

PHOENIX BUSINESS JOURNAL

phoenix.bizjournals.com



BEST PLACES TO WORK:
Go Daddy's Bob Parsons creates employee-centric culture. **INSIDE**

FIGHTING FEES: US Airways, Southwest leading battle against new charges. **5**

SOCIAL MEDIA: Businesses using free tools to market themselves. **11**

DECEMBER 9, 2011 \$3.95

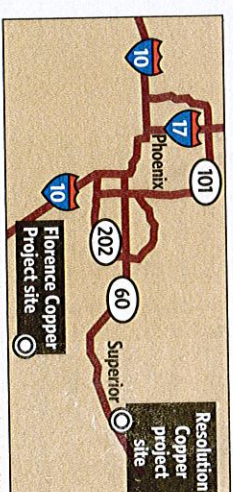
Cauldrons of controversy brewing for copper miners

BY MIKE SUNNUCKS
Phoenix Business Journal

The Florence Town Council is threatening to sue a Canadian copper mining company to keep it from mining copper deposits out of state land in Pinal County. Just up the road, British copper mining giant Rio Tinto Plc is trying to muscle a federal land swap through Congress so it can begin work on the Resolution Copper project near

Superior via its Resolution Copper Mining LLC unit. The site has been called the nation's largest copper deposit. The fights over Curis Resources Ltd.'s Florence Copper Project and Rio Tinto's mine are just two of the challenges facing Arizona's copper mining sector. The state is one of the largest copper-producing regions in the world, and the sector is no stranger to controversy.

SEE COPPER 159



AMY MORRISON | PHOENIX BUSINESS JOURNAL

December 9, 2011

PHOENIX BUSINESS JOURNAL
phoenix.bizjournals.com

FROM PAGE 1 59

COPPER: Florence Town Council threatening to sue copper mining company

FROM PAGE 1

FLORENCE FIGHT

The Florence Town Council last month voted down land-use changes needed by Vancouver, British Columbia-based Curis to develop 1,300 acres of private land into the \$500 million Florence Copper Project. Curis tried to pull its rezoning application, but the council opted to vote on the matter and shot it down.

Curis could move forward with its project on 160 acres of State Trust Land and the company is acquiring from Arizona, said company spokesman Rustyn Sherer.

Deputy Town Manager Jess Knudson said Florence might take Curis to court to stop that from happening.

"There's a number of options on the table, and that's just one of them," said Knudson.

Sherer discounted a possible town lawsuit.

"We haven't heard, and don't expect, the town of Florence would seek to sue the state of Arizona for developing mineral resources on state lands following the receipt of environmental permits from federal and state regulatory agencies," he said.

Curis acquired the Florence site from BHP Copper Inc. in 2010 and plans to pump chemicals into the ground to extract copper. The project, which is supported by Gov. Jan Brewer, could create more than 1,000 jobs, Curis officials said.

But town officials, environmentalists and real estate developers with property near the mine worry about the impact the chemicals might have on water supplies, and whether having a copper project nearby will hurt property values.

Pulte Homes, a builder with significant operations in Arizona; Scottsdale-based Sunbelt Holdings; and private real estate investment group Southwest Value Partners, based in San Diego, oppose the Florence copper development. Southwest Value Partners principals include Phoenix Suns owner Robert Sarver, who was not available to comment.

Knudson said as many as 70,000 homes are zoned for areas near the mining site, and population growth will bring in more jobs and businesses. He also said Curis can resubmit its application for the project next year.

Florence is a town of 25,000 residents about 60 miles southeast of Phoenix. It is the home to state prisons, the annual Country Thunder musical festival and acres of land where developers have their sights set on building homes and shopping centers.

Justin Merritt, senior investment manager with Southwest Value Partners, said town officials' opposition to the mine shows they would prefer residential and real estate growth. He said most of the Florence residents at the November meeting opposed the project.

Despite the opposition, Sherer said the project is mov-

ing forward. That includes getting federal and state environmental permits and then an 18-month test of the copper pumping process on the land Curis is acquiring. He said commercial production could begin in 2014.

"The recent Florence vote has no direct impact on our development timeline," he said.

A number of high-powered Valley lawyers and lobbyists are spending time in Florence. Phoenix law firm Gallagher & Kennedy PA and public affairs consultants from HighGround Inc., also based in Phoenix, are in the Curis camp. Phoenix-based FirstStrategic Communications and Public Affairs and Scottsdale-based Rose Law Group have represented Southwest Value Partners and other opponents to the mine.

SUPERIOR STALL

In Superior, Resolution Copper got a big win in October when Republicans in the U.S. House of Representatives approved a bill to swap about 2,400 acres of land in the Tonto National Forest near the mine for some less copper-rich parcels owned by Resolution Copper and Rio Tinto. The land swap is essential to the development of the \$400 million Superior project, also in Pinal County. The land swap still needs to be approved by the U.S. Senate.

U.S. Rep. Raul Grijalva, D-Ariz., opposes the mine in Superior — a town of 3,100 people 65 miles east of Phoenix in



Grijalva

Pinal County — and has lobbied against it in the past. "I wouldn't characterize the bill as being 'stalled' in the Senate. It was just passed out of the House in late October," said Resolution Copper spokesman Brian Richardson.



Kyl

Rio Tinto and mine supporters will make a push for Senate approval now that U.S. Sen. Jon Kyl, R-Ariz., is finished with his role on the Supercommittee that was charged with crafting major federal deficit-reduction plans. Kyl is a big backer of the mine, and he is retiring at the end of 2012.

Richardson said Resolution Copper is optimistic for full congressional approval of the land swap next year. Grijalva spokesman Adam Sarvana referred questions about the mine and Grijalva's opposition to past public statements by the Tucson Democrat.

Richardson said the Superior mine will create 3,700 jobs, a number that has been disputed by environmentalists. Resolution Copper has moved the projected opening date of the facility from 2020 to 2021.

Resolution Copper and Rio Tinto officials said they could end up locating the engineering and technical operations for the Superior mine in the East Valley because of high-tech innovations in the mining sector.

Connect with Mike Sunnucks at msunnucks@bizjournals.com or on Twitter at @mikesunn. Reporter Jennifer A. Johnson contributed to this story.

Freeport-McMoRan dealing with miners strike

FREEPORT-MCMORAN COPPER & GOLD INC.

DESCRIPTION: Multinational copper and gold miner with mines in North America, Africa, South America and Indonesia

CEO: Richard Adkerson

CHAIRMAN: James Moffett

HQ: Phoenix

STOCK: NYSE:FCX

THIRD QUARTER	2010	2011
REVENUE:	\$5.15B	\$5.28B
PROFIT:	\$1.88B	\$1.05B
EARNINGS PER SHARE:	\$1.24	\$1.10

JIM POUJUNT | PHOENIX BUSINESS JOURNAL

Phoenix-based Freeport-McMoRan Copper & Gold Inc. is dealing with a miners' strike in Indonesia that has included some violence and damages to mining pipelines. About 8,000 workers make \$2 to \$3 per hour at Freeport's gold and silver mines in Indonesia, which are some of the largest in the world.

Freeport spokesman Eric Kinneberg referred questions about the Indonesia strike to the company's website and press releases on the matter. Freeport acknowledged earlier this week that the strike could impact the company's fourth-quarter financials, according to the Associated Press.

Here in Arizona, Asarco LLC is fighting with the U.S. Environmental Protection Agency over the latter's assertions that a smelter in Hayden is producing hazardous emissions. Asarco, an arm of mining giant Grupo Mexico, disagrees with that contention. The Hayden mine is 70 miles northeast of Tucson.

—Mike Sunnucks