





OFFICE OF THE MAYOR

Kerwin S. Dewberry, Forest Supervisor Coronado National Forest ATTN: Hermosa Critical Minerals Project 300 West Congress Street Tucson, AZ, 85701

Subject: Letter of Support for South32's Hermosa Critical Minerals Exploration and Mine Plan of Operations

Dear Mr. Dewberry,

I am writing to express my support for South32's Hermosa project as the only advanced mine development project to date 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.

As Mayor of the city of Nogales, Arizona, I wholeheartedly support South 32's work on the Hermosa project. Nogales, Arizona's economy will undoubtedly grow since this is the largest investment in Southern Arizona's history.

As a member of the community, I recognize Hermosa's potential to bring numerous benefits not only to Southern Arizona but to the entire nation, while also leading change in the industry by operating in an environmentally responsible manner.

Hermosa is being designed from the ground up with advanced technology and monitoring systems to deliver on the company's sustainability commitments and in response to community interests. With a total footprint of 750 acres, it's a fraction of the footprint of open-pit mines and even other underground mines, and its water use intensity is 75% less than other mines in the region.

South32 is a responsible neighbor in Santa Cruz County and is working closely with the community to ensure our needs and concerns are addressed as the project moves forward, including for water management, sustainability, and protecting our region's unique ecosystem. Wildlife and biodiversity monitoring has been ongoing at Hermosa since 2012 and South32

regularly conducts surveys for threatened and endangered plant and aquatic species, in a concerted effort to meet their goal of no-net loss for biodiversity.

In addition, Hermosa will help to transform and grow the local economy, creating good-paying jobs so the next generation have opportunities to stay in Santa Cruz County. South32 recently made a \$2.16 billion investment in Southern Arizona, representing the largest private investment in the local economy to date. Hermosa will create more than 900 family-sustaining jobs, with each job generating an average income of \$90,000 annually – over double the average household income in the county today. The project will also deliver millions annually in new tax dollars to fund public schools, community colleges, and county services. Hermosa will additionally create 1,600 indirect and induced jobs across Santa Cruz County, over 3,100 jobs across the state of Arizona, generate a cumulative \$29 million in local taxes for the county, and add nearly \$1.2 billion to Arizona's economy during construction alone.

Thank you for your consideration of our views as the Hermosa project's scoping period continues. We recognize that 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. You can contact me at mayormaldonado@nogalesaz.gov or 520-860-0629 with any questions or to discuss this issue in more detail.

Sincerely,

Jorge Maldonado

Mayor, City of Nogales

HULL