General Discussion: December 21, 2021
9:00 a.m. – Board of Commissioners Office via Zoom
Commissioners Daniel E. DeYoung, Herman E. Baertschiger, and Darin J. Fowler; Trish Paredes, Recorder

Chair Daniel E. DeYoung called the meeting to order at 9:02 a.m.

1. American Mineral Research (AMR) Presentation
   Jay Meredith, American Mineral Research, reviewed Gold/Tellurium Mineral Property Developer in SW Oregon: Update on St. Peter Mine and County Mineral Development (Exhibit 1). Dave Streeter, Forestry Director, gave an update on the activity that has been done thus far on the County’s property by AMR and his understanding on the extension/renewal process that AMR must undergo to continue mineral research with the County. Commissioner Fowler inquired about the land near this area that will possibly have timber harvest. Commissioner DeYoung inquired about the process of mineral research and how it is completed. Mr. Meredith explained the process of mineral research, the price of tellurium and the units in which it is sold, and the contentions AMR has had with another mining company in their exploration of tellurium. Commissioner DeYoung shared his thoughts on the County partnering with AMR for grants or mineral extraction. Commissioner Fowler agreed with the County not being able to involve themselves in speculation and would like AMR to help pay for the geologist and any incurred county costs at some point in the future. Mr. Streeter discussed the costs of hiring a consultant for the exploration permit and the purposes for hiring a consultant. Mr. Meredith would like for the County to partner with AMR non-monetarily to endorse a Federal Grant application for mining exploration, the Board stated that would have to run this through the legal department.

2. Additional Subjects/Matters from Commissioners – ORS 192.640(1)
   The Board agreed to cancel the Weekly Business Session tomorrow.

The meeting adjourned at 10:25 a.m.

Exhibits:
Exhibit 1 – Gold/Tellurium Mineral Property Developer in SW Oregon: Update on St. Peter Mine and County Mineral Development
Gold/Tellurium Mineral Property Developer in SW Oregon

Update on St. Peter Mine and County Mineral Development
Developing Mineral Resources in Josephine County: A Timely Topic Today

• In the longer-term, developing mineral resources on public lands in Josephine help contribute to Josephine County Law Enforcement and Justice System reve
• Today’s presentation will focus on how we can do this on County-owned la federally managed land has significant potential to contribute to the County as
• About us, our critical mineral research program, major local discovery of Tellur
• New federal resources are now becoming available for critical mineral R&D
• Update on County St. Peter Mine permit and recent permit extension request

• Education is important!
American Mineral Research: About us

Developing Gold and Critical Mineral resources in SW Oregon for both private industry and local governments.

- **American Mineral Research (AMR) has:**
  - Accumulated a library of *31 years of local research* regarding various mineral properties in SW Oregon, built portfolio of the best production and exploration targets in Josephine County.
  - Developed a proprietary hard rock (narrow vein) gold and critical mineral (Tellurium) research and development program specific to the geology of Southwest Oregon.
  - Very small scale and environmentally friendly developments.
  - Only critical mineral research firm in SW Oregon, recognized for our discovery of High Grade Native Tellurium in JoCo.
<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Experience/Qualifications</th>
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<tbody>
<tr>
<td>Michael Cope</td>
<td>Founder &amp; CEO</td>
<td>30 years of field exploration, conducting local research and mapping</td>
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<tr>
<td>Jay Meredith</td>
<td>CFO &amp; Board Chair</td>
<td>Developed milling circuits specific to the Geology of SW Oregon</td>
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<tr>
<td>Karen Henningsen</td>
<td>Non-executive director</td>
<td>Hosted a number of premier investigators in the field of economic minerals including</td>
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<td>economic minerals including Stanley Keith, MagmaChem Exploration; Dr. John Dilles, Oregon</td>
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<td></td>
<td></td>
<td>State University; and various geologists of the Oregon Department of Geology and</td>
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<td></td>
<td>Mineral Industries (DOGAMI)</td>
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<td></td>
<td>Recognized by DOGAMI for his discovery of native Tellurium in Josephine County</td>
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<tr>
<td>Don Bellville</td>
<td>Non-executive director</td>
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<tr>
<td>Stanley Keith</td>
<td>Geology Consultant</td>
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<tr>
<td>Frank Hladky</td>
<td>Geology Consultant</td>
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<tr>
<td>Jay Me</td>
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<td>Finance and work in all sizes; small to $500</td>
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<td>Previous co-investment a specialized in investments, investing, topt</td>
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<td>Licensed CPA</td>
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<td>Finance Director Grants Pass June 2020 with local co</td>
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<td>Has studied mineral prop Josephine County for 1:</td>
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MagmaChem – AMR’s Geology Consultant and Geology Mentor

**Cu-Au-Ag Discoveries**

Having MagmaChem Target Designs
Direct Target Design Discoveries in **bold**

<table>
<thead>
<tr>
<th>Location</th>
<th>Cu, Au, Ag</th>
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<tr>
<td>Ren, NV 2003</td>
<td>1 million oz Au</td>
</tr>
<tr>
<td>Totorosa, Ghana, WAFR 2000</td>
<td>2 million oz Au</td>
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<tr>
<td>SE Ajo, AZ 1998</td>
<td>2 billion pounds Cu</td>
</tr>
<tr>
<td>Pascua, CL 1995</td>
<td>26 million oz Au</td>
</tr>
<tr>
<td>Pascua, CL, 1995</td>
<td>700 million oz Ag</td>
</tr>
<tr>
<td>Tyrone, NM, 1994</td>
<td>2.4 billion pounds Cu</td>
</tr>
<tr>
<td>South Meikle, NV 1992</td>
<td>2 million oz Au</td>
</tr>
<tr>
<td>Trout Creek (Valmy), NV, 1988</td>
<td>179,000 oz Au</td>
</tr>
<tr>
<td>Lookout Mtn, NV 2007</td>
<td>1 million oz Au</td>
</tr>
<tr>
<td>La Paz, Baja MX 2007</td>
<td>100,000’s tons high grade Au</td>
</tr>
<tr>
<td>Rio Figueroa, CL 2005</td>
<td>1+ million oz Au</td>
</tr>
<tr>
<td>Chuquicamata, CL 2004</td>
<td>100’s million pounds Cu</td>
</tr>
<tr>
<td>Storm-DeeForty Niner, NV 2003</td>
<td>4 billion pounds Cu</td>
</tr>
<tr>
<td>Espanola, CL 1997</td>
<td>1 million oz Au</td>
</tr>
<tr>
<td>Espanola, CL 1997</td>
<td>6 billion pounds Cu</td>
</tr>
<tr>
<td>South Alcaparrosa, CL 1996</td>
<td>2 million oz Au</td>
</tr>
<tr>
<td>South Alcaparrosa, CL 1996</td>
<td>60 million pounds Cu</td>
</tr>
<tr>
<td>Vinasale Mountain, AK, 1992</td>
<td>0.15 million oz Au</td>
</tr>
<tr>
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<td>655,000 oz Au</td>
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Client drilling tests: **$600 M** discovered: **$102 B** worth of metals

**Josephine County Wealth Opportunity**

- Historic mines haven’t been modernized and by technology to define or reserve.
- Many historical local deposits focus on critical minerals.
- May 2020 – AMR made the first company to obtain exploration permit on a property.
- Keep in mind as we discuss that Josephine County properties within the tin belt also have significant minerals.
Josephine County: settled and built by mining efforts

All of AMR’s properties and BLM lode claims are in Josephine County.

- Josephine County is the center of mineral wealth in SW Oregon
- In 1937, the state opened a geology and assay office in Josephine County to support prospectors
- WWII stopped non-critical mining efforts
- Josephine County and this region became a timber economy after WWII

SOURCE: DOGAMI Bulletin 100 - “Geology and County, Oregon” by Len Ramp and Norman V. P
What is tellurium?

- Tellurium (Te) is a metalloid
  - Properties between a metal and a non-metal
- Te is a semiconductor
  - Very useful for electronic and other technology applications
  - Photovoltaic (PV) cells for solar panels largest single use
- Te is very rare on planet Earth
  - Most rare element on the critical minerals list
  - 8 times more rare than gold
- First discovered in an Au-bearing mineral in 1782
Significance of our local tellurium discovery

• Highly sought after by solar panel manufacturers
• Only place in the US known to have as high or higher levels of Te than what we’ve discovered locally is Colorado
• Most Te used in US comes from China (lesser extent Canada)

• Various technology applications as a semiconductor
• Advancements being made in using Te in new battery technology
Critical Minerals like Te – the time is now!

- Several executive orders related to critical minerals and supply chains by both the Trump admin and Biden administration
- Critical minerals and H.R.3684 - Infrastructure Investment and Jobs Act signed into law last month.
  - The term "critical mineral" is mentioned 83 times in the infrastructure bill
- "(b) Sense of Congress.--It is the sense of Congress that--
  1) critical minerals are fundamental to the economy, competitiveness, and security of the United States;
  2) many critical minerals are only economic to recover when combined with the production of a host mineral;
  3) to the maximum extent practicable, the critical mineral needs of the United States should be satisfied by minerals responsibly produced and recycled in the United States; and
  4) the Federal permitting process has been identified as an impediment to mineral production and the mineral security of the United States."
Critical Minerals like Te – the time is now!

- Critical minerals and H.R.3684 - Infrastructure Investment and Jobs Act signed into law last month.
  - Significant federal funds for critical minerals mapping and related research
  - Significant federal funds for critical mineral development and production
  - Significant federal grants for battery materials processing
  - Advanced energy manufacturing grants (sun, water, wind, geothermal, etc)
- Grant Program for Processing of Critical Minerals and Development of Critical Minerals and Metals - grants “up to” $10,000,000 each.
County St. Peter Mine Mineral Exploration Permit was applied for this exploration permit on November 12, 2019 (MAC first). Public Hearing Feb. 2020, final approval May 2020. Mineral Exploration Permit for three years on Josephine County owned land, approximately 76 acres, referred to as St. Peter Mine Property in forest inventory. We have a long-term interest: First two applications were 2008. This is more than an exploration permit, this remains a proposal for a public-private partnership. We estimate that each “successful” smaller scale mineral development operation on County land could bring $100k to $200k per year in County royalty revenues.
St Peter (Martha) Mine

Over $3 million was spent core drilling / exploring this historic mine back in the 1980s / early 1990s

- Last (unpublished) geology report in our possession says majority of gold reserves are on this County land
- New surface pits and/or portals will need to be developed after further exploration

Significant potential for additional discovery (previous exploration only covered part of the west end of property)

The County should never sell this property!

Surface sampling has begun in other areas
"General" process of developing a lode mineral pr

- **Exploration and development process** – 5 to 10 years
- Small scale development like AMR does – generally more than $1.2 million (larger development would be significantly more)
- Each project requires significant financing
- Very small surface disturbance, don’t operate in or near any waterways
- Small levels of high-grade production even when in full operations
- Geochemical analysis of samples and MagmaChem’s modeling/mapping process
- Gold production will “pay the bills” and allow for tellurium production
- Encouraged by preliminary surface sampling to date as noted in quarterly rep
“Rocky road” in the first 18 months of the permit

- COVID pandemic slowed our progress in the first 18 months
  - Slowed financing progress including capital firm work in Sydney, Australia
  - Our preferred exploration geologist could not travel here to JoCo during pandemic

- Neighbor on this County property that works in both the mining and timber industry objected to our application during the initial application process and brought Portland attorney – resulting in the County hiring a mining consultant to weigh application and serve as a consultant throughout the permit period.

- This neighbor continued to cause problems for the County in the early months of the permit, increasing costs to the County

- County consulting contract may not have been necessary without the problems associated with this neighbor
“Rocky road” in the first 18 months of the permit
Last summer requested permit time extension

- Made the request with the quarterly progress report for June 2021, BCCdiscuss
time extension request in August
- Primary reason for our permit extension request – COVID related delays
- Not asking for any monetary requests or changes to the normal annual permi
asked for a 2-year time extension on the exploration permit
- August 17th, Chair DeYoung stated he wanted a couple weeks to think about
said he had no problem with granting an extension for the time lost due to
implied that they wanted to gather additional information about this rec
making a decision. It sounded like there would be a future opportunity to a
questions and provide additional information.
- We were surprised when we received a letter in September saying the reques
and that permit fees would be increased if the County granted an extension in
Last summer requested permit time extension

Primary concerns and questions from the County in regard to the exter request:

1. Cost of administering the permit
   • County code 5.15 governs the fees for the exploration permit, and it up a lot in future years...particularly in years 4, 5, and after year 5. The cost per acre is 20 times greater in year 4 than in year 1, and in beyond the cost per acre is 50 times the amount in year 1.
   • Our mineral development process is significantly less impactful than operation – consider engaging mining consultant “as needed”
   • Keep in mind future revenue potential to the County from this permit permits administered by the County have this kind of “potential investment
Last summer requested permit time extension

Primary concerns and questions from the County in regard to the extern request:

2. It was suggested sufficient time left in the original permit period
   • As previously mentioned, it generally takes at least 5 years to complete an exploration program. With only 18 months remaining, we can be certain time an extension is needed.
   • A permit timeline extension can help attract financial partners and mineral development grants.
   • County code recognizes that the exploration process can take 5 years and beyond. Significantly in years 4, 5, and beyond, anticipating that activity will go on for 5 years.
New reasons to consider a permit time extension

1. Two weeks ago Director Streeter informed AMR that the County intended to initiate a forestry operation on the St. Peter Mine property.
   - Part of the intended harvesting area is not anticipated to impact our planned exploration efforts, however one section of the planned harvest could and delay a portion of our tentative plans.
   - Director Streeter informed us during the initial permitting process then near-term plans to harvest this property and we are looking forward why the harvesting plans changed.
   - Could cause short-term delays, but long-term benefits for mineral exp

2. If the County is interested in collaborating with AMR on critical mineral grant opportunities, it will take time to research and apply.
Public-Private Partnership revisited

- **Attractive Risk / Reward proposition for Josephine County**
- Insurance and bond requirements sufficient to protect County property
- AMR has already begun improving the condition of the property and enhancing the value of the property through a mineral evaluation

- One or two **productive** mineral royalty properties owned by Josephine County could double net revenues generated by entire Forestry department on average, there are at least 5-10 “timber” properties in the County’s portfolio that have significant mineral potential
- Will take a significant amount of time and money invested in this property to develop it to the point of royalty revenues for the County
- The value of the minerals on this property have already proven to be many times the value of the “timber” and other County properties hold poten...
Questions / Comments for discussion today

1. Is the Board willing to reconsider a permit time extension request of 2 yeas?

2. Is the County interested in taking part in a potential partnership to seek federal grant resources for critical mineral research on this or other County properties?
   - AMR has a long history of collaborating with Oregon State, DOGAMI, and others.
   - AMR would do most of the technical writing required and the bulk of the partnership coordination.

3. To enhance the value of other County real property holdings, consider other policy and procedure changes such as mineral evaluations of County timber properties before they are offered for sale.
Thank you!

AmericanMineralResearch.com