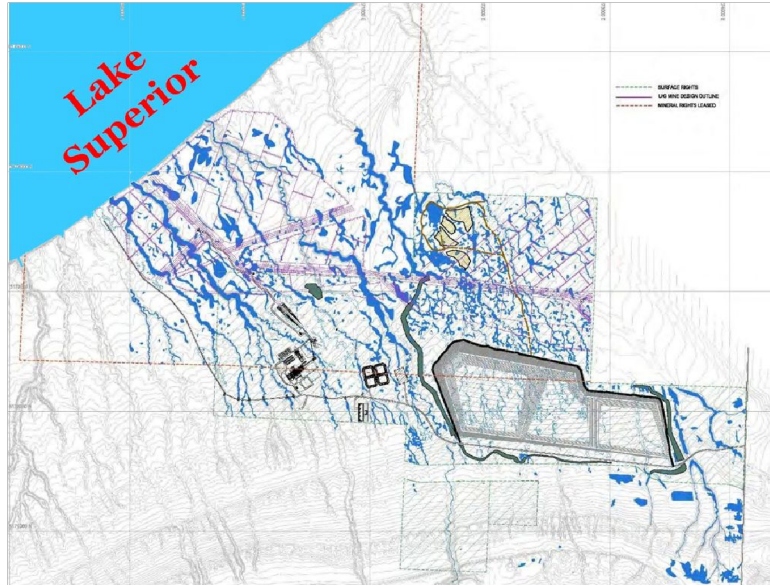


THE CLOSEST SULFIDE TAILINGS FACILITY TO LAKE SUPERIOR IN HISTORY



Because Copperwood's ore grade is only 1.5%, nearly 99% of what comes out of the ground will be stored as 30+ million tons of toxic mine waste in a tailings facility erected on topography sloping towards Lake Superior. And unfortunately, tailings dams are far from invincible...

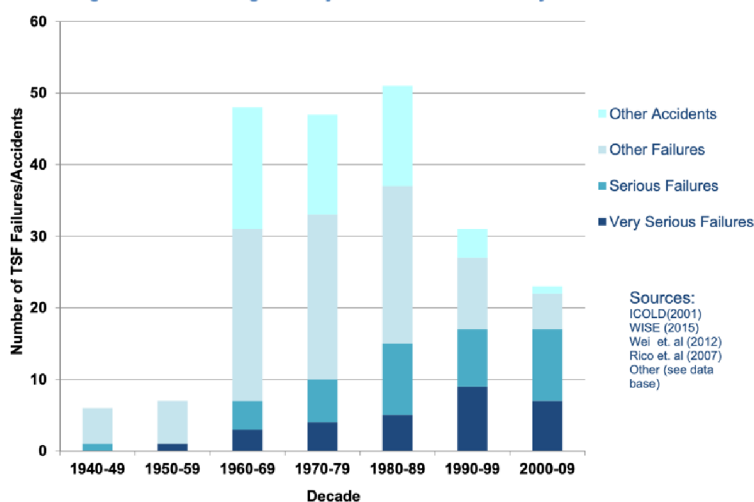
In fact, recent research shows the risk of serious failure is actually increasing:

The RISK, PUBLIC LIABILITY, & ECONOMICS of TAILINGS STORAGE FACILITY FAILURES

Lindsay Newland Bowker¹ & David M. Chambers²
July 21, 2015

Prior works interpreting the history of Tailings Storage Facility (TSF) failures, 1910-2010, have concluded that the lower numbers of failures and incidents in the two most recent decades evidence the success of modern mining regulation, improved industry practices and modern technology. When examined more closely the 100 years of TSF failures shows an emerging and pronounced trend since 1960 toward a higher incidence of "Serious"³ and "Very Serious"⁴ failures. That is, the consequence of loss is becoming increasingly greater.

Figure 2.1 Increasing Severity of TSF Failures Globally 1940-2010



The data clearly indicates that, although smaller, less significant accidents may be decreasing in frequencies, serious and very serious tailings dam failures have greatly increased.

*Risk potential has
increased by a
factor of 20 every
1/3 century.
(Robertson 2011)*

As causes for the trend, the study cites:

- low-ore grade operations creating unwieldy quantities of waste (just like Copperwood)
- small companies operating on slim financial margins which cannot afford the necessary precautions (just like Highland Copper)

There are have been MANY tailings dams ruptures, and they are not exclusive to "poorly regulated third-world countries":

- In 2014, the Mount Polley Mine in British Columbia spilled 25 billion liters into the heart of a pristine outdoor recreation and fishing area, including over 400 tons of arsenic 177 tons of lead — \$67 million in clean-up costs
- In 1998 in Spain, the Los Frailes Mine tailings dam burst and spilled 5 million tons of waste into Doñana National Park — \$240 million in clean-up costs

Does the Michigan Strategic Fund want to be responsible if history repeats, right next door to Lake Superior and Porcupine Mountains State Park?



MI HEALTHY CLIMATE PLAN

PROTECT
30%
OF MICHIGAN'S LAND
AND WATER BY 2030