



United States
Department of
Agriculture

Forest
Service

Coronado National Forest
Supervisor's Office

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File Code: 1950/2810

Date: August 8, 2012

Katherine Arnold
Vice President, Environmental and Regulatory Affairs
Rosemont Copper Company
P.O. Box 35130
Tucson, AZ 85740-5130

Dear Ms. Arnold:

This is in response to your July 10, 2012 letter to me stating that Rosemont Copper Company wishes to eliminate the heap leach operation and oxide copper recovery from the Barrel Alternative.

In your letter you state that the alternative facilities arrangement and operational sequencing in the Barrel Alternative will not accommodate the leaching and extraction of copper from what was previously classified as oxide ore. You also state that based on additional drilling and analysis of ore types and grades, roughly 40 percent of the ore originally considered mixed or leachable ore has been reclassified as sulfide ore that will be processed through the mill and concentrator, and that the remaining oxide ore is below cut-off grade.

In order to understand the effects from the proposed change to the alternative, and to make a decision on whether or not to apply the change in the analysis, I am requesting information on the rationale used to determine that remaining oxide materials, formerly ore, are now below cut-off grade, and how that grade was determined. Additionally, please discuss whether or not the oxide ore previously identified in other action alternatives would now be considered below grade, and why or why not.

I also need to better understand what changes will be made to storage and processing facilities and their footprints, to the economics associated with the operation, and to the use of electricity and water. For example;

Capacity of processing and waste facilities, and change in their configurations, footprints and also, change in equipment to be used with the operation.

Sequencing of placement of materials, timing of production, reclamation and closure of operation.

Change in transportation and traffic.

Change in products to market and volume of the products with elimination of oxide ore and cathode production.

Change in number of jobs and impact to profit and revenue.

Amount of reduction in the use of electricity and water, and a discussion including issues such as the following:

Would electrical load be reduced to the point that a 69kV rather than 138Kv line would suffice for the remaining operation?

Would the change in amount of electricity used for operations facilitate an increase in the



use of solar-generated electricity or make underground power transmission more feasible? Could the remaining use of electricity be shared with existing lines (Trico and TEP)?

Would the change in the amount of water use result in a change in the number and location of pumping stations used for the water line?

Additionally, how will the elimination of the oxide operation effect natural resources such as water quality relative to geochemical changes with ore re-classification; and, does it change impacts to air quality, wildlife and vegetation, soils and other natural resources? How does it affect the visual quality of the operation? Does the change affect lighting, for example number of lumens?

Please provide analytical documentation for all of the information that is being requested, to qualify and quantify the information.

Questions about this letter and the information being requested may be directed to Bev Everson at 520.388.8428 or beverson@fs.fed.us.

Sincerely,

/s/ Jim Upchurch
JIM UPCHURCH
Forest Supervisor