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Arizona mine faces permitting and Trump tests





 $PATAGONIA, Ariz. - A \ critical-minerals \ mine \ could \ serve \ as \ a \ national \ example \ of \ sustainability - if it \ can \ clear \ federal \ permitting \ and \ community \ engagement \ hurdles.$

Why it matters: South32's Hermosa mine was the first mining project that the Biden administration added to a fast-track permitting program.

- It's a test for whether mining projects in the battery supply chain can escape the Trump administration's deepening purge of Biden-era energy funding.
- The Grand Canyon State is also a microcosm of larger debates in Congress and elsewhere over mining. Those debates have intensified in the race to compete with China and shore up defense supply chains.

 $\label{thm:continuous} The \ big\ picture: The \ s2.2\ billion\ mine\ in\ southern\ Arizona\ is\ positioned\ to\ produce\ two\ federally\ designated\ critical\ minerals:\ manganese\ and\ one\ of\ the\ largest\ untapped\ deposits\ of\ zinc.$

- Although South₃₂ has state permits to begin construction, it's applying for federal permits for expansion into the Coronado National Forest.
- The FAST-41 process estimates a two-year NEPA review concluding in 2026, with first production the following year. The draft environmental impact statement was released May

 $\textbf{Yes, but:} A \ \texttt{s} \texttt{166} \ million \ grant \ that \ the \ Energy \ Department \ \underline{awarded} \ to \ South \ 32 \ is \ being \ examined \ as \ part \ of \ an \ agency-wide \ review \ of \ funding \ priorities.$

A South32 spokeswoman confirmed the company received a DOE questionnaire. She
highlighted the significance of zinc and manganese to national security.

Zoom in: The 45,000-acre Hermosa site in the Patagonia Mountains was abuzz with activity during a tour for contractors and mining experts that Axios joined in late April.

- . Company officials led the group to a lookout point with sweeping views of the entire operation, where construction is about 40% finished.
- · Officials talked up the mine's relatively small footprint and efforts to reduce environmental impacts: plans to quickly recharge underground aquifers, to clean up old mine tailings scattered by legacy mines, and color palettes that mimic the natural scenery.
- The company is working with city and county officials on a Community Protections and Benefits Agreement that aims to provide investment for housing, education, social services or other areas.

 $\textbf{Zoom out:} \ President \ Trump \ wants \ to \ \underline{speed \ up.permitting} \ for \ mines, including \ for \ Rio \ Tinto's \ and \ an$ Resolution Copper project in Arizona.

- $\bullet~$ The Supreme Court this week $\underline{rejected}$ a Native American group's appeal contending that roject will destroy a sacred area.
- The DOE <u>has targeted</u> Biden-era requirements for community outreach and environmental
 justice considerations, while Democrats have warmed to the idea of some mining.



• "Not every mine is the right mine, but not all mines are bad, either," Sen. Ruben Gallego told

Between the lines: Developing such mines "can't be forced journeys," said South32 Hermosa President Pat Risner, who spoke on the sidelines that week at the Society of Environmental Journalists conference in Tempe.

• "The municipalities need everyone to be heard, and there are diverse views," he said. "If it takes longer to get it right, then it'll take a little bit longer.

 $\label{thm:continuity} \textbf{The other side:} Some long time residents and environmental groups worry about the mine's effects on animal and bird migratory paths and disruptions to the landscape and air quality.$

- The mine has divided residents of Patagonia, a 19th-century mining town that's become an enclave for retirees, mountain bikers and nature-lovers.
- "Their definition of sustainability is woefully inadequate for this biologically diverse area," said Carolyn Shafer, mission coordinator for the Patagonia Area Resource Alliance
- Shafer acknowledged that the company had incorporated some of residents' feedback into its mine design.

Our thought bubble: Like real estate, mining is about location, location.

 Each project will have a unique footprint, making it difficult to replicate South32's or predict the broader mining industry's success