February 16, 2007

Jeanine Derby, Forest Supervisor
Coronado National Forest
Federal Building
300 West Congress
Tucson, Arizona 85701

Re: Your February 11, 2007 Letter Regarding the Proposed Augusta Resources Corporation Mining Operation in the Vicinity of Rosemont Ranch

Dear Ms. Derby:

Thank you for your response. I am disappointed that the Forest Service will not challenge the validity of the mining claims where Augusta Resources proposes to place waste rock or other waste materials. However, I understand that you believe such is presently allowed pursuant to current federal code and regulation.

Enclosed please find a report I transmitted to the Board of Supervisors for their review and action on February 20, 2007. As you can see, the legacy of mining activities in Pima County has not been positive.

We look forward to reviewing any mine design and/or mine reclamation proposals when Augusta Resources Corporation submits a mine operating plan to the Service for a copper and molybdenum mine at Rosemont Junction. I am quite skeptical, based on the present mining legacy in Pima County, that mine reclamation activities will be adequate. There is ample physical evidence today to indicate that past reclamation efforts have been completely ineffective and woefully underfunded.

Thank you for responding to my request.

Sincerely,

C.H. Huckelberry
County Administrator

CHH/ij

c: The Honorable Raúl Grijalva, Member, United States House of Representatives
The Honorable Gabrielle Giffords, Member, United States House of Representatives
The Honorable Chairman and Members, Pima County Board of Supervisors
Nicole Fyffe, Executive Assistant to the County Administrator
C. H. Huckelberry  
Pima County Administrator  
Pima County Administrator's Office  
130 W. Congress  
Tucson, AZ 85701-1317

Dear Mr. Huckelberry;

This is in response to your December 19, 2006 inquiry regarding the proposed Augusta Resource Corporation copper and molybdenum mine at Rosemont Junction. You suggested that the Coronado National Forest could challenge the validity of the corporation's mining claims. Your argument for claim validity challenge was based primarily on the fact that the company intends to use many of the claims for mill tailings and waste rock placement. I have received opinions on this topic from our Office of General Counsel and also from our Regional Geologist in Albuquerque.

Both opinions state that it is not common practice, nor is it Forest Service policy, to challenge mining claim validity, except when a) proposed operations are within an area withdrawn from mineral entry, b) when a patent application is filed, and c) when the agency deems that the proposed uses are not incidental to prospecting, mining, or processing operations. This last category includes such management concerns as illegal occupancy or use of mining claims for non-mining or non-mineral processing purposes. For operations proposed in accordance with our regulations, and where the above situations do not exist, there is no basis for pursuing a validity exam. The placement of waste rock and mill tailings on the Forest are considered to be activities connected to the mining and mineral processing per regulation 36CFR228 subpart A, and as such they are authorized activities regardless of whether they are on or off mining claims.

I appreciate your interest in protecting the environment. I have the same interest and will be giving particular attention to having an effective design for mine reclamation when we address the mine operating plan. Please feel free to contact Forest Geologist Beverley Everson at 388-8428 if you have further questions.

JEANINE A. DERBY  
Forest Supervisor