



March 18, 2016

Mr. Kerwin Dewberry
Coronado National Forest
U. S. Forest Service
300 West Congress
Tucson, AZ 85701

Re: Clarification of Conservation Property Commitments

Dear Mr. Dewberry:

Rosemont Copper Company (Rosemont) understands that questions have arisen regarding our commitment with respect to the conservation parcels described in our prior correspondence with the Coronado National Forest. This concern was recently raised by an employee of the Corps of Engineers (Corps). Apparently, this individual questioned whether Rosemont is committed to conserve the properties, regardless of her agency's decision to allow the use of the properties for mitigation purposes under the Corps' Section 404 regulations. I am writing you to ensure that no confusion exists.

Rosemont has heard those concerns before and has responded to them. As we explained previously, Rosemont's commitment to implement our identified conservation mitigation measures—which are part of the proposed action for NEPA and Section 7 consultation purposes—is not dependent on whether the Corps regards them as appropriate mitigation. As you are aware, the standards for mitigation under the Corps' regulations are intended to address impacts to waters of the United States caused by the discharge of dredged or fill material. Rosemont has committed to implement additional conservation measures to reduce and offset project impacts that in no way depend on what the Corps may decide. All of these commitments are of course contingent on issuance of the Record of Decision and approval of the Mine Plan of Operation.

We understand that you have also received comments from the same Corps employee to the effect that if a particular property may provide other conservation benefits, it will not be eligible for consideration as mitigation under the Corps' regulations. We strongly disagree with this premise. The mitigation proposed in our Habitat Mitigation and Monitoring Plan (HMMP) is part of the proposed action for NEPA and Section 7 consultation purposes. To the extent that the mitigation proposed in our HMMP provides other conservation benefits (e.g., habitat for fish or wildlife), it would be improper to ignore those benefits simply because the mitigation will be implemented to comply with the Corps' regulations.

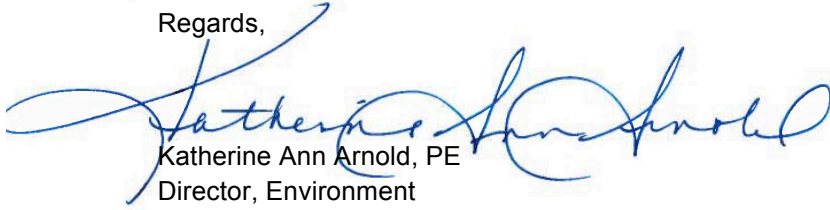
The foregoing notwithstanding, we have been reluctant to place any restrictions on our properties outside of the Corps' process to ensure we receive full and appropriate credit for the necessary Section 404 mitigation. Unfortunately, the Corps has not indicated which properties will be utilized for mitigation credit under their program. Rosemont wishes to make it clear that once we have the necessary MPO and 404 approvals in hand, we will record appropriate conservation easements to ensure the protection of

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resources and future conservation value of these properties, regardless of whether a particular parcel is accepted as mitigation by the Corps.

Please let me know if you require additional information.

Regards,



Katherine Ann Arnold, PE
Director, Environment

cc: Ms. Mindy Vogel, Forest Service
Mr. Steve Spangle, USFWS
Ms. Jean Calhoun, USFWS
Mr. Chris Garrett, SWCA

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