

MINING

Company retreats — for now — on project in Ariz. forest

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The Coronado National Forest near the U.S.-Mexico border where exploratory drilling was proposed. Photo courtesy of the Defenders of Wildlife.

A Canadian mining company has withdrawn its bid to explore a federal tract for zinc, lead and silver at the U.S.-Mexico border.

But Arizona Mining Inc. isn't abandoning its hopes of tapping its 13,654 acres of mining claims in the Coronado National Forest southeast of Tucson.

"The deposit is big enough that if we don't find any more now, we've probably got a 40- to 50-year mine life," Chief Operating Officer Don Taylor said.

The company's planned Hermosa-Taylor mine is opposed by environmental groups concerned about the project's impact on America's only known jaguar, called El Jefe, and other endangered and threatened species — ocelots, lesser long-nosed bats, Mexican spotted owls and western yellow-billed cuckoos — that live in moist mountain forests towering over the desert ([*Greenwire*](#), Oct. 13, 2016).

"The sky islands and waters of the Border Empire along Arizona and New Mexico are essential to wildlife movement and not suitable for industrial mining," said Bryan Bird, Defenders of Wildlife's Southwest program director. "Rather, they should be protected as a biodiversity hot spot."

Arizona Mining's proposal would have disturbed less than 2 acres of national forest, but concerns about road construction and noise and light pollution treading on designated spotted owl and jaguar habitat led the Forest Service to start an environmental analysis and spark a "change of philosophy" at Arizona Mining.

"It simply wasn't worth our time to spend a year and a half to two years to do the permitting for those three holes," Taylor said. "So what we will very likely do is come back with a much larger program."



El Jefe the jaguar. Photo by the Fish and Wildlife Service, courtesy of Wikipedia.

Taylor said Hermosa-Taylor remains the "most exciting" project he has worked on in his decades as a geologist.

The company touts a "major ore deposit" based on samples collected by more than a dozen drilling rigs. The results made for a very good year on the Toronto Stock Exchange, where Arizona Mining's stock rose from under 30 Canadian cents to more than 2 Canadian dollars a year later.

The stock price dipped sharply in December after what Taylor called a "hit piece" in a London-based industry blog, the *Global Mining Observer*. The article, since taken down, compared the project to the 1990s Bre-X scandal — a \$6 billion gold mine fraud that loosely inspired the movie "Gold," starring Matthew McConaughey.

Arizona Mining still managed to raise more than \$27 million in investor cash last year and expects to release a preliminary economic assessment for its project before the end of March. It would then consider various development options and feasibility. A broader application to explore Forest

Service land will likely come later, Taylor said, but is just not currently atop the priority list.

"We've got a lot of work in front of us, but we know what we need to do," Taylor said. "We're just trudging down the path right now."

Arizona Mining is well aware of the controversy that has stymied the Rosemont copper mine to the north ([*E&E News PM*](#), July 29, 2016).

The Army Corps of Engineers has recommended blocking permits for the open-pit mine proposed by Canadian company Hudbay Minerals Inc., which faced fierce opposition in more liberal Pima County, Ariz., over developing not far from a scenic highway.

Taylor described Hermosa-Taylor as "a very easy project with a small footprint" in rural Santa Cruz County.

The company is trying to work well with its neighbors, Taylor said, but fully expects environmentalists to sue if permits are issued.

El Jefe has been the focal point of a broader fight over whether southern Arizona should leave behind its mining legacy.

Environmentalists have escalated demands for more federal action to help jaguars regain their foothold in the United States. They condemned the most recent Fish and Wildlife Service recovery plan today that focuses on Mexico's efforts to save the species, but an Arizona Game and Fish Department trail camera capturing images of a possible second jaguar in December has only heightened awareness ([*E&E News PM*](#), Dec. 19, 2016).

"We must protect the habitat of these rare, big cats," Defenders of Wildlife's Bird said.

Donald Trump's election last fall was welcome news for a mining industry that has sharply criticized the Obama administration's handling of large-scale mining projects.

"It's time to bring some common sense into the equation," Taylor said.

"Some of the delays and the frivolous litigation that is allowed to happen around these developments, not just mining but all sorts of projects, it's just absolutely unbelievable."

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