

HERMOSA EXPLORATION WATER STEWARDSHIP

- 1 The top of the mineral resource is more than a thousand feet below the surface. Groundwater exists 100 feet below the surface. We must pump the water to allow for safe passage of our people and equipment during exploration.
- 2 Water will be pumped from the wells and will be treated in the plant before being discharged to Harshaw Creek.
- 3 Water will be treated to meet surface water quality standards and will be safe for people and wildlife. ^A
- 4 Water will be discharged at a peak of 9 cubic feet per second (cfs). Runoff from typical storm events ranges from 100s to 1000s of cfs. ^B

Modest flow reduction to some seeps and springs. ^D

The aquifer is very permeable in some areas and requires large volumes of water to be displaced in early years in order to safely work underground. The water will be pumped to create a cone of depression beneath Hermosa.



South32 monitors surface water runoff at Hermosa and groundwater at Hermosa and the Town of Patagonia. The hydrologic models do not indicate adverse effects to groundwater in Patagonia.

We are moving water from one location to another to allow safe passage for employees and equipment. Small amounts of water may be used on site, for things like dust suppression, but the majority will be treated and discharged.

South32 has established a well monitoring program and is working directly with landowners to monitor and mitigate impacts.

No adverse impacts on flora or fauna are expected. ^E

South32 models indicate that the majority of the water discharged into Harshaw Creek will be recharged into the aquifer before it reaches the Town of Patagonia.

