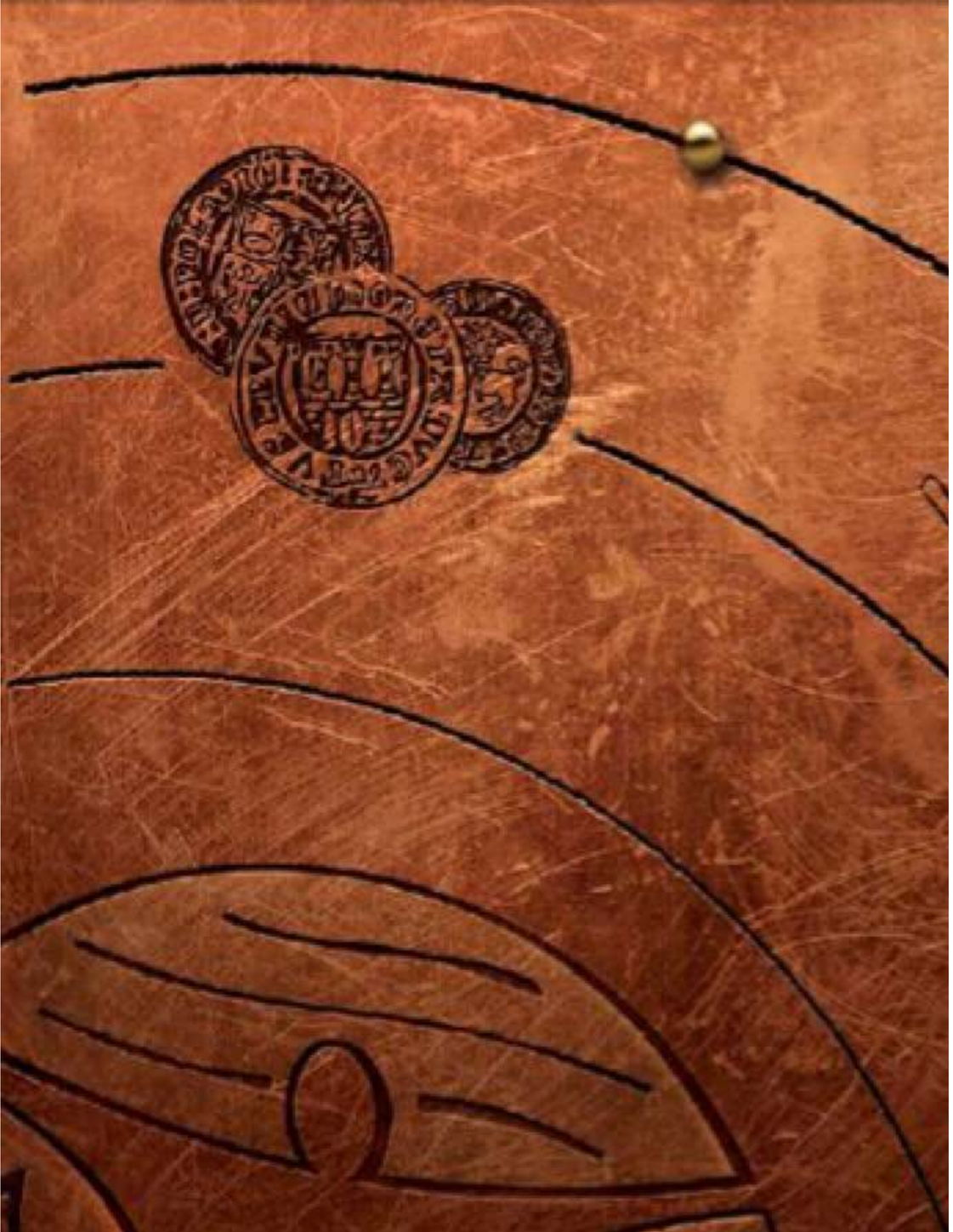
# *Appendix 4.7-H*

*Small Group Sessions*



# KGHM

INTERNATIONAL

AJAX PROJECT

# Ajax:

# A Conversation Led by Science and Informed by Fact

**OUR PHILOSOPHY** Driven by Science

**OUR HISTORY** Grounded in Mining

**PRESENT DAY** 21st Century Technology and Techniques

**OUR LOCATION** Setting the Highest Standard

**THE OPPORTUNITY** A Vibrant Contribution to Kamloops

# OUR PHILOSOPHY:

# Driven by Science

KGHM invests where there is a defined process that is fair and science based

# OUR PHILOSOPHY:

# Driven by Science


# OUR PHILOSOPHY:
# We hire locally

# HISTORY:
# Kamloops' History is Grounded in Mining

1858

1896

1906 – 1967


1973

1997

2004

# HISTORY:
# Kamloops' History is Grounded in Mining


1858 – Fraser Canyon Gold Rush


**1858** 1896 1906 – 1967 1973 1997 2004

# HISTORY:
# Kamloops' History is Grounded in Mining

1896 – Iron Mask Area

1858

1896

1906 – 1967

1973

1997

2004

# HISTORY

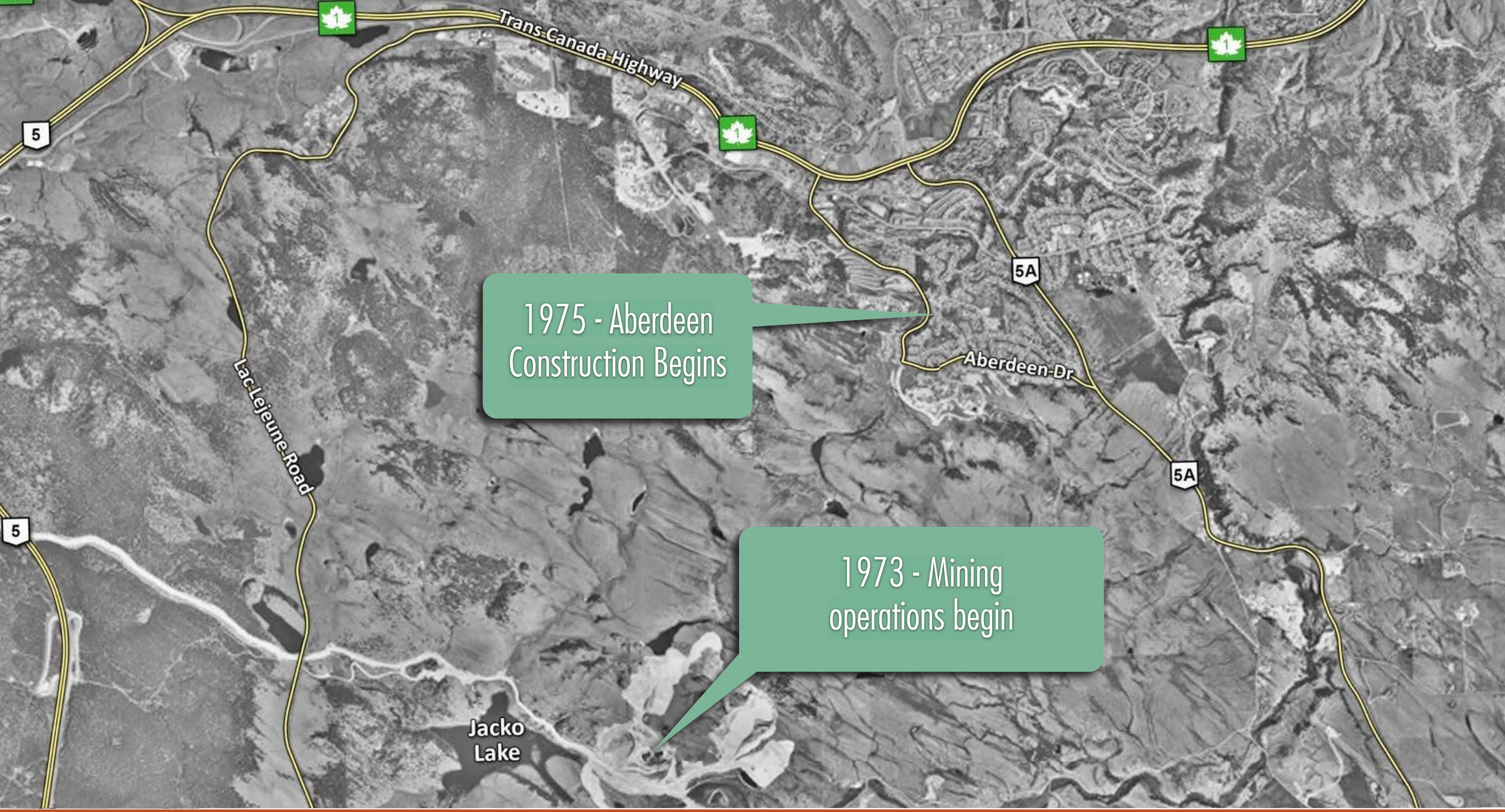
## Kamlo

## Ground

1975 - Aberdeen Construction Begins

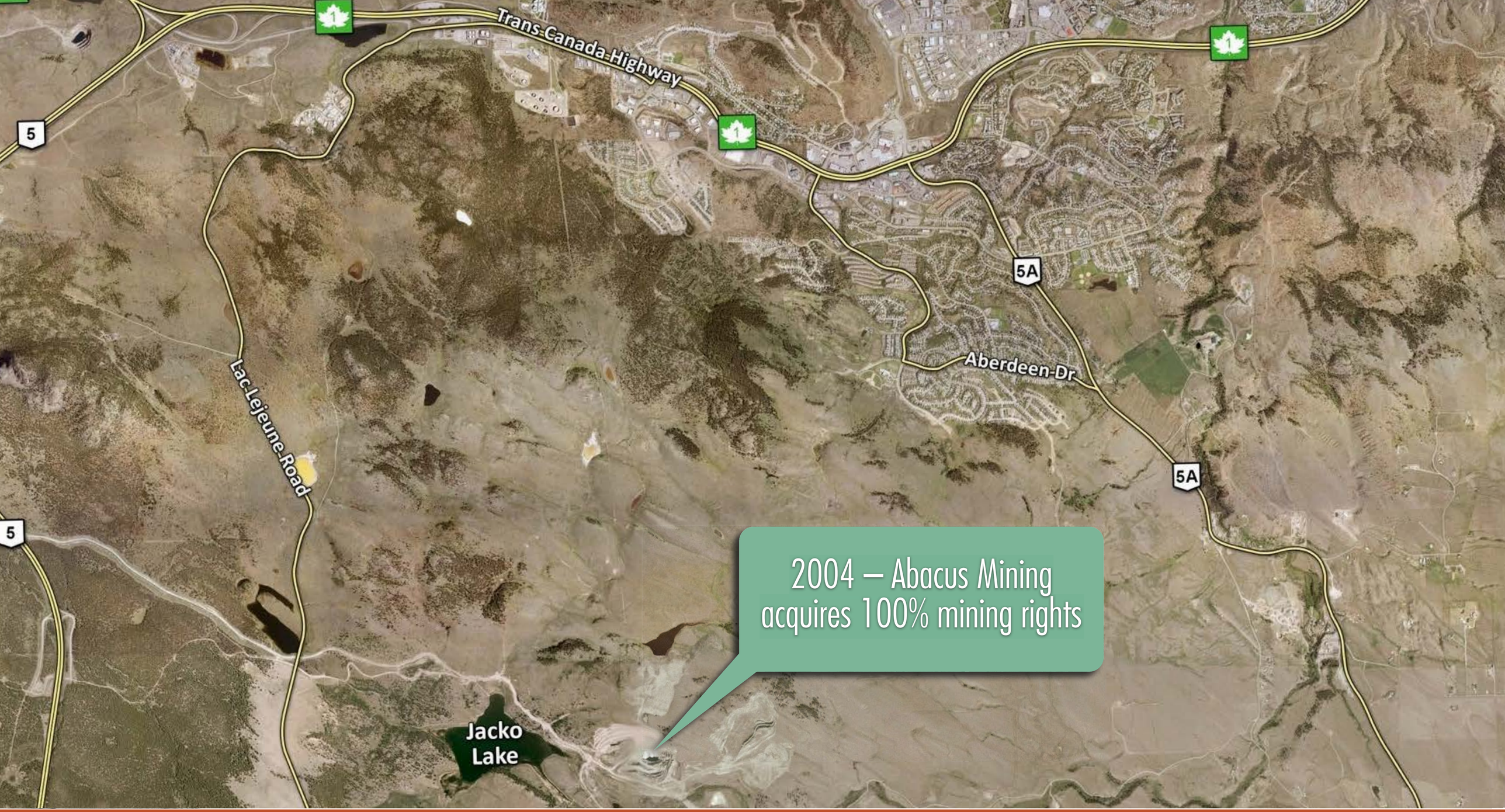
1973 - Mining operations begin

1858 | 1896 | 1906 – 1967 | 1973 | 1997 | 2004

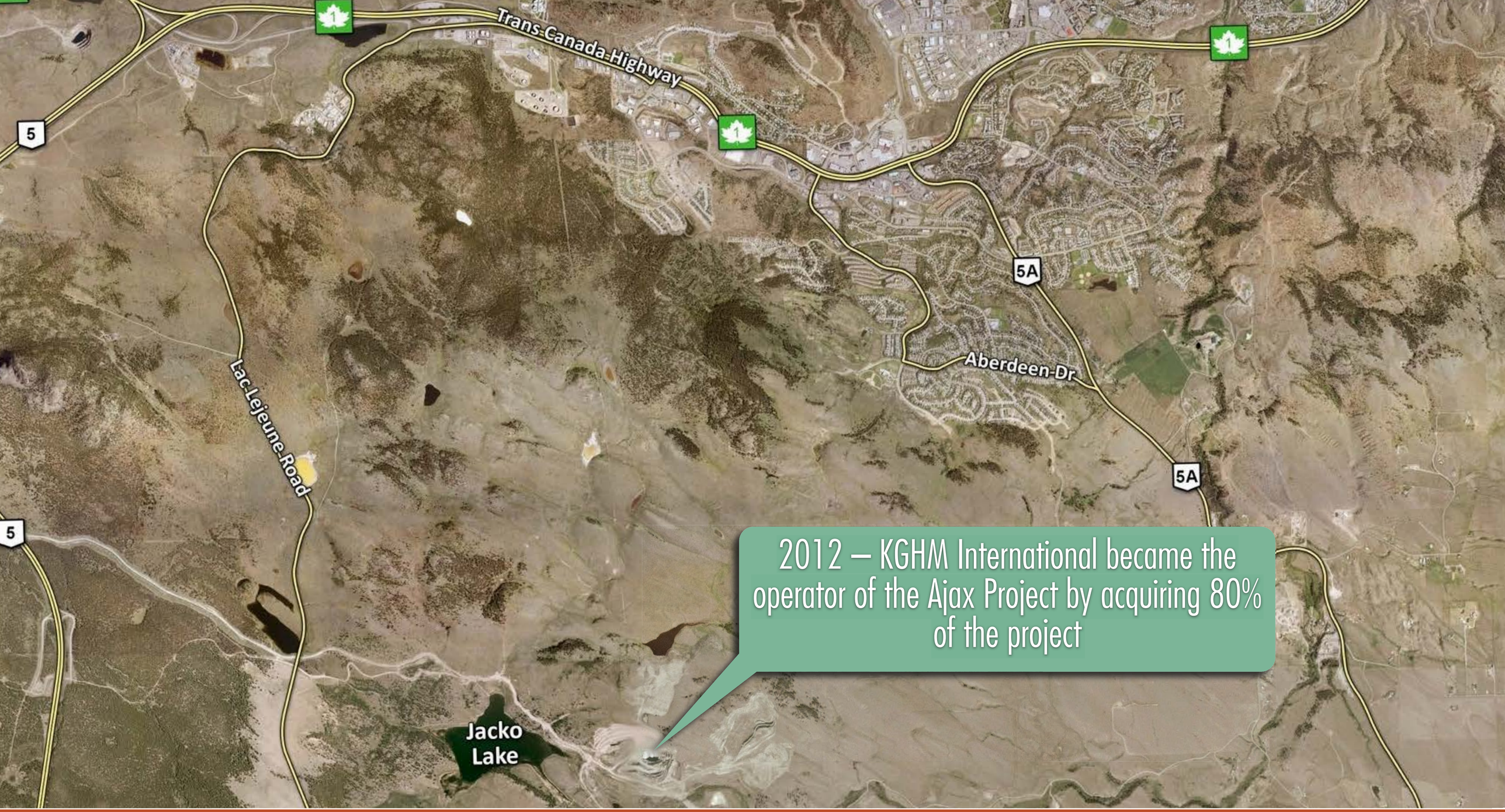



1858 | 1896 | 1906 – 1967 | 1973 | 1997 | 2004


1858 | 1896 | 1906 – 1967 | 1973 | 1997 | 2004




1858 | 1896 | 1906 – 1967 | 1973 | 1997 | 2004



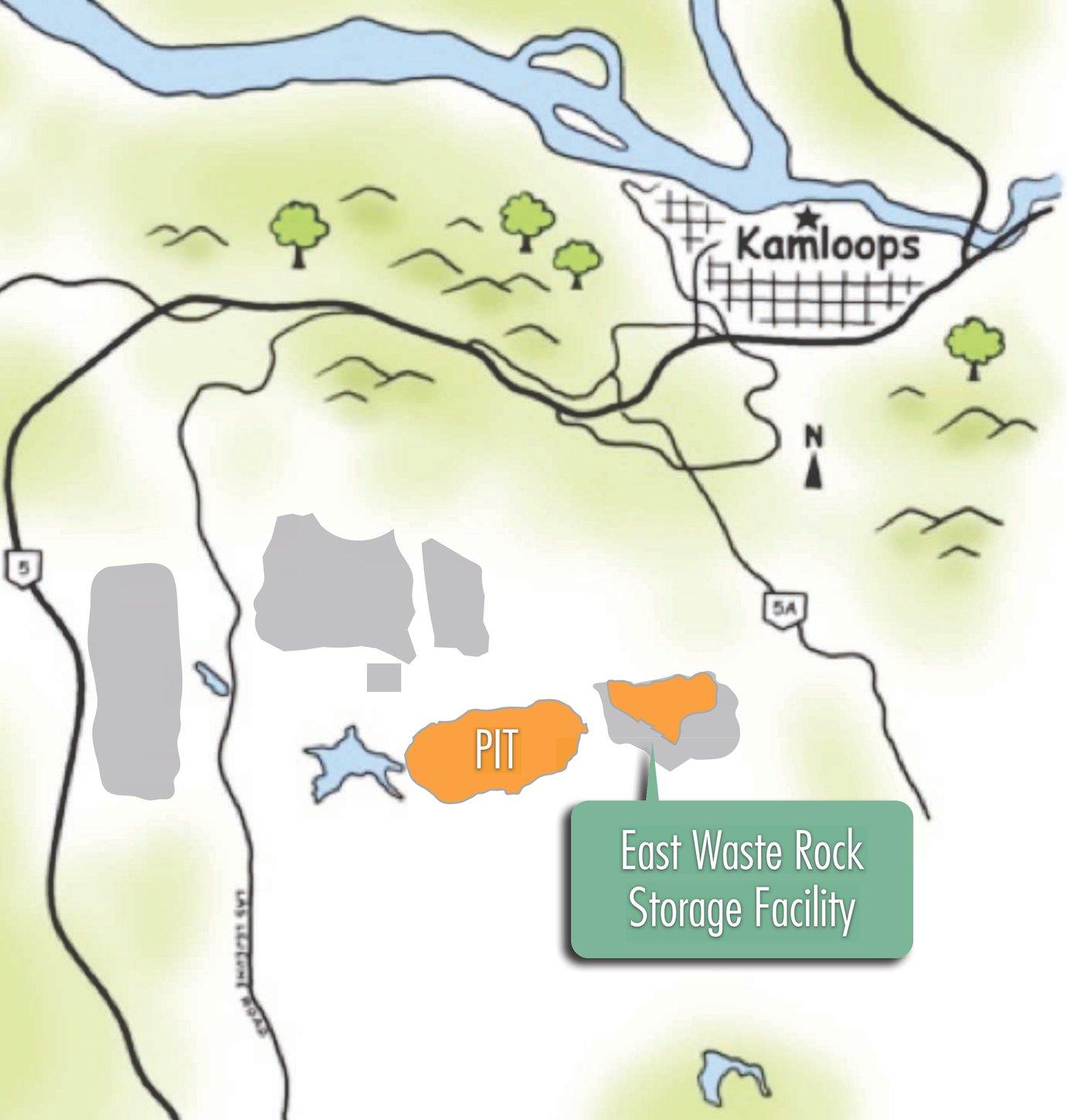

1896 | 1906 – 1967 | 1973 | 1997 | 2004 | 2012


2014 – The mine today

# OUR NEW PLAN:
# "We Listened"

In May, we announced a new Ajax Project General Arrangement that addresses many of the community's concerns


# OUR LOCATION:
# Relocating Facilities Away from Kamloops




# OUR LOCATION:
# Relocating Facilities Away from Kamloops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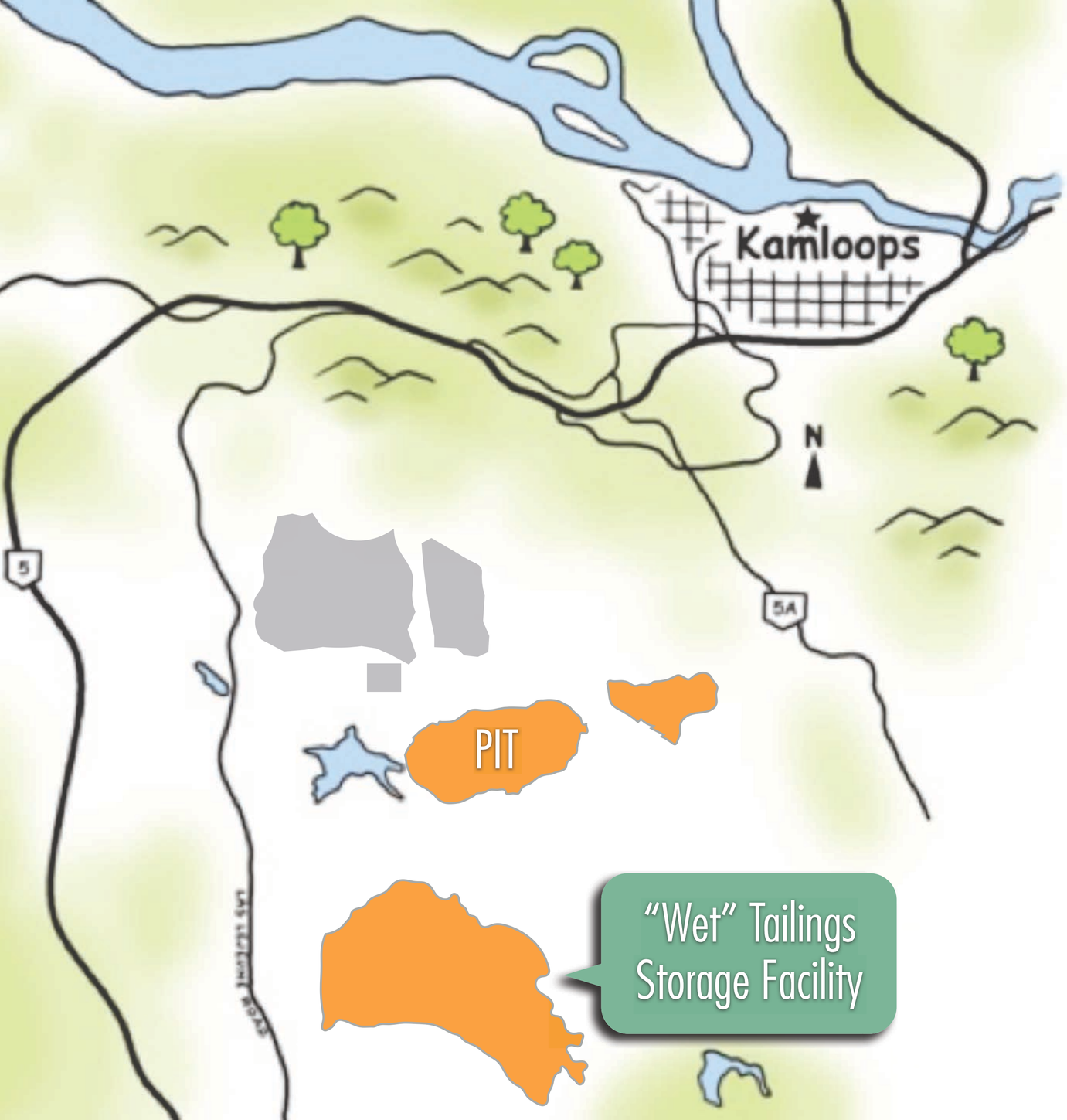


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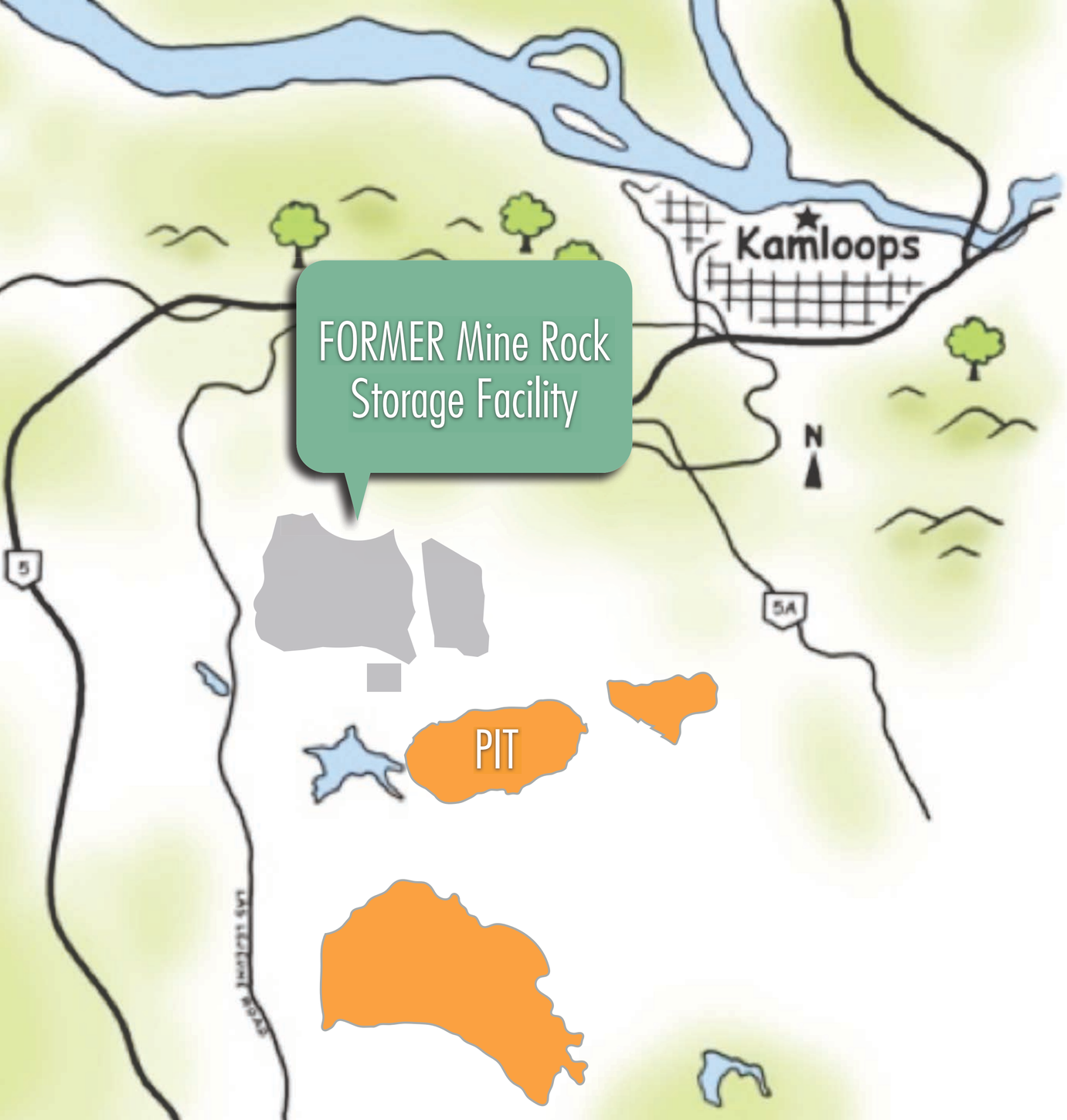
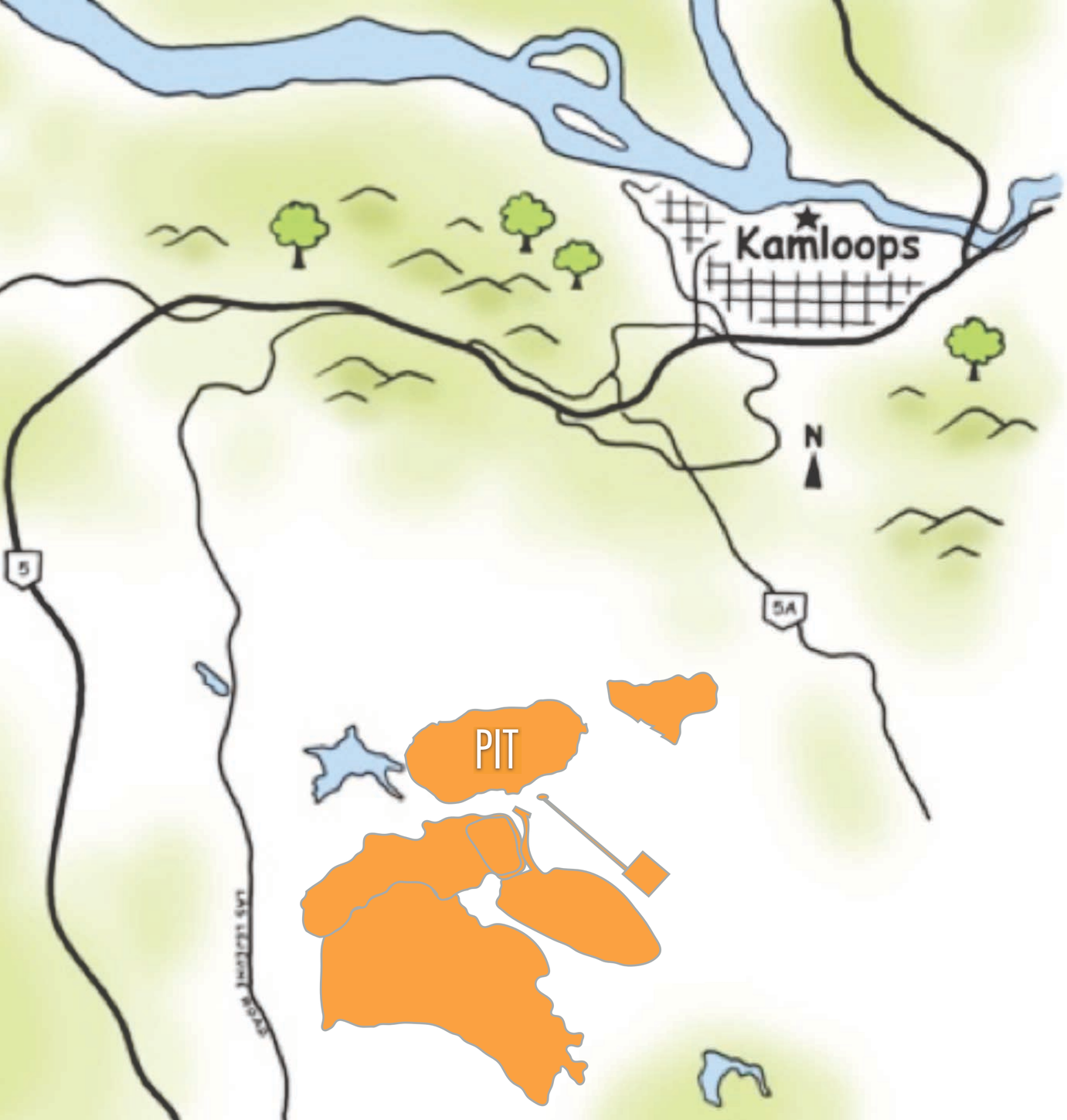
# Relocating Facilities Away from Kamloops




# OUR LOCATION:
# Relocating Facilities Away from Kamloops


## OUR LOCATION:

# Relocating Facilities Away from Kamloops

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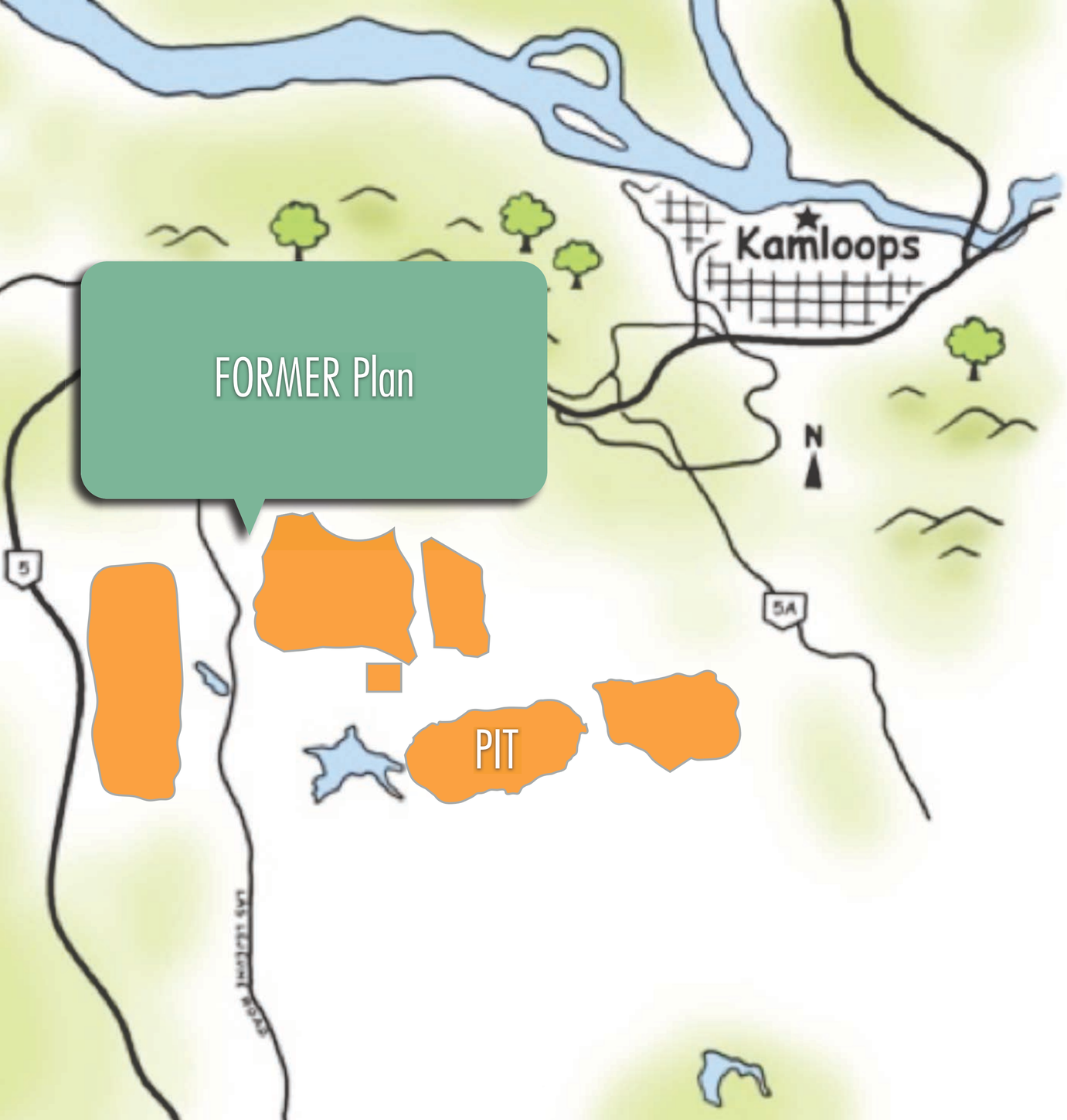
# Relocating Facilities Away from Kamloops




# OUR LOCATION:
# Relocating Facilities Away from Kamloops


# OUR LOCATION:
# Relocating Facilities Away from Kamloops

## PRESENT DAY :

# With 21st-Century Technology Ajax Will Redefine Mining

### APPLYING ENVIRONMENTAL SCIENCE

Mine planning is driven by environmental study, with engineers and environmental scientists working hand in hand.

## PRESENT DAY :

# With 21st-Century Technology Ajax Will Redefine Mining

### PLANNING FOR CLOSURE

Today, mines are planned from the start so they can be safely and sensitively closed.

## PRESENT DAY :

# With 21st-Century Technology Ajax Will Redefine Mining

### RECLAMATION

Reclamation starts right away, with full bonding in place so that funds are always available.

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Reclamation starts right away, with full bonding in place so that funds are always available.

## PRESENT DAY :

# With 21st-Century Technology Ajax Will Redefine Mining

### ENSURING COMPLIANCE

Rigorous standards are continually upheld and enforced by regulatory agencies.

## PRESENT DAY :

# With 21st-Century Technology Ajax Will Redefine Mining

### LOCATING FACILITIES

Modern mines carefully place facilities to reduce impacts, not just achieve operational efficiency.

# Blasts 1,000 Times Smaller Than What Could Cause Damage

Amount of explosive required to cause damage to drywall

# Blasts 1,000 Times Smaller Than What Could Cause Damage

Amount of explosive required to cause damage to drywall

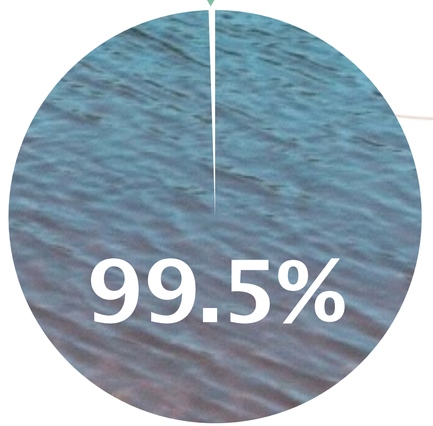
Maximum amount of explosive at Ajax

SOURCE: FRANK CHIAPPETTA, BSc., MSc., BLASTING ANALYSIS INTERNATIONAL

# Modern Dust Suppression to Protect Air Quality

# Maximized Water Recycling and Zero Discharge

During operation Ajax will use less than 0.5% of Kamloops Lake water during its lowest flows



# A Comprehensive Process Will Leave No Stone Unturned






# THE OPPORTUNITY:
# A Vibrant Contribution to Kamloops

Mining has always been a workhorse of the Kamloops economy

## THE OPPORTUNITY:

# A Vibrant Contribution to Kamloops

Every mining job creates or supports two to three indirect jobs

# 500 GOOD-PAYING JOBS

*Accountant*
*Administrator*
*Assayer*
*Auto Mechanic*
*Bit Grinder*
*Blaster*
*Boilermaker*
*Bucker/Core Splitter*
*Business Analyst*
*Buyer*
*Cable Bolter*
*Cableman*
*Cage Tender*
*Carpenter*
*Chemical Technician*
*Chemist*
*Communications and Public Relations Officer*
*Control Room Operator*
*Crusher Operator*
*Cyclone Operator*
*Diamond Driller*
*Dig Operator*
*Dozer / Grader Operator*
*Driller*
*Electrical Engineer*
*Electrician*
*Employee Relations Officer*
*Environmental Engineer*
*Electrical Engineer*
*Electrician*
*Employee Relations Officer*
*Environmental Engineer*
*Environmental Technologist*
*Equipment Operator*
*Fillman*
*Filter Operator*
*Floor Operator*
*Gasfitter*
*Geological Engineer*
*Geologist*
*Geotechnical Engineer*
*Haulage Truck Operator*
*Health and Safety Officer*
*Heat/Vent/ Refrigeration Mechanic*
*Heavy Duty Mechanic*
*Heavy Equipment Operator*
*Hoistman*
*Human Resources Officer*
*Instrumentation Mechanic*
*Janitor*
*Junior Analyst*
*Labourer*
*Lube Journeyman*
*Machinist*
*Marketing Officer*
*Materials Analyst*
*Mechanical Engineer*
*Metallurgical Technician*
*Metallurgical Engineer*
*Mill Operator*
*Mill-Services Utilityman*
*Millwright*
*Mine Manager*
*Mine Systems Specialist*
*Miner*
*Mineral Process Engineer*
*Mining Engineer*
*Mining Technologist*
*Mobile Crane Operator*
*Network Analyst*
*Pebble Crusher Utilityman*
*Personnel Driver*
*Pipefitter*
*Plant Analyst*
*Plumber*
*President, General Manager*
*Pressure Washer*
*Process Engineer*
*Process System Technician*
*Project Engineer*
*Protective Services Officer*
*Pumpman*
*Purchasing Agent*
*Refrigeration Mechanic*
*Rock Mechanic Engineer*
*Safety & Public Affairs Officer*
*Senior Design Draftsman*
*Shaft Man*
*Shovel Operator*
*Steel Fabricator*
*Surveyor*
*Systems Analyst*
*Systems Support Technician*
*Technical Supervisor Engineer*
*Technical Support Analyst*
*Timberman*
*Tire Repairman*
*Tool Crib Attendant*
*Trackman*
*Trammer*
*Utilityman*
*Ventilation Technician*
*Warehouseman*
*Wash Bay Attendant*
*Water / Sewer Treatment Operator*
*Welder*

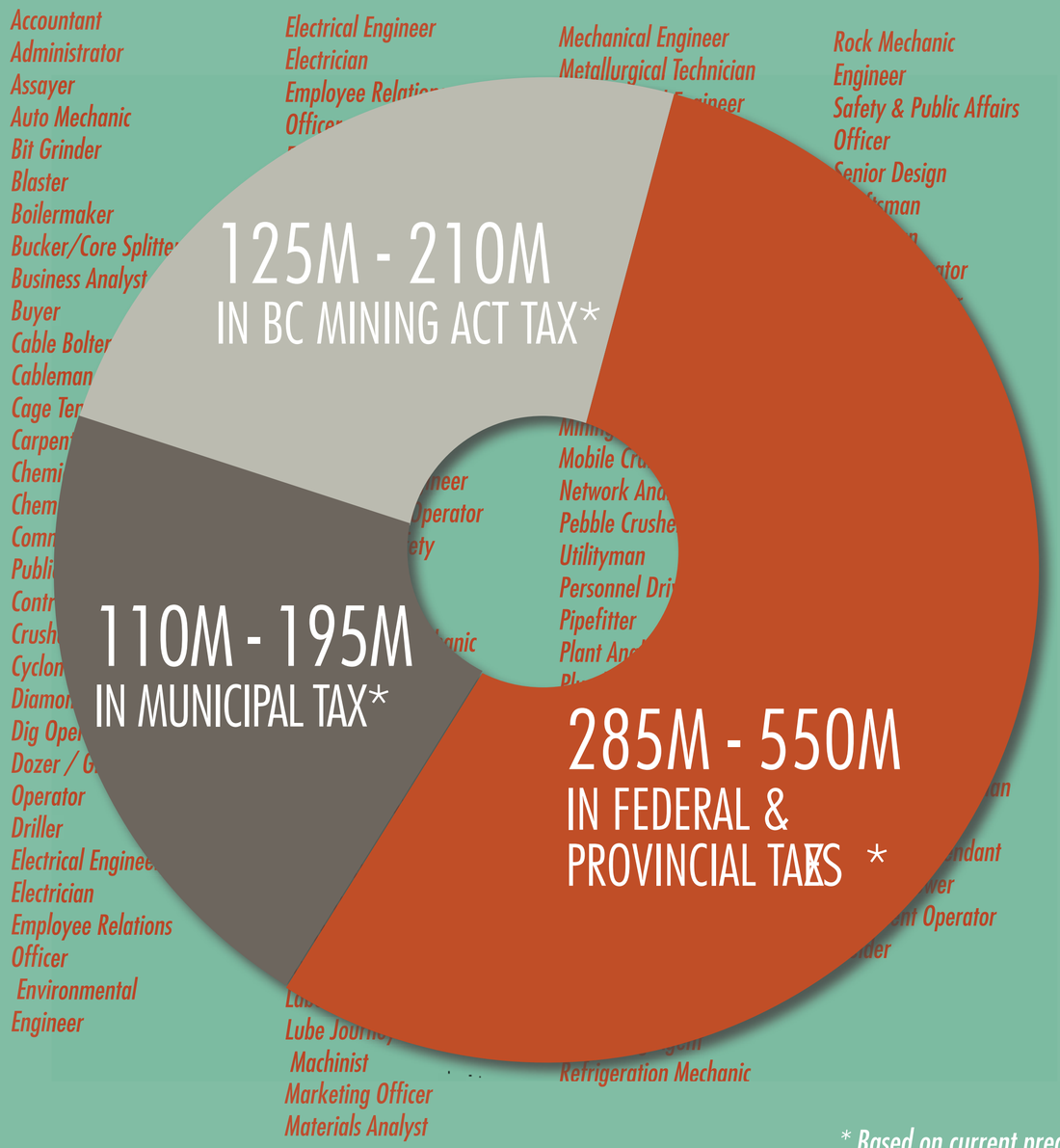
## THE OPPORTUNITY:

# A Vibrant Contribution to Kamloops

Potential for expanded mining education programs

Approximately $60 million annual payroll

# 500 GOOD-PAYING FAMILY JOBS




* Based on current predictions

## THE OPPORTUNITY:

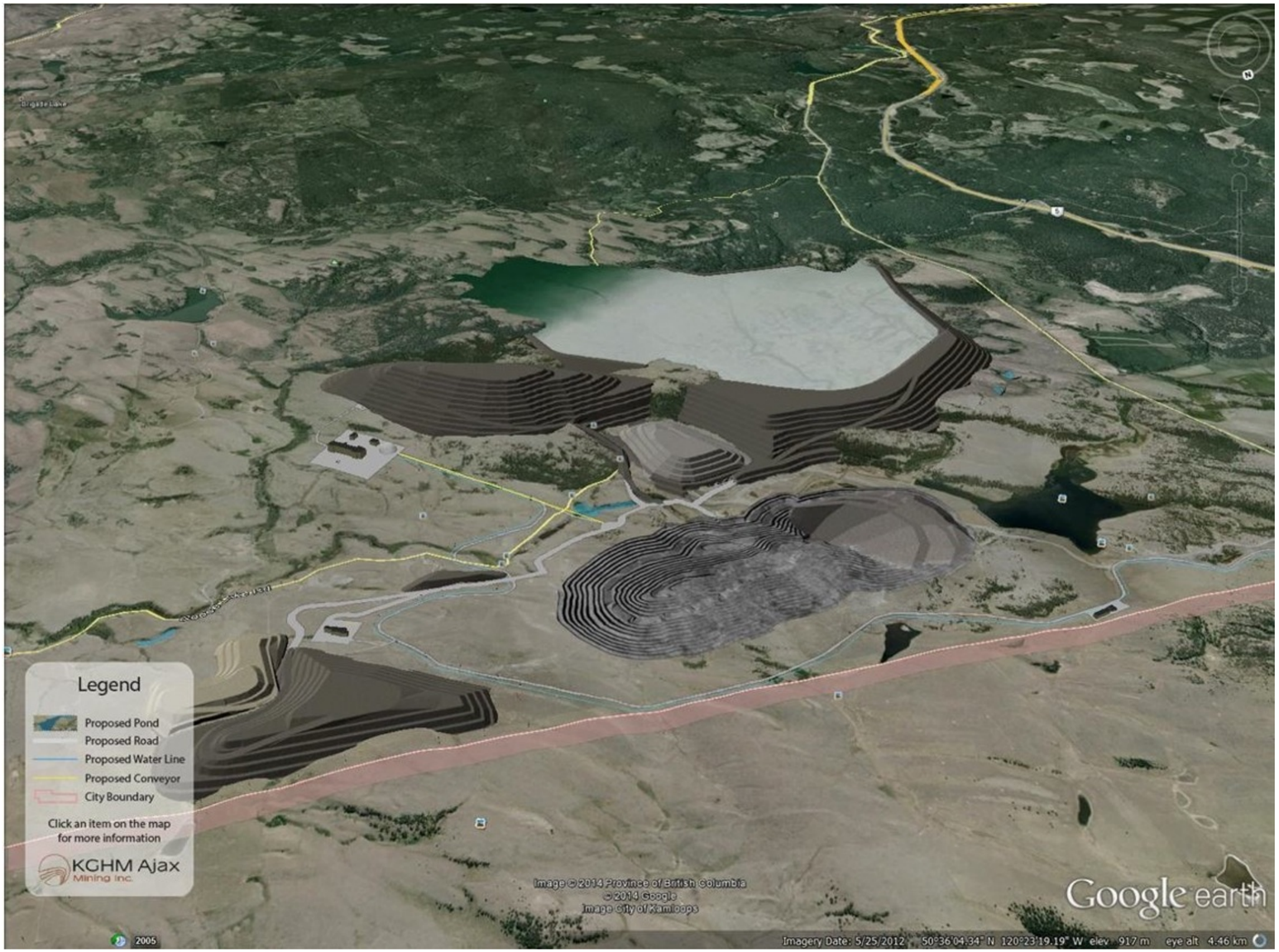
# A Vibrant Contribution to Kamloops

Potential for expanded mining education programs

Approximately $60 million annual payroll

Hundreds of millions in local, provincial and federal royalties and taxes

# 3-D View of Proposed Ajax Project




Questions?

*[Main presentation to group omitted, PDFs of presentation included with this Appendix]*

**Questions following presentation:**

*Audience:* I think you've covered it very well. I've jotted down notes to share with my families.

*Yves Lacasse:* Did you find the information helpful?

*Audience:* Very helpful.

*Yves Lacasse:* Good.

*Audience:* Very, very helpful. So, thank you.

*Yves Lacasse:* No, we thank you for coming. We thank you very much for coming.

*Audience:* Where are the anticipated number of tons per blast that would be moved?

*Yves Lacasse:* Tons per blast? Bill, could you help us with that? Or Nicky? Nicola?

*Bill Matheson:* We're hoping to do one blast per day in February at about 260,000 tons.

*Audience:* How does that compare to the _____ in the 1997 -

*Yves Lacasse:* In the Afton?

*Bill Matheson:* It would definitely be more. I'm not sure what their throughput per day was, but because they were hauling in kilometers and they used a lot smaller trucks, I would suspect that they were probably operating maybe a fifth of that, I would guess, on their big days.

*Yves Lacasse:* I think what's important to Bill's statement right now is that back in those days, and when Afton was in operation, the trucks were much smaller. As Nicola pointed out earlier, most of the dust that's generated is generated through haul trucks. The trucks that we will be using in our operation - Bill, you obviously -

*Bill Matheson:* Right now, we're looking at a 305-ton class metric truck. So it's basically about three and a half times larger than what they used in previous _____. Very big vehicle.

*Audience:* Would those be comparable to the size they're using at Highland Valley?

*Bill Matheson:* I think Highland Valley is using a 240 ton, so they're actually a little bigger. Likely, if we use a 240 ton, we'll need 10 or 12 more trucks, so it makes sense to go a bit smaller because the bigger truck and less traffic, once again.

*Audience:* I don't mean to monopolize, but -

*Yves Lacasse:* No no, please.

*Audience:* What's the anticipated depth of the pit at its maximum, and breadth, and also the same for the tailings ponds and residue?

*Yves Lacasse:* Bill?

*Bill Matheson:* Depth at its maximum will be 500 meters. Width - I know it's over a kilometer and a half wide. From what you saw on the picture, the two existing pits now were quite a bit bigger, mainly to the east. Right now, I think the pit is roughly 200 feet deep, so we're going to end up at five times that depth. It's quite deep.

Tailings facilities are still in a state of flux for design, but they'll hold ultimately around 350,000,000 tons of material. We're hoping to keep the tailings at about 100 meters. Waste dumps, I believe they're going to be around that height, as well. Bit more material. The waste ratio is two and a half times the waste to the ore. There's quite a bit more material in the waste.

As Nicola said, we flatten the slopes up from the bottom up and we start to reclaim it. Another thing besides _____ the environment, we also get rid of the dust by starting to reseed it as we move them up. That helps us maintain the piles. The backsloping starts within the first couple years, and then as soon as we can, we start to seed the slopes on it. We keep building the layers up. So it's a lot less exposed material.

*Yves Lacasse:* With respect to your question about the tailings, I don't know if you recall a moment ago, I talked about we have an opportunity right now to look at the facilities and where they are located. Our team of experts is doing a lot of work right now to have a look at the _____ footprint, what you have likely seen on our website or in the news or maybe at our office. We're looking at all of these facilities right now to see if there's anything that we can do to optimize this project and maybe to place them in locations that are

better suited for the community and also better suited for the project.

*Audience:* Could one of you run through the process? You blast, you haul, you crush. You then reduce the ore to a transportable -

*Yves Lacasse:* I'll let the mining expert or -

*[Crosstalk]*

*Bill Matheson:* Initially we survey and go in and level an area, so we get it set up for a blast. We go in and mark the drill holes. The drill holes are strategically marked and the blast is designed to minimize dust. It's designed to minimize noise. They have timers in the blast. Each hole is set electronically with a different timer. It's also designed to fragment the rock.

The more you can break the rock - you want to get the best value for your blast, as well. But you also time the holes so they're not going off at the same time. So there's maybe 200 holes in the blast. They're likely 15 meters deep and 10-12” diameter. They're packed with explosives and stemming material.

The stemming is what helps prevent the noise of the blow. Basically, if you set a piece of dynamite on the table and try to blast it, all it does is make noise. If you put something on top of it, it makes a hole. It's a way to direct the energy from the blast. At that point in time, a shovel goes in and picks up the material. From the drilling of the blast holes, you determine whether it's ore or it's waste, and they survey where that is.

So they'll come in and they'll put some survey lines on the ground, the shovel will come in and pick the material up, put it in the trucks. The trucks take it to a crusher. The crusher breaks it down to about 6” in the maximum size. It then goes through a series of conveyors into the stockpile which is covered. From there, it goes into another set of crushers, which take it down to about 2” and less.

The Ajax project is going to use high-pressure draining holes, which is a newer machine in mining that's been around for about 10 years. Basically, one fixed roll and a moving roll - basically like an old wringer washer. It basically just, anything goes and gets drawn through there gets crushed. It crushes it very fine. The ore at Ajax is extremely hard. It’s one of the problems that Afton found with it. It's a lot harder than most of the ores around here, so

we need to put a lot more energy. The HPPR is a way to do it without wasting a lot of power.

It goes from there to another mill, a ball mill, which is full of steel balls that basically pounds the ore to - pulverizes it. At that point in time, it's put into a flotation circuit, where they put chemicals into it to help make copper and the gold float. It basically just uses a skimmer that scrapes the bubbles off, and that's where you get your product. So, you take 60,00 tons/day of ore into the mill and you extract about 800 tons or 700 tons of concentrate. Concentrate is about somewhere between 20 and 30 percent copper. In this case, it'll have a small bit of gold and some silver in it.

That concentrate gets dried to about 7 percent moisture, so quite dry. It's put in closed trucks and it'll be hauled off to Vancouver, taken out through the _____ Port and shipped overseas for smelting. The remaining product from the mill, which is tailings, gets pumped into the tailings facility and the water gets extracted from that and put back into process. I think that's the whole gist of the project, if that helps.

*Audience:* Traditionally, and I think they turn it sometimes which is the slag in the tailings ponds?

*Bill Matheson:* Well, the only time you get slag is if you're actually doing the smelting process. The slag is from a burning process. We won't be doing smelting here.

*Audience:* Let's go back to the tailing ponds, if you don't mind, for a minute. That's got obviously some chemicals mixed in with it.

*Bill Matheson:* Uh-huh.

*Audience:* Those chemicals then, over a period of time, could leach out into the groundwater?

*Bill Matheson:* There's many ways to build tailings ponds, and we're still developing how we're going to do ours. The original proposal from the feasibility, which was called the _____, said basically it would be water before it went into the facility. They added a polymer to it to bind it, to help thicken it. The polymer's not glue, but it's something that coagulates and makes stuff stay together. They can break it up, but if you don't get on it and walk on it, it stays together. So it minimizes the dust.

The chemicals that are in the process that they used for floatation are not chemicals that evaporate. They are retained in the water. Mostly come out with the water. The facilities are designed to collect the solutions off the facilities so that the solutions that come off do have residual chemicals in them. The predicted - and Nicola, you can probably help out with this - but the models predict, based on soil conditions, if and how you get any transmission into the soils.

Then there's downstream monitoring we do. As part of our monitoring, we'll have and we're building an arrangement of downstream wells from the facility to see if there's any contaminants coming through. If you get something, you quickly design pumping systems to pump those back into the facility. For example, the old Afton tailings has a seepage dam below it, and then there's ways to pump that solution from there back up in the facility if it's above reasonable limits. If that helps?

*Audience:* What assurances are planned to _____ none of this residue filters into the groundwater?

*Nicola Banton:* As Bill mentioned, we'll know which way the groundwater is flowing underneath there, so we're currently doing some -

*Audience:* It's going to go down into the water table.

*Nicola Banton:* Right. The concept is that when the tailings consolidate, there's very little flow through them. But we do know which way the groundwater is flowing, so we have groundwater monitoring wells downstream of there, where we take periodic samples from. So that if it is flowing through and into the groundwater, we're taking those samples and we know that it's happening. And as Bill mentioned, we would design seepage dams to collect that water as it flows through, and then pump it back over and in. Groundwater does tend to have a specific flow direction, and you're not going to get contaminants seeping way, way down and dispersing way out. It will be monitorable, if that's a word, downstream.

*Audience:* Well, the reason I ask that is as a longtime Kamloops resident aware of the underground mystery of the Aberdeen hillside area, and we personally experienced some flooding in our home. They had a deuce of a time, including Golder and Associates and the city and all kinds of experts trying to determine exactly that pattern of the underground flow, and they never could determine.

*Nicola Banton:* Right. And so, we have been doing drilling - how many years of groundwater work has been authorized?

*Bill Matheson:* They've been monitoring it for the last - since 2004?

*Nicola Banton:* My understand is that Aberdeen is quite a special case in terms of -

*Audience:* Yeah, that's my point.

*Nicola Banton:* The groundwater that you have there. Out by Ajax, things are a little bit different. We will be looking at potential effects on Aberdeen as well, the groundwater. That's part of the work that's being done.

*Bill Matheson:* We have made known to the city they can have any of our data. I think we work with Golder as well, and certainly that whole aquifer in that area is considered very tight. For example, normally in an open pit operation, you drill vertical wells to drain any water that's coming into the pit. You don't want water coming through the wells. It makes the wells weak. So, you go in and de-pressure the aquifer.

The aquifer around — probably Aberdeen but certainly around Ajax — is very tight, so you go in and pump water vertically, you don't get much water. There's water in the ground; you usually find water, but you can't get much out of it. So we're aware of that. They put in horizontal wells to take care of that problem, and they let the water seep into the pit. We channel the water so it's off the roads because we don't want to drive the trucks through the roads.

We'll be obligated to monitor any potential seepage from the project. We have a team of hydrologists to come in and say, "Here's a creek. Here's an area where water runs after it rains," things like that. So they predict where the water is going to go, where it's going to seep, and then they do a perimeter of wells around there.

They're different depths. Some of them will catch different layers of water. If any of those waters start to show contaminants, we'll have to come up with a mitigation for it.

*Yves Lacasse:* I think this gentleman had _____.

*Audience:* My apologies for being late. I may have missed some critical issues, but I have some questions. When it comes to blasting, you're going to do this how often? The plan is once a day?

*Bill Matheson:* Typically, we'd be blasting once a day.

*Audience:* And you said you were able to _____ how much material?

*Bill Matheson:* 360,000 tons of material.

*Audience:* Okay, that means a fair bit of boom, right?

*Bill Matheson:* There'll be some noise, yes.

*Audience:* Seems somebody opened their trap in the paper about the stability that blasting is going to cause to we who reside right here in Aberdeen – you're going to blast every day. My biggest concern is one day, houses are going to start shifting. You can't stop that. It's going to happen. We don't live in the best solid soil up here to begin with.

So, my fear is if we're blasting every day, 10, 15 years down the road, or however long you're going to be, it's going to be a ghost subdivision. Does anybody care to address that issue? We're just talking blasting now.

*Bill Matheson:* Our blasting plan is still being developed. I don't know if you were at our open session here about a month ago. The way we develop our blasting process is we'll start with a small blasts, and we'll have monitors set up between us and the perimeter of Aberdeen in all directions, so we can monitor the effects of the blasting. Right now, it's predicted from the small test blasts they did, and that's typically how you do it on a mine site. Before you _____, you're not allowed to go in there and do full-scale blasting and that kind of stuff. More _____, you wouldn't go in tomorrow and say, "I'm going to go in tomorrow and do a mine design blast at Ajax."

We don't have the science behind us, so we would go in and start with a smaller blast. We set up seismographs at frequency between us and Aberdeen, in this case. Those will be there for the life of the project. Then, we'll monitor the effects of the blast. So if they're not acting as predicted, we're going to have to change our methods.

*Audience:* Okay, now we're going down, rather than out?

*Bill Matheson:* Yeah.

*Audience:* Okay. Down in the good ol' bowels of Mother Earth are some very nasty gases. How are you going to protect, A, your workers from being subjected to lethal gases, let alone us that just happen to breathe this stuff? So, my concern is air quality.

*Bill Matheson:* This far, in the hundreds of holes we've drilled, we think we haven't found any gas.

*Audience:* Are your employees that are discharged with blasting going to be wearing the finest of state-of-the-art uniforms, shall we say? Equipment? So that in the event of something going south, they don't?

*Bill Matheson:* When we blast, we clear the zone for safety, of equipment and then, of people as well. So, the blast zone will be determined specifically 500 meters from people. Most of the people are indoors. I don't think that - we blast all over the world. In our mines there, I don't think we've seen any ill effects in that area.

*Audience:* Now, "all over the world." Does that mean that you're blasting on the other side of corporate city limits anywhere?

*Bill Matheson:* Corporate city limits? I don't guess we have. One of our mines is close to city limits. We have mines _____. I think from the early part of the presentation, one of our mines [inaudible comment]. That mine's been in operation for - I don't think it's quite 100 years, but several years since the turn of the century.

*Yves Lacasse:* Another example of a mining operation in Canada that we showed earlier, sir, before you arrived is a mine in Malartic, Quebec, and the city boundaries and the mine operation are about 20 meters apart. If I could just expand a little bit on the blasting commentary that Bill was offering. In September of this year, we had some community information sessions at TRU. We brought four experts to talk about air quality and noise and vibration, human health, and there was another topic - I can't remember right now. But that week - or the week before our sessions, a letter from Golder and Associates was released in the community, which talked a lot about the impact of blasting.

We had some concern about those reports, so what we did is we went and researched one of the world-renown experts in the field of blasting. We found a gentleman out of Pennsylvania. His name is Frank Chiappetta. We asked Frank to come to Kamloops, we gave him all of our data, said, "Here it is. This is what Kamloops

is all about, and Aberdeen. These are the concerns. We'd like you to come and talk to our community." And he did.

So Frank came here. So we added another topic in September, at our information session, and Frank presented on the topic of blasting. Frank's presentation is on our website. I know that the blasting seems to be a concern of yours, and we do understand that. I would encourage you to go to our website and have a look at Frank's presentation. We are going to be uploading the actual video of the presentation where Frank demonstrated the impact of blasting. I think it would address some of your fears.

So, I would encourage you to go on the website, have a look at Frank's presentation, read the material. Also, what we captured during our information sessions is all the questions that were asked by community members, and all the answers that were provided. Everything is on the website for anyone to review. So, I encourage you to visit our website, sir.

*Audience:* May I ask what the chemistry here is? Is it Ajax-related personnel sitting over there and residents of Kamloops sitting over here? I just want to get a flavor of who's who.

*Yves Lacasse:* Right. These folks here are community members. I'm assuming they either live in Aberdeen or Pineview. Nicola here is our environmental assessment permitting manager. Bill is our project involvement manager, and Nicolette is our community ambassador. This gentleman here is only here to capture the video and audio.

*Audience:* And you?

*Yves Lacasse:* Oh, sorry. Yves Lacasse, the external affairs manager.

*Audience:* Peter English, Aberdeen, okay?

*Yves Lacasse:* Pleased to meet you, Peter. Thank you very much for coming. We really appreciate -

*Audience:* I'm sorry I'm late because I missed out on the blasting.

*Yves Lacasse:* Like I said, the topic of blasting, Nicola had a great slide. For the purpose of this conversation, if you don't mind, I just want to show you one slide. If I could go through the slide very quickly. I'm going to let Nicola talk about this one here. That's more her area. My apologies for going through this slide, but obviously Mr.

English would like to know a bit more information. Sometimes it helps to hear something twice.

*Nicola Banton:* Okay, so we will be studying the interaction between noise and vibration from the blasting on the community and on the environment. One of the things to know is that drywall is actually the weakest part of your home, so that's where we would anticipate seeing effects of blasting first. This information actually comes from Frank's presentation, as well. I would really encourage you to take a look at that. That was actually before I started with the project, and I watched the video of Frank talking, and it is very good.

But this green square here represents the amount of explosive that would be required to cause damage to drywall in your home in Aberdeen from the Ajax pit. This square here is the maximum amount of explosive that we would plan to use in a blast at Ajax. So there's a difference of about 1,000 times here. So, it's just not physically possible for us to use enough explosive in a blast at Ajax to damage the drywall in your home at Ajax.

*Yves Lacasse:* Like Nicola said, and I said earlier, sir, I really encourage you to go to the website and have a look at Frank's presentation. I know that many residents felt a lot more at ease after that presentation, had a greater understanding about the impact of blasting, that it could have on our community. So please visit our website, have a look at the presentation.

Feel free to research Frank: he's got an incredible pedigree. His resume, I think, was about 12 pages long. He's written books. He was lead engineer in blasting in the Panama Canal, and has blasted in communities in - I think there's some illustrations of some blasting that he's been part of in different industrial projects in communities that were right next to a city, or part of a city. So again, if you would like to acquire additional information, I encourage you to look at the website.

*Audience:* Can I ask Bill a question?

*Yves Lacasse:* Yes, you can.

*Audience:* You might think this is silly, but I know there are four elementary schools. I haven't been to the site just to see how close they are. But there are four elementary schools up in that area. When I was a child and the mine was blasting, we had a whistle warning and everybody knew they had to cover their ears and stay in the school.

The same with the dust, when the dust was blowing off the settling ponds. So will there be a warning, seeing that it's at recess time, when all the kids are out?

*Bill Matheson:* Before we set a blast off, the rules are that we have a series of sirens.

*Audience:* Yes.

*Bill Matheson:* That's for many reasons, but you want to make sure - you start usually 40 minutes before a blast, and you have a pre-clearance. Then you ask for radio silence, and the only people that are allowed to get on the radio is the people that are guarding the blast. All possible entrances to the facility are blocked and guarded by somebody, and then they start with a series of different tones or sirens or bells, or whatever the case may be. Certainly for the people more immediately close to the blast, the mining people, they get accustomed to what those mean and what they are. It's just a protocol, so it's even cell phones. You don't want to be using cell phones around the blast s

So, the answer to your question, there will be some form of audible device that goes off. How far you'll be able to hear that? I don't know if you'll be able to hear it all the way over to the edge of town or not, I'm not sure. Typically, the other thing, complications here because of your inversions, the weather here. So we'll be needing to monitor that, and we're going to probably set rules for our mining folks that say you can't blast when we have the low ceiling or can't blast, and the reason being is the _____ goes up then wants to go sideways. So, that's typical for modern mines, I guess.

When we build a mine locations, you set your parameters because of your surroundings. The mine that Yves showed a picture of in Malartic, they're right in town. In fact, the Catholic church is right on the edge of the mine. You can see the steeple from the site of the mine. So, they're not allowed to blast on Sundays there because of the church. They've got rules that they work through with the community to make it amiable. They don't blast in the middle of the night, just because people are trying to sleep, those kind of things.

*Yves Lacasse:* Maybe one last point with blasting that's important to know is that the closest facilities to the pit will be our facilities. We're going to be building office space right there, and using the same structures that you find in our homes. So, if something was to get damaged,

we would be feeling it first. If you go to the Highland Valley property and look at all of their offices very close to their facility, they're close to the dome. It's right there. Ed, I think you wanted to make some comments that we haven't heard from you, but when we first met earlier today -

*Ed:* I'm listening.

*Yves Lacasse:* I don't have to put you on the spot here, but I want to give you the same opportunity.

*Ed:* Okay. My name is Ed _____. We moved here in '91. We bought a property on _____ Court, and I think most of you guys know where that is. It's one block south of Aberdeen Drive. The property immediately south of Upper Aberdeen, it extends for a mile and a half east-west.

That property is owned by Dave Taylor, whose company Dave Taylor owns. Since '92, I've checked the cows up on the property, I've rounded up cows for him, I've repaired fences, so I know the property very well. The property to the west of Taylor's property used to be owned by George Little. George's property, he has about 1,100 acres there. Dave Taylor has about 1,400 acres. The mine is just to the south of - it borders George's property. George has property to the south of the mine, as well.

I have had permission from George to hunt that property since 1992, and I have. I've been on the property hundreds of times, rounding up cows and hunting and whatnot. I know every acre of that property probably better than these gentlemen do. When the mine operated in the past - I've been on the property many, many times - I have never heard a blast. I've never felt reverberations. I've never seen any dust. I've never heard a machine. That's when it was operated by Afton.

There is a berm or a ridge that goes all the way from Knutsford all the way to _____ Road. That berm is immediately south of Aberdeen subdivision, Pine Valley subdivision, and our _____ subdivision. That ridge is anywheres from 1,000 to 1,500 feet high. The mine is well, well below that. The mine is about a mile and a half south of the ridge. Like I say, I have never heard a blast. I've never felt any reverberations. I have never seen any dust.

Quite frankly, I don't have any concerns about it, to be very honest with you. I really don't. I used to be a bank manager. I really am

upset that people would make decisions with regard to this mine before all the facts are in.

Having been a bank manager for many years - senior bank manager – I had as many as 55 people working for me – you should never make a decision before all of the facts are in. You should never, ever make a decision. Anybody that does that, to my way of thinking, is totally ridiculous. That's what I have to say.

*Yves Lacasse:* So, Mr. English - Peter, please.

*Audience:* I seem to have put a personal flavor on this. Does Tomslake mean anything to you, Yves?

*Yves Lacasse:* I love this town.

*Audience:* Huh?

*Yves Lacasse:* I love this town. Absolutely. It was part of my introduction that you missed.

*Audience:* Really? Damn it. Because I used to live there. Grew up there. If you want to talk about air quality in Tomslake right now, courtesy of Encana, I don't think you're going to find too many people in favor of what the hell is going on up there. So, if we're putting a personal flavor on it when it comes to air quality, sorry I'm late, but that's why I'm here. Dawson Creek has an air quality problem, courtesy of good friends called LP.

So, you may be in favor. Good for you. I'm not. Good for me, bad for me, I don't know. But I'm judging my position of where I am right now on the past history.

In my childhood days, I could smell Taylor Flats refinery on a nice, crisp 60 below day in Tomslake, and straight as the crow flies, that may have been 60, 70 miles away. What were they burning off, sulfur or propane? Because it kind of got odiferous. So excuse me if I'm speaking about past concerns.

*Yves Lacasse:* No, Peter, we appreciate your opinion. We're not ignoring your opinion. We know that a lot of people have different views about the project. We appreciate you coming here and sharing this with us.

*Audience:* I need to ask a question about the statement you made, there will be zero impact. I hear Peter and I hear Ed, and I really have a hard time believing that it will be zero impact.

*Nicola Banton:* Yeah, and that's the purpose of the environmental assessment. You don't ever have a mine that doesn't have some kind of interaction with the environment.

*Audience:* That's my point. So why say it's zero on your _____?

*Yves Lacasse:* So, you're referring to our corporate value, right, of zero harm?

*Audience:* Yes.

*Yves Lacasse:* Okay. You can _____ to finish. I just want to make sure that -

*Nicola Banton:* So, the zero harm is one of the company's values. It's really an objective, right, that we want to be doing zero harm to people, to the environment, and to the communities in which we live and work. But obviously, we're working towards a safety goal of not hurting anybody. But it doesn't equate to zero impact.

*Audience*: What about the tailings? I understand that there's going to be quite a bit of residual solid tailings that comes out of this mine over some 20 years of _____. What's the plan for that, and is it possible to grow natural range grass on it again, or is it going to be just some other kind of vegetation?

*Yves Lacasse:* That's a very good question.

*Nicola Banton:* We're currently updating the project and we are looking at tailings, and where tailings would go, and what the design of that facility is. So I can't give you much detail on that right now. I think it's about 500,000,000 tons, Bill?

*Bill Matheson*: That's right. 500,000,000 tons of _____?

*Nicola Banton:* Of tailing solids that would be there, and we're also looking at the closure plan for that. So it would be covered and we would be revegetating. Natural range grasses, I'm not too sure we've done study on that yet, but definitely they would be covered in vegetative _____.

That's part of the closure and reclamation plan that happens now. So in the Environmental Assessment Reports, we will have a

detailed plan for how that facility would be built, operated, and then eventually closed and reclaimed, and what kind of effects could be from that.

*Yves Lacasse:* In some ways, that's the difficult part for our project. The Ajax project has been discussed in the community now for quite some time, and the community wants some answers right now. What the community needs to understand is the chart that Nicola was talking about, that we are very, very early in the process. It is a process. It can't be rushed. There's no need to rush this process. We need to let these great folks do their work and make sure that we've got the best possible project available when they submit. It does take time.

*Bill Matheson:* One thing that we do know is that as we go through facilities, we'll reclaim as we go. So about the third or fourth year, you can start successfully doing reclamation and revegetation and that, so we save the topsoil and the overburden that we move to build facilities and _____. Two reasons. One, it gets it started and we get to find out what the vegetation does and the other reason is that it helps mitigate the dust, as well. And it looks good.

*Nicola Banton:* Revegetation tends to be a very site-specific activity, so you want learning about it as early as you can, and then optimize what can we plant there? How is it going to grow, and how can we make sure that the right stuff grows there and stays there?

*Yves Lacasse:* Comments? Questions? Anyone? Yes ma'am.

*Audience:* The government has cut way back on assessments and the need for assessments. How does that affect the project? Does it make it easier _____?

*Nicola Banton:* Actually, we're grandfathered under the older process because we actually started the process before they made changes to the Canadian Environmental Assessment Act. Just to explain, the assessments that the federal government has cut back on are the assessments for very small things. The assessments that still need to be done for major mining projects like this, and the federal government will still be engaging in those assessments. So, it hasn't affected Ajax at all.

*Audience:* Just to follow-up on the reclamation in point, what point can you start doing test plots on the tailings and waste dumps to determine what kind of species will thrive on those site-specific areas?

*Nicola Banton:* Well, I think as Bill said on the schedule, it's three to four years in.

*Bill Matheson:* It's really as soon as we can get on it. As soon as we've got enough elevation, it's practical to get on it. Once you start to flatten it out, you want to be able to at least _____.

*Audience:* Sure.

*Bill Matheson:* Probably 30+ meters off the ground start _____ backsloping.

*Audience:* I was wondering more about studies prior to the production _____.

*Bill Matheson:* We're doing some now, some test pond work we've done. Every drill site that we do onsite now, we reclaim it. One of the processes as we drill, we go through and let the sumps dry up in environment, then we go through and if we disturb the land, we try to get it shaped back the way it was when it started. We go back and reseed. So, the drilling that was done last year, very hardly even find it. The drilling that was done this year, they're seeding it right now.

We just did some work on the historical Afton tailings. There was some erosion among the seepage dams and we fixed that. It's being reseeded this week. So we'll see how successful it was in the spring, once we see the sprouts come. We've had really good success on the site itself, on the north side, so we can come back a year or two down the road, we have a hard time – we leave a stake in so you can find out where the work is. You won't be able to see it. It's pretty amazing how quickly it comes back.

*Audience:* I have lung disease, and I want to know about particulates in the air, how it's going to affect me? I live close to _____.

*Nicola Banton:* Right. So, I did talk a little bit about the air quality monitoring, and the assessments that will be going on. We don't have the results of those studies yet, but we will be, as part of the environmental assessment required to study the effects of the project on air quality, including dust, and then to model that all the way up through to possible interactions with human health. So, that information will be available.

I was talking on one of the slides that even though it seems like we've been going for a while, we're still actually very early in the environmental assessment process. We're still working through

some project optimizations, and then we'll be assessing those. So that information will be coming. It's just not available quite yet. Anyone else?

*Audience:* So, you talk about models and vibration and noise, and you talk about blasting, but how about equipment and all that, like conveyers? I still want to be able to, in the summer, have my window open.

*Nicola Banton:* For sure.

*Audience:* You guys start building the mine out, and then as things change and your stockpiles change and you make it a little higher, how can you model something 10 years down the road? If I'm still in the community in 10 years, am I still going to be able to have my window open at night at 3:00 in the morning and not have to listen to a D10 push gravel? How do you do that?

*Nicola Banton:* First, we will be modeling noise in general. It won't just be the blasting, it'll be the equipment that's onsite, all the activities that are going on, that will be modeled. In terms of changes, major changes to footprint will have to go back through the government for additional approval. Small changes, like you say, absolutely those sometimes do happen.

It is difficult to know what's going to happen 10 years in the future, but that's why we have the monitoring programs in place. We will be monitoring noise at distance from the project, and we'll be required to stay within those guidelines. Also monitoring community complaints, as well. So when the community is having an issue with something it's doing, then we'll be looking for mitigation measures to reduce that.

*Audience:* So, when you open the mine in the first year, second year, there's maybe some commitments there. But how do you make commitments 10 years down the road? Is there a guarantee? If people start complaining and say, "My God, it wasn't like this five years ago," or "It wasn't like this - it's just all of a sudden, now it's starting to get really noisy because now we've built up this area or we've got this area high." It's very dynamic.

*Nicola Banton:* For sure, it's very dynamic. We're modeling the worst-case scenario, so we model maximum production scenarios in the noise models, and they're actually very conservative. So we assume that things are operating under the worst-case conditions, and in most cases, these predictive models, both on the air quality and the noise

and the vibration on the human health side, those models are incredibly conservative. So we're almost, in every case I've been involved with, the actual operation is well below that.

But then, the company is also required to meet those commitments that it's made, and there is some enforcement action that the government has that if we're not meeting our commitments, then they can come in and take action. They generally give the company some time to - something's happening that we hadn't planned on, or there's some component that we haven't - like you say, it's a predictive model, so it cannot always be perfect. So they will generally give the company some time to get things in line, but it's not an unlimited period of time. If they're not seeing action _____ seeing action, then they can take enforcement action against the company.

*Yves Lacasse:* We had a session this morning at 8:00, we had a gentleman came here, say probably late 60s, early 70s, been here for many years. He was talking about the work that we have to do south of Aberdeen and has walked the property, knows every acre, knows the ins and outs of our site. Has hunted and fished and has been there many times - in fact, was there and walked the property when the old mine was in operation. Said he couldn't see dust, you couldn't hear equipment. The concerns right now that he's hearing in the community, he said he lived here then and he walked those sites, and he couldn't hear any of that. He talked about the natural berm.

*Nicola Banton:* It's 2 km and there's a large ridge. The likelihood that you're hearing a D10 in Aberdeen in minimal. But it will be modeled, and you'll see those results.

*Bill Matheson:* When you build a mine plan, it's pretty detailed. We have to pick out equipment at the beginning and we feed that to the modelers, so they know _____. That mine plan basically by computer analyzes every load that's taken, and where it goes. So it's a pretty sophisticated model, so it gives you a pretty close effect.

It's estimated or it's designed so you're reading it - as Nicola says, it's conservative. Typically they do this on a lot of projects and at the end of the day, the models say you're going to make more dust and more noise than you actually make, and that's what you want it to be. You want it to be over-conservative. As Nicola mentioned, anything that we're out of compliance with, or changes or conditions like that, or if you end up with something unpredicted,

as soon as people start to show that things aren't working for them, the community _____, the government will take notice if we don't. Typically, a mining company, if they get enough complaints, or even one complaint, depending on the company, they'll look into it, try to investigate it.

*Nicola Banton:* It's important to be good neighbors, and most mining companies nowadays are. _____ well aware of that, so.

*Yves Lacasse:* When we're looking at, we're going to have 500 employees living in this community. We want to be part of the fabric of this community. We're going to go to functions. We're going to be friends with you. We want to run good operations. We want to be known to be good people.

Our example as you talked about, Bill, about the operations that we have anywhere else. We don't get complaints. We take the extra time to do our work and do it well, and do it right. KGHM's got a long history and a very good, solid reputation in the mining world.

*Audience:* You keep saying that it's early in the environmental assessment. How early is it, and how much longer does it go on before it's approved?

*Nicola Banton:* I'm just going to show you this slide that I put up earlier. This is the provincial assessment process, and the federal government actually cooperates and gets embedded in this process. The federal government timelines are a little bit longer. This is actually the shortest time that it would take. So right now we're in what's called the pre-application stage.

We're right back here, right about here. This is the beginning, and it runs through all the way to here, where a decision is made at the back end. We likely won't be submitting the Environmental Impact Statement for at least another 12 months. So there's a year there. Then, there's the application review stage. That's where the government will be reviewing the report. That's 180 days on the provincial side, but it's up to 365 on the federal side. So, we're looking at anywhere from a year and a half to two years, at least.

Then there's a permitting process. The Environmental Assessment Certificate that the government would issue only allows us to proceed to the permitting stage, and then there's a fairly detailed permitting stage where the provincial government would actually provide the mining permit. So there's still another year of us developing the environmental assessment and having these

conversations, and then there's another six-month period of technical review. During that technical review that the government's doing, the public has opportunities to participate in that, as well. There's lots of public participation opportunities built into the process. Anything else?

*Yves Lacasse:* Sir, I saw your hand. Do you have any other comments?

*Audience:* No, I was just thinking, but I don't know if I should think out loud.

*Yves Lacasse:* Please do.

*Audience:* You guys are going to make these commitments and stuff like that. Is there any thought of giving the residents up there opportunity to hold a bond against you guys? Say if all of a sudden, the noise in 10 years starts getting just horrendous, and you don't do anything about it. You guys can say that you'll do this and you'll do that, and you'll be good neighbors, but I can't say that I don't trust you. But could there be some solid commitment there where there's an actual financial commitment to a landowner? Saying that, "Our models are 100%, we believe in them, and hey, we'll back them with some monetary substance." You know what I mean?

Have you guys thought about that? Because what I'm looking at it from is I'm looking at it from a resident point of view. I know the environmental stuff is cut and dry. You can do that, right? But when it comes down to affecting my sanity up there and my quality of living, I don't think you can guarantee that. You say you can, but because it's all models.

I can see the science part on the environmental side. I think that's pretty solid. I don't think you're going to have a hard time selling that or proving it. But when it comes to running models about noise and affecting - I don't see models as being a very sound, solid guarantee.

*Yves Lacasse:* Bill, do you want to comment on that?

*Bill Matheson:* I can't answer your first part of the question. I can't because that's not something I've thought about. When we went through our open sessions at TRU here about a month and a half ago, we had a blasting expert in. One of the things he reminded me of was something I'd forgotten - we'd done it a few years ago at another operation, and we're going to do it here.

When we start blasting, for example, we're not going to start blasting with a full-scale blast because that's not how you do it. You start with something small and you work your way out as you learn the effects of your blasting practices and the materials on the rocks, and how the rock breaks, and what comes out of that process. So what you do is, you start out with a small blast. We'll have seismic monitors between us and sensitive areas, such as Aberdeen. He showed in his model and we still haven't finalized it, but he showed three sets of seismic monitors starting near the edge of the property and moving out towards Aberdeen. We'll monitor every blast we do through the initial parts of our operation, and get up to the size of blasts we call production blasts in the _____.

All the time we're monitoring that, and that information will likely be a public information thing and be part of our process. We'll recommend a process to the government, and the government will come back and say, "We disagree, we want more" or "We want less" or "That's fine," whatever the case may be. That monitoring process doesn't quit when we're happy. It goes on for the life of the mine.

Other things that may happen is the community may move a little bit closer to it. Right now, the development _____ of the community is still about a half a kilometer left, I think, to come out of that area. So there may end up being closer residents. Any time that we're out of those, we know that the - I believe; don't quote me on this, but _____ are around 120 decibels is the vibration levels. Once you get to that area, you could damage something.

That's when we have to back down and change our practices. So, I assume the same thing could be done on noise or anything like that, as well.

*Nicola Banton:* I think the noise will change, obviously, over time, as there are varying levels of production and we bring on more trucks. So it'll be a similar progression-type of thing. We also will definitely be monitoring between the project and Aberdeen. It's definitely possible that the government could make one of the conditions of our Environmental Assessment Certificate not that we post a bond with the community, but that there is enforcement action available on their part if we're not complying with certain conditions, and noise definitely could be one of those.

Generally, there is a condition in the Environmental Assessment Certificate that says we must comply with all commitments made

in that assessment, and there's a fair bit of back-and-forth on those. They do have enforcement capabilities on those. So that's usually the recourse that I see if somebody's not being a good neighbor and not complying. It's just so unlikely that -

*Audience:* That's why I said, I don't know if I wanted to say that.

*Yves Lacasse:* But it's a good discussion.

*Nicola Banton:* The government really is the ultimate regulator of these. I understand that sometimes getting the government to take action and to do something, I can appreciate that that's not as heartwarming as a bond with the community, but I don't think any of us here can comment on that.

*Yves Lacasse:* If it puts your mind at ease, we have many of our folks working on the project right now living up in Upper Aberdeen. Actually, people that have moved here with the project are going up there to buy homes.

*Audience:* If it goes, I'm for it because then up here, everybody is saying, "Oh, it's going to drop the property values because you're going to have all these issues." I'm like, "You're crazy because if you hire 500 people - "

*Yves Lacasse:* The economy is going to be -

*Audience:* You'll have 625 new families potentially, right? Or maybe more. 500 new families, right?

*Yves Lacasse:* Over the course of about 20-25 years, we're going to have at least 500 jobs _____.

*Audience:* So it should drive the housing prices up, right?

*Yves Lacasse:* That's my thinking. If you've got a booming economy -

*Audience:* Yeah, you're building an economy. But at the same time, sometimes there's tradeoffs with building an economy and the noise and all that.

*Nicola Banton:* I've been working in mining my whole career, and if you're in the center of the mining operation, there can be noise 2 km away - it should be [inaudible comment]. If it is, then we're definitely doing something really wrong. [Inaudible comment.]

*Yves Lacasse:* Sir?

*Audience:* Just to make a [inaudible comment].

*Audience:* Just thinking that there's a lot of trucks and vehicles and -

*Bill Matheson:* [Inaudible comment]

*Nicola Banton:* And the crusher can be loud.

*Bill Matheson:* We notice the back-up alarms from the site. I know you can be in an office or something at night, and you're _____ hear the back-up alarms. I don't really hear the _____, but the back-up alarms are _____.

*Nicola Banton:* When you said a D10 actually, that's what popped into my head was that _____.

*Yves Lacasse:* Talk about _____ and one thing I wanted to mention right here and I missed it, and I apologize for missing it. So far this year, since January 1 of this year, we've received 2,500 resumes in our office. So there's an awful lot of interest locally, and enough people wanting to come and work for this company. We want to provide these opportunities to our local people.

*Audience:* _____ needs it.

*Yves Lacasse:* Well, that's what I think, too. We've got some young people right now in school, and not-so-young people in school, and would like to take advantage of these opportunities.

*Audience:* The people in Kamloops, their kids end up leaving and going elsewhere to look for work. _____ stay here.

*Yves Lacasse:* We had someone in the session last week talking about that, about kids moving out of Kamloops because they can't find good-paying jobs. We want to keep our people.

*Audience:* What kind of jobs are you looking for?

*Yves Lacasse:* Well, there's another slide there, ma'am - I'm not going to put this slide up on, but we have everything from engineers to janitors to accountants to truck drivers. We'll need lawyers, we'll need administrative staff.

*Nicola Banton:* Mill operators.

*Yves Lacasse:* Mill operators. There's a series of heavy-duty mechanics.

*Nicola Banton:* Lots of trades.

*Yves Lacasse:* A lot of tradespeople, yeah.

*Nicola Banton:* Instrumentation guys.

*Yves Lacasse:* Engineers, a lot of engineers.

*Female:* It will range, too, from entry-level positions to highly skilled positions. So there's something for anyone, really.

*Yves Lacasse:* We certainly would like to have a relationship with TRU and plan for the future, and provide opportunities for our folks here locally. We think that there's a great opportunity. Norcan is another good example of providing good training and opportunities for our local people. So we'll stay here all night if you want, if you have questions. [Inaudible comment] you probably haven't worked out. She's a fitness machine. We'll be happy to answer any other questions or listen to any comments that you have.

This is about connecting with you. It's about engaging you. It's about listening. We're taking your comments very seriously. Anything else? There's no bad questions. If you do have a concern or something you want to voice, let's talk about it. We may not have the answers, but I think it's important to have the discussion. So, I'm glad you asked your questions.

Anything else? No? Well, I thank you very much for coming. On behalf of our team here, it was a pleasure having you.

*[End of Audio]*

KGHM

INTERNATIONAL

AJAX PROJECT

# Led by Science, Informed by Fact & Responsive to Community Needs

OUR PHILOSOPHY Driven by Science

OUR HISTORY Grounded in Mining

OUTREACH Robust and Comprehensive

OUR NEW PLAN Listening to the Community

THE OPPORTUNITY A Vibrant Contribution to Kamloops

# OUR PHILOSOPHY:

# Driven by Science

KGHM invests where there is a defined process that is fair and science based

# OUR PHILOSOPHY:

# Driven by Science

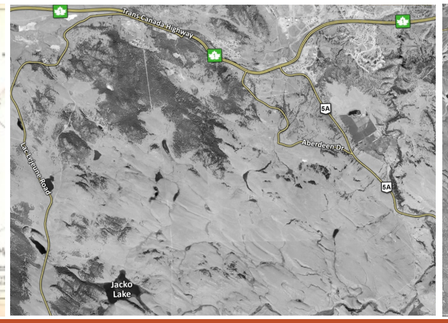

# OUR PHILOSOPHY:
# We hire locally

# HISTORY:
# Kamloops' History is Grounded in Mining

1858

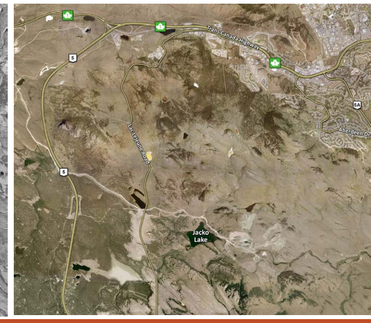
1896

1906 - 1967




1973


1997




2004

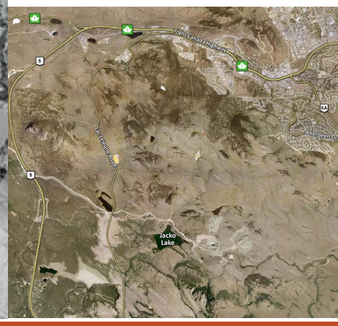
# HISTORY

## Kamlo

## Ground

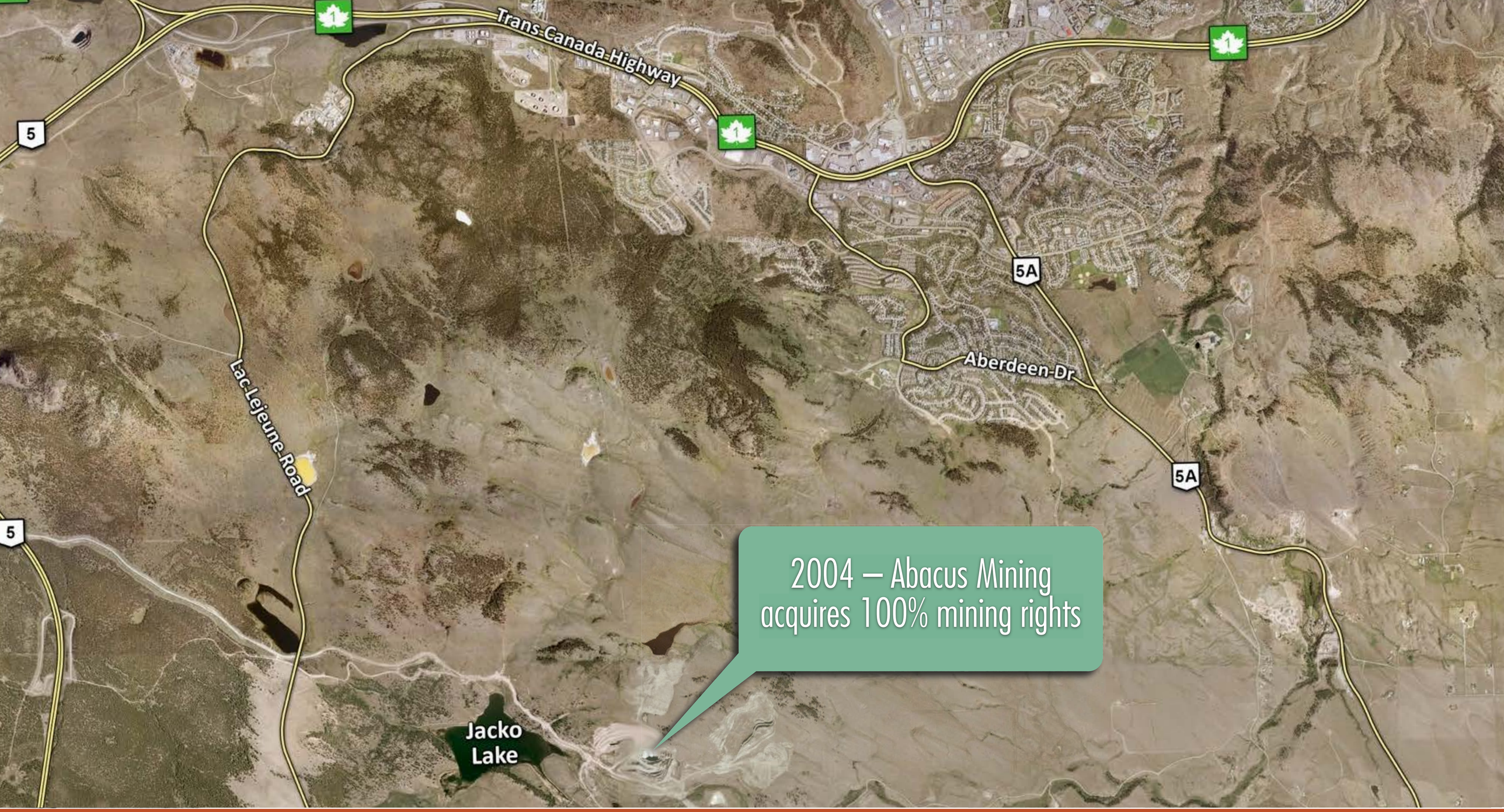
1975 - Aberdeen construction begins

1973 - Mining operations begin

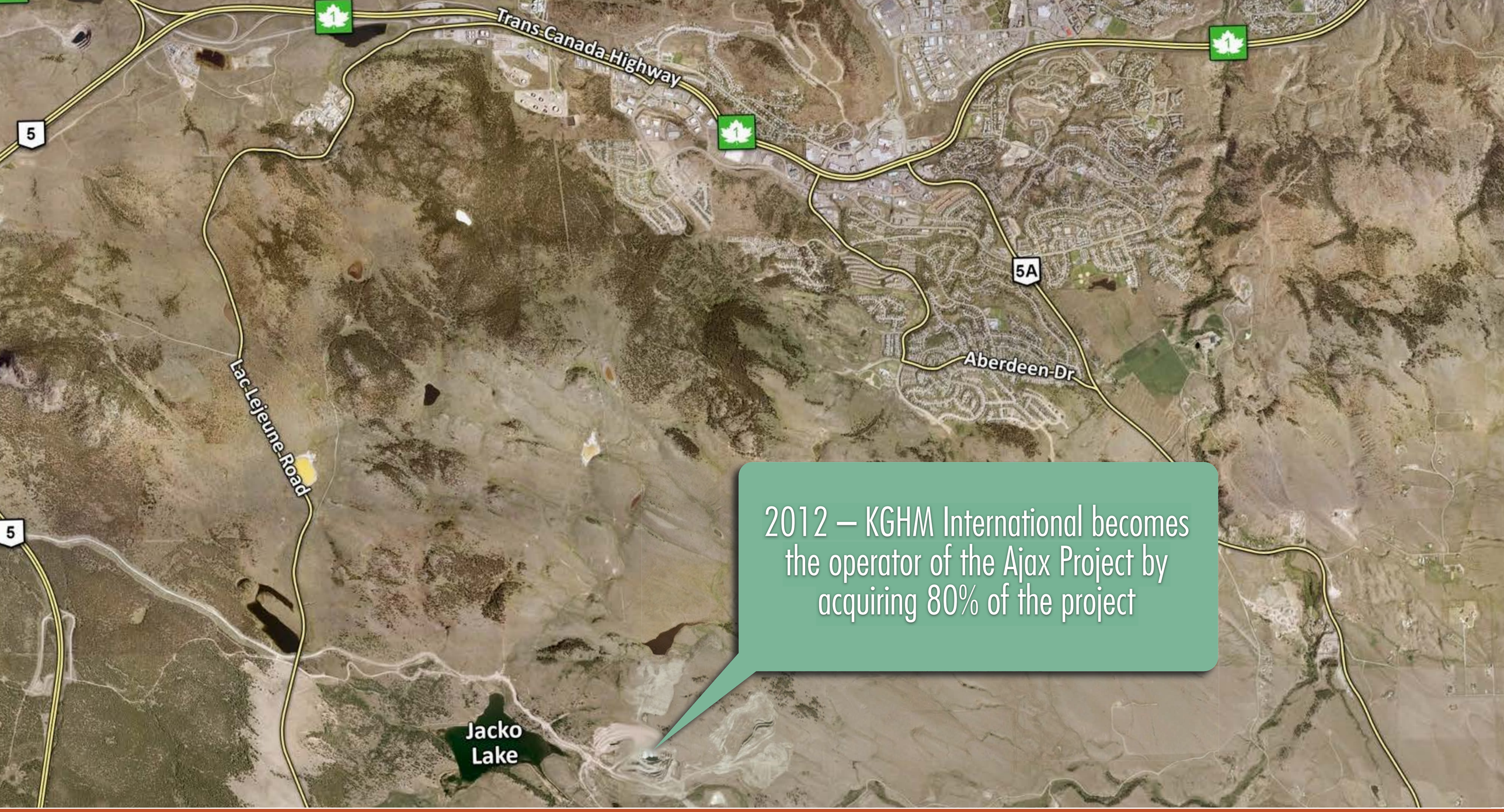


1858 | 1896 | 1906 - 1967 | 1973 | 1997 | 2004


1858 | 1896 | 1906 - 1967 | 1973 | 1997 | 2004




1858 1896 1906 - 1967 1973 1997 2004




2012 – KGHM International becomes the operator of the Ajax Project by acquiring 80% of the project

1896 | 1906 - 1967 | 1973 | 1997 | 2004 | 2012

## 2012 – 2015
## Community Outreach and Consultation

# OUR NEW PLAN:
# "We Listened"

In May 2014, we announced a new Ajax Project General Arrangement that addresses community concerns


# OUR LOCATION:
# Relocating Facilities Away from Kamloops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# Relocating Facilities Away from Kamloops


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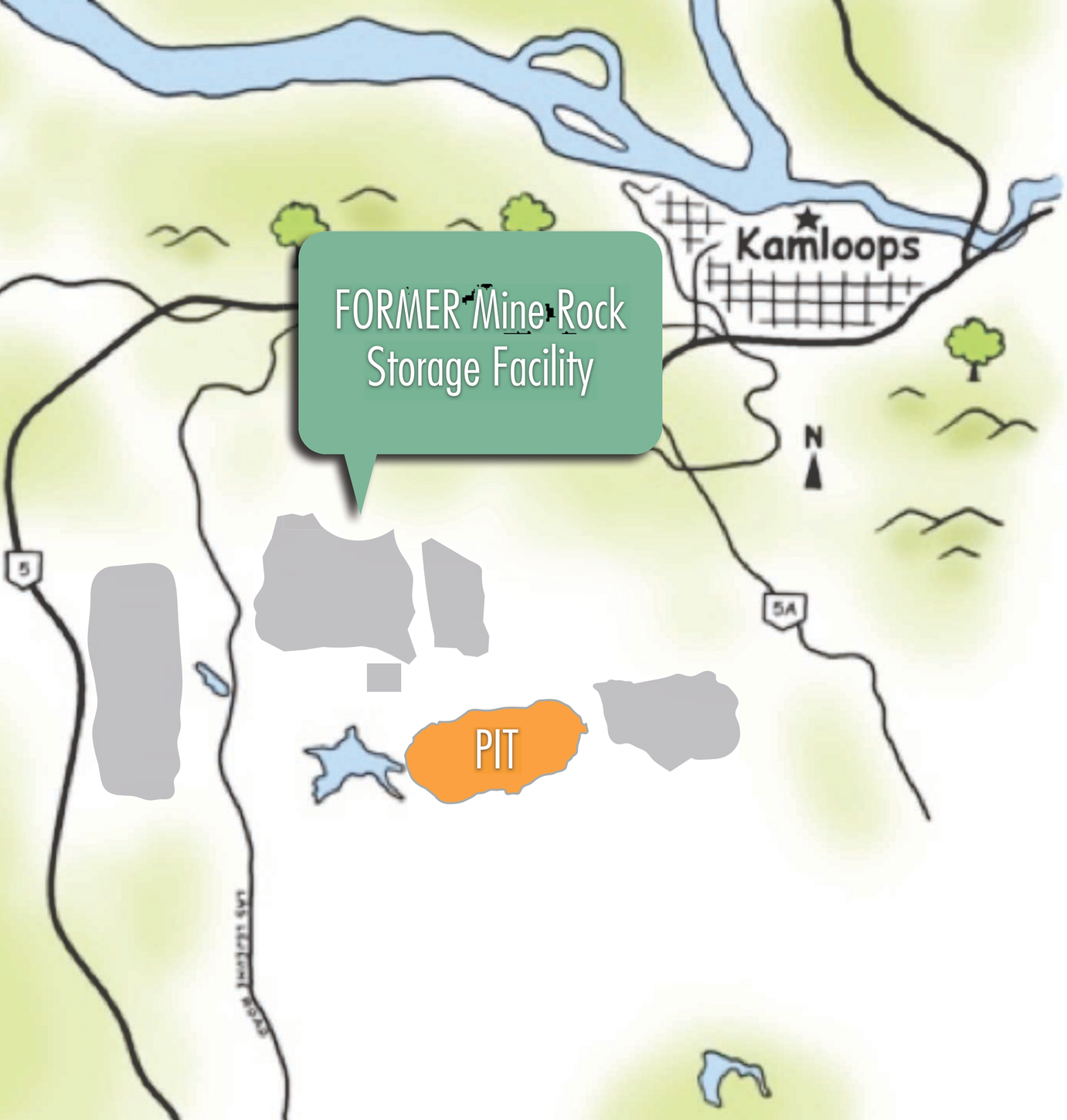


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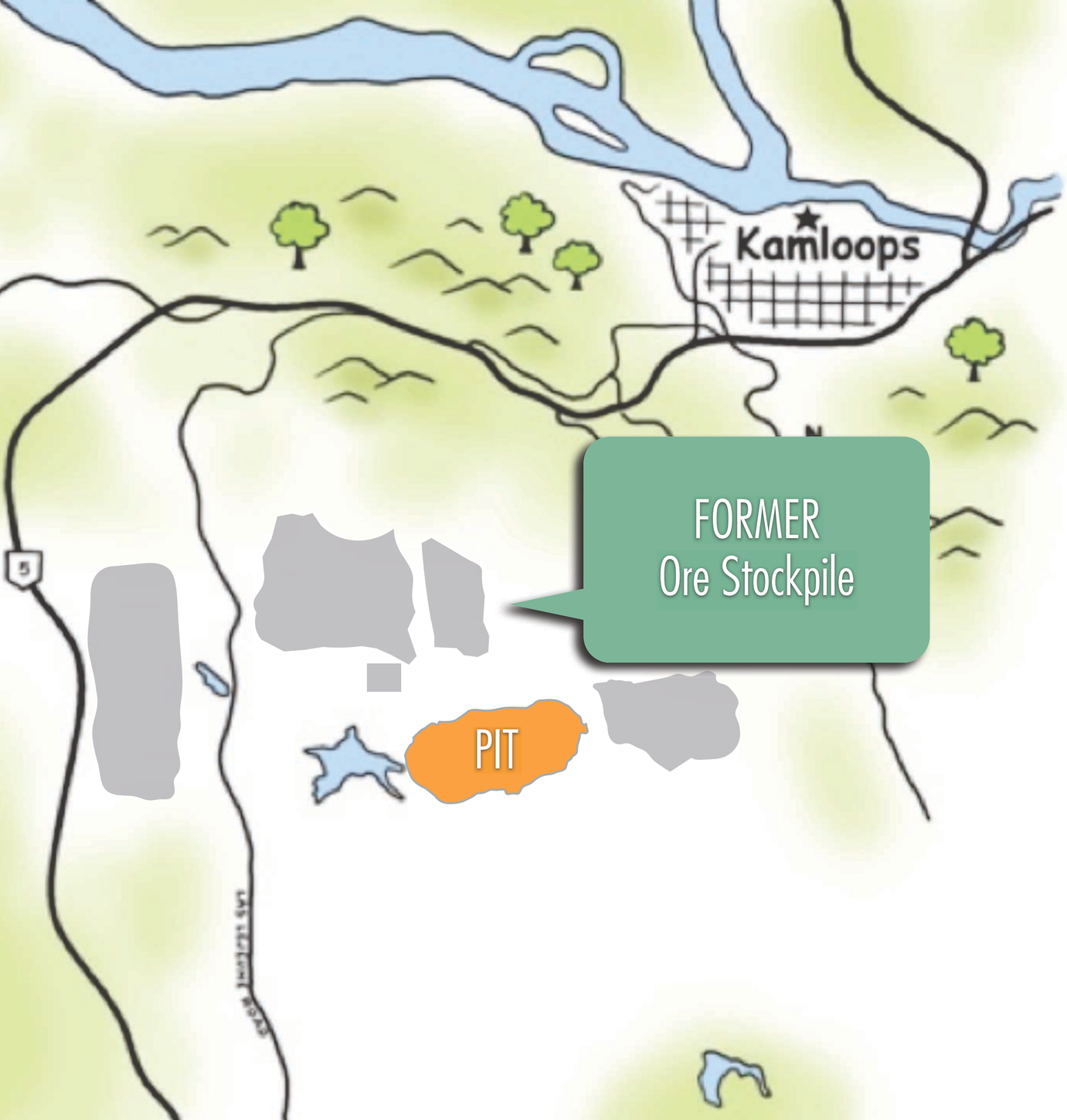
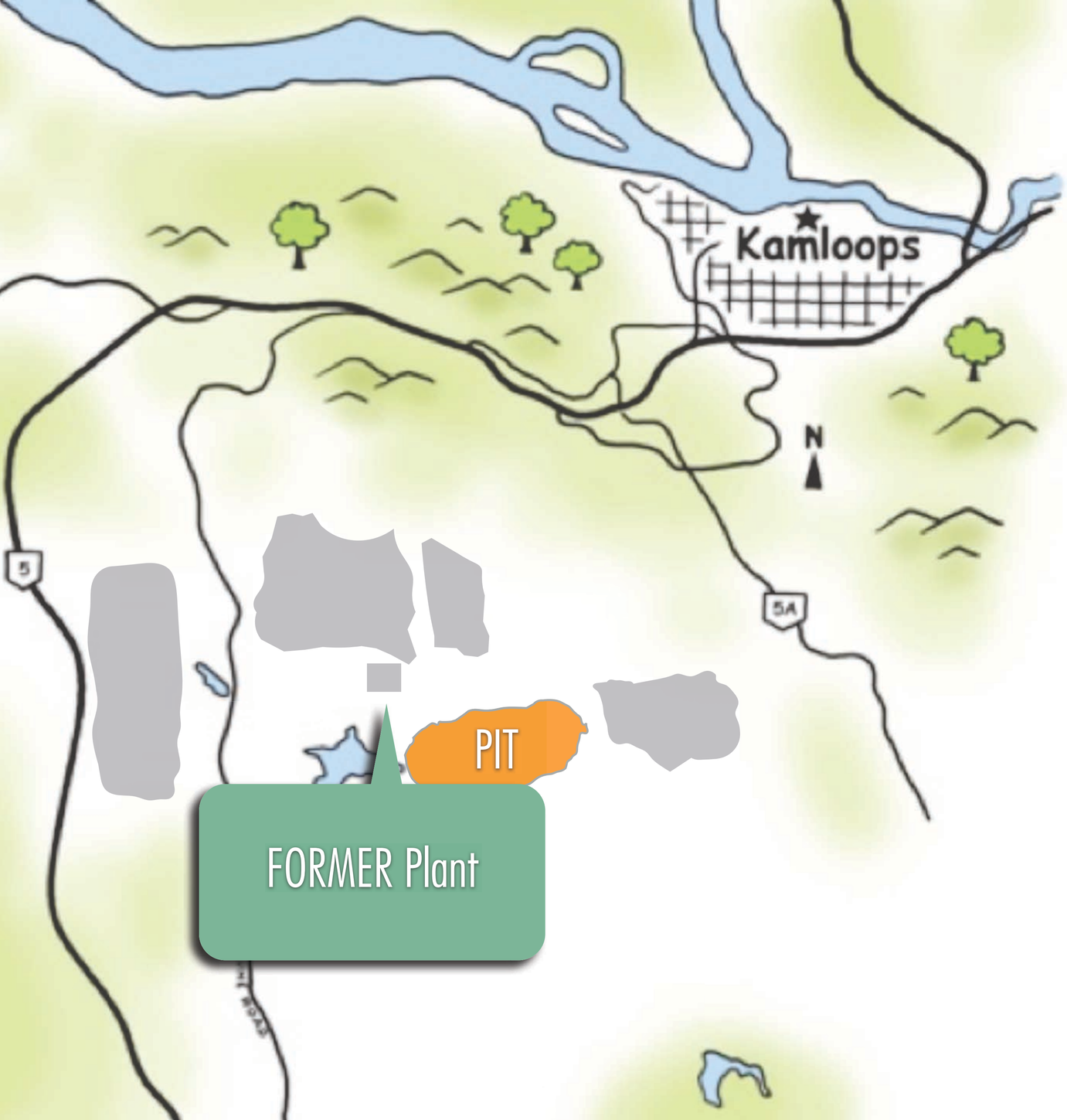
# Relocating Facilities Away from Kamloops




# OUR LOCATION:
# Relocating Facilities Away from Kamloops

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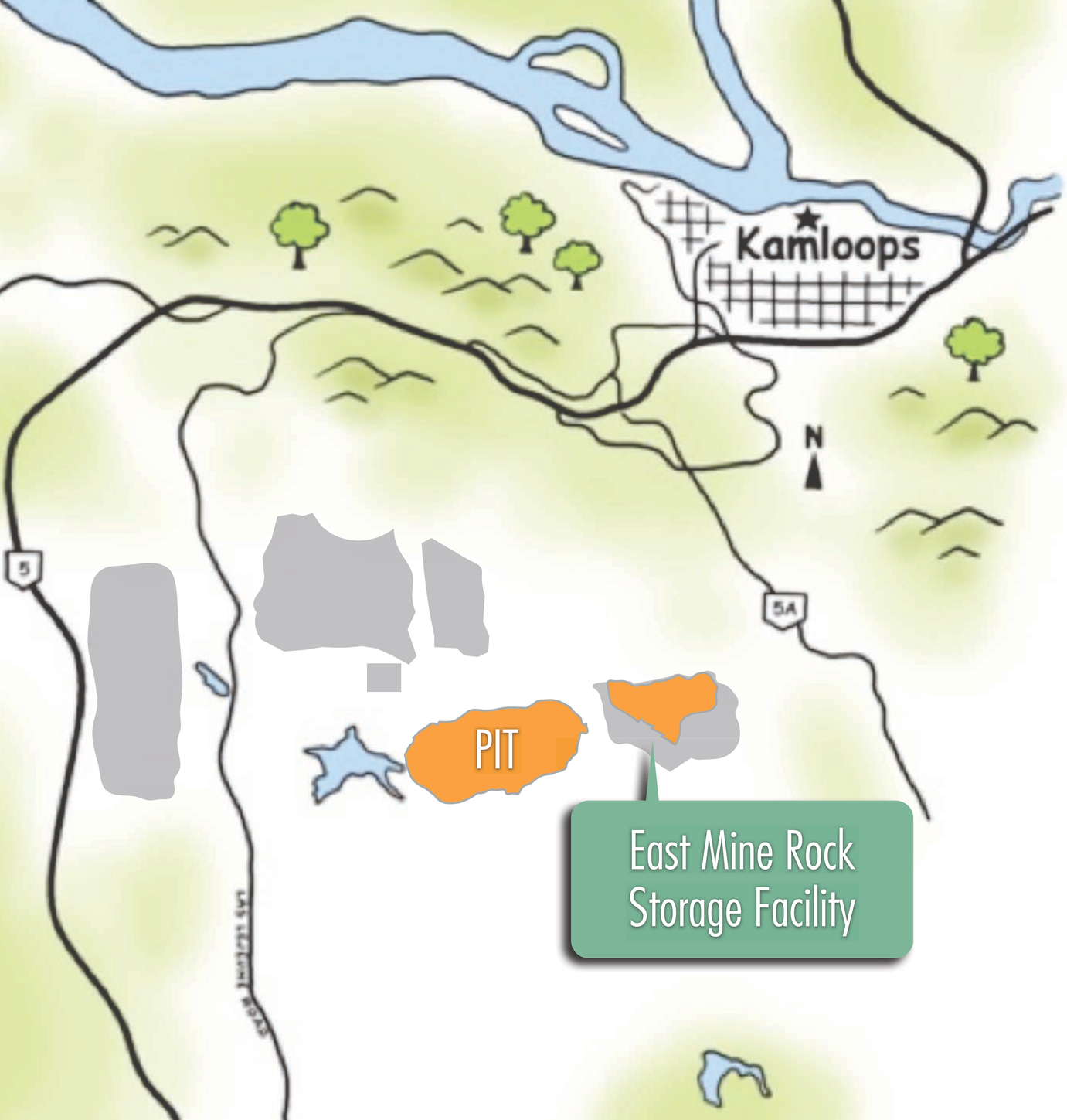


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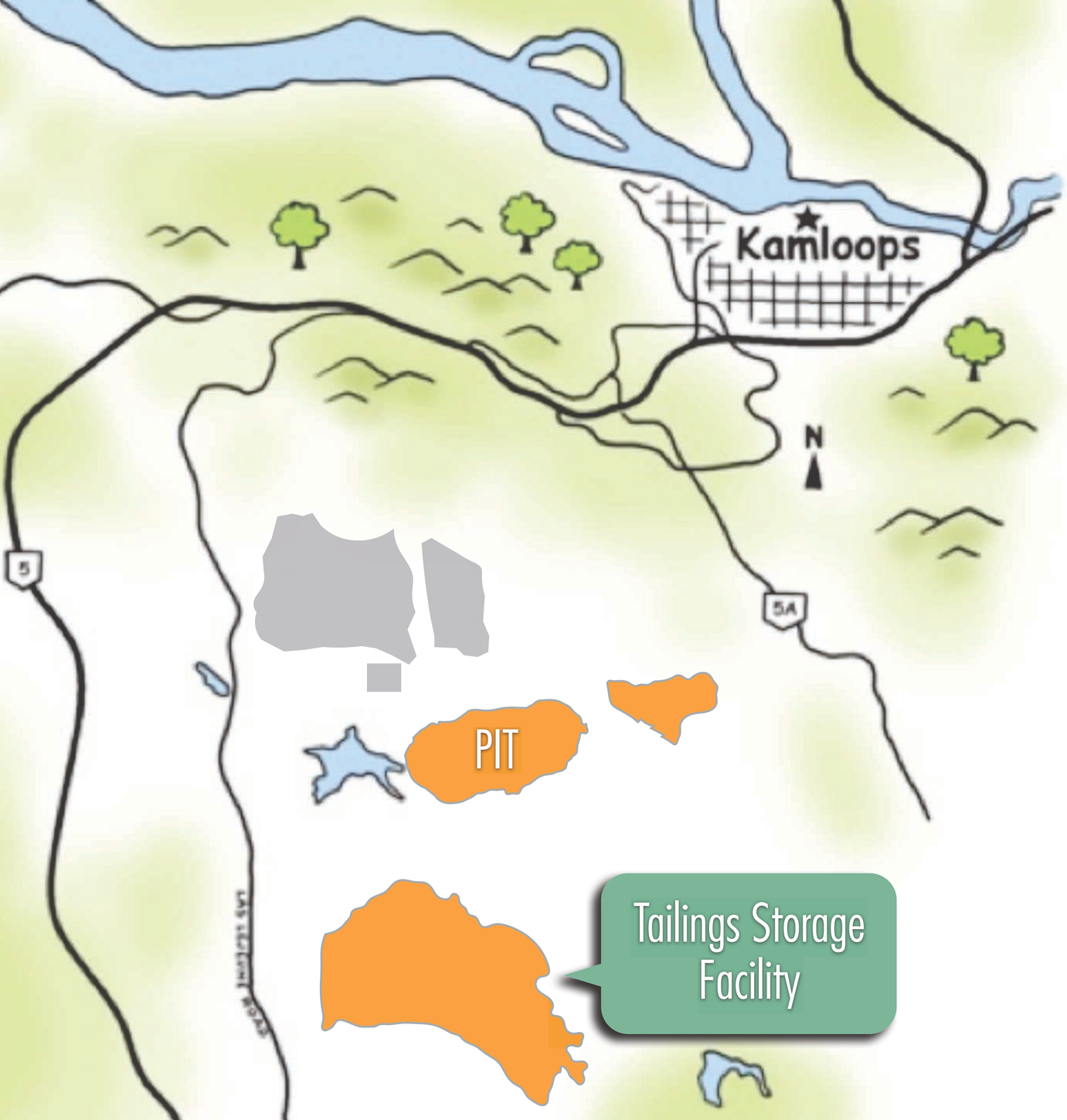


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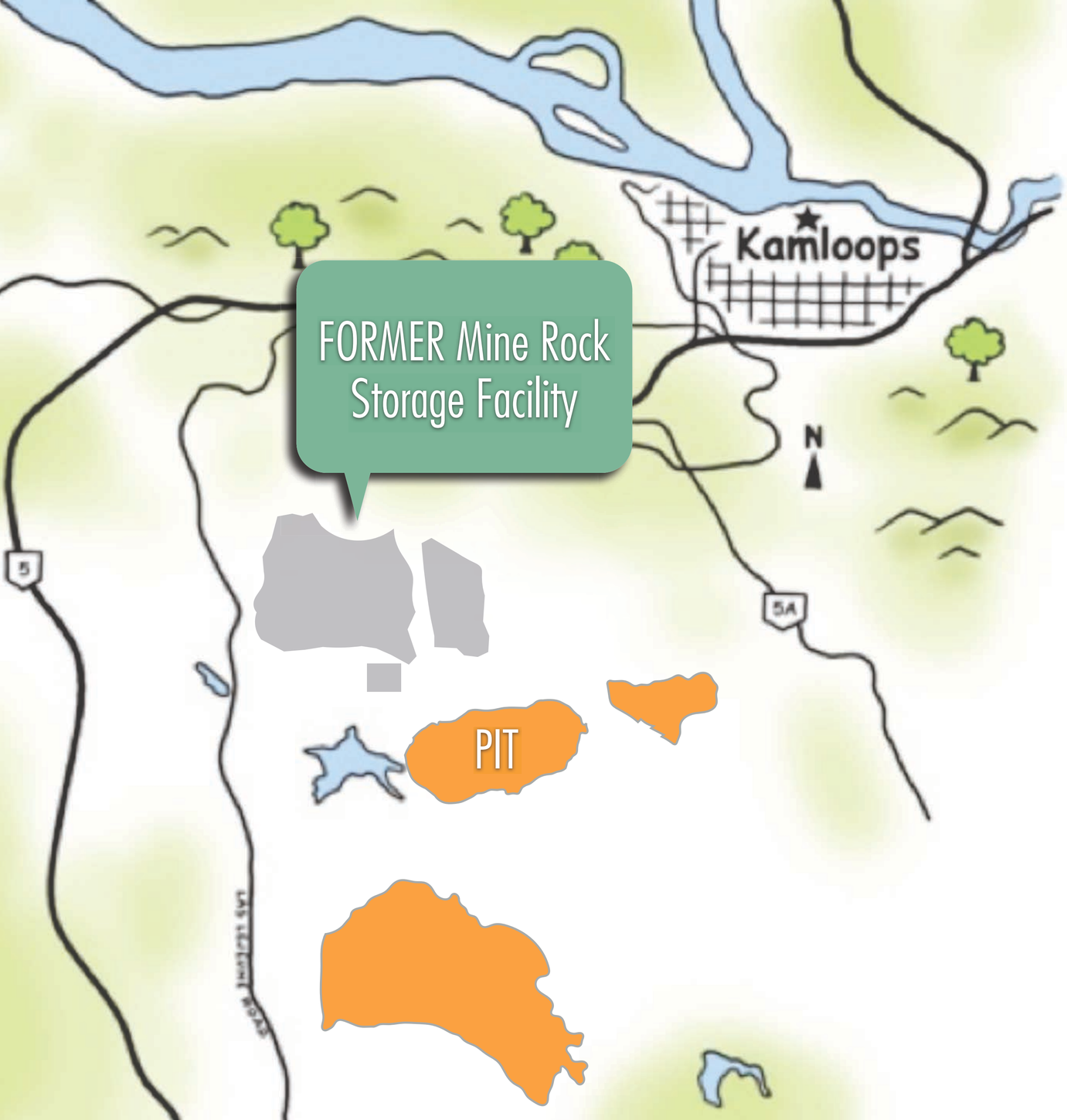


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## OUR LOCATION:

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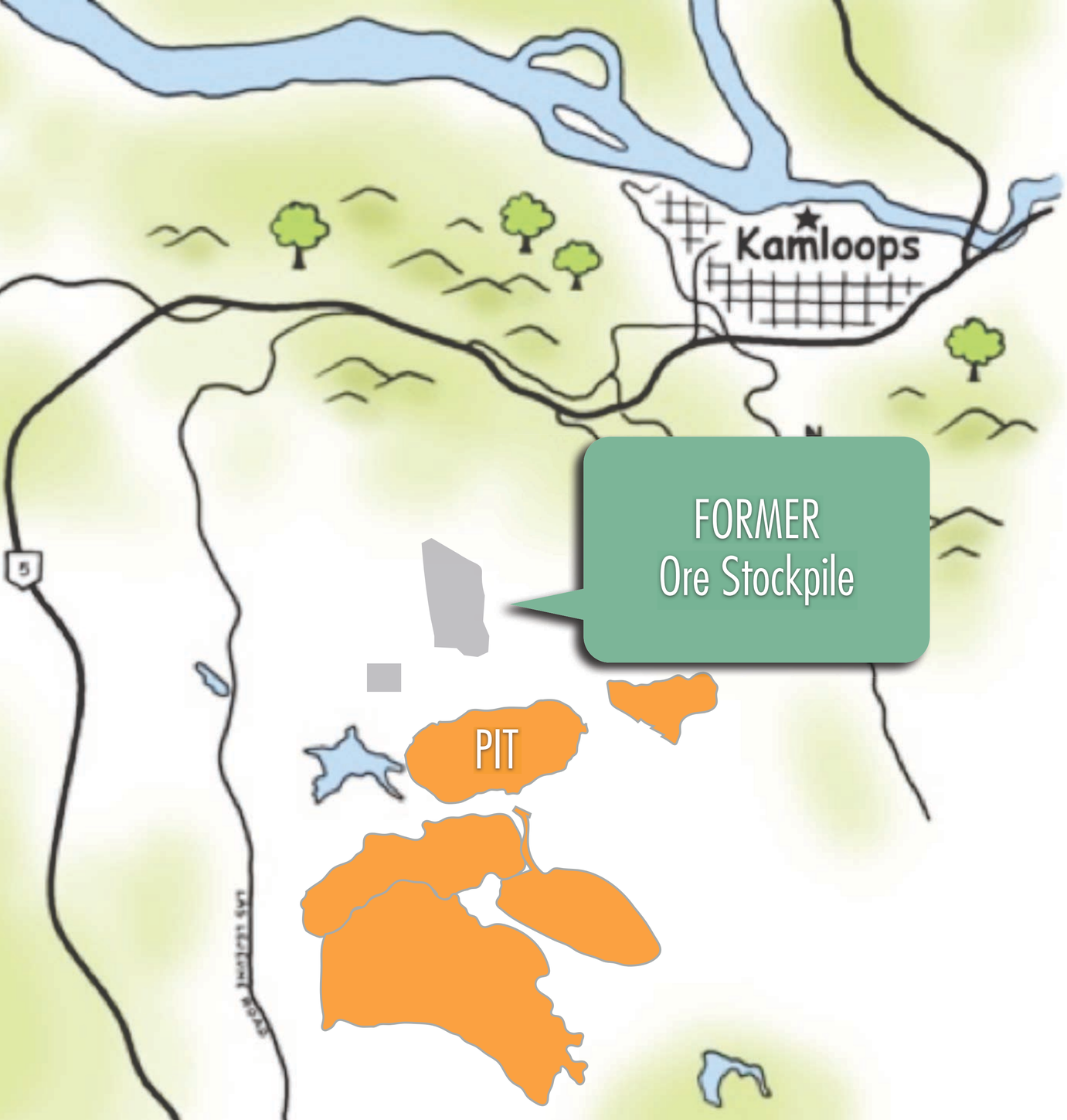


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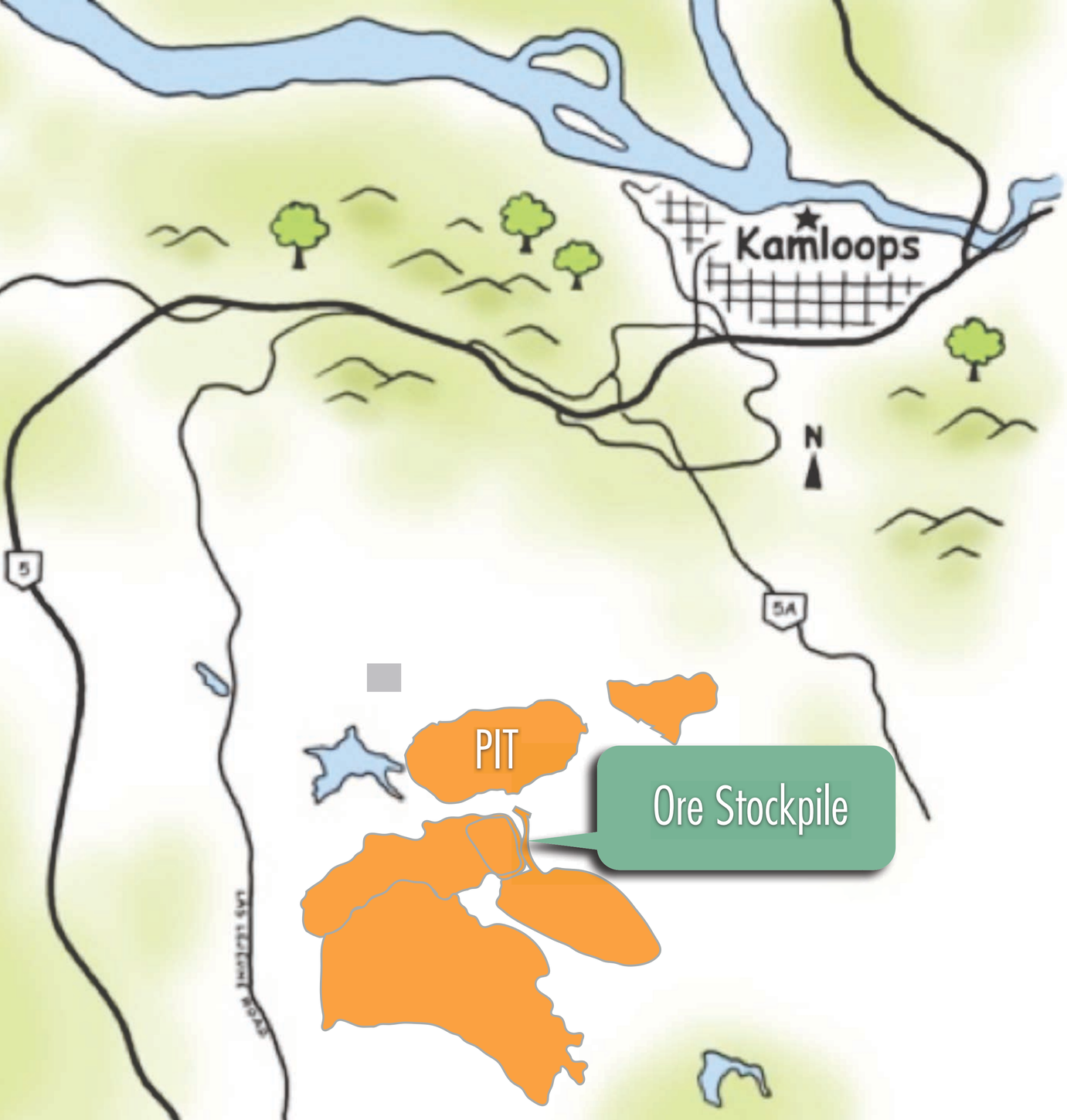


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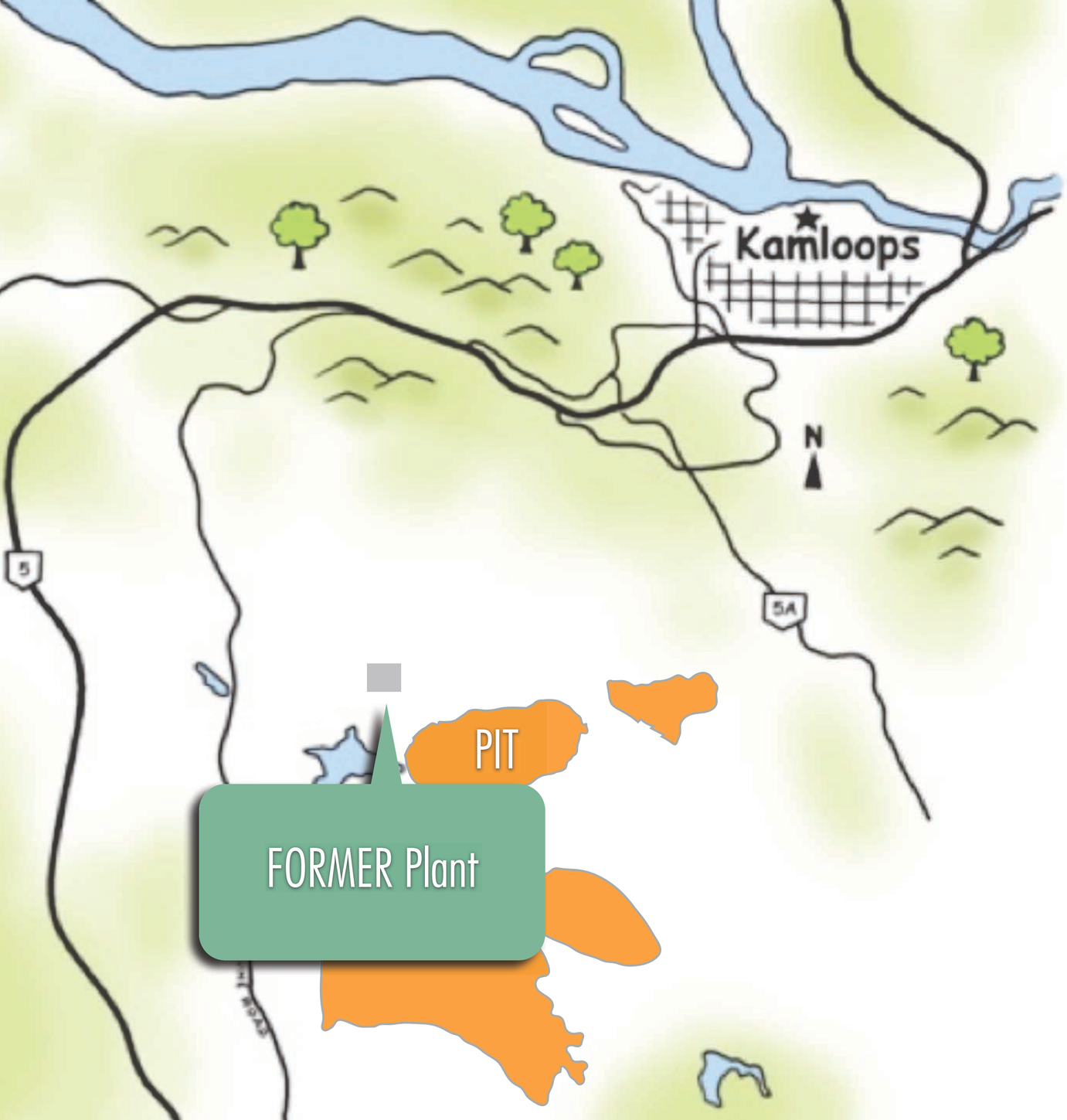


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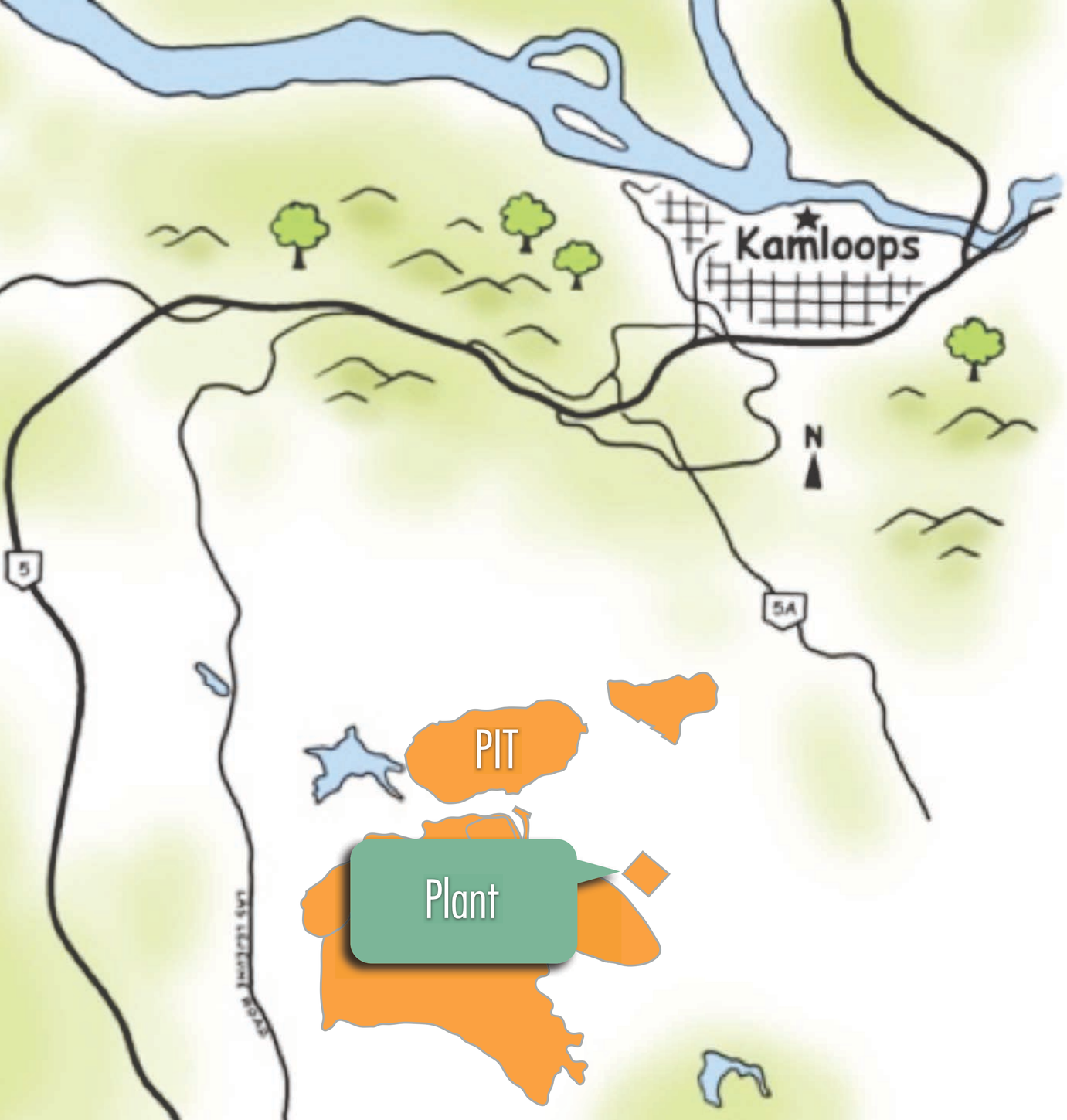


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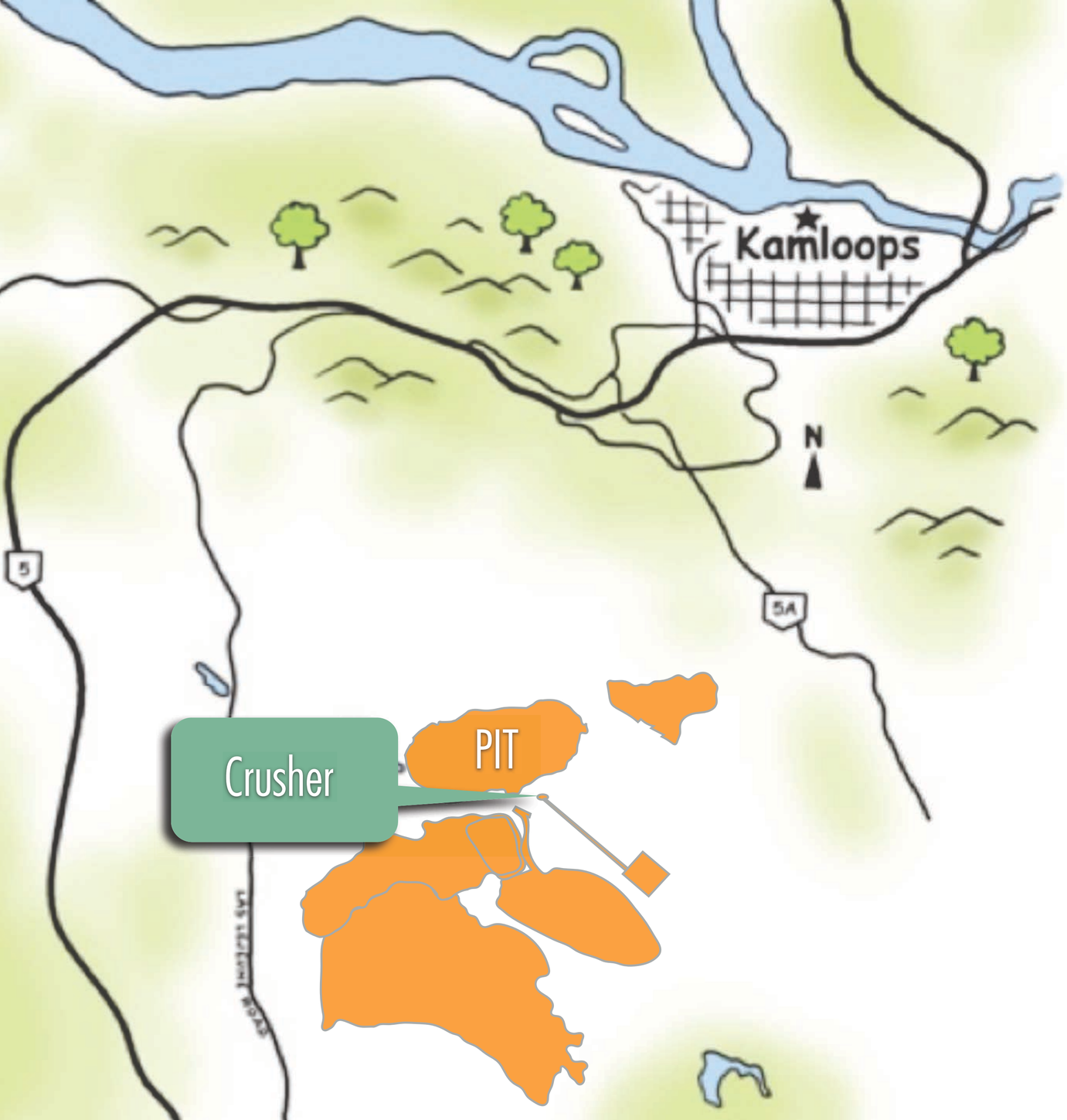
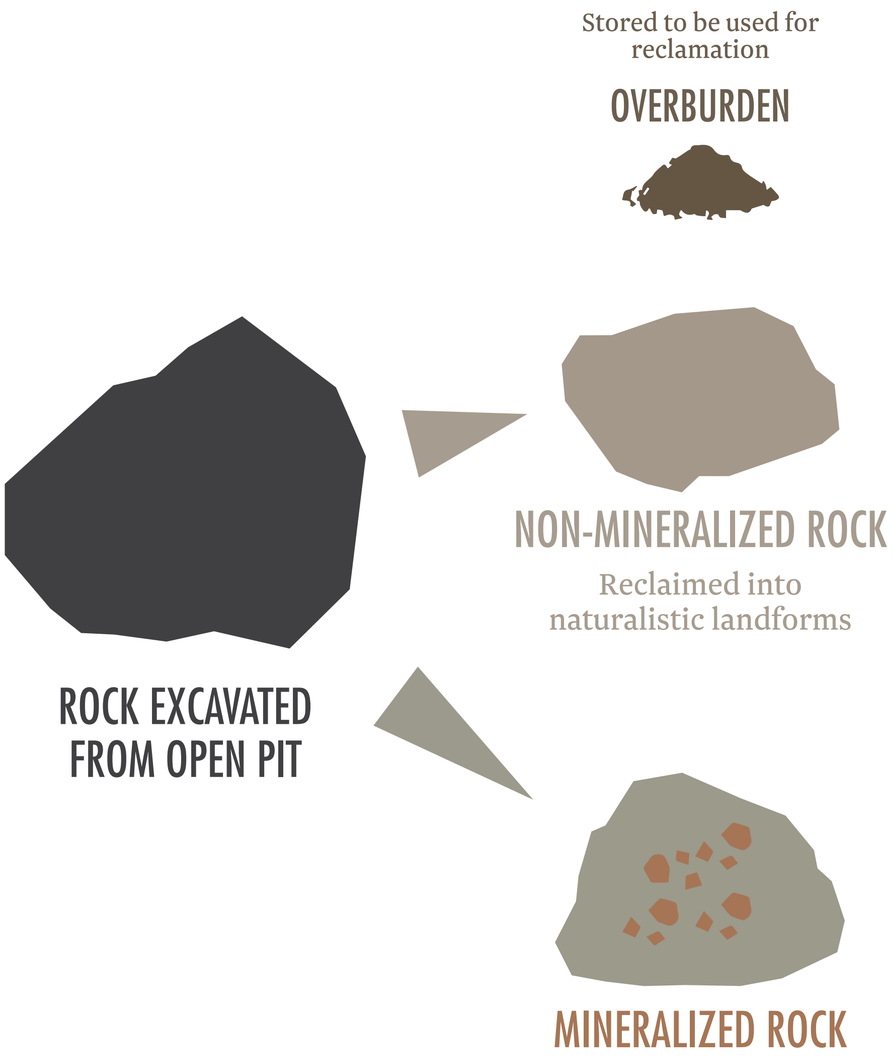
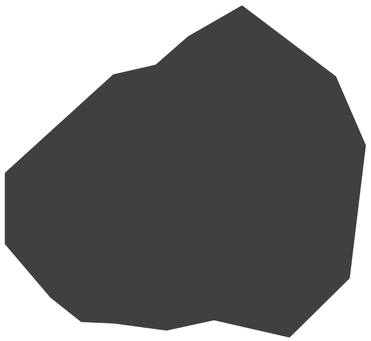



# OUR LOCATION:
# Relocating Facilities Away from Kamloops

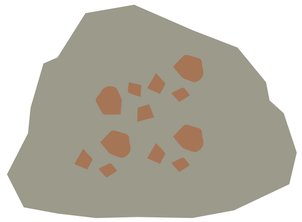
# HOW THE MINE WILL WORK :



# HOW THE MINE WILL WORK :



ROCK EXCAVATED FROM OPEN PIT

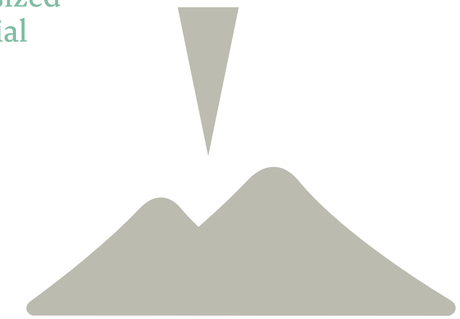


MINERALIZED ROCK

CRUSHING
to pebble-sized material

GRINDING
to sand-sized material

FLOTATION
to separate valuable minerals



TAILINGS
stored in a state-of-the-art tailings storage facility

COPPER & GOLD CONCENTRATE
shipped by truck elsewhere for further processing

# HOW THE MINE WILL WORK :

**109 million** pounds of copper annually

**99,000 ounces** of gold annually

COPPER & GOLD
CONCENTRATE

# Protecting Air Quality


# A Comprehensive Process Will Leave No Stone Unturned





# *Economic*

# ECONOMICS:
# A Vibrant Contribution to Kamloops, BC & Canada

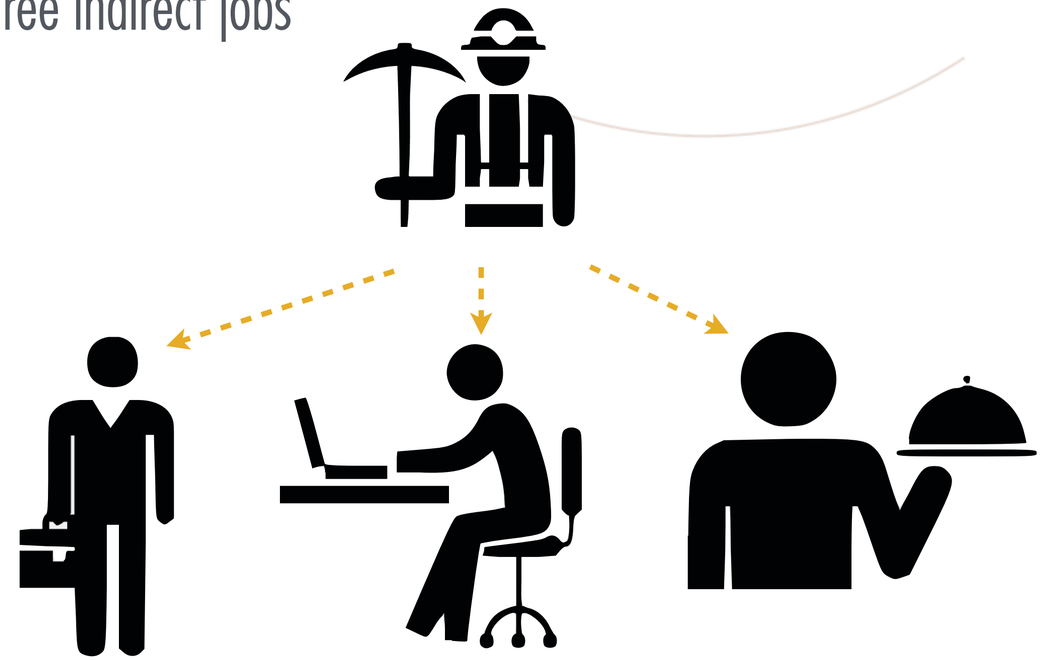
# ECONOMICS:
# A Vibrant Contribution to Kamloops, BC & Canada


# THE OPPORTUNITY:
# A Vibrant Contribution to Kamloops

Mining has always been a workhorse of the Kamloops economy


# THE OPPORTUNITY:
# A Vibrant Contribution to Kamloops

Every mining job creates or supports two to three indirect jobs



# 500 GOOD-PAYING DIRECT JOBS

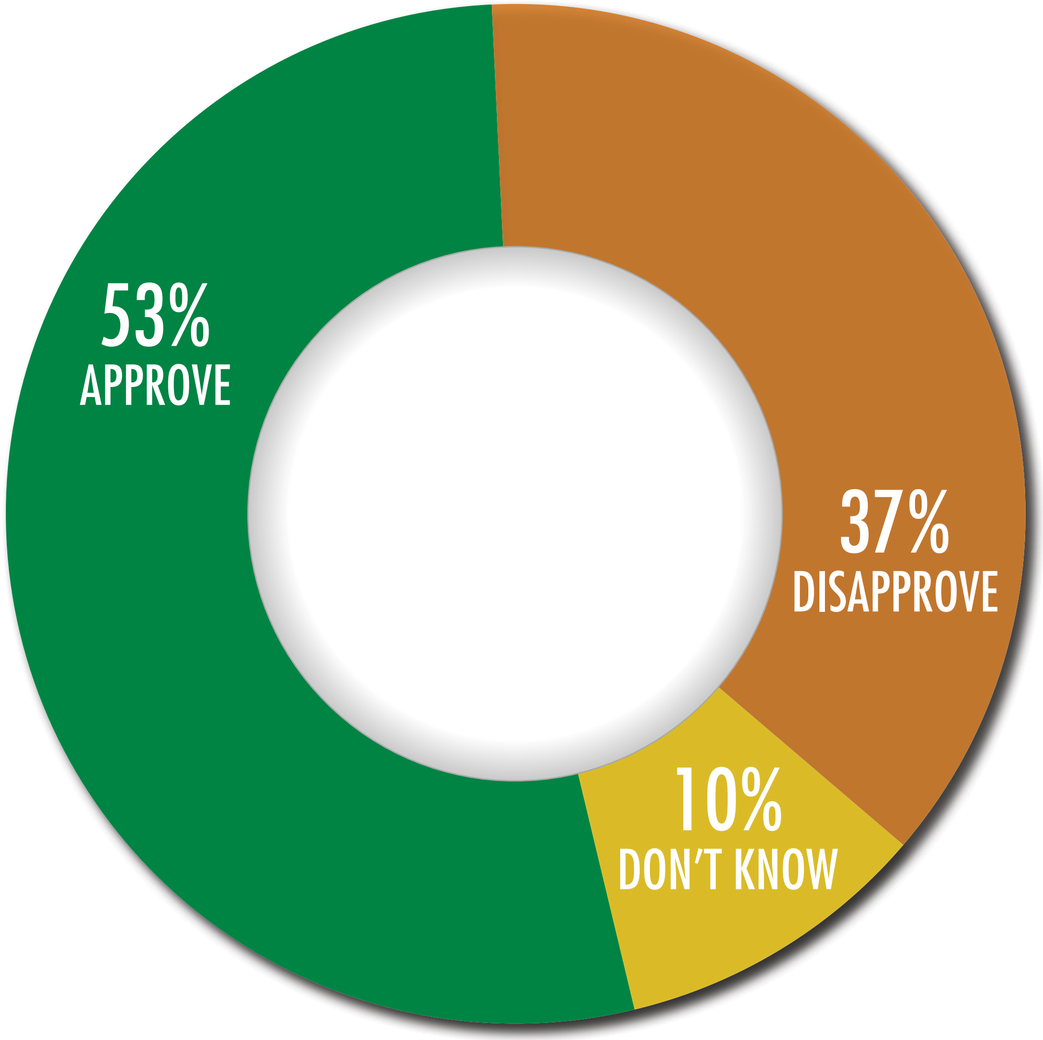
Accountant
Administrator
Assayer
Auto Mechanic
Bit Grinder
Blaster
Boilermaker
Bucker/Core Splitter
Business Analyst
Buyer
Cableman
Carpenter
Chemical Technician
Chemist
Communications and Public Relations Officer
Control Room Operator
Crusher Operator
Cyclone Operator
Diamond Driller
Dig Operator
Dozer / Grader Operator
Driller
Electrical Engineer
Electrician
Employee Relations Officer
Environmental Engineer
Electrical Engineer
Electrician
Employee Relations Officer
Environmental Engineer
Environmental Technologist
Equipment Operator
Fillman
Filter Operator
Floor Operator
Gasfitter
Geological Engineer
Geologist
Geotechnical Engineer
Haulage Truck Operator
Health and Safety Officer
Heat/Vent/ Refrigeration Mechanic
Heavy Duty Mechanic
Heavy Equipment Operator
Hoistman
Human Resources Officer
Instrumentation Mechanic
Janitor
Junior Analyst
Labourer
Lube Journeyman
Machinist
Marketing Officer
Materials Analyst
Mechanical Engineer
Metallurgical Technician
Metallurgical Engineer
Mill Operator
Mill-Services Utilityman
Millwright
Mine Manager
Mine Systems Specialist
Miner
Mineral Process Engineer
Mining Engineer
Mining Technologist
Mobile Crane Operator
Network Analyst
Pebble Crusher Utilityman
Personnel Driver
Pipefitter
Plant Analyst
Plumber
President, General Manager
Pressure Washer
Process Engineer
Process System Technician
Project Engineer
Protective Services Officer
Pumpman
Purchasing Agent
Refrigeration Mechanic
Rock Mechanic Engineer
Safety & Public Affairs Officer
Senior Design Draftsman
Shovel Operator
Steel Fabricator
Surveyor
Systems Analyst
Systems Support Technician
Technical Supervisor
Engineer
Technical Support Analyst
Timberman
Tire Repairman
Tool Crib Attendant
Trackman
Trammer
Utilityman
Ventilation Technician
Warehouseman
Wash Bay Attendant
Water / Sewer Treatment Operator
Welder

## THE OPPORTUNITY:

# A Vibrant Contribution to Kamloops

Approximately $60 million annual direct payroll

Estimated $50 - 90 million additional payroll for 1,500 indirect jobs

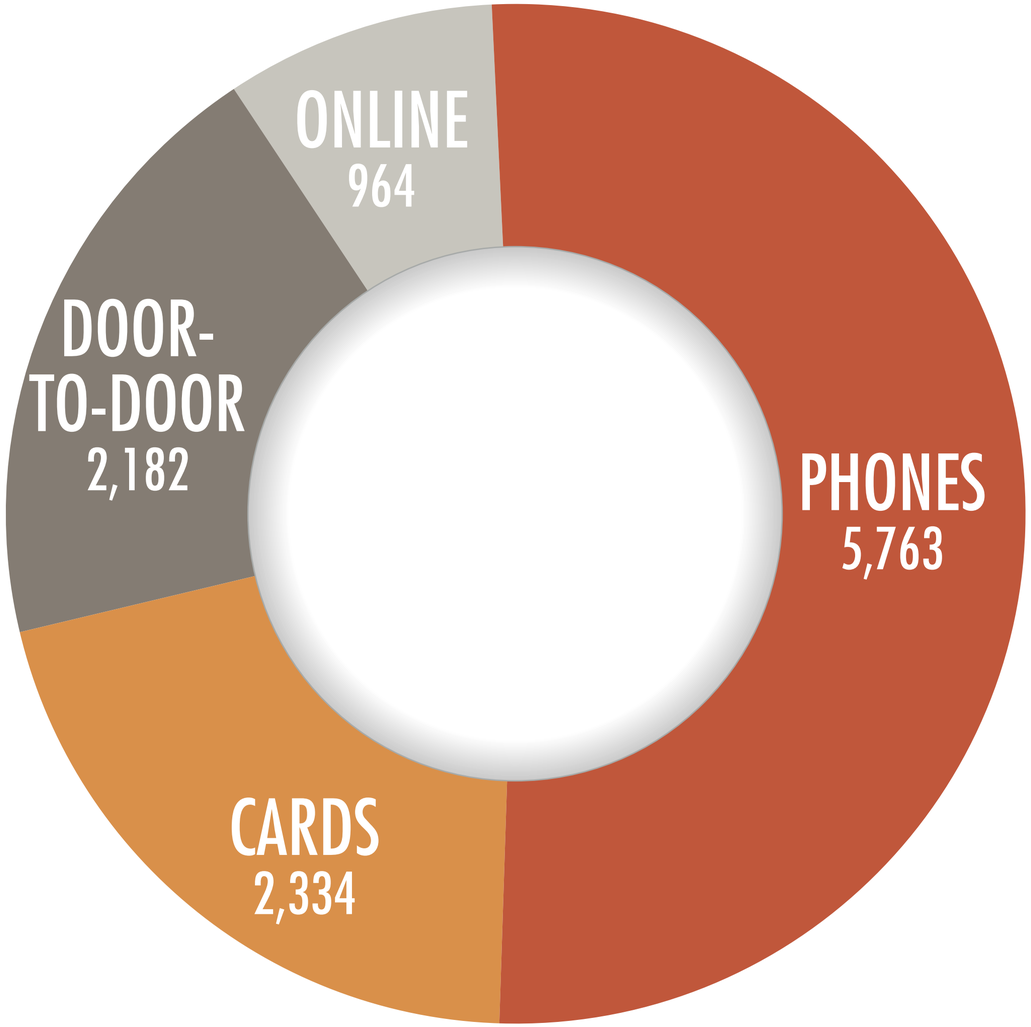



How do you feel about the Ajax project with the information you have, approve or disapprove?

# PUBLIC OPINION

## Kamloops Supports the Ajax Project

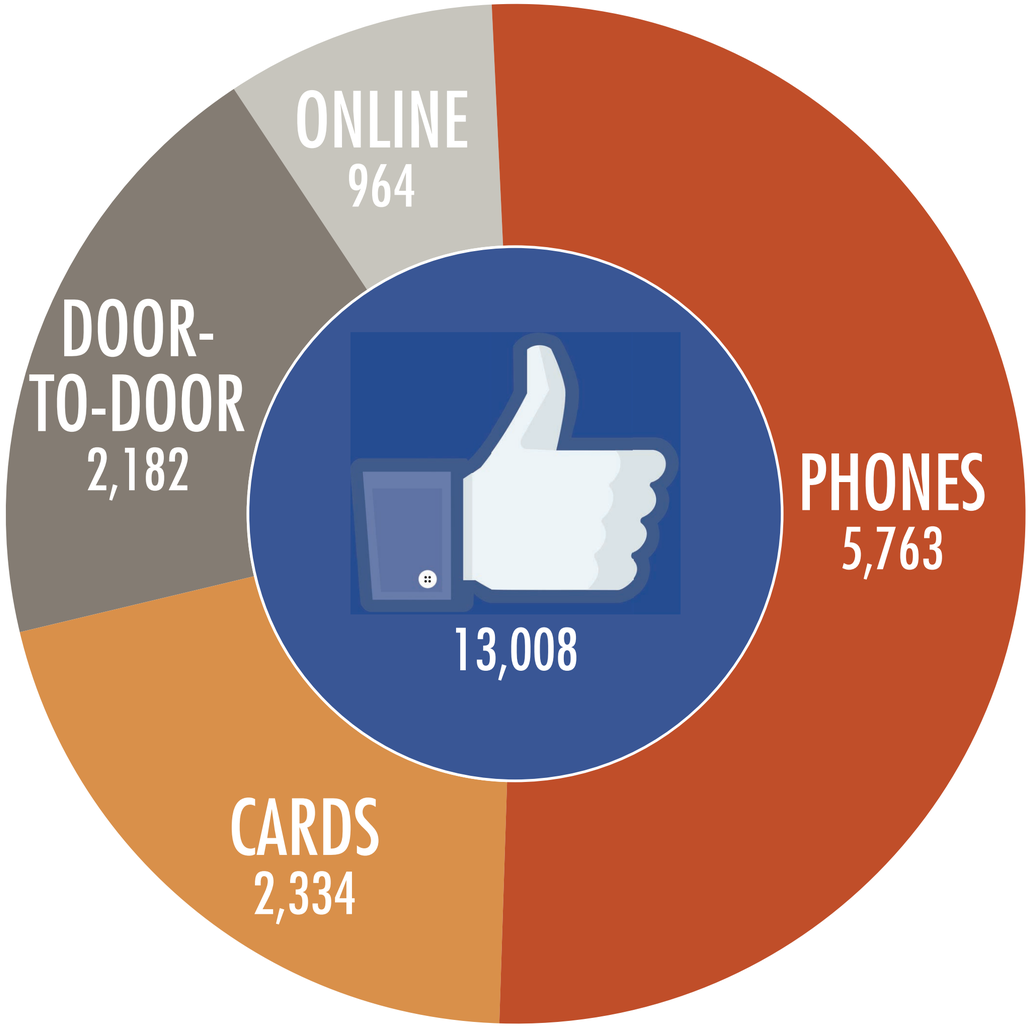
Polls over the past two years illustrate broad support for Ajax.




# PUBLIC OPINION

## Kamloops Supports the Ajax Project

11,243 Active Supporters

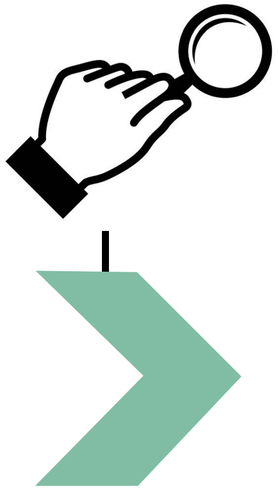



# PUBLIC OPINION

## Kamloops Supports the Ajax Project

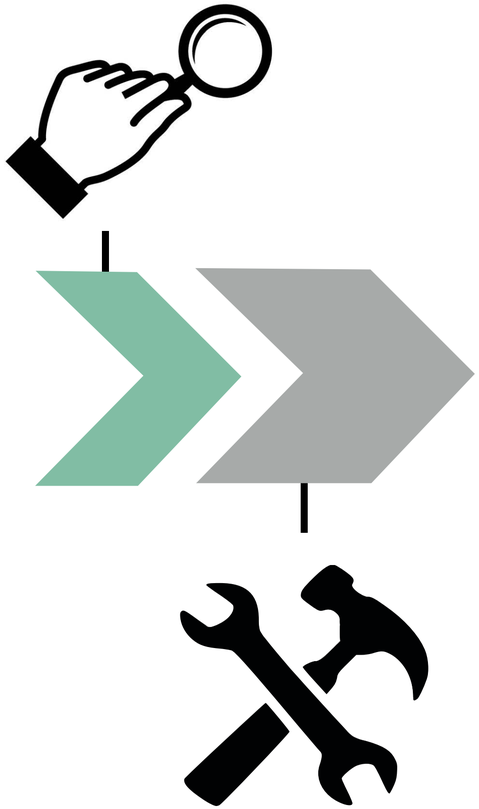
11,243 Active Supporters &
13,008 Facebook Likes

# TIMELINE:
# Project Development Schedule



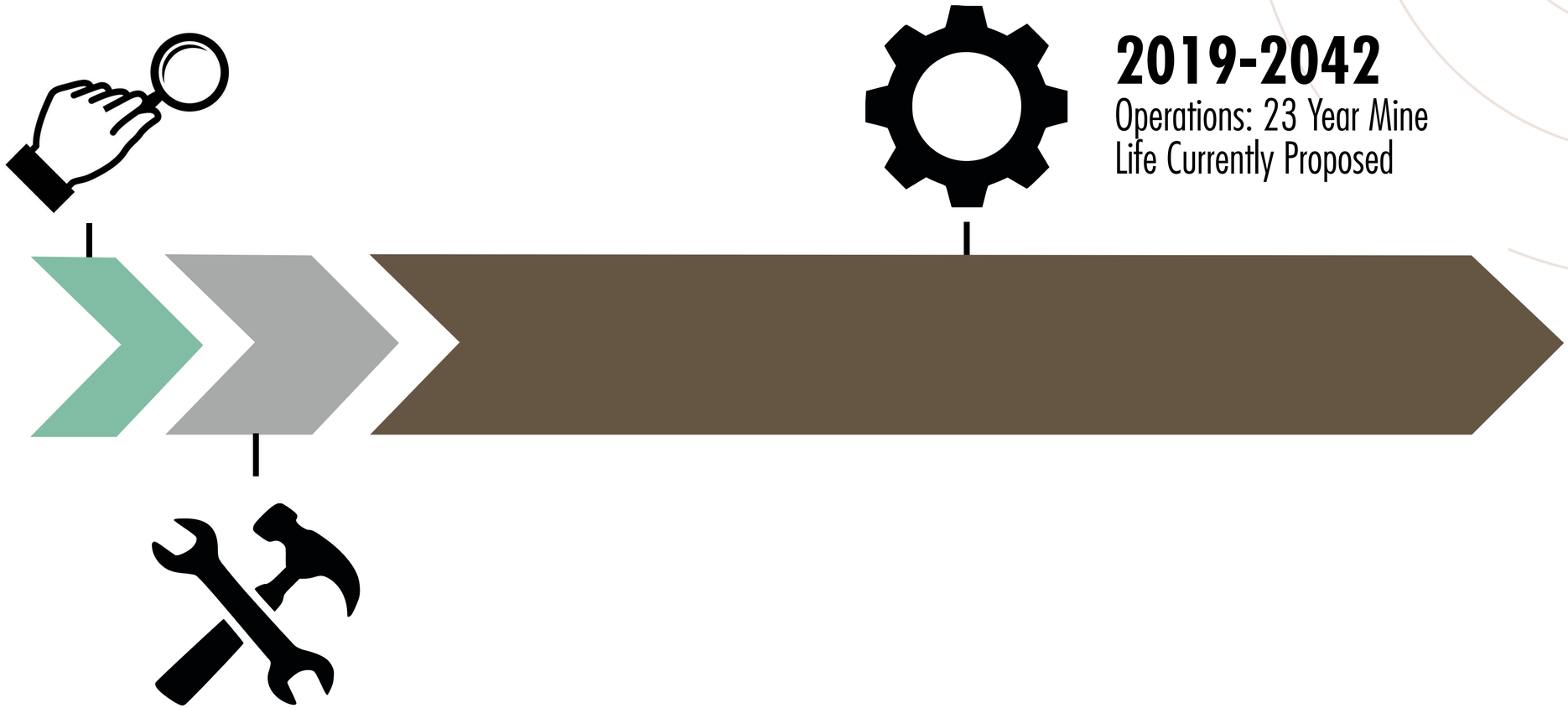
**2015-2016**
Environmental Impact Statement
Submissions & Review

# TIMELINE:
# Project Development Schedule



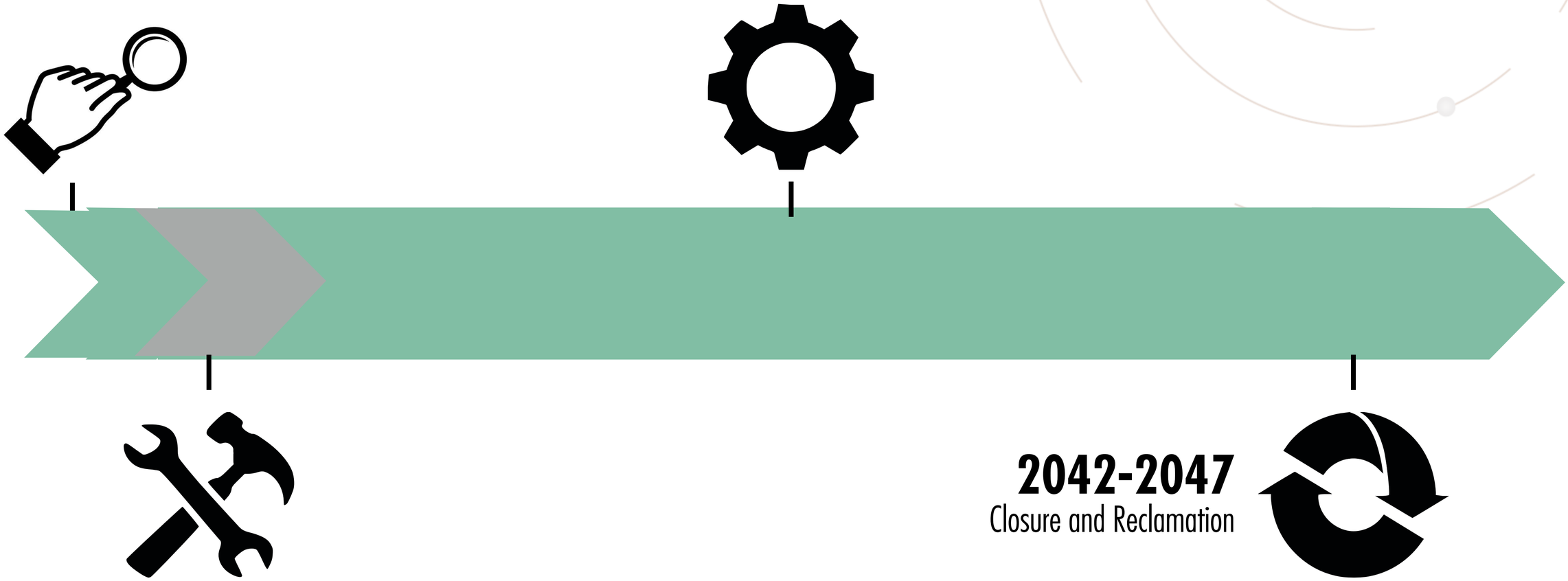
**2016-2019**
Project Construction

# TIMELINE:
# Project Development Schedule



**2019-2042**
Operations: 23 Year Mine Life Currently Proposed

# TIMELINE:
# Project Development Schedule



**2042-2047**
Closure and Reclamation

# Investment by KGHM in Kamloops and BC

## MORE THAN:

# $1,000,000,000