

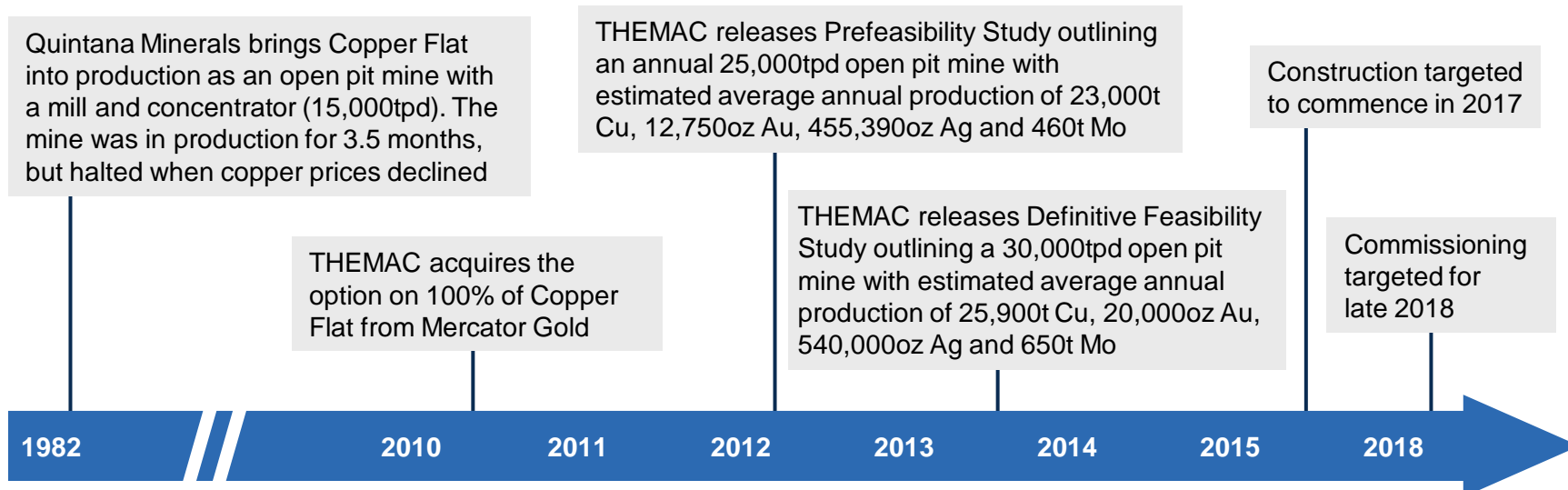
## COPPER FLAT PROJECT | OCTOBER 2023

Science, Technology and Telecommunications Committee





- ✦ Canadian-listed (TSXV:MAC) resource company focused on developing and operating the Copper Flat Project
- ✦ THEMAC Resources Group holds a 100% ownership interest in the Copper Flat Project (the “Project”)
- ✦ THEMAC Resources is majority owned by Tulla Resources, a company associated with the the Maloney family

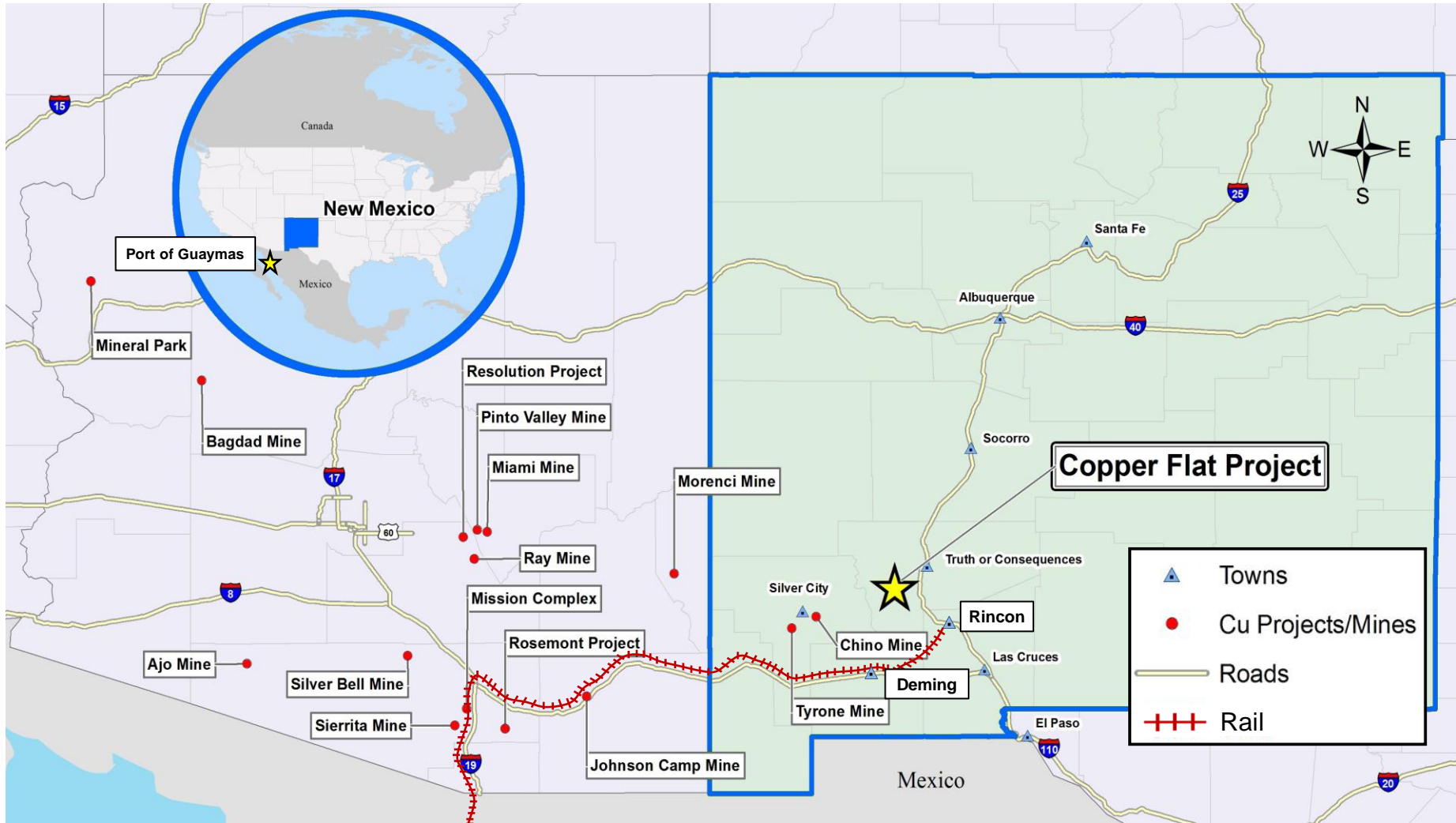


# COPPER FLAT PROJECT

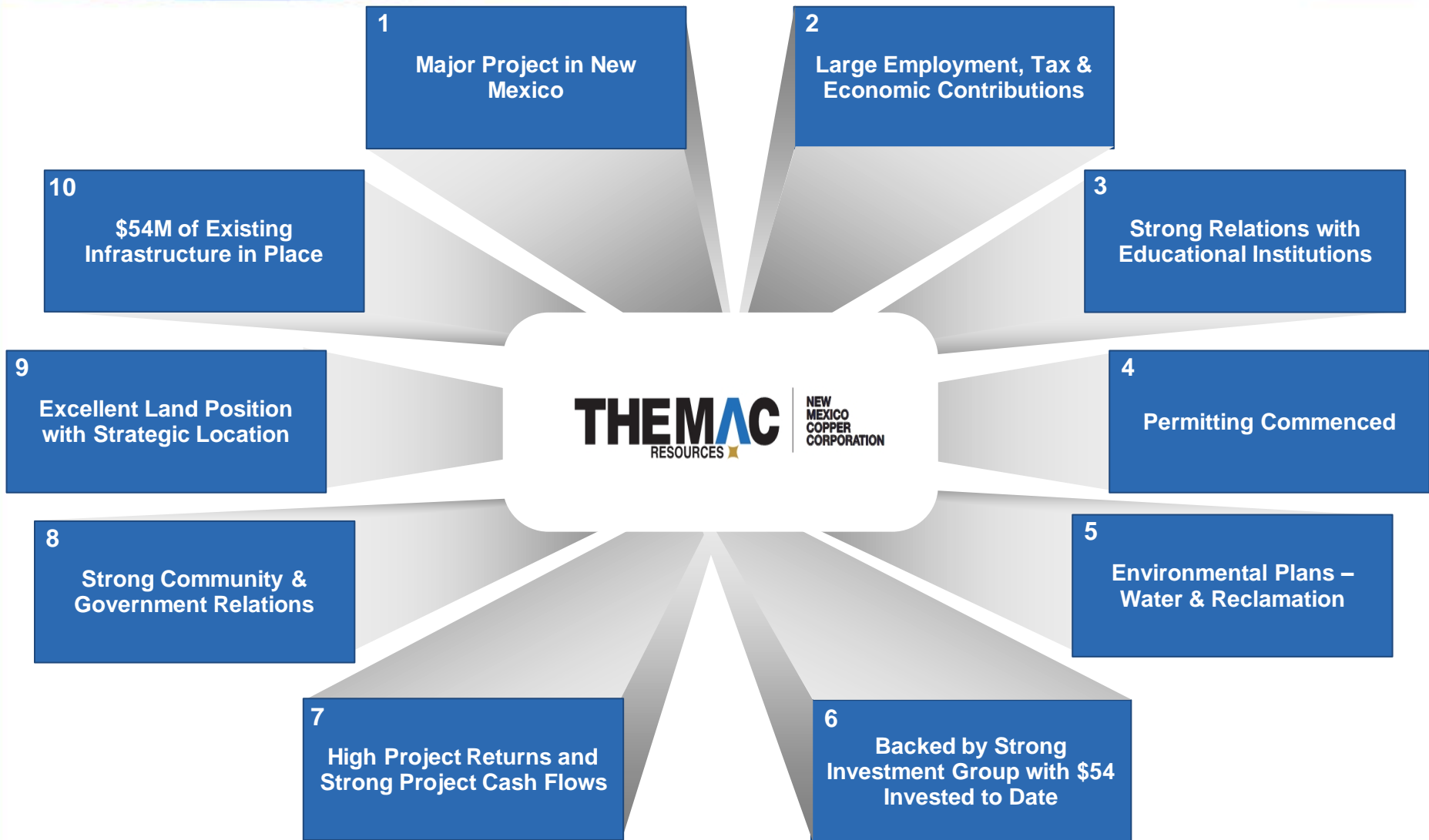
## WHERE ARE WE?



Located in one of the world's most prolific copper mining districts



# KEY PROJECT HIGHLIGHTS



# MAJOR PROJECT IN NEW MEXICO

## ECONOMIC DEVELOPMENT IN THE STATE



- ✦ The Copper Flat Project is a major project in New Mexico with **\$360.5M** to be invested in CAPEX, **1,156** jobs created in the State for construction and **270** jobs created directly in operations

YEAR	COMPANY	PRODUCT	INVESTMENT	EMPLOYEES
	<b>Copper Flat Project</b>	<b>Mining</b>	<b>\$415M<sup>1</sup></b>	<b>1,156<sup>2</sup> / 270<sup>3</sup></b>
2012	Union Pacific	Intermodal Facility	\$150M	-
2012	Sun Edison	Solar Energy Farm	\$40.2M	-
2013	Presbyterian Healthcare Services	Healthcare Services	\$32M	
2013	Friedman Recycling	Recycling	\$21M	35
2013	AGPower FPI	Biofuels processing	\$20M	15
2012	Western Baking	Food processing	\$15.2M and future of \$15M	300-500
2013	Admiral Beverage	Beverages	\$15M	20
2012	Lowe's	Customer Support Center	\$10M	300

[1] Including \$54M invested by THEMAC Resources to date, [2] In construction (total jobs) [3] In operations (direct jobs)

Source: NM Partnership



## TAX CONTRIBUTIONS

Total Project Federal and State Taxes:

**\$175 million**

Total New Mexico State Taxes:

**\$53 million**

**\$21 million**  
Ad Valorem, Severance,  
And Resource  
Excise Tax

**\$15 million**  
In Gross Receipts Taxes

**\$17 million**  
In Income Taxes

*Note: Extending the mine life beyond 11 years will increase federal and state taxes above.*

## ECONOMIC CONTRIBUTION

**\$ DURING CONSTRUCTION:**

**\$360 million**  
Total Cost

**\$49 million**  
Total State Spending

**\$45 million**  
Total Sierra County Spending

*\*Expenditures over 3-Year Period. Includes design period*

**\$ DURING OPERATIONS:**

**\$115 million**  
Average Annual Operating Expenses

**\$24.3~\$30.3 million**  
Annual Labor Income In Sierra County



### Economic benefits from the Construction Phase



During the construction period a total of **1,337 jobs** (full and part time), **\$55.6 million** in labour income and **\$79.6 million in value added** will be generated in the State of New Mexico



### Economic benefits from the Operations Phase

**368~407**  
**JOBS GENERATED**



**THE MINE WILL EMPLOY**  
**270 FULL-TIME EMPLOYEES**  
WITH AVERAGE ANNUAL SALARIES  
RANGING BETWEEN

**\$35,000**  
to  
**\$60,000**  
**+ BENEFITS**

A range of diverse positions would be available at Copper Flat

- ◇ Accountant
- ◇ Assayer
- ◇ Blast Crew
- ◇ Buyer
- ◇ Concentrate Filter
- ◇ Control Room Operator
- ◇ Crusher Operator
- ◇ Data Entry & Clerical
- ◇ Diesel Mechanic
- ◇ Dozer Operator
- ◇ Driller
- ◇ Electrician
- ◇ Flotation Operator
- ◇ Grader Operator
- ◇ Haul Truck Driver
- ◇ HR Clerk
- ◇ Instrument Technician
- ◇ Laborer
- ◇ Maintenance Planner
- ◇ Moly Plant Operator
- ◇ Pipefitter
- ◇ Process Plant Mechanic
- ◇ Safety & Env. Technician
- ◇ Sampler
- ◇ Security
- ◇ Surveyor
- ◇ Tailings Operator
- ◇ Tire Crew
- ◇ Warehouse Personnel
- ◇ Welder

In addition to the direct jobs created at the mine, Sierra County should also experience a substantial economic boost from indirect jobs created in a range of industries such as health care, foodservices, lodging and real estate





## ■ Current activities:

- ❖ THEMAC has developed a cultural resource report on the local Sycamore trees in the county. We are collaborating with Hot Springs High School to provide educational materials

- To ensure Sierra County residents are qualified for positions at the mine, we have been working closely with local leaders, educational institutions, and government officials to encourage the development of training programs

## ■ Our hiring objectives:

- ❖ Hire local qualified residents
- ❖ Recruit New Mexico veterans
- ❖ Collaborate with job training programs
- ❖ Enhance skills with on the job training

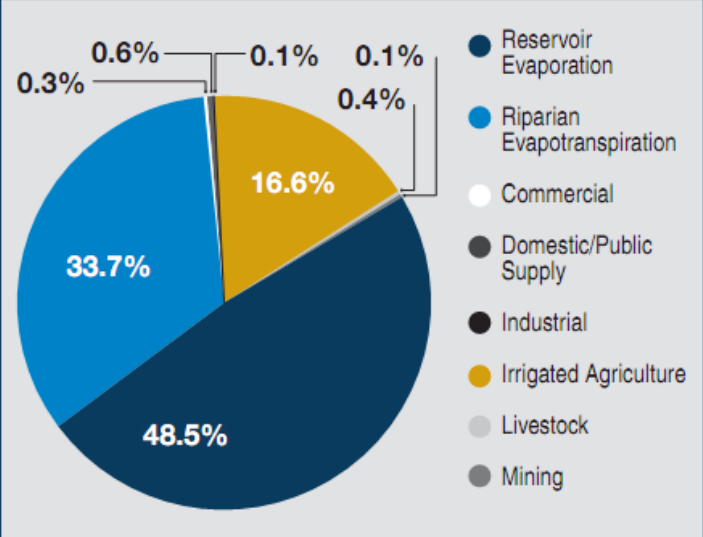
## ■ Local & regional partners include:

- ❖ Dona Ana Community College
- ❖ Western New Mexico University
- ❖ TorC Schools
- ❖ Department of Workforce Solutions
- ❖ Department of Veteran Services





### 2000 OSE Water Use and Riparian Evapotranspiration for Socorro-Sierra Water Planning Region



Total Consumptive Use: 467,759 ac-ft

### Water Balance

Water is essential to mining. It is used for drilling rock, ore processing, dust suppression and other mine activities. THEMAC knows that water is a limited resource in New Mexico and will implement best management practices to monitor water use and employ conservation at Copper Flat. In fact, more than 70 percent of the water used at the mine will be recycled.

Water used at the Copper Flat mine will come from several sources including the Company's groundwater wells, pit dewatering, and captured storm water. Nearly 10% of fresh water requirements will be supplied from sources other than the groundwater wells.

**Major Water Balance Additions**

- Storm Water
- Pit Dewatering
- Ore Moisture Content
- Well Supply

**Major Water Balance Deductions**

- Evaporation
- Water Retained by Tailings
- Water Retained by Mineral Concentrates
- Dust Control on Roads



### Water Recycling

The largest source of water for recycling is reclaimed water from the tailings storage facility. Sources of recycled water at Copper Flat include:

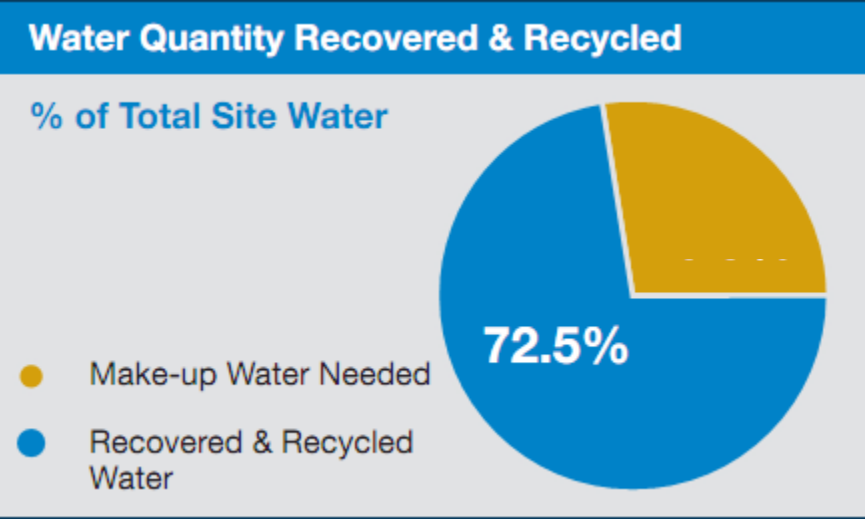
- Reclaimed Water from Tailings Storage Facility (TSF)
- Storm Water Harvesting
- Pit Dewatering
- Return Gray Water to Process Stream
- Concentrate Dewatering



### Decreasing Need

Methods we will employ to reduce water loss or decrease water demand include:

- Manage TSF to Minimize Evaporation exposed water surfaces to limit Evaporation
- Limiting Driving Surfaces
- Limiting Surface Disturbance
- Interim Reclamation
- Improved Control of Water Truck Sprays
- Using Water Efficient Fixtures





Plans for reclamation are required by the New Mexico Mining and Minerals Division prior to consideration of a New Mine Permit

Our objectives are to reclaim mining areas appropriate for the climate and federal and state approved post-mining land uses

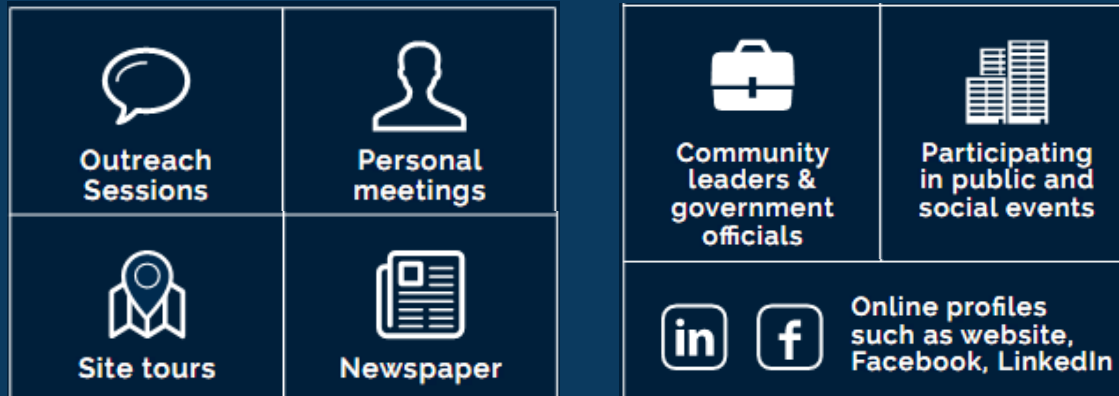
The current reclamation estimate is \$44.1 million. The Company will provide financial assurance for reclamation before construction



## How THEMAC Resources Fits In The Community

THEMAC is committed to being a good neighbor. Community outreach and involvement is of upmost importance to us, that us why we encourage community members to contact us with questions or concerns. We have a long standing relationship with members of the Sierra County community; we maintain a high degree or transparency.

We adopt a number of methods to interface with all residents of the surrounding local communities



# STRONG COMMUNITY & GOVERNMENT RELATIONS



## ■ Sponsorships

- ❖ Hillsboro Historical Society - \$2,000
- ❖ Truth or Consequences Rotary Club - \$250
- ❖ Community Health Foundation - \$500
- ❖ Hot Springs High School - \$500

## ■ We are in regular contact with state representatives and senators:

- ❖ State Rep. Dianne Miller Hamilton
- ❖ State Rep. Rudy Martinez
- ❖ Senator John Arthur Smith

## ■ Strong relationship and support from local governments, commissions, and councils, we have received resolutions of support from all local government:

- ❖ Sierra County Commission
- ❖ Truth or Consequences City Council
- ❖ Elephant Butte City Council
- ❖ Village of Williamsburg Board



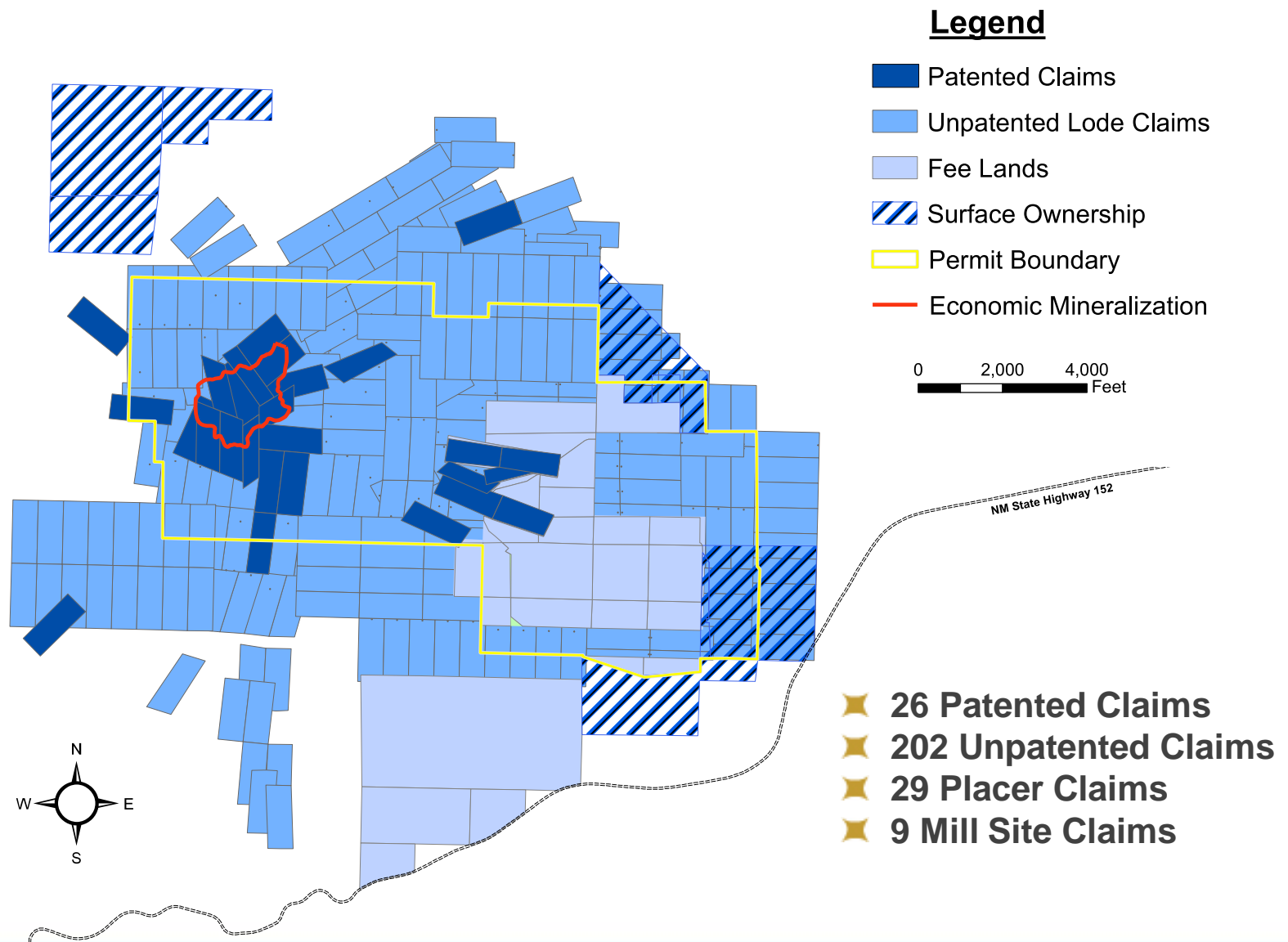
*Members of the Sierra County Commission Visit Copper Flat*



*Congressman Steve Pearce visits the Copper Flat mine*

# EXCELLENT LAND POSITION WITH STRATEGIC LOCATION

PERMIT AREA 100% CONTROLLED WITH ESTABLISHED "BUFFER ZONE"



# EXCELLENT LAND POSITION WITH STRATEGIC LOCATION

## PROJECT IS CLOSE TO EXISTING INFRASTRUCTURE



### Port

Guaymas is the fastest growing seaport in Mexico, located 400 miles (640 km) from the Copper Flat site

### Road

I-25 is the main North South interstate in NM and is situated east of the project

### Rail

Nearest Rail siding is Rincon, NM, 40 miles south of the project via I-25. The concentrates will be hauled from the mine by truck, off-loaded at Rincon and then reloaded onto train cars

### Power

12 miles of existing 115 kv power lines connecting to the mine substation

### Water

Site already supplied by 4 wells and 8 miles of water pipelines to the mill site

### Services and Accommodation:

- ✦ Hillsboro (5 miles SW) and Truth or Consequence (25 miles NE), with population of 6,500 and well-developed amenities and services
- ✦ Hatch (30 miles South of the project)
- ✦ Las Cruces (75 miles South via I-25)







275 ft

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Go

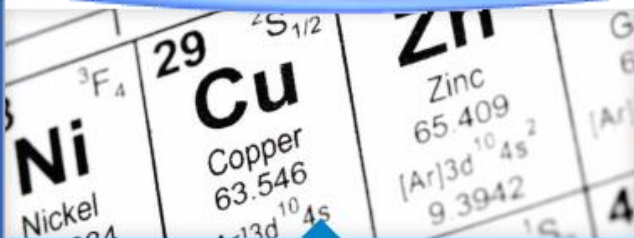
# PAST.... AND FUTURE



Quintana – Circa 1982

# COPPER: HISTORY, IMPORTANCE, AND UTILITY

## THE BENEFITS OF COPPER






### Mining-Part of New Mexico's past, present and future

The mining industry is an important part of New Mexico's diverse culture.

Today, the industry is setting high social, economic and environmental standards.


#### Many industry practices now include:

-  Innovative technologies that minimize evaporation
-  Reuse of water within the mine boundaries to decrease consumption
-  Designing a re-vegetative landscape that meets or exceeds federal and state regulations


**The Copper Flat Mine is collecting environmental and water baseline data to ensure responsible mine development and water use.**


### All About Copper


**Copper has been an important element over time.**

 Dating back at least 10,000 years, copper has played a role in the development of civilizations worldwide.

 Copper is a critical element to the United States. With increased global supply restrictions and growing demand, Americans are less able to supply the copper that we consume. Currently, 30% of copper consumed in the U.S. comes from foreign sources.

 Pure copper is soft and malleable; an exposed surface has a reddish-orange tarnish.


 Approximately 65% of copper mined and produced goes toward electrical purposes, including power generation and transmission. Other uses include circuitry for electrical devices.


 Copper is 100% recyclable without any loss of quality. It is the third most recycled metal after iron and aluminum. However, demand for new copper sources is expected to remain high, especially in the electrical and electronics industries. The world's growing demands for copper cannot be met by recycling alone.


 The current trends in copper processing are towards methods and equipment that use less energy and produce less air pollution and solid waste.





### What are the Common Uses of Copper?


 Approximately 65% of copper mined and produced goes toward electrical purposes, including power generation and transmission.

 Beyond power, copper is used in circuitry for everyday devices like televisions, cell phones and computers.

 A small car contains up to 44 pounds of copper, while larger cars contain up to 99 pounds.

 Copper helps reduce our reliance on fossil fuels. Hybrid cars use approximately twice as much copper as a regular internal combustion engine vehicle.

 Wind and solar facilities rely upon copper as well; because these energy sources are often far from population centers, they require copper for transmission lines. Wind energy is twelve times as copper-intensive as conventional power generation.

 Due to its anti-microbial properties, copper keeps us healthy. For this reason, the metal is used in doorknobs as well as healthcare equipment.



- ✦ The Copper Flat Project is an attractive and viable project to New Mexico, complemented by a number of strong economic and social benefits
- ✦ However, there are two major critical path issues that need to be addressed in order to successfully move the Project forward:
  - ✧ Determination of Water Rights
  - ✧ Reclamation Bonding Value





- ✦ Additional Information regarding THEMAC Resources Group:

<http://themasresourcesgroup.com>

- ✦ Download the Definitive Feasibility Study, released on November 21, 2013:

[http://themasresourcesgroup.com/copper\\_flat\\_mine/technical-reports](http://themasresourcesgroup.com/copper_flat_mine/technical-reports)

- ✦ Follow THEMAC on Social Media:



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