

# MEDIA RELEASE



May 17, 2024

## **SOUTH32 ANNOUNCES US\$20 MILLION DEPARTMENT OF DEFENSE GRANT TO HELP SUPPORT DOMESTIC BATTERY-GRADE MANGANESE PRODUCTION**

South32's Hermosa project, an advanced mining project in the United States capable of producing two federally designated critical minerals – zinc and manganese, announced today the award of US\$20 million from the Department of Defense (DoD) under the Defense Production Act (DPA) battery grant program.

Awarded to help accelerate the domestic production of battery-grade manganese, the money will be matched with a US\$43 million investment by South32 to fund activities to support access to the manganese deposit.

South32 Chief Executive Officer Graham Kerr said, "The Department of Defense funding will help support development of the Hermosa project's battery-grade manganese deposit, the only advanced project in the United States that has demonstrated through a pilot testing program that it can produce battery-grade manganese from a domestic ore source."

Strengthening the domestic supply chain of manganese, a U.S. Geological Survey (USGS)-designated critical mineral, is essential for the nation's energy security and clean energy future.

As the first critical minerals mining project added to the United States' FAST-41 permitting process, the Hermosa project aims to put southern Arizona in the driver's seat of the clean energy race, supplying a critical metal needed for the expansion of clean energy technologies and associated infrastructure.

President of Hermosa Pat Risner said "This project represents an opportunity for the United States to create domestic supply chains for the minerals and metals important to national security. The Department of Defense funding will help develop this critical resource on a timeline that matches that urgency."

The DoD funding will enable Hermosa to advance its plans to bring much needed battery-grade manganese to market in North America – including DoD-designated end-users – as demand is projected to grow in coming years – all while creating a reliable, cost-effective domestic option for manganese products within the electric vehicle battery supply chain that currently relies entirely on foreign imports.

There has been no manganese ore mining in the United States since the 1970s, there is no manganese metal production in all North America, and more than 95 percent of the current market for battery-grade manganese processing is currently done in China.

The estimated US\$43 million in matched funding from South32, the world's largest producer of manganese ore, will create American jobs using prevailing wages. This investment is on top of the [investment announcement](#) last February to advance its zinc deposit.

The Hermosa project is embracing sustainability and advanced technology in its next-generation, underground mine design, utilizing automation and technology to drive efficiencies and lower its operational greenhouse gas emissions with designs to enable power supply from renewable energy and a future all-electric underground mining fleet.

Hermosa's manganese deposit is projected to have a lower carbon footprint compared to other methods used to produce battery-grade quality manganese like the energy intensive Electrolytic Manganese Metal (EMM) production process.

With a surface footprint of 750 acres and projected to use approximately 75% less water than other mines in the region, the Hermosa project has been designed to minimize its environmental impact.

Once in operation, the project, across its zinc and manganese deposits, would help transform and grow the local economy and could create up to 900 good-paying jobs and support investment across surrounding communities for decades to come.

**ENDS**

### **About the South32 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. Learn more at [www.south32hermosa.com](http://www.south32hermosa.com).

Hermosa is a polymetallic development comprised of a zinc-lead-silver sulfide deposit, a battery-grade manganese deposit and an extensive, highly prospective land package with the potential for further polymetallic and copper mineralization.

### **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. We also have a portfolio of high quality development projects and options, and exploration prospects, consistent with our strategy to reshape our portfolio toward commodities that are critical for a low-carbon future.

### **Media Relations**

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