

HERMOSA PROJECT: PERMITTING TIMELINE



Project Summary

South32's Hermosa project, located in Southern Arizona, is currently the only advanced mine development project in the United States that could produce two federally designated critical minerals—manganese and zinc—which are essential minerals for powering the nation's clean energy future. In fact, as of 2023, it is the only U.S. project that has a viable pathway to produce battery-grade manganese to help the rapidly growing North American electric vehicle supply chain.

State Permitting

The Hermosa footprint has been designed to fit within just 600 acres—a fraction of a fraction of the footprint of open-pit mines and even other underground mines—and is located on private lands in an historic mining district within the Coronado National Forest in the Patagonia Mountains. Multiple state permits from the Arizona Department of Environmental Quality (ADEQ) are required for initial development:

- Aquifer Protection Permit
- Arizona Pollutant Discharge Elimination System permit
- Air Quality Permit

Federal Permitting & FAST-41

In addition to required state permitting, we anticipate the need for federal environmental reviews and a National Environmental Policy Act (NEPA) process for full development of the project. Coordination of our federal permitting will be done through the FAST-41 program, after Hermosa was announced as the first mining project to be covered by FAST-41 in May 2023.

FAST-41's "FAST" acronym stands for "Fixing America's Surface Transportation," the name of the bill that created the Federal Permitting Improvement Steering Council (FPISC), an independent federal agency responsible for environmental reviews and permitting for infrastructure projects. In order to qualify for review under the FAST-41 program, infrastructure projects must meet certain rigorous criteria to demonstrate how they will benefit the nation.

In July 2023, the FPISC published the proposed comprehensive, integrated permitting timetable for South32's Hermosa project. It includes intermediate and final completion dates for all federal environmental reviews and authorizations for full project development, as well as a list of cooperating agencies. Their proposed permitting timetable projects Hermosa will happen in three phases:

- Hermosa's Mine Plan of Operations was submitted in August 2023, and the lead agency's target date for administrative approval of the plan is mid-December 2023.
- Hermosa's Environmental Impact Statement (EIS) process – from notice of intent (NOI) to public comment periods and to final EIS publishing – is set to occur over the course of 2024 and 2025.
- Federal authorization for full development is anticipated to occur in 2026.

"We welcome FAST-41 building on the NEPA process of providing stakeholders with increased transparency, real-time information that is publicly available on the Permitting Dashboard, and multiple opportunities over the next few years to give feedback."

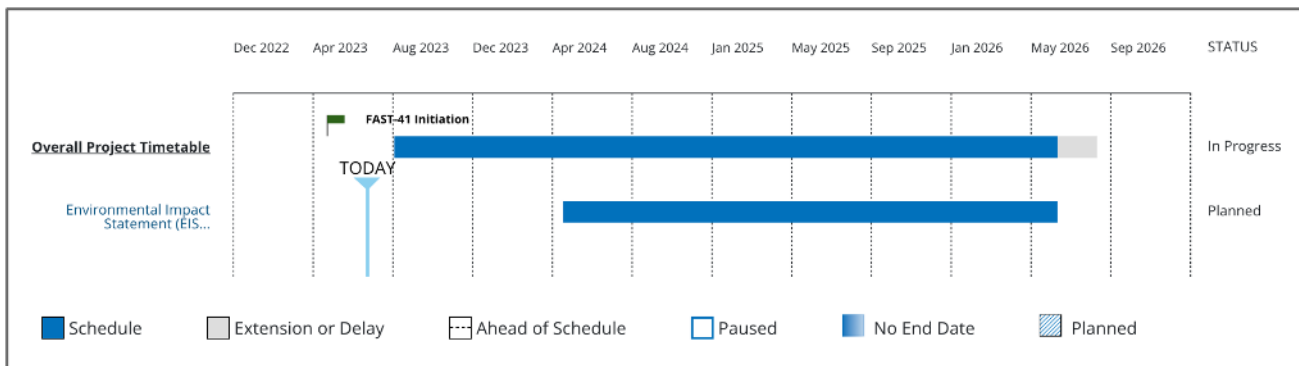
- South32 Hermosa President, Pat Risner, May 2023

Because FAST-41 at the outset will make the rigorous federal environmental review and permitting process for this project more transparent, predictable, and inclusive for all stakeholders, South32 is well positioned to bring this project into operation in a way that benefits the community, minimizes impact on the environment, and creates new opportunities across the region in the years to come.

Federal Permitting Timeline

When 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.

FAST-41 information on Hermosa available here: <https://www.permits.performance.gov/permitting-project/fast-41-covered-projects/south32-hermosa-critical-minerals-project>



Top-level snapshot view of permitting timetable from FAST-41 Permitting Dashboard, June 2023

Regardless of the permit process timeline, South32 has been proactive in consulting and collaborating with stakeholders. We have sought out, and maintain, collaborative working relationships with our neighbors, culturally affiliated tribes, environmental groups, local governments, educational institutions, local suppliers, and other stakeholders to proactively identify issues of concern and uncover ways to avoid, minimize, or mitigate potential impacts.