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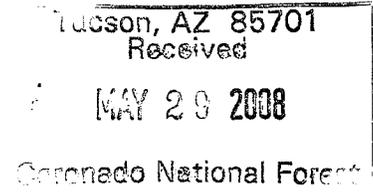
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TUCSON, AZ 85701
MAY 28 2008
Saguaro National Forest

Upper Project
Saguaro National Forest
Cactus Street
85701



**COMMENT'S ON THE
ROSEMONT PROJECT**



On

The Painstaking Truth

For the U.S. Forest Service

By

A Concerned Citizen

Cc: Senator Jon Kyl
 Representative G. Giffords
 Representative R. Grijalva
 Supervisor Ray Carroll
 Senator Tim Bec

U.S. Senate
U.S. House
U.S. House
Pima County
Arizona Senate

Attachments: Two

FORWARD

The U.S. Forest Service is in the process of evaluating the Rosemont Mining Project, currently owned by Augusta Resource Corporation. The U.S. Forest Service has asked for public comment as a part of its evaluating process. Being a retired mining person, vaguely familiar with the project, I thought I would put my experience to work and put pen to paper, expressing some facts and opinions, brutal as they may be. During this discourse, I will discuss some subjects which have not been addressed by the U.S. Forest Service, Augusta or the media.

Every mining project should be critiqued by an outside source. Over the years, millions of dollars have been lost by investors on mining schemes simply because they did not get a second opinion. Perhaps I can cause someone, somewhere, to have a second thought about this project or at least to re-evaluate its merits.

FACTS

Before any discussion can take place, certain obvious facts need to be placed before the reader and kept in mind throughout this discourse.

- 1) The U.S. Forest Service is the administrator of public lands, it does not own them, the public does. The U.S. Forest Service is supported by public funds to provide protection and well being to the lands entrusted to them by the public. The Forest Service mandate is to administer the lands for the benefit of the public, not a junior mining company from Canada or any other company or private entity for that matter.

- 2) The Rosemont project has been known about for plus or minus fifty years. It has been owned and considered as an advanced mining project by two major mining companies, Anamax and Asarco. This project has been considered by both Cyprus and Phelps Dodge.

The project has been presented at many mining and geology forums in the past, giving knowledge to the mining community at large about the project.

Yet, with all of the above, the Rosemont project has not been brought to fruition by the mining community. Augusta Resources, a junior company with absolutely no experience in mining is going to execute a project of this size and scale?

- 3) There is no appreciable water supply for a mine in the immediate area of the project, either East or West of the project. The nearest water supply is either Cieniga creek basin to the East, a conservation area owned by the BLM, or the Santa Cruz basin to the West, a rapidly developing area that is experiencing pressure on water supply already.

- 4) When allocations of Colorado River water were made, (source of the CAP), the West was experiencing an anomalous wet period. Thus, these allocations and the CAP, are subject to change as the current drought and increased pressure for a diminishing supply of water is experienced. This brings into question a plus or minus twenty year sustainable water supply for a mine located outside of the Active Management Area. (AMA)

- 5) The country, as well as the world, is experiencing an unprecedented mining boom, created by demand from developing countries and inflated economy. What is not appreciated is a corresponding staggering increase in mining cost and shortage of available, experienced mining personnel. This is placing many mining projects around the world in jeopardy and even postponing some. Augusta should pay heed to this fact!

- 6) Mining Capital goes to the projects with the best rates of return and the least resistance to the project. Public resistance to a project can cause costly delays, sometimes for years. This makes the economics of a project suspect.

- 7) One of the first lessons a student learns in Mining 101 is that when you buy a mine, you only buy the plant (i.e., surface) and the equipment. Not the rock in the ground.

Augusta appears to have bought the rock in the ground. This means that right now, without touching the ore body, they already have a surcharge against every ton of ore that comes out of the mine. This has to be amortized, adding to the total cost of the project. Something a more experienced mining company probably would not do.

Augusta has been spending millions of dollars on this project. Where does a little Junior Mining Company come up with these kinds of funds? Sumitomo Metal Industries and Silver Wheaton Corporation!

Augusta can be free wheeling with these dollars because it can not lose. In the event that the project is denied by the regulatory process, Augusta will file a NAFTA Chapter 11 bankruptcy and get back every cent it has spent from the U.S. Government. The U.S. Taxpayer gets stiffed again.

- 8) At the same time that the United States Forest Service is considering allowing Augusta to dump millions of tons of waste rock on public lands, they are also considering spending thousands of dollars on cleaning up a small dump at the Flux mine. (See attachments). Is there logic to this?

- 9) Augusta Resources does not appear to care what the Legislators, Pima County Supervisors, Environmentalists or the public thinks. They intend to do this project and every one else can go to hell!

COMMENTS

Land Disposition

When the Mining Law of 1872 was enacted, mining in the west was done by underground methods. This practice of mining had very little impact on the surrounding surface. As mining technology advanced and mining ore grades were reduced, open pit mining came into being, necessitating large areas for waste rock dumps. An event the Congress of 1872 did not foresee.

Today, large responsible mining companies recognize this flaw in the legislation of 1872 and act in a responsible way toward the use of public lands. Both Anamax and Asarco mining company initiated a land exchange with the Forest Service, when they owned the

Rosemont project. This exchange would have given the public equal amounts of property in exchange for Rosement property needed for mining purposes. Thus, the public did not lose total area or land value.

Augusta Resources, contrary to the public image they are trying to present is apparently ignoring this basic concept of fairness to the public.

Though the Mining Law of 1872 gives them the right to dump millions of tons of waste rock on public land, without fair compensation, their act certainly cast doubt upon their purported image as a responsible corporate citizen.

My suspicion is that Augusta is trying to expedite their project at the expense of the public. They know that the current boom in mining means that they can raise capital much easier now than in the future when the cycle recedes. A land exchange could take as long as ten years, and could be refused by Congress, as happened to Asarco.

In lieu of a land exchange, barring an out right purchase, I would suggest the Forest Service approach Augusta with a proposal for fair compensation to the public for the loss of these lands. This would test Augusta's good intentions and public consciousness. If Augusta refuses to even consider such a proposal, then the reader is referred back to item § under facts.

OPERATING PLAN

Dump Space

Augusta Resources has proposed dumping millions of tons of waste rock and tailings on thousands of acres to the East of the proposed pit and mill site. This dump will be plus or minus two hundred and fifty feet high and will be plainly visible from Highway 83, a designated scenic highway.

In Augusta's operating plan, they suggest that this dump will screen the rest of the operation, ignoring the fact that this dump will still be there for all to see, in spite of reclamation for the next millions of years.

I would suggest that Augusta's planners have not thoroughly researched the project. I propose that they examine Sycamore Canyon to the North of their project. This large canyon could accept all or nearly all of the waste, including tailings that would come out of the proposed pit. It also would not be visible from either Highway 83 to the East or from the Santa Cruz Valley to the West.

The canyon for the most part is rather barren of plant growth, has no water, and is poor terrain for both wild life and cattle. A perfect dump space.

MINE PLAN

One of the objections to Augusta mining plan is the large open pit, which the public finds offensive, especially in a recreation area such as the Northern Santa Ritas.

It would be my suggestion that all of the parties involved look at a different approach to mining, one which might be acceptable to Augusta and the public alike.

The Rosemont ore body is ideally suited to an underground method of mining called sub-level caving. The technique is called VCR or Vertical Crater Retreat. This method is being used successfully by Vale/Inco at the Stobric Mine in Canada.

An underground approach to the Rosemont project eliminates the need for thousands of acres of public land for dump space, as the method produces very little waste rock. The caved area at the surface would be relatively small compared to an open pit and would be confined to Augusta's private land, not the public's. The caved area would not be as offensive to the line of sight from Highway 83, as a large open pit would be. Tailings could be deposited in Sycamore Canyon as discussed above.

If Augusta refuses to consider such an approach for whatever reason, the reader is referred again back to item 9, under the Chapter called Facts.

WATER

This is a subject which most people reviewing the Rosemont project express the greatest concern, and rightfully so. We all live in the Sonoran Desert which is currently under going what could be a plus or minus thirty year drought period. In conjunction with that, there is a current ground water deficit in the upper Santa Cruz basin, the very area where the Rosemont Mine intends to obtain its water supply, via the CAP.

In the past, mining companies in the Santa Cruz Valley would buy up large tracts of land such as farms and ranches to obtain the water rights. The farms would be retired and as such the water balance would be maintained within reason. This method seemed acceptable to the regulatory agencies and the public alike. In the future when the mines are exhausted, the land will be returned to farming, ranching or housing development and no harm has been done.

Augusta, however, has opted to purchase small parcels of land to construct their well fields and to purchase water from the CAP. I would estimate that they are paying in the range of \$100 dollars an acre foot for water. An expensive option for a mining operation that plans on using six to eight thousand acre feet a year, which I question as well.

Augusta is currently attempting to appease surrounding land owners and Green Valley water users with tactics designed to suppress opposition. Tactics which a more experienced mining company would not need to do.

Their ability to pump water from out of the AMA (Active Management Area) is being made on an escape clause which holds harmless the ADWR (Arizona Department of Water Resources) from any lawsuits for damages incurred by Augusta from their action which is a very risky proposition for Augusta. I would suspect that FICO and other large water users in the Santa Cruz basin are preparing their lawyers as we speak.

I myself have a question about the actual amount of water which they say they would be using. The old rule of thumb in the Mining Industry was that a thirty thousand ton a day Mill would need plus or minus twelve thousand acre feet of water per year.

Augusta's operating plan states that they would use plus or minus five thousand acre feet per year to mill seventy six thousand tons per day. The ADWR has given them a permit for only six thousand acre feet per year.

The numbers do not add up. I do not find any new method in the operating plan to explain this remarkable savings in water consumption.

The sulphide flow sheet appears to be standard for the industry. Augusta states that it will use "**innovations**" in water conservation. Recycling water, drip systems and lined ponds have been used for years by the mining industry. Where is the "**innovations?**" My suspicion is that they plan on getting the mine permitted and ready for operation, and then "**discover**" that they "**underestimated**" their water needs!

As a foot note to water supply, I would like to make a comment about the delivery system which was not fully addressed in the operating plan. The pipeline for water delivery for the project will traverse plus or minus 15 miles and have a vertical lift of plus or minus twenty eight hundred feet. The amount of power needed, and the strength factor of the pipe to accomplish this feat is going to be staggering, in addition to the initial cost of the water.

I would suggest that the parties involved talk to the City of Prescott. The City of Prescott is currently engaged in a similar project. They are attempting to build a plus or minus thirty mile water pipeline from Chino Valley south to the city of Prescott. They are estimating plus or minus ten years to acquire right of way, permitting and construction with a cost of nearly two hundred million dollars. It has been three to four years since the program was conceived and as of today, not one joint of pipe has been laid in the ground. There is nothing in Augustas operating plan addressing this risk.

ECONOMICS

Without having access to Augusta's feasibility study, it will be difficult for me to really critique the numbers. I can make a few comments about the project though, based upon my experience with such matters.

Augusta is projecting an initial capital cost of plus or minus eight hundred million dollars. Augusta has absolutely no experience in doing a project of this magnitude. **None.** Gaining experience by trial and error could easily boost the overall cost to one billion dollars very quickly. As an example, in order to just get to the top of the sulphide ore, they will have to strip four hundred and fifty to five hundred feet down and remove plus or minus one hundred twenty million tons of waste rock. This will entail anywhere from eighteen months to two years before one ton of ore from the primary ore body is sent to the Mill. The latest stripping cost figures from other operating mines is now in excess of one dollar per ton. This is going to be exceedingly expensive for these operators. In addition to this cost, others such as the total cost of the water supply, fuel, power, cost for equipment, construction of the sulphide mill and oxide plant and something called contingency cost, are going to rise exponentially in the years to come.

It would be my suggestion that the Forest Service investigate the recently closed Galore Creek project in B.C. Canada. Subject of a flawed feasibility study. (December, 2007 Engineering and Mining Journal).

I would also like to suggest that the Forest Service retain the services of AMEC Americas, an independent engineering firm to review the Rosemont project and that AMEC report directly to the Forest Service, with copies sent to the County, State and Federal Legislators. Augusta should not be involved in this final, independent analysis.

One example of why I think this should be done. Augustas states in their operating plan that they have a plus or minus ore mining reserve of 492,727K/tons averaging .47/cu. (.20T/cu cutoff).

Anamax, in 1977, reports similar pit design, 316,865 K/tons at .58 T/cu. (.20T/cu cutoff). This is amazing! Where did this additional 175,862K/tons come from? This would be critical to anybody financing this project and something the Forest Service needs to be aware of. Having built many ore reserve block models myself, I know how easy they can be manipulated.

OTHER CONSIDERATIONS

- 1) Augustas states that it will provide plus or minus five hundred new jobs to the economy of Pima County. I would suggest that may not be as easy as they think. For example, the Sierrita Mine will interview eight people for a job opening, of the eight, five people cannot pass the drug test and the other three are shocked when told that they would have to do shift work and get their hands dirty!

Stillwater Mining reports that it is losing money simply because it cannot recruit and retain miners. Other companies report the same problems (see Galore Creek Report). Augusta should pay heed to this problem when it makes such glowing statements.

- 2) The average time that it takes to bring in a new mine, from conception to production is now ten years. Augusta says that they will start the Rosemont project in the year 2011. For a company that has never operated a mine, let alone start one, this will indeed be an amazing feat. I do not think they have any conception of the problems they will face.

- 3) In Augustas operating plan, they state that they will ship plus or minus 484,700 tons of concentrate per year. This is a lot of concentrate. The question is, and not answered by Augusta, what smelter will accept that much concentrate? There are very few smelters left in the country and all are operating at full capacity. They also make the provision that they will ship to the West Coast for export. It wouldn't by chance be going to Samitomo Metals in Japan?

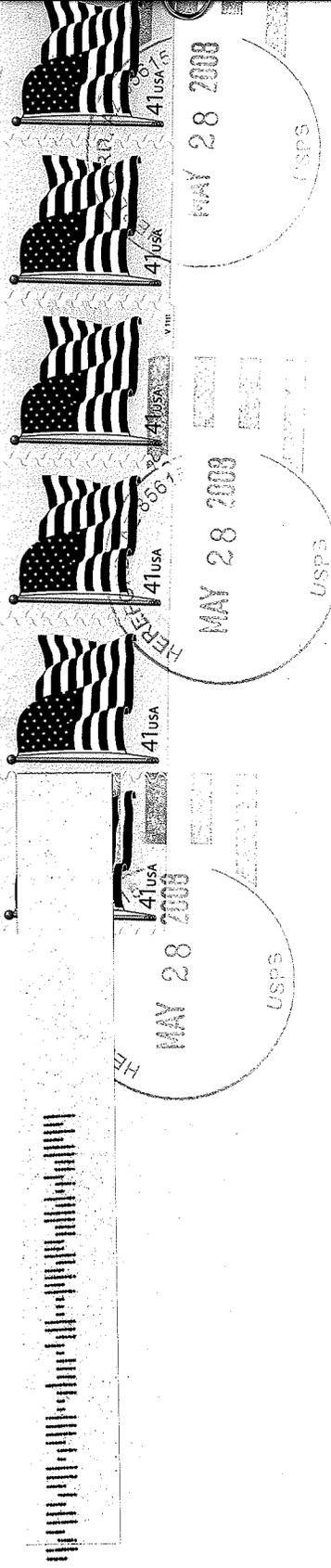
So much for adding to the supply of copper in the United States, as Augusta states!

- 4) Augusta is busy buying milling equipment and making deals to sell by product, all without having permits in hand. Something an experienced Mining Company would probably not do. (See item 8 under facts)

- 5) The amount of publicity and glowing progress reports in mining journals is unprecedented for any mining company. Normally a mining company tends to do its business without fan fare. This reminds me of Junior Mining Companies I have worked for in the past who were trying to sell something to a) stock holders, b) another company, c) the public, d) financiers, e) Pima County?

SUMMARY

I know I have been extremely harsh in my critique of Augusta Resources and the Rosemont Project. This has been brought about by my many years in the mining industry, and having worked for many mining companies and in many mines that have failed. When this happens, everybody loses. Stockholders lose their money, miners lose jobs, and the mine leaves scars on the country side for all to see for generations. The only advice that I can pass on to the United States Forest Service, to whom this tome is directed, is be **very very** careful with granting permits for this project. It may not be all that it seems.



Beverly

Ms. Jeanine A. Derby
c/o Coronado National Forest
300 W. Congress
Tucson, AZ. 85701

May 26, 2008

Rosemont Copper Project EIS
Coronado National Forest
300 West Congress Street
Tucson, AZ. 85701

To Whom It May Concern:

Mother earth is a living, breathing and very dynamic planet. Its climate will bring violently destructive thunder storms, dust storms, snow storms, tornados, hurricanes, floods, forest fires or gentle rains and bright sunny days. Her physical geology can be even more violent. Volcanoes, earthquakes, landslides, and tsunamis will transform earth's landscape in a matter of minutes.

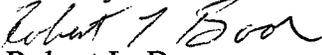
Plate tectonics cause land masses to sink below the sea or mountains to form. During and after the mountain building process, hydro and mesothermal waters carry important metals and minerals into the faults, cracks and joints of these raised land masses called mountains. At the same time, the climate is wearing away the mountain areas through the processes mentioned above. It is all these processes together that bring important metal and minerals close to the surface as well as produce beautiful vistas and landscapes. Mineralization and scenic areas unfortunately occur together, hand in hand due to natural processes.

American citizens are always complaining that our jobs are lost to countries overseas. We no longer produce or manufacture very much in the U.S. Then when a lumber company wants to cut timber, power plants want to build coal or nuclear power plants, oil companies want to drill for oil or build much needed refineries, and mining companies want to mine for minerals or metals, hoards of well meaning citizens protest, complain and file untold number of law suits.

I am sorry my fellow citizens, but you can not have it both ways. We can not have good jobs and produce products without using the land and resources in this country which mother earth provided for us.

Weighing the pros and cons is very difficult. I love the scenic Santa Rita Mts. But the need to keep jobs and produce resources in our own country is also very important. I will have to vote for the Rosemont Copper Project.

Thank you for considering my letter,


Robert L. Boor
2951 W. Vermont Street
Tucson, AZ. 85746
520-578-3210

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TUCSON, ARIZONA
27 MAY 2008 PM 3:11

TUCSON, AZ 85701
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MAY 28 2008

Coronado National Forest

Rosemont Copper Project EIS
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Tucson AZ



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Mr. Robert Boor
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May 26, 2008

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5091 N. Camino De La Cumbre
Tucson, AZ 85750
May 26, 2008

Ms. Jeanine A. Derby
Forest Supervisor
Coronado National Forest
300 W. Congress St.
Tucson, AZ 85701
ATTN: Rosemont Copper Project EIS

Dear Ms. Derby:

I am writing to you as a private citizen and resident of Pima County who is concerned about the proposed Rosemont Copper Project. I have had the opportunity to attend a scoping meeting, talk with representatives of Rosemont Copper, and review the documents on the Coronado National Forest web site. However, I am still left with a number of significant questions and concerns regarding this proposed mine. I would like my questions and comments addressed as part of the NEPA process.

First, I am aware that the Forest Service has limited resources to take care of ongoing needs in managing our National Forest. It appears that considerable time and money is already being spent by the Forest Service to deal with this proposed mine, and that considerably more will be required if this project is allowed to continue. I do not believe that limited Forest Services resources should be used to support a private, for-profit operation by a foreign-owned company, particularly given the huge adverse impact this project will have on our National Forest.

Second, after speaking with representatives of Rosemont Copper, it is clear that this project will not only be mining minerals, but also mining huge quantities of water. The proposals they have made to replace the water that they will pump from the aquifer with CAP water are not based on science, but are purely a public relations ploy. They admit that there is no guarantee they will continue to get CAP water, and if they do not get it, they will pump the aquifer regardless. Further there is no guarantee that they will not pump more than the 6,000 acre feet per year that they are estimating they will need. Additionally, the CAP water that they already have procured and expect to procure is not recharging the aquifer from which they will be pumping. Water is an increasingly precious, scarce, and in many cases non-renewable resource in the southwest. We must not allow it to be exploited for personal gain. The Rosemont Copper plans for water use will clearly have adverse impacts on the environment, the local economy, and the quality of life for all residents living in the communities surrounding the proposed mine.

Third, in addition to depleting existing ground water, there is a significant likelihood that mine operations will pollute both surface and groundwater downstream from the mine.

The record of the mining industry in this area is one of repeated episodes of toxic contamination of surface and groundwater. Rosemont Copper has no record of adequately protecting the environment at all. What guarantees do we have that surface and ground water contamination will not occur?

Fourth, in addition to water pollution, daily mine operations will generate significant particulate air pollution, noise pollution, and destroy the scenic nature of this area. There is no evidence in the Mine Plan of Operations that these impacts can be adequately mitigated.

Fifth, mine operations will destroy wildlife habitat and further endanger a number of sensitive species in the area. Again, there is nothing in the Mine Plan of Operations to indicate that Rosemont Copper can mitigate the adverse impacts the mine will have on these species and their habitat.

Sixth, the proposed mine is not consistent with either the existing Coronado National Forest Plan or the Pima County Sonoran Desert Conservation Plan. The mine will preclude all other uses of this area of National Forest. Specifically recreational access to this area will be lost. The Coronado National Forest Plan states that, "Extraction of minerals has a potential to disrupt other Forest values, if not carefully regulated. In a few sensitive areas it is necessary to exclude mineral activity." This clearly applies to the proposed Rosemont mine. The existing forest plan must not be revised simply to accommodate Rosemont Copper and allow the Coronado National Forest to be used as a tailings dump.

This proposed private, for-profit operation utilizing Coronado National Forest Land will permanently preclude other historic uses of the forest and have aesthetic, environmental, economic, and recreational impacts that will never be remediated. Because of the overwhelming negative impacts of this mine, all ongoing activity at Rosemont by Augusta should be halted until the NEPA process is complete.

Thank you for considering these comments.

Sincerely,


Fred Leonard

Fred Leonard
5091 N. Camino De La Cumbre
Tucson, AZ 85750-1502

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MAY 28 2008
Coronado National Forest

Ms. Jeanine A. Derby
Forest Supervisor
Coronado National Forest
300 W. Congress St.
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ATTN: Rosemont Copper Project EIS

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YOUR COMMENTS ARE IMPORTANT!

**PUBLIC COMMENTS
FOR THE
PROPOSED ROSEMONT COPPER PROJECT
ENVIRONMENTAL IMPACT STATEMENT**

If you would like to make a comment or be added to our mailing list, please fill out this form and hand it to any of our staff or mail it to the address provided. You are also welcome to write a letter or send e-mail to: comments-southwestern-coronado@fs.fed.us. Thank you!

COMMENT:

1) Can Rosemont Copper absolutely guarantee that toxic metals and materials will not leech out of the waste dumps and into the groundwater?

2) Can Rosemont Copper guarantee the safety of nearby residents from toxic airborne materials?

3) Can Rosemont Copper guarantee that neighboring wells will not be pumped dry?

4) Can Rosemont Copper guarantee that subsidence will not occur with its pumping of the groundwater?

5) Can Rosemont Copper guarantee the residents of Santa Cruz and other neighboring counties that their populations will have adequate water supplies and for future generations?

NAME:

J Haden

EMAIL:

ADDRESS:

982 S. Florida Springs Ct.

Green Valley, AZ 85614

(I don't believe you can guarantee any of these things)

PLEASE ADD ME TO THE MAILING LIST (circle one): YES NO

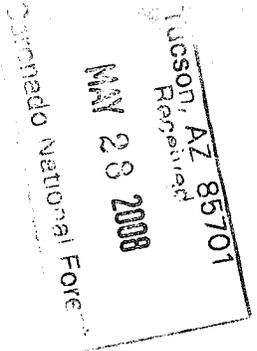
Please be advised that comments and personal information associated with them, such as names and addresses, become part of the Administrative Record for this NEPA review. As such, they may be made available to a third-party upon request under the authority of the Freedom of Information Act (FOIA). Personally identifying information is protected by the Privacy Act. If you do not wish for your personal information to be released under the FOIA, you may choose not to include it with your comments. Alternatively, you may request an exemption from FOIA with your comment submittal. Should you choose the latter, you would be informed by the Forest Service as to whether or not your request qualifies for an exemption. If it does not, you would be afforded the opportunity to resubmit your comments without personal information or to withhold them altogether.

H Juana & Gordon Haden
982 S. Florida Springs Ct.
Green Valley, AZ 85614



USDA Forest Service
Coronado National Forest
300 West Congress Street
Tucson, AZ 85701

Attn: Beverly Everson



Fold Here

How to Comment Effectively

To be effective, comments should be specific and factual. Remember, the purpose of this scoping is to identify significant issues related to the proposed operation, and issues to be considered in the Environmental Impact Process (EIS).

The format for commenting is up to you to choose. Comment forms are available, but not required. Send comments by mail, email, or hand-deliver to the Forest Service before the public scoping period ends on April 18, 2008.

Below are several tips for making effective comments.

- Be brief so the reviewer won't miss the point of your comment.
- Be specific so the reviewer clearly understands your concerns.
 - Statements such as "I am concerned about the amount of additional traffic this will cause" are useful in generating issues that can be analyzed.
 - Statements such as "Don't do this" or "I like this" are not useful in generating issues that can be analyzed.
- The better you understand the proposal, the more focused and site-specific your comments will be.
- Your comments must be realistic and feasible.
- Remember, this is the time to identify concerns AND opportunities.

The public comment period is the beginning of the EIS process and represents the foundation of the analysis. Your comments are an important input to the analysis of the social and natural environment.