NEPA 101



The U.S. Forest Service (USFS) has released the Draft Environmental Impact Statement (Draft EIS) for South32 Hermosa – a key milestone in the federal permitting process to enable the full development of the critical minerals site.

Q: What is the NEPA process?

- The National Environmental Policy Act (NEPA), a federal law passed in 1970, established a broad national framework intended to ensure proper consideration of the environment by all government agencies before beginning any federal action that significantly affects the environment.
- Agencies must consider the reasonably foreseeable environmental and related social and economic effects of their proposed actions prior to making decisions.
- While the Arizona Department of Environmental Quality has granted all state permits to South32 to construct and begin operations, a federal permit is required to fully develop the project, including building a 138kv power line and other ancillary infrastructure.

Q: What is a Draft EIS?

- Draft EIS are prepared in compliance with NEPA with the purpose of evaluating and disclosing the project's potential environmental effects.
- Based on Hermosa's Mine Plan of Operations (MPO) released in 2024, the USFS drafted the Draft EIS after analyzing a range of alternatives for power, access, tailings and water management for surrounding environment protection.

DID YOU KNOW?

Hermosa is the first mining project covered in the federal FAST-41 program, a permitting program reserved for infrastructure projects vital to the nation.



SAVE THE DATE

Public comments can be made during the 45-day public comment period to provide input on the Draft EIS. The USFS is holding open houses in the area:

🗰 Patagonia: May 27th, 4:30-6:30pm, 200 Naugle Ave.

Nogales: May 28th, 4:30-6:30pm, 1905 North Apache Blvd.

Q: How can I participate in the Draft EIS public comment period?

Hermosa encourages community participation in the public comment process so that the project's development is more transparent and inclusive for all stakeholders. South32 is committed to developing Hermosa in a way that benefits the community, minimizes impact on the environment, and creates new opportunities across the region for years to come.

Comments should be in response to the Draft EIS, which is publicly available via the Coronado National Forest <u>website</u>. **Comments can be submitted <u>online</u>, via email at sm.fs.r3cnfnepa@usda.gov or in person at planned public meetings. Comment during the 45-day period from May 9th to June 23rd, 2025.**



Q: What's next?

The USFS will consider all substantive comments and if necessary, conduct further analysis before preparing and publishing a Final Environmental Impact Statement. The Final EIS is scheduled for February 2026. The estimated timeline for environmental review is as follows:



Q: What should I know about Hermosa?

Hermosa aims to set a new standard for sustainable mining, with advanced technologies and monitoring systems that make Hermosa safer than older mines. Hermosa is being designed from the ground up to deliver on our sustainability commitment.

Hermosa's sustainability story

WATER

- Water use is 90% less than other regional mines
- Currently monitor 85 regional seeps and springs to minimize and mitigate impacts our activities may have on local water resources
- Robust water quality monitoring system in place since 2016 to provide baseline measurements and inform project design



WILDLIFE & BIODIVERSITY MONITORING

- Ongoing wildlife and biodiversity monitoring since 2012; regularly conduct surveys of plants and aquatic species
- Goal of no net loss for biodiversity as Hermosa is developed, measures to avoid or minimize impacts to help ensure no overall loss proactively implemented
- Redesigned second dry stack tailings facility to avoid the beardless chinchweed a threatened perennial native to Arizona

COMMUNITY ENGAGEMENT

· Formed a Community Advisory Panel composed of community representatives to inform and advise on project design

& Benefit Agreement, a legally binding agreement concerning key Hermosa commitments

Working with government leaders from SCC, Nogales & Patagonia to develop a Community Protection



TRIBAL ENGAGEMENT

- Since 2019, even prior to federal permitting requirements, we have engaged up to 14 different Tribes with historic affiliation near the site. Biannual tours and consultation to identify collaboration opportunities.
- Voluntarily conducted a cultural resource survey across over 30,000 acres, including private lands, and shared our findings with the Tribes

TRAFFIC

- · Currently planning both initial and long-term routes that completely avoid the town of Patagonia and Flux Canyon residents
- Will use sealed containers to transport zinc, lead, silver concentrates as well as manganese ore all without exposure to the air





FOOTPRINT

 Project's surface footprint is just 750 acres, a fraction of the footprint of other mining projects, which often stretch for thousands of acres

Federal authorization for full development still includes another round of public feedback and discussion. Questions or concerns, contact askhermosa@south32.net or visit the FAST-41 dashboard to track Hermosa's permitting in real time.