8 May 2023

SOUTH32'S HERMOSA PROJECT CONFIRMED AS FIRST FAST-41 MINING PROJECT

The South32 Hermosa project has today been confirmed by the US Federal Permitting Improvement Steering Council (FPISC), an independent federal agency, as the first mining project added to the FAST-41 process.

To qualify for the FAST-41 process complex critical infrastructure projects must meet rigorous criteria to demonstrate benefit to the nation.

Adding projects like Hermosa to FAST-41 supports the US’ decarbonization goals by creating a more efficient and transparent federal permitting process for projects that have potential to supply the critical minerals needed for a low-carbon future.

The Hermosa project, located in Southern Arizona, is currently the only advanced mine development project in the US that could produce two federally designated critical minerals—manganese and zinc—which are essential minerals for powering the world's clean energy future.

The current phase of study work for Hermosa’s Clark deposit has confirmed its potential to supply battery-grade manganese to the rapidly forming North American electric vehicle supply chain.

The Clark deposit is currently the only advanced project in the US that has a viable pathway to produce battery-grade manganese for the domestic market from locally sourced ore.

There has been no manganese mining in the United States since the 1970s and the US is now 100 percent reliant on foreign sources for manganese.

We continue to progress critical path activity and studies at Hermosa.

South32 Chief Executive Officer Graham Kerr said “The inclusion of Hermosa as the first mining project added to the FAST-41 process is an important milestone that recognises the project’s potential to strengthen the domestic supply of critical minerals in the US.

“The project presents a significant opportunity to sustainably produce commodities critical to a low-carbon future.”

South32 Hermosa President Pat Risner said “South32 hopes to set a new standard for sustainable mining at Hermosa, strengthening the domestic supply chain of critical minerals, growing the local economy, and improving lives in a community that needs more jobs and investment.

“Becoming a covered FAST-41 project will make the rigorous federal environmental review and permitting process for this project more transparent, predictable, and inclusive for all stakeholders. We are committed to working closely with the US Forest Service, cooperating agencies, Native American tribes, and local stakeholders in Santa Cruz County in Arizona to develop this project in a way that benefits the community, minimizes impact on the environment, and creates opportunities across the region.”

US Senator for Arizona Kyrsten Sinema said “Thanks to updates to FAST-41 — an important tool helping our nation reduce emissions and advance our clean energy future — made by our bipartisan
infrastructure law, the Hermosa project will fuel a healthy Arizona economy, boost our national security, and strengthen our state's leadership in the responsible production of critical minerals and renewable energy.”

Federal Permitting Council Executive Director Christine Harada said “The Permitting Council is pleased to announce the first mining project to obtain FAST-41 coverage.

“The South32 Hermosa project will now benefit from the coordination, collaboration, and transparency of the unique FAST-41 process that delivers quality environmental reviews with enhanced accountability and efficiency.”

ENDS

Background on Fast-41
Title 41 of the Fixing America’s Surface Transportation Act (FAST Act) or FAST-41 was signed into law by President Obama in December 2015 to create a more efficient and transparent process for complex, critical infrastructure projects.

The FAST Act also created the FPISC, an independent federal agency composed of 16 members including 13 federal agencies responsible for environmental reviews and permitting for infrastructure projects. The Permitting Council facilitates deliberate, coordinated, and transparent federal environmental review and permitting for certain “covered” infrastructure projects.

To qualify for review under Title 41 of the Fixing America’s Surface Transportation Act — or the FAST-41 program — infrastructure projects must meet certain, rigorous criteria to demonstrate how they will benefit the nation.

A FAST-41 covered project must first be in one of the following 18 sectors and it also must also meet one of the four criteria areas: Objective, Discretionary, Tribal, or Carbon Capture. South32's Hermosa project meets two criteria areas — the Objective Criteria and Discretionary Criteria.

Once a project is covered by FAST-41, it is placed on the Permitting Dashboard, allowing federal agencies, project sponsors, other stakeholders, and the public to track project reviews and permitting in real time.

Next steps
The federal government will now create a comprehensive, integrated permitting timetable for the Hermosa project that is publicly available on the Permitting Dashboard and contains all federal environmental reviews and authorizations needed to fully develop the project.

Within 21 days of being added to the FAST-41 Dashboard as a designated covered project, the US Forest Service must identify all agencies (federal and non-federal) likely to have any review responsibilities and invite them to participate in the process and set a deadline for their response.

Within 60 days of being added to the FAST-41 Dashboard as a designated covered project, the US Forest Service must establish a comprehensive permitting timetable – which includes intermediate and final completion dates for all federal environmental reviews and authorizations for full project development.

About the Hermosa project
Located in a historic mining district in the Patagonia Mountains of Southern Arizona, South32’s Hermosa project is currently the only advanced mine development project in the United States that could produce two federally designated critical minerals—manganese and zinc—both of which are essential minerals for powering the nation’s clean energy future. To learn more, visit: www.south32hermosa.com.

About South32
South32 is a globally diversified mining and metals company. Our purpose is to make a difference by developing natural resources, improving people’s lives now and for generations to come. We are trusted by our owners and partners to realise the potential of their resources. We produce commodities
including bauxite, alumina, aluminium, copper, silver, lead, zinc, nickel, metallurgical coal and manganese from our operations in Australia, Southern Africa and South America. With a focus on growing our base metals exposure, we also have two development options in North America and several partnerships with junior explorers around the world.

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