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March 4, 2014

Colonel Kimberly M. Colloton, PMP
U.S. Army Corps of Engineers
915 Wilshire Blvd.
Los Angeles, CA 90017

Dear Colonel Colloton:

Thank you for your February 28, 2014 letter in which you reaffirmed the Corps' commitment to make a timely decision on Rosemont Copper's application for a 404 permit in conjunction with its plans to develop an open pit copper mine in Pima County, Arizona. We are preparing, and will submit, the comprehensive mitigation plan you requested no later than April 1, 2014.

Thank you also for your visit, along with several members of your staff, to the proposed mine site on January 29, 2014. It was indicative of the seriousness and professionalism with which the Corps approaches its important responsibility of administering the 404 program. We also appreciate the efforts of Ms. Marjorie Blaine, Senior Regulatory Project Manager, who has diligently worked to assist us for over two years.

We appreciate the comments regarding the potential of mitigation credits available for purchase from the Pima County Regional Flood Control District/ Tucson Audobon Society ILF Project. We will pursue the possibility of purchasing those credits should they become available, however, we are not confident in respect to that availability and have moved on with a permittee responsible approach that we suggest is more viable.

In your letter, you noted that the Corps "has suggested other potential mitigation opportunities for Rosemont to investigate." So there is no misunderstanding, we note that we are only aware of two such suggestions—the Pantano Dam ILF and adjustments to Sonoita Creek Ranch project--, both of which we have vigorously pursued. If the Corps has other suggestions about potential mitigation opportunities, we would welcome hearing about them.

Finally, your letter states that Rosemont's mitigation proposals to date have "unfortunately" included "more acres of upland and riparian preservation, with some enhancement, than acres of actual restoration/enhancement of WUS." For the record, we respectfully disagree with that characterization of our mitigation proposals, and to the extent that it may be based on a misunderstanding of the proposals, we will continue working closely with Ms. Blaine and other Corps staff to provide the necessary clarification. In addition, we want to assure you that we

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are fully aware of the need to provide adequate "restoration/enhancement of WUS" in our mitigation plan.

To complete the final work for the mitigation efforts we have assigned a team of internal and external experts. Timely input from the Corp is critical in the final process and I would ask the Corps assign additional staff who could be dedicated to reviewing and returning comments in a timely manner.

Sincerely,

Rod Pace
President/CEO
Rosemont Copper Company

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