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U.S. EPA CLEARS SOUTH32 HERMOSA PROJECT'S KEY STATE AIR QUALITY PERMIT

ADEQ-backed permit clears way for construction and operations activities as Hermosa continues to engage with public health organizations to safeguard community and worker health

South32 Hermosa – the only advanced mine development project in the United States that could produce two federally designated critical minerals, manganese and zinc – announced today that it issued Arizona Department of Environmental Quality (ADEQ) final Class I Air Quality Control Permit cleared the U.S. EPA review process.

Following ADEQ's issuance of the Class I Air Permit authorizing construction earlier this summer, the EPA completed a 45-day review and voiced no objections to the permit, which authorizes project construction and commencement of operations on the project's privately held land when construction is complete.

As the final permit outlines, Hermosa's proposed operations must adhere to all state and federal air quality standards. Based on third-party, agency-accepted modeling, air emissions from proposed operations at the Hermosa project site are expected to be within the applicable limits established by the U.S. Environmental Protection Agency for the protection of public health.

"Because we have the opportunity to build Hermosa from the ground up, we are using advanced technology, world-class engineering and industry best-practices to enhance safety for the surrounding community when it comes to air quality. This air permit represents a significant step in securing the required approvals to fully develop the site while continuing our proactive approach to protecting the health and well-being of everyone working on our sites and living in our surrounding communities," said Pat Risner, President of South32 Hermosa.

Risner added, "South32 is dedicated to being a responsible neighbor. That's why we are engaging with independent public health organizations to inform our approach to monitoring community and worker health."

As part of that effort, the Hermosa project will deploy industry best-practice systems to measure baseline dust and manganese levels in surrounding communities prior to operations. That data will help Hermosa better understand any potential changes as well as provide a baseline assessment of existing community exposure.

Background:

The final permit approval reflects that:

- In January, the ADEQ issued a draft air quality permit for the Hermosa project. The agency subsequently conducted an extensive public comment period, which involved two in-person meetings in Patagonia.
- Following the conclusion of the public comment period earlier this year, ADEQ conducted a robust review before responding to public comments and finalizing the permit.
- ADEQ approved the permit allowing for construction of the facilities on June 10th, 2024 triggering the U.S. EPA review.
- The ADEQ-approved permit went through a 45-day review by the U.S. EPA.

With a surface footprint of just 750 acres and projected to use 75 percent less water than other mines in the region, the Hermosa project is using advanced technology in its next-generation, underground mine design and in its approach to air quality protection.

The attention to air quality includes the planned use of sealed containers to transport concentrates and manganese ore from the Hermosa project site to other locations.

Based on air modeling conducted by third parties, the potential inhalation exposure for the surrounding communities to manganese from proposed operations at the Hermosa project site is expected to be below the applicable limits established by the Agency for Toxic Substances and Disease Registry for the protection of public health.

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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.

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.

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