

Santa Cruz Technical College, Nogales
South 32 Advisory Panel Meeting
April 2, 2025

Schedule

3:30-3:40 - CAP overview and meeting rules/Approval of March meeting notes

3:40-4:30 - South32 NEPA overview

4:30-5:00 - South32 General Project Update

5:00-5:30 - Community Topics/Upcoming meeting topics

Attendance

Meeting Facilitators (Acorn International): Ranay Guifarro

South 32 Hermosa Advisory Panel Members Present: Linda Shore, Trina de la Ossa, Fritz Sawyer, Jonathan Lutz, Daniel Gutierrez, Michael Young, Josh Rubin, Gerry Isaac, Francisco Padilla, George Wise, Lou Jeong, and Guillermo Valencia

South32 Hermosa Advisory Panel Members Absent: Maureen de la Ossa and Eva Zuniga

South32: Sandra Moraga, Troy Kimball, Denise Bowdon, Simon Charter, and Garrett Workman

Minutes

3:35 Greetings

Meeting is called to order CAP members

3:37 CAP – General Business

The March CAP meeting Minutes were reviewed and accepted. The CAP discussed and agreed to have a comment section added to the website.

3:45 – South32 Presentation on NEPA

(Please view the slides at the bottom of these notes as they provide a more comprehensive review of what was discussed in the meeting)

South32 is currently advocating for the need of experienced and qualified federal employees as part of the permitting process.

The Draft Forest Service EIS is set to be released on May 13th

Approximately in February 2026, a final EIS will be released, which will lead to a Record of Decision, scheduled for July 2026.

The Draft Forest Service NEPA will include:
The preferred alternative TSF locations
The preferred alternative roadways
The preferred alternative for power (power line construction or not)
Preferred alternatives for water management

In the document, if the wording states ' No Action' This means that there is no change to the project as it currently operates.

Feel free to comment on the EIS, and be sure to review the alternatives and suggest if one of those works better for you and your community.

In June, we present an update presentation on the permitting process.

4:21 South32 Project Update- Sandra

(Please view the slides at the bottom of these notes as they provide a more comprehensive review of what was discussed in the meeting)

CAP members are invited to the Centro Ground Breaking on Wednesday, April 23. The event starts at 11:00am at the Centro site in Nogales.

Tribal engagement has been ongoing with the Pueblo Zuni, Mescalero Apache, and Tohono O'odham. This includes mine tours but also of the surrounding communities.

Simon Charter, the new Public Affairs Manager, was introduced.

South32 will be giving out STEM scholarships to four Santa Cruz County High School students.

The Electrical Program is going well and will start in the fall. The first cohort will be 16 students and 3 semesters long.

The South32 Hermosa Fund has issued grants to the Spring session, the next round is in July. More information can be found at: <https://cfsaz.org/grants/south32-grants/>

The Capacity Assessment is being worked on, and an update will be provided once there is one.

The Health Baseline- currently, South32 is working on identifying someone to lead the effort, as the current person is leaving the UofA. There is a chance that a third party will collect the data, and UofA will analyze the data.

4:55 Community Thoughts/ Questions for Next Meeting Topics

Community Questions/Observations

The two Community Listening sessions were interesting- the Patagonia session was better attended

What are the general needs/support needed by the mine through vendors?

How is South32 identifying vendors?

What should the community do if they want to become a vendor?

What if they are not a member of the Chamber?

Track-out Concerns are still prevalent- If a laundry service is going to be used to wash clothing used at the Mine, will there be additional water treatment in place to treat the affluent?

Reflection/evaluation sheet

No reflection sheets for the April meeting



Community Advisory Panel on the South 32 Hermosa Project

Monthly Meeting

South32 Hermosa Project

April 2, 2025

Acorn International, LLC
BOS | IAH | Worldwide



Meeting Agenda

3:30-3:40 - CAP overview and meeting
rules/Approval of March meeting
notes

3:40-4:30 - South32 NEPA overview

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5:00-5:30 - Community Topics/Upcoming meeting
topics



Meeting Rules

Section 6 – Meeting Arrangements

“Meetings will be open to the public, but those who are not members of the CAP will be observers only (not active participants or speakers in the meetings.) CAP members may decide (by consensus) to make any portion of a meeting, or a full meeting, closed to the public. Any items raised during the meeting not included on the agenda may be deferred to the following meeting if information needs to be obtained or personnel present are unable to provide an informed response. No question will remain unanswered.”



South32- Presentation on NEPA



South32 Project Update



Community Thoughts

- What have you heard from the community?
- What types of people have you talked to?

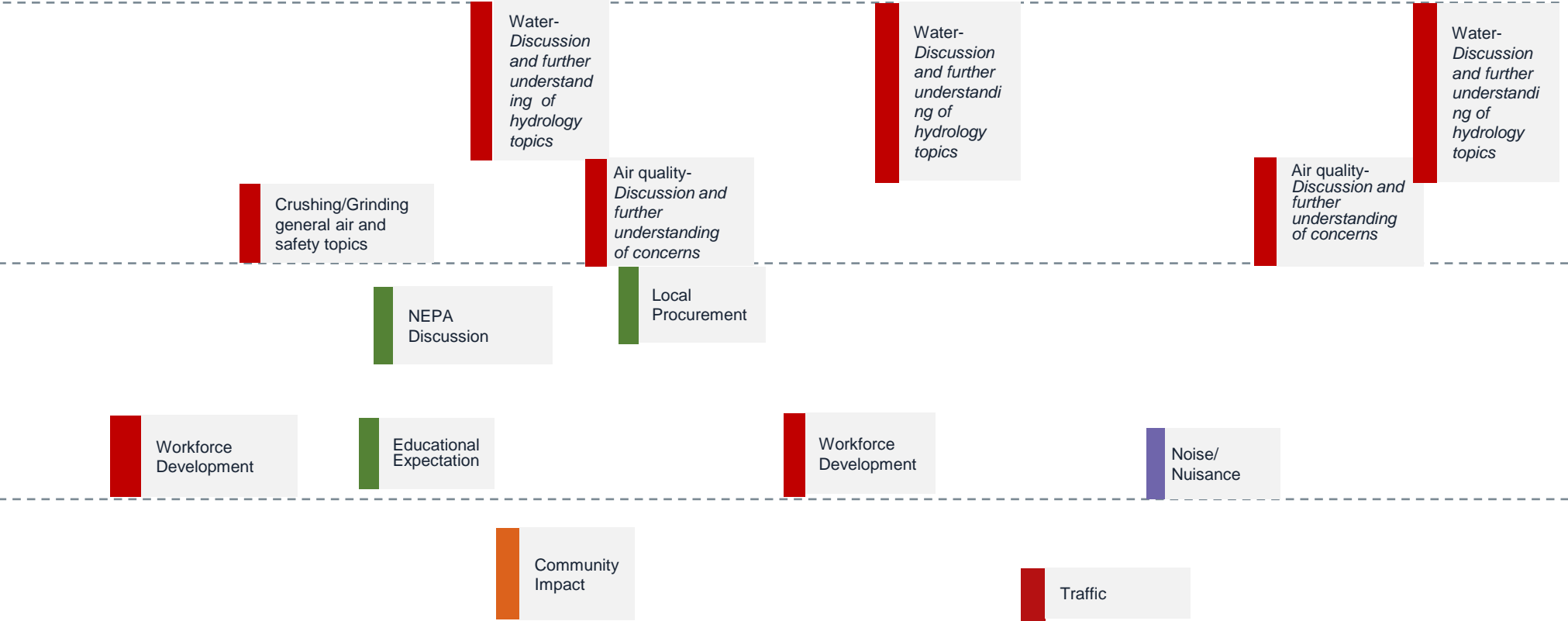


SANTA CRUZ COUNTY HERMOSA PROJECT ADVISORY PANEL

ROADMAP UPDATE

JAN 2025	FEB 2025	MAR 2025	APR 2025	MAY 2025	JUN 2025	JUL 2025	AUG 2025	SEPT 2025	OCT 2025	NOV 2025	DEC 2025
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Project Update



Identifying the opportunities in which CAP can support the community and South32 in each of these topics will be ongoing. This is the 'Involve' aspect of this Roadmap.

EMPOWER

Participate in community meetings to connect interested groups with the panel and bring forward their questions to facilitate outcomes desired by the panel

INVOLVE

Identify alternatives through participating in meetings, doing homework and own research, responding to surveys, participating in temporary workgroups

COLLABORATE

Participate in developing solutions and monitoring for accountability

CONSULT

Provide South32 feedback as to alternatives course of action during meetings, homework, surveys

INFORM

Share information through panelist

Next Meetings & Tour Info

Meeting	Location
March 5 th	Patagonia
April 2 nd	Nogales
HOLD	Patagonia
June 4 th	Nogales



Thank you!

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PERMITTING UPDATE & NEPA NEXT STEPS

Garrett Workman
April 2025

ARIZONA STATE PERMITS

Hermosa has the following state permits regulating our construction and future operations:

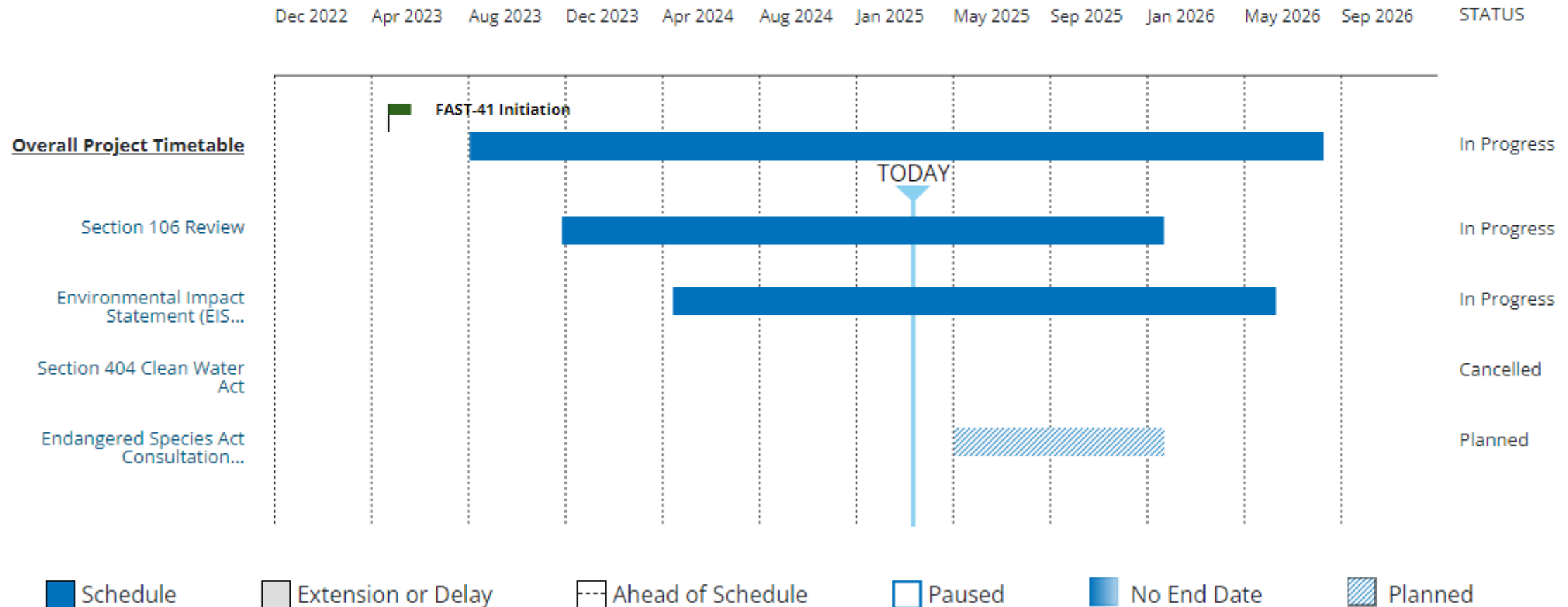
Agency	Permit	Timing & Description
Arizona Department of Environmental Quality (ADEQ)	Class I Air Quality Permit	Issued 8/26/24. Authorizes and establishes limits on construction and operation of air emission sources.
Arizona Department of Environmental Quality	Aquifer Protection Permit (significant amendment)	Issued 2/6/25. Authorizes operation and future expansion of dry stack tailings storage facility to accommodate production tailings. Establishes limits protective of groundwater for discharges from our two water treatment plants.
Arizona Department of Environmental Quality	Arizona Pollutant Discharge Elimination System (AZPDES)	Issued 7/3/24. Establishes water quality limits for discharges of treated water to Alum Gulch and Harshaw Creek from water treatment plants.
Arizona Department of Environmental Quality	Arizona Pollutant Discharge Elimination System (AZPDES) Mining Multi-Sector General Permit for Stormwater Discharges (MSGP)	New MSGP issued 1/16/25. Authorizes discharge of treated stormwater associated with construction and operations.
Arizona Department of Water Resources (ADWR)	Permit to Appropriate Public Water	Issued 8/8/17, authorizing priority landowner water rights.
Arizona Department of Water Resources	License of Approval for Dam and Reservoir	Issued 8/15/23. Regulates safety of new dam construction for the dry stack tailings storage facility's underdrain collection pond.

Today, Hermosa holds all necessary state permits required for construction and operation.

FAST-41 HERMOSA PERMITTING SCHEDULE

Permitting Timetable

The permitting timetable below displays data as reported by agencies. Dates for Environmental Review and Permitting processes (Actions) that are in 'Paused' or 'Planned' status are subject to change and are not indicative of a project's final schedule.



FAST-41 ENVIRONMENTAL IMPACT STATEMENT SCHEDULE

45 days for public review & comment

Milestone	Original Target Date	Current Target Date	Milestone Complete
Receipt of Mine Plan of Operations	---	08/19/2023	✓
Mine Plan of Operations Deemed Complete	---	12/15/2023	✓
Issuance of Notice of Intent to prepare an Environmental Impact Statement (EIS) (Agency Action)	02/13/2024	05/10/2024	✓
Scoping (Agency Action)	02/13/2024	05/10/2024	✓
Official Notice of Availability of a Draft EIS published in the Federal Register (FR) beginning both the public comment period and concurrent CAA Section 309 Review (Agency Action)	05/13/2025	05/13/2025	---
Official Notice of Availability of a Final EIS published in the FR beginning both the public review period and concurrent CAA Section 309 Review (Agency Action)	02/10/2026	02/10/2026	---
Issuance of Lead Agency Record of Decision (Agency Action)	07/07/2026	07/07/2026	---
Issuance of decision for approval of Mine Plan of Operations	---	09/07/2026	---



Opportunity for public involvement (including public meetings in Patagonia and Nogales in late May); Comments accepted in both English & Spanish

CURRENT PROPOSALS UNDER REVIEW

1. Distributed recharge basins to keep more groundwater in the mountains.
2. Building a permanent access road to the site from SR-82 nearer to Nogales to bypass the Town of Patagonia; to be constructed in rough alignment with the proposed powerline to facilitate its maintenance and limit land disturbance.
3. Constructing a second tailings storage facility near the project site to accommodate long-term project life; the plan has been updated to further reduce impacts and protect sensitive species habitat.
4. UNS Energy is seeking approval to construct a power line across the Coronado National Forest to provide additional connectivity, reliability, and renewable energy.

ALTERNATIVES UNDER CONSIDERATION

Water discharge: other options include:

- Using Harshaw Creek exclusively;
- South32 proposed “rapid infiltration basins” in the Patagonia Mountains; and
- Additional alternates for distributed recharge

Roads/transportation: alternate transportation routes under review

Tailings storage: alternate TSF locations are being considered

Power: the alternative is to *not* build a new line; continue to power the project using on-site generators powered by compressed natural gas for the duration of the project requiring additional, two-way truck traffic

If the Forest Service ultimately selects a “no action” alternative, it would have these impacts:

- Treated groundwater would be discharged into Harshaw Creek exclusively.
- Harshaw Road and Cross Creek Connector would be used as the transportation corridor throughout the life of the project.
- No additional tailings storage facility would be constructed.
- The power line would not be constructed. Compressed natural gas would be the principal power source, requiring additional, two-way truck traffic.
- Shortened project life

RESOURCES

Hermosa FAST-41 Permitting Dashboard:

<https://www.permits.performance.gov/permitting-project/fast-41-covered-projects/south32-hermosa-critical-minerals-project>

US Forest Service Hermosa Critical Minerals Project homepage:

<https://www.fs.usda.gov/project/?project=65668&exp=overview>

Includes link to Scoping Report outlining how public comments/questions were addressed during draft EIS process.

USFS Hermosa Project Virtual Open House (available in English and Spanish):

<https://hermosacriticalmineralseis.com/>

South32 Hermosa News & Resources website:

https://south32hermosa.com/en_US/news-resources

