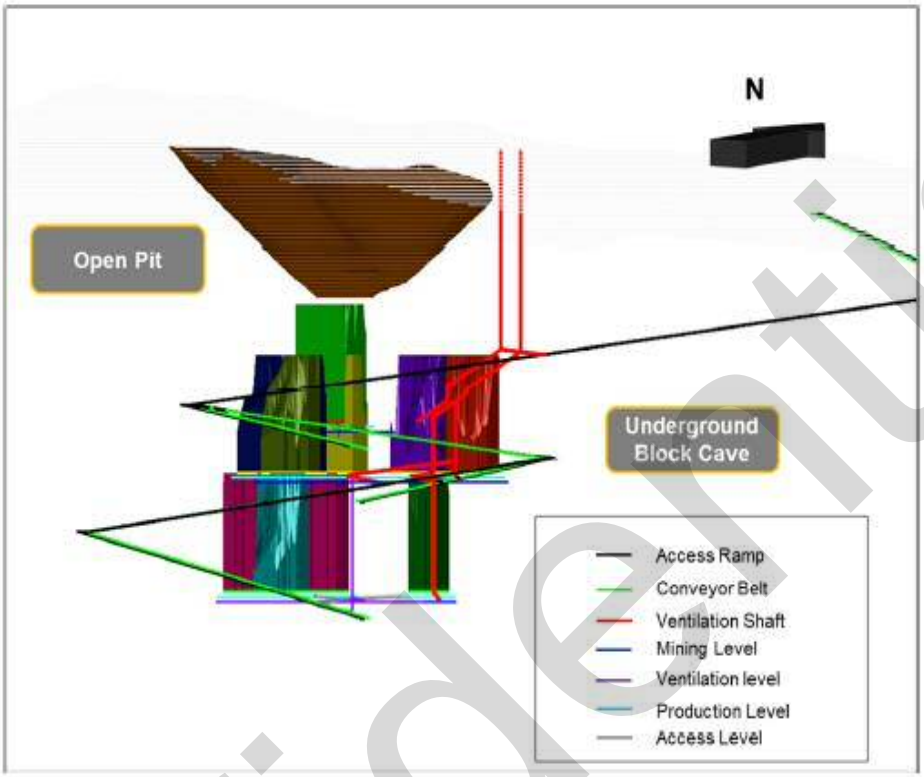
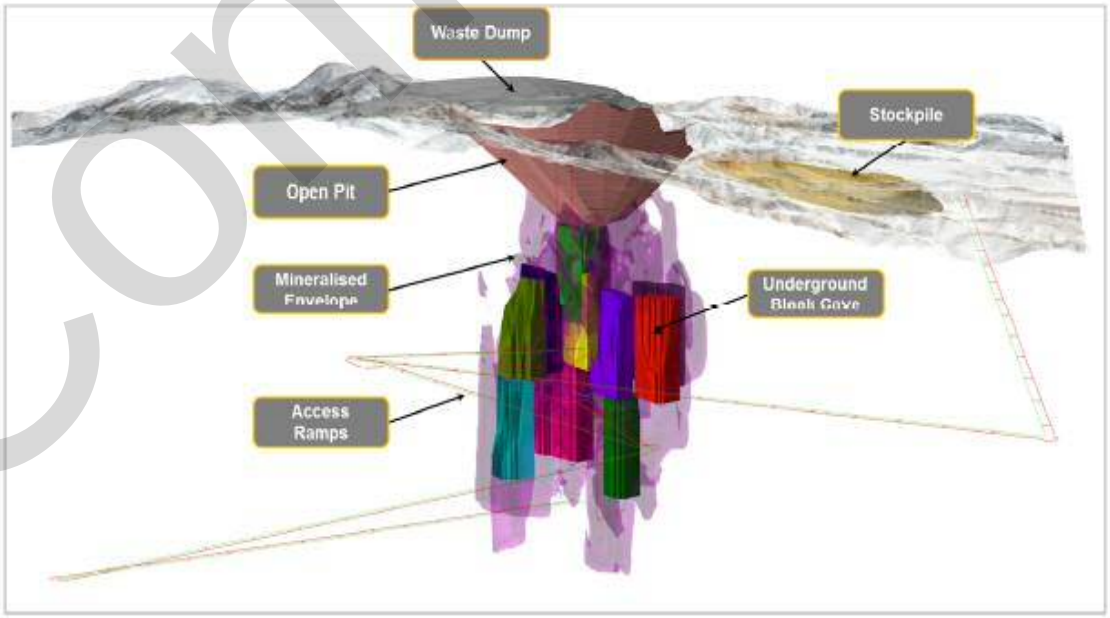


Figure 2: Schematic – Section looking northwest showing the surface DTM, open pit, underground bulk stopes and the mineralised envelope at a 0.35% CuEq cut-off (purple) constraining the bulk stopes



Los Calatos Processing/Beneficiation

The primary leach design parameters resulting from the recent metallurgical testwork have been incorporated into an updated Life of Mine production schedule. When compared to the original Scoping Study, it is clear that the reduction in acid consumption rates per tonne of ore leached derived from the testwork has more than offset the higher prevailing acid price and increase in power costs in Chile. The primary leach design parameters resulting from the recently completed metallurgical testwork are:

- Ore crush size: P80 12 mm to 16 mm
- Agglomeration acid addition: 10 kg/t (may be reduced after further testing)
- Stacked ore depth: 6 metres
- Stacked dry-bulk density (maximum): 1.7 t/m³
- A two-stage leach:
    - 90-day Primary Leach Stage @ 5 L/hm² at 6 g/L H2SO4
    - 210-day Secondary Leach Stage @ 2.5 L/hm² at 3 g/L H2SO4
- Solution Management Scheme: The staged leach and acid concentration values can be met with a series/parallel SX configuration, where the Primary Leach PLS feeds the two in series SX extraction stages, and the Secondary Leach PLS feeds the parallel extraction stage

Additional column leach test work has been initiated to determine the lowermost limit of acid addition in the agglomeration stage with the objective of ascertaining whether acid consumption can be reduced further.

Other assumptions

	Life of Mine
Payable copper in concentrate (%)	96.5
Treatment Charges - Copper (US$/t)	70
Refining Charges - Copper (US$/lb)	0.07
Transport – copper concentrate, land and port costs (including insurance) (US$/t)	32
Transport – copper concentrate, sea freight (including insurance) (US$/t)	60
Transport – molybdenum concentrate, sea freight (including insurance) (US$/t)	125
Refining Charges - Gold (US$/oz)	6

Appendix D_3

Comparable Sales Data Summary Sheets

Cactus Mine Data Sheet

Cactus Mine Data Sheet

References from Preliminary Economic Assessment (NI 43-101) Revision 4, Arizona Sonoran Copper Company, Cactus Project Inc., August 2021

Cactus Project (aka the Sacton Mine); Arizona Sonoran Copper Company, Inc., AZ, USA

https://nam12.safelinks.protection.outlook.com/?url=https%3A%2F%2Farizonasonoran.com%2Fprojects%2Foverview%2F&data=04%7C01%7C%7C77426966c54640c249d108da03097ac3%7C84df9e7fe9f640afb435aaaaaaaaaaaa%7C1%7C0%7C637825636490691065%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzIiLCJBTiI6Ik1haWwiLCJXVCI6Mn0%3D%7C3000&sdata=Bp7wWFHu89xbtET11tSYu3sDY7IzkqJT%2BMG15flRHEg%3D&reserved=0

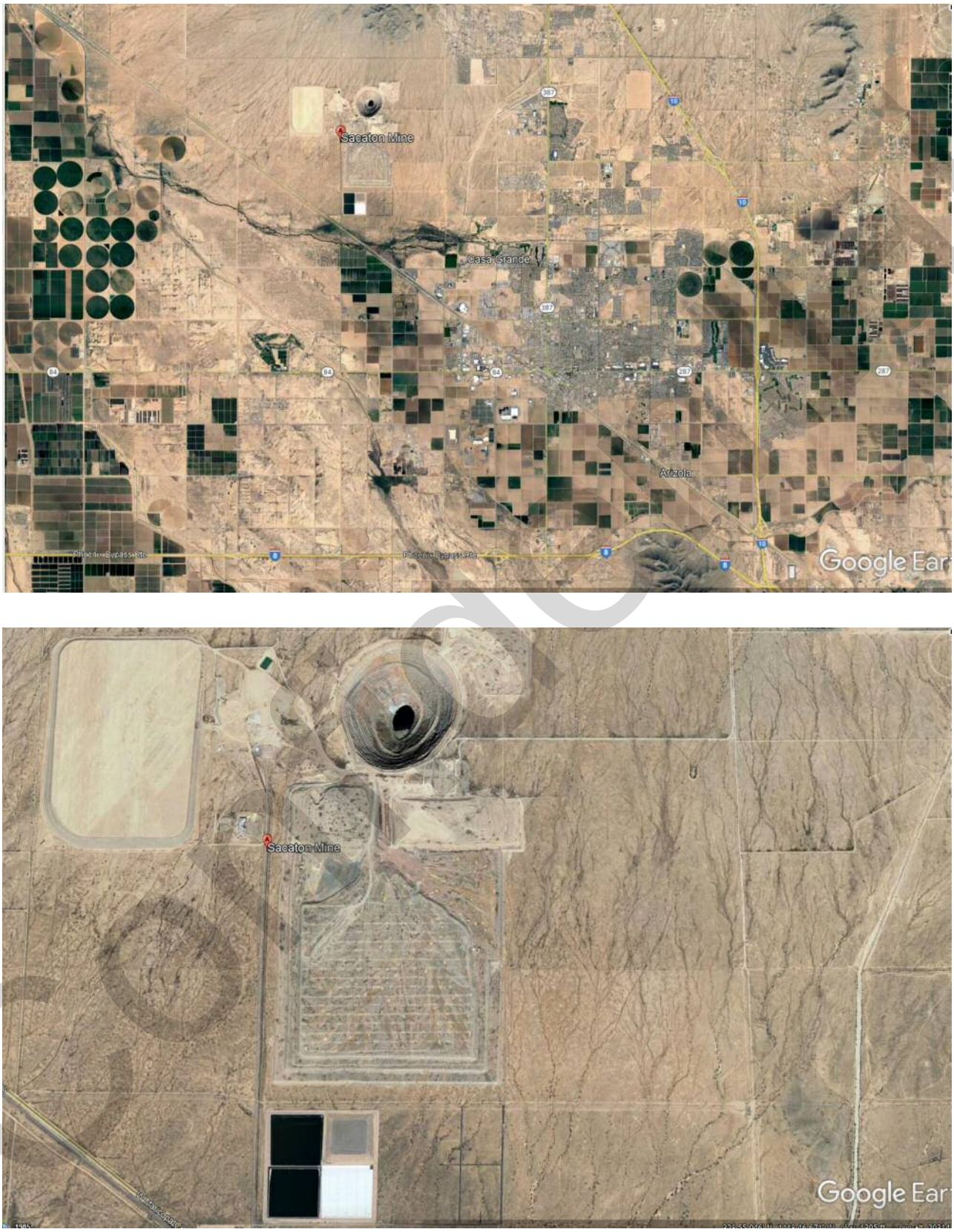
Arizona Sonoran Copper Company (Arizona Sonoran) is a North American-based mining company engaged in the exploration and development of the Cactus Project (the Project) located near Casa Grande, Arizona. Stantec Consulting Services Inc. (Stantec), in conjunction with Samuel Engineering, Inc. (Samuel Engineering), has prepared a technical report for Arizona Sonoran at their request on the results of a scoping study intended for reporting as a PEA for the Project, covering the mining, process, infrastructure design, capital cost, and operating cost. This report was prepared in accordance with the Canadian National Instrument 43-101 (NI 43-101) standards for reporting mineral properties. As required in NI 43-101, the effective date of this report is 15 July 2021.

Cactus Mine Location/Land Status

The Project is located 40 road miles south southeast of the Greater Phoenix metropolitan area and approximately 3 miles northwest of the city of Casa Grande, Pinal County, Arizona.
The Project, located at the historic Sacaton Mine, is 10 miles due west of the Interstate 10 (I-10) freeway. Total site area is approximately 4,000 acres. Figure 1-1 is a general location map and property location

Figure 1-1: Cactus Project Location

Cactus Mine Data Sheet



Google Earth® images the Cactus Mine (aka the Sacton Mine)

Figure 6-5: Historic Overview of Sacaton Pit and Underground Shaft with Headframe

Cactus Mine Geology/Exploration

The Cactus Project occurs in the desert region of the Basin and Range province of Arizona. The Cactus deposits are part of a large porphyry copper system. Major host rocks are Precambrian Oracle Granite and Laramide monzonite porphyry and quartz monzonite porphyry. The porphyries intruded the older rocks and form mixed breccias; monolithic breccias and occur as large masses, poorly defined dike-like masses; and thin well-defined but discontinuous dikes. Structurally the deposit is complex with intense fracturing, faulting, and both pre-mineral and post-mineral brecciation. It is bounded on the east and west sides by normal faults.

Chalcocite and covellite are the only supergene sulfides recognized. The chalcocite blanket in the mineralized zone is irregular in thickness, grade, and continuity. The thickness of leached capping varies from less than 100 ft (30 m) to over 650 ft (198 m), with the thicker intercepts on the north side. Substantial quantities of oxidized copper minerals are found erratically distributed through the capping. Chrysocolla, brochantite, and malachite are the most common oxidized copper minerals. In upper portions of the capping, chrysocolla predominates, while brochantite and malachite predominate in the lower portions. The dominant hypogene alteration assemblages in the deposit are phyllic and potassic. The major hypogene sulfide minerals in the deposit are pyrite, chalcopyrite, and molybdenite. Hypogene sulfides occur as disseminated grains, veins, and vug fillings.

The Cactus deposit is a portion of a large porphyry copper system that has been dismembered and displaced by Tertiary extensional faulting. Porphyry copper deposits form in areas of shallow magmatism within subduction-related tectonic environments (Berger et al., 2008).

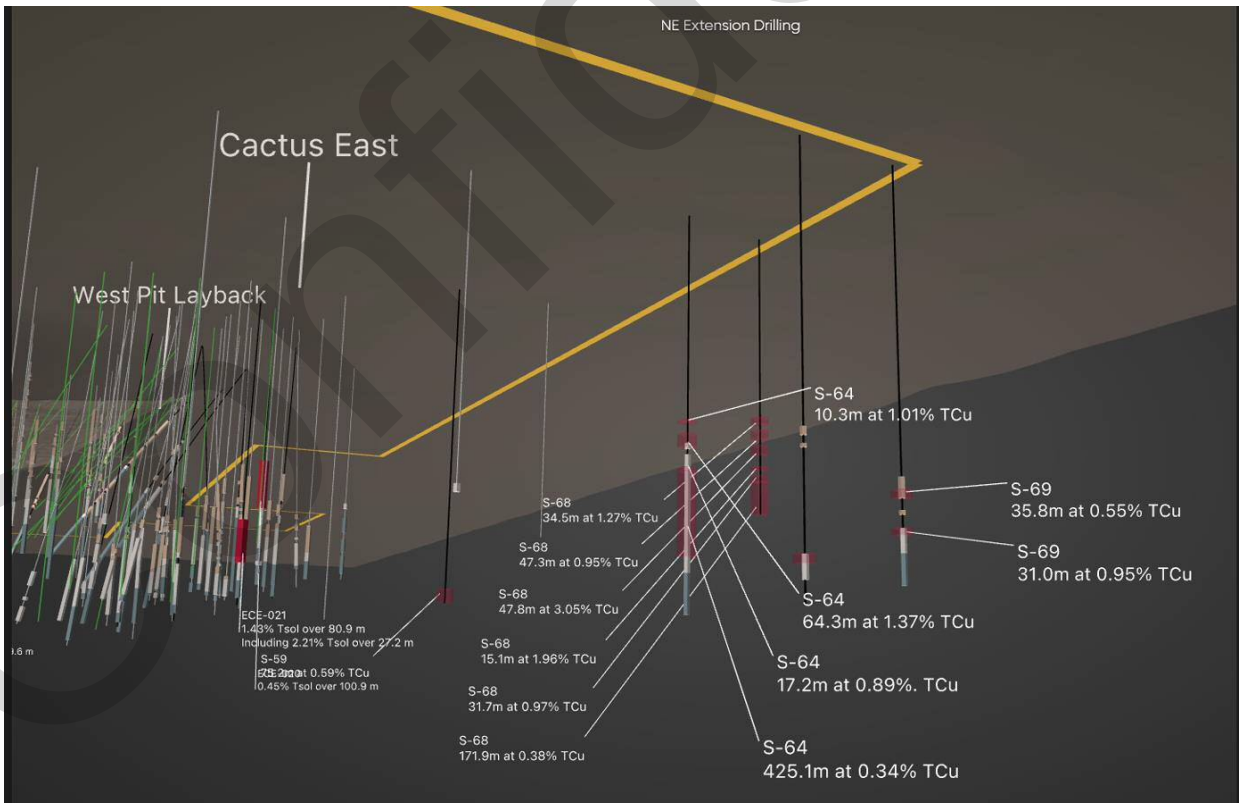
Cactus Mine Data Sheet

- ASARCO- A six-hole drilling program was authorized and initiated in the fall of 1961. From 1962, through the first half of 1963, 82 additional holes were drilled. These 88 holes outlined a northeasterly trending alteration zone approximately 4 miles (6.4 km) long and 1.5 miles
  (2.4 km) wide dominated by what was recognized as two potential ore bodies, the Sacaton
  West and East deposits, as well as widespread intercepts of copper mineralization throughout…in 1968 and 1969…37 more holes being drilled. An additional 10 holes were drilled …After mining was initiated in 1972, development and definition drilling was conducted for the open pit (Cactus West deposit). Through 1974 and 1976, eight additional holes were drilled in the Cactus East deposit…

- In 2019, Arizona Sonoran drilled two vertical PQ core holes into the Cactus East mineralized

Zone…An additional vertical PQ core hole was drilled into Cactus East in 2020… Five angled HQ core holes totaling 9,252 ft (2,820 m) were drilled in late 2019 and 2020 around the northern and western edges of Cactus East to define and expand mineralization. Also, in 2020, 11 angled HQ core holes totaling 15,377 ft (4,687 m) were drilled around the perimeter of the West Pit…

In 2019, 55 surface sonic drill holes totaling 5,120 ft (1,560 m) of 6-inch diameter holes were drilled across the Stockpile Project …Through late 2020 and early 2021, an infill surface sonic drill program was undertaken to reduce the spacing to 400 ft (122 m).



Cactus Mine Data Sheet

Cactus Mine Resource Estimation

The resource has been depleted of material mined in the Sacaton open pit in operation from 1974 through 1984. The estimate of the Mineral Resources supports both Indicated and Inferred Resources for Cactus, and Inferred Resources for the Stockpile Project.

Cactus Project Mineral resources meeting the cutoff grades for the open pit and potential underground mine are combined and reported in Table 1-2.

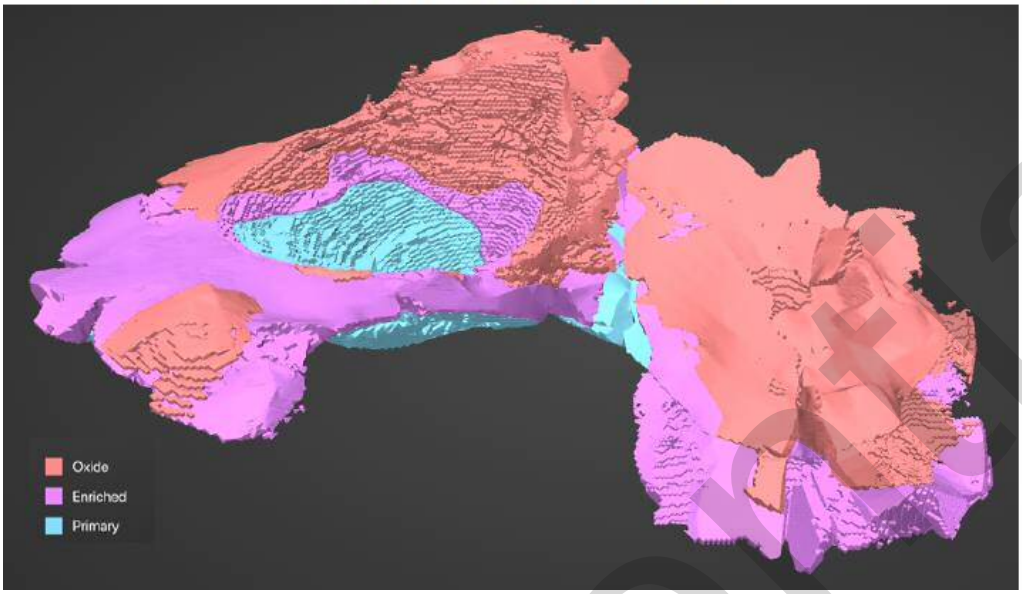
Table 1-2: Total Cactus Project Mineral Resources as of 01 March 2021

Material Type	Tons (kt)	CuT (%)	TSol (%)	Metal (klb)
Indicated				
Oxide	31,400		0.559	349,700
Enriched	42,500		0.844	715,500
Total Leachable	73,900		0.723	1,065,200
Primary	77,900	0.350		545,500
Total	151,800	0.531		1,610,700
Inferred				
Oxide	62,500		0.346	430,500
Enriched	55,100		0.498	548,800
Total Leachable	117,600		0.417	979,300
Primary	111,300	0.349		776,000
Total	228,900	0.384		1,755,300

Notes:
1. Whittle resources are inside the pit generated by Whittle and below present topography.
2. CuT means total copper and TSol means total soluble copper as the addition of sequential acid soluble and sequential cyanide soluble copper assays. Tons are reported as short tons.
3. Technical and economic parameters defining resource pit shell: copper price US$3.15/lb, mining cost US$2.45/t; G&A US$0.55/t, and 44°-46° pit slope angle.
4. Technical and economic parameters defining underground resource outside pit shell: copper price US$3.15/lb, mining cost US$28.93/t, and G&A representing 7% of direct costs.
5. Technical and economic parameters defining processing: Heap leach (HL) processing cost including selling US$1.77/t; HL recovery 83% of CuT; mill processing cost US$8.50/t.
6. Variable cutoff grades were reported depending on material type, potential mining method, and potential processing method. Oxide material within resource pit shell = 0.096% TSol; enriched material within resource pit shell = 0.098% TSol; primary material within resource pit shell = 0.205% CuT; oxide material outside resource pit shell = 0.56% TSol; enriched material outside resource pit shell = 0.70% TSol; primary material outside resource pit shell = 0.70% CuT.
7. Mineral resources, which are not mineral reserves, do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, sociopolitical, marketing, or other relevant factors.
8. The quantity and grade of reported inferred mineral resources in this estimation are uncertain in nature and there is insufficient exploration to define these inferred mineral resources as an indicated or measured mineral resource; it is uncertain if further exploration will result in upgrading them to an indicated or measured classification.
9. Total may not add up due to rounding

A graphical representation of the Oxide, Enriched and Primary material is shown Figure 1-2.

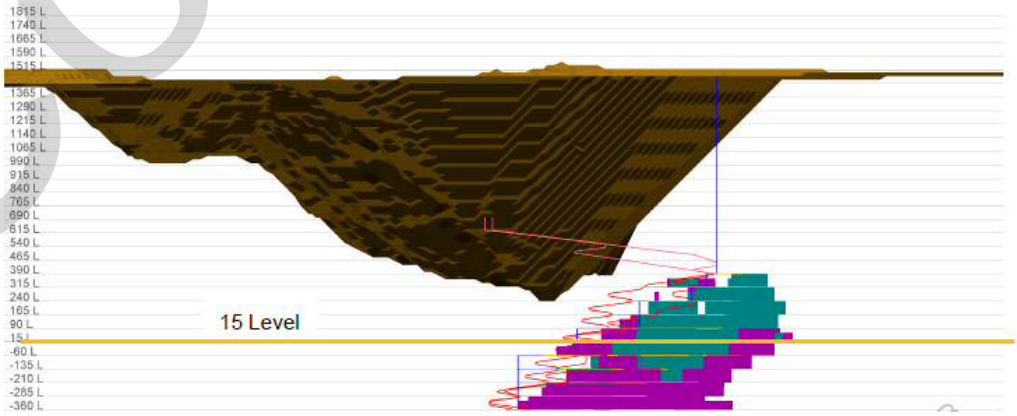
Figure 1-2: Total Material by Properties



Cactus Mine Planning/Modeling

The Cactus Project considers mill feed originating from three sources: the existing surface Stockpile Project of previously mined material, an open pit operation, and an underground operation. To determine appropriate mining approach, mine planning exercises were conducted consisting of combinations of processing and mining strategies. For this PEA, the outcome was to adopt a layered approach that considered initial Stockpile Project mining concurrent with Cactus West open pit stripping and early production for 1-4 years before Cactus West achieving steady state production by year 5. Once the pit reaches a suitable depth, development and early production of Cactus East via a Transverse Longhole Stoping (TLS) method commences in year 6 and achieves steady state production by year 8. Complete extraction of the mineable resource is to take 17 years. The production profile for the life of mine is provided in Figure 1-3.

Figure 16-18: Underground LOM Design – Long Section – Looking West



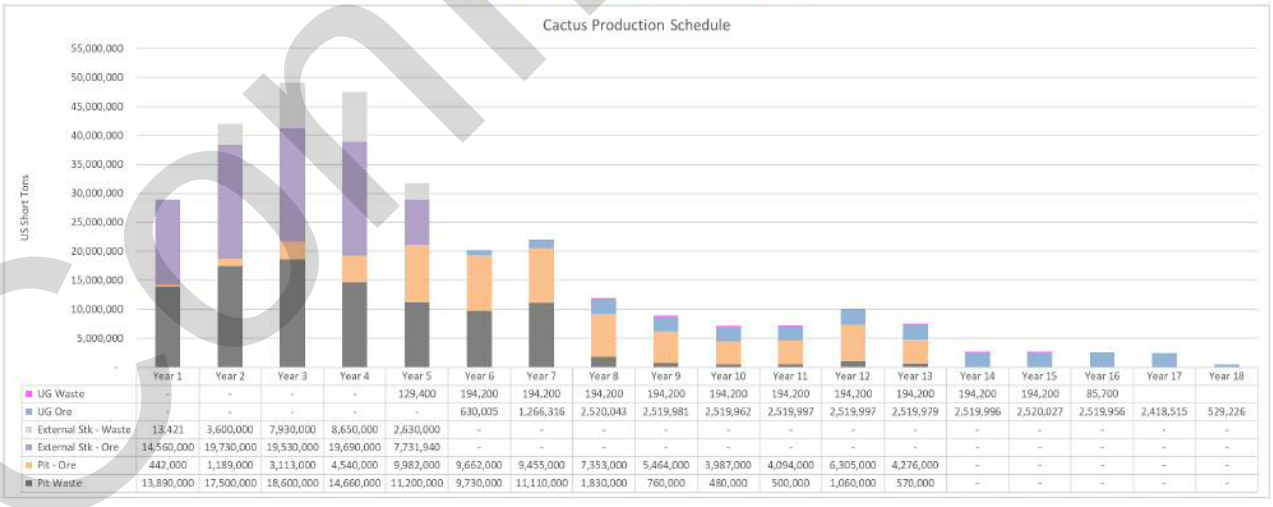
Underground Cutoff Grade

The copper COG calculations for the oxide, enriched and primary material are summarized in Table 16-10. The underground COG (CuT) of 0.85% Cu was chosen to optimize the mine life by targeting the higher grade material within the underground resource.

Table 16-10: Cutoff Grade Parameters

	Transverse Stoping	Transverse Stoping
Item	**Oxides – Leach**	**Sulfides (Enriched) – Leach**
Copper Price ($/lb)	$3.15	$3.15
Copper Refining Cost ($/lb)	$0.04	$0.04
Mining ($/t)	$28.93	$28.93
Crushing and Process ($/ore ton)	$2.21	$1.25
G&A ($/ore ton)	$2.05	$2.05
Surface Haulage ($/ore ton)	$0.30	$0.30
Royalty %	3.2%	3.2%
Copper Recovery (%)	90.00%	72.00%
Copper Payable (%)	99.90%	99.90%
Cutoff Grade (Cu%)	**0.60%**	**0.73%**

Figure 1-3: Cactus Project Mine Plan



Cactus Mine Processing/Beneficiation

Conceptually, copper from oxide and enriched material in the open pit would be recovered in a heap leach. Therefore, cutoff grades in the amenable oxide and enriched zones were based on TSol assays. Cutoff grades for the sulfides in the primary material was based on CuT assays.

High-level cost analysis for the open pit suggested cutoff grades of 0.096% TSol for the oxides, and 0.098% TSol for the enriched material. A cutoff of 0.205% CuT was applied to primary material mined and therefore stockpiled for potential recovery in the future using a sulfide recovery process.

Oxide materials demonstrate a relatively rapid copper extraction potential, with copper extractions within two months achieved in column tests completed to date. A 3-month leach cycle has been considered for these materials. A one-year distribution of the recovery values used has been employed to account for heap inefficiencies, stacking planning and solution management activities. This will be refined with kinetic testing of the Stockpile Project and Cactus Project open pit materials.

Table 1-1: Averaged Metallurgical Performance Criteria

Resource Component	Source Information	Net Copper Recovery (% - CuAS)	Net Copper Recovery (% - CuCN)	Gross Acid Consumption (lb/ton)	Net Acid Consumption (lb/ton)
Stockpile					
Oxide	Preliminary Column Tests	90%	40%	22	18
Open Pit & Underground					
Oxide	Preliminary Column Tests	90%	72%	22	18
Enriched	Preliminary Column Tests*	90%	72%	22	1

Sulfide leaching completed to date indicates longer leaching cycles will be required. The materials will also be placed in a separate leach pad area that can be managed for bioleaching kinetics and the longer cycle times required. A two-year distribution of the recovery values used has been employed to account for heap inefficiencies, stacking planning and solution management activities. This will be refined with kinetic testing of the Cactus\ Project open pit materials.

The initial sulfide columns are presently net acid producing due to the sulfide content and higher copper grades. This may be an advantageous feature once sulfide material is mined. For resource evaluations an experienced based long-term net acid consumption of approximately 1 pound per ton is considered as a conservative value for use in current economic evaluations until the column testing programs are completed.

Appendix E

US Forest Service
and
Weissenborn Appraisal, LLC
Engagement Letter

USDA United States Department of Agriculture

Apache-Sitgreaves National Forests

P.O. Box 640
Springerville, AZ 85938-0640
(928) 333-4301 FAX: 333-5966
TTY: (928) 333-6292

File Code: 6320
Date: May 21, 2020

Mr. Barry Weissenborn, Owner
Weissenborn Appraisal LLC
326 South Convent Ave
Tucson, AZ 85701-2215

Re: RFQ 12837120Q0093
Appraisal Services

Dear Mr. Weissenborn:

The purpose of this letter is to provide notice of award for above referenced Request For Quotations (RFQ) for Appraisal Services supporting Resolution Copper Land Exchange.

Please indicate your acceptance of the total award by affixing your name and signature below, indicating your acceptance of the award for line item 1 fo[redacted]nd returning a copy to the Contracting Officer:

Printed Name and Authority: Barry Weissenborn, owner

Signature and Date: [signature] May 26, 2020

Contract No. 12837120C0041 has been assigned for the Appraisal Services. Please reference the contract number on all correspondence related to this project. The terms and conditions of the project are attached.

Payment will be made by Electronic Funds Transfer (EFT) through the Invoice Processing Platform (www.ipp.gov). Please send a copy of the invoice entered into IPP to the Contracting Officer's Representative (COR).

All work performed under this contract shall be subject to the wage determinations included in the solicitation. It is imperative that you comply with the proper wage act covering the work of this contract. The wage determination was provided in the solicitation package.

This project requires that you maintain liability insurance protection, workmen's compensation coverage, and all licenses and permits, in compliance with the laws of the State of Arizona or as required by Federal Law. Please provide a current Insurance Certificate, in compliance with the laws of the State of Arizona, to the Contracting Officer.

Delegation of authority for the Contracting Officer's Representative (COR) has been made to David R. McInnis. Mr. McInnis may be reached at (505) 842-3379 or by email: david.mcinnis@usda.gov .

If you have any questions, please contact the undersigned by email at warren.abbott@usda.gov or by phone (928) 333-6344.

Sincerely,

WARREN ABBOTT
Contracting Officer

cc: File
David McInnis