

June 7, 2024

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

Ladies and Gentlemen,

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

I am writing to express DMC Mining Services' support for South32's Hermosa project. Hermosa is expected to produce two US federally designated critical minerals – manganese and zinc – both of which are essential minerals for powering the clean energy future of the United States.

DMC Mining Services is the mining development contractor selected by South32 to develop the initial exploration decline to access the "Clark" (oxide) portion of the Hermosa orebody. We are honored to have been selected to participate in the Hermosa project and excited to bring our 40+ years of underground mine development experience to the table. With state-of-the-art technology and industry best practices in our toolbox, we are excited to have the chance to benefit the local community and to participate with South32 in creating sustainable, well-paying jobs, as well as entering into rewarding partnerships with local businesses and suppliers.

DMC Mining Services shares South32's view that Hermosa will help to transform and grow the local economy. South32 recently made a \$2.16 billion investment in Hermosa, representing the largest private investment in the local economy to date. South32 estimates that Hermosa will create more than 900 family-sustaining jobs, with each job generating labor income equal to 2 times the average household income in the county and deliver millions annually in new tax dollars to fund public schools, community colleges, and county services. It is also estimated that Hermosa will create an additional 1,600 indirect and induced jobs across Santa Cruz County, generate a cumulative \$29 million in local taxes in the county, and add nearly \$1.2 billion to Arizona's economy during construction.

HEAD OFFICE
191 Creditview Road
Suite 400, Vaughan, ON,
L4L 9T1

SUDBURY
2650 White Street
Val Caron, ON, P3N 1N7

USA
154 Dick Culley Rd.
Spring Creek, NV 89815

CHILE
Isidora Goyenechea 3600
piso 10,
Las Condes, Chile

Hermosa is being designed by South32 from the ground up with advanced technology and monitoring systems to deliver on South32's sustainability commitment. With a planned total footprint of 750 acres, it is designed to be a fraction of the footprint of open-pit mines and even other underground hard rock mines, and its water use intensity is estimated to be 75% less than other mines in the region.

South32 and DMC Mining Services are dedicated to being responsible neighbors in Santa Cruz County. DMC will work to execute its part of the development of the project utilizing sustainable and safe working practices. Similarly, we understand that South32 is working closely with the community to ensure the community's concerns are addressed in Hermosa's water management plans.

I urge you to consider the overwhelming support for the Hermosa Plan of Operations during the NEPA scoping period. 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.

With best regards,



DMC MINING SERVICES
Per Michal Nixon, General Manager, US Operations

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