

From: [Kerry Shapiro](#)
To: [Ferguson, Tracey](#); [Brechtel, Josh](#)
Subject: US Copper Vested Right Hearing -- Additional Submittal #2 [FAQs]
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Attachments: [image002.png](#)
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[FAQ--Engels and Superior.pdf](#)

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Tracey,

During the on-going Engels-Superior vested rights proceeding, public commentators have raised questions regarding the nature and scope of the property interests that are subject to the vested rights determination, and/or the scope of interests held by the applicant, US Copper Corp. Accordingly, I have attached a set of Frequently Asked Questions (FAQ), and responses, prepared on behalf of US Copper Corp that we believe responds to these questions.

We ask that you please include the attached FAQs paper, along with this e-mail, into the administrative record for this vested right determination proceeding, and make it available to members of the public that have questions regarding US Copper Corp and its project.

Thank you,

--Kerry



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**Frequently Asked Questions:
Engels-Superior Vested Rights Determination**

**Submitted to:
County of Plumas
Planning Department**

**Submitted by:
US Copper Corp
Engels-Superior Mines**

December 2023

During the on-going Engels-Superior vested rights proceeding, public commentators have raised questions regarding the nature and scope of the property interests that are subject to the vested rights determination, and/or the scope of interests held by the applicant, US Copper Corp. Below are answers to these frequently asked questions or issues.

US Copper Corp

US Copper Corp (USCU) is a mining exploration company incorporated in Canada that was originally named Crown Mining Corp. USCU owns and manages the Moonlight Superior Copper Project in Plumas County, California. The Project encompasses both private lands leased from the California-Engels Mining Company (CEMC) and mining claims located on US Forest Service administered land.

Who owns US Copper?

USCU is a public company whose shares trade on the TSX Venture exchange and the OTC QB in the United States. The makeup of the shareholders changes over time, but as of the last Annual Meeting, a majority of the shareholders reside in the United States.

What is the Moonlight Superior Project?

The Moonlight Superior Project includes 2 historical copper mines: the Engels Mine and the Superior Mine. Before 1930, these mines produced over 4 million pounds of copper. The mines became unprofitable in 1930 during the Great Depression and operations were paused. Operations, including exploration and technological evaluations have continued, although economics during the 20th Century did not support full-scale production.

In addition to the Engels and Superior Mines (which are the only deposits subject to the pending vested rights determination), there are two other known copper deposits on the property...the Moonlight deposit and the Lambs Ridge deposit. In total, it is estimated that there is over 3 billion pounds of copper resource in the 4 deposits identified.

The Engels and Superior deposits are on private land that is owned by the California Engels Mining Company which in turn is leased by USCU. The Moonlight deposit underlies mining claims on Forest Service land, and is not subject to vested rights and would require full mine permitting under applicable federal and state law. The Lambs Ridge deposit is partly on private land, partly on Forest Service land (federal mining claims), and is not subject to the vested rights proceeding.

California-Engels Mining Company

CEMC is a California company that owns the private property encompassing the Engels and Superior Mines. CEMC traces its roots back to 1901 when it was established as the Engels Copper Mining Company. Norman Lamb, a former local resident, has been an officer and director of the company since 1978 and President since 1987. Mr. Lamb is the majority shareholder of CEMC.

What is the History of the Engels and Superior Mines?

- 1880- Henry A. Engels began exploration and development at the Superior and Engels sites
- 1910-Upper Camp at Engels mine constructed
- 1914- First all flotation mill for copper in the US was built at Engels mine
- 1915-30- 4.2 million pounds of copper were produced at the Engels and Superior mines
- 1930- Both mines paused operations due to economic conditions
- 1937- Reopening studies prepared
- 1942-44- Reopening studies during the war
- 1947-51- Newmont Mines undertook surface mining activities on the properties
- 1951-59-Indian Valley Chemical Company undertook surface mining activities on the properties
- 1960-62-Nye and Calhoun undertook surface mining activities on the property
- 1962-96-Placer Amex drilled over 400 holes, discovered the Moonlight deposit and prepared reopening studies. CEMCO also began selling and donating large amounts of overburden from the historical mining operation to sand and gravel producers.
- 1997-2012-various mining companies undertook surface mining activities on the properties
- 2010-Turner Excavating Inc. continued the historical overburden sales and their operation was deemed vested.
- 2013-today- US Copper leased the property and prepared production studies.

In today's dollars, the equivalent of over \$45 million has been spent on exploration drilling, geophysical studies, and technical reports since 1930.

What are vested rights?

Vested rights are property rights protected by the US federal and state constitutions whereby property owners have the right to continue certain legal activities as new regulations are tabled. A vested *mining* right is a right to continue mining activity in full compliance with the law that existed before a new zoning regulation or restriction became effective. Vested rights only apply to private lands that have been granted vested rights. USCU is applying for confirmation of its vested rights on the 735 acres that are owned by California-Engels Mining Company.

(Vested rights cannot be applied for or granted for the remaining mining claims held by USCU.)

What permits are necessary before mining could commence at the Engels and Superior sites?

There are numerous state and federal permits that are required before mining can begin. As an example, the following permits need to be obtained on the basis of detailed applications and critical review by the relevant agencies:

- Air Quality Permits through California Air Resources Board (CARB),
- Water Quality Permits such as National Pollutant Discharge Elimination System (NPDES),
- Stormwater Permits such as Storm Water Pollution Prevention Plan (SWPPP)/Industrial General Permit/Waste Discharge Requirement (WDR) through the Regional Water Quality Control Board (RWQCB),
- Clean Water Act Permit (404) through the U.S. Army Corps of Engineers (USACE),

What is a reclamation plan

A mine reclamation plan is a legally required document that details the steps mining operators must take to restore a mined area to a safe, stable, and environmentally sound condition after mining. The Reclamation Plan outlines the end use of the proposed mine site and supporting infrastructure such as buildings, roads, waste rock, and tailings storage facilities. It also addresses any potential contamination and water management measures that may be required at the site post-mining. The operator prepares the Reclamation Plan and both the County and California's Division of Mine Reclamation reviews and approves the plan before any mining activities can begin.

When US Copper receives confirmation of the vested rights, what are the next steps?

Once vested rights are confirmed, US Copper would begin to develop a mine plan for Superior and Engels Mines. This mine plan is needed to prepare applications for the additional permits that are required, as well as the mandatory Reclamation Plan. It will take at least a year to prepare a mine plan, and more drilling and studies will be required before a bankable feasibility study would be prepared in order to secure the required capital to build a mine.

US Copper has run three drill programs and had numerous engineering studies done on the project to determine if the copper resource is large enough and profitable enough at current copper prices to merit the construction of a mine. In order to attract capital to continue developing the mine site, USCU needs to demonstrate that the project is permissible.

Why is the Moonlight Superior deposit attractive for development?

The Moonlight Superior Project hosts over 1.5 million tons of copper and could contribute to the US Governments stated intent to increase the security of supply of critical minerals. Copper is one of the most widely used industrial metals and is an essential component for electrical power generation and distribution, including green renewables.

The US currently consumes over 2 million tons of copper per year but produces just 1.3 million tons. The remainder must be imported. A project like Moonlight Superior would help the US to become less dependent on foreign sources of copper and hence less vulnerable to geo-political risk.

What are the potential community benefits of a mining operation at Engels and Superior?

Early studies suggest that a mining operation at Superior and Engels would process in the range of 3-5k tons/day producing up to 9,000 tons of copper per year. Direct employment would be upwards of 30-50 full time workers with an average wage in excess of \$80,000 per year. The investment to build a mine of this proposed size is estimated at over \$100 million and would take approximately 2 years to build. All of these activities would increase the economic output of Plumas County which in turn would expand the tax base and also attract new businesses to the area to meet the demand for services, supplies and housing created by the new mine and its workers.

What is the Moonlight mine plan on the website?

The Moonlight Preliminary Economic Assessment (PEA) represents the most preliminary and foundational examination of technical studies integral to the formulation of a mine plan for the Moonlight Deposit, which is separate from the Superior and Engels Mines. Subsequent studies progressively incorporate greater detail using the data from additional drilling and engineering analyses. It's crucial to note that the PEA doesn't signify a conclusive mine plan, and finer details often evolve during more advanced studies conducted as part of the comprehensive regulatory procedures essential for moving a mine toward production

Additionally, The Moonlight deposit is on Forest Service land and will take years to permit. The initial production study envisioned a large open pit mine that would process 60k tons of material per day netting 50 million pounds per year. The capital investment required to build this operation would approximate \$800 million and for that reason permitting will have to be finalized before such significant capital can be raised. Employment would be in the order of 400 full time jobs.

While US Copper is interested in the development of the Moonlight and Lamb's Ridge deposits, those projects are not directly linked to the Engels-Superior Mines, nor do they have any bearing on the vested rights of the Engels and Superior Mines.