



An Emerging Montana Copper Producer

Community Presentation
2024

Modern Mining at its Best

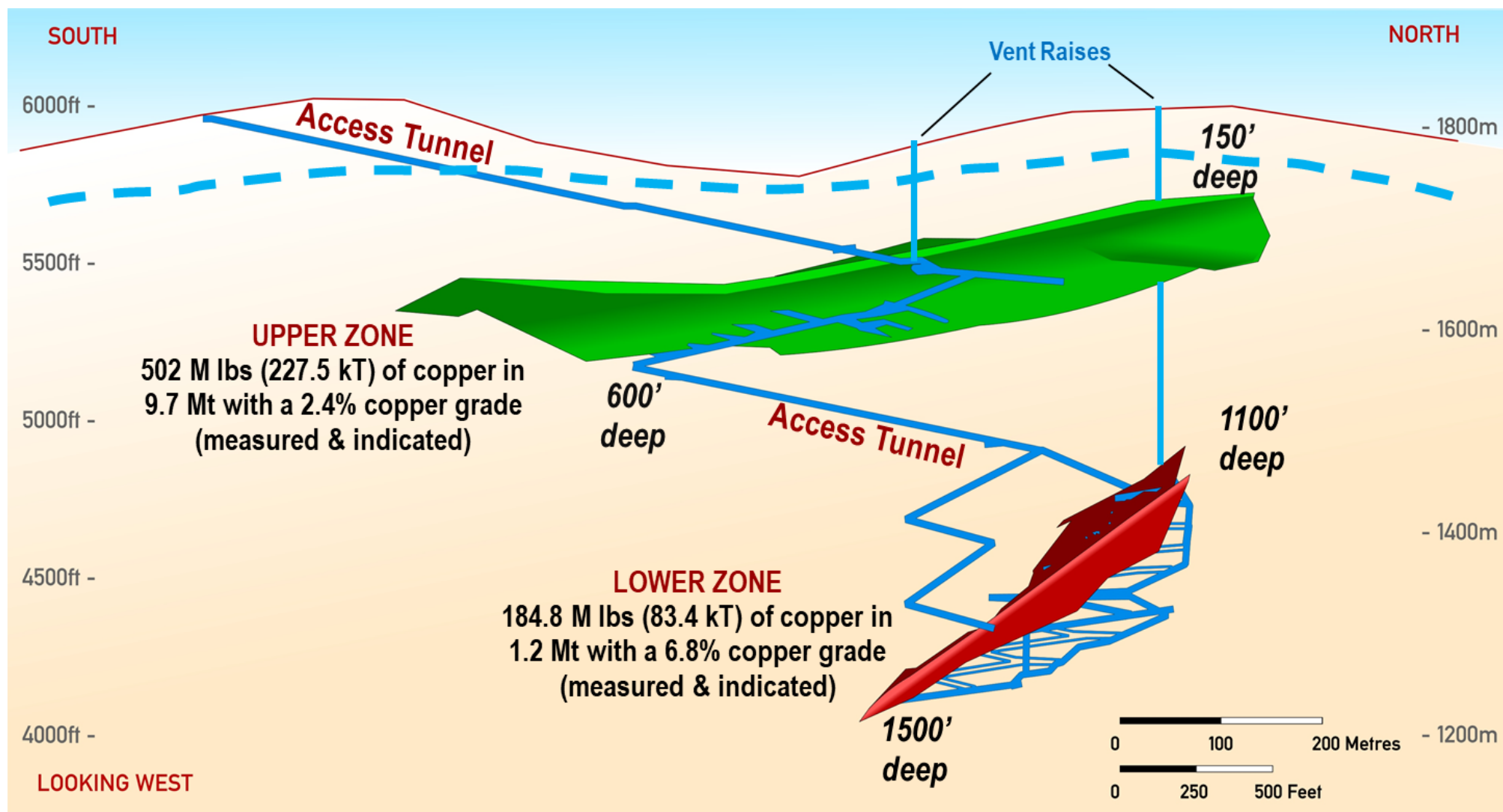


- ▶ Creating a highly engineered underground mine.
- ▶ Protecting all water quality and quantity with no perpetual water treatment needed.
- ▶ Bonding fully for all reclamation with land returning to agricultural after the end of mining.
- ▶ Providing 240 top paying jobs for 11 years at minimum with family supportive wages.
- ▶ Enhancing the community and its sustainable growth.



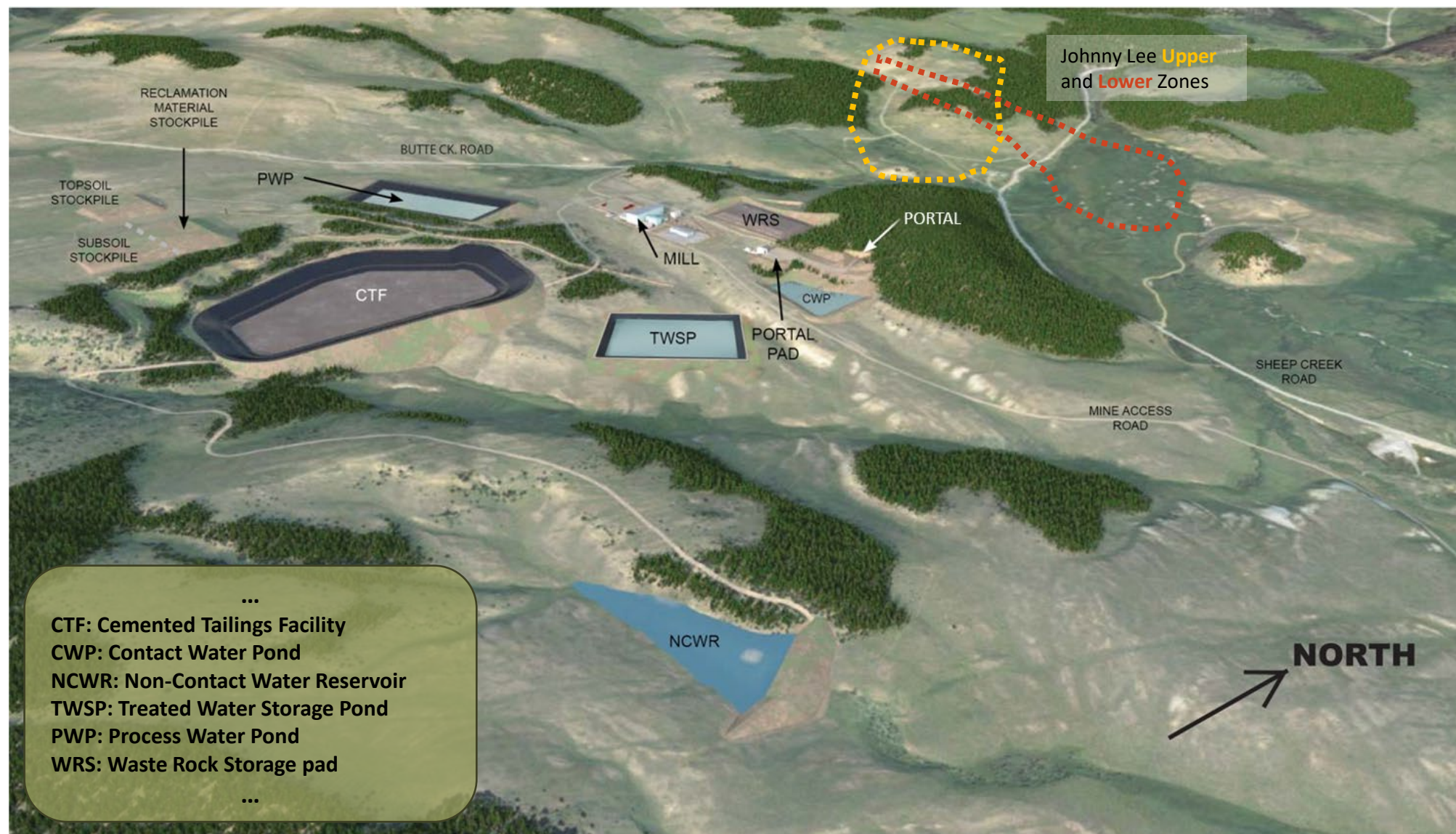
Black Butte Copper signed a Memorandum of Understanding with the Meagher County Stewardship Council, committing to no open pit mining in the district.

Johnny Lee Deposit



Black Butte Copper is one of the highest-grade copper deposits being developed in the world.

Compact Surface Footprint



...
CTF: Cemented Tailings Facility
CWP: Contact Water Pond
NCWR: Non-Contact Water Reservoir
TWSP: Treated Water Storage Pond
PWP: Process Water Pond
WRS: Waste Rock Storage pad
...

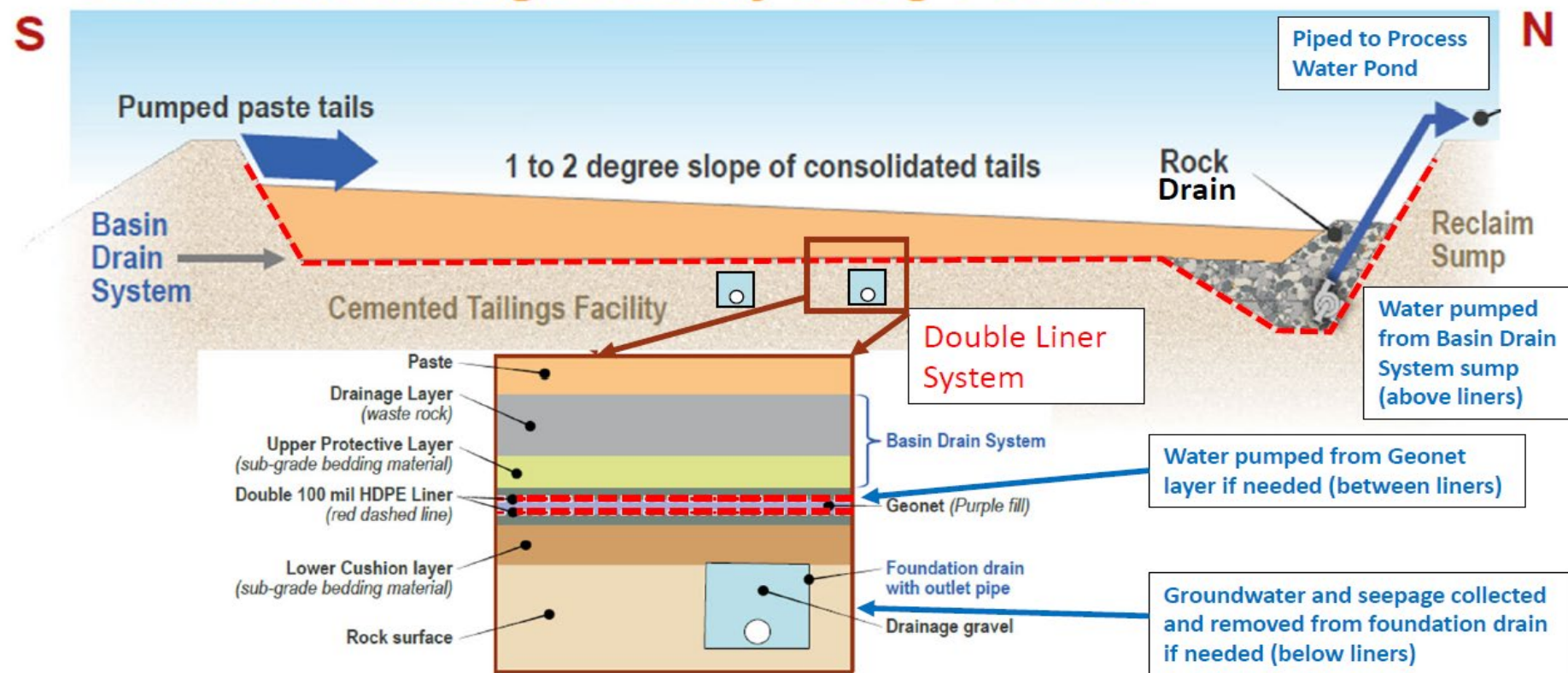
Our very small surface footprint is out of Sheep Creek Valley and will be 100% reclaimed.

World Class Cemented Tailings Facility



Schematic Cemented Tailings Facility Sections with Lining System

Cemented Tailings Facility Long Section



The surface facility is designed for:

- ✓ 10,000 year maximum earthquake event
- ✓ 1.5 times average annual precipitation in a single storm

(22 inches rain on 11 inches of wet snow in one storm)

- ▶ BBC water monitoring requirements are detailed in the Project **Field Sampling and Analysis Plan (FSAP)**.
- ▶ **Requires monitoring of many different water resource categories:**
 - Groundwater
 - Surface Water
 - Springs
 - Seeps
 - Wetlands

Water Monitoring

- Over **90 sites** are monitored on a monthly, quarterly, or annual basis
- The baseline water monitoring record contains over a decade of data



Natural and Cultural Resources



BBC completes **flora and fauna monitoring** annually:

- Aquatic Surveys (Little Sheep Creek, Sheep Creek, Coon Creek, Moose Creek) – fish, amphibians & macroinvertebrates.
- Bat Monitoring & Kestrel Monitoring
- Full baseline wildlife surveys completed during permitting phase
- Wildlife policy requires that **no wildlife shall be fed, harassed, or otherwise disturbed.**

BBC maintains a **Noxious Weed Management Plan**:

- Requires vehicles, equipment, and drill rigs be cleaned before entering project areas including:
 - Tires, treads, tracks
 - Undercarriages
- Personnel entering site should clean boots, pants, and other PPE free of mud and seed debris to prevent spread of noxious weeds

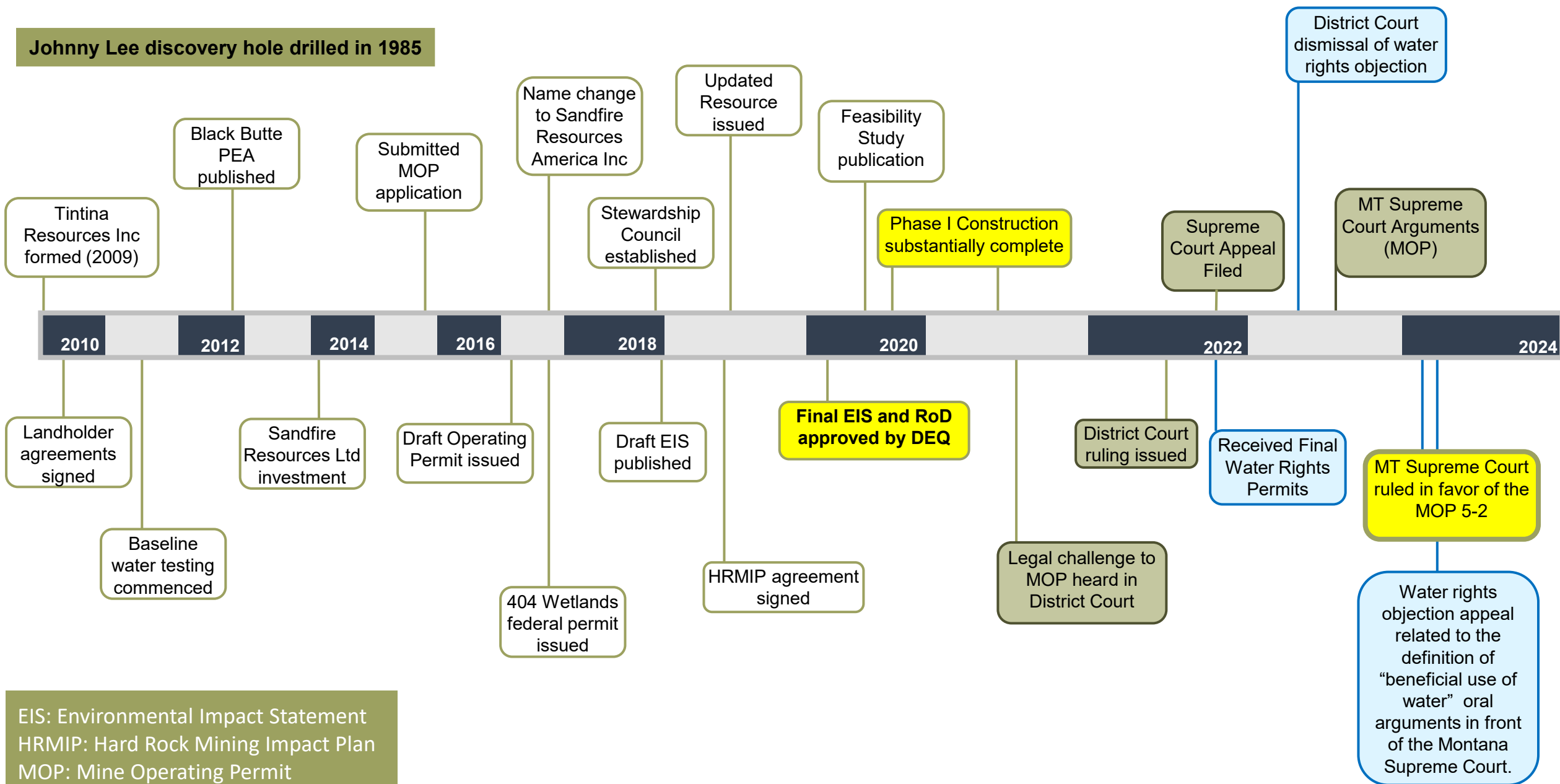
BBC completes **cultural resource inventories**:

Cultural Resource Surveys are completed on all lands of interest to make sure we are protecting our heritage. This work is done in conjunction with the State Historic Preservation Office (SHPO) and local tribal representation.

Permitting Timeline



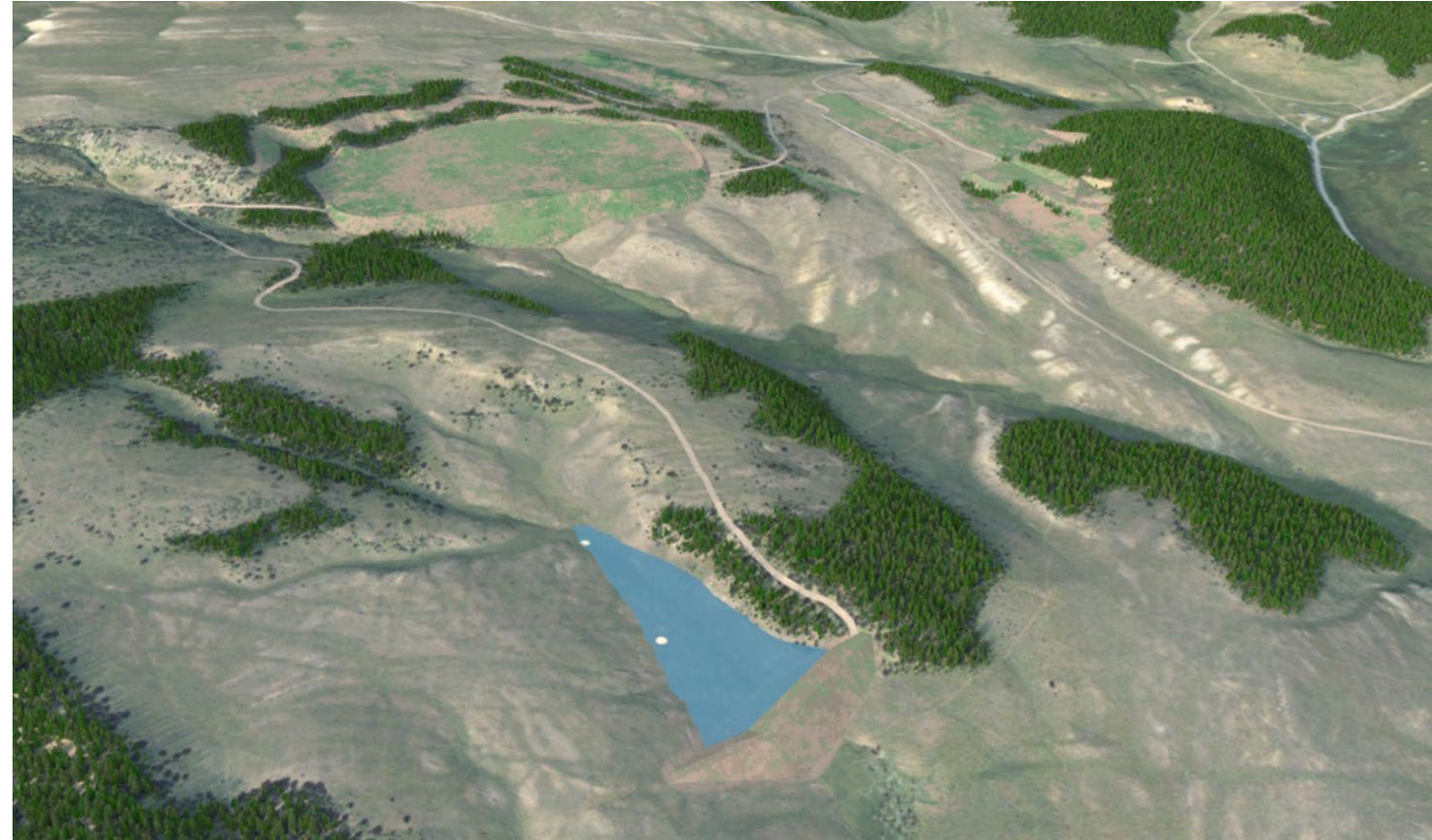
Johnny Lee discovery hole drilled in 1985



Hard Rock Mining Bonds in Montana



- ▶ Posting a reclamation bond is required before construction commences.
- ▶ Bonding calculations include:
 - Direct Reclamation Costs
 - Indirect Reclamation Costs
 - Mobilization
 - Contingencies
 - Engineering and Design Updates
 - Third Party Contracting Cost
 - Reclamation Management
- ▶ The Phase I Construction Bond is \$4.7M.
- ▶ The Phase II Construction Bond isn't yet set.
- ▶ Montana mining bonds are reviewed every year and recalculated every 5 years.
- ▶ Bonds remains in place until reclamation is deemed complete by DEQ.



Black Butte Copper modern mining restores 100% the site to original land uses and restored water flows thus fully protecting our water and landscapes long term.

Montana's Hard Rock Mining Impact Act



- ▶ Montana's unique Hard Rock Mining Impact Act requires a new large-scale hard-rock mine developer to prepare an impact plan identifying local government services and facilities impacted as a result of the mineral development and mitigate them before construction can commence including:
 - Pre-mine required County/City infrastructure, improvements, and support staff.
 - School district needs due to increases in public school enrollment as the mine progresses.
 - Post-mine transition preparation.
- ▶ In 2020, \$437K was placed into escrow with money sent to Meagher Co. in lieu of future taxes for 3 years.
- ▶ Between 2020-2023 all escrow money was received by Meagher Co. and the City of White Sulphur specifically for the salary of an additional Sheriff's Deputy, a Deputy vehicle, and County/City planning.
- ▶ Every year this requirement is fully reviewed



Meagher County Stewardship Council (MCSC)



▶ Meagher County Stewardship Council (MCSC)

- This nonprofit council gives stakeholders an independent voice with the goal of sustainable positive net impact; environmentally, socially, and economically past the life of the mine. To learn more about the council, please go to their website: <https://meaghercountystewardshipcouncil.org/>
- Currently engaging in housing solutions, environmental grants, and finalizing the CBA.

▶ MCSC MISSION

- “The Meagher County Stewardship Council shepherds efforts to safeguard and enhance the natural resources, culture, and economic interests of Meagher County for the benefit of current and future generations.”

▶ COMMUNITY BENEFITS AGREEMENT (CBA)

- Environmental Excellence
 - 3rd Party Testing
 - Noxious Weed Control
 - Smith River Watershed Enhancements
- Socio/Economic Development
 - Revolving Loan Fund
 - Youth Program Support
 - MCSC Operating Funds
- Permanent Fund Foundation



Workforce Education and Development



- Highlands College Engagement
 - Commercial Driver's License (CDL-A) training - Spring 2023
 - Created a 32-hour online MSHA Training course
 - additional 8 hours of hands-on required.
 - Short-course - Mining Training; currently in development:
 - Introduction to mining
 - ESG/Corporate Values
 - Geology
 - Finance
 - Outreach
 - Stackable education pathways in Mining
 - Technology Education in development:
 - Micro-credentials
 - Certificate of Applied Science
 - Associate of Applied Science
 - Sandfire representation on Highlands College Industry Advisory Board



Jobs and the Economy



Average Meagher County 2021 household income: \$51,709
Average individual Black Butte Copper employee income: \$71,000+

- ▶ **Construction:**
 - 2 years
 - About 200-400 workers
- ▶ **Mine Life:**
 - 8-11 YEARS
 - About 240 employees
 - About 24 full time contractors
- ▶ **Reclamation:**
 - 1-3 years
 - About 25 employees
- ▶ **Current:**
 - There are 20 employees currently on payroll. 2 Contractors.



The Future is Copper



► Trends

- There are many trends currently driving growth in copper demand and they aren't expected to change in the coming decades. These trends include increased use of electronics, an uptake in electric vehicles, and increased interest in renewable and efficient energy sources – all requiring significant amounts of copper.

► Recycling

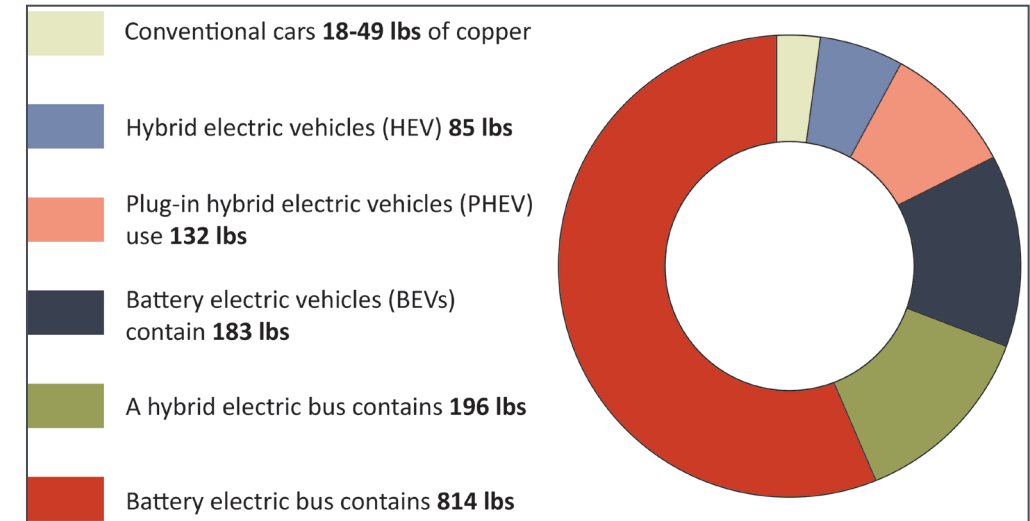
- Copper is a circular material, meaning it does not lose quality when it is reused. Recycling more copper will help to meet demand but recycling alone will not be enough to ensure a stable supply of copper into the future.

► Renewable Energy

- Numerous countries, including the U.S., are championing renewable energy and zero emission, spurring shifts to electric vehicles and sustainable energy development. In order to meet the copper demand that these rising trends will require, it is necessary to continue learning how and where copper deposits are located.



The demand for copper due to electric vehicles is expected to increase by 1.7 million tons by 2027.



Graphic and above quote from *Copper Drives Electric Vehicles*, published by Copper Development Association Inc.

Goldman Sachs recently presented a bullish forecast for the copper market for 2023-24, with its analysts expecting the price will jump from current US\$8500/t to \$11,000/t this year, increasing to US\$12,000/t.

Sandfire Resources Degrussa Solar Project



DONE RIGHT.
DONE TOGETHER.
THAT'S THE
MONTANA WAY.

Sandfire Resources America Inc. / Black Butte Copper

17 E Main St., White Sulphur Springs, MT 59645

Office Phone: 406.547.3466