



United States  
Department of  
Agriculture

Forest  
Service

Coronado National Forest  
Supervisor's Office

300 W. Congress  
Tucson, Arizona 85701  
Phone (520) 388-8300  
FAX (520) 388-8305  
TTY (520) 388-8304

---

File Code: 2810

Date: October 19, 2007

Jamie Sturgess  
VP Projects and Environment  
Rosemont Copper Company  
4500 Cherry Creek South Drive  
Suite 1040  
Denver, CO 80246

Dear Mr. Sturgess:

As you know, the Coronado National Forest has been working with specialists in the Southwest Region and with specialists outside the agency to complete a thorough review of the Rosemont Mine Plan of Operations (MPO). Our review focused on whether or not the MPO contained the level of information sufficient to demonstrate preliminary project feasibility and to allow the Forest to initiate and complete the scoping phase of National Environmental Policy Act (NEPA) analysis and support data collection decisions. The review process followed in part the guidelines presented in Appendix C of the "Training Guide for Reclamation Bond Estimation and Administration for Mineral Plans of Operation authorized and administered under 36 CFR 228A, USDA – Forest Service, April 2004".

The following is a list of the documents (proposed Plan and supporting documents) which were provided to us for this review:

Augusta Resource Corporation

Rosemont Project Mine

Plan of Operations, July 11, 2007

Electrical Power Supply and Water Supply Supplement, July 25, 2007

Tetra Tech

Reclamation and Closure Plan, July, 2007

Survey of Salvage Topsoil Resources, June, 2007

Storage Area Soil Salvage Estimates, June, 2007

Operational Areas Soil Salvage Estimates, June, 2007

Baseline Geochemical Characterization, June, 2007

Dry Tailings Facility Design, June, 2007

Geologic Hazards Assessment, June, 2007

Geotechnical Study, June, 2007

Leaching Facilities Design, June, 2007

Site Water Management Plan, June, 2007

Waste Management Plan, June, 2007

Technical Memorandum: Viewshed Analysis, June 29, 2007



Tetra Tech and Errol L. Montgomery & Associates, Inc.

Groundwater Protection Plan, June, 2007

Vector Colorado, LLC

Technical Memorandums:

Geology and Seismotectonic Review for the Rosemont Mine Sighting Study, April 20, 2007

Preliminary Trip Report and Phase 1 Sampling & Analysis Plan, July 26, 2006

Sighting Study – Pond Sizing Memorandum, June 2, 2006

Rosemont Tailings Sighting Study – May 26, 2006

WLR Consulting, Inc.

2007 Mineral Resource Update for the Rosemont Project Pima County, Arizona USA, April 26, 2007

Mineral Resources Estimate Technical Report for the Rosemont Deposit Pima County, Arizona, USA, February 15, 2006

Wardrop

Technical Report on the Rosemont Property Pima County, Arizona, June 3, 2005

Washington Group International

Preliminary Assessment and Economic Evaluation for the Rosemont Deposit Pima County, Arizona, USA, June 13, 2006

Generally, we found that the MPO provided a sufficient level of information to determine what site specific environmental engineering and environmental baseline data will be necessary to support analysis of alternatives and prediction of effects. A significant exception is the description provided in the MPO and other documents we reviewed relative to ground and surface water resources.

For the ground and surface water portions of the MPO, there needs to be a description of the potential for mine dewatering, potential for a post-mining pit lake with the geochemical characteristics that could be expected, and a water balance plan describing all water sources and uses, including groundwater withdrawals in the area of the mine site itself. There is sufficient information provided for the west side of the project area for the CAP water, pipeline routes, production wells, etc., but very little groundwater information is included on the mine site itself.

The following specific information is needed concerning water in and around the project area:

General information on the location of any dewatering wells. This information would probably be based on local geology and what is currently known of the groundwater regime, and locations may change as the project develops.

A conceptual groundwater model based on current information. This model will be recalibrated regularly, probably annually, for the first few years, and will be utilized for estimating impacts to ground and surface water in the vicinity.

A conceptual groundwater monitoring plan. There should be at least four or five wells just outside the ultimate pit perimeter before any mine operations begin. Recording of

water levels should begin well before any mine operations commence, and the recording interval should be no greater than one week. There should be some wells installed at greater distances for monitoring the growth of the cone of depression, four or five to begin with, and plans for more to monitor the horizontal growth of drawdown. Both shallow and deep aquifers should be targeted.

All pertinent information on groundwater wells installed for this project, including drill logs, completion logs, screened interval locations and depths, sample intervals, completion depths, materials used in well development, water flow rates, and water quality data.

Information on existing groundwater levels, direction of flow, gradient, transmissivity and pump testing.

Water rights data.

Vertical characterization of groundwater quality, including characterization of different geologic units at different depths, such as fractures, alluvial subflow, and alluvial aquifers.

Data on existing stream channels and banks, including profile information, cross sections, bankfull discharge, pebble count, width to depth ratio, and sinuosity; this is especially important at the Point of Compliance dam area where the project will outfall to the undisturbed stream.

Data on existing spring characterization, including location, quantity, flow volumes, and water quality, and information on potential spring upwelling under project features such as the leach pad liner.

Information on sampling protocols, analytical methods, quality assurance and quality control methods for each type of hydrologic and hydrogeologic data collected.

Design of retention ponds in the area of the waste rock pile. Currently the MPO calls for a 100 foot horizontal setback from the hydrologic grade break to the base of the toe. It appears that the storm water will percolate back into the waste rock pile; what is the design freeboard prior to overtopping into an adjacent drainage such as Oak Tree Canyon?

The following information is needed in order to clarify questions about land status in the project area, and to improve the readability of maps and diagrams in the MPO and support documents:

Clarification on what is meant by “controlled by Augusta Resource Corporation” (Executive Summary, page 1, third paragraph).

Clarification as to the number of unpatented claims there are associated with this project. Paragraph 2 of section 1.2 lists 850 unpatented claims, while Appendix A lists 864. In

addition to BLM serial numbers, the list of unpatented claims should include claimant information, township range and section, and type of claim.

Identification of ownership (private, county, state, and federal) administrative status (proclaimed Forest boundary, Las Cienegas National Conservation Area, Santa Rita Experimental Range, etc), and management (Forest Service, BLM, University of Arizona, State Land Department, etc.) on all project maps and diagrams.

Section, township and range lines on whatever is being portrayed (ancillary facilities, general site arrangements, geology, etc.) on a map or diagram, regardless of scale (from less than an acre to several townships). Maps should have a connection to on the ground features or references; currently many of the maps use only digital elevation model data which is difficult to relate to real world locations.

Different colors for each ownership or managerial jurisdiction shown on project maps and diagrams. I suggest utilizing the ownership colors used on Forest Service 1/2" = 1 mile Forest visitor maps. The proclaimed National Forest Boundary should be portrayed on maps as a bold black line.

A definition, in common terms, of the phrase "Rosemont Land Position". Does this equate to the area including all unpatented mining claims and private land held by the corporation?

A map showing the individual unpatented lode mining claims in relationship to the private ownership and National Forest system lands.

A depiction of project study boundary limits (i.e., project footprint) on all project related maps, regardless of scale.

Other information that is needed with the MPO and supporting documents includes the following:

The state in which Augusta Resource Corporation was incorporated and the articles of incorporation.

Identification of staging areas and temporary roads needed for the preproduction phase (Figure 2.2 of the MPO).

Information relative to hazardous material quantities and their specific storage locations.

Initial designs for the Waste Rock Facility.

Details on procedures to be implemented in the event of a temporary shut-down in operations.

A description of the disposition of existing mine workings.

Once Augusta Resource Corporation has provided the Forest with the information requested in this letter, along with the changes to the MPO, agency specialists will review the submissions and determine whether the information is sufficient for initiating the Notice of Intent.

As you continue to provide the Coronado National Forest (and the Forest Service in general) with project related documents, I ask that you advise us as to what information you consider confidential or proprietary.

Sincerely,

*/s/ Jeanine A. Derby*  
JEANINE A. DERBY  
Forest Supervisor

cc: Mark E Schwab  
Michael A Linden