

June 2026 Update on the Community Protection & Benefit Agreement (CPBA) Process

This past June, the Town of Patagonia, the City of Nogales, Santa Cruz County, and South32, collectively the “Signatories,” continued advancing both the Early Actions Community Investment Agreement and planning efforts for the broader Community Protection & Benefit Agreement (CPBA). Work focused on moving priority community investment projects toward implementation, reviewing protections and monitoring measures, strengthening community engagement processes, and refining the shared framework for the next phase of the CPBA.

What We Worked On

Early Actions Community Investment Agreement

Most projects are now in process, moving through scoping, costing, bidding, legal review, or approval steps before funding and implementation.

Several Early Action projects advanced, including:

1. Protections Roadmap (Countywide)
 - In progress
2. Independent Emergency Services Audit (Countywide)
 - RFQ draft completed and scheduled for approval on July 1st
3. Fire and EMS Infrastructure Expansion (Nogales)
 - Scope endorsed for Patagonia and in drafting phase for Nogales
4. Design for Patagonia Law Enforcement Office Space (Patagonia)
 - Scope endorsed. Scopes have been completed and are pending review
5. Patagonia Flood Control Study – Phase II (Patagonia)
 - In progress
6. Mariposa Mobile Clinic Support (Countywide)
 - In progress
7. County Mobile Health Vehicle / Clinic (Countywide)
 - In progress
8. Mariposa Residency Housing Study & Design (Countywide)
 - In progress and working on costing
9. Mariposa Clinic Transportation Vehicle (Countywide)
 - In progress and working on costing
10. Clinic Expansion Design (Patagonia)
 - In drafting phase. Study and design are being completed, with scope work expected to continue after additional input
11. Countywide Strategic Childcare Plan (Countywide)
 - Planned
12. Patagonia Daycare Design (Birth–5) (Patagonia)
 - Scope endorsed and pending review by civil and infrastructure design
13. Parks, Recreation & Open Space Master Plan (Countywide)
 - In drafting phase, with work underway on countywide asset mapping and engagement planning

14. Nature Based Economy (Countywide)
 - In drafting phase. Action items and the implementation plan still need to be developed
15. Affordable Housing Project – Design and Engineering (Patagonia)
 - RFQ draft completed and scheduled for approval on July 1st
16. Update of the Santa Cruz County Housing Strategy (2022–2027) (Countywide)
 - In progress and expected to be sent to RFQ
17. Sewer & Water Engineering Study Reimbursement (Nogales)
 - On hold pending further discussion

These projects reflect shared priorities identified through community engagement and Signatory collaboration. They are intended to address critical community needs while supporting long-term resilience, infrastructure readiness, and quality of life across Santa Cruz County.

Protections, Monitoring, and CPBA Planning

South32 presented a summary of mitigation and monitoring measures documented in the Final Environmental Impact Statement (FEIS), as well as additional protections being conducted beyond FEIS requirements. The Signatories discussed further revisions to two CPBA summary graphics intended to help communicate these protections more clearly, below.

Schedule and Shared Objectives

The Signatories agreed to extend the expected schedule for signing the CPBA to January 2027. This adjustment is intended to allow more time for engagement and to avoid relying heavily on the year-end holiday period for important community and Signatory review.

Community Engagement and Website Updates

The County Stakeholder Input for Protections Form updates were finalized, and the form is now posted on: <https://cpba-hermosa.org/survey/>

The Signatories also agreed on a process for reviewing comments received through the website. Comments will be reviewed and categorized, including whether they relate to the CPBA and whether a response is needed. For comments requiring a response, the Signatories agreed to provide a response within approximately 30 to 45 days. A notice will also be posted on the website to let commenters know that their submissions will be reviewed.

Related Technical Updates

The University of Arizona Health Impact Assessment team provided an update on its progress and remains on target to deliver the Health Impact Assessment by October.

The Spheros Protection Roadmap team also provided an update and remains on target to deliver monitoring program recommendations by October.

Community Input

June Website Submissions

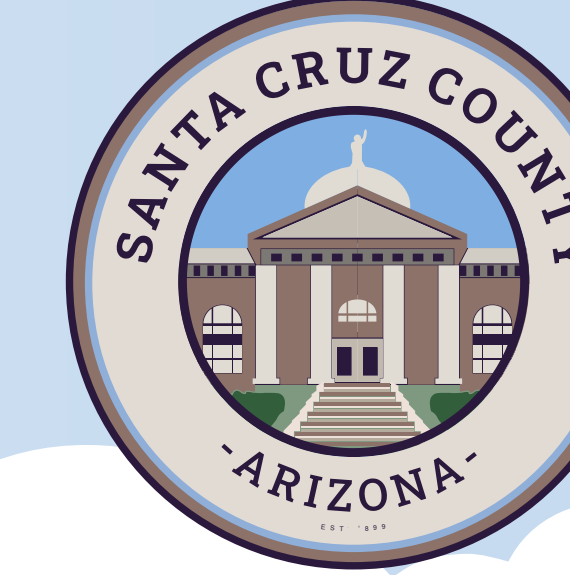
- 1 Survey Submissions
- 3 Comment/Message

Comments, questions and other feedback received on this website continue to be reviewed and considered by the Signatories as part of ongoing community engagement. Community feedback remains an important part of the CPBA process and helps inform priorities, investments, protections, and future agreement development.

SOUTH32 HERMOSA

COMMUNITY PROTECTION & BENEFITS AGREEMENT

Santa Cruz County, the City of Nogales, the Town of Patagonia and South32 are developing a voluntary, legally-binding for South32 agreement to ensure Hermosa is developed, operated and closed in a manner that provides protections and benefits to the County, City and Town and their residents.



Working together for a stronger, healthier community.

✓ IT IS:

- Cooperatively developed and negotiated
- Representative of both community and developer interests
- Typically implemented by an independent organization
- Intended to provide for mutually agreed protections and benefits beyond those required by regulatory approvals
- A living document

✗ IT IS NOT:

- Required by law (like NEPA), focused on regulatory compliance
- Administered by a government agency
- A document that follows a pre-defined format, content or process
- Intended to provide for all community interests and concerns



SIGNATORY COMMON OBJECTIVES FOR THE CPBA INITIATIVE:

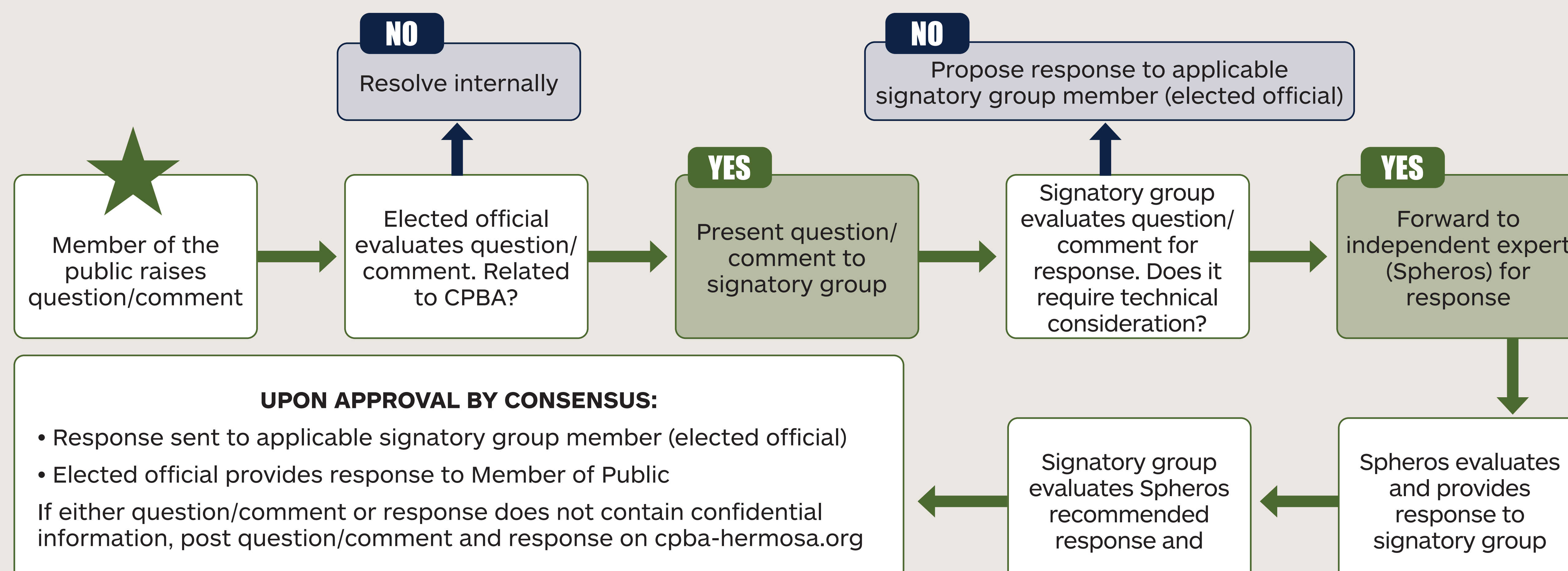
- Improve trust in what we are doing
- Enhance alignment across stakeholders
- Close gaps and improve quality of life / increase opportunities
- Provide for protections
- Promote sustainability
- Promote growth



SIGNATORY LONG-TERM VISION FOR CPBA'S SUCCESS

- Self-sustaining economy, separate from mining (nature-based economy)
- Ability for families to stay in their community and thrive
- Affordable living/housing
- Environmentally safe community
- Development of opportunities that support community interests

HERMOSA CPBA QUESTION/COMMENT RESOLUTION PROCESS:



SCAN FOR MORE DETAILS



COMMUNITY PROTECTION & BENEFITS AGREEMENT PROCESS AND TIMELINE



1. COMMUNITY INVESTMENT AGREEMENT (EARLY ACTIONS)

2026-2027

- Limited contribution agreement addressing urgent, needs-based benefits
- Focus on standard of living gaps
- Informed by U of A study and community input
- Environmental Protections Roadmap that outlines the steps and timeline for supplemental monitoring and protective measures to be developed in the next phase
- Commitment to completion of early action projects



2. CPBA

***Operation
Start-up***

- Continuation of needs-based benefits
- Protections identified in the execution of Environmental Protections Roadmap
- Commitments relating to:
 - Workforce development
 - Local procurement
 - Citizen monitoring and nature-based economic development
 - Mine transitions (expansion, closure, etc.)
- Governance agreement on long-term structure of the CPBA:
 - Provisions related to CPBA execution (Executive Committee), program changes, dispute resolution, community feedback mechanisms and third-party input



3. CPBA LONG-TERM PROTECTIONS & BENEFITS

***On-going
Operations***

- Continuation and update of protections
- Amendment of Interim Actions Agreement to include long-term, vision-based benefits delivered through a structured mechanism
- Executing prioritized, vision-based initiatives outlined in the agreement
- Overseeing administration, governance, reporting, and compliance for funding requests