

Kennecott Utah Copper LLC

Bingham Canyon Mine

Annual Presentation to Board of Oil, Gas and Mining

February 24, 2016



Agenda

- Purpose of the Presentation
- 2015 Reclamation Related Activities
- 2015 Performance vs Contract Obligation
- 2016 Tentative Plan

Purpose of Presentation – 1978 Reclamation Contract

agree as follows:

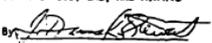
1. The Operator promises to reclaim the land affected in accordance with its Mining and Reclamation Plan which was approved by the Board on February 22, 1978, the Mined Land Reclamation Act, and the rules and regulations adopted in accordance therewith.
2. The Board, in lieu of accepting the posting of a bond or other surety, accepts the personal guarantee of the Operator to reclaim the land affected in accordance with its approved reclamation plan.
3. The Board and Operator both agree that the Operator will be obligated to expend a minimum average, excluding salaries, but not operating wages, of \$50,000 - 1978 dollars per year for each three (3) year period, in maintaining a program of experimentation and in the application of the best available technology toward rehabilitation of land associated with or affected by mining or processing operations.
4. The Board and Operator further agree that the annual expenditure as set forth in paragraph three (3) above, unless waived by the Board, will continue until mining as described in the notice of intention is permanently terminated, and that said annual expenditure will not constitute the fulfillment of the obligations of the Operator as to mined land reclamation. The Operator further agrees to waive the requirements for the fixed sum as surety as required in Section 40-B-14 (b), U.C.A., 1953.
5. The Operator agrees to provide to the Board and Division annually, a detailed report of reclamation work performed during the preceding year, including a cost accounting for said reclamation work in 1978 dollars.
6. The Operator further agrees to work jointly with the Division in establishing annual reclamation plans for each forthcoming year. Said plan will be subject to the review of the Board. Consideration will be given to the annual report of the previous year in establishing such plans.
7. The Operator agrees to designate a responsible individual who is involved in the Operator's on-going reclamation efforts, who will serve as liaison to the Division.
8. This contract shall be binding on all successors and assigns, to the Operator.

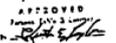
IN WITNESS WHEREOF, the parties of the first and second parts, here to have respectively set their hands and seals this 25 day of Sept 19 78

ATTEST:

 Assistant Secretary

KENNECOTT COPPER CORPORATION
 By: 
 Its President
 Its Mined-Land Reclamation Division

BOARD OF OIL, GAS, AND MINING
 By: 
 Chairman

APPROVED


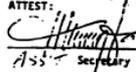
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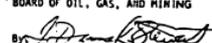
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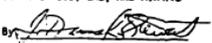
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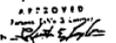
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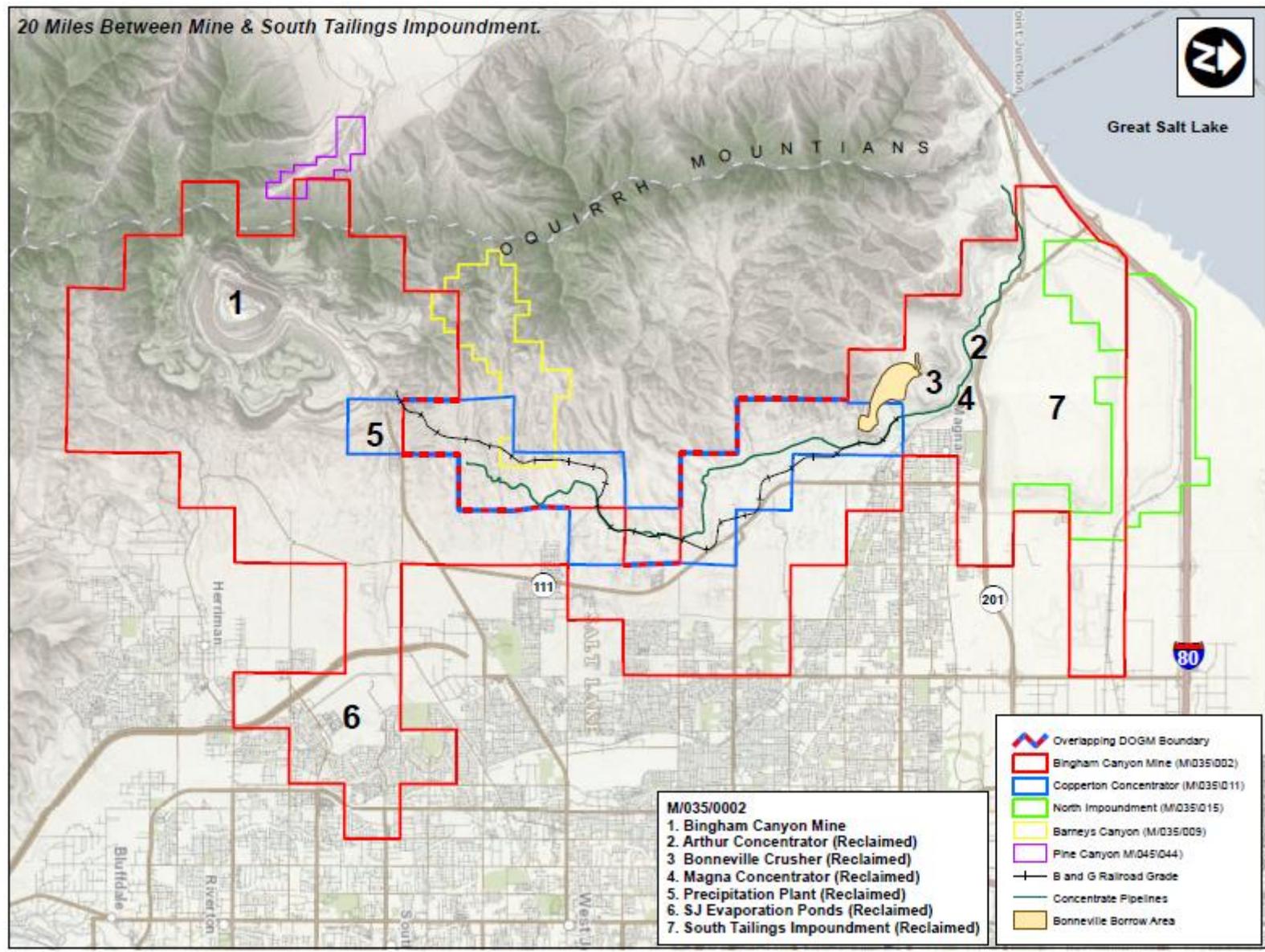
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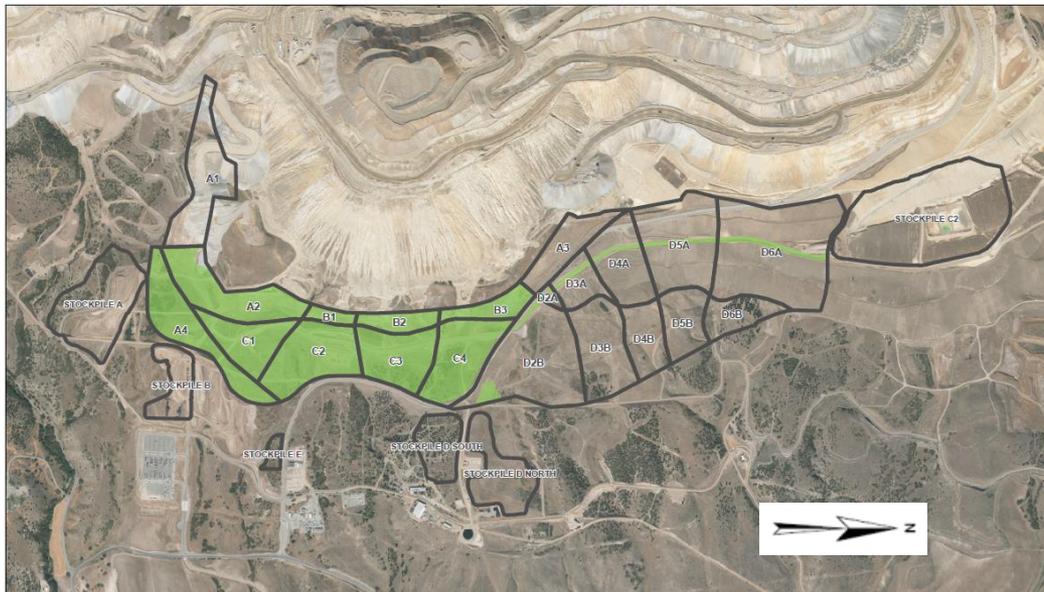
Summary of Significant Activities - 2015

Soil Salvage - East Waste Rock Project	<ul style="list-style-type: none"> • 400 acres of soil salvage • 4,801,672 CY of soil stockpiled
Storm Water - East Waste Rock Project	<ul style="list-style-type: none"> • Performed cut-off wall relocation, storm water basin construction, toe-ditch construction, pipeline installation.
Construction of Relaxed Face - East Waste Rock Project	<ul style="list-style-type: none"> • Began construction of the lower benches of the relaxed slope. • Placed approximately 33.6M tons of material
Construction of Relaxed Shelf - South Waste Rock Project	<ul style="list-style-type: none"> • Began construction of the lower benches of the relaxed slope. • Placed approximately 10.2M tons of material



Soil Salvage – East Waste Rock Project

- 1) ~ 460 acres of disturbance
- 2) Stockpiled ~ 4.8 Million CY of growth media
- 3) Placed temporary seed mix for weed control



Soil Salvage – East Waste Rock Project



Soil Salvage – East Waste Rock Project

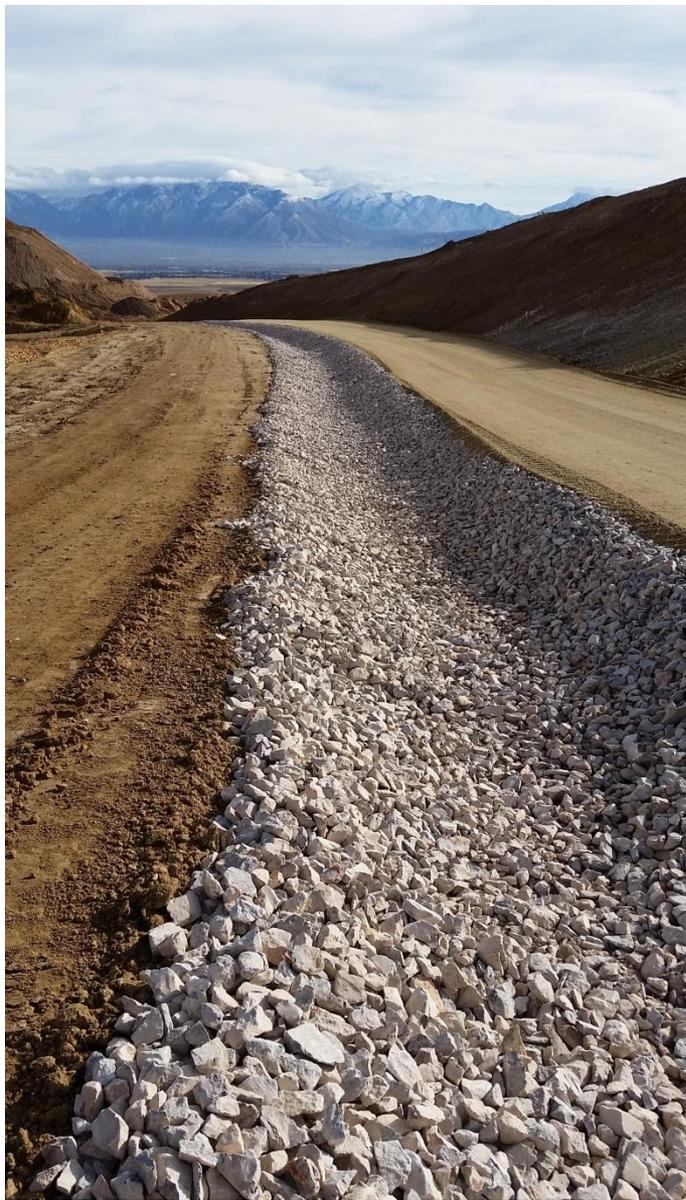


Storm Water – East Waste Rock Project

- 1) Toe-drain construction
- 2) Storm water basin construction
- 3) Cut-off wall relocation
- 4) Pipeline installation

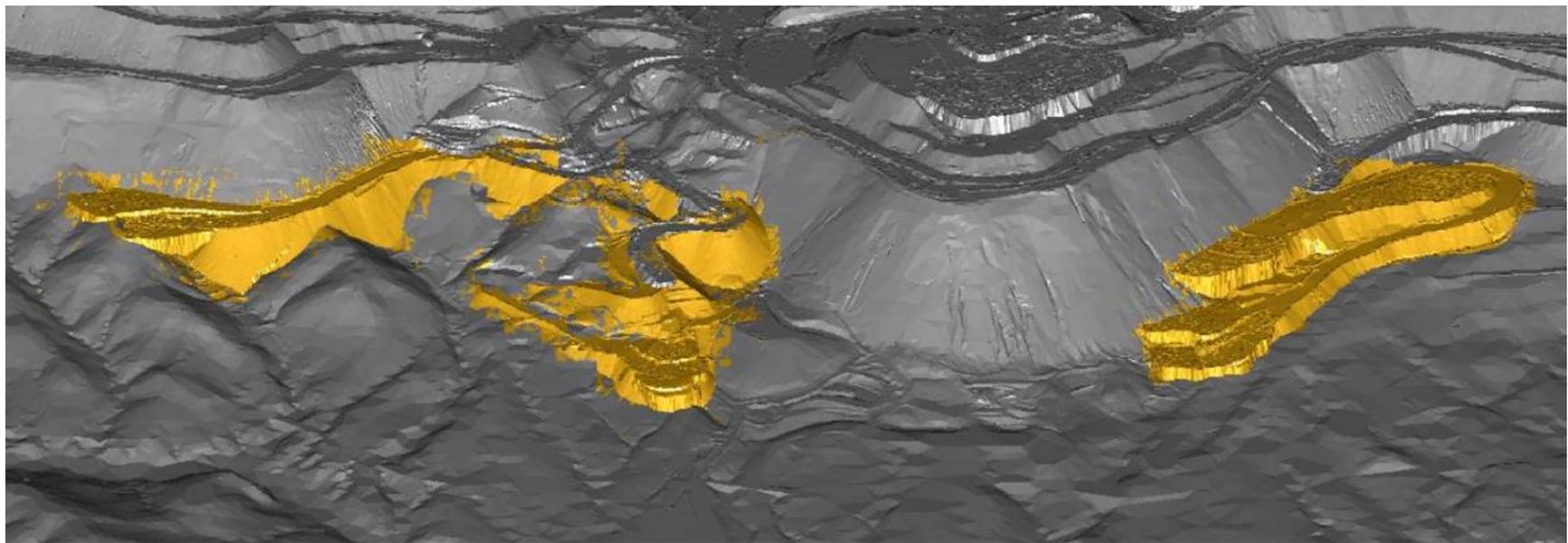


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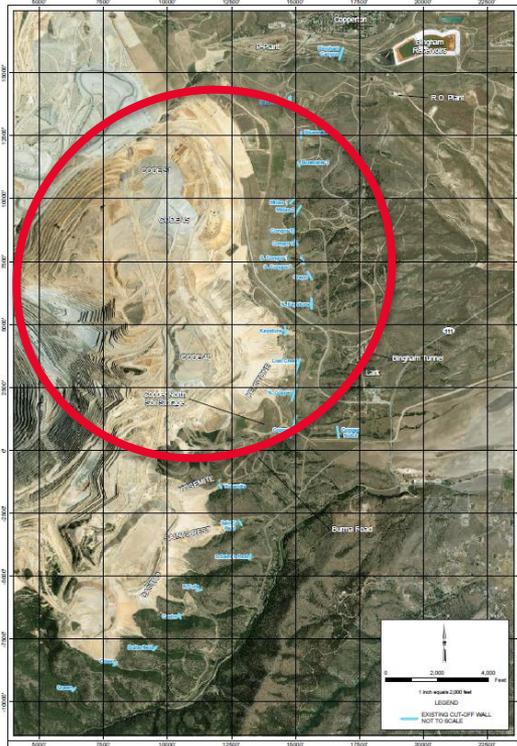


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Construction of Relaxed Face – EWR and SWR Projects

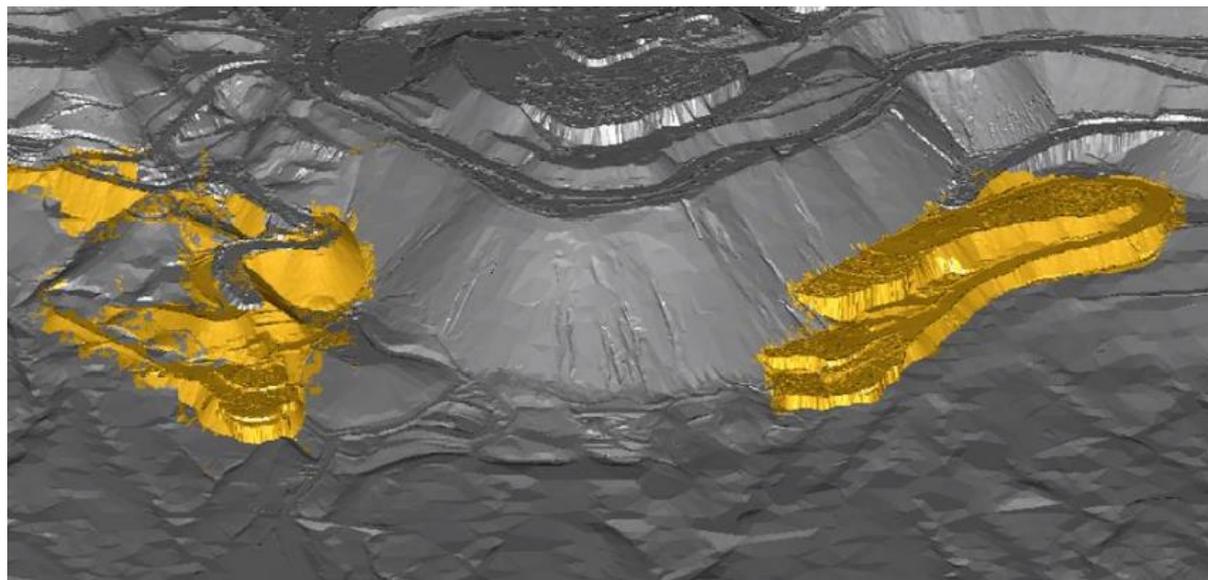


East Waste Rock Project Location

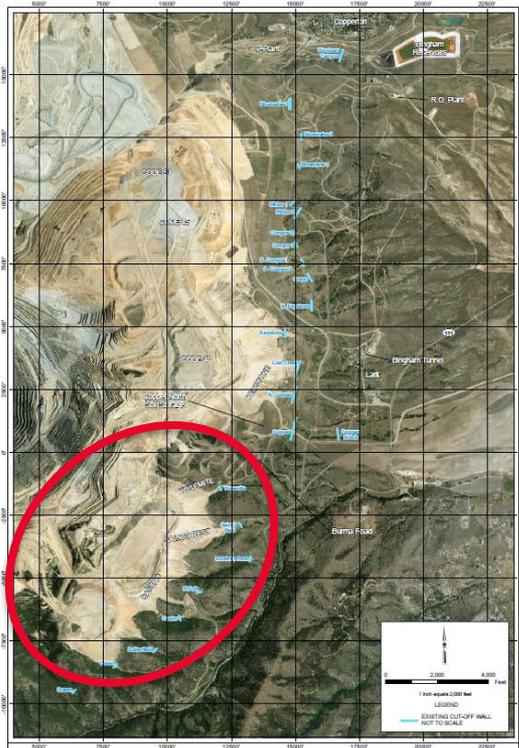


Construction of Relaxed Face – East Waste Rock Project

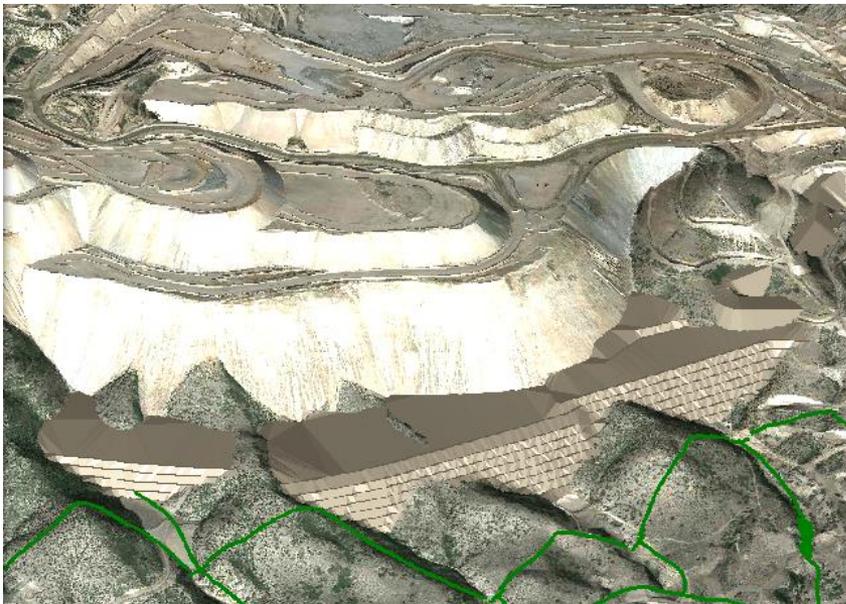
- 1) Construct a relaxed face
- 2) Place material in front of existing waste rock
- 3) Began construction of the lower benches of the relaxed slope
- 4) Placed approximately 33.6M tons of material



South End Dumps Location



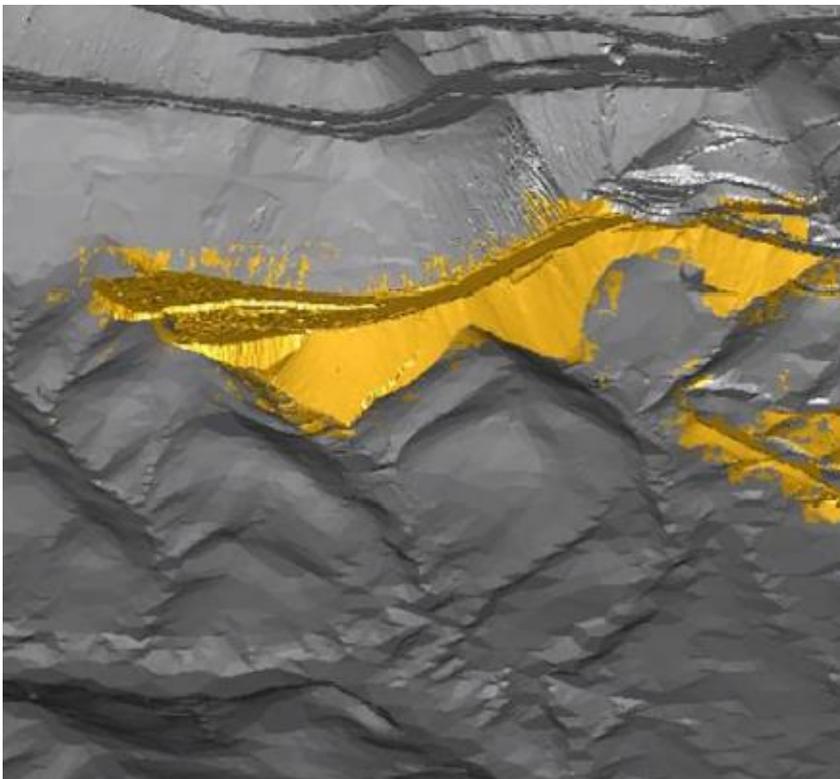
Enhancement of South Dump Storm Water Controls



- Top Soil Salvage (2014 -16)
- Place a bench of material across the face of the first four drainages (2015-16)
- Permanent storm water control in first four basins (2014 -15)
- Additional stormwater control on the new bench (2015 -16)
- Relax bench face to 2.5H:1V (2016-17)
- Place vegetated soil cover on bench face (2017)

Construction of Shelf – South Waste Rock Project

- 1) Construct a shelf with a relaxed face
- 2) Place material in front of existing waste rock
- 3) Began construction of the lower benches of the relaxed slope
- 4) Placed approximately 10.2M tons of material



Expenditures 2015

BAT and Experimentation ¹	\$ 26,910,974
Demolition	\$ 0
Total (2015)	\$ 26,910,974
Total ^{2,3} (1978)	\$ 7,402,825

¹Mine BAT includes reclamation expenditures for equipment rental, maintenance and operation, seed/seedling, fertilizer/mulch/limestone application and purchase, and demolition contractors. Mine BAT does not include operating salaries or experimental costs associated with waste rock segregation or the ARD technologies.

²Expend a minimum average, of **\$50,000 in \$US 1978 dollars per year** for each three year period, in maintaining a program of experimentation and in the application of BAT toward rehabilitation of land.

³Consumer Price Index (CPI) Inflation Calculator (Bureau of Labor Statistics)

KUC anticipates the following 2016 activities:

- Salvage of additional growth media from base of South Dumps
- Construction of additional storm water controls at South Dumps
- Construction of shelf at the base of the South Dumps
- Salvage of additional growth media from base of East Dumps
- Construction of additional storm water control at East Dumps
- Placement of relaxed waste rock along face of East Dumps
- Additional BAT and/or experimental projects as warranted and as funding allows

Questions?