PUBLIC NOTICE

U.S. ARMY CORPS OF ENGINEERS **BUILDING STRONG®**
LOS ANGELES DISTRICT

RECEIPT OF APPLICATION FOR A CORPS PERMIT, NOTICE OF INTENT TO PREPARE A DRAFT EIS AND HOLD A PUBLIC SCOPING MEETING

Ray Mine Proposed Tailings Storage Facility

Public Notice/Application No.: SPL-2011-01005-MWL
Project: Ray Mine Proposed Tailings Storage Facility
Comment Period: August 28, 2013 through October 28, 2013
Project Manager: Michael Langley; 602-230-6953; Michael.W.Langley@usace.army.mil

Applicant
Thomas Aldrich
ASARCO, LLC
5285 East Williams Circle
Suite 2000
Tucson, Arizona 85711

Contact
Amanda Best
WestLand Resources, Inc.
4001 E. Paradise Falls Drive
Tucson, Arizona 85712

Location

The proposed tailings storage facility (TSF) is located approximately four miles south of the Ray Mine Complex, south of the Gila River, within portions of Sections 1, 2, 10 through 12, 14 through 16, 21 through 23, and 26 through 28, Township 4 South, Range 13 East, and portions of Section 36, Township 3 South, Range 13 East. The project pipelines would run from the thickeners at the Ray Mine to the proposed TSF along the Florence-Kelvin Highway.

Activity

To discharge fill materials into approximately 138 acres and indirectly impact an additional 21 acres of waters of the U.S. associated with Ripsey Wash, the Gila River, and unnamed washes to construct a TSF and associated pipelines, power lines, road relocations, stormwater diversions, and other related features. (see attached drawings). For more information see page 4 of this notice.

Interested parties are hereby notified that an application has been received for a Department of the Army permit for the activity described herein and shown on the attached drawing(s). We invite you to review today's public notice and provide views on the proposed work. By providing substantive, site-specific comments to the Corps Regulatory Division, you provide information that support the Corps' decision-making process. All comments received during the comment period become part of

the record and will be considered in the decision. This permit will be issued, issued with special conditions, or denied under Section 404 of the Clean Water Act.

Written comments should be mailed to:

U.S. Army Corps of Engineers, Los Angeles District
Arizona Regulatory Branch
ATTN: SPL-2011-01005-MWL
3636 N. Central Ave, Suite 900
Phoenix, AZ 85012-1939

Alternatively, comments can be sent electronically to: Michael.W.Langley@usace.army.mil.

The mission of the U.S. Army Corps of Engineers Regulatory Program is to protect the Nation's aquatic resources, while allowing reasonable development through fair, flexible and balanced permit decisions. The Corps evaluates permit applications for essentially all construction activities that occur in the Nation's waters, including wetlands. The Regulatory Program in the Los Angeles District is executed to protect aquatic resources by developing and implementing short- and long-term initiatives to improve regulatory products, processes, program transparency, and customer feedback considering current staffing levels and historical funding trends.

Corps permits are necessary for any work, including construction and dredging, in the Nation's navigable water and their tributary waters. The Corps balances the reasonably foreseeable benefits and detriments of proposed projects, and makes permit decisions that recognize the essential values of the Nation's aquatic ecosystems to the general public, as well as the property rights of private citizens who want to use their land. The Corps strives to make its permit decisions in a timely manner that minimizes impacts to the regulated public.

During the permit process, the Corps considers the views of other Federal, state and local agencies, interest groups, and the general public. The results of this careful public interest review are fair and equitable decisions that allow reasonable use of private property, infrastructure development, and growth of the economy, while offsetting the authorized impacts to the waters of the United States. The permit review process serves to first avoid and then minimize adverse effects of projects on aquatic resources to the maximum practicable extent. Any remaining unavoidable adverse impacts to the aquatic environment are offset by compensatory mitigation requirements, which may include restoration, enhancement, establishment, and/or preservation of aquatic ecosystem system functions and services.

Evaluation Factors

The decision whether to issue a permit will be based on an evaluation of the probable impact including cumulative impacts of the proposed activity on the public interest. That decision will reflect the national concern for both protection and utilization of important resources. The benefit, which reasonably may be expected to accrue from the proposal must be balanced against its reasonably foreseeable detriments. All factors which may be relevant to the proposal will be considered including the cumulative effects thereof. Factors that will be considered include conservation, economics, aesthetics, general environmental concerns, wetlands, cultural values, fish and wildlife values, flood hazards, flood plain values, land use, recreation, water supply and conservation, water quality, energy needs, safety, food production and, in general, the needs and welfare of the people. In addition, if the

proposal would discharge dredged or fill material, the evaluation of the activity will include application of the EPA Guidelines (40 CFR Part 230) as required by Section 404 (b)(1) of the Clean Water Act.

The Corps of Engineers is soliciting comments from the public; Federal, state, and local agencies and officials; Indian tribes; and other interested parties in order to consider and evaluate the impacts of this proposed activity. Any comments received will be considered by the Corps of Engineers to determine whether to issue, modify, condition or deny a permit for this proposal. To make this decision, comments are used to assess impacts on endangered species, historic properties, water quality, general environmental effects, and the other public interest factors listed above. In this case, comments are used in the preparation of an Environmental Impact Statement (EIS) pursuant to the National Environmental Policy Act. Comments are also used to determine the overall public interest of the proposed activity.

Preliminary Review of Selected Factors

EIS Determination- A preliminary determination has been made that an EIS is required for the proposed activities, based on the Corps's independent determination that the proposed action could potentially result in significant impacts. The Draft EIS is expected to be published in late 2014.

Water Quality- The applicant is required to obtain water quality certification, under Section 401 of the Clean Water Act, from the Arizona Department of Environmental Quality. Section 401 requires that any applicant for an individual Section 404 permit provide proof of water quality certification to the Corps of Engineers prior to permit issuance.

Cultural Resources- Based on information collected thus far, the project will adversely impact cultural resources that are eligible for listing on the National Register of Historic Places. Consultation with Native American Tribes and the State Historic Preservation officer will occur with respect to cultural resources impacts associated with this project. Native American Tribes will also be consulted regarding the presence of any traditional cultural properties that could potentially be affected by this project.

Endangered Species- Preliminary determinations indicate that the proposed activity would potentially affect federally-listed endangered or threatened species, or their critical habitat. Therefore, formal consultation under Section 7 of the Endangered Species Act is required at this time.

Public Hearing- The Corps is conducting two public scoping meetings to solicit input from the public about the proposed project and the preparation of the EIS. These meetings will be held on Tuesday evening, **September 24, 2013** at the Kearny High School cafeteria from 6:00 to 9:00 PM (Arizona time) and on Wednesday evening, **September 25, 2013** in the performing arts room at the Apache Junction High School in Apache Junction, Arizona from 6:00 to 9:00 PM (Arizona time).

Each of these meetings will consist of an open house and presentation. During approximately the first hour of the meeting, attendees will have the opportunity to view displays provided by the Corps and the applicant that provide information on various aspects of the project, environmental resources in the project area, and the Clean Water Act Permitting and NEPA processes. Technical experts will be available at these displays to answer questions about the project. After this initial open house period, a presentation will be provided by the Corps Project Manager and a representative from Asarco. This presentation will provide background information about the proposed project and information about the Corps permitting and EIS processes. Information will also be provided regarding various ways to provide input to the project manager for inclusion in the administrative record. After the presentation concludes, the open house will continue until the meeting ends.

Attendees who wish to comment on this project can do so during the meeting by stating their comments to a court reporter, who will be available for the duration of the meeting. Written comments can also be left with Corps staff or submitted at a later date. *There will be no provisions made for public oral comments during the course of these meetings.*

The Corps will be receiving scoping comments until the close of the comment period on October 28, 2013.

Proposed Activity for Which a Permit is Required

Basic Project Purpose- The basic project purpose comprises the fundamental, essential, or irreducible purpose of the proposed project, and is used by the Corps to determine whether the applicant's project is water dependent (i.e., requires access or proximity to or siting within the special aquatic site to fulfill its basic purpose). Establishment of the basic project purpose is necessary only when the proposed activity would discharge dredged or fill material into a special aquatic site (e.g., wetlands, pool and riffle complex, mudflats, coral reefs). Because no special aquatic sites would be impacted, identification of the basic project purpose is not necessary. The project is not water dependent.

Overall Project Purpose- The overall project purpose serves as the basis for the Corps' 404(b)(1) alternatives analysis and is determined by further defining the basic project purpose in a manner that more specifically describes the applicant's goals for the project, and which allows a reasonable range of alternatives to be analyzed. The overall project purpose for the proposed project is to create additional tailings storage to support up to approximately 750 million tons of material.

Additional Project Information

Background- The 2,350-acre project site is located in eastern Pinal County, Arizona approximately four miles south of the Ray Mine Complex, south of the Gila River, on lands owned by Asarco, on lands owned and managed by the Bureau of Land Management, and on lands currently owned and managed by the Arizona State Land Department that Asarco is seeking to acquire. The project pipelines would run along the Florence-Kelvin Highway from the thickeners at the Ray Mine to the proposed TSF.

Asarco is the owner and operator of the Ray Mine Complex in Pinal County, Arizona, an open-pit copper mine with an on-site concentrator and leaching facilities. Asarco also owns associated concentrating and smelting facilities located in Hayden, Arizona, approximately 17 miles southeast of the mine. The Ray Mine was originally founded in 1882 as a silver mine with the mining of copper beginning somewhat later.

A Clean Water Act Section 404 permit was issued for construction of the Elder Gulch tailings impoundment at Ray Mine in 1991; modifications to that permit were issued in 1996, 1997, and 1998 for ongoing mining and mitigation activities. In May 2011, a new Section 404 permit was obtained that authorizes continued operation and expansion of the Elder Gulch tailings facility, construction of a stormwater diversion system upgradient of the tailings facility, and continued placement of rock into rock deposition areas previously authorized in the 1991 Section 404 permit (as modified by the subsequent amendments). Prior to the May 2011 Section 404 permit that authorized expansion of the Elder Gulch impoundment, that facility was expected to reach capacity in approximately 2013. Raising the crest elevation of the impoundment to the 2,590 ft level as authorized by the May 2011Section 404 permit, will allow the existing Elder Gulch tailings impoundment to be used for an

anticipated five to seven additional years. The Ray Mine has proven ore reserves that will allow mining to continue well past that timeframe, and additional expansions of the Elder Gulch facility are not technically and environmentally feasible.

Project description- Asarco is proposing to construct, operate, and close a tailings storage facility to support continuing copper mining activities at the Ray Mine Complex. The facility would accommodate tailings that would be collected at the mine, transported via a tailings delivery pipeline, and deposited in slurry form at a discharge point east of Ripsey Wash, an ephemeral wash that is a tributary to the Gila River. The facility footprint is estimated at 2,129 acres and currently has an elevational range of approximately 1,800 to 2,400 feet above mean sea level. The facility is designed for an overall storage capacity of 751.3 million tons of tailings and embankment materials with a final crest elevation of 2,440 feet. The proposed facility would be built with centerline and upstream construction methods.

A diversion embankment, stormwater detention pond, and channel would be constructed at the upgradient end of the facility to divert flows around the facility to the west to Zellweger Wash. The diversion embankment and stormwater detention pond are designed to handle the 500-year, 24-hour storm event. Water from this impoundment would be pumped and piped to the western diversion channel for conveyance to Zelleweger Wash. A second diversion channel would be constructed along the east side of the facility to drain stormwater runoff from upgradient of the facility to an unnamed tributary wash to the Gila River.

The starter tailings embankment would be constructed at the downgradient end of the facility with a 50-foot- wide berm. Cyclone sands would be used to construct the phased embankments. The ultimate embankment would be constructed to an elevation of 2,440 feet above mean sea level with a tailings deposition elevation just below this elevation.

Some seepage from the tailings impoundment is expected and would infiltrate the alluvial deposits located within Ripsey Wash and its tributaries. Therefore, a seepage collection trench would be constructed within Ripsey Wash downstream of the impoundment to contain the seepage, and a second seepage collection trench will be constructed in a drainage on the east side of the facility. The seepage collection trench will be constructed with a geomembrane liner anchored to bedrock and granular drain rock along the upstream face of the trench to intercept seepage from the tailings facility. A series of riser pipes will be installed within the trench and fitted with submersible pumps to pump collected seepage to the associated reclaimed water ponds.

Asarco is proposing to construct and operate tailings delivery and reclaimed water pipelines as part of the project. The tailings generated from the mill at the Ray Mine would be pumped in slurry form through the tailings delivery pipeline to the proposed facility impoundment area for deposition and a reclaimed water pipeline would be used to pipe reclaimed water back to the Ray Mine for reuse. The pipelines would be constructed along the Florence-Kelvin Highway and connect to the proposed tailings deposition point and reclaimed water ponds located at the proposed facility. The pipelines would be constructed along the existing alignment of the Florence-Kelvin Highway. To address the unlikely event of a pipeline failure, a drain down pond is planned along the pipeline route north of the Gila River for containment of tailings and/or reclaimed water. A pipeline bridge would be constructed at the point where the pipeline route crosses the Gila River.

A 2.2-mile segment of the Florence-Kelvin Highway, a Pinal County-maintained roadway, would require realignment as a result of constructing the facility. A 2.1-mile section of the road would be relocated north of its current alignment.

The proposed facility would require the relocation of the San Carlos Irrigation Project power line which currently passes though the northern portion of the facility footprint. An approximately 2.3-mile segment of the power line will be moved north of the TSF and rerouted around the western portion of the project area, approximately following the proposed and existing alignment of the Florence-Kelvin Highway. The planned rerouted power line corridor is approximately 3.2 miles in length.

Issues- There are a number of potential issues that will be addressed in the Draft EIS. Additional issues may be identified during the scoping process. Issues initially identified for evaluation in the EIS as potentially significant include:

- Aesthetics and Visual Resources
- Air Quality
- Cultural and Historic Resources
- Surface Water Hydrology and Watershed Resources
- Groundwater Hydrology
- Land Use
- Noise
- Recreation
- Socioeconomics
- Soils and Geology Resources
- Transportation
- Vegetation
- Wildlife
- Cumulative Impacts

Alternatives- Several alternatives are being considered for the proposed action. The Draft EIS will include a co-equal level of analysis of the No Action Alternative and the project alternatives considered. Alternatives are currently being developed to address the alternatives evaluation requirements under both the 404(b)(1) alternatives analysis guidelines required for evaluation of the Section 404 permit and the NEPA process. These alternatives will be further formulated and developed during the scoping process and assessed in the Draft EIS.

Proposed Mitigation– The proposed mitigation may change as a result of comments received in response to this public notice, the applicant's response to those comments, and/or the need for the project to comply with the 404(b)(1) Guidelines. In consideration of the above, the proposed mitigation sequence (avoidance/minimization/compensation), as applied to the proposed project is summarized below:

Avoidance/Minimization: According to the applicant, the project was designed to avoid impacts to waters of the U.S. to the extent practicable. The design of the proposed TSF once included filling Zelleweger Wash along with Ripsey Wash, and was redesigned to avoid filling Zelleweger Wash. The construction of the bridge crossing the Gila River includes measures to avoid the wetlands along the Gila River in that area.

Compensation: The Applicant proposes compensatory mitigation for unavoidable impacts to ephemeral Waters through permittee-responsible habitat restoration, contribution to an in-lieu fee program, or a combination thereof.

Proposed Special Conditions

Special Conditions have not yet been developed and will be based on the results of the EIS and 404 permit analysis.

For additional information please call Michael Langley of my staff at 602-230-6953 or via e-mail at Michael.W.Langley@usace.army.mil . This public notice is issued by the Chief, Regulatory Division.

Regulatory Program Goals:

- To provide strong protection of the nation's aquatic environment, including wetlands.
- To ensure the Corps provides the regulated public with fair and reasonable decisions.
- To enhance the efficiency of the Corps' administration of its regulatory program.

U.S. ARMY CORPS OF ENGINEERS – LOS ANGELES DISTRICT
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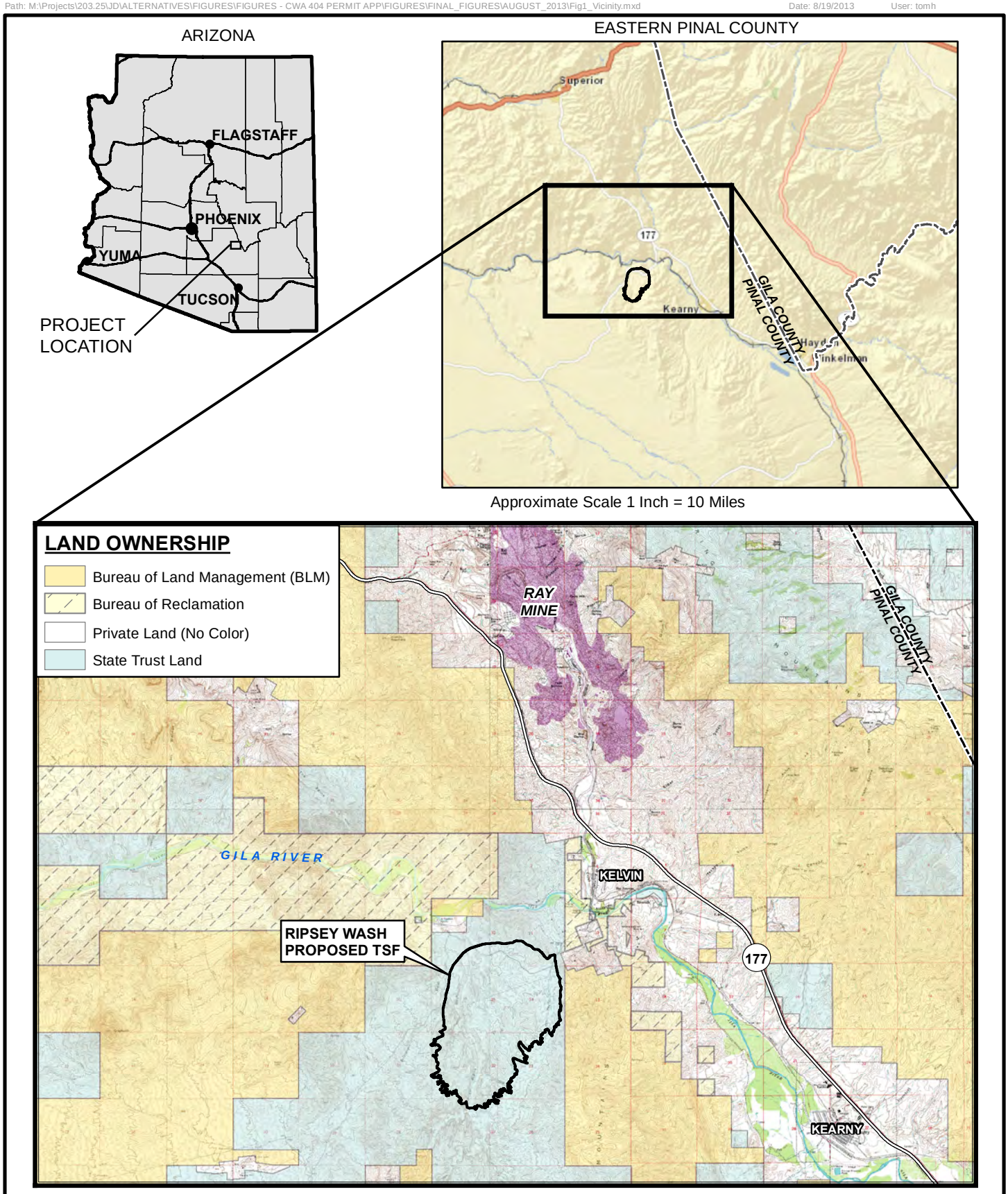

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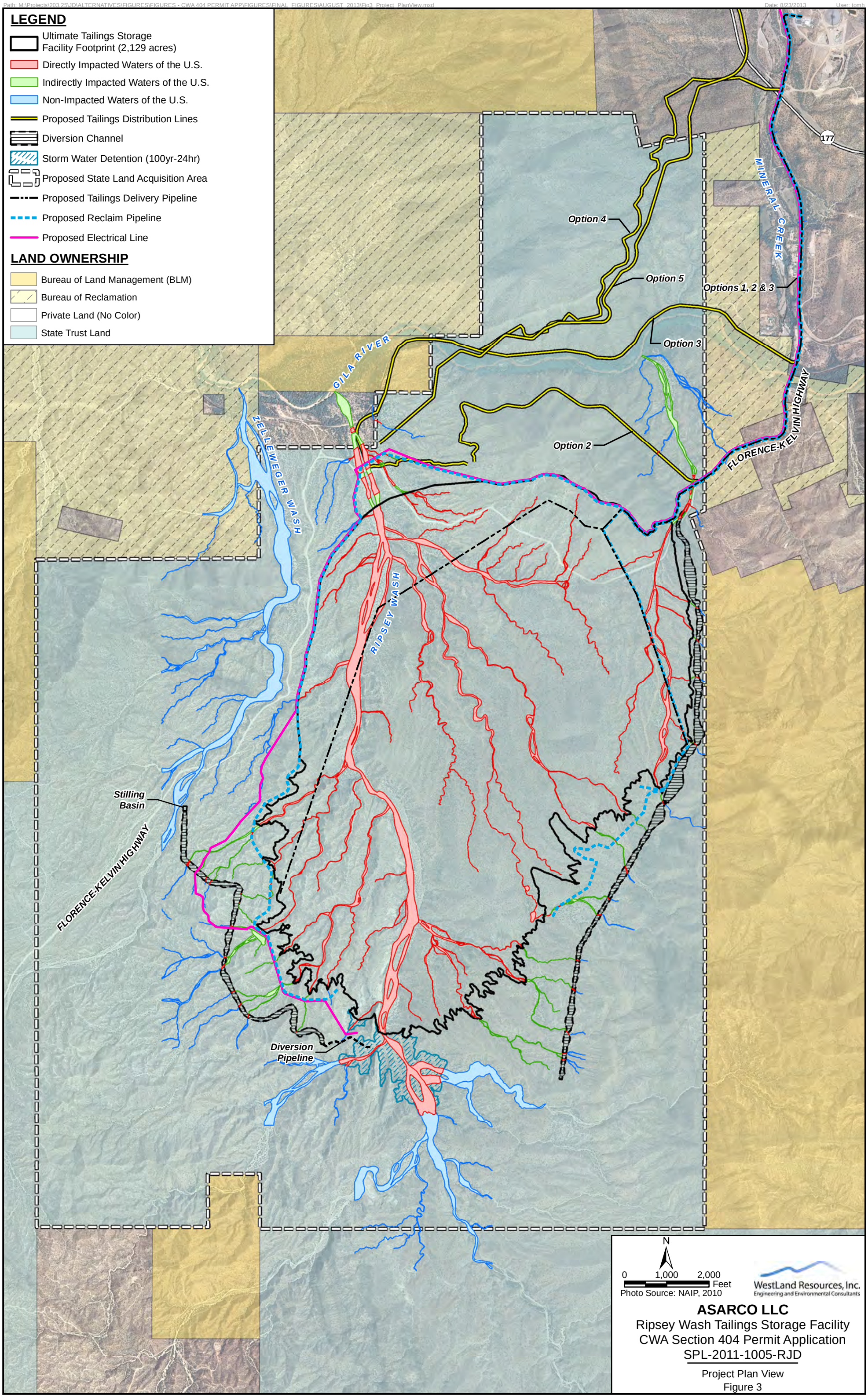
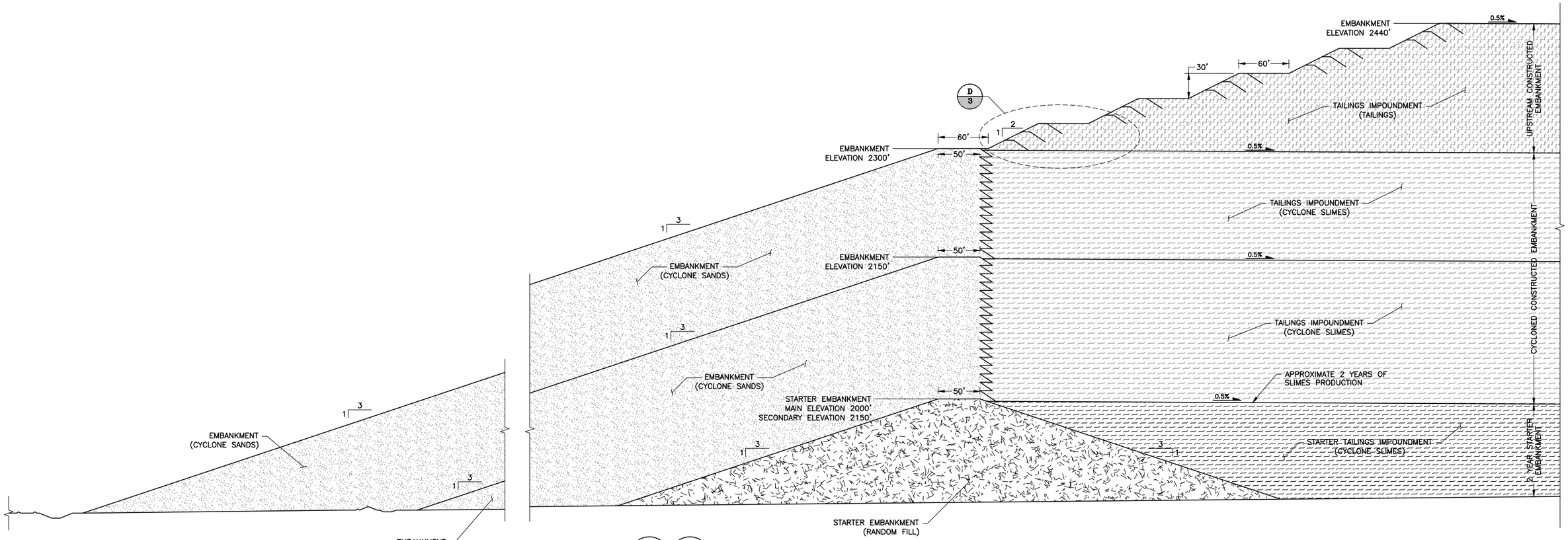
WestLand Resources, Inc.
Engineering and Environmental Consultants

ASARCO LLC

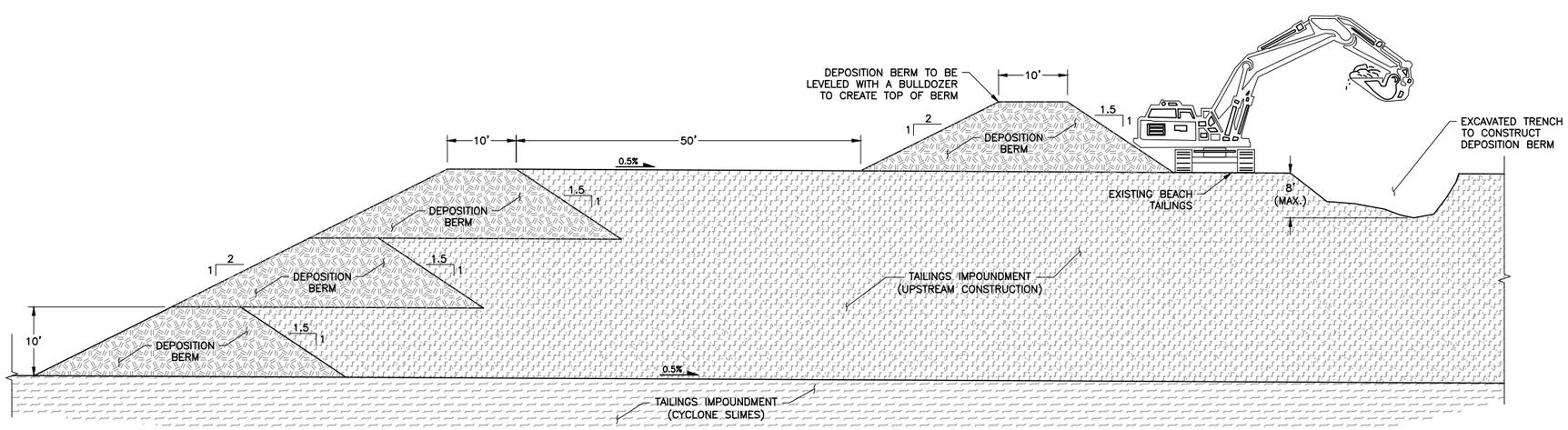
Ripsey Wash Tailings Storage Facility
CWA Section 404 Permit Application
SPL-2011-1005-RJD

Vicinity Map
Figure 1


LEGEND
Ultimate Tailings Storage Facility Footprint (2,129 acres)
Directly Impacted Waters of the U.S.
Indirectly Impacted Waters of the U.S.
Non-Impacted Waters of the U.S.
Proposed Tailings Distribution Lines
Diversion Channel
Storm Water Detention (100yr-24hr)
Proposed State Land Acquisition Area
Proposed Tailings Delivery Pipeline
Proposed Reclaim Pipeline
Proposed Electrical Line
LAND OWNERSHIP
Bureau of Land Management (BLM)
Bureau of Reclamation
Private Land (No Color)
State Trust Land
Option 4
Option 5
Options 1, 2 & 3
Option 3
Option 2
GILA RIVER
ZELLEWEGER WASH
RIPSEY WASH
MINERAL CREEK
FLORENCE-KELVIN HIGHWAY
177
Stilling Basin
Diversion Pipeline
N
0 1,000 2,000 Feet
Photo Source: NAIP, 2010
WestLand Resources, Inc.
Engineering and Environmental Consultants
ASARCO LLC
Ripsey Wash Tailings Storage Facility
CWA Section 404 Permit Application
SPL-2011-1005-RJD
Project Plan View
Figure 3



C 4 C 5 TYPICAL EMBANKMENT CROSS SECTION



D 3 TYPICAL UPSTREAM EMBANKMENT CROSS SECTION

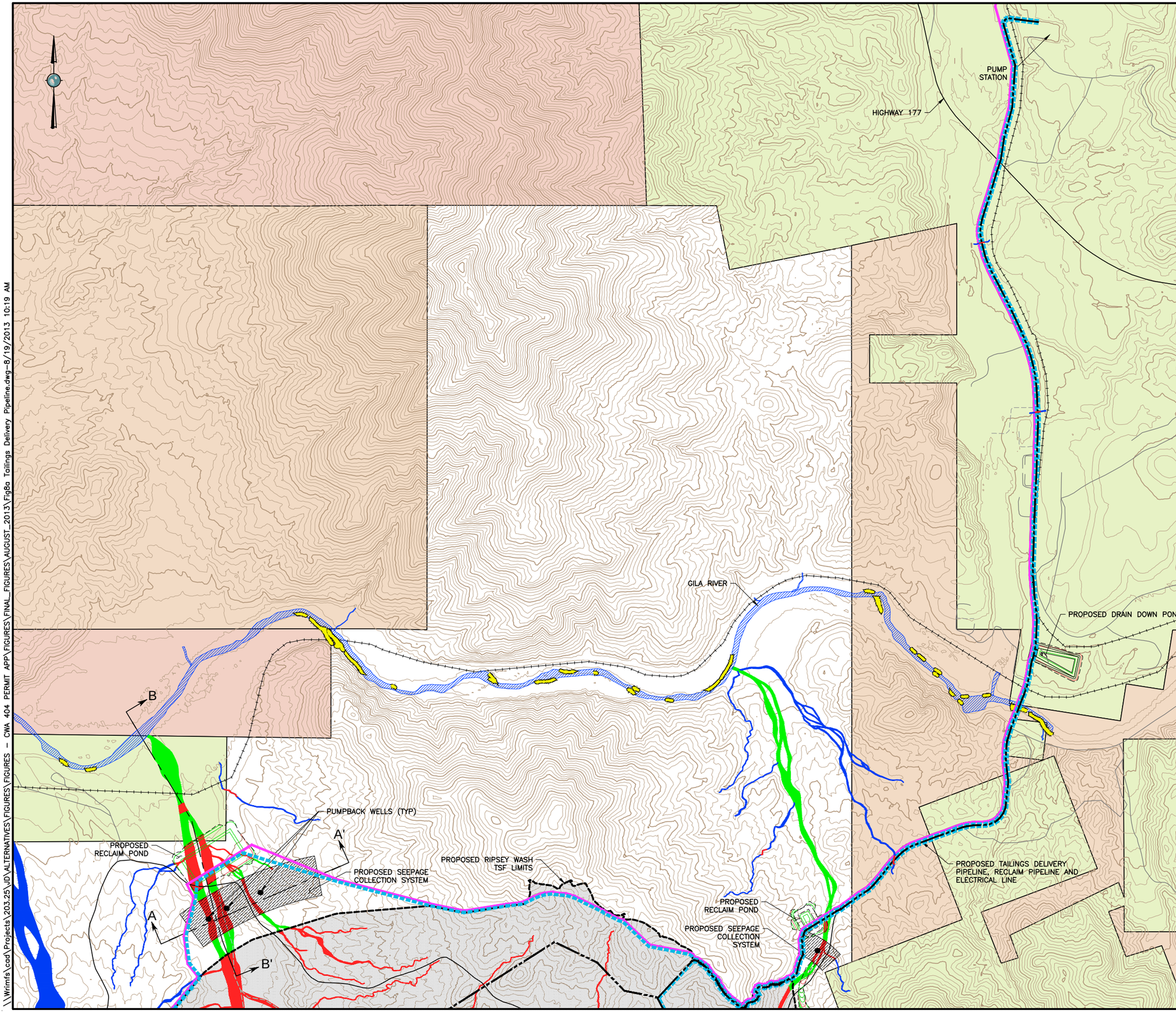
ASARCO LLC

Ripsey Wash Tailings Storage Facility
CWA Section 404 Permit Application
SPL-2011-1005-RJD

Ultimate Embankment Typical Sections

Figure 6

M:\Projects\203.25\JD\ALTERNATIVES\FIGURES\FIGURES – CWA 404 PERMIT APP\FIGURES\FINAL_FIGURES\MAY_2013\Fig6 Ult Embankment Sections.dwg–5/31/2013 2:02 PM



LEGEND:

- EXISTING GROUND SURFACE CONTOUR EL, FEET
- PROPOSED GROUND SURFACE CONTOUR EL, FEET
- EXISTING RAILROAD
- EXISTING ROAD
- PROPOSED TAILINGS DELIVERY PIPELINE
- PROPOSED RECLAIM PIPELINE
- PROPOSED ELECTRICAL LINE
- DIRECTLY IMPACTED WATERS OF THE U.S.
- INDIRECTLY IMPACTED WATERS OF THE U.S.
- NON-IMPACTED WATERS OF THE U.S.
- JURISDICTIONAL WETLAND
- BUREAU OF LAND MANAGEMENT (BLM)
- BUREAU OF RECLAMATION
- STATE TRUST LAND (NO COLOR)
- PRIVATE LAND
- 21 22 / 28 27 SECTION QUADRANTS

600 0 600 1200 FEET

REFERENCE:
TOPOGRAPHIC MAPPING AND EXISTING FEATURE DATA PROVIDED BY AIRBORNE 1, INC.; COORDINATE SYSTEM IS IN UTM ZONE 12 NAD 83 DATUM FOR HORIZONTAL AND NAVD 88 DATUM FOR VERTICAL.

amec

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Ripsey Wash Tailings Storage Facility
CWA Section 404 Permit Application
SPL-2011-1005-RJD

Tailings Delivery and Reclaim Water Pipelines and Seepage Collection System

Figure 8a

\\Wrimfs\cad\Projects\203.25\JD\ALTERNATIVES\FIGURES\FIGURES – CWA 404 PERMIT APP\FIGURES\FINAL_FIGURES\AUGUST_2013\Fig8a Tailings Delivery Pipeline.dwg-8/19/2013 10:19 AM