

Santa Cruz Technical College, Nogales
South 32 Advisory Panel Meeting
May 28, 2025

Schedule

3:30-3:45 – CAP meeting rules , and update on CAP Website

3:40-4:10 – South32 Presentation of Local Procurement

4:10-4:30 – South32 Project Update

4:30- 5:00 – Community Thoughts, Review of Roadmap, Planning Exercise

Attendance

Meeting Facilitators (Acorn International): Ranay Guifarro

South 32 Hermosa Advisory Panel Members Present: Linda Shore, Trina De La Ossa, Daniel Gutierrez, Josh Rubin, Gerry Isaac (online), Francisco Padilla, George Wise, Lou Jeong, and Guillermo Valencia

South32 Hermosa Advisory Panel Members Absent: Maureen De La Ossa, Fritz Sawyer, Jonathan Lutz, Michael Young, and Eva Zuniga

South32: Sandra Moraga, Troy Kimball, Marisa Raymond

Minutes

3:30 Greetings

Meeting is called to order

3:35 CAP Website

The CAP website is making progress with Linda and Josh's help. Once it's accessible, we will send it out to CAP as a soft launch. Please inform Ranay if there are any questions.

<https://sccadvisorypanelonsouth32hermosa.com/>

3:35 – South32 Presentation- Local Procurement

(Please see attached slides for more information that was presented)

Phase 1- Baseline Assessment

Review of what vendors are available

What is established

Who has the ability to grow

Who can be brought 'in'

Phase 2- Capacity Building

Workshop on local procurement
Working to have local and Tribal businesses

Phase 3- Procurement Policy Development

The list of local businesses will be provided to contractors, who will be encouraged to use and report the use of local businesses.

Phase 4- Monitor, Evaluate, and Feedback

Track progress, monitor contract awards, review annually

Vendor Readiness-

List of needs- categories of needs

Scrap program-

Recycling facility- to build up business, and will be available to local suppliers, and 30% will come back to the community.

South32 is now a member of the Southern Arizona Hispanic Chamber of Commerce, in addition to the Nogales-Santa Cruz County Chamber of Commerce.

4:45 – South32 Presentation- Project Update

The Concentrator Pad is being built, using funding from the DOD; however, no financial decision has been made regarding the extraction aspect.

5:00 – South32 Presentation- CAP Success

Exercise on what success looks like for CAP members. This exercise will be continued at a future meeting.



Community Advisory Panel on the South 32 Hermosa Project

Monthly Meeting

South32 Hermosa Project

May 28, 2025

Acorn International, LLC
BOS | IAH | Worldwide



Meeting Agenda

3:30-3:45 – CAP meeting rules , and update on CAP Website

3:40-4:10 – South32 Presentation of Local Procurement

4:10-4:30 – South32 Project Update

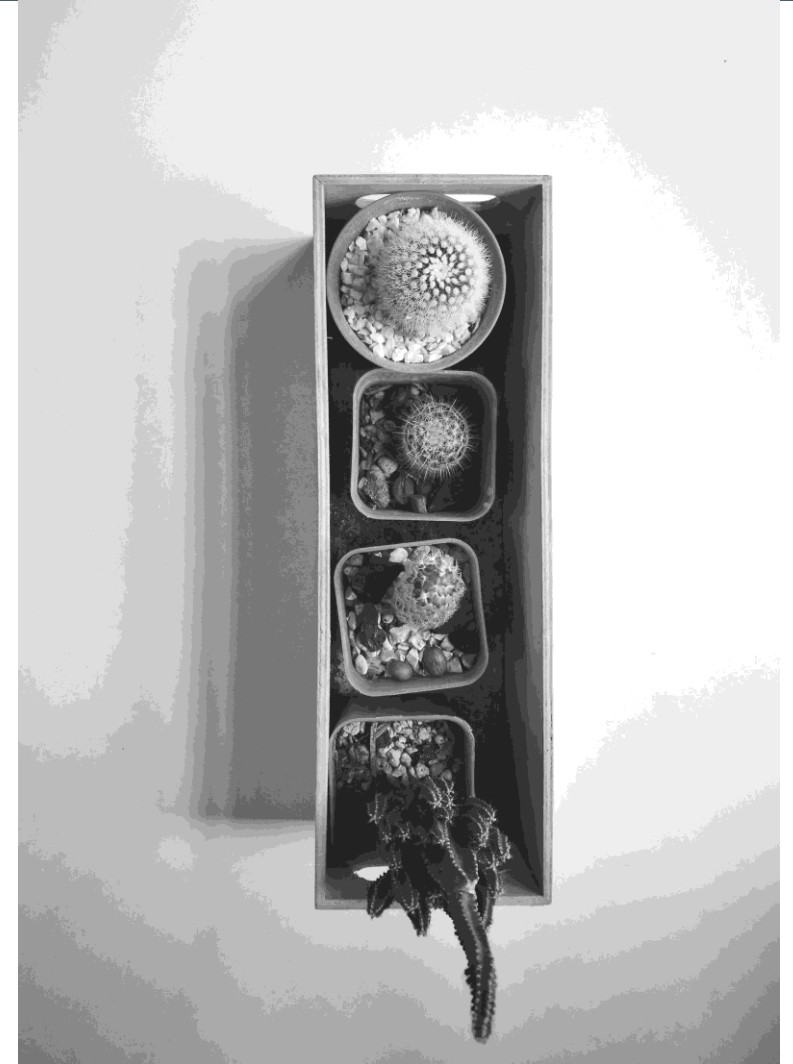
4:30- 5:00 – Community Thoughts, Review of Roadmap, Planning Exercise



Meeting Rules

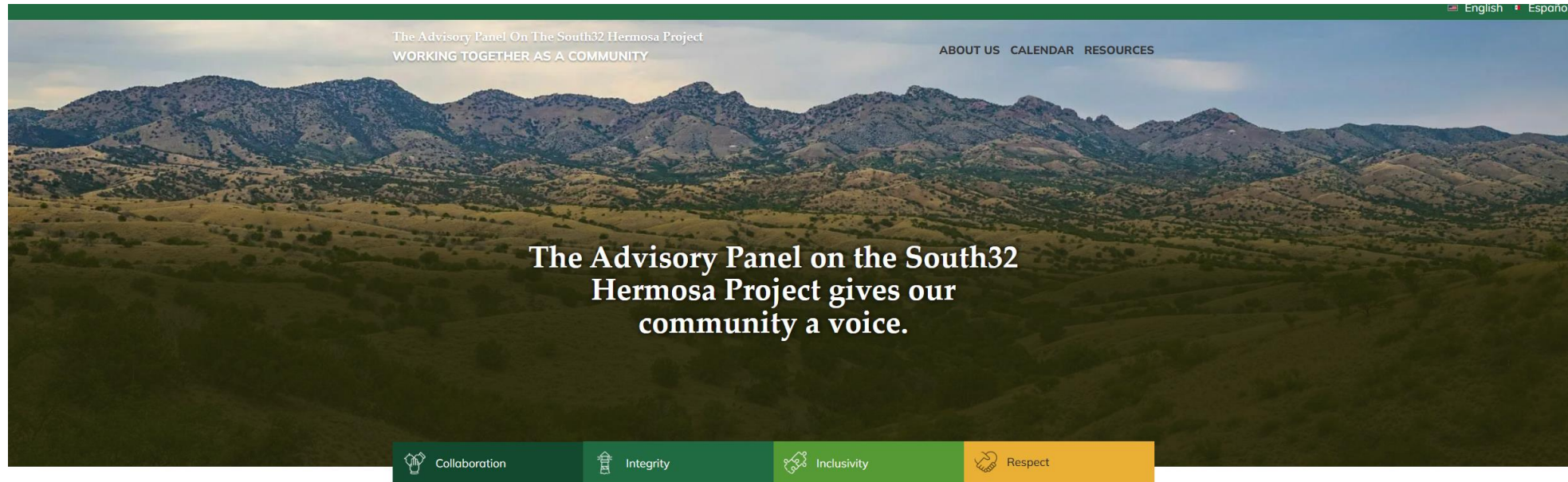
Section 6 – Meeting Arrangements

“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.”



CAP Website Update

The Advisory Panel on the South32 Hermosa Project



The advisory panel to South32 Hermosa was founded upon shared core values. We continue to abide by these guiding principles in everything we do.

South32- Procurement Presentation



South32 Project Update

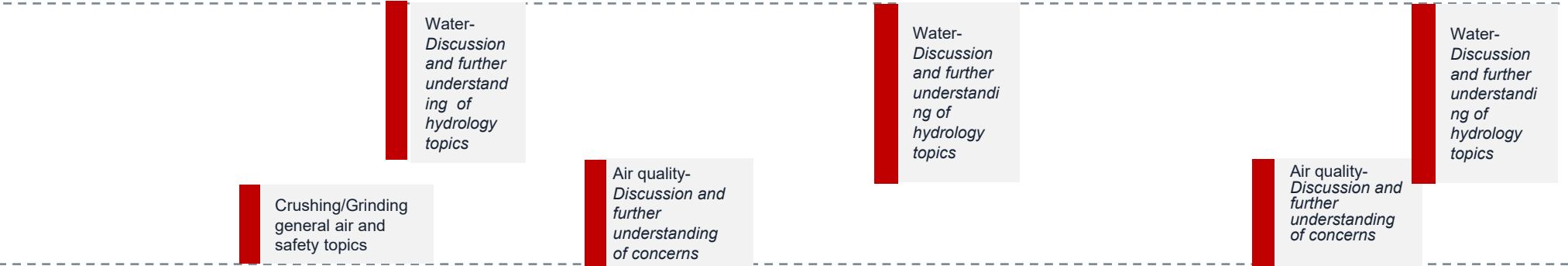


SANTA CRUZ COUNTY HERMOSA PROJECT ADVISORY PANEL

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 |
|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|-------------|-------------|-------------|
|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|-------------|-------------|-------------|

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

Charter

- South32 is committed to promoting the well-being of the Santa Cruz County, Arizona community and understanding community needs and concerns for the Hermosa underground mine development known as the Hermosa Project. For this reason, South32 has initiated and will support a process by which a self-governing panel of community leaders (a “Community Advisory Panel”, or “CAP”) with diverse perspectives and strong networks will:
 - 1) Advise South32 on aspects of their project development that impact communities in Santa Cruz County, Arizona; and
 - 2) Identify goals and priorities that could benefit both the larger community and South32
- The Panel will be a safe space for constructive dialogue and debate around alternatives to maximize proper impact management and generation of shared value around the Hermosa project.
- This charter is intended to serve as a guide for Panelist responsibilities and activities. It will be reviewed by the CAP and updated if needed every two years.

Planning Exercise

In defining success, what does that look like?

- Structure
- Activities
- -,+meetings



Community Thoughts

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



Next Meetings & Tour Info

| Meeting | Location |
|------------------------|-----------|
| April 2 nd | Nogales |
| April 28 th | Nogales |
| May 28 th | Nogales |
| June 16 th | Patagonia |

Questions

Question 1: Has surface water modeling been incorporated into groundwater modeling to better understand flooding issues and potential groundwater mounding issues?

What does the modeling show regarding flooding and mounding in and around the Town of Patagonia?

Question 2: Is there a potential that discharge into Harshaw Creek will mobilize naturally occurring arsenic and increase arsenic concentrations in the drinking water supply for the Town of Patagonia and surrounding communities?

Question 3: How will dewatering change regional groundwater levels and groundwater flow directions over time (including at maximum drawdown and maximum area of impact) in the San Rafael Valley, in the Patagonia Municipal Watershed and in the Santa Cruz Active Management Area?

Question 4: After dewatering, how will groundwater and surface water quality in the Harshaw Creek watershed change as groundwater flows upwards, around and through the mine workings?

Question 5: If discharge to Harshaw Creek is maximized, will the rapid infiltration basins (RIBs) be used to accommodate additional pumping?

Question 6: Dewatering of the mine has been on-going since approximately October 2023. Are the regional and mine models in agreement and what areas, springs, water wells, etc. will be dried? Supply an updated detailed Dewatering Impact Area Figure with draw down cone for discussion (see attachment).



Thank you!

rguifarro@acornintl.com

dslocum@acornintl.com



LOCAL PROCUREMENT

05/28/2025

8%

CURRENT
VENDOR BASE

23%



GROWTH SINCE
2024

LOCAL PROCUREMENT PROCESS



Phase 1: Baseline Assessment



Phase 2 : Capacity Building



Phase 3: Procurement Policy Development



Phase 4: Monitor, Evaluate and Feedback

Current Projects:

- New Recycling Program
- Business Development Project