

---

# ROSEMONT COPPER MINE

---

Report of Findings and Analysis

*PRESENTED TO*



**A U G U S T A**  
**RESOURCE CORPORATION**

November 30, 2007

**M<sup>i</sup>**  
Marketing Intelligence  
*Marketing Research & Strategy Consultants*

---

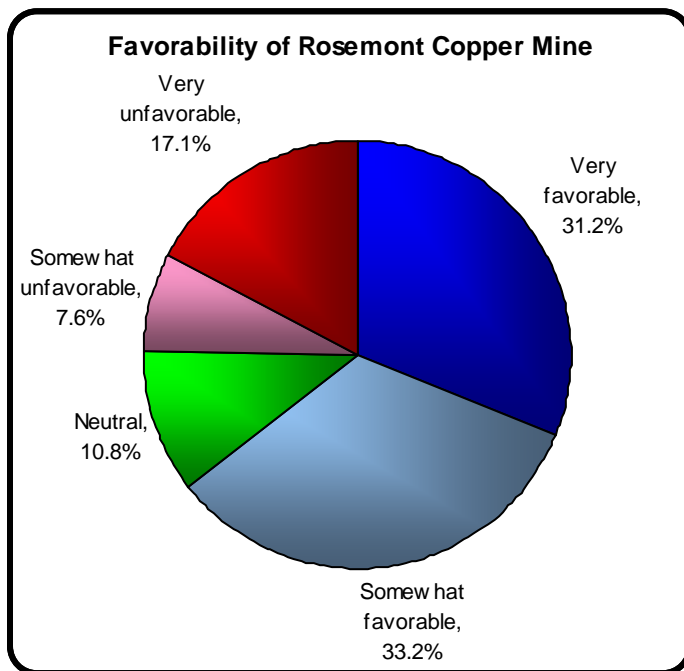
# I. SURVEY FINDINGS

---

Based on previous research, it was determined that many area residents are likely to have a favorable opinion of the Rosemont Copper Mine if they could be assured that their collective concerns were addressed, including that the mining company will:

1. Return the mining site to its current productive uses after mining operations have ceased by revegetating throughout the life of the mine.
2. Ensure that the mining site is minimally visible from Highway 83, and is not visible from Tucson or Green Valley.
3. Will use modern mining technology that is much more environmentally friendly and safer for miners than that used by previous mines.
4. Will protect the local water and air supply from pollutants.
5. Will purchase enough CAP water to guarantee a surplus of water to the area.
6. Will minimize the effects to wildlife and recreation areas.
7. Invest in local community projects and organizations unrelated to the mining project.

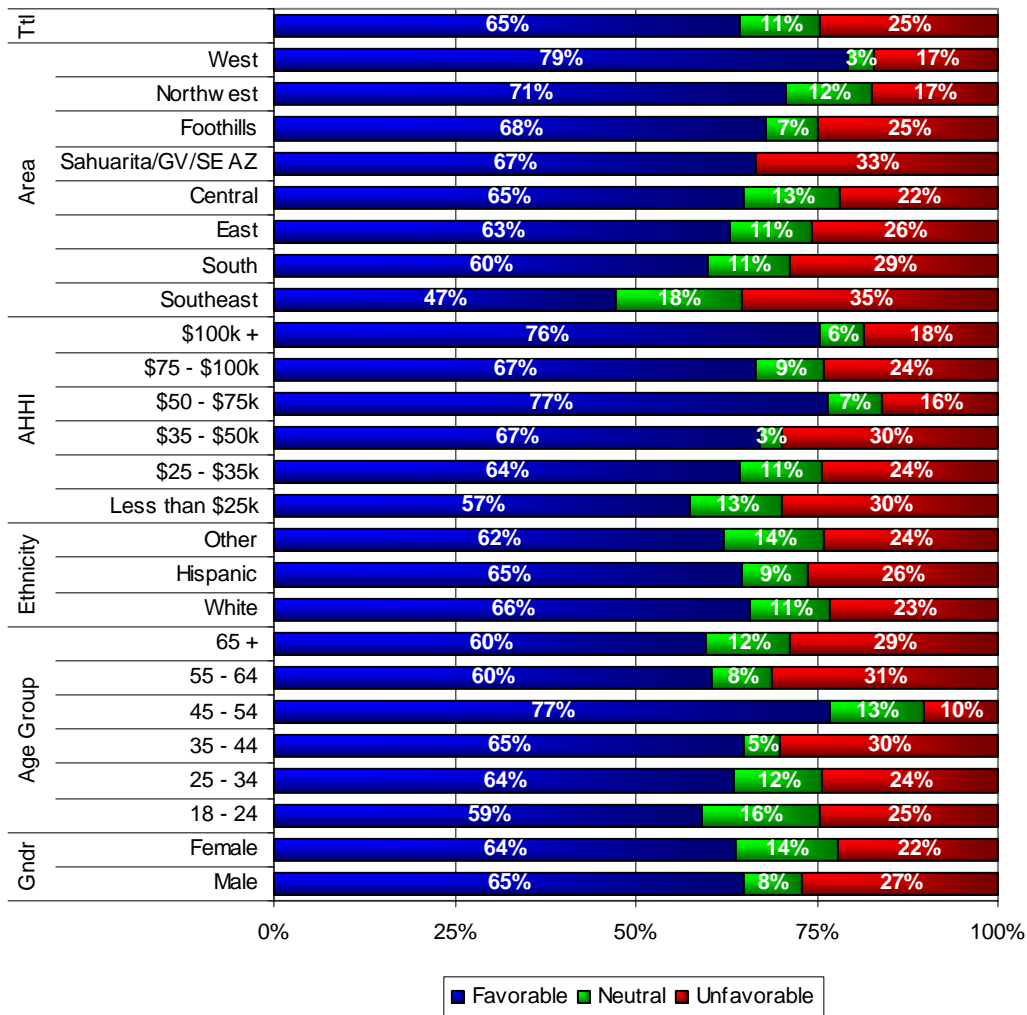
Respondents were asked how favorable they would be towards the Rosemont Copper Mine if they could be assured that all of the above occurred.



Those who would have a favorable opinion of the mine outnumber those with an unfavorable opinion by greater than a five-to-two ratio; with 64.4% indicating that they would have a favorable opinion, 10.8% would be neutral and 24.7% would have an unfavorable opinion.

The implication of the results is that overall, residents do not have an unfavorable opinion of the mining plan, but rather they must be convinced that the mining company will follow through with the plan (including the seven items mentioned in the question) as promised.

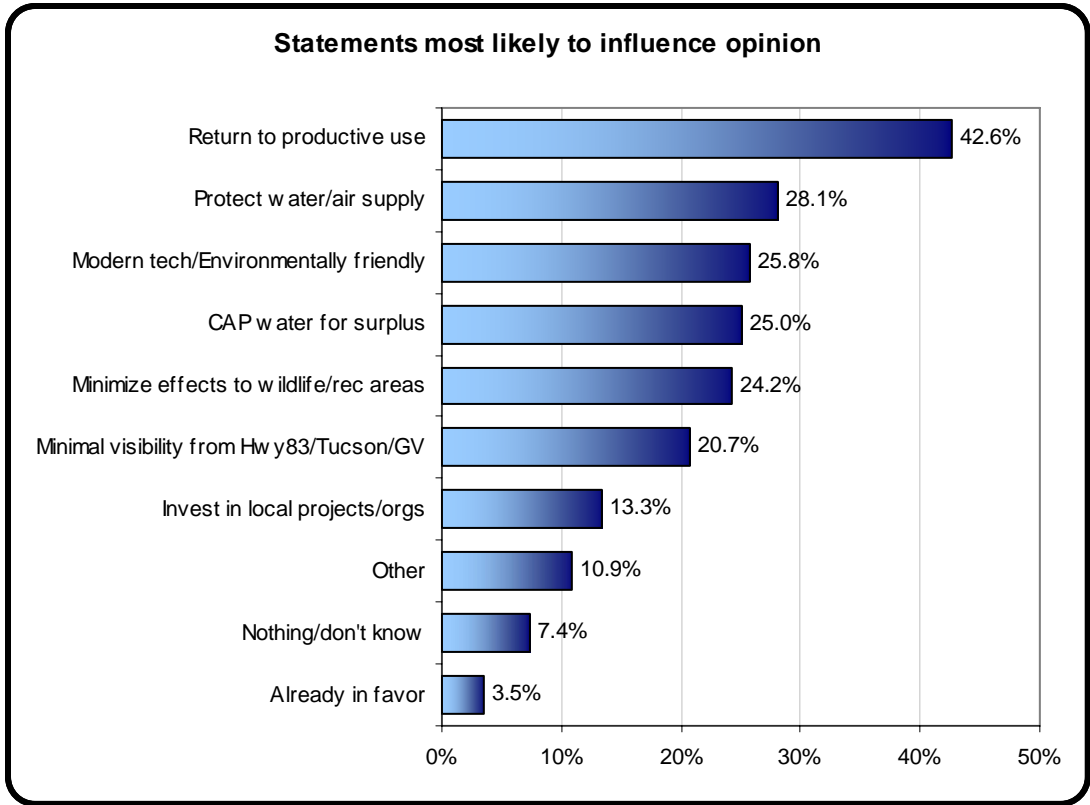
### Favorability of Rosemont Copper Mine



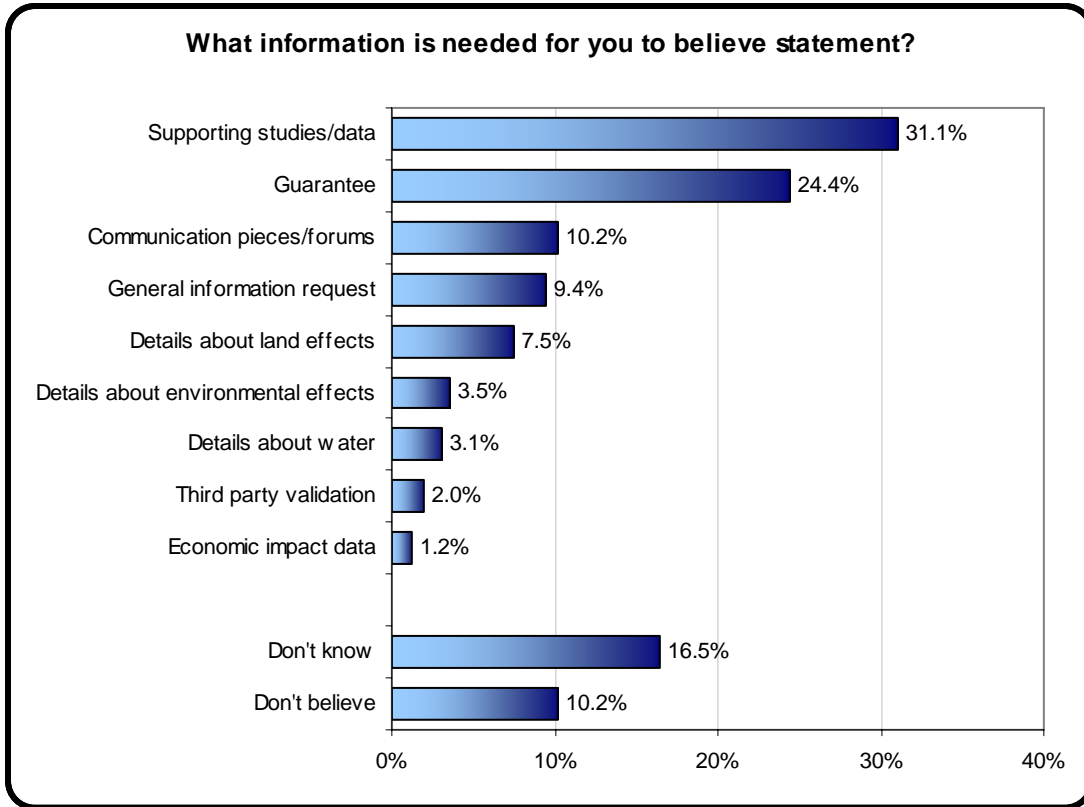
Residents in the West, Northwest, 45 – 54 year olds and those in the upper income segments are more likely to have a favorable opinion of Rosemont Copper Mine. Residents in the Southeast (where the mine is located) and in the lower income segments are comparatively less likely to have a favorable opinion.

Residents in the Sahuarita/Green Valley/Southeastern Arizona area are equally likely to support the mine as the population at large.

(see Section III for a list of zip codes included in each area)



After being asked to assess favorability, the 64.4% of the entire sample with a positive opinion of the Rosemont Copper Mine were also asked which of the seven concerns is most likely to influence their opinion about the mine (respondents were allowed to choose as many as they felt were important – thus the total is greater than 100%). Returning the mine to current productive uses by revegetating throughout the life of the mine has the greatest overall influence (mentioned by 28% of the entire sample – or 43% of those with a positive opinion). Protecting the water and air supplies, using modern mining technology that is more environmentally friendly and safer for miners, purchasing enough CAP water to guarantee a water surplus and minimizing effects to wildlife and recreation areas are influential to about one-fourth of all those with a positive opinion.



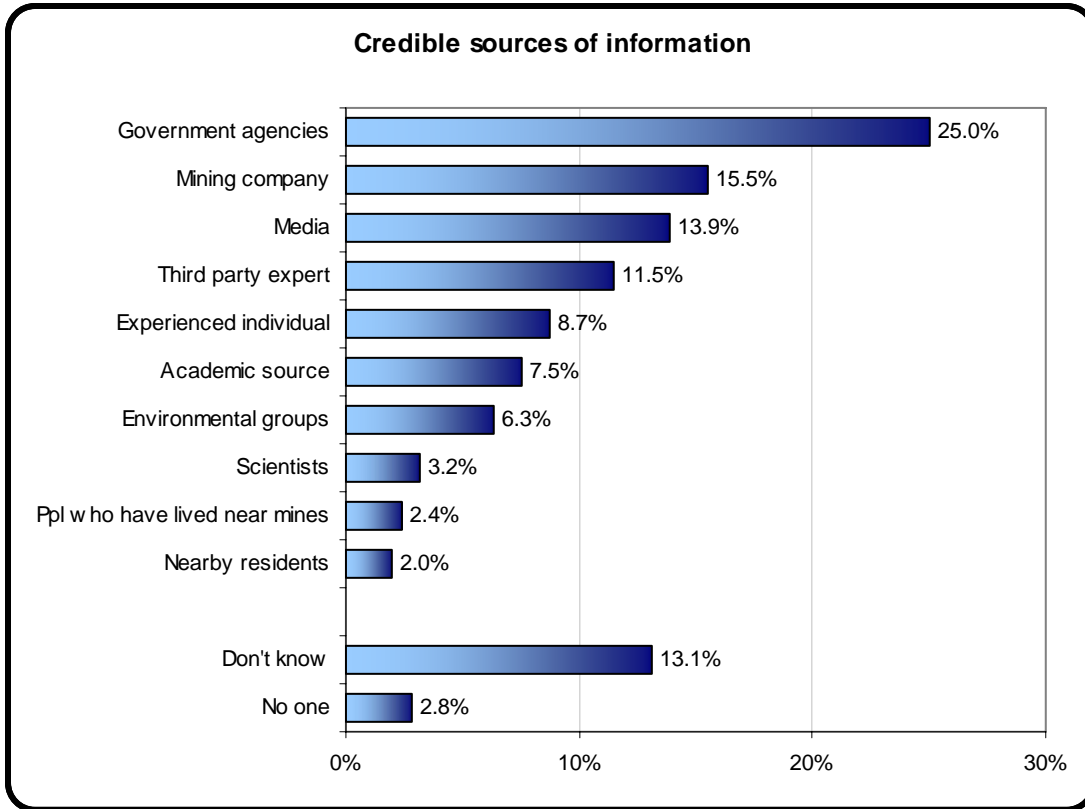
The initial question of favorability was asked in a manner that would identify residents who are completely against the Rosemont Copper Mine from those who are favorable of the plan, but need to be convinced in terms of implementation and follow through. Because the initial question asked respondents how favorable they would be if all of the statements were true, it is also important to understand what information residents would seek to allay their concerns.

Of those with a favorable opinion, just fewer than one-third would like to view studies or other data to support the Plan of Operations. The information they are requesting includes:

- Scientific based facts/figures
- Studies by independent experts
- Examples from previous mining where this has worked
- Environmental impact studies
- Background information on Augusta Resource Company
- Government reports and studies
- University research
- Information about technology and extraction methods

Also important to nearly one-fourth of those with a favorable opinion, is a guarantee that the mining company will do as promised, which includes:

- Setting aside funds as a security deposit
- Signing a contract or other legal documents/guarantee
- Setting aside funds for reclamation
- Explicit repercussions and/or penalties to ensure accountability



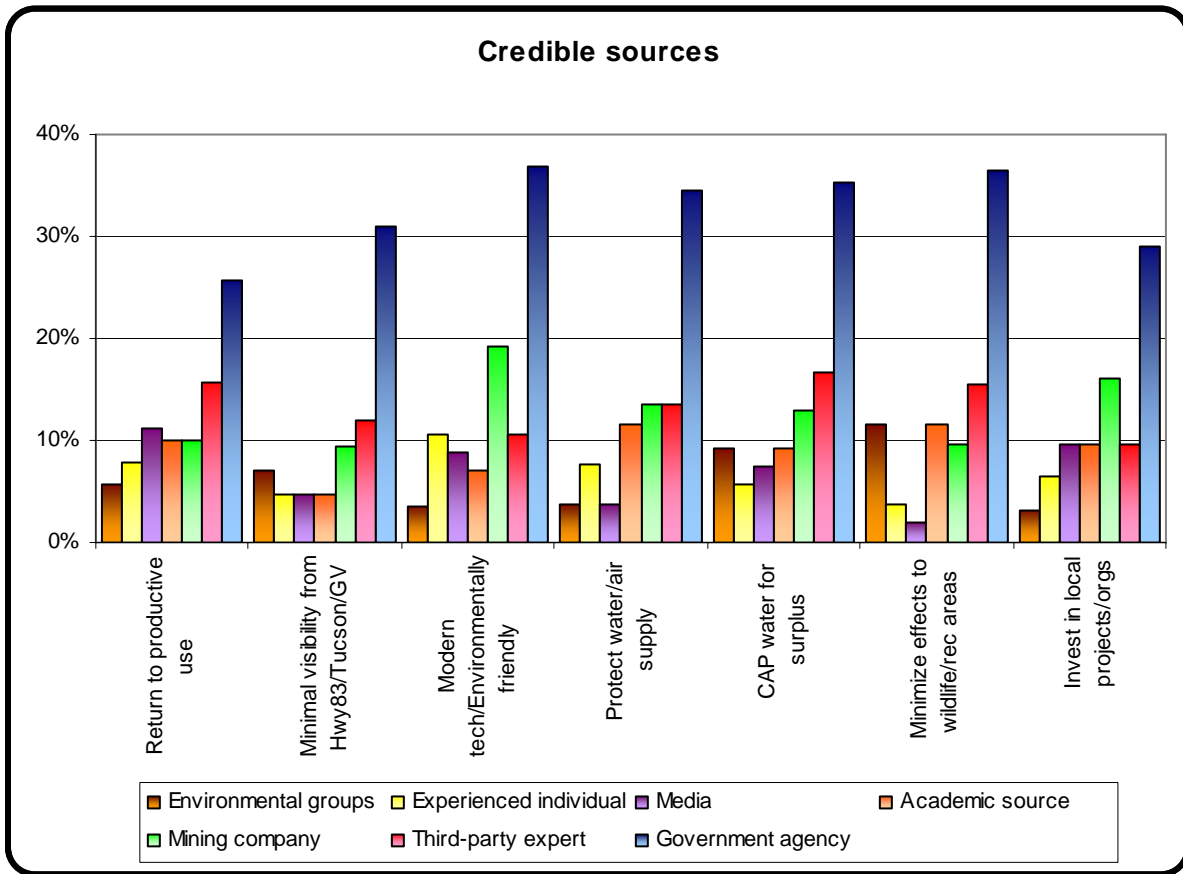
When respondents who have a favorable opinion were asked who they feel are credible sources of the information they previously mentioned, nearly one quarter cited a government agency, including:

- Federal government
- Local governments
- Water-related agencies
- Mining agencies
- EPA
- Game and Fish
- OSHA

16% indicated that the mining company would be a credible source of information, but for specific pieces of information (see the following page).

Also of note:

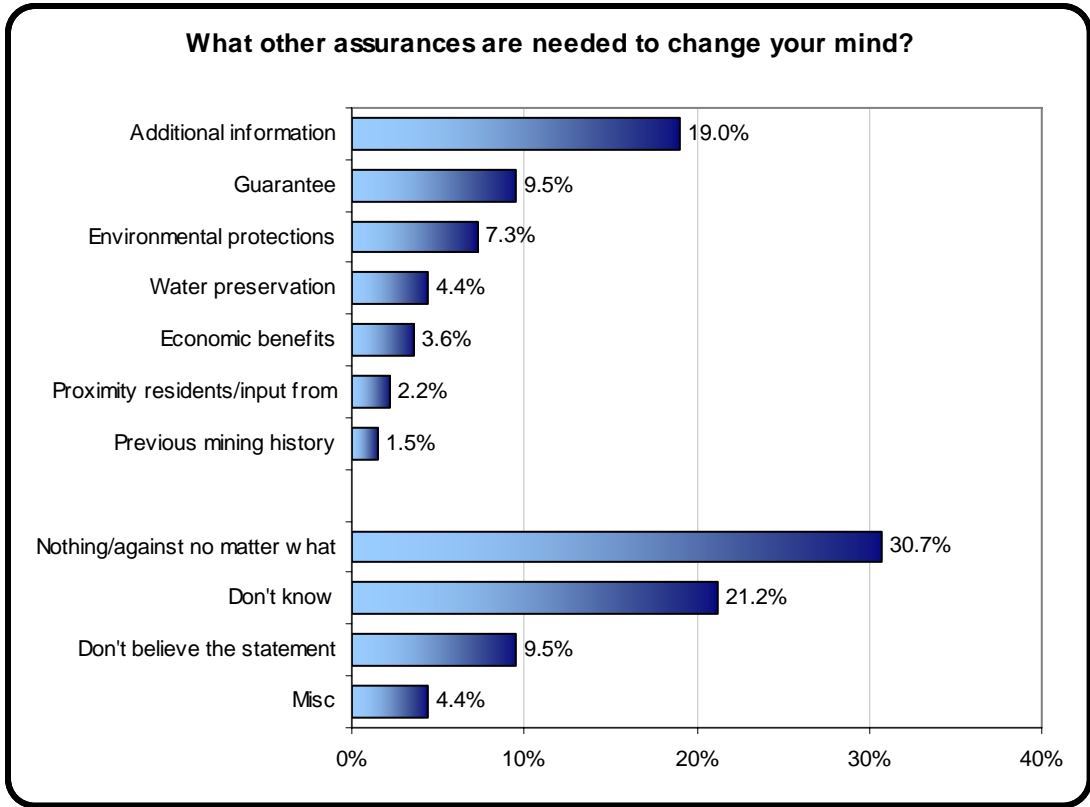
- Government agencies are less credible with younger age groups
- The mining company and media have additional influence with those from the lower AHHI families
- Third party sources have additional influence with those from the upper AHHI families
- Government agencies are by far the most influential in the Sahuarita/Green Valley/Southeastern Arizona area.



When comparing the results of “credible sources” with the question regarding specific concerns that are more likely to influence an opinion about the mine, government agencies are the most credible for all concerns.

The mining company is viewed as a credible source for using modern mining technology that is much more environmentally friendly and safer for miners as well as for investing in local community projects and organizations unrelated to the mine.

Third-party experts are perceived as credible for returning the land to productive use, water, and minimizing effects to wildlife and recreation areas.



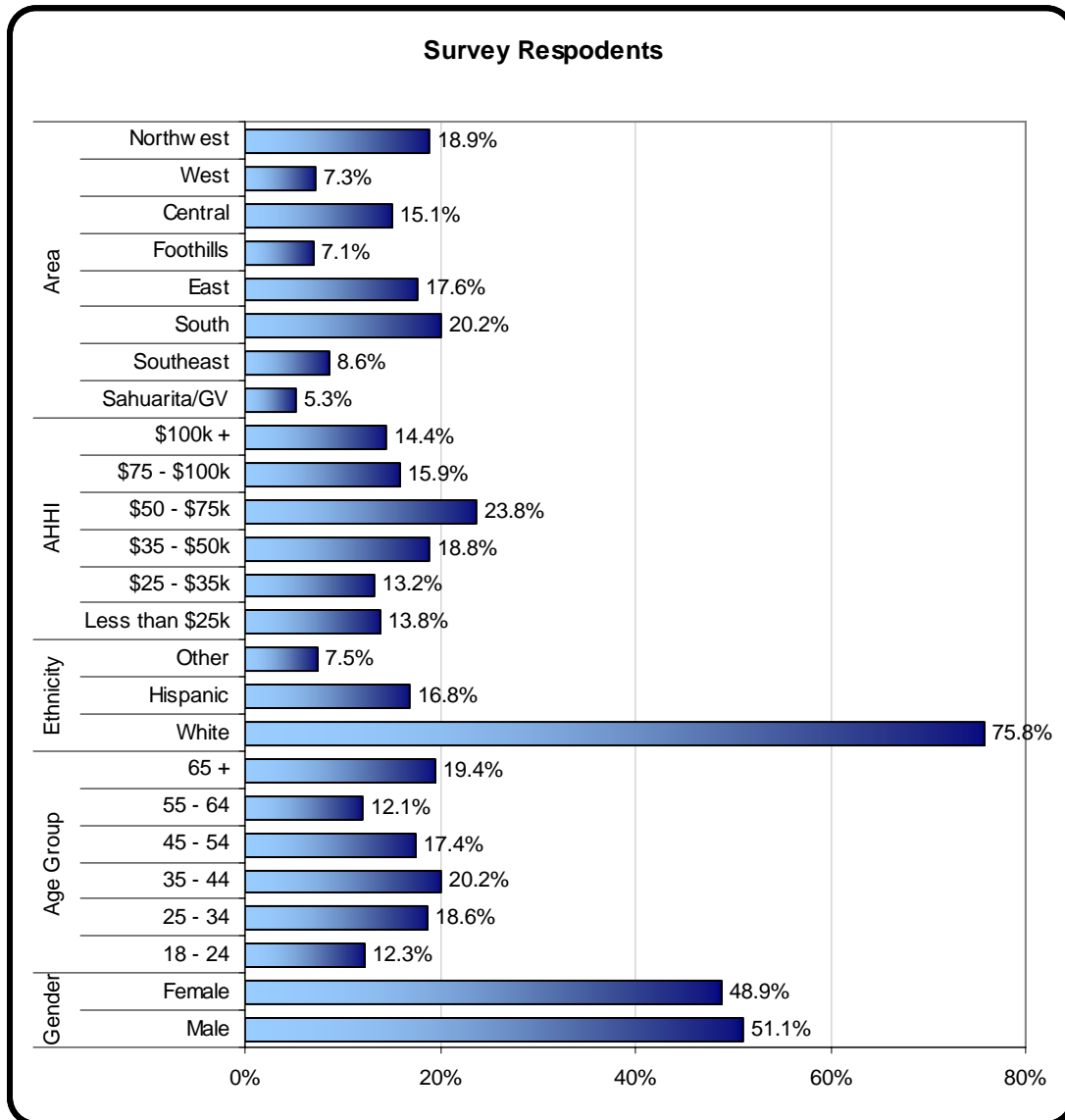
The 35.5% of the entire sample who either would either be neutral or not have a favorable opinion of the Rosemont Copper Mine (even if all seven statements read to them were true) were asked what assurances they would need to have a favorable opinion.

About one-fifth (of those with an unfavorable or neutral opinion) need more information, specifically:

- Exactly what the mining company will be doing/their plans
- The purpose of the mine
- How the mine would affect "me"
- The impact of the mine (i.e. on community)
- The timetable of the mining operations
- Mining techniques that will be used
- Which minerals will be mined and their importance

11% of the entire sample (31% of those with a neutral or unfavorable opinion) are against the mine regardless of what is included in the Plan of Operations and an additional 3% (10% of the neutral/"unfavorables") do not believe the statements under any circumstances.

## II. SURVEY RESPONDENTS



---

---

## **III. STUDY DESIGN AND METHODOLOGY**

---

---

### **SURVEY EXECUTION**

A telephone survey was executed from November 10<sup>th</sup> – 15<sup>th</sup>, 2007 by 1 to 1 Direct.

### **SAMPLE FRAME/SAMPLE POPULATION**

The sample frame includes all residents over the age of 18, having a landline telephone number available for calling and who are full-time residents of the greater Tucson area, including Oro Valley, Marana, Sahuarita/Green Valley, South Tucson, unincorporated areas of Pima County and in zip codes around the proposed Rosemont Copper Mine (Elgin, Patagonia, Sonoita, Vail and Amado)

### **AREAS FOR SEGMENTATION (BY ZIP CODE)**

Sahuarita/Green Valley/SE Arizona: 85611, 85614, 85624, 85629, 85637, 85645

Southeast: 85641, 85708, 85730, 85747

South: 85706, 85713, 85714, 85746

Central: 85701, 85705, 85716, 85719

West: 85735, 85736, 85745, 85757

East: 85710, 85711, 85712, 85715, 85748

Foothills: 85718, 85749, 85750

Northwest: 85643, 85704, 85737, 85739, 85741, 85742, 85743, 85755

### **SAMPLING METHOD**

MI employed a probability sampling method known as stratified sampling. In order to ensure a geographically equitable representation of respondents, the sample was stratified based on zip code. With a total population of 958,459 residents in the greater Tucson area (including outlying communities previously identified), the sample plan was developed based on the relative proportion of residents within each zip code. Difficulties in meeting the target sample for a particular area were remedied using additional respondents from adjoining zip codes. The table on the following page illustrates the stratified sample plan and final sample by zip code.

## **Stratified Sample Plan**

Zip Code		2005 Estimated Population	% of pop	Target Completes	Actual Completes
85611	ELGIN	528	0.1%	1	1
85614	GREEN VALLEY	23,161	2.4%	10	10
85624	PATAGONIA	1,314	0.1%	1	1
85629	SAHUARITA	17,333	1.8%	7	7
85637	SONOITA	1,298	0.1%	1	1
85641	VAIL	17,785	1.9%	7	7
85645	AMADO	2,376	0.2%	1	1
85653	MARANA	18,902	2.0%	8	8
85701	TUCSON	5,128	0.5%	2	2
85704	TUCSON	29,697	3.1%	12	12
85705	TUCSON	61,220	6.4%	25	25
85706	TUCSON	85,578	8.9%	36	36
85708	TUCSON	5,920	0.6%	3	3
85710	TUCSON	55,422	5.8%	23	23
85711	TUCSON	42,440	4.4%	18	18
85712	TUCSON	31,998	3.3%	13	13
85713	TUCSON	53,714	5.6%	22	22
85714	TUCSON	13,820	1.4%	6	6
85715	TUCSON	20,034	2.1%	8	8
85716	TUCSON	35,252	3.7%	15	15
85718	TUCSON	26,011	2.7%	11	11
85719	TUCSON	42,351	4.4%	18	18
85730	TUCSON	39,169	4.1%	16	16
85735	TUCSON	12,311	1.3%	5	6
85736	TUCSON	7,116	0.7%	3	3
85737	TUCSON	22,001	2.3%	9	10
85739	TUCSON	8,847	0.9%	4	3
85741	TUCSON	31,311	3.3%	13	13
85742	TUCSON	24,797	2.6%	11	11
85743	TUCSON	29,841	3.1%	12	12
85745	TUCSON	37,001	3.9%	15	15
85746	TUCSON	45,654	4.8%	19	16
85747	TUCSON	18,977	2.0%	8	8
85748	TUCSON	19,026	2.0%	8	8
85749	TUCSON	19,731	2.1%	8	7
85750	TUCSON	24,752	2.6%	10	10
85755	TUCSON	14,490	1.5%	6	6
85757	TUCSON	12,681	1.3%	5	5
Total		958,459		400	397

## **SAMPLE SIZE**

The survey sample size was 397. Thus, using a 95% confidence interval, the margin of error is calculated as +/- 4.9% for questions in which all respondents answered.

---

---

## IV. SURVEY INSTRUMENT

---

---

Augusta/Strongpoint  
Rosemont Copper Mine Follow Up Survey  
Prepared by Marketing Intelligence

***Hello, my name is \_\_\_\_\_, and I am calling on behalf of Marketing Intelligence, a local marketing research company. We are surveying local residents to better understand your perceptions regarding mining. This is not a sales call, your identity will remain anonymous to our client and all of your responses will remain completely confidential. Do you have about five minutes to answer some of my questions?***

### **Qualification Questions**

- A. Are you at least 18 years of age?**
1. Yes
  2. No (thank and terminate)
- B. What is the primary language spoken in your household?**
1. English
  2. Spanish (ask if they prefer to take the survey in Spanish)
  3. Other
- C. In order to qualify you for the survey, I need to ask which of the following best describes your age group?**
1. 18 – 24
  2. 25 – 34
  3. 35 – 44
  4. 45 – 54
  5. 55 – 64
  6. 65 or above

For the first question, I am going to present a situation to you and I would like you to tell me how you would respond to it. The question contains a series of factors pertaining to a proposed local mining project and I am going to ask you to suppose that all of them are true. I am not asking whether or not you think they are believable, but rather – if you could be assured that everything I am telling you is true, how would you react.

***(Ask the respondent if they are clear on the instructions, and clarify if necessary)***

- Q1. The Rosemont Copper mine is a project that is being explored on the east side of the Santa Rita Mountain Range that has a very large mineral deposit, which may result in an open pit mine. Are you familiar with this process?**

**If I were to tell you that the mining operators will (1) return the mining site to its current productive uses after mining operations have ceased by revegetating throughout the life of the mine, (2) ensure that the mining site is minimally visible from Highway 83, and is not visible from Tucson or Green Valley (3) will use modern mining technology that is much more environmentally friendly and safer**

for miners than that used by previous mines, (4) will protect the local water and air supply from pollutants, (5) will purchase enough CAP water to guarantee a surplus of water to the area, (6) will minimize the effects to wildlife and recreation areas and (7) invest in local community projects and organizations unrelated to the mining project.

**Just to ensure you understand the question, I am not asking whether or not you believe what I have just told you. But if you could be assured that everything I told you was true, how favorable would you be of the mining project?**

1. Very favorable (go to question 3)
2. Somewhat favorable (go to question 3)
3. Very unfavorable (go to question 2)
4. Somewhat unfavorable (go to question 2)
5. Neither favorable, nor unfavorable (go to question 2)

**Q2. What else would you need to be assured of before having a favorable opinion of the mining project? (go to Demographics)**

***(PRE-CODED – Do not read answers)***

1. Nothing/Am against it no matter what
2. I don't know
3. I don't believe the statement
4. Other (specify comment)

**Q3. Which aspects of the previous statement are most likely to influence your opinion about the mining project?**

***(PRE-CODED – Do not read answers)***

1. Return mine to current productive uses - revegetate
2. Minimally visible from Highway 83, not visible from Tucson/Green Valley
3. Modern technology – environmentally friendly, safer
4. Protect local water/air supply
5. CAP water for surplus to the area
6. Minimize the effects to wildlife/and recreation areas
7. Invest in local community projects/organizations
8. I was already in favor
9. Nothing/don't know
10. Other – please specify comment

**Q4. You have been read a question that asks you to make an assessment based on the assumption that all of the statements included are believable. I would now like to ask you what information you would need in order to actually believe that all of the statements are in fact true.**

1. Open ended response
2. Code "don't know as '99' and skip next question

**Q5. When thinking of the information you just mentioned, who or what do you think are the most credible sources to provide you with information you are most likely to believe?**

1. Open ended response
2. Code "don't know as '99'

## **Section 5 – Demographics**

***Finally, we would like to get some additional information about you that will help us to better understand your opinions. This information will be used for classification purposes only, and as a reminder your identity will remain anonymous and all of your responses will remain completely confidential.***

- Q6. Which of the following ethnicities do you most identify with?**
1. White
  2. Hispanic
  3. African – American
  4. Other
  5. Refused (do not read)
- Q7. Which of the following best describes your total combined annual household income?**
1. Less than \$25,000
  2. Between \$25,000 and \$34,999
  3. Between \$35,000 and \$49,999
  4. Between \$50,000 and \$74,999
  5. Between \$75,000 and \$99,999
  6. \$100,000 or more
  7. Refused (do not read)
- Q8. Coded Gender**
1. Male
  2. Female
- Q9. Coded Zip Code**
1. Open ended response