

RESOLUTION COPPER PROJECT AND LAND EXCHANGE SCOPING MEETING QUESTION SUMMARY

Public Meeting Locations:

Queen Valley 3/31/2016, Superior 4/4/2016,

Globe 4/5/2016, Gilbert 4/6/2016, and San Tan 6/9/2016

Total Questions: 180

Five Primary Categories: NEPA Process, Impact Analysis, Land Exchange, Mine Proposal, General

CATEGORY 1: NATIONAL ENVIRONMENTAL POLICY ACT (NEPA) PROCESS

Agency Coordination: Which agencies will the Forest Service (“the Forest”) consult with regarding this project, and which agencies will be included as Cooperating Agencies?

The Forest will consult with federal, state, and local agencies during the NEPA process.

The list of Cooperating Agencies has not yet been finalized, but organizations who have agreed to be Cooperating Agencies include the Arizona Department of Water Resources, Arizona State Land Department, Arizona Game and Fish Department, Pinal County Air Quality Control Board, the U.S. Environmental Protection Agency, the U.S. Army Corps of Engineers. The Forest will also correspond with other local agencies.

Schedule: When will the NEPA process be complete?

The Forest estimates that it will take approximately 5 years to complete the Final Environmental Impact Statement (EIS) and issue a Record of Decision. However, this is a general time frame, and the EIS could take longer, given the amount of analysis and public and agency coordination that will be required for this project.

Alternatives Development: What are the alternatives to the proposed action, including the tailings facility location and mining process, and how will they be developed?

At this point in the EIS process, alternatives to the proposed action have not been developed. The Forest will conduct an intensive alternatives development process that responds to key issues identified during the scoping phase. Once those issues are determined, the Forest will develop reasonable and feasible alternatives to the proposed action that resolve, minimize, or reduce impacts to identified issues while meeting the purpose of and need for the proposed action. The Forest will look into alternative tailings facility locations and designs that are within its regulatory authority to approve, as well as different mining techniques, if different mining techniques address an issue and meet the project’s purpose and need.

A no-action alternative (no mining and no land exchange) will be analyzed in the EIS and will serve as a baseline against which to compare the proposed action and the other action alternatives. However, the Forest cannot legally choose to move forward with the no-action alternative in the Record of Decision because the Carl Levin and Howard P. “Buck” McKeon National Defense Authorization Act for Fiscal Year 2015 (NDAA) legislatively authorized the land exchange, and Forest Service regulations for

locatable minerals operations (36 Code of Federal Regulations [CFR] 228 Subpart A) do not provide the Forest with authority to prohibit the proposed mining operations.

Cumulative Effects: Will the EIS analyze the cumulative effects that the proposed mine would have when combined with other past, present, and reasonably foreseeable actions?

The EIS will include cumulative effects analysis. The Forest is currently compiling a list of past, present, and reasonably foreseeable actions that, when combined with the proposed action, may have cumulative impacts on the human and natural environment.

U.S. Forest Service Decision Space: What is the Forest's role in the project, and what is the extent of the agency's authority to approve, deny, or require modifications to the proposed mine?

As identified in T36 CFR 228 Subpart A, the Forest has the authority to either approve the proposed mine or to require modifications to the proposed mine's location, operation, and/or configuration to meet Forest Service regulations, as long as the modifications are feasible and within the Forest's regulatory authority. The Forest does not have the authority to categorically prohibit the proposed mining operations, including the disposal of mine tailings on Forest lands and other mine-related facilities such as power lines, water pipelines, and roads. However, the Forest does have the authority to require design modifications or other mitigation measures to reduce impacts to Forest surface resources. The Forest is also required to follow the NDAA and exchange the lands identified in the legislation 60 days following the Final EIS. Because the exchanged federal land will be privately owned following the EIS, the Forest will have no authority to regulate mining operations on Oak Flat.

How would legal challenges to the NDAA affect the Forest's responsibility to move forward with the land exchange and EIS process?

The Forest is obligated to follow the NDAA, which was passed by Congress and signed by the President in December 2014. The Forest cannot speculate on future laws and how they may modify or repeal the NDAA, but the Forest would be obligated to follow any applicable future laws.

Tribal Consultation: How will the Forest consult and correspond with Native American tribes, including the San Carlos Apache Tribe, regarding this project?

The Forest is consulting with Native American tribes on this project, as required under NEPA, Section 106 of the National Historic Preservation Act and the NDAA. Tribes who have engaged in consultation with the Forest so far are the: San Carlos Apache Tribe, White Mountain Apache Tribe, Tonto Apache Tribe, Yavapai-Apache Nation, Mescalero Apache Tribe, Salt River Pima-Maricopa Indian Community, Gila River Indian Community, Fort McDowell Yavapai Nation, Yavapai Prescott Indian Tribe, Hopi Tribe, and Pueblo of Zuni. Information is provided to the tribes via letter, email, telephone calls and face-to-face meetings. Government-to-government consultations are conducted by the Forest Supervisor.

What influence will the designation of Oak Flat as a Traditional Cultural Property (TCP) have on this process and the overall decision?

The designation of *Chi'chil Bildagoteel* (Oak Flat) as a TCP and its listing in the National Register of Historic Places (NRHP) requires the Forest, as the lead federal agency, to consider the effects of its decision on the TCP in the same manner as for any other historic property. This means that the Forest must determine in consultation with the State Historic Preservation Officer (SHPO) and any participating tribes whether the decision would have an adverse effect on the property, and if so must work with the SHPO and tribes to avoid, minimize, or mitigate those adverse effects as feasible. The TCP designation and listing in the NRHP does not mean that the *Chi'chil Bildagoteel* TCP cannot be damaged or destroyed

by a federal undertaking, only that the federal agency must consider the effects of the proposed mine and the land exchange on the *Chi'chil Bildagoteel* TCP in the NEPA process.

Public Scoping: What is the Forest's public scoping plan for this project, including future public meeting locations and outreach?

The Forest is committed to soliciting an abundance of public input regarding the Resolution Copper Project and Land Exchange as a part of the NEPA scoping process. Over 300 members from the public attended four scoping meetings between March 31 and April 6, 2016.

Following several requests from stakeholder groups and members of the public, the Tonto Forest Supervisor extended the scoping period from 60 to 120 days. Additionally, a fifth scoping meeting was added and took place in San Tan Valley. The scoping period ended on July 18, 2016.

Questions and comments received during the scoping period will help the Forest determine the issues that will be analyzed in the EIS and aid in informing alternatives development.

If the Forest decides to hold additional public meetings, notices will be posted on the project website, and the Forest will individually notify persons on the project mailing list by U.S. mail or email.

General NEPA Process: How does the Forest work with Resolution Copper on this project, and how is the EIS funded?

Resolution Copper is the proponent for the project, and it developed the proposed plan of operations submitted to the Forest Service for approval. The Forest meets with Resolution Copper on a regular basis to discuss progress on the EIS, project logistics, and other matters. Resolution Copper will be excluded from internal deliberations of the Forest interdisciplinary team, and will not be involved with preparation of the EIS. However, the Forest will continue to meet with Resolution Copper throughout the NEPA process to discuss the status of the project.

The NDAA requires that Resolution Copper pay all costs associated with the EIS and land exchange process.

How does the Forest ensure that information used in the EIS is accurate, especially information provided by the project proponent or other outside sources?

Resolution Copper is providing the Forest with a large amount of environmental baseline data, which the Forest may use in the EIS. The Forest will review these data for adequacy with assistance from its NEPA consultant team. The Forest will determine whether the data are valid, and whether there is missing information (i.e., data gaps). If the validity of the data is uncertain or if data gaps are identified, the Forest may either request additional baseline data from Resolution Copper or engage the Forest NEPA consultant team to collect additional baseline data.

The Forest has resource specialists who are experts in their fields of study and follow professionally recognized analysis methods and standards for their respective resource. Each resource that is analyzed in the EIS will have an assigned resource specialist on the Forest's interdisciplinary team.

In addition, the Forest has hired an independent NEPA consultant team to strengthen the environmental analysis and supplement the expertise of the Forest resource specialists. Assessment of data validity and data gaps will be completed by highly qualified specialists in the appropriate resource area who follow professionally recognized and approved analysis methods and standards. For example, groundwater specialists have been assigned to review the groundwater baseline data, and cultural resource specialists have been assigned to review the archeological baseline data. The results of the Forest data validity and

data gap analyses will be compiled into a series of reports, which will be made available to the public on the project website.

What will the appeal process be for this EIS?

The Forest Service no longer uses an appeal process for project-level NEPA analyses. The former appeal process has been replaced by the objection process, which is defined in Forest Service regulations at 36 CFR 218. The objection process provides for persons who have commented during a previous public comment period (via the project website, www.ResolutionMineEIS.com, or at a public meeting) to file an objection to the Draft Record of Decision at the time that the Final EIS is published. Objectors have 45 days after the Final EIS and Draft Record of Decision are published to submit objections. The objection reviewing officer for this project will be the Regional Forester. The Regional Forester must respond to the objections within 75 days after the Final EIS and Draft Record of Decision is issued (i.e. an initial 45-day objection review period, followed by an optional 30-day extension).

The NDAA requires that the land exchange be finalized 60 days after the Forest issues a Final EIS. In accordance with the 36 CFR 218 objection regulations, a Draft Record of Decision must be published in conjunction with the Final EIS, which will start the 45-day period for submittal of objections. The Forest currently plans to issue two Draft Records of Decision, one for the land exchange and one for the proposed plan of operations. To comply with both the 36 CFR 218 regulations and the NDAA, the Regional Forester will need to respond to objections to the land exchange Record of Decision within 15 days after the 45-day objection period ends. At that time, the lands specified in the NDAA will be exchanged. It is anticipated that responding to objections to the Draft Record of Decision for the proposed General Plan of Operations will require the full 75-day period allowed by the 36 CFR 218 regulations.

CATEGORY 2: IMPACT ANALYSIS

EIS Bounds of Analysis: What will the geographic and temporal bounds of analysis be in the EIS?

The geographic and temporal bounds of analysis will be determined specifically for each resource analyzed in the EIS. These resource-specific geographic and temporal bounds of analysis are not yet determined; however, the analysis will cover the geographic areas where direct, indirect and cumulative impacts would potentially occur during all phases of the mine, including mine construction, operation, closure, and reclamation. The geographic bounds of analysis will not be limited to the mine facilities that are proposed on Forest lands. Mine facilities that are proposed on private lands (such as the loadout facility near San Tan Valley) will also be included in the EIS's geographic bounds of analysis.

Air Quality: Will the mine's potential impacts to air quality be analyzed in the EIS?

The Forest will conduct studies to analyze the impacts that the proposed action and alternatives may have on air quality. The results of this analysis will be documented in the EIS.

Biological Resources: Will the mine's potential impacts to biological resources be analyzed in the EIS?

The Forest will conduct studies to analyze the impacts that the proposed action and alternatives may have on biological resources, such as wildlife, threatened and endangered species, vegetation, and riparian habitat, etc. The results of the analysis will be summarized in the EIS.

Cultural Resources: Will the mine’s potential impacts to cultural resources, including archaeological, historic, and TCPs, be analyzed in the EIS?

The Forest will conduct studies to analyze the impacts that the proposed action and alternatives may have on cultural resources, including archaeological resources, historic resources, and TCPs such as *Chi’chil Bildagoteel* (Oak Flat). In addition, the Forest will consult with tribes and the SHPO in order to meet the National Historic Preservation Act Section 106 consultation requirements. The results of the analysis and Section 106 consultations will be summarized in the EIS.

Geology and Minerals: Will the mine’s impacts to geology, including subsidence, be analyzed in the EIS?

The Forest will conduct studies to analyze the impacts that the proposed action and alternatives may have on geology, including any impacts that may be caused by ground subsidence. The results of the analysis will be summarized in the EIS.

Mine Related Noise and Lighting Impacts: Will potential impacts generated by the mine’s noise and nighttime lighting be analyzed in the EIS?

The Forest will conduct studies to analyze potential impacts from noise and light generated by the mine. The results of the analysis will be summarized in the EIS.

Public Health and Safety: Will the mine’s potential impacts to public health and safety be analyzed in the EIS, including a cumulative effects analysis of previous actions that have impacted public health and safety?

The Forest will conduct studies to analyze the impacts that the proposed action and alternatives may have on public health and safety. As part of the analysis, the Forest will review and consider past, present, and reasonably foreseeable future actions that, when combined with the proposed action, may have a cumulative effect on public health and safety. The results of the analysis will be summarized in the EIS.

Public Health and Safety: Will the EIS include study of the area’s cancer rates and the potential to increase cancer rates in the Superior area?

The Forest is currently evaluating this issue and has not determined the extent to which potential increases in cancer rates in the Superior area will be analyzed in the EIS.

Recreation Resources: Will the mine’s potential impacts to recreation resources be analyzed in the EIS, including impacts to the Arizona National Scenic Trail?

The Forest will conduct studies to analyze the impacts that the proposed action and alternatives may have on recreation, including potential impacts to the Arizona National Scenic Trail. The results of the analysis will be summarized in the EIS.

Socioeconomics: Will the mine’s potential socioeconomic impacts be analyzed in the EIS?

The Forest will review socioeconomic information provided by the proponent, and conduct its own independent socioeconomic analysis. The results of the analysis will be summarized in the EIS.

What are the geographic and temporal bounds of analysis for studying impacts to Socioeconomic Resources?

The specific geographic and temporal bounds of analysis for the Forest’s independent socioeconomic analysis have not yet been determined. However, the analysis will cover the geographic areas where

direct, indirect and cumulative socioeconomic impacts would occur and will cover all phases of the mine, including mine construction, operation, reclamation and closure.

Water Resources: Will the mine’s potential impacts to water resources be analyzed in the EIS?

The Forest will analyze the impacts that the proposed action and alternatives may have on water resources. The Forest will review water resource information provided by Resolution Copper, and conduct its own independent water resources analysis in cooperation with water resource regulatory agencies such as the Arizona Department of Water Resources, and U.S. Army Corps of Engineers. The results of the analysis will be summarized in the EIS.

What are the geographic and temporal bounds of analysis for water resources?

The specific geographic and temporal bounds of analysis for the Forest’s water resources analysis have not yet been determined. However, the analysis will cover the geographic areas where direct and indirect impacts to water resources, including surface water and groundwater, would occur. The analysis will include the proposed water sources for mine operations, water transportation routes, groundwater extraction wells, and wastewater and stormwater treatment and discharge. Impact analysis will cover all mine phases, including mine construction, operation, reclamation, and closure.

What mitigation measures will be required to avoid, minimize, or reduce impacts to water resources?

The Forest will identify specific mitigations to avoid, minimize, or reduce impacts to Forest resources. In addition, the Arizona Department of Environmental Quality, Arizona Department of Water Resources, and U.S. Army Corps of Engineers have regulatory authority over groundwater and/or surface water resources, including on State and private lands. Additional permits may be required from these agencies to construct, operate, and reclaim the mine. These permits may identify additional mitigation and monitoring measures that the mine would be obligated to employ to avoid, minimize, and reduce impacts to water resources, including water quantity and water quality.

How will the current Central Arizona Project (CAP) groundwater recharge process be evaluated in the EIS?

The Forest is currently evaluating this issue, and has not determined the extent to which the current CAP groundwater recharge process will be analyzed in the EIS.

Visual Resources: Will the mine’s potential impacts to visual resources be analyzed in the EIS?

The Forest will conduct studies to analyze the impacts that the proposed action and alternatives may have on visual resources. The results of this analysis will be documented in the EIS.

CATEGORY 3: LAND EXCHANGE

Schedule: What is the time frame for the land exchange?

The NDAA requires that the Forest exchange the lands identified in the NDAA 60 days after the Final EIS is complete. The Forest is required by law to comply with this schedule. The Forest estimates that it will take approximately 5 years to complete the EIS and sign a Record of Decision. However, this is a general time frame, and the EIS could take longer, given the amount of analysis and coordination that will be required for this project.

Valuation: How will the land value be assessed?

The Forest Service’s Regional Office is managing the appraisal of land. According to the NDAA, the Forest Service and Resolution Copper shall select an appraiser to conduct appraisals of the federal land and non-federal land.

General Land Exchange: How is the land exchange legal?

The NDAA was passed by the U.S. Congress and signed by the President of the United States in December 2014.

Does the NDAA determine the final mine design?

The NDAA does not determine the final mine design, including the location and design of the mine tailings facility.

Will the public have the opportunity to comment on or review the appraisal and valuation of the exchanged lands?

Prior to completing the land exchange, the Forest Service will make the appraisals available for public review.

CATEGORY 4: MINE PROPOSAL

Facilities: Where will the mine facilities, including transmission lines, be located, and what is the electricity source for the mine?

The mine facilities, including transmission lines, power source, and water treatment facility, are identified in the General Plan of Operations that was submitted by Resolution Copper and is available on the Forest’s website for the project. Power would be sourced from the Salt River Project and transmitted to the mine site via new transmission lines and substations that are identified in Section 3.5.1 of the General Plan of Operations.

Will the 560-acre privately owned filtration plant and loadout facility parcel adjacent to the MARRCO corridor be included in the EIS analysis?

Yes. Even though this parcel is privately owned by Resolution Copper, its proposed development is part of the overall development of the mine, and construction of the privately owned filtration plant is considered a “connected action” according to NEPA (see 40 CFR 1508.25 of the Council on Environmental Quality’s regulations implementing NEPA).

What happens if the facilities and operations change after mine operations have already begun?

Minor changes to the facilities and operations at the mine would be handled administratively by the Forest. An example of a minor change would be altering the original plan for an 8-inch water pipeline to a 9-inch pipeline. Any changes that would result in significant surface disturbance would require Resolution Copper to submit a supplement or modification to the General Plan of Operations, and the Forest Service would initiate a new NEPA review process to analyze the proposed changes. An example a change that would cause a significant surface disturbance would be expanding the size of the tailings facility from how it was depicted in the final plan of operations that was analyzed in the EIS and approved in the Record of Decision.

Are there other existing mine facilities of this scale and technique that can be used for comparison purposes?

A number of mines around the world are currently operating and use a similar block-cave mining technique. Among them are the Henderson molybdenum mine in Colorado, Northparkes copper-gold mine in Australia, New Afton copper-silver-gold mine in Canada, Palabora copper mine in South Africa, and the Tongkuangyu copper mine in China, among others. However, the Resolution Copper mine would be one of the largest such underground mining operations anywhere — exceeded in overall size and production rates only by the existing El Teniente copper mine in Chile. The Forest will use any relevant and available information from these existing mines to inform the environmental impact analysis.

Tailings: Where are the alternative tailings sites located, and how is the tailings location decided?

The proposed General Plan of Operations identifies the proposed tailings facility location on Forest lands near Queen Valley, Arizona. This document, along with other maps and figures, is available on the Forest's website for the project. The Forest may consider an alternative tailings site or design to address issues raised during the scoping period. Alternative tailings sites have not yet been identified. The alternatives development process is scheduled to begin in early 2017.

How will the tailings facilities be designed to avoid, minimize, or reduce impacts to the human and natural environment?

Resolution Copper has proposed a tailings location and design; this is described in the proposed General Plan of Operations. The Forest will examine this proposal, consider issues raised during public scoping, and analyze alternatives that would reduce adverse effects on Forest resources. The EIS process may result in recommended changes to the design or location of the proposed tailings location and design. However, neither the final design nor the final location for the tailings facility is known at this time.

Reclamation: Who is responsible for reclamation of the mine site after operations have ended, and how will reclamation be funded?

Resolution Copper would be responsible for reclamation of the mine. The company would also be required to post reclamation bonds, which are designed to provide funding for reclamation in the event that the Resolution Copper fails to complete reclamation. The Forest would require a reclamation bond for mining-related disturbance that would occur on Forest land.

The Forest does not have authority to require reclamation bonds for mining-related disturbance that would occur on private or state lands associated with the project. In addition, because the Oak Flat parcel will be exchanged prior to mine development, the Forest will not have authority to require a reclamation bond for mining-related disturbance on the Oak Flat parcel. The State of Arizona has authority to require reclamation bonds on private, State, and Forest lands. The State bonding requirements for the various proposed mining operations and infrastructure are not currently known.

How will the mine site be reclaimed after mine operations have ended?

The proposed General Plan of Operations includes a proposed reclamation plan for disturbance on Forest lands. This document, along with other maps and figures, is available on the Forest's website for the project. The proposed reclamation plan will be analyzed during the NEPA process. Alternatives to the proposed reclamation plan that would reduce adverse effects on Forest Service surface resources may be developed and analyzed during the EIS process.

CATEGORY 5: GENERAL AND MISCELLANEOUS QUESTIONS

What is the Forest Service mission?

The Forest Service mission is to sustain the health, diversity, and productivity of the Nation's forests and grasslands to meet the needs of present and future generations.

Are copies of the pertinent documentation available for public access?

Pertinent documentation regarding the Resolution Copper Project and Land Exchange can be accessed by the public on the Forest's project website, <http://www.ResolutionMineEIS.us>.

What is molybdenum?

Molybdenum is a metal that is often extracted as a byproduct of copper production and is used to make steel alloys. Although molybdenum is not the primary target mineral of the Resolution Copper mine, the mine would also extract molybdenum that would be processed and sold.

When will the public access to the Oak Flat area be cut off? When does the area become unsafe?

Once mining commences, Resolution Copper intends to closely monitor the mining subsidence zone with equipment that senses ground movement. This monitoring data would inform the company about the safety of the area and when any ground subsidence begins in the Oak Flat area. The timing of the area closure would be determined by Resolution Copper and is unknown at this time.

Why does Resolution Copper not have to buy the Forest lands upon which they propose to construct mine facilities, such as the tailings facility?

Forest Service lands are managed for multiple uses including wildlife habitat, recreation, grazing, and in the case of the lands proposed for the tailings storage facility, mining operations. The proposed tailings facility would be administered in accordance with Forest Service regulations at 36 CFR 228 Subpart A. These regulations apply to "exploration, development, mining or processing of mineral resources and all uses reasonably incident thereto", which are conducted in accordance with the General Mining Law of 1872, as amended. These Forest Service regulations do not require Resolution Copper to buy the Forest lands that are proposed be used for the tailings facility.

In contrast, the Oak Flat campground is located on lands that were withdrawn from mineral entry under the General Mining Law of 1872, as amended. The 36 CFR 228 Subpart A regulations do not apply to the Oak Flat Campground, and the Forest Service cannot approve mining operations at that location. The legislated land exchange directed by the NDAA provides for transfer of the Oak Flat Campground to Resolution Copper to facilitate development of the mine. Once the land exchange is completed, the Forest Service will have no authority to regulate mining operations at Oak Flat.