

### OVERVIEW

Canadian-based Augusta Resources proposes constructing a massive open-pit copper mine in Southern Arizona. The proposed mine would sit on 14,000-acres in the Santa Rita Mountains just south of Tucson. The Rosemont Mine would negatively impact the economy and environment of Southern Arizona. Augusta Resources has never operated a mine and the Rosemont project would be its first attempt at doing so.

There is unprecedented non-partisan opposition to the Rosemont Mine. Political, business and environmental leaders have joined with citizens from all walks to oppose this project.

### THE COMPANY

Augusta Resources is a publicly-traded corporation, headquartered in Vancouver, British Columbia. To fund the Rosemont Mine, Augusta has received financing from Japanese and Canadian interests. According to Augusta, the copper extracted from Southern Arizona would likely be sold to China with the profits going to a Canadian company and its international investors.

Historically, Augusta is a company that only undertakes exploration, acquisition, and development of mineral resources. Augusta does not operate mines or produce any mineral product. If the Rosemont Mine is approved, it would be Augusta's first foray into mine operations and Southern Arizona would be its test subject. Alternatively, Augusta could obtain sufficient regulatory approvals to operate the mine and then sell its interests to an unknown entity.

### 1872 MINING LAW

Augusta Resources is taking advantage of a law signed by President Ulysses S. Grant intended to encourage development of the western U.S. The Mining Law of 1872 has profound impacts on western public lands. This law allows anyone to stake a claim on public lands, pay a nominal fee each year, and conduct mining operations. Many of the mines developed as a result of this law generate millions of dollars in profits for private mining companies without any royalties being paid to taxpayers.

Using the 1872 Mining Law, Augusta Resources is proposing to conduct mining operations on the Coronado National Forest. This is a bad deal for the environment, a bad deal for taxpayers and a bad deal for Arizona.

It is indisputable that the Rosemont Mine will significantly impact Southern Arizona. As the Augusta proposal is evaluated, it is imperative that these impacts are understood and considered.

**Costs:** The Rosemont Mine will result in significant costs to taxpayers and residents. These include transportation infrastructure costs and diminishment of property values.

For example, the Rosemont Mine will not have rail access. As a result, all of the equipment and personnel going in and the ore coming out of the mine will have to be trucked on State Route 83, a designated scenic highway. This public thoroughfare will need significant upgrades to accommodate the additional truck traffic created by the mine.

**Economic Impacts:** The economies of the Santa Rita Mountain communities are largely driven by outdoor recreation and tourism. The mine's effect on these small towns would be dramatic.

Even by Augusta's inflated estimate of jobs created, the potential negative impacts outweigh any modest benefit of the mine. Augusta estimates an annual payroll of about \$14 million from the mine. This estimate does not take into account that many of these

jobs will be filled by non-residents and most of Rosemont's profits will go to Augusta's Canadian and international investors.

Figure 1 illustrates that mining comprises less than 1/3 of 1% of Arizona's employment. The economic benefit of the mine will be overshadowed by the loss of revenues from recreation and tourism as shown in Figure 2. Those two industries alone generated an estimated \$2.95 billion in 2006 – significantly more than the potential economic contribution of the mine.

### MINE IMPACTS

According to Augusta, the Rosemont Mine will use "approximately 5,000 acre-feet per year delivered at "5,000 gallons per minute". To put that amount of water into perspective, the Rosemont Mine will consume the water of over 15,000 households each year it operates.

In addition to consuming significant amounts of water, the Rosemont Mine's potential impacts on the quality of water supplies used by Southern Arizonans is notable. The Rosemont Mine will be located at the headwaters of Davidson Canyon in the Cienega Creek Watershed. According to Augusta's documents, at well over a mile wide and up to a half mile deep, the pit for the Rosemont Mine will be larger than the Berkeley Pit in Butte, Montana, a closed copper mine that became one of the nation's largest superfund sites. When the mine operators closed the Berkeley mine and stopped pumping, adjacent groundwater and surface drainage flowed into

the mine. This created a highly toxic chemical stew that threatens nearby communities and ecosystems.

Given its size, the topography and hydrology of the site, the Rosemont Mine has the potential to create an environmental disaster on a similar scale to the Berkeley pit superfund

While the mine's potential adverse economic impacts are significant, the irreparable environmental damage to the legacy we leave to future generations would be even more devastating. The Arizona Game and Fish

Department clearly stated that even with all proposed mitigation measures, the Rosemont project would result in significant adverse impacts to wildlife habitat and recreation. The Department predicts the mine would leave the northern Santa Rita

Mountains virtually worthless as a functioning ecosystem.

**Water:** The potential impact of the Rosemont Mine on both the quality and quantity of the region's water resources is an important issue given this region's arid climate.

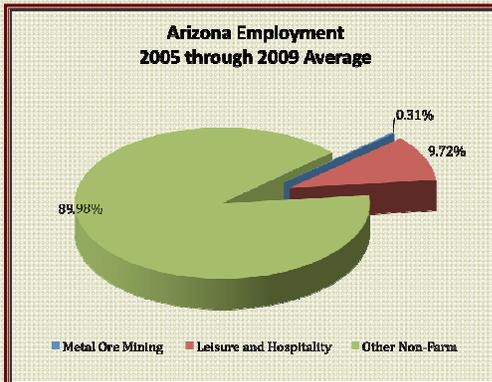


Figure 1: Non-Farm Payroll, Arizona Dept. of Commerce site.

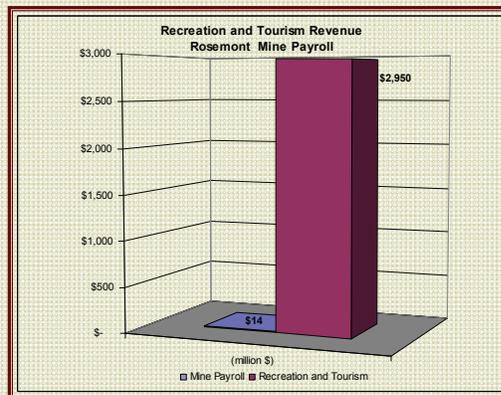


Figure 2: Josef E. Marlow Ph.D., Sonoran Institute, Dec. 2007

**For More Information:**

[www.scenicsantaritas.org](http://www.scenicsantaritas.org)