

According to the FMI plan, a 120 foot-wide haul road between the two mines must be built in order for large trucks to transport 250-ton loads of material. These haul trucks will be in use 24-hours-a-day, seven days a week, for 135 to 340 trips per day over a minimum of 10 years. This road, to be located on the east side of Fierro/Hanover Canyon, will cross New Mexico Highway 152 either via a new overpass or underpass. This ongoing activity is not expected to impact vehicles using the highway.

Hanover-area residents are also being notified that rail traffic to and from Cobre Mine will begin in early 2012. Magnetite, an iron oxide mineral used as a catalyst in industrial chemical processes, will be transported from Fierro six days a week for approximately three years. Six trips will be made each day, "mostly during daylight hours," including three leaving Cobre loaded with magnetite and three returning empty. Loads will travel across Highway 152 to the Vanadium area, where the loads will go into 24-car trains headed south about once each day. In addition, some trucking of magnetite is expected to continue. Where is all this magnetite going? We hear it will be shipped to China via Mexico!

THEMAC SEEKS TO REOPEN HILLSBORO'S COPPER FLAT MINE, DESPITE PROTESTS

The Copper Flat Mine, a short-lived venture that created two open pits and a groundwater plume northeast of Hillsboro in the early 1980s, is once again attracting investors. After less than four months of active operational life, the Sierra County site already has an active abatement plan to clean up existing groundwater contamination.

THEMAC Resources Group acquired the project last May and is engaged in exploration and permitting activities to reopen the 3300-acre mine. THEMAC and the New Mexico Copper Corporation are drilling 47 test holes in existing graded benches, assaying for copper, gold, silver, and molybdenum. Their plan forecasts hiring 400-to-500 workers during two years of construction, with 150-to-200 miners slated to begin work in 2015. A preliminary economic assessment estimates a life of 17 years. Local residents opposed to the project cite continued groundwater pollution from the operation and aquifer depletion from the large amount of water that would be used by the mine annually.

MARRIED TO THE MINES: GLOBAL COPPER PRICES AND MORE

by Sally Smith, Director of Responsible Mining

While you sleep, the trucks and cranes at the Tyrone and Chino mines continue to run. Non-stop operations suck diesel and electricity and move ore, except, of course, when the price of copper falls enough to bring everything to a halt.

Over the past four months the price of copper did take a big dip. There is current speculation about the effects of the Chinese market and its trading practices, which apparently caused a roughly one-third drop in value between July and October. At press time prices still were down about 21% from near-record highs this past summer.

According to a report in the *Wall Street Journal* this price drop is a reminder of how sensitive the commodities market is to the whims of Chinese buyers and the health of the Chinese economy. China is the world's largest copper consumer, accounting for 40% of refined consumption. The *WSJ* speculates that the decline in price has to do with misjudgments by investors about the rate of

growth in China, predatory lending and speculative trading there, and resulting changes in trading regulations—followed by a liquidity crunch. The revival of copper prices, according to some analysts, depends on China changing its new, more restrictive lending policies, and/or instigating economic stimulus efforts. Neither are considered likely in the near future. Given that operations at Chino and Tyrone are dependent upon global copper prices, what happens with China's economy will definitely impact

China accounts for 40 percent of refined copper consumption.
—Wall Street Journal

activity levels at our local mines.

Back in Grant County, exploration by mining companies large and small and the development of mine plans and permitting activities continues. Here is a quick update on important activities at mines operated by Freeport-McMoRan:

- The **Chino Mine tailings reclamation** continues, while the **Chino AOC** investigations of the smelter and tailings and other areas associated with historic mine contamination at Chino Mine are also still in progress.
- **Hidalgo Smelter Stage 2 Abatement Feasibility Studies** are being completed. These studies will evaluate alternative measures for meeting groundwater quality standards at this former copper smelter.
- **Closure/Closeout Permit** renewal for FMI local mines remains stalled.
- The **Mining and Minerals Division Tyrone Waiver** of some pit areas has yet to be granted pending additional water studies and approval by New Mexico Energy Department.
- The **Tyrone Site Investigation for Stage 2 Abatement Plans** has been submitted to NMED but additional information was requested before approval.
- The Water Quality Commission is expected to hold its hearing on the **Tyrone Mine Savanna Pit Variance** in mid-December.
- The **Little Rock Mine** is up and running and ore is being transported to Tyrone Mine for processing.
- GRIP has been asked to serve on the **Advisory Committee for the development of new state Copper Regulations** which will likely begin deliberations in early 2012.

CHINO GETS RE-POWERING AMERICA'S LAND SOLAR ENERGY CONSIDERATION

The Chino Mine was recently selected as one of 26 contaminated sites across the country to be studied for renewable energy (RE) potential by the Environmental Protection Agency and National Renewable Energy Laboratory. Deming's Peru Mill Industrial Park was also selected as a site. GRIP, the Silver City/Grant County Office of Sustainability, and Freeport-McMoRan collaborated on a proposal under the EPA/NREL RE-Powering America's Land Initiative that will evaluate the feasibility of siting a solar energy project at the reclaimed Hurley smelter and other areas of the mine. For several years GRIP has discussed with FMI the idea of using its reclaimed mining areas for renewable energy production. Existing infrastructure such as access roads and transmission lines makes these preferable to pristine land for RE development from both a cost and environmental perspective. GRIP is pleased to be a part of this collaborative effort and looks forward to helping to enhance regional sustainability through the project. For more information see www.epa.gov/renewableenergyland/studies.htm