



## **CONTACT INFORMATION**

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UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION IX

75 Hawthorne Street  
San Francisco, CA 94105-3901

July 24, 2000

Dear Interested Party:

Thank you for your comment letter regarding EPA's proposed actions on the Carlota Copper Project. During the 90-day public comment period (October-December 1998), EPA received approximately 1,000 comment letters regarding issuance of an National Pollutant Discharge Elimination System (NPDES) permit and adoption of National Environmental Policy Act (NEPA) documents prepared by the Forest Service (Final Environmental Impact Statement (FEIS), 1997) and the Army Corps of Engineers (Supplemental Environmental Assessment (EA), 1998). EPA has reviewed and prepared responses to all significant comments received regarding these actions.

The purpose of this letter is to notify you that on July 24, 2000 EPA issued a final NPDES permit to the Carlota Copper Project and signed a Record of Decision (ROD) adopting the NEPA documents prepared by the Forest Service and the Corps of Engineers. The final permit includes revisions, as well as additional conditions, to the draft permit to reflect concerns raised during the public comment period. Due to the volume of documents associated with these actions, EPA will only send copies of documents associated with the Administrative Record upon request. The Administrative Record, which includes the final permit, Response to Comments Document, ROD, Supplemental EA, and FEIS, is available at our office for review.

In a final rule which became effective on June 14, 2000, EPA's NPDES regulations were revised as part of an agency-wide effort to streamline permitting procedures. 65 Federal Register 30886, 30911 (May 15, 2000). The revisions applicable to this permitting action are summarized in this letter. As stated in 40 CFR 124.19 (a), within 33 days after EPA's permit decision, which begins with service of the notice of the Regional Administrator's action, any person who filed comments on the draft permit or participated in the public hearings may petition the Environmental Appeals Board (EAB) to review any condition of the permit decision. Any person who failed to file comments or failed to participate in the public hearings on the draft permit may petition for administrative review only to the extent of the changes from the draft to the final permit. The petition shall include a statement of the reasons supporting that review, including a demonstration that any issues being raised were raised during the public comment period (including any public hearings) to the extent required by these regulations and when appropriate, a showing that the condition in question is based on: (1) A finding of fact or conclusion of law which is clearly erroneous, or (2) An exercise of discretion or an important policy consideration which the EAB should, in its discretion, review.

*Carlotta Copper file*

*Km*

40 CFR 124.60 (b) (1) states that, as provided in 40 CFR 124.16 (a), if an appeal of an initial permit decision is filed under Section 124.19 of this Part, the force and effect of the contested conditions of the final permit shall be stayed until final agency action under 40 CFR 124.19 (f). In accordance with 40 CFR 124.16 (a) (1), "[i]f the permit involves a . . . new source, new discharger or a recommencing discharger, the applicant shall be without a permit for the proposed new . . . source or discharger pending final agency action." Please review 40 CFR Section 124 and the enclosed revisions, 65 Fed. Reg. 30886, for a complete description of the requirements regarding appeal of NPDES permits.

If you have any questions regarding the procedures outlined above, or if you would like to review or request any documents from the Administrative Record, please contact Lisa Honor at 415-744-1882 or Shirin Tolle at 415-744-1898.

Sincerely,



Laura Gentile  
CWA Standards & Permits Office  
Water Division

*Carlota - file  
Hla Co*

## **CARLOTA COPPER PROJECT ENVIRONMENTAL MITIGATION MEASURES**

The Carlota Copper Project has made numerous adjustments to its proposed plan for constructing, operating, and reclaiming its copper mine. Listed below are some of the mitigation measures to which Carlota has committed.

### **Air and Visibility Resources**

- Extensive air monitoring stations, including a proposal which addresses a requirement of the recently proposed EPA air-quality regulations (PM 2.5 monitoring).
- Speed limits for haul trucks.
- Extensive dust suppression (watering) on haul roads.
- Production limits--both daily and yearly tonnage limitations.
- Installation of a baghouse at the secondary crusher--the most significant source of particulates in the crushing/conveying circuit.
- Use of low sulphur fuel.

*No other mine in Arizona has committed to the above types of mitigation measures.*

### **Water**

- Pinto Creek Diversion:
  - a.) As part of the construction of the diversion channel, the existing Pinto Creek alluvium will be excavated and placed in the bottom of the diversion channel. Engineered structures will be constructed to not only maintain alluvial groundwater levels, but also re-establish the aquatic habitat (the riffle and pool structures) from the existing creek bed.
  - b.) Establish a riparian zone in the creek diversion even though current habitat is very low quality.

- c.) Numerous engineering and biological commitments. Will spend approximately \$1 million for mitigation measures alone (not including the cost of the diversion).

- Water Supply:

- a.) If pumping from well field has effect on Pinto Creek, Carlota has agreed to "put back" a specified amount to maintain the base flow.
- b.) Signed an agreement to purchase water previously impacted by mining from a neighboring mine.
- c.) Continuing to investigate several secondary water supplies, including a mining-impacted source identified in the Draft EIS.

- Downstream Effects:

- a.) Keeping in mind that Pinto Creek is an intermittent, seasonal stream, extensive monitoring will be done to insure that no discharges from the process area are emitted into the stream.
- b.) Extensive storm modeling has been done, and the Project has been over-designed to compensate for storms. Normally, mines are required to design for a "100-year storm." Carlota has designed the process ponds for half the probable maximum flood (PMF) event which has a probability of occurring approximately once every 2,500 years.
- c.) Use of Best Management Practices (BMPs), including retention ponds to control excess sedimentation. Retention ponds are being designed for capacities above and beyond the requirements of the EPA NPDES regulation.

## Reclamation

- Detailed reclamation plan for the leach pad (first such plan for a copper mine).
  - \* Use of currently available technology to insure re-establishment of useful habitat. The top of the final heap will be prepared with a seal zone topped by a soil zone which will be recontoured and seeded for use as grazing lands or wildlife habitat.
- Pit is projected to be a non-acid producing lake which could be used by wildlife.

## **Biological Issues**

- Hedgehog Cactus:
  - a.) Donated 11 mining claims for cactus preserve.
  - b.) Mitigative field surveys (since the Draft EIS) confirmed the greatly expanded habitat of the cactus well beyond the project area. These additional surveys were completed to confirm initial Carlota baseline studies and to prepare the cactus conservation plan.
  - c.) Paid for outside party to write the Tonto National Forest conservation plan for the Hedgehog Cactus. Plan was supposed to have been written over the last 10 years, but had not been done.
  - d.) Committed to extensive mitigation plan even though the Project will impact less than 200 plants.
- Wetland Issues: As part of the Section 404 Permit, Carlota has committed to the following:
  - a.) Fencing a remote riparian area (20 miles from the Project).
  - b.) Creating wetlands equal to three times the disturbance.
  - c.) Donating funds to the City of Globe for a wildlife habitat within a park.

## **Cultural**

- Excavated 43 prehistoric and historic sites at a cost of \$1.4 million.
- Funding ethnological research on the oral history of tribes within the area.

## **Wilderness Area**

- Extensive computer modeling to predict any Project impact on the Superstition Wilderness Area.

## **Visual**

- Staining rocks in the pit walls of the Eder pits in later years to create natural look for the area.

## **Noise**

- Machines within selected buildings to be covered to minimize noise.

## Alternative Analysis

- Comprehensive work has been done to place the Project site features in an environmentally safe manner. Third-party contractors hired by the Forest Service have advised on the site selection.
- After EPA gave Draft EIS a negative rating, Forest Service hired a number of independent consultants, including the USGS, to review the project design.

## Community Support

- Hundreds of comments in support of the Draft EIS were received.
- At Air Quality Permit hearing, over 300 community people attended. 100% of the individuals testifying were in favor of the Project.
- Resolutions in support of the Project (and for swift resolution of the issues) have been prepared by:

Gila County Commissioners  
City of Globe  
Town of Miami

1/3/97

**CHRONOLOGY OF PERMITTING ACTIVITIES  
FOR THE  
CARLOTA COPPER PROJECT  
GILA AND PINAL COUNTIES, ARIZONA**

The following presents the chronology of events in the permitting of the Carlota Copper Project, primarily related to the National Environmental Policy Act (NEPA) action of producing an Environmental Impact Statement (EIS).

- August 1991 Cambior acquired the Carlota Project (and the Denver Development Group) from Westmont Mining
- Fall 1991 Cambior USA, Inc. began the development of the Carlota Project
  - in-fill development drilling of the orebodies
  - metallurgical test work
  - environmental baseline data collection (hydrology, vegetation, soils, wildlife, reclamation) to prepare the Plan of Operations for the project
- February 1992 Cambior submitted the Plan of Operations to the Tonto National Forest
- June 1992 First meeting between Carlota, the Forest Service ("Forest"), and the U.S. Fish and Wildlife Service (FWS). Carlota's vegetation consultants discovered the endangered Arizona Hedgehog cactus in the western portion of the project's proposed disturbance area during April 1992 vegetation surveys. Carlota's purpose of the June meeting was to share this discovery with the two agencies as early as possible and to get guidance on how to proceed. Later, Carlota received word the FWS was angered that Carlota did not follow procedures in announcing the discovery and also felt Carlota was premature in wanting to address the associated problems at this time.
- July 16 & 17, 1992 Public scoping meetings on the project were held in Globe and Mesa, Arizona, respectively.
- September 1992 Riverside Technology, inc. (RTi) was selected by the Forest Service as the third-party contractor responsible to review and assess Carlota's environmental and engineering data and produce the Draft EIS (DEIS) and Final EIS. The Forest directs RTi; Carlota pays for the work.

- ▶ The following summarizes the progression of RTi's contract costs with Carlota:

◦	Initial Agreement, 9/17/92	\$274,044
◦	Increase after completion of EIS Preparation Plan, 5/7/93	252,183
◦	Additional air-quality work, 3/28/94	7,000
◦	Increase in overall review costs because of review delays and tasks added by the Forest, 5/26/94	159,980
◦	Additional air-quality review and expanded tasks, 11/21/94	<u>16,432</u>
	Current Total	\$709,639
◦	Recent RTi request for yet another increase to finish the DEIS, 12/6/94	<u>153,451</u>
	PROJECTED TOTAL - <i>to only publish the DEIS</i>	\$863,090

- ▶ RTi began their work by compiling comments from the public scoping meetings. The goal was to develop the EIS Preparation Plan using the public comments. A protracted review with the Forest and waffling on the amount of additional work that was required ate up months and RTi's initial budget.
- ▶ RTi and the Forest also spent an excessive amount of time and money planning a public information program, which was to include newsletters and announcements of milestones. The plan was never implemented--not one newsletter was ever sent out. Carlota was criticized by some local residents for not keeping them informed of the Forest's progress.

- January 1993      Carlota submitted an update to the Plan of Operations to the Tonto National Forest. As a result of Carlota's successful development-drilling program, the mineable reserves increased from approximately 54 million tons to approximately 100 million tons; this update documented this increase in reserves. The project features did not change in either location or proposed method of operation; the main open pit, the mine rock dumps, and the leach pad simply increased in size. The mining life also increased from 7 years to about 15 years, making the project a long-term contributor to the community.
- January 1993      After 30-plus days of rain in December and January, the Magma Pinto Valley Mine (located adjacent to the Carlota site) had a release of stored rainwater and tailings from one of its tailings ponds. Water and tailings were released down Pinto Creek, and this release increased the Forest's sensitivity to downstream impacts. The scope of work in the

EIS prep plan for Carlota's additional baseline data collection increased dramatically.

- April 1993                      Nine months after the public scoping meetings, the EIS Preparation Plan was finally completed. RTi requested and got \$252,183 added to their contract.
  
- May 1993                      Partially because of the Forest's inaction at keeping the local residents informed of the progress of the project, Carlota hosted its own community information open house in Globe, Arizona. Displays included a scale model of the project area (before and after mining), information boards on the engineering and environmental aspects of the project, and examples of the economic benefits to the community and state from the project.
  
- April 1993  
  - November 1993              Carlota conducted field work, data collection, and additional analyses to supply all the additional information required by the EIS Preparation Plan. The following items summarize the most extensive investigations, with their associated to-date costs:
  - Archaeology, inventory and preliminary testing of sites only                      \$524,000
  - Wildlife and vegetation (including T&E species)    202,000
  - Groundwater and surface water studies, monitoring, and pump tests                      744,000
  - Testing of proposed well field    702,000
  - Air-quality monitoring, modeling, and studies    275,000
  
- February 1994                      Carlota submitted its last technical report, the comprehensive hydrology study (groundwater, surface water, and well-field investigations) to the Forest. Even though it took longer to complete this report than what Carlota expected, RTi had been reviewing drafts to the document for some time prior to its submittal.
  
- July 14, 1994                      RTi released the Preliminary DEIS (PDEIS) to both the Forest and Carlota to review. The Forest verbally agreed to a three-week review so that RTi could publish the DEIS in a timely manner.
  
- August 10  
  & 11, 1994                      Carlota completed its review of the PDEIS, and a two-day meeting took place with the Forest to discuss Carlota's concerns over some of the more onerous possible mitigation measures which were listed in the PDEIS. The Forest representatives verbally agreed that a number

of the measures should be removed or modified, but explained (as is always the case at meetings where Carlota is present) that the meeting is informational only, and decisions can't be made. The Forest review team will have to consider and decide on Carlota's concerns at a separate meeting.

- November 1994 As late as November 1, Forest Service comments and changes to the PDEIS were still coming in to RTi. Even though the production of this PDEIS was meant to be a cooperative effort between the Forest and RTi, **the Forest submitted approximately 180 pages of comments to THEIR OWN DOCUMENT.** The supposed 3-week Forest review was now about 20-plus weeks.

The Forest will not give Carlota a date for release of the DEIS to the public.

- December 14, 1994 Supposedly, RTi will complete the approved-for-printing edition of the DEIS. Because of the protracted review of the PDEIS by the Forest and with the Christmas holidays approaching, Carlota feared the DEIS would not be released to the public any earlier than mid-January 1995--6 months after RTi released the PDEIS in July 1994.

- January 9, 1995 Issuance of the DEIS being held up by the review of the air-quality section. All major players in the Forest Service still on vacation, including the air-quality reviewer. At the last minute, the Forest Service/Fish and Wildlife Service added significantly more onerous possible mitigation measures to the biology-resources section. Rather than delay the publishing of the DEIS, Carlota elected to address these measures during public comment.

- January 16, 1995 DEIS finally went to printer.

- January 24, 1995 Carlota received first copies of the DEIS from the printer.

Schedule for tasks after the DEIS is published--*unknown at this time.* The Forest has refused to propose, set, or live up to any schedule for the completion of the NEPA process, but...

*[Tonto National Forest Supervisor, Charles Bazan, responded to inquiry from Sen. Ben Nighthorse Campbell stating "...final Environmental Impact Statement is expected to be available in June of 1995."]*

- February 3, 1995 Federal Register carried the official notice of the publication of the DEIS. The 45-day public comment period began.
- March 8, 1995 Forest Service Open House for receiving public comments held in Miami, Arizona. Community turnout was tremendous--over 400 individuals stopped by to comment on the project and DEIS. Overwhelming support for the project.
- March 9, 1995 Forest Service Open House for receiving public comments held in Phoenix. Approximately 100 people stopped by to submit comments. Again, overwhelming support for the project.
- March 13, 1995 Charles Bazan made the decision to extend the public comment period an additional 45 days. Now the comment period will end May 11, 1995 (98 days total). The Forest Service received requests for extensions from 6 separate groups within the Department of Interior. The first 3 groups appear to be above an agency level and must be department-level groups in Washington, D.C.:
  - ▶ Federal Activities Group
  - ▶ Chief of the Minerals Resource Group
  - ▶ Environmental Policies and Compliance Group
  - ▶ Park Service (specifically for air-quality issues)
  - ▶ 2 other Dept. of Interior groups but do not know names

Additional requests for extension:

  - ▶ Environmental Protection Agency
  - ▶ AZ Game and Fish Department
- April 4, 1995 Jock McGregor had a meeting with Charles Bazan to discuss definitive schedule for completing the Forest Service's review of the comments; issue a Final EIS and Record of Decision by the end of June 1995. Carlota was informed that now the schedule for issuing the Final EIS has slipped to August 1995.
- April 5, 1995 Delegation from Cambior/Carlota (Louis Gignac, Jock McGregor, Sherry Ellebracht) visited senators and congressmen in Washington, D.C., regarding extensive delays in the permitting process.
- May 11, 1995 Nine senators and representatives co-signed letter to Forest Service expressing concern over permitting of the project.

- June 1995 EPA gave draft EIS document a rating of EU-3, the worst possible rating.
- February 23, 1996 Air Quality Conformity Review notice published in Federal Register, triggering a 30-day comment period.
- April 16, 1996 Air Permit (AIP) public hearing. Approximately 300 individuals attended in support of issuance of the permit--56 people testified in support of the permit and no one opposed the permit during the hearing.
- April 17, 1996 American Rivers Group included Pinto Creek on its list of America's Ten Most Endangered Rivers. In actuality, Pinto Creek is an intermittent stream and is dry approximately half of the year. Carlota has committed to maintaining and enhancing riparian habitat along this stream bank.
- April 26, 1996 U.S. Fish and Wildlife Service issued a 29-page "non-jeopardy" decision on the hedgehog cactus and the lesser longnosed bat, stating that "It is the Service's biological opinion that the Carlota Copper Project, as proposed, is not likely to jeopardize the continued existence of the lesser-longnosed bat or Arizona hedgehog cactus."
- April 26, 1996 Opponents of the Project obtained a Temporary Restraining Order in U.S. District Court in Phoenix against the Forest Service requiring all archeological work to halt on data recovery at the prehistoric and historic sites.
- May 7 Carlota granted Intervenor status and, along with U.S. attorney for the Forest Service, presented its case to the court.
- May 20 Judge Paul G. Rosenblatt issued the Order vacating the Temporary Restraining Order and dismissing the entire action.
- May 22 Opposition filed a Motion for Injunction Pending Appeal of Judge Rosenblatt's decision.
- May 29 Opposition also filed an Emergency Motion for a Preliminary Injunction in the U.S. Court of Appeals for the Ninth Circuit in San Francisco.
- June 5 Judge Rosenblatt dismissed opposition's complaint and denied the injunction.
- June 14 The Court of Appeals also denied the emergency injunction.

- July 5, 1996 Aquifer Protection Permit (APP) submitted for 30-day public review. There were no requests for a public hearing.
- July 12, 1996 Well field mitigation program agreed upon with the Forest Service.
- August 1996 Forest Service's air visibility consultant used the wrong emission inventory data to carry out visibility simulation. New modeling was required to complete the work--with the potential of a four-week delay.
- August 15, 1996 Arizona Department of Environmental Quality (ADEQ) issued the State Section 401 Water Quality Certification (as part of the Section 404 Permit).
- September 6, 1996 Meetings began on Carlota's water appropriation request through the Arizona Department of Water Resources (ADWR).
- Late October 1996 Modeling for air visibility completed. Should have been finished in early 1996 when Air Conformity was completed.
- October 21, 1996 EPA and Forest Service met to discuss various issues on the Project.
- October 30, 1996 Arizona Department of Environmental Quality (ADEQ) issued letter approving Final Decision to issue the Aquifer Protection Permit (APP).
- November 1996 Rumors persist that the EPA will push for a Supplemental Draft EIS prior to the release of the Final EIS.
- November 22, 1996 Forest Service approved additional ethnography work (additional \$200,000, bringing the total spent on archeology to \$1.7 million). Indian tribes will be interviewing the elders to ascertain whether any additional pertinent information is available on the Carlota area through the tribe's oral histories.
- December 17, 1996 ADWR held hearing on water appropriation request. Hearing Officer should have conclusions in January 1997.
- December 24, 1996 RTI sent internal administrative draft of Final EIS to Forest Service to begin review.
- End of 1996 Carlota has invested over \$50 million in the Project.

rev. 1/6/97

Carlotta (file)

## CARLOTA COPPER PROJECT FACT SHEET

**Location:**

<u>Head Office</u>	<u>Field Office</u>
Carlota Copper Company 8101 East Prentice Avenue, Suite 800 Englewood, Colorado 80237 (303) 694-4936 Fax (303) 773-0733 Contact: Jock McGregor, President	Carlota Copper Company PO Box 1009, Highway 60 Cobre Valle Plaza Miami, Arizona 85539-0806 (602) 425-3171 Fax (602) 425-0886 Contact: Kathy Whitman

**Mine Site:** Just west of Magma's Pinto Valley Operation in the Globe/Miami Mining District in Gila and Pinal Counties.

**Project Details:**

Ore Reserve:	106,000,000 tons @ 0.45% Cu
Project Life:	18 years
Mine: Open pit	24,000,000 tons/year
Processing: Heap Leach	7,000,000 tons/year
Solvent Extraction	6,000 gpm
Electrowinning	33,000 tons Cu/yr
Total Employees:	280 - 300

**Economic Impact:**

Invested to date	\$14,000,000
Capital investment	\$99,000,000 preproduction
	\$133,000,000 life of mine

**Direct Contribution to Arizona Economy:**

Annual income of employees	\$10,000,000
Arizona purchases	\$28,000,000
State and local fees & taxes	\$3,900,000

**Estimated total contribution  
(direct and indirect) to Arizona's economy** \$122,000,000 per year\*

**Regulatory Agencies Involved in Permitting the Project:**

- USDA Forest Service
- US Army Corps of Engineers
- US Fish and Wildlife Service
- Environmental Protection Agency
- Arizona Department of Environmental Quality
- Arizona Department of Water Resources
- Arizona Game and Fish Department

**Expected Schedule:**

Draft EIS	December 1993
Record of Decision	June 1994
Start of construction	July 1994
First copper production	March 1995

\* Western Economic Analysis Center June 1992

# *Carlota Copper Company*

## **Individuals Present on Tour of Carlota Copper Project January 9, 1997**

**Office:**

**Name:**

Forest Service  
- Albuquerque

John Kirkpatrick, Deputy Regional Forester  
Alon Carter

Forest Service  
- Phoenix

Chuck Bazan, Tonto National Forest Supervisor  
Paul Stewart, NEPA Planning Specialist  
Karyn Harbour, Geologist  
Rich Martin, Physical Resources

Forest Service  
- Globe

Larry Widner, District Ranger  
Dean Morgan, Minerals Specialist  
Stu Herkenhoff, Resource Specialist  
W. Brad Johnson, Minerals Specialist

Washington, D.C.

Brian Burke, Deputy Under Secretary - Forestry, USDA  
Diane Regas, Sr. Policy Analyst - White House Domestic Council  
Elgie Holstein, Economist - White House National Economic Council  
Dave Sundig, Economist - White House Council Advisors  
Jim Perry, Attorney - Office of General Counsel - USDA  
Janet Potts, Counselor to Secretary of Agriculture  
Rosina Bierbaum, White House Sr. Policy Analyst - Office of Science and  
Technology Policy

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  - City of Globe
  - Town of Miami

1/3/97

# CAMBIOR USA, INC.

January 15, 1997

The Honorable Fife Symington  
Governor  
State of Arizona  
1700 West Washington  
Phoenix, AZ 85007

Dear Governor Symington:

In looking through the Carlota Copper file, I see that it was been some time since we have given you an update on the progress of the project. In addition, I would like to introduce myself as the President of Carlota Copper Company and Cambior USA, Inc., and look forward to the day when we can meet personally.

Carlota Copper Company continues to work on obtaining the necessary permits for its copper mine in the Globe-Miami area. Next month will mark five years that Carlota has been working on getting these permits, and it has been two years since the Draft Environmental Impact Statement (EIS) was released for public comment. The Forest Service is currently working on the draft for the Final EIS, but we do not have a firm date for its publication yet. All state permits are ready to be issued after the Final EIS and Record of Decision are issued.

In order to help bring you and your staff up to date on our activities, I have attached two documents-- a Chronology of Permitting Activities and Environmental Mitigation Measures. The Chronology is self-explanatory, and the Environmental Mitigation Measures cover areas of concern from the Draft EIS with bullet points explaining the actions Carlota has committed to in order to address these issues.

Unfortunately, Carlota has had to spend considerable time and expense dealing with legal issues instigated by the small opposition to the Project. During this time, local support (including the County Commissioners, the City of Globe, and the Town of Miami) has been overwhelming, and the Congressional delegation (Senator John McCain, Senator Jon Kyl, and Congressman J.D. Hayworth) has been extremely supportive of the project. In addition, on a recent visit to Washington, D.C., I met with the Canadian Ambassador to the United States, Raymond Chrétien, to discuss the protracted permitting of this project, and he mentioned that he will be coming to Phoenix in a few weeks and could perhaps meet with you (schedules permitting).

The Honorable Fife Symington  
January 15, 1997  
Page Two

While we were in Washington, Forest Service personnel gave an extensive tour of the project site to visitors from Washington (names listed on the attached sheet). A detailed briefing of the site using the topographic model, a field trip to the project area, and an aerial tour of the site were included in the tour. Apparently, their trip was triggered by pressure from some of the environmental groups who had convinced them that Carlota was similar to the New World Project in Montana (adjacent to Yellowstone National Park). We heard that after touring the project, some individuals said they did not believe that Carlota was similar to the New World mine in any respect. In fact, the Carlota Project is located in a historic mining district, will use state-of-the-art technology to recover copper, and will not have significant environmental impacts. It is evident to us that the individuals opposing this project will go to any means, even distorting the truth, to delay or stop this project. For that reason, we continue to be concerned about the opponents' delaying tactics to the development of this mine.

To date, Carlota has invested over \$50 million in this project and is fully committed to seeing Carlota become part of the copper producing industry in the state. Thank you for your past support, and we will continue to update you on our progress.

Sincerely,



Gerald H. Veillette  
President

Enclosures

cc: Joe Lane, Policy Advisor for Rural Areas w/encl  
H. Mason Coggins, Director of Dept. of  
Mines and Mineral Resources w/encl

 **CARLOTA COPPER COMPANY**

October 2, 1997

HMC  
↓  
staff  
↓  
N.B.  
↓  
CARLOTA (file) GILA  
CACTUS (A) GILA

Mr. Mason Coggin  
Director  
Arizona Department of Mines  
1502 W. Washington  
Phoenix, AZ 85007

RE: Carlota Copper Project, Miami, Arizona

Dear Mason:

The Carlota Copper Project has moved to the next stage in the NEPA process. Since the final Environmental Impact Statement and Record of Decision were published on July 29, 1997, the 45-day appeal period ended on September 15, 1997. As of that date, appeals were filed with the Forest Service on the Record of Decision by the following five appellants:

- Citizens for the Preservation of Powers Gulch and Pinto Creek (Deborah Ham, Don Zobel, Donna Goodale, Ken Kilpatrick)
- The Sierra Club (Grand Canyon Chapter), the Maricopa Audubon Society, and the Southwest Center for Biological Diversity
- Mineral Policy Center (one-page appeal incorporating the Citizens' appeal)
- American Rivers (one-page appeal incorporating the Citizens' appeal)
- L.W. Hardy, Richard G. Amado, Lupe Gaona, and the heirs of John V. Bustamante, Jr. (This appeal is actually a mining claim conflict which should be resolved in another forum.)

After the September 15 appeal deadline, the Forest Service had 15 days in which to meet with the appellants to try to work out a compromise on the issues. These meetings were held on Monday, September 29 and were non-productive. The opponents were not willing to discuss compromise issues, but seemed to be gathering ammunition for a future court action. Also beginning on September 15 is the 45-day period in which the Forest Service must respond to the appeals--this period ends on October 31, 1997.

**Carlota Copper Company**

8101 East Prentice Avenue, Suite 800, Englewood, Colorado 80111  
303-694-4936 Fax 303-773-0733

Mr. Mason Coggin  
October 2, 1997  
Page Two

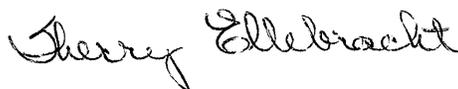
Felicia Marcus (the EPA Region IX Administrator), other EPA officials, and Colonel Robert Davis (Corps of Engineers) visited the Carlota site on September 5. The EPA is still reviewing the EIS, and discussions are continuing with them regarding their areas of concern, including mitigation measures. Another meeting among the EPA, Forest Service, Corps of Engineers, and Carlota was held on October 1 in Los Angeles. We remain hopeful that a compromise can be reached that will be satisfactory to both Carlota and the EPA.

On a positive note, Cambior USA (parent of Carlota Copper Company) recently received the Bureau of Land Management's **Health of the Land Award** for its work at the site of the Valdez Creek placer mine in Alaska. This award was presented by Pat Shea, BLM director, and is a national award that recognizes individuals and groups who have made use of federally-managed lands in the US and done an exemplary job in restoring them to their natural state. The enclosed photographs show the results of Cambior's reclamation efforts.

The **Health of the Land Award** reflects Cambior's commitment to protect and preserve the environment. We intend to maintain the same commitment at Carlota, from construction to closure, and strongly believe that the Carlota Copper Project has been well planned and will be a successful operation in all aspects.

I will continue to keep you informed on Carlota's progress toward becoming a producing copper mine.

Sincerely,



Sherry Ellebracht  
Government and Public Affairs

Enclosure

CARLOTA (P) GILA

NYC  
9



# ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

Fife Symington, Governor      Russell F. Rhoades, Director

## NOTICE OF THE PRELIMINARY DECISION TO ISSUE AN INDIVIDUAL AQUIFER PROTECTION PERMIT

Pursuant to Arizona Administrative Code, Title 18, Chapter 9, Article 1, the Director of the Arizona Department of Environmental Quality intends to issue an individual Aquifer Protection Permit (APP) to the following applicant:

Public Notice No. 54-96AZAP  
Carlota Copper Project

On or about  
July 5, 1996

Carlota Copper Company  
1306 Live Oak Street  
Miami, AZ 85539

Aquifer Protection Permit No. P-102640

The Carlota Copper Project will be located in Gila and Pinal Counties, approximately six miles west of Miami, Arizona, over groundwaters of the Salt River hydrologic basin. The project will lie within:

- Township 1 South, Range 14 East, Sections 6 and 7
- Township 1 South, Range 13 East, Section 1, 2, and 12
- Township 1 North, Range 14 East, Section 13, and
- Township 1 North, Range 13 East, Section 25, 26, 35, and 36

of the Gila and Salt River Baseline and Meridian.

The Carlota Copper Project will develop an open-pit copper mine and heap-leach facility. Planned annual production of ore and waste rock at the facility is approximately 28 million tons per year with an expected mine life of approximately fifteen years.

Facilities associated with the mine will be located in portions of the Pinto Creek and Powers Gulch drainages. Mining will take place within the Cactus/Carlota Pit and both the Eder North and South Pits. Mining operations will include drilling, blasting, loading, and haul truck transport to a primary crusher. From the primary crusher, the ore will be conveyed to a secondary crusher and then to the leach pad. Copper will be extracted from the ore on the leach pad using standard leaching technologies. The extracted copper will then be processed using solvent extraction/electrowinning technology. Approximately 100 million tons of ore will be placed on the leach pad

over the life of the mine. Three separate rock dumps will contain approximately 160 million tons of waste rock at mine closure.

The Carlota Copper Project will consist of several facilities determined to be discharging under the Arizona Revised Statutes. Specific facilities to be constructed, operated, and closed under the Aquifer Protection Permit will include: one heap leaching pad, two pregnant leach solution ponds, an underdrain system impoundment, a raffinate pond, a plant pregnant leach solution/solvent extraction pond, and three rock dumps. The heap leach pad will be constructed with a composite liner and underdrain system and will be operated not to discharge. The pregnant and barren solution ponds will be constructed with double liners and leachate-collection and recovery systems and will be operated not to discharge.

The design, construction, and operational activities conducted under the Aquifer Protection Permit specifically address these discharging facilities. Specific information regarding design, construction, operation, and closure activities for each facility can be found in Part II.C of the permit.

The permit and related materials are available for public review Monday through Friday, 8:00 a.m. to 5:00 p.m., at the Arizona Department of Environmental Quality, Water Protection Approvals and Permits Section, Mining Unit, 3033 N. Central Avenue, 4<sup>th</sup> Floor, Phoenix, Arizona. If you would like additional information or would like to review the permit and related materials, please contact Karen Schwab at (602) 207-2256, or the Mining Unit secretary at 207-4692.

The permit and the APP application may also be viewed at the Miami Memorial Library, at 1052 Adonis Avenue, in Miami, Arizona. The Miami Memorial Library hours are: 9:30 a.m. to 7:30 p.m. Monday and Tuesday, 9:30 a.m. to 6:00 p.m. Wednesday and Thursday, and 9:30 a.m. to 1:30 p.m. Saturdays. The telephone number for the Miami Memorial Library is (520) 473-2621.

Persons may submit written comments or request a public hearing in writing, to Karen Schwab at ADEQ, Aquifer Protection Program Section, Mining APP Unit, 3033 N. Central Avenue, Phoenix, AZ 85012 within 30 days from the date of this notice. Public hearing requests must include the reason for such a request.

**C O V E R****S H E E T**

# Carlota Copper Company

**To:** H. Mason Coggin  
**Fax #:** (602) 255-3777  
**Subject:** Lawsuit by Sierra Club  
**Date:** May 7, 1998  
**Pages:** 6, including this cover sheet.

**COMMENTS:**

It was really good to see you at the Mining Summit last month. I thought you might like to see the latest press conference materials from the Sierra Club and the Mineral Policy Center regarding their lawsuit filed on May 5 against the Forest Service regarding our project.



From the desk of...

**Sherry Ellebracht**  
Public and Government Affairs  
Cambior USA, Inc.  
8101 E. Prentice Avenue, Suite 800  
Englewood, CO 80111

(303) 694-4936  
Fax: (303) 773-0733

## MAJOR ENVIRONMENTAL GROUPS SUE FEDS OVER PINTO CREEK

May 5, 1998

Three major environmental groups joined today in a lawsuit to prevent the U.S. Forest from permitting mining in Pinto Creek, a tributary of Roosevelt Lake 60 miles east of Phoenix. The Mineral Policy Center (MPC), Sierra Club and Maricopa Audubon Society filed the action this morning in Federal District Court.

In a statement from her Colorado office, Aimee Boulanger of the Washington-based MPC said: "Pinto Creek is a desert treasure on American public lands. Mineral Policy Center is frustrated to have to turn to the court in order to protect this precious place and to protect good public process. Once again this illustrates the need to reform the 1872 Mining Law. The American people simply do not believe, 126 later, that the highest and best use of public lands is giant open pits and mountains of waste."

Don Steuter, Conservation Chairperson for the Sierra Club in Phoenix, pointed out that these groups had appealed the Forest Service decision in September 1997. In an October 30 memo, the Supervisor of the Tonto National Forest admitted that their analysis of the "unfortunate" landslide at the adjacent BHP mine "...may reveal new information that will need to be considered in light of the decision to approve Carlota's proposal to mine."

The next day a memo from the Regional Office stated: "Actual or threatened releases of hazardous substances from the site...may present an imminent and substantial endangerment to public health, welfare, or the environment." It also noted: "Pinto Creek is a tributary to Roosevelt Lake, which is a municipal water supply for 1.7 million residents in the Phoenix Metropolitan area."

In November the plaintiffs asked for a Supplemental Environmental Impact Statement (SEIS). The groups have never received a response to that request, and a major thrust of this lawsuit is to require the Forest Service to prepare a SEIS.

Frank Welsh of the Maricopa Audubon Society pointed out that another major thrust of the lawsuit centers around the lack of consideration of all reasonable alternatives, as required by the National Environmental Policy Act. He noted that even though trucks would be used to move the ore to the acid leach pad, there is no consideration of moving the acid leach process out of the beautiful valley.

## Page 2 - Pinto Creek

Welsh added that alternatives were rejected by the Forest Service because they were "uneconomical" or "infeasible" but no economical analysis was provided to justify such statements. He added that the ore body was acquired for approximately 15 hundred dollars and the extracted copper could be worth more than 900 million dollars. "The corporation will realize a substantial profit while more than 1400 acres of our public lands will be destroyed and beautiful streams threatened. This must be corrected when the antiquated mining law is changed."

Dr. Robert Witzeman, Conservation Chairperson of the Maricopa Audubon Society, said that Haunted Canyon is a most unique perennial stream in a State where any flowing stream is rare. He explained that this tributary of Pinto Creek flows out of the Superstition Wilderness and consists of a 95% deciduous canopy cover dominated by Arizona Alder, Ash and Walnut trees. Upstream of this beautiful area the mine plans to build two earthen dams over 100 feet high and fill them with copper ore and 400 tons of sulfuric a day for 20 years.

The plaintiffs are represented by the Western Environmental Law Center, a non-profit law firm that represents environmental organizations and Indian tribes throughout the West. Attorney Grove Burnett, Director of the Southwest Office located in Taos, New Mexico said: "Our lawsuit against the U.S. Forest Service seeks to protect one the Southwest's most magnificent desert treasures."

The Plaintiff's attorney added: "The Forest Service permitting of the Carlota Copper project will ravage a rare Arizona waterway and violates the most fundamental principles of the National Environmental Policy Act. In its Final Environmental Impact Statement the Forest Service has failed to consider the full extent of the environmental impacts of the proposed mining project."

For more information: Frank Welsh 277 5080  
Don Steuter 956 5057  
948 2666



October 30, 1998

H. Mason Coggin  
Director  
Arizona Department of Mines & Mineral Resources  
1502 W. Washington  
Phoenix, AZ 85007

Dear Mason:

I enjoyed talking to you yesterday at the Phelps Dodge public hearing. I especially appreciate all the support you have given to the Carlota Project over the years.

As we discussed, the EPA scheduled two public hearings for Carlota's NPDES permit. One is at the Mesa Community Center on November 12<sup>th</sup> at 7:00 PM and the other is on November 13<sup>th</sup> at the Gila County Court House.

We especially need help at the hearing in Mesa on Thursday, November 12<sup>th</sup>. This hearing was added by the EPA at the request of the "greens" to have a hearing in the Valley for their convenience.

Enclosed are several pages discussing the hearing and Carlota's NPDES permit application. Also enclosed is some information on Carlota in general. Sherry Ellebracht of our Denver office is also sending you some information under separate cover.

Thanks again for all your past help. I hope that you or your staff can make it to the hearing in Mesa. I also hope this is the last set of hearings Carlota has to go through; seven years is long enough!

Sincerely,

A handwritten signature in cursive script that reads "Bob Walsh".

Robert C. Walsh  
General Manager

cc: Sherry Ellebracht

**Carlota Copper Company**

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1306 Live Oak Street, P.O. Box 1009, Miami, AZ 85539-0806  
520-473-3518 Fax: 520-473-3216



# CARLOTA COPPER COMPANY

October 27, 1998

Mr. Mason Coggin  
Director, AZ Department of Mines  
1502 W. Washington  
Phoenix, AZ 85007

RE: Carlota Copper Project

Dear Mason:

Recently Carlota Copper Company issued the attached press release announcing the start of preliminary construction on its project just west of Miami, Arizona. Once the Tonto Forest Supervisor signed the Plan of Operations, Carlota had the necessary federal permits to begin construction on public lands. In relation to this Plan of Operations, Carlota posted a \$6.5 million Reclamation Performance Bond for the project.

In the past Carlota geared up for major construction, but was halted by permit delays, so this time the start-up will be gradual, mostly utilizing current employees and equipment already on hand. During this preliminary construction, we will also be monitoring the copper market movement.

As indicated in my previous update, Carlota is still engaged in serious legal issues (a lawsuit by the Citizens for the Preservation of Pinal Creek and Powers Gulch and the separate lawsuit by the Sierra Club, Mineral Policy Center, and the Audubon Society have been consolidated into one action). The outcome of this litigation will certainly affect future decisions by Carlota.

Carlota continues the process of obtaining its National Pollutant Discharge Elimination System (NPDES) Permit [which is not necessary for construction of the project]. The EPA had originally scheduled only one public hearing in Globe, but at the request of environmental groups and opponents of the project, EPA has now added an additional hearing site in Mesa. A fact sheet is enclosed which lists the schedule for these hearings.

I will continue to keep you informed of events regarding our project.

Sincerely,

Sherry Ellebracht  
Government and Public Affairs

Enclosures

Carlota Copper Company

*Hope you can attend  
the hearing in Mesa.  
se*

**Press Release  
For Immediate Release**

Miami, Arizona, October 15, 1998.

**The Carlota Project Begins Construction**

The Carlota Copper Company announced today the start of preliminary construction on the Carlota Copper Project, six miles west of Miami, Arizona. On September 30, 1998, the Plan of Operations for the project was signed by the Tonto Forest Supervisor, thus completing the major federal permits necessary to begin construction. Carlota is authorized to begin construction activities on public land. The initial project work will consist of road construction and establishment of various types of monitoring equipment required by the permits.

Some early construction activities will be conducted, on private land controlled by the company, under the Section 404 Dredge and Fill Permit issued last January to Carlota by the U.S. Army Corps of Engineers. Installation of a road crossing on Pinto Creek and test trenches on the alignment of the Powers Gulch diversion channel will be the primary focus in this phase of construction.

General Manager, Bob Walsh, said, "Other construction activities are now in the planning stages. During this phase of early activity, the efforts will utilize current employees with additional workers being added as construction proceeds. We are pleased that finally Carlota can begin construction on a project that has been in the permitting process for over six years, and we look forward to becoming a significant contributor to the local economy."

For additional information, contact:

**CARLOTA COPPER COMPANY**  
Robert Walsh  
Vice President and General Manager  
Tel.: (520) 473-3518

Sherry Ellebracht  
Public and Government Affairs  
Tel.: (303) 694-4936

## **Carlota Copper Company NPDES Permit**

The EPA is holding public hearings on Thursday, November 12, 7:00 p.m., at the Mesa Community Center and on Friday, November 13, 6:00 p.m., at the Gila County Courthouse. The purpose of the hearings is to give the public a chance to comment on a National Pollutant Discharge Elimination System (NPDES) Permit for the Carlota Copper Project.

### **Background Information:**

- ◆ The permit allows for the discharge of excess runoff from *waste* rock dumps.
  - Waste rock is material which has little or no copper in it which must be removed from the mining area in order to reach the valuable copper ore.
  - Waste rock facilities may be known as mine dumps, but are *NOT* the same as leach dumps.

### **Characteristics of Carlota's Planned Operation:**

- ◆ No discharge is expected to reach the containment ponds because of the semiarid climate.
- ◆ Nonetheless, to safeguard the environment, Carlota will construct ponds to catch any runoff (usually rainwater) from waste rock piles.
  - Ponds will be designed to contain the 100-year/24-hour storm on the Pinto Creek side and the 10-year/24-hour storm on the Powers Gulch side of the waste dumps.
  - The containment of runoff will prevent sediment, which may be entrained in rainwater, from reaching the creeks.
- ◆ Carlota's waste rock is non-acid generating.
- ◆ Carlota will not leach any copper from the waste rock.
  - All leaching of copper ore will be done on a specially prepared leach pad.
  - The copper leaching facility will have a synthetic liner and has been designed *above and beyond* regulatory requirements to contain a possible massive storm event.

**Please support Carlota at one of the scheduled public hearings.**

#### **Thursday, November 12, 1998**

Permit Workshop: 5:30 - 6:30 p.m.  
Hearing: 7:00 - 9:00 p.m.  
Apache Room, Rendezvous Center Bldg.  
Mesa Community Center  
263 N. Center Street  
Mesa, Arizona

#### **Friday, November 13, 1998**

Hearing: 6:00 - 9:00 p.m.  
Hearing Room  
Globe Courthouse  
1400 E. Ash Street  
Globe, Arizona

## **Carlota Copper Company NPDES Permit**

Carlota Copper Company applied for an NPDES (National Pollutant Discharge Elimination) Permit from the EPA for possible water discharges from the various "waste rock facilities" associated with the mine. Public hearings for the permit have been scheduled by the EPA on November 12<sup>th</sup> at 7:00 PM at the Mesa Community Center and on November 13, 1998 at 6:00 PM at the Gila County Courthouse.

"Waste rock facilities" are generally known in the mining industry as mine dumps. At Carlota, These mine dumps are not the same as "leach dumps." No leaching of any material will occur on the dumps. Leaching at Carlota will be accomplished on a specially prepared leach pad. The Carlota leach pad is an engineered facility designed to have massive containment of leach solutions including a synthetic liner and large embankment dams.

The mine dumps at Carlota will simply be piles of rock and soil that contain little if any copper. The waste rock in the mine dumps will be removed from the vicinity of the mining activity in order to get at the ore in the Carlota ore deposit. In other words, this material is mostly just "dirt."

Water discharges from earthen piles such as these are generally regulated by a type of permit called a "Stormwater General Permit." The EPA, in the case of Carlota's waste rock dumps, has insisted that Carlota's dumps be regulated by an NPDES permit. There is strong legal precedent that this should not be the case. However, Carlota, wishing to avoid more delays and expense in court, has chosen to comply with the EPA's wishes and obtain an NPDES permit.

In this southwestern climate, there is not expected to be any "discharge" from the dumps nor any harmful contaminants in the water if there is runoff from the piles of rock. To make sure that no harm comes to the environment, Carlota has designed rainwater-runoff containment for the dumps. There will be three waste rock dumps at the Carlota project and only two will be active at any given time period. One of the dumps will be located directly adjacent to and on the north side of the mine. This dump will have a containment basin constructed below it and above Pinto Creek to contain all the runoff from a 100 year-24 hour storm event. There will be three basins constructed on the Powers Gulch side of this dump to contain runoff from a 10 year-24 hour storm. Another waste rock dump will be located on the southwest side of the main pit. Runoff from this dump will be entirely contained by the leach pad. The third dump will be on the west side of Powers Gulch between the two Eder Pits. This dump will have basins constructed to contain the runoff from a 10 year-24 hour storm event.

This containment of runoff will prevent sediment, which may be entrained in rainwater, from reaching the creeks. It is unlikely, given the nature of the rock at Carlota, that any metals would be leached into the rainwater runoff. These containment structures would prevent any such water from entering the creeks.

Please support Carlota at the November 12<sup>th</sup> and 13<sup>th</sup> public hearings.

## Carlota Copper Company NPDES Permit

The EPA is holding public hearings on Thursday, November 12, 7:00 p.m., at the Mesa Community Center and on Friday, November 13, 6:00 p.m., at the Gila County Courthouse. The purpose of the hearings is to give the public a chance to comment on a National Pollutant Discharge Elimination System (NPDES) Permit for the Carlota Copper Project.

### Background Information:

- ◆ The permit allows for the discharge of excess runoff from *waste* rock dumps.
  - Waste rock is material which has little or no copper in it which must be removed from the mining area in order to reach the valuable copper ore.
  - Waste rock facilities may be known as mine dumps, but are *NOT* the same as leach dumps.

### Characteristics of Carlota's Planned Operation:

- ◆ No discharge is expected to reach the containment ponds because of the semiarid climate.
- ◆ Nonetheless, to safeguard the environment, Carlota will construct ponds to catch any runoff (usually rainwater) from waste rock piles.
  - Ponds will be designed to contain the 100-year/24-hour storm on the Pinto Creek side and the 10-year/24-hour storm on the Powers Gulch side of the waste dumps.
  - The containment of runoff will prevent sediment, which may be entrained in rainwater, from reaching the creeks.
- ◆ Carlota's waste rock is non-acid generating.
- ◆ Carlota will not leach any copper from the waste rock.
  - All leaching of copper ore will be done on a specially prepared leach pad.
  - The copper leaching facility will have a synthetic liner and has been designed *above and beyond* regulatory requirements to contain a possible massive storm event.

**Please support Carlota at one of the scheduled public hearings.**

#### Thursday, November 12, 1998

Permit Workshop: 5:30 - 6:30 p.m.

Hearing: 7:00 - 9:00 p.m.

Apache Room, Rendezvous Center Bldg.

Mesa Community Center

263 N. Center Street

Mesa, Arizona

I go Country Club  
Left to America  
Rest to Center  
644-2567  
S. E. Corney

#### Friday, November 13, 1998

Hearing: 6:00 - 9:00 p.m.

Hearing Room

Globe Courthouse

1400 E. Ash Street

Globe, Arizona

## **Carlota Copper Company EPA Adoption of the FEIS and EA**

Carlota Copper Project is required by the EPA to obtain a National Pollutant Discharge Elimination system (NPDES) Permit—a permit that allows for the discharge of excess runoff from the waste rock dumps. Carlota applied for this permit 2½ years ago and is now receiving attention from the EPA. In order to grant such a permit, the EPA, by law, must go through the National Environmental Policy Act (NEPA) process, which involves the preparation of an Environmental Impact Statement (EIS) or an Environmental Assessment (EA). The EPA now wants to adopt the Final EIS prepared by the Forest Service and the EA prepared by the Corps of Engineers to satisfy NEPA for the Carlota NPDES permit.

### **Please urge the EPA to adopt the Final EIS and the Corps EA.**

The Carlota Copper Project has been intensely studied over the last 7 years. The Forest Service and the Corps of Engineers, along with the other cooperating agency, the Arizona Department of Environmental Quality (ADEQ), have been very thorough in their investigations of the project and disclosure of its impacts. Carlota has incorporated the following features as part of its design and operation:

- **Extensive monitoring of operations for surface and groundwater quality.**
- **Synthetic liner system for containment of process solutions.**
- **Massive embankments for containment of process solutions during major storm events.**
- **Containment of runoff from waste rock piles.**
- **Establishment of a “safe” area for the threatened Arizona Hedgehog Cactus plant.**
- **Extensive monitoring of operations for air quality.**
- **Automatic maintenance of baseflow in Haunted Canyon.**
- **Creation of wetlands equal to three times the wetlands disturbance on the project.**

Please support Carlota at the following workshop and hearings...

#### **Thursday, November 12, 1998**

Permit Workshop: 5:30 – 6:30 p.m.

Hearing: 7:00 – 9:00 p.m.

Apache Room, Rendezvous Center Building

Mesa Community Center

263 N. Center Street

Mesa, Arizona

#### **Friday, November 13, 1998**

Hearing: 6:00 – 9:00 p.m.

Hearing Room

Globe Courthouse

1400 E. Ash Street

Globe, Arizona

# CARLOTA COPPER COMPANY

**LOCATION:** Head Office  
 Carlota Copper Company  
 8101 East Prentice Ave., Suite 800  
 Englewood, CO 80111  
 (303) 694-4936  
 Fax (303) 773-0733  
 Contact: Gerald Veillette, President

Field Office  
 Carlota Copper Company  
 1306 Live Oak Street  
 P.O. Box 1009  
 Miami, Arizona 85539  
 (520) 473-3518 / 473-3519  
 Fax (520) 473-3216  
 Contact: Bob Walish, General Manager

**MINE SITE:** Just west of BHP's (Magma) Pinto Valley Operation in the Globe/Miami Mining District in Gila and Pinal Counties.

**DETAILS:**

Ore Reserve:		106,000,000 tons @ 0.45% Cu
Mine Life:		20 years ( Approximate)
Mine:	Open Pit	24,000,000 tons/year
Processing:	Heap Leach	7,000,000 tons/year
	Solvent Extraction	6,000 gpm
	Electrowinning	33,000 tons Cu/year
Total Employees:	300	

*0808" Dia  
 06153 Cu in/ft  
 x 3  
 # 12 Romex  
 250' Box  
 46.147 cu in/box  
 Density 8.96 gm/cc  
 146.8 gm/cc  
 6775.7 gm/box  
 1600 gm = 2,2046 lbs  
 6.7757 Kgr  
 = 14.93 lbs/box  
 4.4 million boxes  
 of Romex*

**ECONOMIC IMPACT:** Invested to date \$60,000,000  
 Capital investment \$100,000,000 through preproduction  
 \$180,000,000 life of mine

**DIRECT ANNUAL CONTRIBUTION TO ARIZONA ECONOMY:**

Income of employees	\$10,000,000
Arizona purchases	\$28,000,000
State and local fees & taxes	\$4,000,000

**ESTIMATED TOTAL ANNUAL CONTRIBUTION:**  
 (direct and indirect) to Arizona's Economy \$125,000,000\*

**CARLOTA HOLDS THE FOLLOWING PERMITS:**

- ☑ Record of Decision or Final Environmental Impact Statement
- ☑ Corps of Engineers 404 Permit
- ☑ ADEQ Air Installation Permit
- ☑ ADEQ Aquifer Protection Permit
- ☑ ADEQ Water Quality Certification Permit

**SCHEDULE:**

Environmentalist sued the Forest Service in early 1998, temporarily delaying the project. Carlota anticipates that this litigation will be resolved favorably by Spring 1999.

CARLOTA (F) GILA

OK



September 18, 1998

Mr. Mason Coggin  
Director, AZ Department of Mines  
1502 W. Washington  
Phoenix, AZ 85007

RE: Carlota Copper Project

Dear Mason:

This letter is another progress update on the activities for the Carlota Copper Project in Arizona. Although the Final Environmental Impact Statement and Record of Decision were upheld by the Forest Service at the end of October 1997, the Plan of Operations has not yet been signed. On September 15, 1998, Carlota delivered a Reclamation Performance Bond for \$6.5 million to the Forest Service, so issuance of the Plan of Operations is expected soon.

The two civil lawsuits filed in U.S. District Court in Phoenix by groups opposing the project (Citizens for the Preservation of Powers Gulch and Pinto Creek and the Sierra Club, the Mineral Policy Center, and the Maricopa Audubon Society) have been consolidated into one action which is being represented by the Western Environmental Law Center. Judge Roger Strand recently approved a litigation schedule which will culminate in oral arguments being heard on March 8, 1999. Hopefully, Carlota can expect a decision within two to six months after that.

Carlota believes the Arizona Department of Water Resources will soon issue its Dam Safety Permit, and work continues on obtaining the National Pollutant Discharge Elimination System (NPDES) Permit from the EPA.

In essence, there have not been many changes in Carlota's status since my last update in June. Our staff continues to work toward obtaining all the required permits even though we are mired down with the litigation against the project.

Sincerely,

A handwritten signature in cursive script that reads "Sherry Ellebracht".

Sherry Ellebracht  
Government and Public Affairs

**Carlota Copper Company**

8101 East Prentice Avenue, Suite 800, Englewood, Colorado 80111  
303-694-4936 Fax 303-773-0733

## NEWS RELEASE

*Carlota Mine (P)*

### FOR IMMEDIATE RELEASE

Miami, Arizona, May 6, 1998

Carlota Copper Company expressed disappointment upon being informed of the lawsuit filed against the U.S. Forest Service by the Sierra Club, the Mineral Policy Center, and the Audubon Society. Carlota will seek to intervene in this lawsuit, which concerns issues that have been exhaustively considered by the federal agencies involved in the permitting process at Carlota. The Forest Service, the Environmental Protection Agency, the U.S. Army Corps of Engineers, and the U.S. Fish and Wildlife Service have taken over 6 years to study the impacts of this project and have concluded that the plans meet or exceed all federal requirements. State agencies have likewise conducted extensive reviews of project designs and have issued the appropriate permits.

"What will it take to satisfy these environmental groups--when is enough 'enough,' asks Bob Walish, General Manager of the Carlota Project. It certainly appears that their main goal is to halt the development of all natural resources in the United States, and Carlota happens to be on their hit list."

Carlota Copper Company has invested over \$6 million in land acquisition costs to solidify its land position for this economic orebody. In total, Carlota has invested over \$61 million in the project and plans to spend an additional \$90 million in construction costs. Finding, permitting, and developing an orebody is expensive for a mining company. The economic benefits to the local community are as important as those of the mining company, not to mention state and federal benefits from the taxes that a company pays on its operation.

In contrast to statements by the opponents of this project, Pinto Creek is an intermittent stream and is dry for the majority of the year. Carlota is committed to maintaining and protecting the environment in and along Pinto Creek and believes that the permits issued to the project are consistent with these objectives.

As Bob Walish states, "This project has the overwhelming support of the local community and represents an important addition to maintaining the economic viability of this longtime copper-producing area. The creation of 300 long-term jobs is critical to our Globe-Miami economy. It is unfortunate that the local community will suffer economically from the delays inherent in this type of litigation." Carlota will continue to work within the permitting process and anticipates resolution of this lawsuit as expeditiously as possible.

Source: **Carlota Copper Company**  
**CARLOTA COPPER COMPANY**  
Robert Walish  
Vice President and General Manager  
Tel.: (520) 473-3518

Sherry Ellebracht  
Public and Government Affairs  
Tel.: (303) 694-4936



**Arizona Department of Mines and Mineral Resources**

1502 West Washington, Phoenix, AZ 85007 Phone (602) 255-3795

Toll Free in Arizona 1-800-446-4259 FAX (602) 255-3777

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November 12, 1998

U.S. Environmental Protection Agency, Region IX  
CWA Office of Permits and Standards, WTR-5  
75 Hawthorne Street  
San Francisco, California 94105

Attn.: Laura L. Gentile:

Statement for the written record, Environmental Protection Agency, NPDES permit application, Carlota Mine, Mesa Arizona.

I am Ken Phillips, Chief Engineer and Acting Director of the Arizona Department of Mines and Mineral Resources.

For myself and the Board of Governors of our agency we urge the Environmental Protection Agency (EPA) to carry out their proposal to adopt the Final Environmental Impact Statement (EIS) prepared by the Forest Service and the Environmental Assessment (EA) prepared by the Corps of Engineers to satisfy the National Environmental Policy Act (NEPA) requirements for the National Pollutant Discharge Elimination System (NPDES) permit.

We believe the Carlota Copper Project to be the most studied and scrutinized copper mine development project ever. We believe the mine to be safe for Arizona's environment and to be good for the local and especially the east valley economy. To require the EPA to do a separate EIS for one of the less ecologically critical permits for the mine serves no purpose but to further delay the project. Rain water runoff from non mineralized overburden rock is little different than rain water runoff from undisturbed rock. The water that could be discharged from retention of rain water runoff will be even less damaging due to retention of most to all of the entrained sediment.

Copper produced from the Carlota Mine can reduce the use of copper from mines in countries with far less safe environmental practices. Production of mineral resources mined in the USA and Arizona is the most environmentally safe in the Western Hemisphere. As people improve their quality of life, upgrade or build new homes, and develop safer ways to produce and conserve energy they will use more copper. That copper should be produced by Arizona workers, under Arizona and US environmental oversight.

Sincerely:

Ken A. Phillips  
Chief Engineer and Acting Director

# CARLOTA COPPER PROJECT FACT SHEET

## *Location:*

### Head Office

Carlota Copper Company  
8101 East Prentice Avenue, Suite 800  
Englewood, Colorado 80237  
(303) 694-4936 Fax (303) 773-0733  
Contact: Jock McGregor, President

### Field Office

Carlota Copper Company  
PO Box 1009, Highway 60 Cobre Valle Plaza  
Miami, Arizona 85539-0806  
(602) 425-3171 Fax (602) 425-0886  
Contact: Bob Walish, General Manager  
Kathy Whitman, Envir. Coord.

## *Mine Site:*

Just west of Magma's Pinto Valley Operation in the Globe/Miami Mining District in Gila and Pinal Counties.

## *Project Details:*

Ore Reserve:	106,000,000 tons @ 0.45% Cu
Project Life:	18 years
Mine: Open pit	24,000,000 tons/year
Processing: Heap Leach	7,000,000 tons/year
Solvent Extraction	6,000 gpm
Electrowinning	33,000 tons Cu/yr
Total Employees:	280 - 300

## *Economic Impact:*

Invested to date	\$14,000,000
Capital investment	\$99,000,000 preproduction
	\$133,000,000 life of mine

## *Direct Annual Contribution to Arizona Economy:*

Income of employees	\$10,000,000
Arizona purchases	\$28,000,000
State and local fees & taxes	\$3,900,000

## *Estimated Total Annual Contribution*

*(direct and indirect) to Arizona's Economy* \$122,000,000 \*

## *Regulatory Agencies Involved in Permitting the Project:*

- USDA Forest Service
- US Army Corps of Engineers
- US Fish and Wildlife Service
- Environmental Protection Agency
- Arizona Department of Environmental Quality
- Arizona Department of Water Resources
- Arizona Game and Fish Department

## *Expected Schedule:*

Draft EIS	Early 1994
Record of Decision	Mid-1994
Start of construction	Mid-1994
First copper production	2nd Qtr 1995

\* Western Economic Analysis Center June 1992

CAMBIOR 2000 ANNUAL REPORT

# Mineral Reserves and Mineral Resources<sup>(1)</sup>

(Cambior's share)	December 31, 2000 @ \$300/oz			December 31, 1999 @ \$325/oz		
	Tonnes (000)	Grade (g Au/t)	Ounces contained	Tonnes (000)	Grade (g Au/t)	Ounces contained
<b>GOLD OPERATIONS</b>						
Omai (100%)						
Proven reserves	29,406	1.3	1,273,000	35,527	1.4	1,554,000
Probable reserves	120	1.3	5,000	1,215	0.9	37,000
Inferred resources	—	—	—	6,100	1.5	290,000
Doyon Division (100%) <sup>(2)</sup>						
Proven reserves	2,557	5.5	456,500	3,160	5.6	571,000
Probable reserves	4,954	6.3	1,003,400	7,463	6.6	1,595,000
Measured resources	166	3.9	20,800	434	2.4	34,000
Indicated resources	969	4.2	131,000	2,606	2.8	235,200
Inferred resources	5,983	5.5	1,066,300	7,940	4.8	1,231,300
Sleeping Giant (50%)						
Proven reserves	96	10.3	31,900	116	12.0	44,800
Probable reserves	74	12.0	28,500	193	10.0	61,600
Indicated resources	46	9.6	14,300	133	8.5	36,400
Inferred resources	142	9.0	41,200	433	6.7	93,000
<b>GOLD PROJECTS</b>						
Gross Rosebel (50%) <sup>(3)</sup> – Indicated resources	12,583	1.7	676,000	20,675	1.6	1,074,500
La Arena (100%) <sup>(4)</sup> – Indicated resources	13,400	1.0	414,000	13,740	1.0	426,300
Yaou-Dorlin (50%) – Indicated resources	6,949	2.1	470,000	8,244	1.9	516,800
<b>TOTAL GOLD</b>						
Proven and probable reserves			2,798,300			3,863,400
Measured and indicated resources			1,726,100			2,323,200
Inferred resources			1,107,500			1,614,300
<b>NIوبيUM OPERATION</b>						
	Tonnes (000)	Grade Nb <sub>2</sub> O <sub>5</sub> (%)	Contained tonnes (000)	Tonnes (000)	Grade Nb <sub>2</sub> O <sub>5</sub> (%)	
Niobec (50%)						
Proven reserves	2,278	0.69	16	2,115	0.73	
Probable reserves	3,463	0.76	26	2,984	0.73	
Indicated resources	1,431	0.74	11	—	—	
Inferred resources	1,001	0.77	8	—	—	
<b>COPPER PROJECTS<sup>(5)</sup></b>						
	Tonnes (000)	Grade Cu (%)	Contained tonnes (000)	Tonnes (000)	Grade Cu (%)	
Carlota (100%) <sup>(6)</sup> – Probable reserves	95,854	0.44	424	95,854	0.44	
Pachón (50%) <sup>(6)</sup> – Probable reserves	439,706	0.62	2,713	439,706	0.62	

<sup>(1)</sup> Reported mineral reserves and resources have been calculated in accordance with definitions and guidelines adopted by the Canadian Institute of Mining, Metallurgy and Petroleum in August 2000. Mineral reserves and resources were estimated using a long-term gold price assumption of \$300/oz in 2000 and \$325/oz in 1999. The Bouchard-Hébert and Langlois mines and the Cerro San Pedro and La Granja projects were sold in 2000. Consequently, this table excludes reserves and resources from these mines and projects. Unlike proven and probable mineral reserves, mineral resources (of all categories) do not have a demonstrated economic viability.

<sup>(2)</sup> Includes mineral reserves and resources from the Doyon and Mouska mines.

<sup>(3)</sup> Mineral resources at Gross Rosebel in 2000 were based only on the soft rock portion of the deposits.

<sup>(4)</sup> The mineral resources apply solely to the La Arena property. On February 10, 2000, Cambior decided to return the Virgen property to Gitennes.

<sup>(5)</sup> Copper mineral reserves were estimated using a long-term copper price of \$1.00/lb for 2000 and 1999.

<sup>(6)</sup> The Carlota and Pachón projects are currently for sale.

# Exploration and Development

## Exploration

Due to the persisting weakness in the gold market and Cambior's financial situation in 2000, surface exploration was reduced to \$2.4 million. The compilation and analysis of several databases was completed in order to evaluate the Company's many exploration properties in Canada, the Northern Cordillera, the Guiana Shield and the Andes and to determine whether the minimum annual expenses required to retain title to these properties were justified. Based on the results of these compilations, several properties were abandoned, returned to their original owner or optioned to other parties for further exploration. An amount of \$0.5 million was spent in Canada, principally on the La Grande Sud and Caniapiscau properties located in northeastern Québec, which yielded results that led to the identification of mineralized structures over several kilometres.

Exploration expenditures in the United States in 2000 were \$0.2 million. At the Livengood property, efforts were directed towards finding a joint venture party to further exploration on the

property. Exploration expenditures in Mexico in 2000 were \$0.3 million. No substantive exploration work was undertaken during the year, and all of the Mexican assets were sold to Glamis Gold Ltd. in the second quarter of 2000.

In 2000, the Andes and International Exploration expenditures totaled \$0.8 million and were allocated principally to the Peruvian properties. Cambior has maintained its presence in northern Peru, where it controls 27,700 hectares in the Huamachuco region and has succeeded in retaining 23,900 hectares surrounding the La Granja copper deposit. In southern Peru, Barrick Gold Corporation, Cambior and Southwestern Gold Corporation have signed an Option Agreement on the Minaspata property, where Barrick Gold Corporation may earn a 70% working interest by spending \$1.5 million over a three-year period. At the Seogui property in the Republic of Guinea, West Africa, Cambior completed seven diamond drill holes (850 metres) and collected over 1,000 samples. In August, following the disappointing results, Cambior terminated its agreement with Japan Mining Co. on the Seogui property.

Capitalized exploration expenditures were reduced in 2000, falling to below \$2 million. Expenditures were concentrated around the Company's mining properties, including the Doyon, Mouska and Sleeping Giant mines, and were mainly for detailed data compilation and geological mapping.

## Development

Cambior still owns the Carlota and Pachón (50%) advanced copper projects in the United States and Argentina respectively, as well as the Gross Rosebel (50%) gold project in Suriname. Due to weakness in the gold and base metal markets, these projects were on care and maintenance throughout 2000. Reengineering work on different feasibility scenarios was done for the Carlota and Pachón copper projects. It is also important to note that the Mining Integration Treaty between Chile and Argentina was officially ratified, which will facilitate the development of the Pachón project as it allows the importing and exporting of goods from Chile.

As part of Cambior's financial restructuring, the La Granja copper project in Peru and the Cerro San Pedro gold project in Mexico were sold in 2000.



Located nine miles northwest of Chicoutimi in the Saguenay region of Quebec, the Niobec Mine is the only operating niobium mine in North America. The mine is held equally by Cambior and Teck Corporation, which operates the mine under the supervision of a management committee formed by the partners. Cambior is responsible for marketing the product, a niobium pentoxide concentrate ( $Nb_2O_5$ ). After being converted into ferro-niobium, this product is added to steel and certain alloys to improve their physical and chemical properties.

Production at the Niobec Mine has been stable for several years despite a decrease in world steel production. In 1991, the mill operated at its full capacity of 2,240 tons per day.

Production (Cambior's share)	1991	1990
Tonnage milled (tons)	443,500	437,800
Grade (% $Nb_2O_5$ )	0.69	0.71
Recovery (%)	60.2	60.4
Production (lbs $Nb_2O_5$ )	3,710,200	3,740,800

Mineable reserves were completely renewed through definition drilling in 1991, and at year end stood as follows:

Reserves (Cambior's share)	December 31, 1991		December 31, 1990	
	Tons (000)	Grade (% $Nb_2O_5$ )	Tons (000)	Grade (% $Nb_2O_5$ )
Proven	4,026	0.658	3,553	0.655
Probable	1,637	0.652	2,005	0.655
<b>Total</b>	<b>5,663</b>	<b>0.656</b>	<b>5,558</b>	<b>0.655</b>

Production levels for 1992 will be the same as for 1991, as demand remains stable. The mine employed 167 people at December 31, 1991.

### NON-GOLD INTERESTS Carlota Project (Arizona)

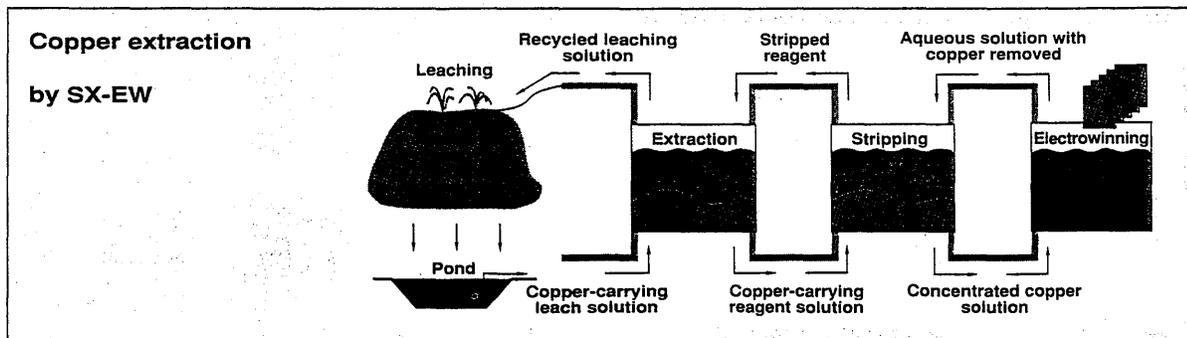
Located in the Globe-Miami region of Arizona in the United States, the Carlota Project consists of four copper oxide deposits. Proven and probable mineable reserves are estimated at 53,600,000 tons grading 0.45% Cu. The property covers an area of more than five square miles located in proximity to major copper producers.

Cambior became the owner of the Carlota Project as a result of its US \$10,000,000 acquisition of Westmont Mining Inc. in August 1991. Cambior USA has undertaken to pay an additional US \$5,000,000 following the first sale of copper from commercial production at the Carlota Project.

Drilling is currently underway to increase mineral inventories. Steps have also been taken to obtain

environmental permits and optimize operating and milling parameters. In a prefeasibility study, the capital cost of putting the project into production was estimated at US \$45 million. Average annual production for the 11-year life of the mine is assessed at over 19,000 tons or 38,000,000 pounds of copper. Operating costs are estimated at US \$0.61 per pound of copper. A feasibility study is planned for 1993.

The ore would be mined by open pit, then crushed and heap leached. The copper would be recovered through solvent extraction and electrowinning. Known as SX-EW, this process is used with increasing frequency in the recovery of copper from oxide deposits, as it results in substantially lower capital and operating costs, and reduced environmental impact from ore processing.



APRIL, 1996

AIR QUALITY PERMIT

Carlota Copper Company

The permit is issued by the ADEQ. Its purpose is to limit emissions of air contaminants such as particulate matter, sulfur dioxide, nitrogen oxides, and sulfuric acid mist. The public hearing for the permit will be held on April 16, 1996 at the Miami High School Auditorium at 7:00 PM.

Carlota has agreed to certain conditions of operation. A few of them are as follows:

Use of chemical dust suppressants on the roads,

Speed limits for all traffic, including haul trucks,

Water sprays on conveyors and crusher,

Mechanical dust collector "bag house" on the secondary crusher.

Use of mist controllers in the electrowinning cells,

Use of "low sulfur" (< 0.05%) fuel,

Annual and daily production limits, and

Air quality monitoring.

No other mining operation in Arizona currently has production limitations due to air quality. Speed limits and the use of chemical dust suppressants are also extremely uncommon.

Extensive computer modeling was done to predict emissions from the Carlota operations. Physical monitoring after operations start will verify the models.

The Carlota Company mining and processing facility will be located North of Highway 60 on the Pinto Valley Road, and just west of Magma Copper's Pinto Valley Mine. The Carlota operation is now in the late stages of federal and state permitting.

### CARLOTA'S PRODUCTION

Copper production at Carlota will be about 33,000 tons of copper per year, or about 90 tons per day. All the copper will be produced via heap leaching, solvent extraction and electrowinning. The ore body is overwhelmingly oxide, meaning the copper can be extracted from the rock by leaching ore with dilute sulfuric acid.

The copper ore deposit at Carlota will be mined with mining shovels and trucks. This ore will be crushed and stacked on a leach pad. Total ore reserves are 106,000,000 tons, with a grade of about .45% copper. The average mining rate will be 24,000,000 tons per year for ore and waste rock.

After the ore is stacked on the leach pad, dilute sulfuric acid is then sprinkled on the heaps of ore, and copper sulfate solution is recovered from the ore as a result of leaching. A synthetic plastic liner covers the prepared ground surface under the entire leach pad. This liner helps to efficiently collect the copper sulfate solution, and to prevent any solutions from leaking into the environment.

Copper sulfate solution collected from the leach pad is pumped to the solvent extraction plant where organic solvents help concentrate the copper into water that is electrolyte for the next step in the process, the electrowinning operation. The electrowinning step produces the finished pure copper product. Here, copper from the electrolyte, is plated out in sheets. Plating occurs when an electric current is introduced into the electrolyte cells, much the same as when a car battery is charged.

Copper plates harvested from the electrowinning process will be the product sold by Carlota. The mining and processing facilities to produce copper require a sizeable economic investment.

### CARLOTA'S ECONOMIC IMPACT

The total investment needed to bring the Carlota project into production is slightly over 150 million dollars. Of this, about eleven million dollars was spent in acquisition, exploration, and development costs on the project. The cost of obtaining operating permits has been very high for the project. About five million dollars will be spent by the time all the permits are granted. The rest of the investment will be for the plant and equipment needed to operate the copper mine and process. Carlota has already spent \$39 million dollars on the project.

The mine and related facilities will employ almost 300 people at the Carlota site when the mine is fully operational. Carlota's estimated annual contribution to Arizona is:

Income to Employees:	\$10,000,000
Arizona purchases	\$28,000,000
State and local taxes:	\$3,000,000

The majority of workforce will be hired from the local population. Carlota has already used many state and local firms in the process of developing and permitting the project. This work included drilling and economic analysis, and especially the "base line" data gathering and analysis for the environmental permits.

### PERMITS AND ENVIRONMENTAL PROTECTION

Before construction and operation can begin, the environmental permits for the project must be in place. In recent years, obtaining permits from various government regulatory agencies has become increasingly difficult and time consuming. Carlota has spent over four years engaged in obtaining operating permits for the project.

Studies of conditions existing in hydrology, biology, air quality, archeology, surface water quality, and many other disciplines occurred at the site before mine startup. The data from these studies was, in many cases, used to model, using computers, conditions expected after the mine is in operation.

All of these studies and the models went into the production of a Draft Environmental Impact Statement (EIS). This document was published by the USDA Forest Service in February 1995. The final EIS is expected in May, 1996.

Other permits for the Carlota project include an Aquifer Protection Permit and Air Quality Permit from the State of Arizona, and a Dredge and Fill Permit from the US Army Corps of Engineers. These permits all have pending applications with the appropriate government agencies.

### INVITATION

Detailed engineering is completed for the Carlota project. This includes design of the mine, leach pad, processing facilities, as well as all the power and plumbing that goes along with the installations. A room-sized scale model of the Carlota operation has been constructed and is available for viewing at the Carlota's Miami, AZ offices.

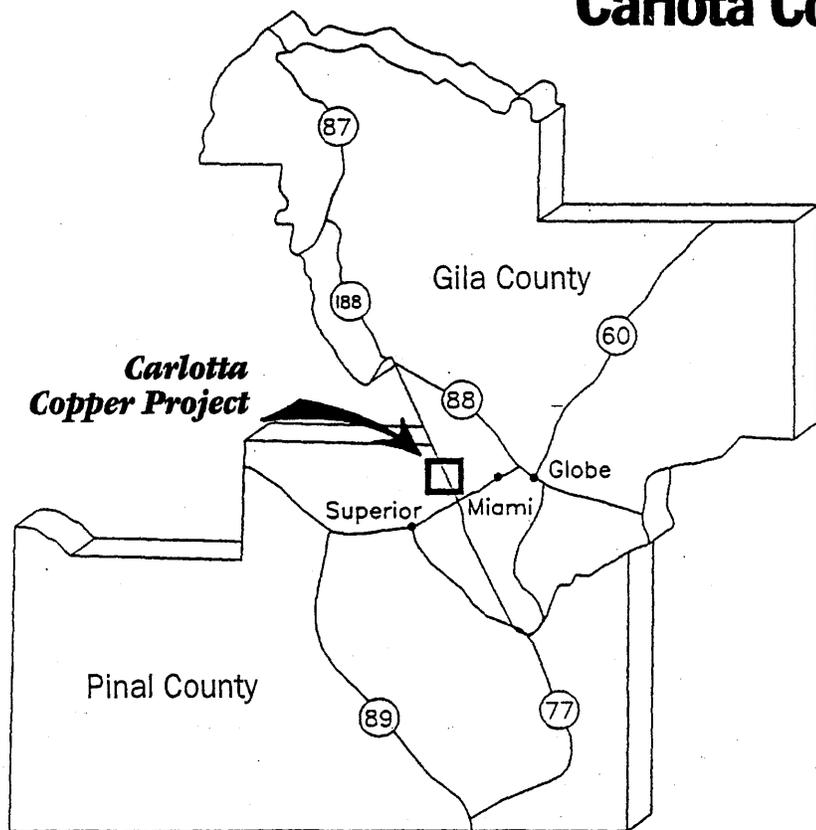
All are invited to visit the office, located at 1306 Live Oak St. in Miami, AZ. Vendors are encouraged to visit as well as prospective employees and those just curious about the Carlota Copper Company. While no job applications are yet available, personal resumes are accepted.

C:\MAGMA\STRUCTURE\REV

CARLOTA (A) GILA

4-96 FACT SHEET

# Carlota Copper Project Fact Sheet



### Head Office

8101 East Prentice Avenue, Suite 800  
 Englewood, Colorado 80111  
 303-694-4936 · FAX 303-773-0733  
 Jock McGregor, President

### Field Office

1306 Live Oak Street  
 Miami, Arizona 85539  
 602-473-3518 · FAX 602-473-3216  
 Bob Walsh, General Manager

### Mine Site

Just west of Magma's Pinto Valley Operation in the  
 Globe/Miami Mining District in Gila & Pinal counties.

### Project Details

Ore Reserve.....106,000,000 tons @ 0.45 % Cu  
 Project Life.....18 years  
 Open Pit Mine.....24,000,000 tons/year  
 Heap Leach Processing .....7,000,000 tons/year  
 Solvent Extraction Processing .....6,000 gpm  
 Electrowinning Processing .....33,000 Cu/yr tons.  
 Total Employees:.....280-300

### Economic Impact

Invested to date .....\$14,000,000  
 Capital Investment:  
 Preproduction.....\$99,000,000  
 Life of mine.....\$133,000,000  
 Direct Annual Contribution to Arizona Economy:  
 Income of employees.....\$10,000,000  
 Arizona purchases.....\$28,000,000  
 State & local fees & taxes.....\$3,900,000  
 Est Total Annual Contribution (direct & indirect)  
 to Arizona's Economy .....\$122,000,000

### Expected Schedule

Draft EIS.....March/April 1994  
 Record of Decision .....September 1994  
 Start of construction .....October 1994  
 First copper production.....June 1995

ADD  
 MIN

## FACE-to-FACE — with — Carlota Copper

Carlota Copper's CEO, Alex Bissett, spoke to a large AMIGOS crowd at lunch on January 27 in Phoenix. New mines bring out the curious and Mr. Bissett's talk was informative, encouraging, and entertaining.



Carlota is part of the international mining company Cambior with ongoing operations in Alaska, Guyana, and Canada. It fits the mold of the typical aggressive Canadian mining company: looking far and wide for opportunities without regard to international borders. They are now the 6th largest gold producer in North America.

The company is now jumping through all the hoops required by seven state and federal laws at a cost of \$3.6 million. Archaeological/historical studies even include the rusty mining shacks on the property from earlier mining operations! A special color flower of the common hedge hog cactus is a concern. ◆

*Handwritten signature/initials*

# CAMBIOR

COMMUNIQUE ▲ COMMUNIQUE ▲ COMMUNIQUE ▲ COMMUNIQUE ▲ COMMUNIQUE ▲ COMMUNIQUE

## PRESS RELEASE

### FOR IMMEDIATE RELEASE

Montreal, August 19, 1991

#### **CAMBIOR INC. ACQUIRES WESTMONT MINING**

*WAKE CARD*

Cambior Inc. ("Cambior") is pleased to announce that it has concluded a transaction with Costain Minerals Inc. whereby Cambior USA Inc., a wholly-owned Cambior subsidiary, has acquired all the shares (100%) of Westmont Mining Inc. ("Westmont"). At the close of the transaction, Westmont owned the Carlota copper project and exploration properties in Idaho and Nevada. Cambior paid a sum of US\$10,000,000 on closing of the transaction, and Cambior USA has undertaken to pay an additional amount of US\$5,000,000 if and when the Carlota project goes into commercial production.

The Carlota copper project is the principal asset acquired through this transaction. Easily accessible by road, the property is located in the Miami region of Arizona, in the United States. The 205-claim property covers approximately 4,000 acres and is located close to large copper deposits.

The Carlota project includes four copper-oxide deposits with proven and probable mining reserves of 53,660,000 tons grading 0.45% Cu. A minimum grade of 0.15% was used in the calculation of these reserves.

Preliminary studies indicate that the copper-oxide ore would be mined by open pit. The ore would be crushed and heap leached. Recovery of the copper from the sulfuric acid solution would be achieved by solvent extraction and electrowinning (SX-EW). This relatively new technology is being increasingly used to extract copper from oxide deposits, as it results in substantially lower capital and operating costs.

A pre-feasibility study has estimated the capital cost of putting the project into production at US\$45 million. The mining rate was fixed from the outset at 5,000,000 tons per year. The waste-to-ore ratio will average 2.35:1 throughout the life of the project. Production is expected to average over 19,000 tons, or 38,000,000 pounds, of copper per year over the 11-year mine life. Operating costs will be US\$0.61/lb Cu.

The cost of the acquisition, including the additional amount to be paid once commercial production begins at the Carlota project, is US\$73 per ton of recoverable copper.

Work will be carried out on the project to complete the exploration phase and obtaining the required environmental permits. A feasibility study is expected to be completed in 1993.

### Corporate Reorganization

Subsequent to this transaction, Louis P. Gignac, President and Chief Executive Officer of Cambior, is pleased to announce the following appointments: Mr. Alex F. Bissett, President of Westmont Mining, has been named Senior Vice President of Cambior's American operations, and will be in charge of the Valdez Creek Division, the Carlota copper project and other development projects in the United States. Mr. Raynald Vézina assumes the post of Senior Vice President of Canadian operations and Mr. Jean Boissonnault has been named Senior Vice President of exploration for all Canadian, American and overseas projects. This acquisition is an integral part of our expansion into the United States.

Cambior is a major Canadian gold producer with interests in eight mines in production. The company expects to produce about 320,000 ounces of gold in 1991.

- 30 -

Source: Cambior Inc.

For more information, contact : Robert LaVallière  
Manager, Public Relations  
Montreal  
Tel.: (514) 878-3166