



HERMOSA UPDATE

Patagonia Town Council

July 22, 2026

BRIGHTER
FUTURES,
TOGETHER



WHAT'S NEW AT HERMOSA



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LATEST ON CENTRO



BROAD UPDATES



Hermosa

\$3.3 billion (additional investment due to inflationary cost increases for key inputs, taxes, tariffs & shaft sinking delays)

Board approved the increased capital expenditure

Investment fundamentals still sound – zinc & silver markets

+5 year Zinc mine life increase

Zinc and Copper **deposits have both grown** (10% and 32%)

Timeline: **1st underground zinc end 2027**; 1st zinc product first half 2028

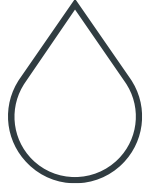
Unwavering commitment to community



Corporate South32

Sale of aluminum supply chain to focus on long-life base metals =
Hermosa is even more critical

PREVIOUS ISSUES UPDATE



Antimony

Upgrades complete; no new elevated numbers detected

Low levels confirmed downstream and in wells

Real time analysis and on-site lab for process control

More than \$700,000 spent on upgrades



Health Impact Assessment

Baseline almost complete – ready by mid-August

U of A to complete Assessment by October

TRAFFIC PLANNING



Studies submitted for the EIS used often in the community **analyzed maximum case scenario** – full production zinc, manganese & natural gas transportation



Record of Decision allows for the 138V power line ultimately **removing need for natural gas vehicles** (projected reduction of 51 trucks/day)



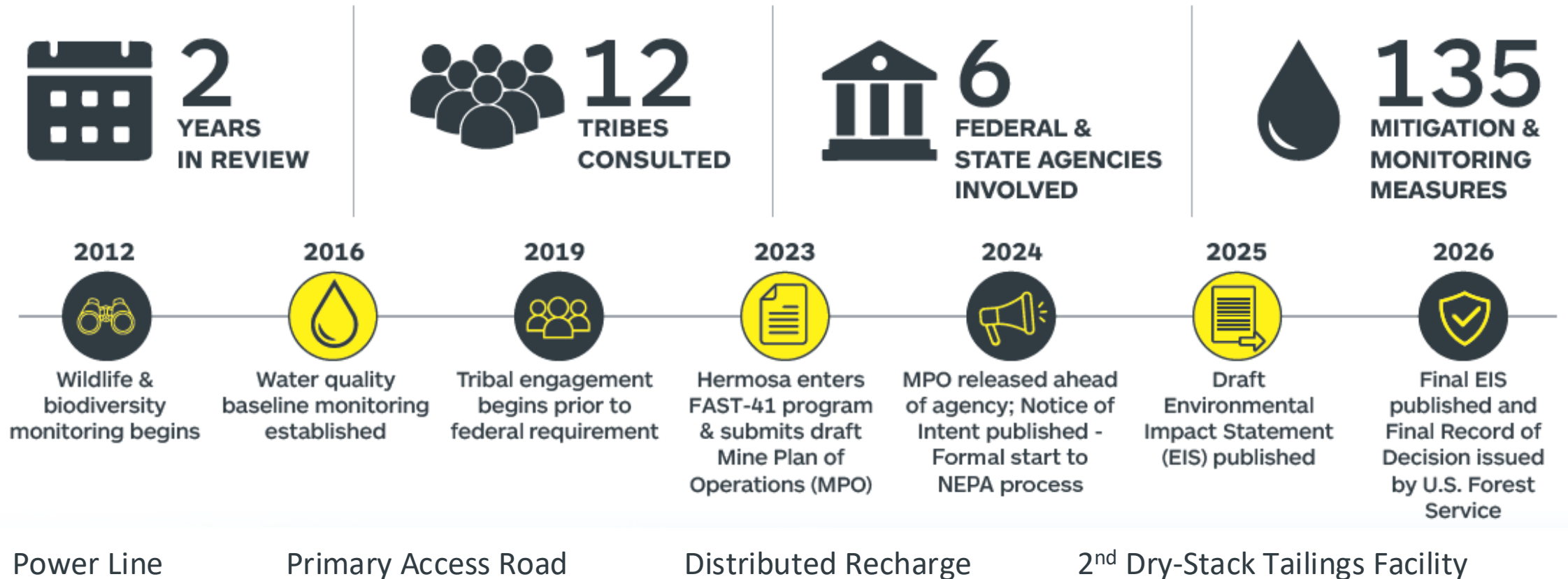
Manganese mining follows market development which has slowed – **no decision to mine at this point** so those trucks will also not be on the road

↓ 45%

Reduction in heavy truck & total traffic if natural gas & manganese traffic excluded

FINAL RECORD OF DECISION

The U.S. Forest Service's Final Record of Decision (ROD) for Hermosa is the culmination of years of environmental review, technical analysis, public engagement, Tribal consultation and interagency coordination. The final decision reflects a rigorous federal process that worked as intended – one that incorporated extensive public input and shaped meaningful project refinements.



LOCAL WORKFORCE TRAINING UPDATE



Automated Industrial Technician Program
in August 10 students—all from SCC + 3 Rio
Rico HS CTE dual enrollment students

Electrician Certificate Program
1st cohort, 11 students, August 7 **graduation**



2nd cohort begins in August with 16 additional
students enrolled



~ a **dozen open full-time positions**
see available roles & apply at
south32hermosa.com

All program & student costs covered by South32



INVESTING IN **SHARED** SUCCESS



123

SCC Vendors

+132%

Spend increase Q2 vs Q1 2026

In FY26

30 = ↑32%

New Vendors



California Tires

tekvian



CONSERVATION EFFORTS

5

Acres of private land in Patagonia



Pollinator habitat and walking trails



Native sacaton grass & walnut, cottonwoods & willow trees planted

Pond supporting Gila Topminnow

Pollinator & Restoration Garden

Primary Garden



Lucy's Warbler on a Mesquite Bloom



Sacaton Grassland



Pollinator Meadow



Bench



Mesquite Bosque



Tucson Bird Alliance
**Paton Center
for Hummingbirds**



Violet-crowned Hummingbird, Mick

STAYING CONNECTED WITH SOUTH32



ALL OPEN ROLES

careers.south32.net



VISIT US

Nogales: 825 N. Grand Ave, Ste 200
Patagonia: 301 McKeown Ave



ASK US ANYTHING

askhermosa@south32.net

Check out our new website!

También disponible en Español!

www.south32hermosa.com

