

# HERMOSA PROJECT OVERVIEW:

## PUTTING ARIZONA IN THE DRIVER'S SEAT OF ENERGY & NATIONAL SECURITY

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 2025 that could produce two federally designated critical minerals — **manganese and zinc**—which are essential to powering the nation's energy future.

### SECURITY:

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

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, zinc is used to galvanize steel, making it an essential ingredient for energy infrastructure like transmission as well as for roads, bridges and other transportation infrastructure, while manganese is used in battery technology, steel and the U.S. military.

There is a growing zinc supply gap with primary zinc demand expected to outpace base case production capability by ~4Mt by 2033.

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

### 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 90% less water than open-pit mines in the area, and we have commissioned two state-of-the-art water treatment plants.



### \$40M 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 \$40 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](https://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.

**\$1.1 million awarded to +121 local nonprofits by the South32 Hermosa Community Fund**

(as of early 2025)

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



Learn more: [South32Hermosa.com](https://South32Hermosa.com)

