

APPENDIX A
OPERATING COSTS

Labor Unit Rates
Augusta Resource Rosemont Project - Life of Mine

Wage Category	Application at the Rosemont Project	Base Rate (\$)	Fringe (\$)	Zone Pay (\$)	Total Per Hour (\$)
Updated 2005 estimation					
Foreman	Supervisors/Foremen				75.00
Equipment Operator (Group 2, Zone 2)	Dozer Operators including Challenger, small cranes (<15 tons), and roller (1)	21.42	8.24	1.00	30.66
Material types taken from Caterpillar 2002 Handbook, Edition 32 and Caterpillar 2006 Handbook, Edition 36.	Mechanics and crane operators (>15 tons and <100 tons) (1)	22.50	8.24	1.00	31.74
Equipment Operator (Group 4, Zone 2)	Loader operators, large crane operators (>100 tons) (1)	23.53	8.24	1.00	32.77
Equipment Operator - Backhoe	Backhoe operators (2)	16.82	2.52		19.34
Equipment Operator - Excavator (Group 4)	Excavator operator (2)	23.53	8.24		31.77
Equipment Operator - Grader/Scraper	Grader and scraper drivers (2)	14.45	2.45		16.90
Truck Driver (Group 7)	Haul truck and dump truck operators (2)	18.97	4.97		23.94
Laborers (Group 1, Zone 1)	All construction/demolition laborers (2)	14.26	4.40		18.66
Iron Workers (Zone 1)	Demolition iron workers and welders (2)	23.00	14.80		37.80
Technician	Technician	22.00	-		22.00

1. Rates are based on Davis Bacon Indices General Decision (1) AZ20030016 Modification 20 and (2) AZ20030012 Modification 19, dated 12/22/06 for Pima County Arizona (AZ20030016 is for heavy dan construction, and AZ20030012 is for heavy construction based on non-union indexes).
2. The rate for the Foreman is based on industry standard.

Equipment Rental Unit Rates
Augusta Resource Rosemont Project - Life of Mine

Type of Equipment	Application at the Rosemont Project	Hourly Rate (\$)	Operating Cost (\$)/hour	Regional Adjustment	Total Cost /Hour (\$)
4x4 1/2 ton Pickup Truck	874.00	5.46	6.91	1	12.37
4x4 3/4 ton Pickup Truck	874.00	5.46	6.46	1	11.92
1 Ton Mechanics Truck	3,520.00	22.00	34.58	1	56.58
Tool Cargo Trailer	3,202.50	20.02	2.00	1	22.02
Crew Passenger Bus	-	-	14.97	1	14.97
24 CY End Dump Truck (14,000 # dump trailer + semi tractor)	8,640.00	54.00	7.56	1	61.56
771 D Haul Truck (Komatsu HM400 (40 Ton))	14,000.00	87.50	48.68	1	136.18
777C Haul Truck (Komatsu HD465 (44 Ton))	15,000.00	93.75	80.74	1	174.49
Water Truck (4,000 gallon)	4,997.00	31.23	45.55	1	76.78
988F Loader (with forks) (Komatsu WA600-6 (8.4 yrd))	16,000.00	100.00	134.00	1	234.00
992D Loader (Komatsu WA800 (14.6 yrd))	27,000.00	168.75	101.90	1	270.65
D10R/10U Dozer (Komatsu D375A-5)	22,000.00	137.50	90.25	1	227.75
75D Challenger with Drill/Broadcast Seeder and Disc Harrowed	20,667.00	129.17	65.31	1	194.48
14H Motor Grader (Komatsu GD655-3C 14' Blade)	6,000.00	37.50	35.17	1	72.67
Padded Drum Compactor (CP-563C) (Bomag-BW 2/3-3/84")	4,400.00	27.50	25.10	1	52.60
Smooth Drum Compactor (CS-583-C) (Bomag-BW 211/84")	4,400.00	27.50	25.10	1	52.60
631 E Scraper	21,050.00	131.56	67.89	1	199.46
Backhoe (710D or equivalent)	4,600.00	28.75	54.52	1	83.27
235D Excavator (With shear and rammex) (330BL CAT Trackhoe w/shear)	33,600.00	210.00	42.57	1	252.57
14 Ton Boom Truck	6,080.00	38.00	30.45	1	68.45
150 Ton Crane	2,300.00	14.38	58.35	1	72.73
28 Ton Rough Terrain Crane	5,200.00	32.50	27.30	1	59.80
60 Foot Reach Man Lift	2,500.00	15.63	8.10	1	23.73
1 Ton Truck-mounted Welder/Cutting Torch	6,720.00	42.00	38.89	1	80.89
20kW Mobile Generator	1,680.00	10.50	9.96	1	20.46