

August 14, 2019
MEETING SUMMARY

Meeting Attendees

Community Working Group members present:

Pam Bennett – Queen Valley Community Liaison
Anthony Huerta – Town of Superior
Arlynn Godinez – Superior Unified School District Board / Maricopa County
Todd Pryor – Town of Superior
Jim Schenck – Rebuild Superior and Legends of Superior Trail
Silvia Werre – Top of the World
Ricardo Provencio – United Superiorites
Pamela Rabago – Superior Chamber of Commerce
Bruce Wittig – Queen Valley Fire Department
JoAnn Besich – Superior Optimist Club
Lynne Nemeth – Boyce Thompson Arboretum
Mila Besich – Town of Superior
Fernando Shipley – Cobre Valley Regional Medical Center Board
Tiffany Rowell – Superior community
Woody Cline – Gila County Supervisor
Cathy Melvin – Gila County
Rick Cartier – Superior Chamber of Commerce
Lynn Martin – JF, JI Ranch
George Martin – JF, JI Ranch
Gloria Ruiz – Town of Winkelman
Roy Chavez – Retired Miners and Concerned Citizens

Community Working Group members not present:

Hank Gutierrez - Superior Copper Alliance
Fred Gaudet – Arizona Trail Association
Karen Kitchayan Jones – San Carlos Apache Tribe
Tino Flores – Copper Corridor Economic Development Coalition
Anna Flores – Town of Kearny
Sylvia Kerlock – Town of Winkelman
Jeff Bunkleemann – Central Arizona College
Tweedy Armitage – Superior Historical Society
Richard Matthews – Queen Valley Water Board
Cecil Fendley – Queen Valley Water Board

Resolution Copper Company:

Hesston Klenk – Resolution Copper Communities Manager

Facilitators – Godec, Randall & Associates (GRA):

John Godec, Debra Duerr

Speakers:

David Jones – President, Bronco Creek Exploration
Mike McCarrel – Geologist, Bronco Creek Exploration
David Maher – Geologist, Bronco Creek Exploration
Russ Franklin – Kennecott Exploration

Public Guests:

Johnny Kay
George and Olya Martinez
M.P. Sandy
J. Charles Santa Cruz
James E. O'Donnell – AAREA
Chris Casillas
Pete Casillas – Superior Chamber of Commerce
others

Introductions & Housekeeping

John Godec welcomed everyone to the meeting. He noted that this has been a 'red letter' week with the release of the Draft Environmental Impact Statement (DEIS) for the Resolution Copper Project and Land Exchange. A link to this was sent to everyone. Copies of the Executive Summary are available tonight. This document does a nice job of summarizing the mining proposal and some of the main impacts of concern to the community. A list of the public hearings sponsored by the Forest Service was discussed, starting with the first one on September 10 at the Superior Junior-Senior High School.

Godec told the CWG that he had met with the Mayor and Council of Winkelman to let them know more about this group, at their request. He also noted that information about the recent Rosemont Mine court ruling was distributed to members.

In local news, CWG members reported that the Prickly Pear Festival is this weekend at the Roosevelt School, with a bar at the Council Chambers. Fernando attended the Arizona Policy Forum in Eagar this week; he said that Todd Pryor made a presentation and did a very good job. The town has been working with the National Park Service on a waters and trails plan (Queen Creek Greenway), for which public meetings will be held including a presentation to the Recreation User Group (RUG) and other opportunities for public input. Mayor Besich offered thanks to Roy Chavez for his vision in starting this initiative when he was town mayor.

Fundraising activities include a United Superiorites 50th anniversary party on September 14, for a donation of \$15. The Optimists will host a raffle for \$10 per ticket to win tickets to the October 13 Arizona Cardinals/Atlanta Falcons game, with a parking pass. LOST is having an Adopt-a-Trail program to raise money to fund development of the trail.

Hesston Klenk told the group that Resolution has talked with the town and Forest Service about coordination with the IMRYS road reroute, which Resolution will fund. Also, work has begun to shrink the floodplain around Superior according to FEMA requirements. The CWG was happy to hear that the US60 tunnel will be reopened in the next two weeks. The approach to safety that Resolution is taking is to perform more frequent inspections and to better identify potential risks, which are mainly outside of the tunnel.

Roy Chavez apologized to group for not being here for a while. He handed out an article about Rio Tinto fast-tracking one of their Australian projects, which he felt that – combined with the volatile world copper market – could affect the prioritization of the Resolution project. He thought that this project will take another 15 years to get to operation, considering the EIS timeframe, lawsuits, etc. Chavez pointed out another project in Mongolia that is having problems with the block cave mining process and with power supply. Block cave mining has never been done at this depth with this grade of ore. The Mongolian government has a 1/3 share of the project, which they are trying to renegotiate since it seems that any profits will be a long time coming. He suggested that the CWG should request a meeting with the Rio Tinto representatives here to address these issues. The Mayor noted that they have been in contact with London Rio Tinto folks, and this seems to be a productive relationship to foster.

Mineral Exploration Update Around Superior

Dave Jones – President, Bronco Creek Exploration

Mike McCarrel - Bronco Creek Exploration geologist

Dave Maher – Bronco Creek Exploration geologist

Russ Franklin – Kennecott Exploration

Godec introduced Mike McCarrel from Bronco Creek Exploration (BCE). Most members of the group are aware that there is a lot of exploration around the area and there have been quite a few questions. He thanked Bronco Creek and Kennecott representatives for coming.

Presenters tonight will discuss a history of BCE, the context for the mineral exploration process, an overview of plans at the “Superior West” project, and examples of BCE site reclamation.

BCE was founded in Tucson in 2002 by McCarrel and his partner, both graduates of the University of Arizona. They felt there was a huge opportunity to locate minerals around the state and apply geologic expertise to advance projects through early-stage mineral exploration. They pride themselves on stewardship and minimizing environmental impacts. They have worked for Newmont, Freeport, and Rio Tinto. They choose to work in Arizona because the Laramide copper belt is one of the top five porphyry belts in the world. McCarrel noted that, while we’re all consumers of natural resources, we don’t get to pick where copper deposits occur. At Superior West, there were six drill holes existing from the late 1960s, and Kennecott drilled 6 holes in the 1990s, about the same time as discovery of Resolution’s deposit.

Dave Maher recognized that a lot of people here have history in mining. He pointed out that exploration activity has been going on in this area for over 150 years; for example, the Town of Pinal was the first with electricity. He provided an overview of the mining process, starting with exploration which typically takes 5-10 years and costs \$1-5 million. BCE today is even before this stage, in deciding whether to drill. Target testing is performed to evaluate the geological prospects of the target area through drilling, following all applicable laws. Only about 1 in 1000 projects (i.e. ideas) are successful, and about 1 in 30 may advance to a further stage. The depth of holes varies. Environmental impacts of drilling include minor water use, road access, dust

and noise, and vegetation clearing. They work closely with the Forest Service on this. A typical drill site is 100 feet around. He emphasized that BCE works with area residents.

McCarrel provided a description of the Superior West project. The first claim was staked by BCE at Superior West in 2006. They are now partnered with Kennecott Exploration (KEX) and have been teamed with Freeport (FMI) in 2009 and 2012. An initial Plan of Operations was filed with Tonto National Forest in 2015. They only learned about the RUG trail plan in 2019 and would like to work with that group as well. McCarrel showed a map of 79 potential drill pads. The average hole depth would be 3500-5000 feet but could go to 6500 feet. These take about 1-2 months to complete. The plan is a bit larger than may be needed because they will take more than the 12 months that the Forest Service allows for a permit and thought it would be easier in the long run to do an Environmental Assessment (EA). They want to drill an “handful” (only 2 to 4) of holes and test their ideas. That will determine whether more holes are needed. To summarize, 79 drill site options (biological and cultural resource studies are done) have been identified; BCE will only disturb 25 of these, starting with 2 to 6. Because they don’t know anything about the area, they don’t really know where to start to characterize the possible mineral area.

He showed some ‘before and after’ photos of typical drill sites, indicating that there’s not much difference. They look for existing road access, limited site vegetation, and avoiding saguaro. They rake and shovel the site to flag cacti and transplant (as opposed to blading as generally allowed by regulatory agencies).

McCarrel showed a map of BCE drill sites superimposed on the RUG plan. BCE will consider paring back this drilling plan to better coordinate with trails.

The CWG had the following questions and comments:

- Is the goal now only to find the quality of the ore, if any?
 - To justify drilling such deep holes, a deposit would need to be “Resolution” size and grade to justify pursuing it.
- Do you know if there is mineralization there based on previous drilling?
 - There appears to be weak mineralization.
- Do you also look for other minerals?
 - yes
- The Town’s land exchange properties in the vicinity of the airport also include 3 proposed drill sites.
- How long will this take?
 - That depends on permitting. The EA is good for 10 years, but it will not be that long. If nothing is found, the project could just be abandoned.
- The Forest Service told us that the two permits for Copper King (6 pads) and Superior West were combined.
 - That’s true, for ease of analysis in the EA, even though BCE didn’t really want to do this. They will probably be separated in future.
- Klenk explained the ‘firewalls’ between companies in this exploration business. He said that Resolution didn’t know about this initiative until the RUG discussion last November.

- Several CWG members wondered whether it's useful for the RUG to continue with their plans if there's a potential for mining here.
 - Please remember that these projects could take many years, and testing would be done in small areas progressively.
 - Godec summarized the CWG's and RUG's bigger fear that this area will turn into a mine, understanding that BCE is simply doing exploration at this time. This is coupled with the fact that Resolution is using the RUG plan to mitigate impacts of their project. There was discussion about the timeframes associated with development of a mine and this type of mineral exploration.
- If this does turn into a mine, what's the mitigation? Would you move the town? What would happen if you find a deposit? Would you sell this to a mining company like Kennecott? Has Kennecott been in a similar position with a deposit so close to a community?
 - It would need to be a broad conversation with the community. Rio Tinto values the meaning of social license. Yes, there have been cases in history where towns were moved. Klenk pointed out that Rio Tinto walked away from Pebble Mine in Alaska without compensation because of social impacts. McCarrel said BCE also needs a social license to operate.
- Concern was expressed about closing areas that people in the town have used historically, e.g. the road to Silver King.
 - McCarrel assured the group that BCE will not do this, noting that this is Forest Service land and doesn't belong to BCE. Only the small drilling pad would be closed to access, and only while it's there.
- The Town Manager articulated concerns of the town with drilling and exploration, and potential mining, so close to town. Why is Superior a target? What if we end up like Ray? Resolution came into an existing mine with Magma, but this would be brand new.
- Would BCE be willing to share results of these drills with the town and the public?
 - No, because of proprietary issues. But they will share their plans and what they're doing as they move along.
- Has an EA been done on this project?
 - They've been working on it for 4 years but it's not done.
- Would a land exchange be involved if this came to fruition?
 - We don't know.

Overview & Preliminary Discussion of Resolution Copper Project DEIS

Dates of public hearings were discussed. CWG members were urged to attend the meeting on September 10, which will be the night before the next CWG meeting. Meetings are scheduled as follows, all from 5:00 to 8:00pm:

Tuesday, September 10 - Superior Superior Junior/Senior High School 1500 Panther Drive	Thursday, September 19 - Globe High Desert Middle School 4000 High Desert Drive
Thursday, September 12 – San Tan Valley Central Arizona College 3736 E. Bella Vista Road	Tuesday, October 8 – Queen Valley Queen Valley Community Center 1464 E. Queen Valley Drive
Tuesday, September 17 - Kearny Ray Elementary School 701 State Route 177	

A CWG member pointed out that Alternative 4 included the reactivation of the Marco Railroad, and wondered why it's not included in any other alternatives.

The group requested that the Town Manager provide his review of the EIS that he has been preparing to brief the Council. He said he would be willing to share those 'homework assignments' with the CWG.

Public Questions & Comments

There are two "wins" that are important: for the people and for the place. If this isn't the case, why would you proceed? It's difficult to agree on criteria to clarify what's good for whom. Could BCE decide not to sell? At this time, BCE owns the mineral rights, but Kennecott has an interest and would need to buy the rights in order to mine.

The Arizona Mining Reform Coalition (<https://www.azminingreform.org/>) was mentioned as an organization that has information and presents a different point of view.

Next Meeting

The next CWG meeting is planned for:

Wednesday, September 11, 2019
5:30 pm
Superior Chamber of Commerce

The planned topics for the September 11 meeting are further discussion of Resolution's mitigation plans and review and comments on the Draft Environmental Impact Statement.