HERMOSA PROJECT OVERVIEW:

SOUTH32

PUTTING ARIZONA IN THE DRIVER'S SEAT OF THE CLEAN ENERGY RACE

Located in a historic mining district in the Patagonia Mountains of Southern Arizona, South32's Hermosa project is the only advanced mine development project in the U.S. as of 2024 that could produce two federally designated critical minerals —**manganese and zinc**—which are essential to powering the nation's clean energy future.

SUSTAINABILITY:

Setting a new standard for sustainable mining with advanced technology that makes Hermosa safer than many older mines.

With a surface footprint of only 750 acres, Hermosa is a fraction of the size of other mining projects.

Hermosa will use less than a quarter of the water used by open-pit mines in the area, and we have commissioned two state-of-the-art water treatment plants.

Automation technology will enable us to run parts of our operations remotely from an office setting in Santa Cruz County.

We will partner with local third-party public health organizations to regularly monitor and report findings.

Hermosa is being designed to enable power supply from renewable energy and is planning to utilize electric vehicles during operations.

SECURITY:

Strengthening our domestic supply of critical minerals to reduce our reliance on foreign sources.

Hermosa is the only advanced mining project in the U.S. that could produce enough battery-grade manganese to supply domestic demand for EV batteries, and it also includes one of the world's largest undeveloped zinc resources.

Right now, the U.S. is 100% reliant on foreign sources for manganese and produces just 6% of the world's zinc.

Both federally-designated critical minerals, manganese is used for electric vehicle batteries, steel and by the US military, while zinc is used in battery storage, solar panels, wind turbines, electric vehicles and other infrastructure.

$30M TO CLEAN UP OLD MINING WASTE

South32 is dedicated to being a responsible neighbor in Santa Cruz County. That's why in early 2020, we completed a $30 million voluntary cleanup of mine waste left by a previous miner at the site. This helped save taxpayers money, restore the natural environment, and stop heavy metals from polluting local waterways. In the process, we opted to build the nation's first new dry-stack tailings facility, which limits surface disturbance and offers the highest standard of safety and water conservation.
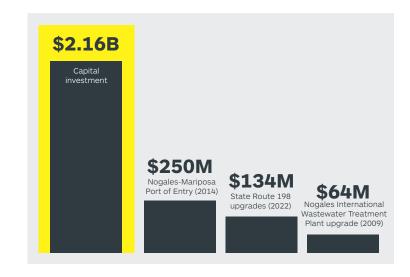
Learn more: **South32Hermosa.com**

ECONOMY:

Helping to transform and grow the local economy, creating good-paying jobs so the next generation can stay.

- Representing the largest private investment in the local economy to date.

- Creating more than 900 family-sustaining jobs in the region and increasing opportunity for local suppliers.

- Generating labor income equal to 2.5 times the average household income in Santa Cruz County with each job.

- Delivering millions annually in new tax dollars to fund public schools, community colleges, and county services.

$2.16B
Capital investment

$250M
Nogales-Mariposa Port of Entry (2014)

$134M
State Route 198 upgrades (2022)

$64M
Nogales International Wastewater Treatment Plant upgrade (2009)

COMMUNITY:

Unlocking new opportunities for the people of Southern Arizona, improving people's lives now and for generations to come.

- Our Community Advisory Panel, comprised of local leaders with diverse perspectives, helps us understand community needs and concerns throughout project development.

- More than $2 million invested in key infrastructure and social service improvements in neighboring communities, including road upgrades and support for STEM education programs for school-age children.

- The South32 Hermosa Workforce Development Taskforce, launched in 2024, will identify the skills needed and local facilities available to help train, develop and expand the region's workforce.

$903,950 awarded to 50+ local nonprofits by the South32 Hermosa Community Fund

(as of late 2023)

South32's Hermosa project will be a different type of mine that sustainably produces critical minerals, putting Arizona in the driver's seat of the clean energy race and transforming the local economy.

SOUTH32

Learn more: **South32Hermosa.com**