

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

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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.

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- 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

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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:

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