

June 25, 2013 Meeting

MEETING SUMMARY

Introductions

Group members introduced themselves, noting the main reason they joined this group:

George Martin – JF Ranch

Three of their wells have gone dry since mine dewatering has started.

Lynn Martin – JF Ranch

They have always gotten along with mine for two generations, but need honesty.

Pam Bennett – Queen Valley HOA president

She's here to represent her community; they have water concerns too.

Nancy Vogler – LOST Trail (Pickett Post to tunnel)

The organization has been going for 6 years. She doesn't like seeing the town torn in half by the mine controversy.

Bill Vogler – LOST Trail

He's learned a lot about environmental issues from their ranch in California, and wants to learn more about issues here.

Frank Stapleton – Cobre Valley Clinic

Wants to learn more about an important community issue

Roy Chavez – Concerned Citizens and Retired Miners Association

He's a lifelong Superior resident, worked for several mines, has been a town elected official, is interested in eco-tourism the arts and revival of the community, and is an opponent of the land exchange language

Pam Rabago (for Pete Casillas) – Superior Chamber of Commerce

The facilitators from Godec, Randall & Associates (GRA) are:

John Godec

Debra Duerr

Matt Ortega

Resolution Copper representatives include:

Vicky Peacey - senior manager of approvals, communities & environment

Bruce Richardson - manager of community & external relations

Melissa Rabago - community outreach coordinator

Purpose of the Group

Vicky Peacey, representing Resolution Copper, thanked members for coming and participating. It was stated that the group grew out of a suggestion from a town hall meeting earlier in the year. The group is made up of local residents, for the most part, who can help Resolution with project issues, most immediately with the tailings disposal. Peacey said that the group should probably have been set up much earlier, and Resolution apologized for not doing this sooner.

John Godec, the facilitator, explained that this group is meant to represent the range of interests in the community. Initial contacts were suggested by Resolution, and it is expected that the group will grow over time. The facilitators will look to group members to suggest additional folks who should be invited. A main objective of the group is to help Resolution to better see issues through the community's eyes, and to allow the community to learn more about how Resolution operates.

Operating Procedures

The group reviewed a set of draft Operating Policies, prepared by the facilitation team and provided in the meeting packet. The group indicated that they generally agree with these policies. Suggested changes are welcome and will be considered by the group. It was noted that the meetings will be open to the public. Members agreed this will promote transparency.

Godec asked that the group help in developing agendas. The most pressing topic, to both Resolution and the community, at the moment appears to be the tailings issue.

It was stated that while notes will be taken of the meetings, quotes or attributed comments will typically not be recorded, with the intention of allowing people to feel they may speak openly and with more candor.

The group reviewed a draft set of ground rules, the essence of which is to treat each other respectfully. People seemed to agree with these, and had no additional suggestions.

Comments, questions and answers are noted below:

- Some members were skeptical that there's an expectation that this process is meant to "approve" something and they don't want to be part of a consensus to

support the project. Are we simply taking the proposal that has languished in legislation and moving it forward?

- No – This group is not for “PR”, not pro-project or anti-project.
- It was reiterated that Resolution has no desire to compromise anyone’s position, or to influence people.
- Will this group be involved in selecting a site for the tailings and examining the effects of it? This is a lot of complex work.
 - Yes, to the extent people are willing to do this.
- We’re putting a lot of faith in the promise that members will not be quoted or attributed.
- We’re not jumping into bed with Resolution.
- A member noted that he has dealt with people on both sides of the fence, and has found that sometimes people will interpret information several ways. We need balanced opinions, not a soap box.
- Resolution should sit at the table with members, to reinforce their desire to be part of the community.
 - Resolution representatives thanked members for that invitation. The facilitators stated a willingness to operate however the group wishes, including asking Resolution to not attend some meetings or discussions if requested. The facilitator said he will also do that if asked.

The role and usefulness of the group was discussed. Several members noted that, although they go to a lot of Resolution meetings and don’t mind doing so, they feel that many of these have been a waste of time, and they don’t want to do that with this group. A member noted that she thought some past meetings were good, and they have been getting better, but Resolution could do a better job in explaining things and providing honest answers. Another member noted that their group feels obliged to “undo” the mistakes that have happened; they hope to be able to prove to their community that Resolution will be forthcoming and answer questions, and that communication will improve. In the past, people feel that there have been no good answers to the community’s questions. Resolution apologized for making people feel this way and asked for more information about why and how this has happened.

Specific group points raised:

- We still have no answers to questions we asked two years ago.
- The more this group finds out what’s going on, the more the rest of the community can find out.

- We just don't want to feel that they're getting the "runaround", as many folks in the community do.
- We need the facts.

Tailings Location

Presenter: Vicky Peacey

Peacey summarized locations that have been evaluated for the tailings disposal site. One site in Pinto Valley that was looked at didn't work out. Then, an area south of Gonzales Pass was tested; the fact that this was done without community notification was a contentious issue for some. Because this site is located on State Trust land, it may not be feasible. It is also very upsetting to the Queen Valley community.

Resolution is now looking at potential areas west of Superior, which is why you've seen people out there. This may not be welcome news for some of you. From reactions at town halls and surveys they do, Resolution judges that the majority of folks want the mine, even recognizing the impacts.

To test sites, Resolution needs to do drilling to gather baseline data. Much of the area west of Superior is Forest Service land, so a plan of operations is needed to do testing. No site will be approved for mine use until a comprehensive environmental review is done under the National Environmental Policy Act (NEPA), which may take years. Resolution said that before they get there, they need to submit a Mine Plan of Operations that has to include a tailings site, they need to gather baseline data, and they need to work more with this group. Forest Service also needs to consider public comments as part of the project review process. Peacey noted that mining companies now work hard to prevent the types of impacts of the past, which cost billions to clean up.

Resolution has two paths for developing the Mine Plan of Operations: pick a site, in consultation with this group and then submit it, or submit the plan before a final tailings site is agreed on with the understanding that the site could change later.

- Could there be several tailings sites rather than just one huge one?
 - Maybe, but Forest Service would probably want to consolidate and minimize impacts.
- How big is it?
 - Big, much bigger than the tailings here now.

Community Working Group

- A member noted that this particular type of mining process has much greater effects than previous approaches “in the old days”.
 - Yes, mine waste amounted to about 10,000 tons per day in the old days versus 120,000 tons per day from this operation (to 1.7 billion tons over the life of the mine).
- The challenge is trying to keep our economy going while addressing environmental impacts.
- We need to understand NEPA better. Does it only apply to public land and not to private land?
 - It was explained that the National Environmental Policy Act mandates a process of identifying impacts, disclosing them, developing mitigation, and gaining public input through the process. There are different levels of assessment including Categorical Exclusion, Environmental Assessment, and Environmental Impact Statement. Typically, the lead federal agency will conduct these studies on a third-party basis. Two NEPA processes will be needed for this project: one in support of a Clean Water Act Sec. 404 Permit from the Army Corps of Engineers, and one for the mine project from the Forest Service. In answer to the question, it doesn't matter if it's federal land or private land if it's affected by the project.
- So where did we get the idea that if the area near Florence Junction on State Land were selected, there would be no NEPA compliance required?
 - Even if the entire project were all on private land, there would still be a federal Sec. 404 permit required. And it would be impossible to develop the whole project without any federal involvement.

There are different opinions and perceptions in the group about how, why, and where environmental assessments will be needed. We need to explore this more at future meetings. Resolution representatives told the group that there will be a forum on NEPA here (the Magma Club) tomorrow night (June 26) at 6:00 PM, with a person from the U.S. Environmental Protection Agency to help explain it. It's open to the public.

Meeting Schedule & Logistics

The group discussed a schedule for future meetings. Some are willing to meet every two weeks as long as it's not a waste of time, noting that maybe a smaller group can get more in depth about issues and that things can be more fully discussed. The consensus was to try to meet every couple of weeks for a while. The people who were here agreed that's a good idea. For planning, they noted that Town Council meetings are held on the

Community Working Group

1st & 3rd Thursdays (so 2nd or 4th are OK for our meetings). The School Board meets on the 1st & 3rd Wednesdays (so 2nd & 4th are OK for us). Tuesdays are fire muster for Cecil at the fire department. As for meeting time, during the week at 5:30 is generally good for most. GRA will propose a schedule and send it out to the group before the next meeting.

- Should we include the Mayor and Town Council members in this group?
 - We don't normally include elected officials, for a variety of reasons. They typically have greater access to Resolution on a regular basis than the rest of the community.
- Will Resolution be working with the Apache Tribe?
 - Our intention is to invite them to participate in this group, but, unfortunately, we don't expect to get anyone from an official capacity.
- A participant said that the US Congressional delegation hasn't dealt with the tribes yet on a government-to-government basis. Over 600 tribes nationally have signed on in opposition to this project, so it's not just a Superior issue.
 - There will be formal tribal consultation eventually.

Information Needs & Future Discussion Topics

During the meeting, members were asked to write their questions and thoughts on cards and add them to a "parking lot" on the wall, so we can keep track of issues that might need to be addressed in future meetings. The ideas posted during this meeting are:

- Is the project still viable from the corporation's perspective? (\$)
- Economics - the mine has to sell itself to the corporation in England
- Water
- NEPA
- Communications (between Resolution and the community)
- There are no answers! (referring to previous public meetings)
- The land exchange
- Tailings – near Queen Valley, near Hewitt Station
- Where specifically is the location for the "West of Superior" tailing site?

Please submit any clarifications and additions to:

Debra Duerr
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602-882-8200
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July 20, 2013 Meeting & Field Trip

MEETING SUMMARY

Meeting Attendees

Community Working Group members:

George Martin – JF Ranch

Lynn Martin – JF Ranch

Pam Bennett – Queen Valley HOA president

Nancy Vogler – LOST Trail (Pickett Post to tunnel)

Bill Vogler – LOST Trail

Roy Chavez – Concerned Citizens and Retired Miners Association

Pam Rabago – Superior Chamber of Commerce

Facilitator - Godec, Randall & Associates (GRA):

Debra Duerr

Resolution Copper:

Vicky Peacey - senior manager of approvals, communities & environment

Frank Deal – tailings manager

Safety Training

Attendees watched a safety training video, and were asked to sign an affidavit stating that they had done so. Cards will be issued to allow these individuals access to certain areas of Resolution facilities during the next year, based on this.

Introduction to Tour

Presenter: Vicky Peacey

The group reviewed graphics that provided an overview of the proposed mine facilities and mining process. This mine is expected to produce about 120,000 tons of ore per day, compared to older mines that produced 3 to 6 tons per day, largely due to vast increases in the design and use of robotics in the mining process. Material that is 30% ore from the underground mine is transported via conveyors to a concentrator, where it

is dewatered and loaded on rail cars to a processing facility. Here, about 4% of the material is extracted as copper ore and 96% is waste material, or tailings. Group members suggested that the mining industry, and Resolution in particular, should sponsor educational and training programs for the community to train potential mine employees in these new technologies.

Water for processing will come from the Central Arizona Project and will average 12,000 acre feet (af) per year, up to a maximum of 16,000. Peacey mentioned that water use for mines has decreased significantly over the years due to the ability to reuse and recycle. About 1,800 af will be recycled in this process. Water use is regulated by the Arizona Department of Water Resources. Several members said that water issues are a big concern to many in the community.

Mine Tour

The group was taken to a lookout point above Oak Flat Campground where they could view informational displays about the planned mine and the locations of the ore deposit and pad expansion. Discussion included the topics of the land exchange proposal, timeframes for mining of this deposit, location and impacts in relation to Apache Leap, future Forest Service access and maintenance issues, trails access, recreational and other mitigation, NEPA and some members' experience with Environmental Assessments for grazing in other locations, the NEPA process for Carlotta Mine as a comparison, and the role of the Community Working Group in these issues in the future.

We then visited other locations of proposed processing facilities and viewed some historic mining sites and facilities. As a lifelong resident and former miner, Mr. Chavez was able to provide much information about the use and history of the area, buildings, and former mine operations.

Some of the ideas and suggestions the group mentioned during the tour as possible community mitigation measures included:

- Supporting a technical/vocational school in the San Carlos community
- Supporting technical / vocational education in the Superior community
- Replace Oak Flat Campground with a Resolution-owned/maintained campground
- Resolution pays Forest Service to build and maintain recreational access roads
- Provide alternative access to replace the Lost Trail sections affected by mining
- Preserve some of the old/historic buildings and facilities on the mine property as a museum

Tailings Site Discussion

Presenter: Frank Deal & Vicky Peacey

After returning to the office, an aerial photo was displayed that had a number of potential tailings site concepts outlined on it. These included sites that were previously evaluated and discarded east of Superior as well as a parcel of State Trust Land closer to Florence Junction (referred to as “far west”) and several sites along the southern boundary of the Tonto National Forest between Queen Valley and Superior. Resolution showed visual simulations of what tailings piles at several of these sites would look like from key viewpoints. The group discussed attributes of the various sites and asked questions about the viability of some other areas, and discussed possible impacts on the town of Superior and other residential areas. They asked if Resolution had a preference among the sites. Resolution noted that the “far west” site might be the optimal choice but described difficulties in trying to obtain the land from the State. From the others, Resolution suggested one location that would have engineering advantages as well as potential screening from the Superior community and other sensitive locations; the closest residential community would be Hewitt Station Road.

A member asked Resolution to include an evaluation of an additional site southeast of Superior at Rawhide Canyon, east of Devil’s Canyon. They agreed to do this. Peacey will include all these alternatives on maps for group members, which they can pick up later in the week.

The group asked how long it would be before the tailings started to become visible to outlying areas, and Deal said it would be at least 7 years before a tailings pond was needed and many more before the pile would be visible. This prompted several members to suggest that we seek some younger community representatives to join the CWG, since they would have a greater stake in the long-term effects.

The group agreed that the NEPA process should be started as soon as possible, to address community perceptions that Resolution is trying to avoid environmental regulations. They said they were willing to work to come to agreement on a site to include in the mine plan of operations, which would trigger the environmental assessment by the Forest Service. This discussion will take place at the next two CWG meetings. The next meeting is on July 31. Debra Duerr asked the group if they would be able to reschedule the August 14 meeting to the day before, August 13, to allow Resolution to hold their community forum on tailings on August 14, and they agreed.

July 11, 2013 Meeting

MEETING SUMMARY

Meeting Attendees

Community Working Group members:

Mark Siegwarth – Boyce Thompson Arboretum
George Martin – JF Ranch
Lynn Martin – JF Ranch
Pam Bennett – Queen Valley HOA president
Nancy Vogler – LOST Trail (Pickett Post to tunnel)
Bill Vogler – LOST Trail
Roy Chavez – Concerned Citizens and Retired Miners Association
Pam Rabago – Superior Chamber of Commerce
Lynn Heglie – business community

Facilitators -Godec, Randall & Associates (GRA):

John Godec
Debra Duerr

Resolution Copper:

Vicky Peacey - senior manager of approvals, communities & environment
Bruce Richardson - manager of community & external relations
Ian Edgar – general manager, studies
Frank Deal – tailings manager

Verify Agreements from Last Meeting

After a welcome and introductions, John Godec explained the handouts distributed for inclusion in the notebook for this meeting. The group was asked for any further thoughts on the operating procedures and ground rules that were talked about at the last meeting; no one did. Updated copies were included in the packet. Godec asked for any comments on the meeting summary from last meeting, and asked the group to point out any summaries that might not reflect the meetings accurately.

NEPA Primer

Presenter: Vicky Peacey

Several CWG members attended a Resolution workshop on the National Environmental Policy Act of 1969 (NEPA) and said it was very valuable. Vicky Peacey gave a brief overview of NEPA and how it relates to the project.

The Pinto Valley site was evaluated as a tailings disposal site but that did not work out, nor, likely, does an area south of Gonzales Pass on State Land. Resolution still has a need to find suitable tailings location, and this may turn out to be one that is closer to populated areas. That's one of the reasons they asked an independent facilitator to help them in working with the community.

Peacey said that a plan of operations will be submitted to the Forest Service soon to allow for drilling and site characterization for a tailings location.

It was stated that there will be two NEPA Environmental Impact Statements (EIS) required before the project can be approved: one for the mine itself, with the Forest Service as lead agency, and one for impacts to washes and water resources, with the US Army Corps of Engineers as the lead federal agency. There is also an Environmental Assessment (EA) being conducted for site testing and drilling.

She outlined the federal agencies that will be involved in the EIS for the mine. These studies will include alternatives, regardless of whether the land exchange passes. These can take years to complete. The EIS discloses the impacts of the project as well as a set of mitigation measures to offset impacts. In addition to federal approvals, she showed a slide demonstrating how the state and local review processes will proceed together with the federal process.

CWG questions and comments, and Resolution answers:

- Is Florence Junction not an option any longer (State Land site)?
 - Yes, it may still be an option but Resolution doesn't own it and there are alternate plans for that land for residential development. Because it's State Trust Land, it is planned to be sold at auction for the best, and highest use.
- There used to be a Superstition Vistas study group. Is it still around?
 - Yes.

- How big a site do you need?
For tailings, the exact area varies depending on footprint versus height, but approximately 4.5 to 6 square miles
- Could we have a handout that better explains the idea of alternatives with and without the land exchange? Also, please provide the slide that describes the federal, state, and local review processes. The folks in Queen Valley seem to have misconceptions about whether NEPA will really be done, and think that the company is trying to circumvent the environmental review process.
 - Peacey promised that this is not the case, and that all necessary environmental studies will be done and all necessary approvals will be gained

NOTE: For reference, Resolution has provided a response to the issue of land status relative to NEPA requirements. It is attached to this meeting summary.

- Will the federal nexus for an EIS apply to the state land parcel? What about private land? Several members are skeptical that this is the case and aren't convinced that it's true.
 - Yes to state land and private land. (Please see the Attachment for further explanation. Any location would trigger an environmental evaluation (NEPA) by the Corps of Engineers for impacts to washes.. For alternatives that cross federal lands, that agency would come into play.
- Will you put this in writing, in the form of a promise?
 - Yes.
- Promises were made several years ago about water and well levels, and Resolution said that if there were any water problems they would fix them. But now there are dry wells and nothing's been done about it. This has created mistrust.
- Several members are concerned about water issues in the future; therefore, what's happened in the past has to be considered.
 - Peacey noted that there will be a community forum dedicated to water issues in the next couple of weeks.

- A member noted that there have been dry wells for quite a long time, and in other locations than Queen Valley.
- We should have a meeting of this group on water issues.
 - It was suggested that other agencies and experts could be invited, for example, AZ Department of Water Resources. The group wants to make sure Cecil Fendley and Leslie Brian are here for this, as they are locally knowledgeable.
- It was asked if it would be helpful to invite a Forest Service representative to talk about the application of NEPA, in general.
 - Some members thought this might be helpful.

Mine Tailing Presentation:

Presenter: Frank Deal

Frank Deal passed around samples of tailings, one containing a lot of sulfides (called cleaner tailings) and one without (called scavenger tailings). He then discussed some of the criteria that Resolution considers in finding a suitable tailings disposal location, noting that in the 1990s mining companies started to put more study and effort into tailings management and reclamation.

In a typical hardrock copper mine, ore comprises roughly 4% of the ore with the non-economic fraction (tailings) accounting for 96%. The physical properties of the tailings dictate how they need to be handled and how they can be used or placed. Physical factors to consider are chemical properties, and site factors like seismicity; this area is not prone to earthquakes.

Chemical property considerations include the sources such as minerals, reagents and water, the pathway to the environment such as water and air, and receptors like wells, habitat and sediments. We are designing the facility to be zero discharge where contact water is collected and returned to the process.

Acid rock drainage (ARD) is an outcome of oxygen+sulfide+water, and all factors need to be present to produce it. Because Resolution's ore and resulting tailings stream will contain sulfides, ARD is a risk if not managed properly. Thus the presence of sulfides has implications for the design of the facility and the way tailings is managed. Agencies

are stricter in their approval standards than they were in the past, and the mining industry now uses high international standards.

Climate also needs to be considered in tailings management. Typically, water would be diverted around the tailings facility. Water that does collect in the facility is removed and recycled back into the process, so it's a zero-discharge operation.

Prevailing wind direction may play a part in siting the tailings due to the potential to generate dust and proximity to communities.. Wildlife is a factor that must be considered, as well. Public and employee safety must be addressed.

Design options include Upstream design, including continuous reclamation as the pile grows. A local example is Tailings Site 3 & 4. Downstream design and Centerline design are built behind dams.

CWG questions and comments and Resolution answers included:

- What's the base or liner made of?
 - We try to work with natural liners rather than synthetic. Very tight clay or bedrock are good. We add to the natural liner through the use of downstream collection systems at the base of the tailings.
- Are you admitting that it's going to affect air quality?
 - Tailings, if not managed properly, has the potential to generate dust. We design for and use methods to control dust and air quality – environmental regulations under the federal Clean Air Act require it.
- Are you looking for a place, like a canyon, where you can contain it?
 - That would be ideal, but this situation doesn't occur in very many places. Especially for a site this size, there aren't many canyons that could be used.
- The size of this project is so large that most people don't understand what it means. Trying to compare it to Hayden or Miami won't be that helpful.
 - It is true, this is a big project. In terms of total copper produced on an annual basis, Resolution Copper is bigger than other surrounding mines. In terms of total disturbed footprint, it will be smaller than Ray, but will be bigger than Carlotta. The disturbed footprint of the tailings will range between 4.5 and 6 square miles. The total amount of land looked at for the State Trust Land

tailings option was larger because it included buffer land. The size of parcels that are being looked at for acquisition are very large, much larger than the pile itself.

Tailings Location Presentation

Presenter: Frank Deal

Deal said that the first critical question to be answered is where it's even possible to put 1.5 billion tons of tailings. Resolution looked at a 25-kilometer radius beyond the mine site to see what locations would fit the needed volume. There are about six general areas that could accommodate this volume, all located on Tonto National Forest land. He showed an aerial photograph with these general locations plotted on it.

CWG Questions, Comments and Resolution Answers:

- Did you look further south?
 - Ideally, we need one site that can accommodate the entire mine life, and these seemed most suitable for that purpose.
- Can't you break it up into more than one site?
 - It's conceivable that new technologies will come along in the future that allow this to happen in an economical way, but right now we're assuming one site.
- Can tailings be recycled or reused for anything? If not, why not? An example was given of slag reuse for road beds.
 - Smaller gold mines use tailings for backfill underground, but you can't really do anything with these volumes. It's not toxic, but there is no market for anything in these quantities.
- How would acquisition of any of these Forest Service parcels be handled?
 - Not discussed at the meeting.
 - **NOTE:** After the meeting, Resolution provided this information:
 - Before Resolution can obtain authorization to place tailings on Forest Service land, we must obtain an approved mine plan prior to operations. The Forest Service's decision to authorize the plan of operations, which includes the tailings, must comply with the National Environmental Policy Act in this case meaning that an Environmental Impact Statement and an alternatives analysis and mitigation must be

completed before the decision is made. Acquisition of these Forest Service lands is not necessary.

- There were a number of questions about specific locations relative to public and private lands. A member mentioned that he had met with Forest Service recently, to ask about tailings, and got a map of private patent/inholdings within the Forest.
 - Avoiding washes is a consideration, where possible.
 - There is a moratorium on patents now. Patenting means you will own the surface as well as the minerals.
- Is the issue with SRP and relocation of power lines related to overburden?
 - SRP obtained regulatory approval to relocate their power line on Resolution private property to allow storage of development rock that will come out of the shafts.
- Would the company be amenable to allowing somebody to come in and move the tailings out, if there was a use for it?
 - This would likely be too costly for anyone, since the cost doubles every time you move it more than three miles.
- How much water will be used? Is recovery and recycling planned?
 - Resolution hasn't designed the facility yet, but it will include state-of-the-art water management systems to optimize water recovery and recycling.

Tailings Siting Criteria & Issues

We were not able to address this topic at this meeting due to time constraints. It will be covered at the next meeting.

Public Comments

There were no public comments offered.

Open Discussion & Next Meeting Topics

The next meeting on Saturday July 20 is proposed as a field trip. The group agreed to meet at Resolution's office at 6:00 AM. It's expected to last about 4 hours. The tour will most likely include:

- East plant, up on top
- West plant, middle
- Area for alternative tailings sites

Facilitators will poll the group for RSVPs, to make sure we have appropriate transportation. Resolution offered to do another field trip again for people who can't make it on the 20th.

Future meeting topics that were requested by the group include:

- Groundwater, wells, and water issues - past & future – Consider inviting an independent expert, for example from AZ Department of Water Resources.
- Does NEPA apply to projects located (only) on private property? - Consider inviting an independent expert or Forest Service NEPA staff person.
- Tailings disposal facility siting criteria – Resolution and community suggestions

Please submit any clarifications and additions to:

Debra Duerr

Godec, Randall & Associates

602-882-8200

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ATTACHMENT

Here is Resolution Copper's response to the issue of land status (public versus private) and how it relates to NEPA/EIS and alternatives for the project:

The project will impact federal lands administered by the Tonto National Forest and therefore must obtain an approved mine plan prior to operations. The Forest Service's decision on the plan of operations must comply with the National Environmental Policy Act or NEPA, which means that an Environmental Impact Statement must be completed before the decision is made. *This comprehensive environmental analysis is required whether the Congressional land exchange bill passes or not* because Resolution Copper's proposed mine plan will impact federal lands.

NEPA requires that appropriate environmental protection and mitigation measures be identified, considered and applied before a federal agency moves forward with a decision to allow a project. The NEPA process allows for considerable input from the public as well as other federal (i.e. EPA), state and county agencies. The "Citizen's Guide to NEPA" provides more information and can be found on the website for the Council on Environmental Quality (CEQ) within the Executive Office of the President: http://ceq.hss.doe.gov/nepa/Citizens_Guide_Dec07.pdf

A copy of this document was provided at the meeting.

NEPA ensures that Federal agency decision makers consider and disclose the potential environmental consequences of their decisions. NEPA governs Federal Decisions, regardless of land status, in the following three circumstances:

- Any part of the project is located on federal land.
- Any part of the project is federally funded.
- A federal permit is required for any aspect of the project.

For example, the US Army Corps of Engineers issues permits for placement of fill into waters of the United States on private, state and federal lands. Resolution will need a Clean Water Act Section 404 permit from the US Army Corps of Engineers and the Corps must comply with NEPA before issuing that authorization.

Complying with NEPA means that the appropriate level of environmental analysis must be completed. There are, essentially, three types of environmental review that

apply to different projects, depending on the severity of impacts that can be predicted:

- Categorical Exclusion (CE) – for mainly administrative or maintenance activities having no environmental effect
- Environmental Assessment (EA) – for activities that will have some environmental effects but not any considered to be “significant”
- Environmental Impact Statement (EIS) – for activities that can reasonably be expected to have significant environmental effects

Because the Resolution Copper Project can be expected to cause some impacts that would be considered “significant” under NEPA, Resolution will prepare an EIS, the highest and most thorough level of analysis.

The Resolution plan of operations for submittal to the Forest Service will include all project features (mine, concentrator, tailings, infrastructure, filter plant) on private, state and public lands. The assessment of project environmental impacts, cumulative environmental impacts and a range of reasonable alternatives is a requirement for EIS’s prepared under NEPA, regardless of land status. Per the Forest Service Handbook 1909.15, Chapter 20 – Environmental Impact Statements and Related Documents, 23.3-5 (pages 10 and 11), in the section under alternatives, it is stated that agencies shall include reasonable alternatives not within the jurisdiction of the lead agency. A copy of the handbook was provided at this meeting.

July 31, 2013 Meeting

MEETING SUMMARY

Meeting Attendees

Community Working Group members:

Pam Bennett – Queen Valley HOA president
Nancy Vogler – LOST Trail (Pickett Post to tunnel)
Roy Chavez – Concerned Citizens and Retired Miners Association
Pam Rabago – Superior Chamber of Commerce
Mark Siegwarth – Boyce Thompson Arboretum
Lynn Heglie - businessman

Facilitator - Godec, Randall & Associates (GRA):

John Godec
Debra Duerr

Resolution Copper:

Vicky Peacey - senior manager of approvals, communities & environment
Frank Deal – tailings manager
Andrew Taplin – project manager

Visitors:

Hank Gutierrez

Observations and Comments on 7/20 Field Trip & Meeting

The group discussed the field trip that occurred on July 20. In general, most people who attended thought it was very informative, and that it was interesting to go to places that aren't publically accessible. We agree that additional field trips can be planned in the future as there are things the group would like to see, including specific tailings locations.

Suggestions for Additional CWG Members

The group liked the idea of adding students and younger people, since they are the ones who will be living with this project over a long time. Lynn Heglie has a suggestion

for a particular student. It was pointed out that this person should be articulate and should be able to report back to the student body. Perhaps someone from Student Council or the business group at the high school would be good. The group also suggested a representative from the parents' group, a teacher, and/or an administrator.

John Godec asked members to let him know if they have other thoughts or suggestions for additional members. Meanwhile, he will contact the school superintendent to inquire about their interest and suggestions for participants.

Andrew Taplin Remarks

Mr. Taplin is the overall project manager for the Resolution Copper Project. He thanked members very much for making this valuable contribution to the planning process. He noted that while Resolution may have very good technical people, they don't know what's best for the community, and that's why they want to work with you. He emphasized that this process has his full support, and Resolution is appreciative of the group's contribution.

Tailings Facility Siting Criteria Brainstorming & Discussion

Group Suggestions:

Godec introduced the topic of criteria for tailings siting. He asked the group to think about the question:

- What are the three most important things you think should be considered in selecting a mine tailings disposal facility site?

The group was asked to write their three most important issues or concerns on 3x5 cards, one per card.

These cards were posted on the wall. A discussion took place to organize the ideas into broader categories of criteria, where there were similarities, common themes, or overlap. The results of this exercise are attached, in a separate document entitled ***Tailings Siting Criteria Suggested by the Community Working Group.***

Resolution then talked about the internal criteria they will use in identifying a tailings site to include in the Mine Plan of Operations and Environmental Impact Statement. These are:

- Tenure – who owns the land and the mineral rights

- Capacity – volume needed
- Proximity and elevation – to residential and local areas
- Geology – not water permeable, protect groundwater, impact on tailings management aspects
- Geochemistry – chemical agents that dissolve in water
- Air quality – prevailing winds, proximity to people & wilderness area
- Water management – flows, proximity to drainages,
- Regulatory - ability to meet groundwater quality standards & other regs.
- Aesthetics – screen, blend into terrain, progressive reclamation potential
- Recreation – proximity to and effects on trails and recreation areas, and need to mitigate for impacts
- Cultural and natural resources
- Cost

Questions and comments included the following:

- Ms. Rabago distributed copies of comments she had gotten from her conversations with Chamber of Commerce members. A copy of this paper is also attached to these notes. Comments will be included in future discussions about tailings locations, as relevant.
- Do you need to have a reclamation plan?
 - Yes, Resolution must file a closure and reclamation plan and have post-closure financial assurance. Compliance with this will be a condition of approval for the mine, and there will be inspections for compliance. Air quality permits can also come into play in making sure reclamation is done properly.
- Is there a hierarchy for these criteria?
 - It depends on who you ask...Capacity is probably the most important. Other factors that are important and implied in this list are public and worker health and safety and public acceptability.
- A member pointed out that communication is key to public knowledge, understanding, and acceptability. He complimented Resolution for trying to keep the community informed.
- Please clarify the issue of tenure.

- Tenure means who owns the land surface and who owns the minerals beneath. The concern is whether it's possible for Resolution to gain access to or ownership of these.
- It seems like the group's list and Resolution's list are similar and somewhat overlapping, except for the issues associated with community considerations.
- Based on the Mine Plan of Operation, we will need to carefully look at effects on the town and the community, and people are going to continue to ask questions. The member believes that most people don't really understand the magnitude of the project, especially the tailings facility. A main concern will be how the project affects the economic prosperity of Superior.
- Superior will be in the middle of a negative environmental impact, because the mine will be on the east and the tailings will be on the west. This will have an effect on outdoor recreation.
- Future vitality and investment in the community need to be considered.
- Will there be a bond to guarantee that the mine will be done in a responsible way, different from the past?
 - Yes. Environmental requirements are very different since the National Environmental Policy Act was adopted in 1969.

Presentation of Additional Renderings Requested by Group

Peacey showed a rendering of the sites from US 60 coming toward Superior from Gonzales Pass, and another from the entrance to Boyce Thompson Arboretum. Another was shown from about a mile west of the Arboretum on US 60, both with and without reclamation after about 40 years at full volume. She noted that revegetation begins to look complete after about 2 to 5 years. Another was done from The Highlands, again with and without reclamation.

Questions were:

- Will there be a revegetation plan?
 - Yes, the Forest Service will require one, but we don't know exactly what it may involve.

- A member said the renderings are very good. He wondered if it would be possible to have a 3-D rendering or model of the sites, showing location, how it grows, where it would be visible from, and the scale in relation to the surrounding landscape.

Public Comments

Our guest responded to a comment made at the meeting that the community doesn't understand the magnitude of the project. He feels that this isn't true. Based on his conversations with the Chamber and others in the community, there is a high level of understanding and awareness. Overall, this community is really engaged.

Open Discussion & Next Meeting Agenda

The group agreed that at the next meeting we will look at the alternative sites developed by Resolution in relation to the siting criteria we've talked about tonight. They would like to look at as many sites as possible before screening too many out; this will probably be about 5 or 6 sites. Resolution will also need to provide their assessment of their technical criteria. Doing this will help document our preferences, if any, and serve as a basis for future discussions in the context of the NEPA process.

A Note on Meeting Summaries

After the meeting, Mr. Chavez spoke to the facilitator to clarify that he doesn't agree with everything that is said or happens in the meetings. He said that he is sometimes uncomfortable with the way meeting summaries are prepared, in that we characterize discussions as "the group said" or "the group seemed to agree". He asked us to note, for reference, that he isn't necessarily included in that characterization. He wants to go on the record that he supports the project but doesn't support the mining method.

When Godec, Randall & Associates began facilitating the meetings of this group, we told members that we would not attribute specific comments to particular individuals in our meeting summaries. However, if at any time, any member would like us to note their comments or suggestions in the summaries, please let us know that, as Mr. Chavez did at this meeting.

Meeting 5

August 13, 2013 Meeting

MEETING SUMMARY

Meeting Attendees

Community Working Group members:

Mark Siegwarth – Boyce Thompson Arboretum

George Martin – JF Ranch

Lynn Martin – JF Ranch

Pam Bennett – Queen Valley HOA president

Nancy Vogler – LOST Trail (Pickett Post to tunnel)

Bill Vogler – LOST Trail

Roy Chavez – Concerned Citizens and Retired Miners Association

Pam Rabago – Superior Chamber of Commerce

Lynn Heglie – business community

Cecil Fendley – Queen Valley Water Board

Matt Nelson – Arizona Trail Association

Facilitators - Godec, Randall & Associates (GRA):

John Godec

Debra Duerr

Resolution Copper:

Vicky Peacey - senior manager of approvals, communities & environment

Bruce Richardson - manager of community & external relations

Ian Edgar – general manager, studies

Frank Deal – tailings manager

Melissa Rabago - community outreach coordinator

...somebody...

Guests:

Bruce Wittig, Queen Valley Water Board

Leslie Bryant, Queen Valley

Hank Gutierrez, Superior

Introductions

Members who had not attended in the past introduced themselves. We also had two new people who are interested in joining the group, including Mr. Bruce Wittig of Queen Valley Water Board and Ms. Leslie Bryant, a real estate agent and property owner in Queen Valley. John Godec gave a brief overview of the group's work in the last few weeks for the benefit of the new attendees.

Review of CWG Tailings Siting Criteria from 7/31 Meeting & Other Community Comments Received

A chart summarizing the siting criteria developed by the group at the last meeting was reviewed. A member noted that the length of the list of issues under specific topics does not reflect the importance or priority of the issues. Another member said that she thought we had some descriptors under the heading of environmental concerns that were not included in this chart. Godec noted that this is not a final list, and we can add anything to that we feel should be included – this was just a first cut from a brainstorming session.

Review of Resolution Tailings Siting Criteria

Presenter: Vicky Peacey

Peacey showed Resolution's list of important siting criteria again, as at the last meeting. She provided a bit more definition of the factors, and emphasized the regulatory requirements for some of them. She observed that there is quite a bit of overlap between many of these factors and the ones the group developed.

Overview of Tailings Site Alternative Locations – Eliminated & Current

Presenter: Vicky Peacey

Godec asked the group if we should carry on with the discussion of tailings sites for this meeting, and they agreed.

Peacey showed a slide that outlined a number of alternative locations for potential tailing sites and noted that these are shown on the maps prepared for each group member. She explained that Resolution first evaluated a parcel of State Trust land near Florence Junction as well as some other locations east of Superior and the potential for using existing pits owned by other companies. For various reasons, primarily land tenure issues and size of the tailings pile, these did not prove feasible. They then looked

at a 20-mile radius around Superior to see where it might be possible to fit the amount of tailings they expect to produce. She pointed these out on the map. For reference, they are called:

- Whitford
- Hewitt
- Silver King
- Telegraph
- Lower West (including variations)
- Lower East (including variations)

The State Trust Land parcels near Florence Junction are referred to as Far West. Although there is little likelihood that Resolution will be able to use these sites, they will be carried forward into the Environmental Impact Statement at the request of the Forest Service.

CWG questions and comments and Resolution answers included:

- Did you look at Devil's Canyon?
 - Yes, but the terrain is very rugged and there are many major drainages. Using this area would require redesign of much of the mine operations and facility locations, so there are some major challenges. It could, however, be technically feasible although costly. It appears that there are better options with lower potential impacts.
- Does Resolution have a preference?
 - Considering some of the major concerns of visibility, water impacts and proximity to town, something in the "lower west" area seems to make the most sense.
- Are these sites all on Forest Service?
 - Yes, except the one south of Superior (Telegraph) and the State Trust parcels.
- What would happen if Resolution identified the State Land parcel as their preferred site?
 - It would be very difficult without agreement from State Land Department or owning the land. The Forest Service has indicated that they will review sites on federal land, but also want to see the State Land option studied further.

- Can the federal government force the state to sell the land?
 - No. Also, State Trust land is not subject to the Governor's control either but is managed under its own legislation. Trust lands are sold at auction, and we don't know if they can sell it without doing that. We think that the criteria for the decision might be a determination of the 'highest and best use'. A member noted that the value is based on an appraisal assuming high density residential development.
- What about the idea of using existing pits of other mines, including Carlotta?
 - At Carlotta, the pit would only accommodate a tiny fraction of the tailings from this mine. Ray Mine is planning future operations for another 30 years, and are also in the process of doing a land exchange for additional disposal sites (exchange with State – in this case, the state did decide that tailings are the highest and best use of this parcel).

Group Assessment of Site Alternatives

A member noted that some of the sites like Whitford are not of interest to anybody here, so maybe we don't need to spend time talking about them. Another member observed that everyone might not like some sites, but we can't just eliminate them all. Someone observed that people may not really know where some of these sites are, and it will be hard to talk about them without being out in the field.

Peacey indicated on one of the visual simulations where the upper sites of Whitford and Hewlitt would be. There are also issues with water and drainages, including tributaries to Queen Creek.

Comments included:

- A member noted that the Forest Service would not allow these higher-elevation sites due to intense recreational use.
- Another member thought that the State Trust land will be 'trashed' anyway, by high-density residential development, which won't be done for many years. Let's protect the arboretum that's been here for almost 100 years, and the bowl around it. He suggested trying to modify the Wilderness Area boundary to include these northern areas.

- Sustainable outdoor recreation has the best potential south of Superior, rather than north, so this is the area that should be protected.
- A member noted that at one time Superior was thinking of annexing about 24 square miles but that proposal didn't go through for legal reasons.
- If another mining method was used there may not be as much volume of tailings. If a cut-and-fill approach were taken, for example, would the existing mine hold this amount of waste?
 - Resolution estimates that this method would still produce about 750,000 tons of tailings.
- Members asked Resolution to prepare visual simulations showing the alternatives from these locations:
 - top of Gonzales Pass
 - Picketpost Mountain
 - Superior looking toward the upper site alternatives

A site-by-site discussion took place, with members providing comments, concerns, and suggestions about each. These evaluations are attached at the end of this summary. The group seemed to agree that it's important to pick the site with the lowest overall environmental impact.

Next Steps

We discussed several options for how the group might want to proceed in their review of tailing sites. It seems that further consideration is warranted. Some people suggested the Lower West site as being least objectionable (specifically, the option outlined in turquoise on the map, not yellow-outlined option). Some thought the Lower East sites had advantages. Most people prefer the Far West State Land option. Most seem to be in favor of getting the NEPA process started by selecting a site to include in the Mine Plan of Operations for submission to the Tonto National Forest.

Public Comments

Mr. Guterrez said that he is a fourth generation Superiorite and miner, and so is aware of past mining, tailings, and annexation discussions. He thinks that the Superstition Vistas option (Far West) should continue to be pursued because the probability of

housing being built in the near future is questionable. He likes the idea of a simulation from the top of Gonzales Pass. His concerns center on the 2700 people in Superior who need sustainable jobs, rather than recreational opportunities for winter visitors. Regarding Queen Valley water issues, he wondered how much growth they expect and how much water they intend to use to support this development.

Open Discussion & Next Meeting Agenda

Members asked what the agenda will be for the Community Forum. Peacey said that it will be similar to what's been discussed here at past meetings - what are tailings, what's needed for a tailings site, review of site alternatives.

The group suggested several topics to be pursued at the next or future meetings, including:

- Discuss what happens at the tailings Community Forum on August 14, and additional comments from the community
- Water issues, including
 - the possibility of inviting independent experts
 - assurances from Resolution that waterways won't be polluted
 - agreements and mitigation measures
- What goes into an environmental assessment?
- What's the next step, if a tailings site is picked to go into the mine plan, and the timeline for that?
- Alternative mining methods
 - block-cave vs. cut-fill vs. other mining methods - benefits and consequences

Correction to 7/31 Meeting Summary: Mr. Chavez wanted to note that he was misquoted in the summary. He wanted to clarify that he doesn't support the project because of the proposed mining method.

Please submit any clarifications and additions to:
Debra Duerr
Godec, Randall & Associates
602-882-8200
Debra@godecrandall.com

Alternative Tailings Site Review

SITE: Whitford

SUMMARY: Not good

CWG Siting Criteria	Assessment
Recreation:	Intense recreation use – varied, AZ Trail alignment, important recreation and fire access roads
Public Acceptability:	Nobody here likes it, will be public and visitor (snow birds) opposition
Local / Town Concerns:	
Visibility:	Perceived to be very high impact/visibility – no simulations done to date
Water Impact:	Big issue for this site, tributaries to Queen Creek. Group rated 10.5 out of 10...
Environmental Considerations:	Environmental concerns are paramount for this site
Location & Size:	About 5 square miles, would fill the canyon, there's an option to split tailings into 2 sites
Public Health & Safety:	

Alternative Tailings Site Review

SITE: Hewitt

SUMMARY: Not good

CWG Siting Criteria	Assessment
Recreation:	Near the Wilderness Area, others similar to Whitford: Intense recreation use – varied, important recreation and fire access roads
Public Acceptability:	Nobody here likes
Local / Town Concerns:	
Visibility:	
Water Impact:	Major drainage impacts, similar to Whitford
Environmental Considerations:	
Location & Size:	
Public Health & Safety:	

Alternative Tailings Site Review

SITE: Silver King

SUMMARY: Not as bad as Whitford & Hewitt, but not good

CWG Siting Criteria	Assessment
Recreation:	Not as much recreation/high-value recreation as Whitford & Hewitt, but still used a lot. Impacts to recreation and fire protection roads.
Public Acceptability:	Mining activities here are part of the town's history, so it's not a completely "new" site
Local / Town Concerns:	
Visibility:	Wouldn't be seen as much from US 60 or Boyce Thompson Arboretum as Whitford & Hewitt – no simulations prepared for this site
Water Impact:	Would also cut off some tributaries to Queen Creek – more than the southern sites
Environmental Considerations:	Historic features here, including a cemetery
Location & Size:	Tailings would fill the entire canyon, site includes some private lands
Public Health & Safety:	May require relocation of 230kV and 500kV high voltage power lines

Alternative Tailings Site Review

SITE: Telegraph

SUMMARY: _____

CWG Siting Criteria	Assessment
Recreation:	High-value recreation road and use, heavily-used portion of the Arizona Trail
Public Acceptability:	
Local / Town Concerns:	
Visibility:	Sensitive views from Picketpost Mountain – no simulation prepared for this site
Water Impact:	Would interrupt a major drainage
Environmental Considerations:	Area includes riparian habitat
Location & Size:	Site has a good shape / characteristics for tailings dam
Public Health & Safety:	

Alternative Tailings Site Review

SITE: Lower East

SUMMARY: _____

CWG Siting Criteria	Assessment
Recreation:	Used quite a bit, but not high quality
Public Acceptability:	
Local / Town Concerns:	
Visibility:	Views from Boyce Thompson Arboretum especially bad. This site is more visible from town.
Water Impact:	Pretty good – can avoid major drainages
Environmental Considerations:	
Location & Size:	
Public Health & Safety:	The underlying geology is good for this use on the lower sites.

Alternative Tailings Site Review

SITE: Lower West

SUMMARY: _____

CWG Siting Criteria	Assessment
Recreation:	Area is used a lot, but not “the good stuff”. Forest Service will be closing some roads under new management plan.
Public Acceptability:	
Local / Town Concerns:	
Visibility:	See simulations from Gonzales Pass, Boyce Thompson Arboretum – not as visible as Lower East sites
Water Impact:	Good – can avoid Potts and Hewitt canyon drainages with the ‘turquoise’-outline alternative
Environmental Considerations:	
Location & Size:	Located about 6 miles from both Queen Valley & Superior
Public Health & Safety:	