

MEDIA RELEASE



FOR IMMEDIATE RELEASE

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ADEQ Grants South32 Hermosa Aquifer Protection Permit Amendment

South32's Hermosa project – the only advanced mining project in the United States capable of producing two federally designated critical minerals, zinc and manganese – received approval from the Arizona Department of Environmental Quality for an Aquifer Protection Permit amendment important to dry stack tailings operations.

“We’re designing Hermosa from the ground up with advanced technology and monitoring systems, including state-of-the-art water treatment facilities, an underground mine design, and dry stack tailings,” said Brent Musslewhite, Hermosa project Director of Environment and Permitting. “Our permit amendment demonstrates that the Hermosa project will utilize the best available tailings management technology to ensure the highest level of safety and protection of the environment.”

The amendment follows a public comment period last year.

The key component of the Aquifer Protection Permit amendment is the proposal to authorize the expansion of Hermosa’s existing, dry-stack, lined Tailings Storage Facility (TSF1) designed, constructed, and operated using best available demonstrated control technology to protect water resources and public safety.

TSF1 is already in operation and working as designed following Hermosa’s completion in early 2020 of a \$40 million voluntary cleanup of historic mine waste left by a previous owner at the site, which included building one of the nation’s first lined, dry-stack tailings facilities.

This voluntary cleanup helped save taxpayers money, protect the natural environment, and prevent heavy metals leaching from historic tailings and waste rock from polluting local waterways, both now and into the future. The facility is also a crucial component of Hermosa’s responsible closure plan.

Hermosa has best-in-class systems in place to keep water safe, clean and well-managed. To that end, we commissioned two state-of-the-art water treatment plants and continue to conduct a robust water quality monitoring program.

Additionally, the Hermosa project, including the dry stack tailings facility, is designed to maximize water efficiency and use less water whenever possible. Once in operation, Hermosa is expected to use 90% less water compared to other mines in the region.

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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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