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# MEMORANDUM

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Date: April 22, 2026

To: The Honorable Chair and Members  
Pima County Board of Supervisors

From: Jan Leshar   
County Administrator

Re: **Copper World Project Update**

The last comprehensive update I provided to the Board of Supervisors regarding Hubday's Copper World project was on [April 23, 2025](#). Since then, the Board reaffirmed opposition to the project by adopting Resolution 2025-49, received numerous updates on the Arizona State Land Department's intent to auction 160 acres of State Trust land for Copper World, and withdrew a proposal to regulate certain unpaved roads pending additional legal review. Meanwhile, Hubday announced Mitsubishi's joint venture investment in Copper World, and its intent to acquire the Cactus Mine near Casa Grande. The air quality permit is again being legally challenged, and the availability of CAP water to offset their groundwater pumping is growing more uncertain. It is expected that Hubday could make its final decision to "sanction" the mine this summer; an action that occurs after completion and review of a definitive or final feasibility study. This memorandum provides updates on these topics.

## Definitive Feasibility Study and Sanctioning Decision

Hubday and other resource extraction companies use the term "sanctioning decision" when referring to the last step in their process for determining whether a mine proceeds or not. Conceptually, this process looks like the following and must comply with Canadian disclosure standards for investors:

- Step 1. Exploration phase
- Step 2. Preliminary economic analysis
- Step 3. Preliminary feasibility study
- Step 4. Final or definitive feasibility study
- Step 5. Sanctioning or final investment decision

Similar to the [preliminary facility study completed in 2023](#), the final feasibility study will include detailed information regarding the technical and economic viability of the project. Completing a final feasibility study, however, does not necessarily mean a project will be constructed. With the Rosemont project, a final feasibility study was completed but the project failed to move to step five with a final investment decision when the Ninth Circuit Court of Appeals ended Hubday's access to federal land. Hubday re-formulated the project to avoid a federal nexus, re-titled it the Copper World project, and began the process again. Hubday is currently at step 4 and is expected to complete the final feasibility study for Copper

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World this summer. Pima County departments will review the study and make those findings available to the Board, similar to the review of the 2023 pre-feasibility study.

For the final investment decision, Hudbay's Board of Directors will evaluate a number of factors, including the technical and economic viability of the project as shown in the final feasibility study, and if satisfied a Capital Appropriation Request will be discussed. If that request is approved, the project is "Sanctioned." There is no set timeline for this decision; however, Hudbay's financial reports show that the final investment decision for the Copper World project could occur sometime this year.

#### Air Quality Permit and Ongoing Litigation

On February 24, 2026, Save the Scenic Santa Ritas, Farmers Investment Co., and the Center for Biological Diversity filed an appeal on the administrative law judge's ruling on Copper World's air quality permit issued by Arizona Department of Environmental Quality on January 2, 2025. This was the last major permit needed for Copper World. The groups continue to allege that the permit fails to treat the source as a major source of air pollutants and fails to adequately control air pollution from the mine site.

#### Floodplain Use Permit

Hudbay recently submitted as-built plans and supplemental documentation to the Flood Control District for the channel and basin improvements that were permitted in 2024. These improvements were proposed by Hudbay in order to mitigate the risk of flooding and flood damage to mine processing facilities. District staff is reviewing the as-built plans and supplemental documentation for compliance with the Floodplain Management Ordinance. Once approved, there will be no Floodplain Use Permit requirement for the processing facility, since the flood risk has been effectively mitigated from the portion of the site.

#### Hudbay's Acquisition of Cactus Mine in Casa Grande & Connection to Copper World

On March 2, 2026, [Hudbay announced acquisition of the Cactus Mine](#) in Casa Grande. Hudbay was already a shareholder in the project and pending approval from the remaining shareholders, would purchase the remaining shares. The project appears to involve the re-opening of a closed mine and reclamation of a brownfield, with future copper production exceeding that of the proposed Copper World project.

Both projects appear to be on a similar schedule. Both completed pre-feasibility studies and still need final feasibility studies and sanctioning decisions. Documentation about the acquisition suggests that there could be connections between the two projects, including use of sulfuric acid at the Cactus mine produced and transported from Copper World. We have requested information about the connections between the two projects, including whether

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the Cactus Mine acquisition could be a strategic investment decision if the Copper World project stalls.

### Groundwater Pumping and Recharge

The Arizona Department of Water Resources (ADWR) issued Rosemont a permit to withdraw groundwater for mineral extraction and metallurgical processing on January 18, 2008. The permit allows Rosemont to withdraw up to 6,000 acre-feet of groundwater per year for 20 years. From 2008 through 2020, Rosemont reported to ADWR that it did not withdraw any groundwater pursuant to the permit. Rosemont reported it withdrew .89 acre-feet in 2021, 51 acre-feet in 2022, 8.8 acre-feet in 2023. On October 29, 2024, ADWR approved the change of ownership of the permit to Copper World Inc. Copper World reported that it withdrew 22 acre-feet in 2024. As of the date of this memo, ADWR has not made Copper World's groundwater report for 2025 available.

Prior to the expiration of the permit on January 17, 2028, Copper World may apply for a modification or renewal of the permit. If Copper World applies for either a modification or renewal of the permit, ADWR is required to provide public notice of the application and an opportunity for the public to file objections in writing. Given that Copper World will likely apply to renew the permit, I have directed staff to begin evaluating how future withdrawals for Copper World will impact groundwater conditions in the Green Valley and Sahuarita area. [RFCD's December 5, 2025 Memorandum](#), presenting opportunities to reduce groundwater demand from golf courses in Green Valley/Sahuarita area, summarizes studies and reports that have been completed since ADWR issued Rosemont the permit in 2008. The memo highlights the risks associated with the continuing decline in groundwater levels in this area, including increased pumping costs, degradation of groundwater quality, the need to deepen or relocate wells, and land subsidence which is already occurring.

Hudbay and its predecessor have long asserted that they would recharge more than they pumped. To meet this goal, Hudbay partnered with the Community Water Company of Green Valley (CWCGV) and others to build a 9-mile long pipeline extending south from the Central Arizona Project terminus at the City of Tucson's Pima Mine Road recharge facility, to an area closer to planned pumping location, and build a recharge basin. This project, known as Project Renews, has been in various stages of construction for many years. To date, 2-miles of pipeline has been constructed, including a section spanning the Santa Cruz River on new bridge, funded in part by Hudbay. According to a contractor, Hudbay recently provided authorization to build the remaining 7 miles of pipeline as well as the recharge basin over the next 2 years. The project has a license from the Town of Sahuarita to construct the pipeline in their right of way.

Should the project be completed, the infrastructure is intended to be used by CWCGV to recharge their allotment of CAP water in an area that is more appropriate to offset their groundwater withdrawal impacts, and for Hudbay to recharge water that they plan to acquire

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to offset the impacts of their groundwater withdrawal. In 2017, the Bureau of Reclamation published its Green Valley Area Water Supply Study that noted groundwater overdraft of 36,000 acre-feet and that the use of CAP allocations "can compensate for some local groundwater demand but will not completely offset the overdraft." The source of water for this recharge, however, is growing more tenuous due to the uncertain availability CAP water associated with water shortages on the Colorado River. Hudbay does have some water stored at the Marana Recharge Facility and could partner with a user downstream to access that water which will allow Hudbay to take that users allotment of CAP water to Project Renewes; however this would be nowhere near enough to fully offset pumping for the life of the mine.

#### State Land Auction and Impacts to Sycamore Canyon Subdivision and CLS Open Space

As we celebrate Sonoran Desert Conservation Plan (SDCP) accomplishments of the past 25 years, it is important to acknowledge continued challenges beyond the County's control. The State Land Commissioner's decision to auction 160 acres of State Trust land for the Copper World Project highlights the need for both State Trust land reform and mining law reform to ensure the County's conservation successes are not undermined.

The Sycamore Canyon subdivision, located at the northern end of the Santa Rita Mountains, was approved in 2002 and was one of the first subdivisions subject to Pima County's Maeveen Marie Behan Conservation Land System (CLS) Guidelines. Pursuant to the CLS Guidelines, the developers of this 1,600-acre subdivision set aside 80 percent (1,200 acres) of the property for conservation and developed an economically viable community on the remaining 20 percent, making it a model for balancing conservation and development. Marketing materials for homebuyers highlighted the commitment to conservation and the County frequently referenced the subdivision as one of the first CLS subdivisions.

Unfortunately, the auction of 160 acres of State Trust Land north along Sycamore Canyon will allow Hudbay to use property directly upstream from the subdivision for mine tailings. Allowing this auction to proceed will impact not only the Sycamore Canyon subdivision's CLS open space, but will also facilitate the project overall, increasing ground water withdrawal in the Upper Santa Cruz valley, and potentially causing a hydrologic sink on the east side of the mountain range as water is pumped out of the Rosemont pit changing the direction of groundwater flows away from Cienega Creek.

Unlike residential, commercial, and other industrial land uses, mining in Arizona is exempt from most county development and building regulations, including the CLS Guidelines. Despite this, other mining projects in Pima County have voluntarily complied with the CLS Guidelines, including two companies that proposed reopening an underground mine in the Santa Catalina Mountains. Pima County also has a strong working relationship with the County's two largest copper producers, Freeport McMoRan and ASARCO, and has supported past expansions of

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their operations west of Green Valley where there are significant copper reserves available for future development in an area less biologically diverse than the Santa Rita Mountains.

I met with the Governor's staff on Friday about this project and the 160 acres proposed for auction. The Arizona State Land Department responded on April 21 to a protest of the auction by Save the Scenic Santa Rita's. Their response was to proceed with the auction, which is scheduled for April 29.

I will continue to update the Board regularly on this proposed project.

JKL/je

c: Carmine DeBonis, Jr., Deputy County Administrator  
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