

December 13, 2017
MEETING SUMMARY

Meeting Attendees

Community Working Group members present:

Jeff Bunkleemann – Central Arizona College
Bruce Wittig – Queen Valley Fire Department
Jim Schenck – Rebuild Superior
Hank Gutierrez - Superior Copper Alliance
Henry Munoz – Concerned Citizens and Retired Miners
Tiffany Rowell – Superior resident
Anthony Huerta – Town of Superior
Pamela Rabago – Superior Chamber of Commerce
Fred Gaudet – Arizona Trail Association
Sy Sohmer – Boyce Thompson Arboretum
Marcos Rodriguez – Central Arizona College
Sylvia Werre – Top of the World
Rick Cartier – Superior Chamber of Commerce alternate
Karen Kitchayan Jones – San Carlos Apache Tribe
Nancy Vogler – LOST Trail
Bill Vogler – Superior Copper Alliance
Roy Chavez - Concerned Citizens and Retired Miners
Tiffany Rowell – Superior community
Todd Pryor – Town of Superior

Community Working Group members not present:

Cecil Fendley – Queen Valley Water Board
JoAnn Besich – Superior Optimist Club
Pam Bennett – Queen Valley Community Liaison
Fernando Shipley – Cobre Valley Regional Medical Center Board
George Martin – JF Ranch
Lynn Martin – JF, JI Ranch
Tom Spridgen – Rotary Club of Superior
Arlynn Godinez – Superior Unified School District Board / Maricopa County

Resolution Copper Company:

Melissa Rabago – Manager of Communities
Kim Huether – General Manager of Studies
Vicky Peacey – Senior Manager of Environmental & Permits

Facilitators – Godec, Randall & Associates (GRA)

John Godec
Debra Duerr

Speakers:

Vicky Peacey, Resolution Copper Company

Public Guests:

Botha Ellis – Resolution Copper
Melvin Were – Top of the World
David Neuss - Superior Police Chief
David Gunn – Superior citizen
Andrew Lye – Resolution Copper

Introductions & Housekeeping

John Godec welcomed everyone, and asked participants to introduce themselves. He told the group that the Voglers will be leaving the CWG because they are moving to Florida, so this will be their last CWG meeting. He said they were charter members of the group and will be greatly missed. He thanked them for their continued commitment to the CWG.

Roy Chavez told the group about his trip to London to attend the Rio Tinto and BHP shareholder meetings. He received a grant from the London Mining Network, which focuses on human injustice and social and environmental issues associated with mining. They have stock in the companies and were therefore able to speak at the meetings. People from Columbia, Malaysia, Mongolia, and other countries attended and shared negative experiences with mines and mining in their countries, such as the San Marcos tailings breach and aftermath. Chavez believes that the CWG needs to hear more about and have more contact with BHP, even though that company chooses to downplay their involvement in the Resolution Copper Project. He is fearful that this project could be similar and have similar consequences to these others around the world. It is important for the community, therefore, to understand all proposals and company policies and to question these as needed.

Member Suggestion for CWG Discussion & Action in January

Jim Schenck thanked the group for inviting him to join the CWG, on the same day he was let go from Resolution. Regarding the work of the CWG, he thinks the relationship that has been started with the Forest Service is a significant achievement. The other big thing is the community monitoring program. To take advantage of this progress, he suggested that the CWG needs to be more proactive. He pointed out that Rio Tinto is a corporation and, similar to many other corporations, frequently changes its policies and approaches, as they did for the concept of a community investment vehicle that had been discussed and planned as part of this project. He suggested that because of good relationships that are developed with individuals working for Resolution in Superior the group may be too trusting of the company, and suggested that the CWG ask for commitments in writing. An example would be for continuation of the community monitoring program.

Hank Gutierrez noted that the portfolio and operating policies of the CWG was a subject of discussion at the USFS international mining conference that CWG representatives attended. He said that, according to the global conference attendees, the CWG is unique around the world, and should continue.

A member asked whether there is a formal long-term commitment from Resolution to continuing the CWG. It was noted that there are no formal commitments in place. Godec mentioned that in the absence of formal contracts there are guidelines around how similar groups might operate with an agreed upon level of influence in the operation of projects, and that this could be presented and discussed at a future meeting. Another member observed that this group is part of the Rio Tinto's social license to operate, and he feels that it will continue

until the company gets its approval. Vicky Peacey emphasized that the concept of social license continues throughout the life of the project. The Town Manager asked Peacey if this group has any formal function, responsibilities, or advisory authority. He would like to know that CWG recommendations are acknowledged and addressed by Rio Tinto. Members discussed that in the present political climate, we do not know how public lands and mining/extraction proposals will be handled. There are no guarantees.

Godec asked if the group would like to have a discussion about how the CWG should operate. He suggested that the group could make some recommendations about things that might be included in an agreement with the company. Chavez said this should be an objective for next year. He sees this group being able to foster other representative groups in the mining regions in Arizona and elsewhere. Mining is now “a new industry” with different practices and environmental improvements, and he hopes that these things are true. The group agreed that they would like to discuss these subjects in meetings next year.

Subcommittee Reports

The RUG met this morning to work on finalizing the multi-use trail map and approach to the plan. They heard suggestions from Westland Resources based on field work and advice from a trail designer. They will continue working on the plan at their next meeting on January 10.

The Community Monitoring Task Force and Southwest Groundwater Consultants, along with Resolution, performed the last quarterly sampling for 2017 on November 30. They tested the Arboretum, Castleberry, and new Martin well. Resolution took their samples, then Southwest Groundwater took theirs immediately afterward. The task force is very interested in seeing and comparing test results from both laboratories.

Southwest Groundwater Consultants Contract

The term of the contract between the CWG and Southwest Groundwater is through this calendar year. Godec asked the group if they would like to extend the contract. They agreed that they want to extend the contract, although they want to see the results of the last two sampling events as soon as possible. Vicky Peacey confirmed that Resolution is willing to continue funding for this contract as it had been previously developed with the understanding that the contractor works for the CWG, not for Resolution.

A member noted that a long-term objective of the monitoring program is to monitor the tailings facility, and wondered if this aspect of the program should be included in the scope of work for next year. Peacey noted that baseline data from wells in the tailings vicinity are available.

Update on Resolution Copper Project Tailings Site & Mine Plan Features

Vicky Peacey – Resolution Copper Company Senior Manager, Environmental & Permitting

Vicky Peacey said she will review what the Forest Service has told the group about alternatives, and asked if anyone had read the Alternatives Report. She explained how alternatives are developed in the Environmental Impact Statement (EIS) process. Tailings alternatives include locations for the facility and types of tailings. These were developed by BCG, a subcontractor to SWCA, who looked at other mine pits (brownfield properties), and undeveloped (greenfield) sites. The final alternatives to be studied in the EIS are:

- The proposed site
- Modification of this – centerline construction instead of upstream construction, with liner
- Silver King Canyon (close to Superior) – using dry stack tailings
- “Peg Leg” site (south of Gila River) – (1.) using centerline construction and slurry tailings, and (2.) downstream construction with a liner. This site is located on mixed Bureau of Land Management, Bureau of Reclamation, and Arizona State Trust lands, and is next to the Asarco tailings site.

The Forest Service considers these alternatives to be reasonable because of topography, visibility, and geology.

Peacey explained and illustrated the tailings construction alternatives being considered. One of these is called “upstream”, which she noted is good for sequential reclamation. This method has been researched further for public safety and stability reasons as a result of tailings failures that have happened around the world since the Mine Plan was submitted in 2013. This design is more vulnerable to extreme climatic events. Another design is called “centerline”, which is more stable; this type of construction will also be assessed at the Peg Leg alternative site. The third kind of construction is “downstream”, which is most common at reservoirs. Downstream dams are the largest type of facility, requiring hundreds of millions of tons of construction materials, and would be very costly. Neither of these is easy to reclaim as it’s being built; the centerline type can be modified for reclamation, but the downstream cannot be. Resolution must now do conceptual designs for these alternatives and evaluate costs, constructability, air quality, and other impacts.

Dry stack tailings is what Rosemont Mining is proposing. These types of tailings are dewatered using pressure or suction filters, and trucked to the disposal site. A stacker moves back and forth along the tailings constantly. The advantage is that they do not have much water, but the disadvantage is that they produce more dust. These facilities are normally used for much smaller mines (e.g. 10,000 tons per day), and not for this amount of material (120,000 tons per day).

A tailings liner is also being evaluated. The Forest Service wants to look at a liner for the pyrite tailings at the Mine Plan site and a full liner at Peg Leg to see if this would reduce seepage.

Other alternatives not related to the tailings facility include:

- Relocating the concentrate filtering/loadout operations to the West Plant site from the General Plan of Operations proposed location near San Tan Valley
- Redesigning facilities at the West Plant site to move the process water storage pond completely off Forest Service lands
- Relocation of equipment haul roads

The next steps are for Resolution to do designs for these alternatives, and then all the environmental impacts will be assessed in the EIS. Baseline data must be collected for these sites, and for this the Forest Service is using available public information.

CWG members had the following questions and comments:

- How are you processing the ore? What is the mesh? Is there a way to get other metals out? There is a concern is that this slurry materials will never set at the tailings pile.
 - The proposed mesh is 190 microns. There is also a regrind on the pyrite tailings.
 - There will be underground crushers, then the rock is sent to mills that crush it to essentially a fine dust. Resolution will try to get every bit of copper and molybdenum out through a concentrator process (treated with flocculent and lime, skimmed off, tailings sink to bottom). Then the materials are separated to pull out pyrite that contains the bulk of sulfite and trace quantities of heavy metals so this can be isolated. The trace metals are not commercially viable since there are such tiny quantities.
 - If a different type of tailings design is used, the tailings may be ground to varying meshes to use in specific parts of the tailings dam.
 - A rigorous dust management plan will be needed for any type of facility.
- It was noted that there was a lot of discussion about whether lining was needed in the early CWG discussions. Why are liners being considered now when they were not thought necessary before?
 - Resolution thinks that suitable underlying rocks are preferable to a plastic liner that can tear. This analysis will need to be performed for the EIS.
 - For the Aquifer Protection Permit, liners can be installed easily, while not installing a liner requires detailed subsurface studies and demonstrations.
 - Liners are not usually used in a facility this large, and the chance of it tearing is high.
 - None of the mine tailings facilities in this region have liners.
- If the Forest Service sites are used, Resolution would not need to purchase the land. If the Peg Leg site is used, the land may need to be purchased or leased from State Lands and possibly from BLM (it may be open for disposal).
 - Correct
 - A member pointed out that the Apache Gold golf course is on State Trust Lands under a 50-year lease.
 - The Peg Leg site would require a much longer pipeline and Gila River crossing, both of which would be very expensive and complicated.
- How do existing mining claims affect the use of these alternative sites?
 - It makes it complicated. This is the case at Silver King and Peg Leg.
- Can the Forest Service pick the tailings site?
 - They cannot dictate a site located off of Forest Service lands.
- Where are you in the process?
 - Peacey recommended looking at the Forest Service's timeline on their project website. They are in the analysis of alternatives phase, which will likely take at least a year.

- Is it true that there has been pressure put on the Forest Service to get the EIS done more quickly?
 - No, we're still on the original schedule proposed, and nothing has been expedited.
- A member felt that the current White House administration will weigh in on this project at some point, given the policies favoring resource extraction.
 - Resolution believes there is no doubt that this project will be litigated.
- If the West Plant alternative is used for shipping, will it still be by rail?
 - Yes. The rail line that could be used to take the concentrate out could also operate as a tourist train route. Resolution has done noise, vibration, and light impact assessments for the proposed facility, and these impacts will also need to be evaluated at any new locations.
 - The Town of Superior sees some benefits from a rail line and train, whereas a pipeline does not provide any benefit. There is no current source of funding for the \$15 million estimated to bring a tourist train to Superior. Peacey suggested that we'd be in a better position to pursue this idea as the alternatives analysis proceeds.
 - Resolution noted that both BHP and Rio Tinto take their product at the filter plant, so this is the subject of negotiations now.

Vicky suggested that the CWG could ask the Forest Service to come back at the end of the first quarter of next year to provided updates on the EIS and their various plans.

Public Comments

There were no public comments.

Future Meeting Planning & Next Meeting

Bill and Nancy Vogler promised to check in to keep track of the mine progress. Everyone wished each other a Merry Christmas and Happy New Year.

The group decided that it would like to continue its discussion of its role and responsibilities, company commitments, and future action items at the next meeting.

Additional meeting topics requested by the CWG include a briefing on the status of BHP's property around Superior and a review of this year's well sampling test results by Southwest Groundwater.

The next meeting is scheduled for:

*Wednesday, January 10, 2018
Superior Chamber of Commerce
6:00pm*