



Distinguishing Fact from Fiction

by David F. Briggs

When listening to the statements put forth by leaders of groups opposing the Rosemont Copper project, think about what they are saying. Then ask yourself; does this really make any sense? Is this logical? What are their motives for making these statements?

While many valid concerns have been raised by the public, these issues have been addressed during the permitting review process. Despite this, groups like the Save the Scenic Santa Ritas dispute these findings and continue making arguments that are based on emotion and not supported by the facts or the rule of law. Other statements contain partial truths designed to support their arguments, which upon closer examination reveal crucial information refuting their position has been conveniently omitted. Many of their arguments are not even applicable to the point that they are trying to make.

Let's examine one quote by Ms. Gayle Hartmann, which was made at a Save the Scenic Santa Ritas' fund raiser held on June 5, 2013 in Green Valley.

“Now turning to Rosemont, what is it? It's a wholly-owned subsidiary of Augusta Resource Corporation and Augusta Resource is a Canadian junior based out of Vancouver, Canada. A Canadian junior is not a pejorative term, it just means that Augusta is not a mining company. It is a group of individuals, who speculate in mining stock. And these individuals, that is the board of Augusta, pay themselves very well. What's more, Augusta has never run a mine. They have never mined an ounce of anything anywhere.”

Ms. Hartmann's statement is hardly an accurate characterization of Augusta Resource Corporation or junior mining companies. First of all, juniors, such as Augusta Resource, are mining companies that primarily rely on equity financing as the principal means of funding their business activities. Most junior mining companies specialize in exploring and developing mining properties. Like Augusta Resource, they employ professional staffs and highly qualified consultants to conduct activities that ultimately enable them to supply the minerals society requires to meet its present and future needs.

Although many small mining operations are managed and operated by junior mining companies, others like Augusta Resource are working to develop their first mining operation. There is no

reason why a junior mining company cannot grow into a mid-sized or major mining company. A local example is the recent acquisition of the long-established Pinto Valley copper mine by the Canadian junior, Capstone Mining Corporation, who will now step into the mid-size company category.

One of the best examples of a junior mining company becoming a major company in the gold mining business is the Barrick Gold Corporation. Initially founded in 1980, Barrick Petroleum was an unsuccessful, privately owned oil and gas company. It became a public traded mining company in May 1983, when its name was changed to Barrick Resources Corporation. Over the next two decades of wise mergers, the purchase of established mining properties and efficient operations, this junior mining company became the world's largest gold producer. Similar to what Barrick did with its many acquisitions in Canada, Nevada and overseas, Augusta Resource Corporation has acquired and developed a very promising property that will provide a firm foundation on which to build a profitable business.

Individuals and institutions, who have invested in the Augusta Resource Corporation and committed to finance the Rosemont Copper project, have a very good understanding of the risks involved and the track records of the highly qualified professionals, who manage these companies. Their confidence in the economic viability of this 21st century mining project and its management is demonstrated by their willingness to participate in this business venture.

The motives behind Ms. Hartmann's statements made at the Save the Scenic Santa Ritas' recent fund raiser were self-serving. However the fact remains, the Rosemont Copper project would have never reached the final stages in the permitting process had it not been for the professional expertise and conduct of the management and staff of Augusta Resource Corporation and its subsidiary, the Rosemont Copper Company.

Disclaimer: David F. Briggs is a resident of Pima county and a geologist, who has intermittently worked on the Rosemont Copper project since 2006. The opinions expressed in this article are those of the author and do not necessarily reflect those of Rosemont Copper.

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Originally published by Wry Heat in the Tucson Citizen on July 31, 2013.