



24 AUGUST 2023

South32 Limited
(Incorporated in Australia under the *Corporations Act 2001* (Cth))
(ACN 093 732 597)
ASX / LSE / JSE Share Code: S32 ADR: SOUHY
ISIN: AU000000S320
south32.net

2023 FULL YEAR FINANCIAL RESULTS PRESENTATION

South32 Limited (ASX, LSE, JSE: S32; ADR: SOUHY) (South32) will hold a conference call at 8.30am Australian Western Standard Time to discuss the attached 2023 full year financial results presentation materials, the details of which are as follows:

Conference ID:

Please pre-register for this call at [link](#).

A presentation is attached. Following the conference call a recording will be available on the South32 website (<https://www.south32.net/investors/presentations-speeches>).

Separately a video presentation by South32 Chief Executive Officer, Graham Kerr, will be made available on the South32 website (<https://www.south32.net/news-media/latest-news>).

About us

South32 is a globally diversified mining and metals company. Our purpose is to make a difference by developing natural resources, improving people's lives now and for generations to come. We are trusted by our owners and partners to realise the potential of their resources. We produce commodities including bauxite, alumina, aluminium, copper, silver, lead, zinc, nickel, metallurgical coal and manganese from our operations in Australia, Southern Africa and South America. With a focus on growing our base metals exposure, we also have two development options in North America and several partnerships with junior explorers around the world.

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Further information on South32 can be found at www.south32.net.

Approved for release to the market by Graham Kerr, Chief Executive Officer
JSE Sponsor: The Standard Bank of South Africa Limited
24 August 2023



2023 FULL YEAR FINANCIAL RESULTS

24 August 2023



IMPORTANT NOTICES



This presentation should be read in conjunction with the "Financial Results and Outlook – full year ended 30 June 2023" announcement released on 24 August 2023, which is available on South32's website (www.south32.net).

FORWARD-LOOKING STATEMENTS

This presentation contains forward-looking statements, including statements about trends in commodity prices and currency exchange rates; demand for commodities; production forecasts; plans, strategies and objectives of management; capital costs and scheduling; operating costs; anticipated productive lives of projects, mines and operations; and provisions and contingent liabilities. These forward-looking statements reflect expectations at the date of this presentation, however they are not guarantees or predictions of future performance. They involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, and which may cause actual results to differ materially from those expressed in the statements contained in this presentation. Readers are cautioned not to put undue reliance on forward-looking statements. Except as required by applicable laws or regulations, the South32 Group does not undertake to publicly update or review any forward-looking statements, whether as a result of new information or future events. Past performance cannot be relied on as a guide to future performance. South32 cautions against reliance on any forward looking statements or guidance.

NON-IFRS FINANCIAL INFORMATION

This presentation includes certain non-IFRS financial measures, including Underlying earnings, Underlying EBIT and Underlying EBITDA, Underlying revenue, Underlying net finance costs, Underlying depreciation and amortisation, Underlying operating costs, Underlying income tax expense, Underlying royalty related tax expense, Basic Underlying earnings per share, Underlying effective tax rate, Underlying EBIT margin, Underlying EBITDA margin, Underlying return on capital, Free cash flow, net debt, net operating assets and ROIC. These measures are used internally by management to assess the performance of our business, make decisions on the allocation of our resources and assess operational management. Non-IFRS measures have not been subject to audit or review and should not be considered as an indication of or alternative to an IFRS measure of profitability, financial performance or liquidity.

NO OFFER OF SECURITIES

Nothing in this presentation should be read or understood as an offer or recommendation to buy or sell South32 securities, or be treated or relied upon as a recommendation or advice by South32.

RELIANCE ON THIRD PARTY INFORMATION

Any information contained in this presentation that has been derived from publicly available sources (or views based on such information) has not been independently verified. The South32 Group does not make any representation or warranty about the accuracy, completeness or reliability of the information. This presentation should not be relied upon as a recommendation or forecast by South32.

NO FINANCIAL OR INVESTMENT ADVICE – SOUTH AFRICA

South32 does not provide any financial or investment 'advice' as that term is defined in the South African Financial Advisory and Intermediary Services Act, 37 of 2002, and we strongly recommend that you seek professional advice.

MINERAL RESOURCES AND ORE RESERVES

Information in this presentation that relates to Ore/Coal Reserve or Mineral/Coal Resource estimates for all operations and projects was declared as part of South32's annual Resource and Reserve declaration in the FY22 Annual Report (www.south32.net) issued on 9 September 2022 and prepared by Competent Persons in accordance with the requirements of the JORC Code. South32 confirms that it is not aware of any new information or data that materially affects the information included in the original announcements. All material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. South32 confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Taylor: The information in this presentation that relates to Mineral Resource estimate for Taylor deposit is extracted from the announcement entitled (Hermosa Project – Mineral Resource Estimate Update and Exploration Results) published on 24 July 2023 and is available to view on www.south32.net. South32 confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. South32 confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Sierra Gorda: The information in this presentation that relates to the Mineral Resource estimate for Sierra Gorda deposit is extracted from the announcement entitled "Sierra Gorda Copper Mine – Mineral Resource Declaration" published on 24 August 2023 and is available to view on www.south32.net. South32 confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. South32 confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement. South32 notes that the stockpiled oxide material referred to in this announcement is not included as a Mineral Resource and South32 cannot confirm whether the estimate has been compiled using an appropriate foreign reporting code. CuEq (%) is copper equivalent which accounts for combined value of copper, molybdenum and gold. Metals are converted to CuEq via unit value calculations using long-term consensus metal price assumptions and relative metallurgical recovery assumptions. The metal price is commercially sensitive and is not disclosed. The average metallurgical recoveries are 85% for copper (Cu), 55% for molybdenum (Mo), and 39% for gold (Au). The formula used for calculation of copper equivalent is $CuEq = Cu (\%) + 2.3 * Mo (\%) + 0.275 * Au (g/t)$.

The information in this presentation that relates to the mineral reserve estimate for the Sierra Gorda Cu-Mo-Au deposit was declared in the market release "South32 to acquire a 45% interest in the Sierra Gorda Copper Mine" dated 14 October 2021. The estimate is a qualifying foreign estimate and is not reported in accordance with the JORC Code. Competent persons have not done sufficient work to classify the foreign estimate as Ore Reserves in accordance with the JORC Code. It is uncertain that following evaluation and further exploration the foreign estimate will be able to be reported as Ore Reserves in accordance with the JORC Code. South32 is not in possession of any new information or data relating to the foreign estimate that materially impacts on the reliability of the estimate. South32 confirms that the information contained in the clarifying statement in the market release referred above continues to apply and has not materially changed.

PRODUCTION TARGETS

Taylor: The information in this presentation that refers to Production Target and forecast financial information is based on Measured (22%), Indicated (38%), Inferred (9%) Mineral Resources and Exploration Target (31%) for the Taylor deposit. The Mineral Resources underpinning the Production Target have been prepared by a Competent Person in accordance with the JORC Code. All material assumptions on which the Production Target and forecast financial information is based on information provided in the "Hermosa Project – Hermosa Mineral Resource Estimate Update and Exploration Results" dated 24 July 2023. There is low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the Production Target will be realised. The potential quantity and grade of the Exploration Target is conceptual in nature. In respect of Exploration Target used in the Production Target, there has been insufficient exploration to determine a Mineral Resource and there is no certainty that further exploration work will result in the determination of Mineral Resources or that the Production Target itself will be realised. The stated Production Target is based on South32's current expectations of future results or events and should not be solely relied upon by investors when making investment decisions. Further evaluation work and appropriate studies are required to establish sufficient confidence that this target will be met. South32 confirms that inclusion of 40% of tonnage (9% Inferred Mineral Resources and 31% Exploration target) is not the determining factor of the project viability and the project forecasts a positive financial performance when using 60% tonnage (22% Measured and 38% Indicated Mineral Resources). South32 is satisfied, therefore, that the use of Inferred Mineral Resources and Exploration Target in the Production Target and forecast financial information reporting is reasonable. Additional disclosure is included in Annexure 1.

Clark: The information in this announcement that refers to the Production Target for Clark is based on Indicated (69%) and Inferred (31%) Mineral Resources and was originally disclosed in "Hermosa Project update" dated 9 May 2023. The Mineral Resources underpinning the Production Target is based on Mineral Resources disclosed in South32's FY22 Annual Report published on 9 September 2022 (www.south32.net). South32 confirms that all the material assumptions underpinning the production target in the initial public report referred to in ASX Listing Rule 5.16 continue to apply and have not materially changed. There is low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the production target itself will be realised. The stated Production Target is based on South32's current expectations of future results or events and should not be solely relied upon by investors when making investment decisions. Further evaluation work and appropriate studies are required to establish sufficient confidence that this target will be met. South32 confirms that inclusion of 31% of Inferred Mineral Resources is not the determining factor of the project viability and the project forecasts a positive financial performance when using 69% Indicated Mineral Resources. South32 is satisfied, therefore, that the use of Inferred Mineral Resources in the Production Target and forecast financial information reporting is reasonable. Additional disclosure is included in Annexure 2.

Illawarra Metallurgical Coal: The information in this presentation that relates to the Production Target for Appin (up to 2039) and Dendrobium (up to 2032) is based on 23% Proved and 52% Probable Coal Reserves, and 20% Measured and 5% Indicated Coal Resources from Wongawilli (Dendrobium), and 9% Proved and 91% Probable Coal Reserves from Bulli (Appin). The Coal Resources and Coal Reserves estimates underpinning the Production Target have been prepared by Competent Persons and reported in accordance with the JORC Code. The Coal Resources and Coal Reserves estimates are available to view in South32's FY22 Annual Report (www.south32.net) published on 9 September 2022. The stated Production Target is based on South32's current expectations of future results or events and should not be solely relied upon by investors when making investment decisions. Further evaluation work and appropriate studies are required to establish sufficient confidence that this target will be met.

EXPLORATION TARGETS

Peake: The information in this announcement that relates to Exploration Results for Peake prospect is extracted from the announcement entitled (Hermosa Project – Mineral Resource Estimate Update and Exploration Results) published on 24 July 2023 and is available to view on www.south32.net. South32 confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. South32 confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Flux: The information in this presentation that relates to Exploration Target for Flux is extracted from "South32 Strategy and Business Update" released on 18 May 2021 and is available to view on www.south32.net. The information was prepared by a Competent Person in accordance with the requirements of the JORC Code. South32 confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. South32 confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

IMPORTANT NOTICES

EARNINGS RECONCILIATION

The Group's statutory profit after tax decreased by US\$2,842M to a loss of US\$173M in FY23, including a US\$1,300M non-cash impairment of Hermosa's Taylor deposit. Underlying earnings decreased by US\$1,686M to US\$916M in FY23 due to lower commodity prices and uncontrollable cost impacts. Consistent with our accounting policies, various items are excluded from the Group's statutory profit/(loss) to derive Underlying earnings. Total adjustments to derive Underlying EBIT (US\$1,418M), shown in the table below, include:

- Net impairment loss of non-financial assets (+US\$1,300M): non-cash impairment expense in relation to Hermosa's Taylor deposit, as announced on 24 July 2023¹. The impairment of the Taylor deposit reflected the impact of delays due to COVID-19, significant dewatering requirements, and current inflationary pressures;
- Significant items (-US\$186M): gain on disposal of non-core base metal royalties to Ecora Resources PLC² (-US\$189M pre-tax) and recognition of other income in relation to the indemnity for Chilean mining tax changes³ negotiated as part of our acquisition of Sierra Gorda (-US\$48M pre-tax), partially offset by a non-cash asset write-off following our decision not to proceed with the Dendrobium Next Domain (DND) project at Illawarra Metallurgical Coal⁴ (+US\$51M pre-tax);
- Sierra Gorda (+US\$144M) and Manganese (+US\$147M) joint venture adjustments: adjustments to reconcile the statutory equity accounting position to a proportional consolidation basis; and
- Net impairment loss of financial assets (+US\$71M): periodic revaluation of the shareholder loan receivable from Sierra Gorda reflecting copper price and other macroeconomic assumptions. An offsetting amount is recorded in the Sierra Gorda joint venture adjustments noted above.

	FY23	FY22
	US\$M	US\$M
Profit to Underlying EBITDA reconciliation		
Profit before tax and net finance income/(costs)	198	3,724
Adjustments to derive Underlying EBIT:		
Significant items	(186)	(77)
Sierra Gorda joint venture adjustments	144	44
Manganese joint venture adjustments	147	216
Gains on the consolidation of interests in operations	-	(9)
Exchange rate (gains)/losses on the restatement of monetary items	(62)	(50)
Net impairment loss/(reversal) of financial assets	71	26
Net impairment loss/(reversal) of non-financial assets	1,300	145
(Gains)/losses on non-trading derivative instruments, contingent consideration and other investments measured at fair value through profit and loss	4	(52)
Total adjustments to derive Underlying EBIT	1,418	243
Underlying EBIT	1,616	3,967
Underlying depreciation and amortisation	918	788
Underlying EBITDA	2,534	4,755
Profit/(loss) to Underlying earnings reconciliation		
Profit/(loss) after tax	(173)	2,669
Total adjustments to derive Underlying EBIT	1,418	243
Total adjustments to derive Underlying net finance costs	(203)	(124)
Total adjustments to derive Underlying income and royalty related tax expense	(126)	(186)
Underlying earnings	916	2,602

WORKING SAFELY

We are working to improve our safety performance through our 'safety guarantee'^(a)

Fatalities^{5,6}	2 FY22: 1 FY21: 1
Lost time injury frequency (LTIF)⁷	1.4 FY22: 2.0 FY21: 1.7
Total recordable injury frequency (TRIF)⁷	5.9 FY22: 5.3 FY21: 4.3
Total recordable illness frequency (TRILF)^{7,8}	1.3 FY22: 1.4 FY21: 1.1
Total significant hazards frequency⁹	91.6 FY22: 72.0 FY21: 41.0

- Tragically, in November 2022, two of our colleagues were fatally injured while undertaking maintenance work at Mozal Aluminium
- An investigation into the incident has been completed and key learnings shared across our business and with industry participants
- We have also commenced work with the original equipment manufacturer to identify further safety improvements

- We continued to implement our multi-year Safety Improvement Program, which was launched in FY22
- The program aims to shift mindsets through leadership, empower our people, reduce risks with effective controls, and improve systems and metrics
- Our investment in safety leadership includes our 'Lead Safely Every Day' program, which commenced in FY23 and will continue in FY24
- Significant hazard frequency increased to 91.6 for FY23, indicating improved hazard awareness and a positive reporting culture

Notes:

a. Our 'safety guarantee' is our internal approach to creating a sense of chronic unease that can enhance our safety culture.

FY23 OVERVIEW

We delivered strong production growth and continued to reshape our portfolio for a low-carbon future

Record production at three operations

15% production growth in aluminium and base metals¹⁰

Record US\$1.2B returned to shareholders^(a)

Invested US\$256M at our Hermosa project to advance two long-life options in critical minerals

Progressed projects at Sierra Gorda to grow future copper production




Notes:

a. Fully-franked ordinary and special dividends paid in respect of H2 FY22 (US\$784M), fully-franked ordinary dividends paid in respect of H1 FY23 (US\$223M) and our on-market share buy-back (US\$218M).

FY23 FINANCIAL SCORECARD

Portfolio improvements in copper and low-carbon aluminium¹¹ underpinned strong volume growth and one of our largest underlying financial results, while we invested to unlock future volumes and delivered record returns to shareholders

Profit/(loss) after tax <i>(incl. US\$1.3B non-cash impairment of Hermosa's Taylor deposit)</i>	(US\$173M)		Cash returned to shareholders during FY23^(a)	US\$1.23B
Underlying earnings	US\$916M		Fully-franked ordinary dividend in respect of H2 FY23 <i>(3.2 cents per share)</i>	US\$145M
Underlying EBITDA	US\$2.53B		Capital management program remaining <i>(program expanded by US\$50M)</i>	US\$133M
Group operating margin¹²	29.4%		Net debt as at 30 June 2023	US\$483M
Free cash flow¹³	US\$244M			

Notes:

a. Fully-franked ordinary and special dividends paid in respect of H2 FY22 (US\$784M), fully-franked ordinary dividends paid in respect of H1 FY23 (US\$223M) and our on-market share buy-back (US\$218M).

OUR STRATEGY

Our purpose is underpinned by a simple strategy



OPTIMISE

our business by working safely, minimising our impact, consistently delivering stable and predictable performance and continually improving our competitiveness



UNLOCK

the full value of our business through our people, innovation, projects and technology



IDENTIFY

and pursue opportunities to sustainably reshape our business for the future, and create enduring social, environmental and economic value

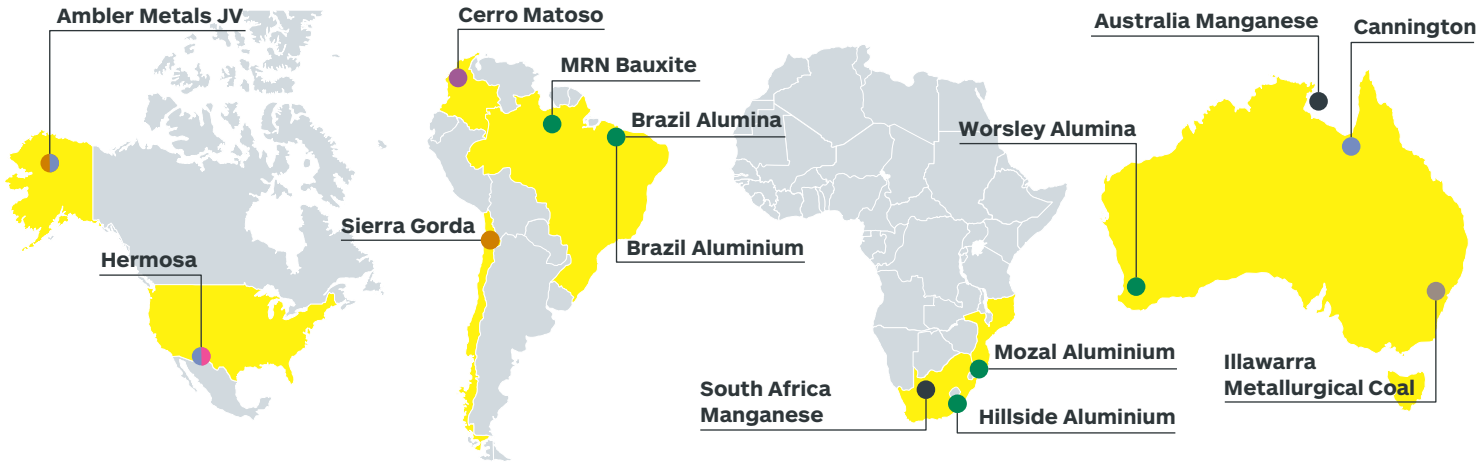
OUR PORTFOLIO

We have an attractive commodity mix and high-quality growth options in commodities critical for a low-carbon future

Near-term production growth in copper and low-carbon aluminium

Final investment decisions (FID) for our zinc and copper growth options planned in FY24

25+ greenfield exploration options in base metals



- Aluminium value chain
- Copper
- Nickel
- Zinc-lead-silver
- Battery-grade manganese
- Manganese ore
- Metallurgical coal

Advancing greenfield exploration partnerships and prospects in:



Project pipeline

Brownfield options in study phase or execution

- Worsley Alumina decarbonisation and life extension
- Brazil Alumina De-bottlenecking Phase Two
- AP3XLE technology at Hillside and Mozal Aluminium
- Sierra Gorda fourth grinding line expansion
- Sierra Gorda oxide stockpile potential^(a)
- Cerro Matoso intermediary nickel studies
- Australia Manganese Eastern Leases and Southern Areas

Greenfield growth options in study phase

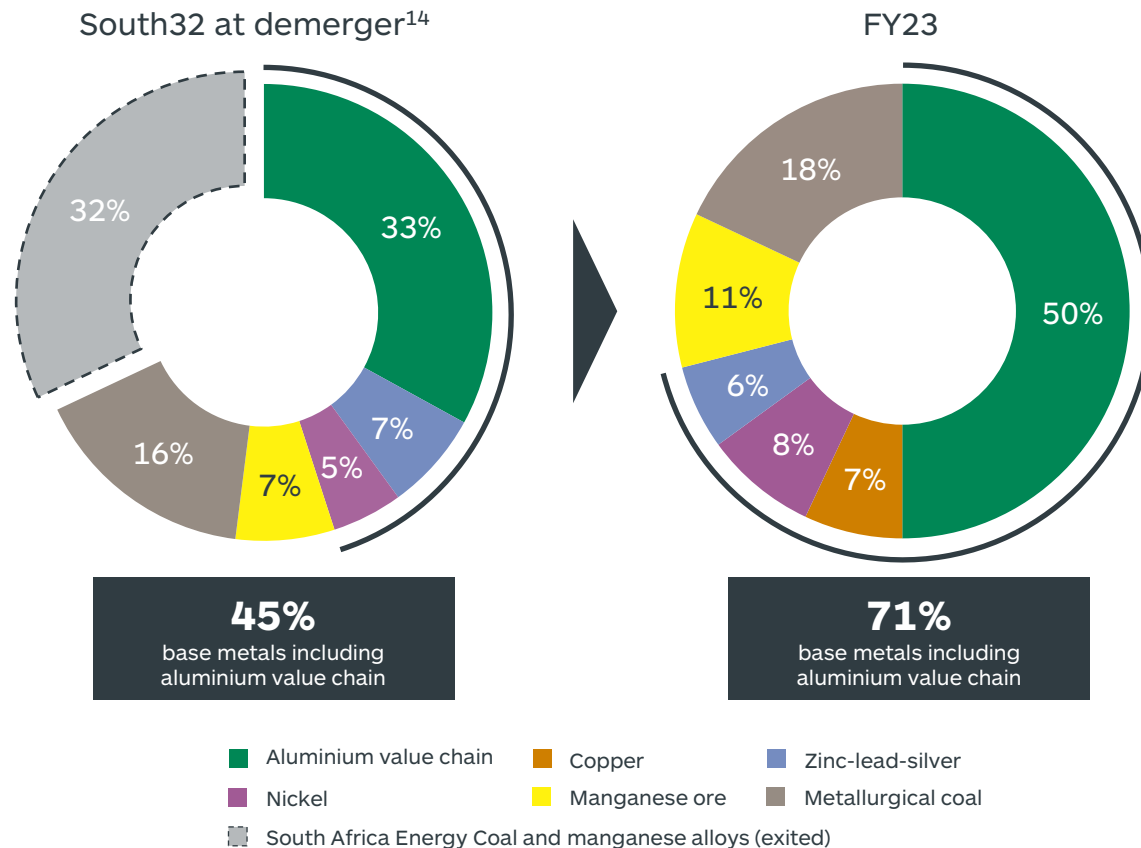
- Hermosa Taylor zinc-lead-silver
- Hermosa Clark battery-grade manganese
- Ambler Metals Arctic deposit

Notes:
a. Refer to important notices (slide 2) for additional disclosure.

DELIVERING ON OUR STRATEGY

We are reshaping our portfolio to focus on commodities critical for a low-carbon future

Underlying revenue by commodity^(a)



- Doubled our low-carbon aluminium capacity**
- Added Sierra Gorda copper to our portfolio**
- Allocated excess capital generated by Illawarra Metallurgical Coal to grow our base metals portfolio and deliver record shareholder returns**
- Advanced multiple development options in critical minerals at our Hermosa project**
- Progressed greenfield exploration options in highly prospective regions**

Notes:
 a. Presented on a proportional consolidation basis. Excludes third party product revenue and Group and unallocated costs.

OUR GROWTH PIPELINE

Progressing a high-quality pipeline with the potential to underpin a significant growth profile

Copper equivalent production¹⁵

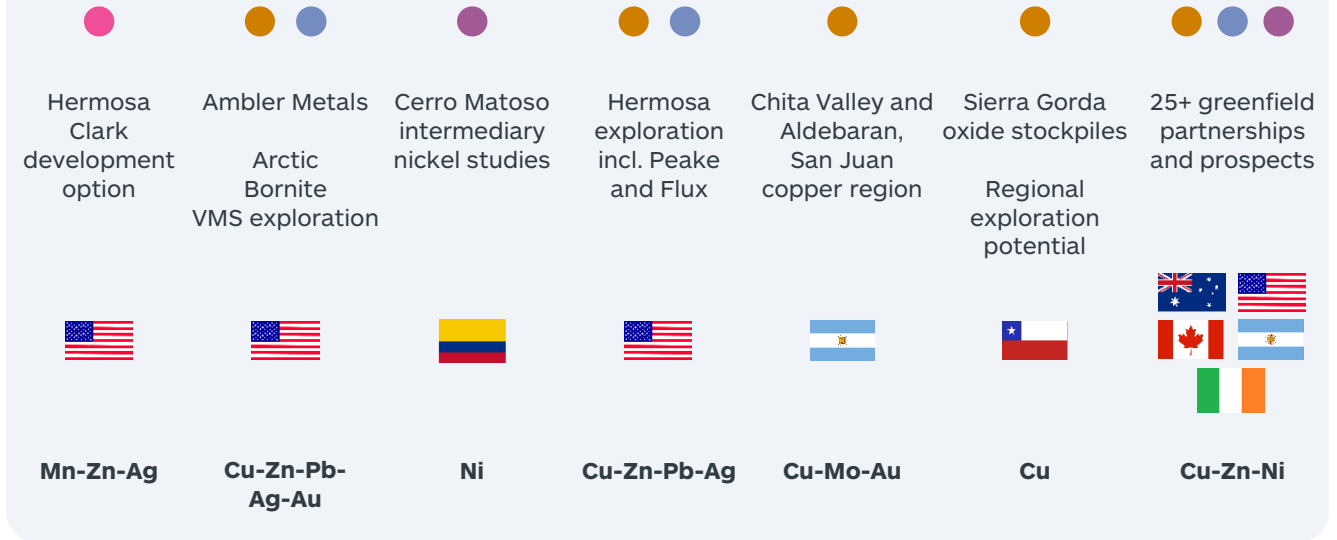


FY22 FY23 FY24e

Final investment decisions expected in FY24



Projects in further study phases and exploration



■ Base metals including aluminium value chain
■ Manganese ore
■ Metallurgical coal

● Copper ● Zinc-lead-silver ● Nickel ● Battery-grade manganese



SUSTAINABILITY PERFORMANCE



FY23 SUSTAINABILITY PERFORMANCE

Our sustainability approach focuses on areas material to our business and stakeholders

 Protecting and respecting our people	<ul style="list-style-type: none">• Progressed our Safety Improvement Program to enhance our safety culture and performance• Continued to embed our Inclusion and Diversity Standard to create an inclusive culture and diverse workforce
 Delivering value to society	<ul style="list-style-type: none">• Updated our approach to cultural heritage to apply globally, and developed our approach to Indigenous, Traditional and Tribal Peoples engagement• Invested US\$27.7M in communities, including investment to support local enterprise development in South Africa¹⁶
 Operating ethically and responsibly	<ul style="list-style-type: none">• Developed our second Innovate Reconciliation Action Plan, due for publication in H1 FY24• Increased our local procurement spend by 12%¹⁷
 Managing our environmental impact	<ul style="list-style-type: none">• Continued to implement the Global Industry Standard on Tailings Management• Participated in pilots in support of the Taskforce on Nature-related Financial Disclosures
 Addressing climate change	<ul style="list-style-type: none">• Published our first Climate Change Action Plan and set a new goal¹⁸ of net zero Scope 3 GHG emissions by 2050• Progressed our decarbonisation pipeline, including energy conversion projects at Worsley Alumina, AP3XLE energy efficiency technology at Hillside Aluminium and methane abatement technologies at Illawarra Metallurgical Coal

INCLUSION AND DIVERSITY

Building an inclusive and diverse workforce to unlock the full potential of our people

Women on our Board	44.4% FY22: 37.5% FY21: 37.5%
Total employees who are women¹⁹	20.2% FY22: 19.2% FY21: 18.4%
Women on our Lead Team	50.0% FY22: 37.5% FY21: 44.4%
Women in Senior Leadership	30.3% FY22: 32.1% FY21: 29.6%
Women in Operational leadership^{20,(a)}	28.7% FY22: 20.4% FY21: 18.3%
Black People²¹ in South Africa in management roles²²	55.3% FY22: 61.9% FY21: 52.4%
Total employees in South Africa who are Black People²¹	86.9% FY22: 86.1% FY21: 85.7%



Notes:

a. Commencing FY23 the definition of Operational Lead Team was expanded to include functional leaders based at operations.

ADDRESSING CLIMATE CHANGE

Progressing initiatives in support of our target²³ to reduce operational GHG emissions 50% by 2035 and our goal¹⁸ of net zero GHG emissions by 2050

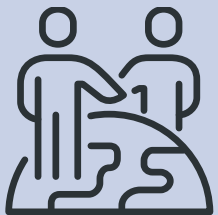
Reshaping our portfolio



Decarbonising our operations



Working with others



Managing physical climate risks



FY23 Highlights

- Commenced converting the first of Worsley Alumina's coal-fired boilers to natural gas, with the second planned for FY24, as we continue to explore long-term options for electrification
- Continued to implement AP3XLE energy efficiency technology at Hillside Aluminium and progressed options toward securing long-term renewable electricity supply
- Hillside Aluminium signed a non-binding MOU with Eskom to explore the potential to enter into a pilot agreement to purchase energy attributes associated with the electricity generated at Eskom's Koeberg Nuclear Power Station
- Progressed the commercial scale pilot of CSIRO ventilation air methane abatement technology into feasibility phase at Illawarra Metallurgical Coal
- Sierra Gorda transitioned to 100% renewable electricity supply
- Engaged key suppliers on Scope 3 GHG emissions reduction opportunities
- Established our first contractual mechanism to incentivise reduction of GHG emissions associated with shipping
- Progressed just transition planning to support Worsley Alumina and Hillside Aluminium's transition towards a low-carbon global economy
- Updated our life of operations plans to reflect physical climate risk assessments

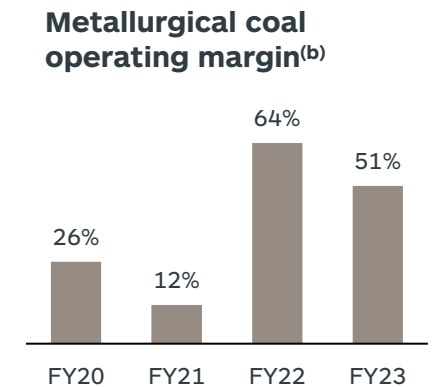
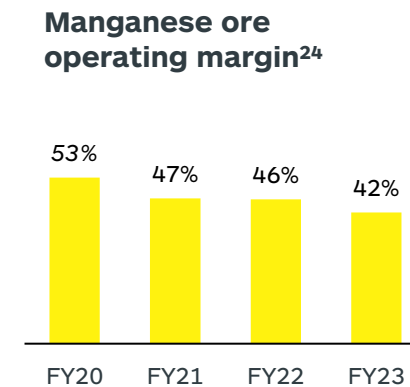
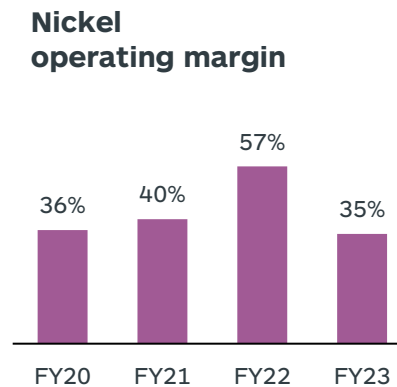
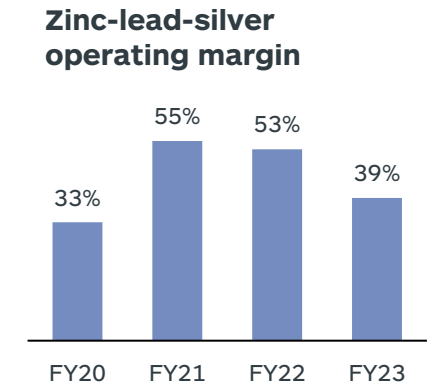
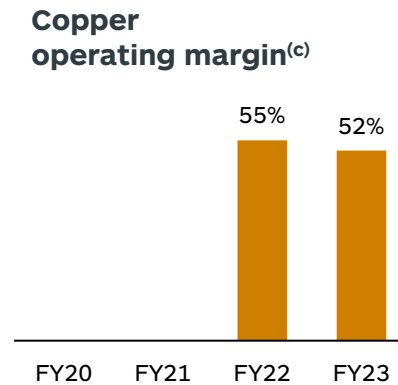
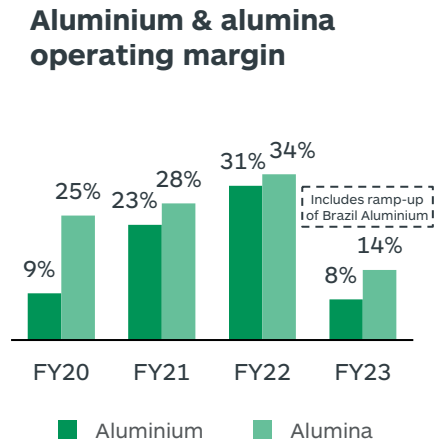
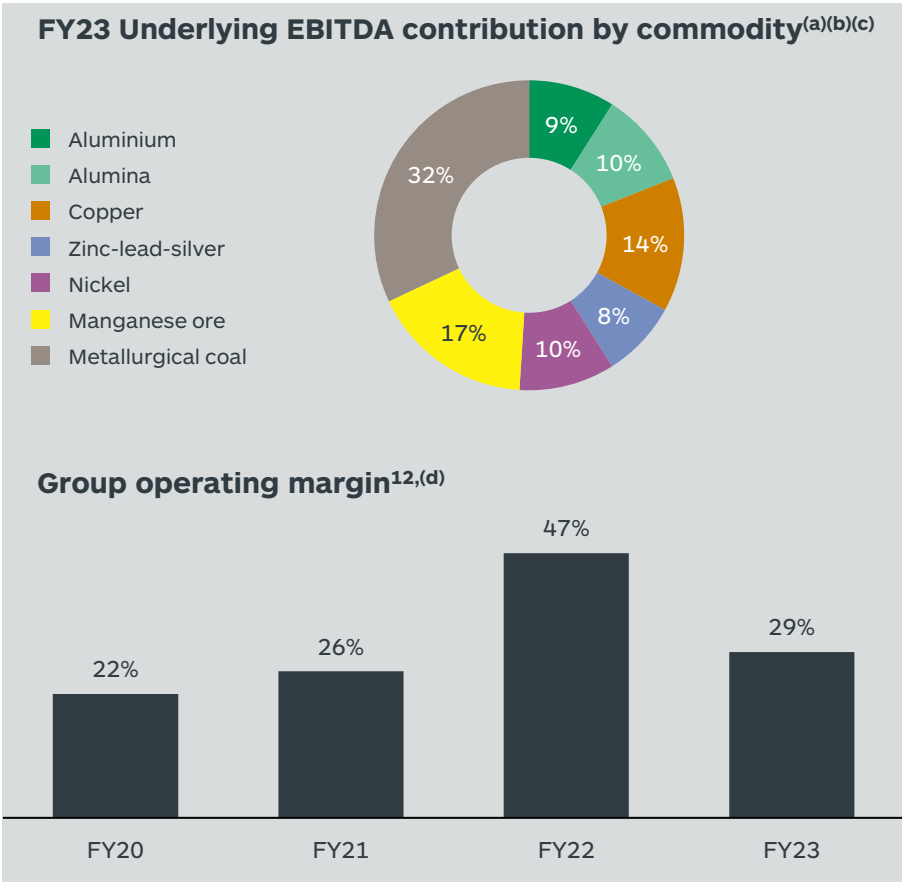


FINANCIAL RESULTS



PERFORMANCE ANALYSIS

Group operating margins remained above historical levels as our recent portfolio improvements underpinned strong growth in copper and low-carbon aluminium



Notes:

- Presented on a proportional consolidation basis and excludes manganese alloys, Hermosa, and Group and unallocated costs.
- Metallurgical coal comprises Illawarra Metallurgical Coal, including energy coal by-product volumes.
- Copper comprises Sierra Gorda, including molybdenum, gold and silver by-product volumes.
- Group operating margin reflects our material EAls on a proportional consolidation basis and an ownership interest of 54.6% for South Africa Manganese ore.

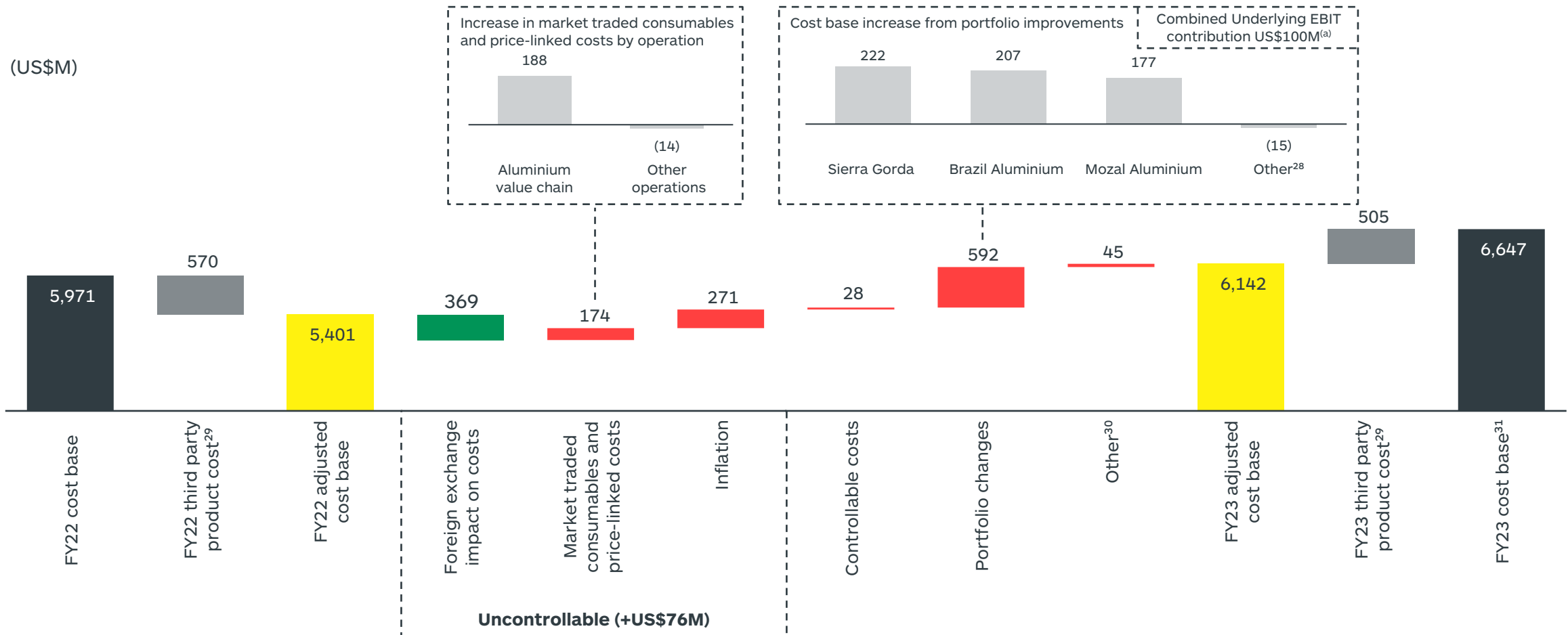
EARNINGS ANALYSIS

Our margin accretive portfolio improvements added to our result, as we navigated lower commodity prices and uncontrollable cost inflation



COST ANALYSIS

Raw material input inflation in our aluminium value chain, industry-wide cost pressures and our margin accretive portfolio improvements added to our cost base



Notes:

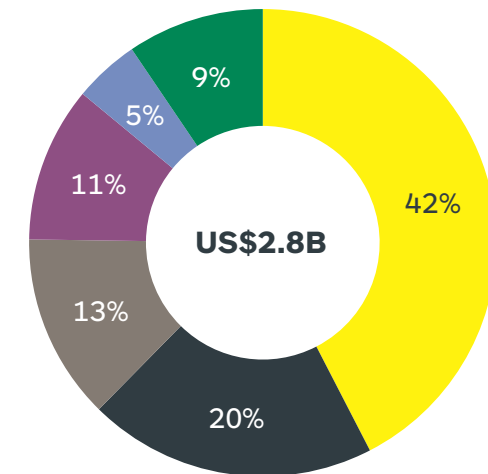
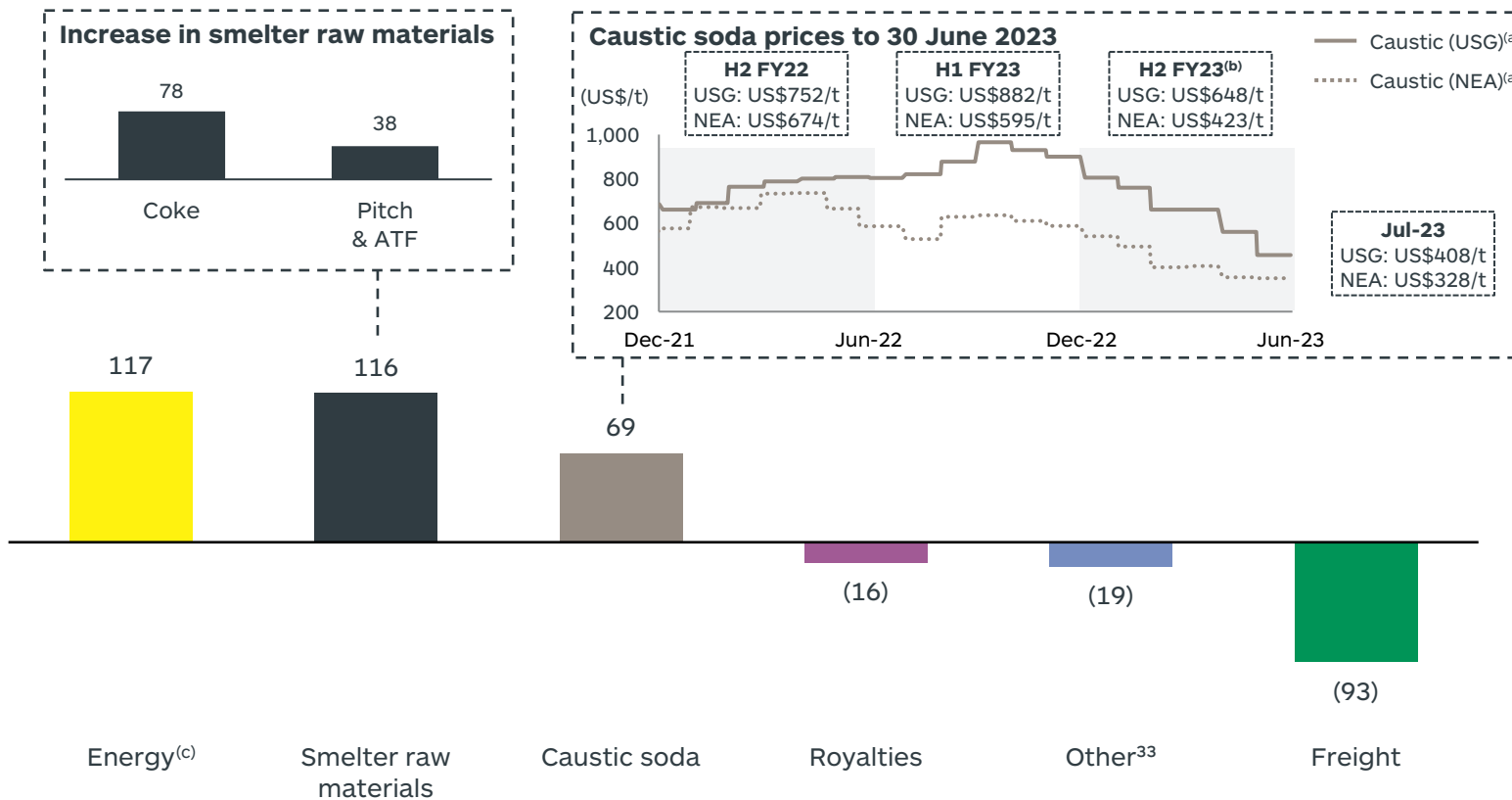
a. Positive Underlying EBIT contribution of a 45% interest in Sierra Gorda (US\$142M), partially offset by losses associated with an additional 16.6% interest in Mozal Aluminium (-US\$4M) and the ramp-up of the Brazil Aluminium smelter toward nameplate capacity (-US\$38M).

MARKET TRADED CONSUMABLES AND PRICE-LINKED COSTS

Significant raw material input and energy inflation in FY23, while aluminium value chain inputs have started to moderate

YoY increase of US\$174M in market traded consumables and price-linked costs³²
(US\$M)

FY23 total expenditure^{32,33}



Notes:

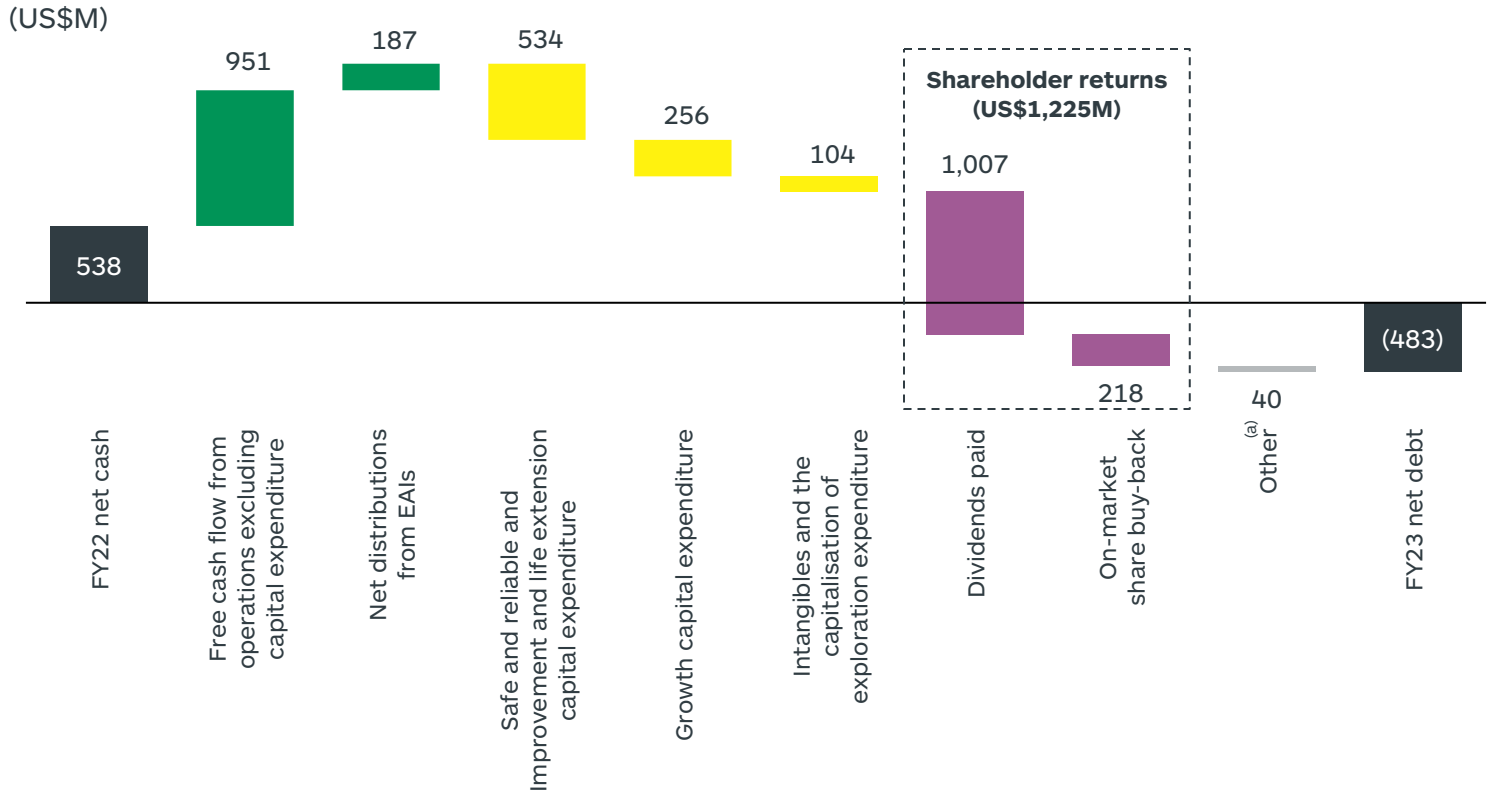
- a. Caustic Soda (USG) refers to Caustic Soda United States Gulf Asia Free on Board, traded in the Americas region. Caustic Soda (NEA) refers to Caustic Soda North East Asia Free on Board, traded in the Asia-Pacific region.
- b. H2 FY23 caustic soda prices (including freight): Worsley Alumina US\$600/t (down ~16% HoH) and Brazil Alumina US\$650/t (down ~10% HoH).
- c. Includes electricity, diesel, gas, fuel oil and coal.

CASH FLOW AND BALANCE SHEET

We delivered record shareholder returns and invested to unlock future volumes

FY23 free cash flow included the impact of:

- A build in inventories (US\$126M) including the Brazil Aluminium restart and temporary impacts at Mozal Aluminium
- Elevated tax payments with one-off payments for our Sierra Gorda acquisition and non-core royalty sale (US\$147M)



We continue to prioritise a strong balance sheet and investment grade credit rating through the cycle

- **Our liquidity position remains strong**, with US\$1.3B cash on hand³⁴ and an undrawn sustainability-linked revolving credit facility with available capacity of US\$1.4B³⁵
- **Total debt of US\$1.7B is long-dated and includes:**
 - ~US\$700M senior unsecured notes due in 2032³⁶
 - US\$558M Worsley Alumina cogeneration lease expiring in 2039³⁷
 - Other leases and facilities
- **Our current BBB+/Baa1 credit ratings were re-affirmed** by S&P Global Ratings and Moody's, respectively

Notes:

a. Other includes:

- cash proceeds from the sale of non-core royalties to Ecora Resources (US\$75M) received in FY23, more than offset by
- the final payment for our acquisition of an additional 16.6% interest in Mozal Aluminium (US\$25M), a 9.9% equity interest in Aldebaran Resources Inc. (US\$8M), the purchase of shares by South32 Employee Incentive Plans Trusts (ESOP Trusts) and non-cash debt movements related to the settlement of the South Africa Energy Coal restructuring facility.

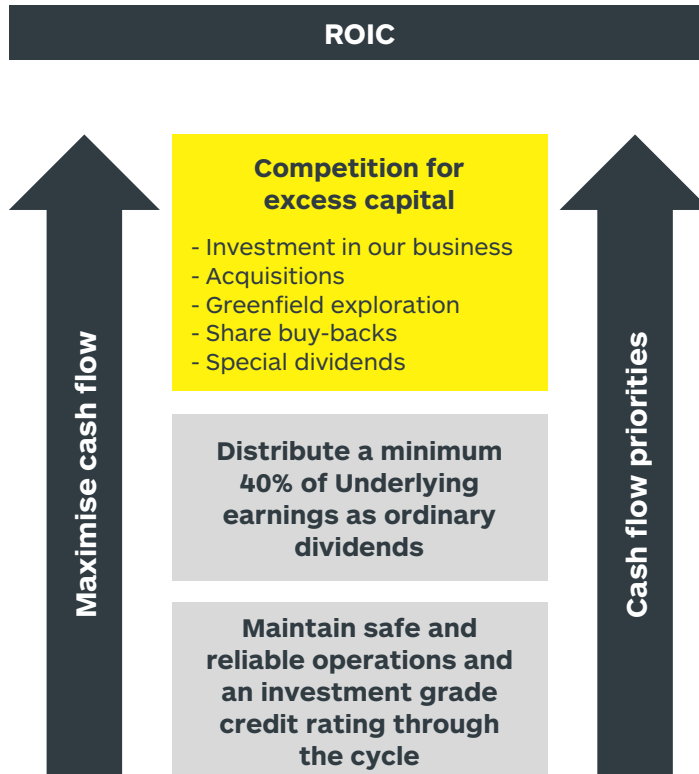
CAPITAL MANAGEMENT FRAMEWORK

Our capital management framework is unchanged

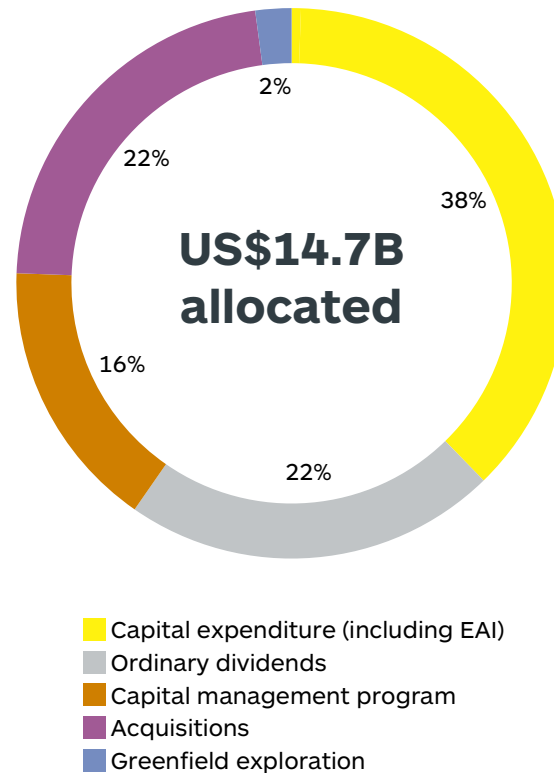
We have a balanced approach to capital allocation

Our framework is designed to reward shareholders as our financial performance improves

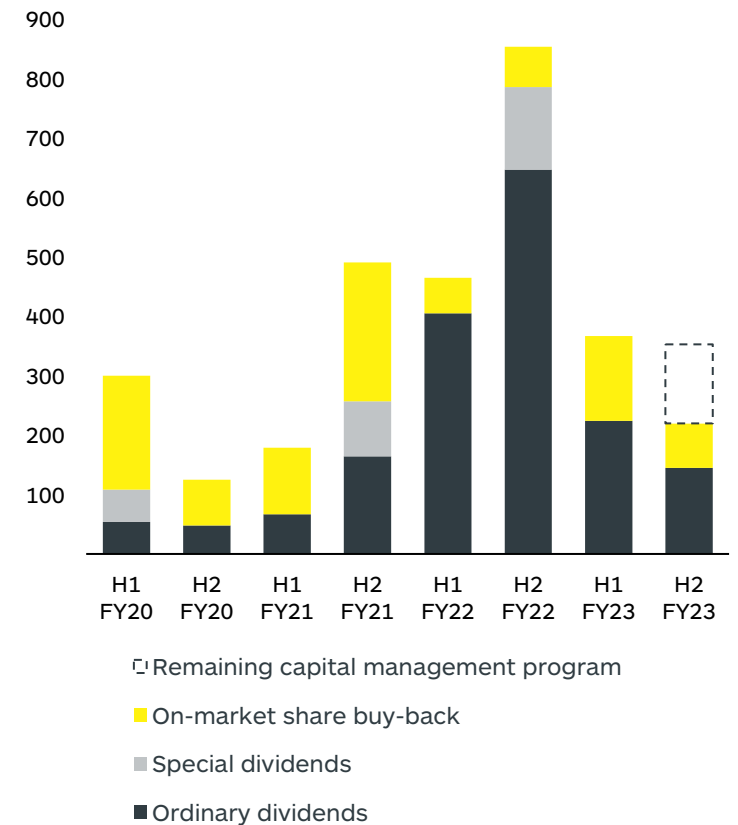
Capital management framework



Capital allocation since FY16 (US\$M)



Shareholder returns^(a) (US\$M)



Notes:

a. Shareholder returns refers to dividends declared in respect of each period and on-market share buy-back amounts paid during each period. Remaining capital management program refers to the balance remaining on our on-market share buy-back program as at the time of release of this presentation.

OUR SHAREHOLDER RETURNS

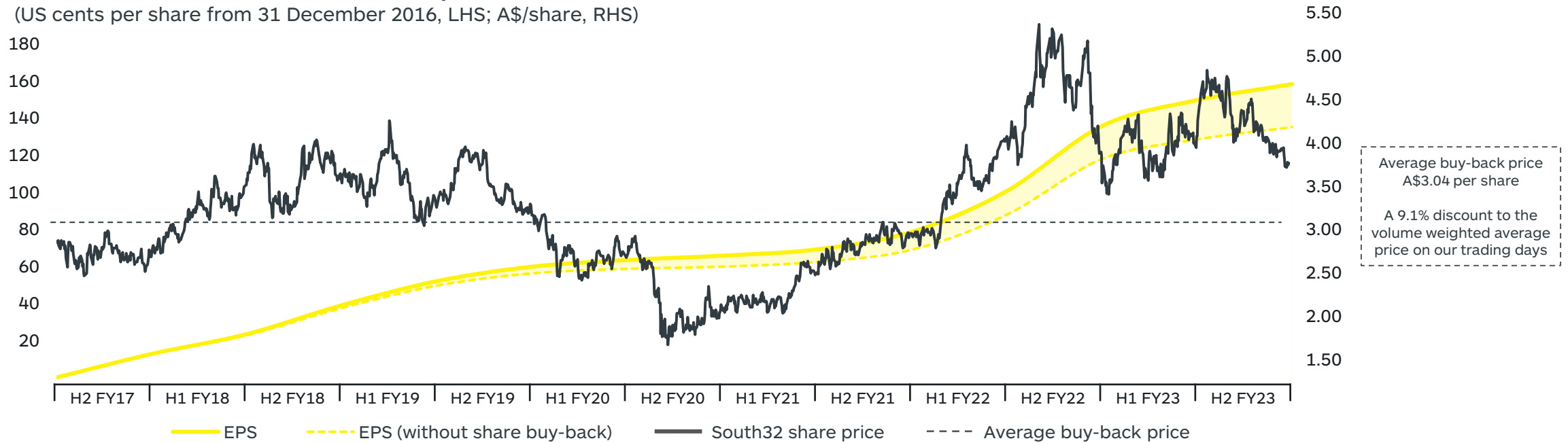
Our flexible capital management program has been active since FY17

Our on-market share buy-back has reduced shares on issue by 15% since inception

Our program has returned US\$2.2B to date and has been expanded by a further US\$50M, leaving US\$133M to be returned by March 2024

Cumulative EPS³⁸ (LHS) and South32 share price (RHS)

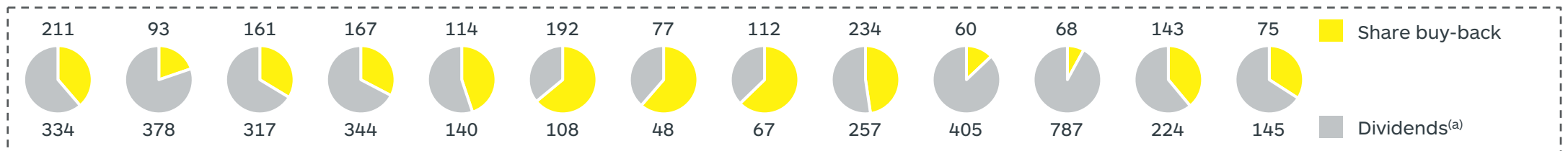
(US cents per share from 31 December 2016, LHS; A\$/share, RHS)



Average buy-back price
A\$3.04 per share

A 9.1% discount to the
volume weighted average
price on our trading days

Returns to shareholders (US\$M)



Notes:
a. Ordinary and special dividends resolved to be paid in respect of the period.



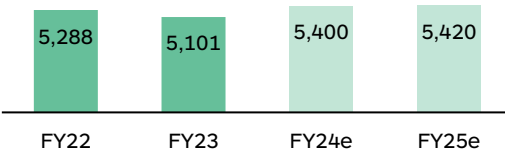
BUSINESS OUTLOOK



PRODUCTION GUIDANCE

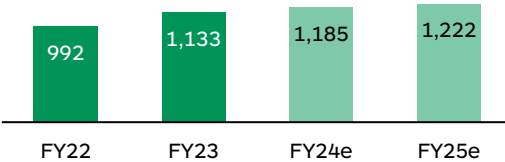
Portfolio improvements and current productivity projects are expected to deliver further volume growth in aluminium and base metals

Alumina (kt)



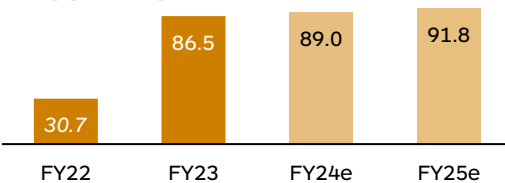
Worsley Alumina expected to deliver at nameplate capacity
Brazil Alumina to creep volumes in FY25

Aluminium (kt)



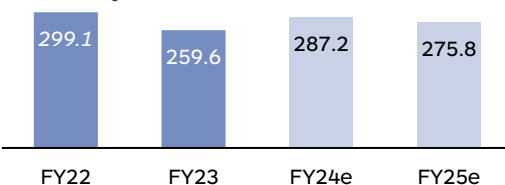
Low-carbon aluminium volumes expected to grow by 12% in FY24 and 8% in FY25, with continued ramp-up of Brazil Aluminium

Copper equivalent³⁹ (kt)



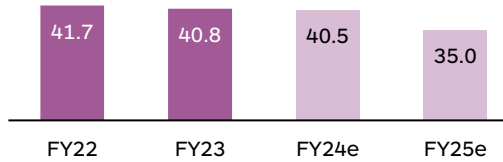
Plant de-bottlenecking project to deliver higher throughput
Higher planned copper grades in FY25

Zinc equivalent⁴⁰ (kt)



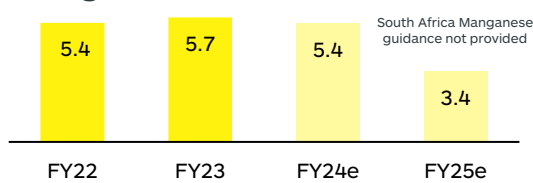
Improved plant throughput and higher planned silver and lead grades in FY24

Nickel (kt)



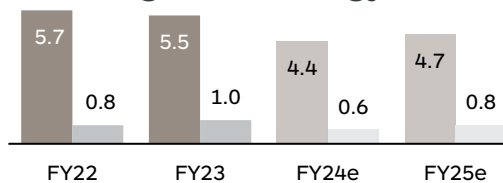
Ore Sorting and Mechanical Ore Concentration (OSMOC) project expected to partly offset natural grade decline

Manganese ore (Mwmt)



Australia Manganese to continue its strong performance, subject to weather impacts
South Africa Manganese to continue to optimise volumes for market conditions

Metallurgical and energy coal (Mt)



Four planned longwall moves in FY24
More efficient single longwall configuration at Appin from H2 FY25, featuring longer and wider longwall blocks
Focused on optimising Dendrobium within approved domains

■ Metallurgical coal
■ Energy coal

OPERATING UNIT COSTS GUIDANCE

Higher volumes across the majority of our operations to partly offset industry-wide inflation, while raw material input prices in the aluminium value chain have started to moderate

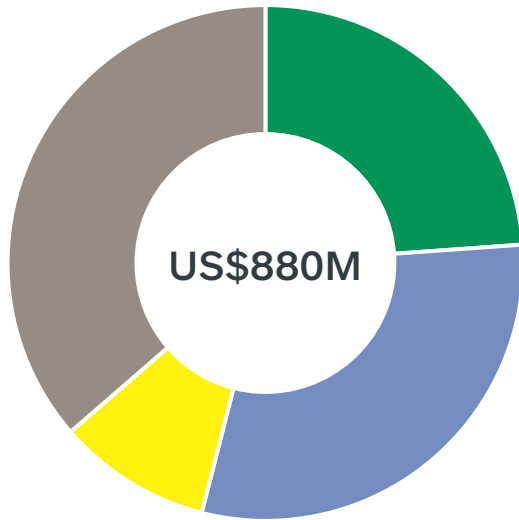
Operating unit costs	H2 FY23 actual	FY23	FY24 Guidance ⁴¹	FY24 guidance vs. FY23 actual					Commentary	
				(20%)	(10%)	0%	10%	20%		
Worsley Alumina (US\$/t)	294	291	290			●			Largely unchanged with lower caustic soda prices and consumption, to offset higher energy and labour costs	
Brazil Alumina (non-operated) (US\$/t)	372	368	Guidance not provided						Will continue to be influenced by energy and the price of raw material inputs	
Sierra Gorda (non-operated)⁴² (US\$/t)	14.1	15.4	16.0			●			Higher plant throughput and lower electricity prices, more than offset by higher labour costs	
Cannington⁴² (US\$/t)	172	153	155			●			Largely unchanged with improved throughput, more than offset by higher labour costs	
Cerro Matoso (US\$/lb)	5.14	5.03	5.30			●			Lower price-linked royalties, more than offset by a stronger Colombian peso and higher labour costs	
Illawarra Metallurgical Coal (US\$/t)	130	127	140						Lower volumes, with four planned longwall moves in FY24	
Australia Manganese⁴³ (FOB, US\$/dmtu)	2.01	1.88	2.15						Increased mining activity and contractor costs to deliver planned volumes	
South Africa Manganese⁴³ (FOB, US\$/dmtu)	2.61	2.64	2.60			●			Weaker South African rand and lower price-linked royalties, to more than offset higher in-land logistics costs	
Aluminium smelters raw material basket costs										
(% of LME Aluminium) ⁴⁴ 6 month averages										
Hillside Aluminium (US\$/t)	2,092	2,178							Will continue to be influenced by the price of raw material inputs, the South African rand and inflation-linked energy costs	
Mozal Aluminium (US\$/t)	2,433	2,329								

■ Foreign exchange ■ Inflation ■ Price-linked costs (including royalties)⁴⁵ ■ Controllable costs
● FY24 guidance ≤ 5% of FY23 actual ○ FY24 guidance > 5% of FY23 actual

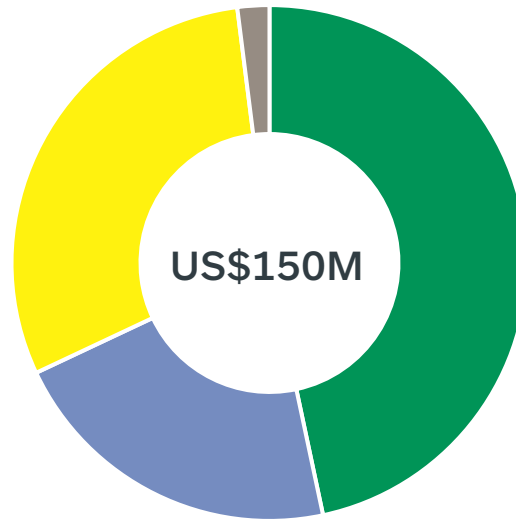
CAPITAL EXPENDITURE GUIDANCE

We continue to prioritise safe and reliable operations and invest to improve productivity and grow volumes

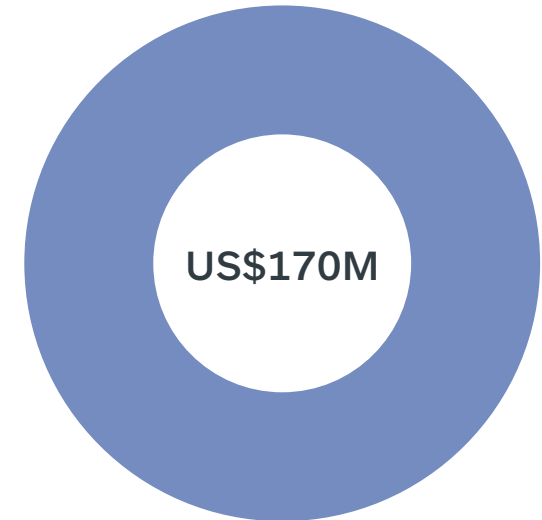
FY24e Safe and reliable^(a)
(US\$M)



FY24e Improvement and life extension^(a)
(US\$M)



H1 FY24e Growth^(b)
(US\$M)



■ Aluminium value chain
 ■ Base metals
 ■ Manganese ore
 ■ Metallurgical coal

- Elevated expenditure at Illawarra Metallurgical Coal (US\$320M) to support Appin's transition to a more efficient, single longwall, and additional ventilation infrastructure to extend life in the current Area 7 to at least 2039^(c)
- Includes US\$180M at Sierra Gorda with additional deferred stripping and tailings storage infrastructure

- Decarbonisation projects at Worsley Alumina (US\$40M)
- De-bottlenecking Phase Two at Brazil Alumina (US\$18M)
- Eastern Leases extension at Australia Manganese (US\$35M)
- Plant de-bottlenecking project and the feasibility study for the fourth grinding line expansion at Sierra Gorda (US\$30M), ahead of a FID for this expansion in H2 FY24

- Taylor critical path development infrastructure and study work (US\$160M)
- Study work to advance our Clark battery-grade manganese option (US\$10M)

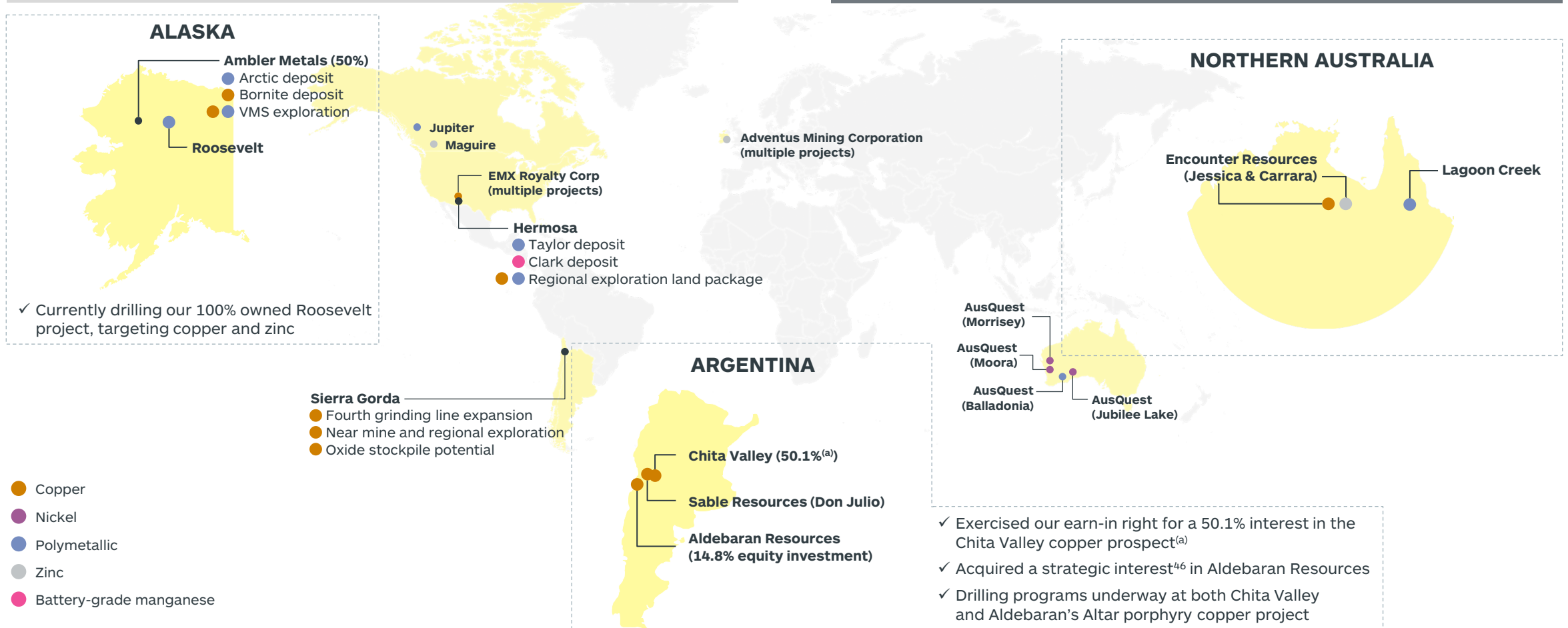
Notes:

- a. Inclusive of our manganese and Sierra Gorda EAs.
- b. Guidance for H1 FY24 only. We expect to update FY24 guidance following a final investment decision for the development of the Taylor deposit, planned for Q2 FY24.
- c. Refer to important notices (slide 2) for additional disclosure.

OUR FUTURE GROWTH THROUGH DEVELOPMENT AND DISCOVERY

Our next phase of growth is expected to come from our high-quality development options in the Americas

We are investing to discover our next generation of base metals mines with over 25 exploration prospects in targeted regions



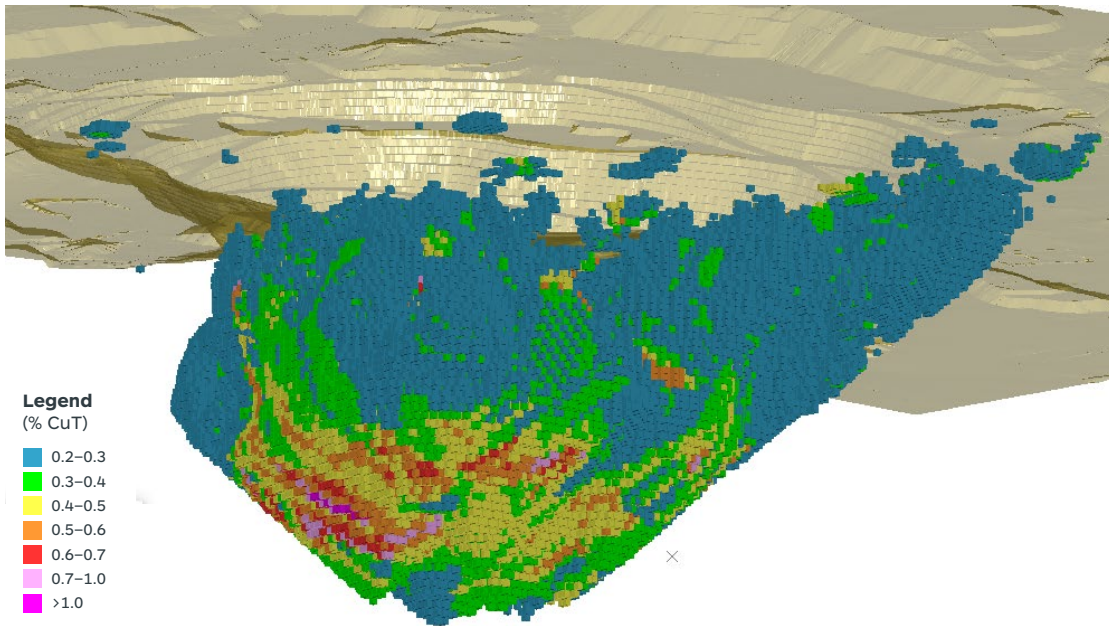
Notes:

- We have exercised our earn-in right to acquire a 50.1% ownership interest in Minsud's Argentinian subsidiary (MSA) that holds and operates its flagship Chita Valley project. The transaction is expected to be completed in the March 2024 quarter.
- The exploration projects, partnerships or options on this slide reflect a combination of wholly-owned South32 projects, exploration partnerships, strategic alliances and earn-in agreements.

SIERRA GORDA COPPER

The acquisition of Sierra Gorda has improved our portfolio and embedded options for future copper growth

Sierra Gorda Mineral Resource (looking south-southwest)



Sierra Gorda Mineral Resource as at 30 June 2023^{(a)(b)}

Classification	Mt	CuT (%)	MoT (%)	Au (g/t)
Measured	418	0.39	0.024	0.07
Indicated	562	0.33	0.013	0.06
Inferred	906	0.37	0.013	0.06
Total	1,890	0.36	0.016	0.06

Near-term production growth

- The capital efficient plant de-bottlenecking project is on-track to increase plant throughput to 48-49Mtpa^(b) from FY24
- The fourth grinding line expansion has the potential to lift throughput by ~15-20% to 57-58Mtpa^(b), with a FID expected in H2 FY24

Resource growth

- First time Mineral Resource estimate in accordance with the JORC Code has confirmed a large scale, long-life copper deposit of 1.89 billion tonnes at 0.41% CuEq^(a)
- The Mineral Resource remains open at depth, with further drilling campaigns planned to test the potential for further growth

Regional exploration potential

- We are also progressing regional copper exploration opportunities
- 15,000 metre exploration drilling campaign is underway at the Catabela Northeast copper porphyry prospect, located ~3km from the current operation

Oxide stockpile optionality

- Studying options to unlock value from ~110Mt^(b) of stockpiled oxide material at surface^(a)

Notes:

- a. Refer to important notices (slide 2) for additional disclosure.
- b. 100% basis.

HERMOSA PROJECT

Potential to produce commodities critical for a low-carbon future across multiple decades

Taylor zinc-lead-silver development option

An attractive, long-life base metals development option, with the potential to underpin Hermosa's first development stage



Feasibility study and final investment decision expected in H1 FY24

Clark battery-grade manganese development option

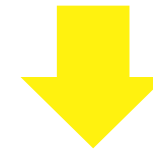
A second development option with the potential to add exposure to North American electric vehicle battery markets



Starting exploration decline construction H1 FY24, engagements with potential customers ongoing

Regional resource growth potential

Highly prospective regional land package with 15+ polymetallic and copper targets



Further drilling at Peake and a first time drilling program at Flux planned in FY24

HERMOSA PROJECT – TAYLOR DEPOSIT

Progressing study and development work to support a planned final investment decision in H1 FY24



Taylor feasibility study on-track for H1 FY24

- Optimising the mine development schedule for FAST-41 permitting
- Evaluating the opportunity for an extended mine life of up to ~30 years^(a), at a nameplate processing capacity of 4.3Mtpa
- The deposit remains open in several directions, offering the potential for further growth
- Continuing to test pre-production capital expenditure estimates, with significant inflationary pressure seen in current estimates for key inputs

Critical path infrastructure development progressing to plan

- Commissioning second water treatment plant to support orebody dewatering, enabling access to both the Taylor and Clark deposits
- Constructing dewatering wells to support shaft sinking
- Pre-sink shaft and initial site infrastructure development is underway

Notes:

- a. Refer to important notices (slide 2) and Annexure 1 for additional disclosure.

HERMOSA PROJECT – CLARK DEPOSIT

Ideally positioned to provide localised supply of battery-grade manganese for the rapidly forming North American electric vehicle supply chain

Only advanced project in the US with a clear pathway to produce battery-grade manganese from locally sourced ore

- Confirmed flowsheet to produce high-purity manganese sulphate monohydrate (HPMSM)
- PFS-S confirmed potential for attractive returns, over an operating period of up to 70-years^(a)
- Commenced pilot plant production, providing sample qualification HPMSM material to potential customers
- Signed multiple non-binding, non-exclusive MOUs for the future potential supply of HPMSM

De-risking the path to potential production via three key workstreams



- Progressing study work for a preferred option to produce up to 185ktpa of HPMSM
- Commencing construction of an exploration decline in H1 FY24 to provide access to ore for demonstration scale output, which is expected to be completed by the end of CY25
- Continuing to engage with potential customers to assist in our market development, product quality and qualification requirements

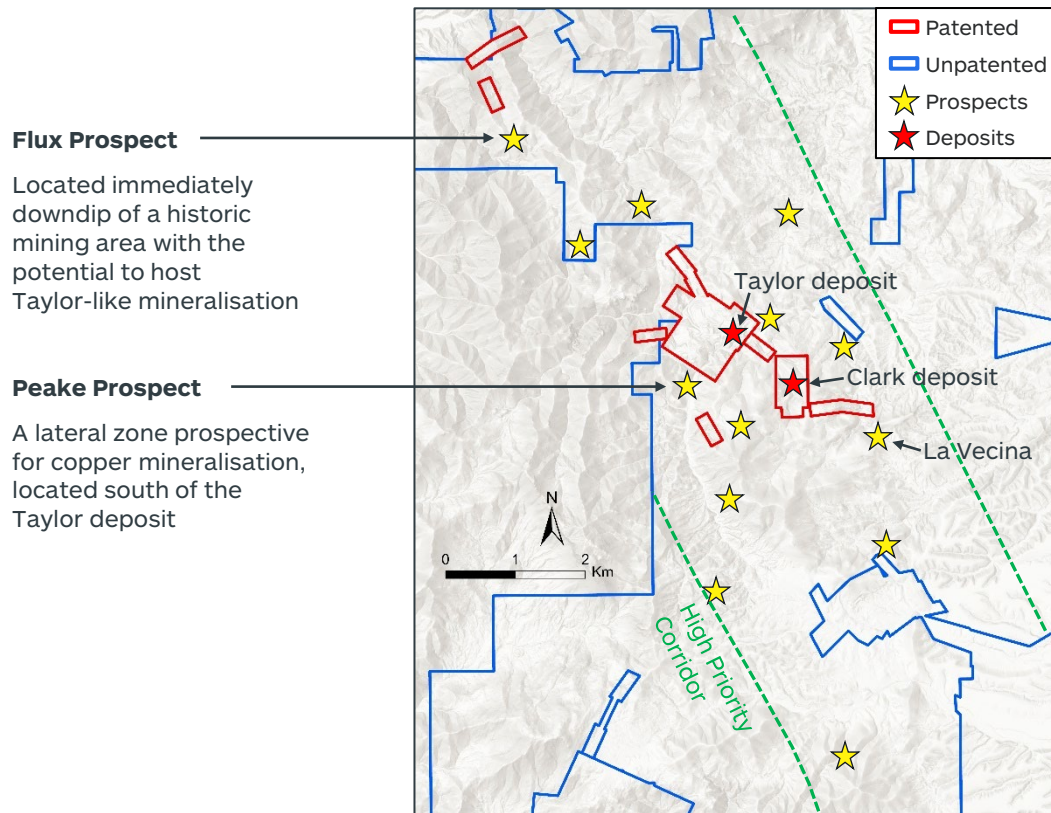
Notes:

a. Refer to important notices (slide 2) and Annexure 2 for additional disclosure.

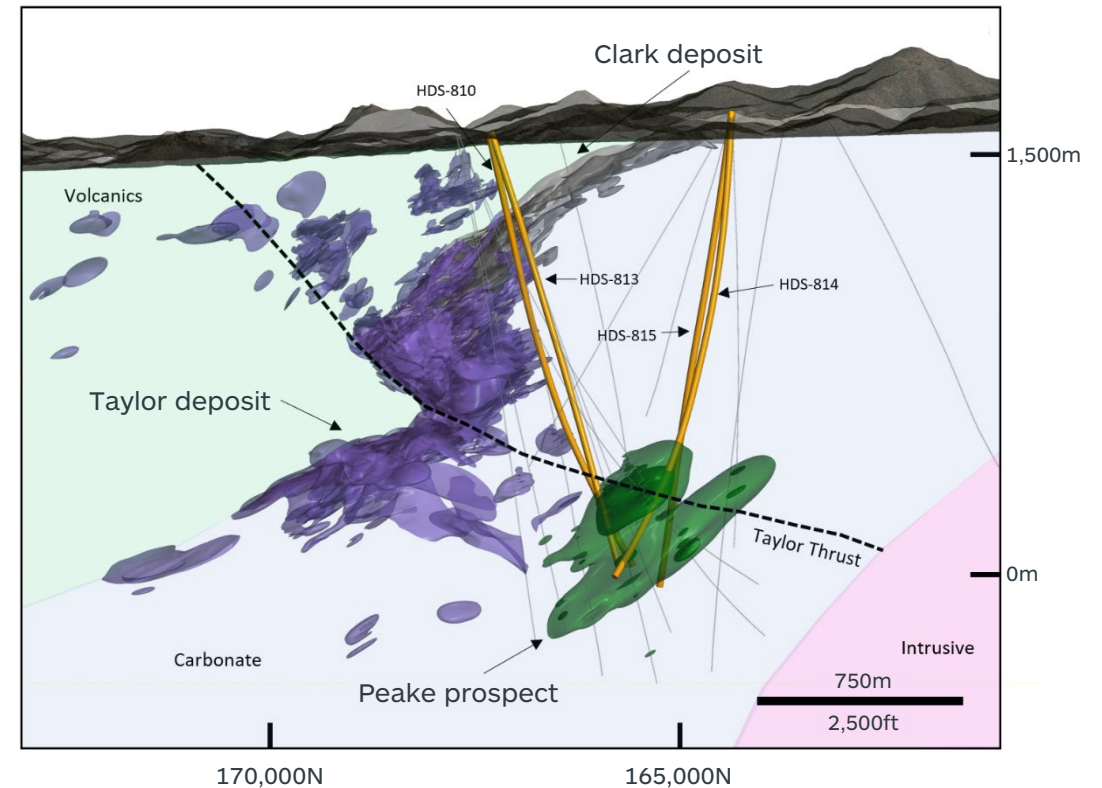
HERMOSA PROJECT – REGIONAL EXPLORATION POTENTIAL

Continuing to drill Peake following high-grade copper results, and a first drill program planned at Flux in FY24

We have identified 15+ exploration targets in a high priority exploration corridor



Recent Peake drilling returned our best copper results to date, with 139m @ 2.49% CuEq including 58.2m @ 3.84% CuEq^(a)



Notes:
 a. Refer to important notices (slide 2) for additional disclosure.

SUMMARY



SUMMARY

We continue to execute our strategy and our portfolio is leveraged to the increasing commodity demand required for the global energy transition

Delivering near-term volume growth in copper and low-carbon aluminium

Unlocking value from our pipeline of high-quality growth options and exploration partnerships

Maintaining a strong balance sheet, enabling growth into structurally attractive markets

Returning excess capital efficiently, rewarding shareholders and continuing to grow value per share





MARKETS OUTLOOK

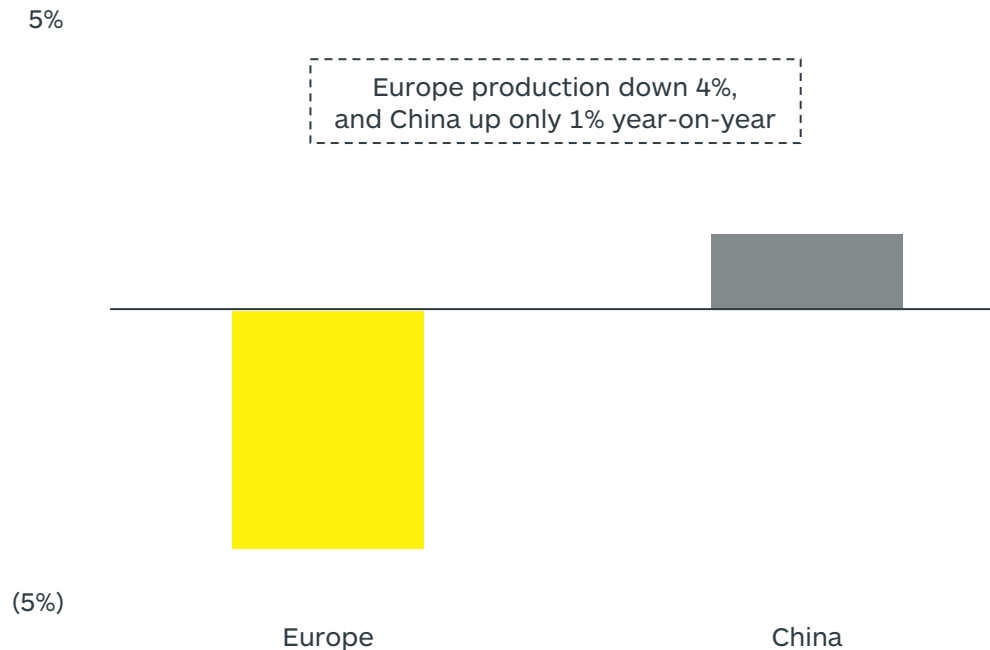
ALUMINIUM MARKET

European smelter shuts and Chinese supply disruptions have curtailed global supply

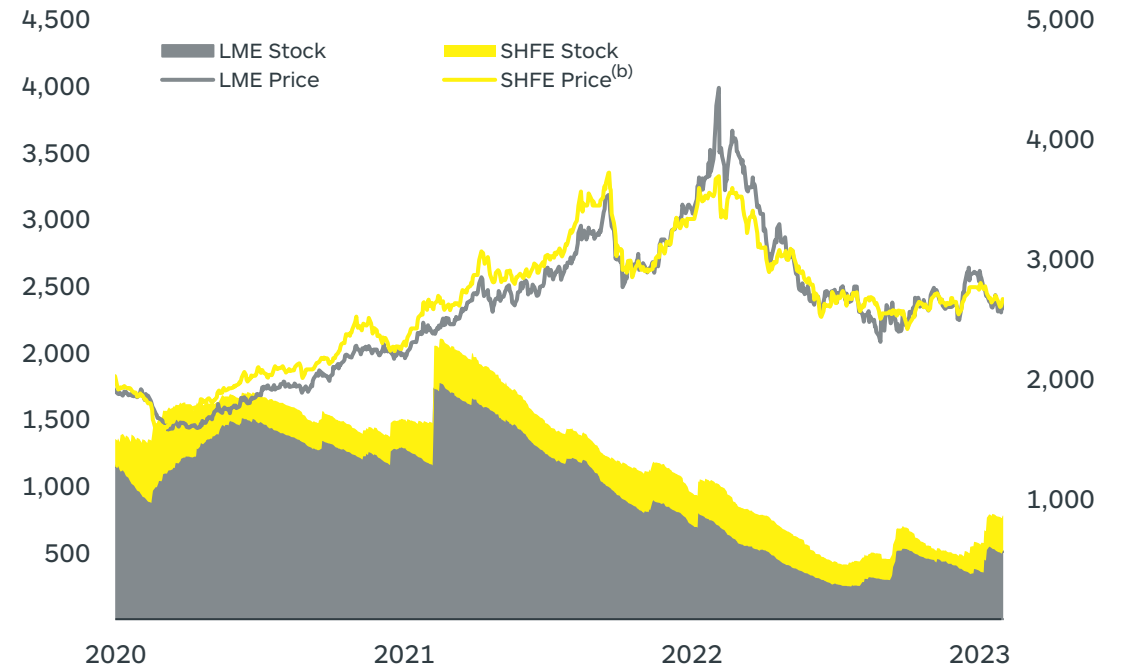
Low inventories and potential restocking expected to provide near-term price support

Long-term outlook underpinned by global energy transition and Chinese capacity cap

Aluminium production change by region (CY22 to CY23e^(a)) (%)



Aluminium price and stocks (US\$/t, LHS; kt, RHS)



Sources: Aluminium production (CRU). Aluminium price and stocks (LME, SHFE).

Notes:

a. CY23e is based on actual YTD July 2023 annualised.

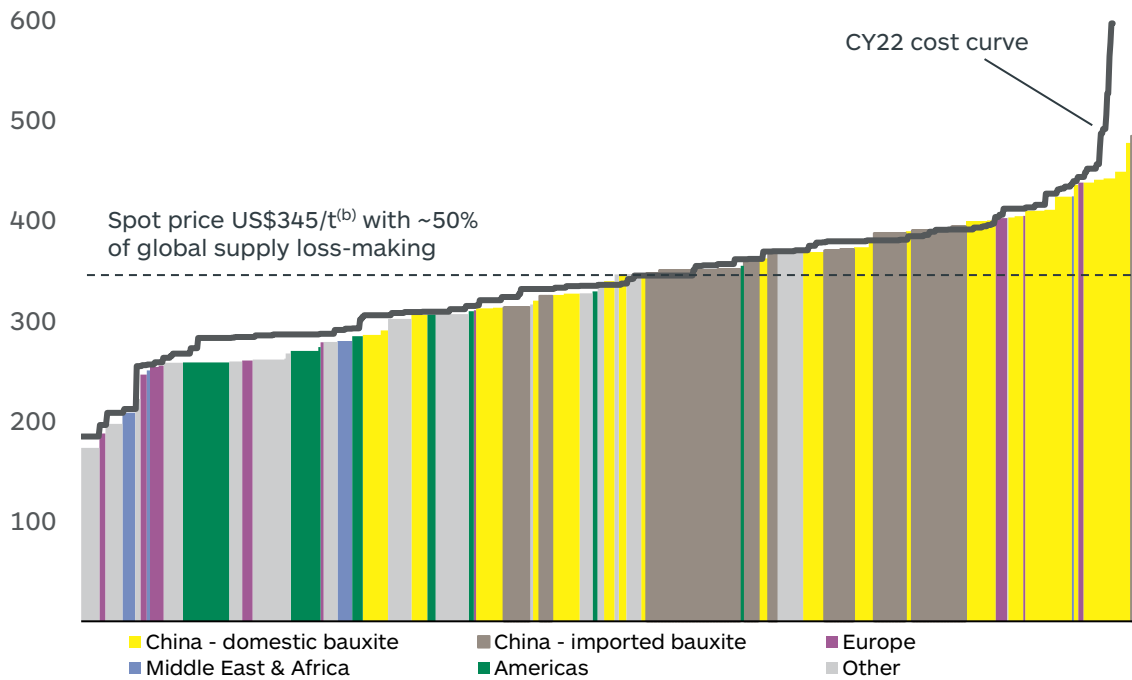
b. SHFE prices refer to SHFE excluding VAT of 13%.

ALUMINA MARKET

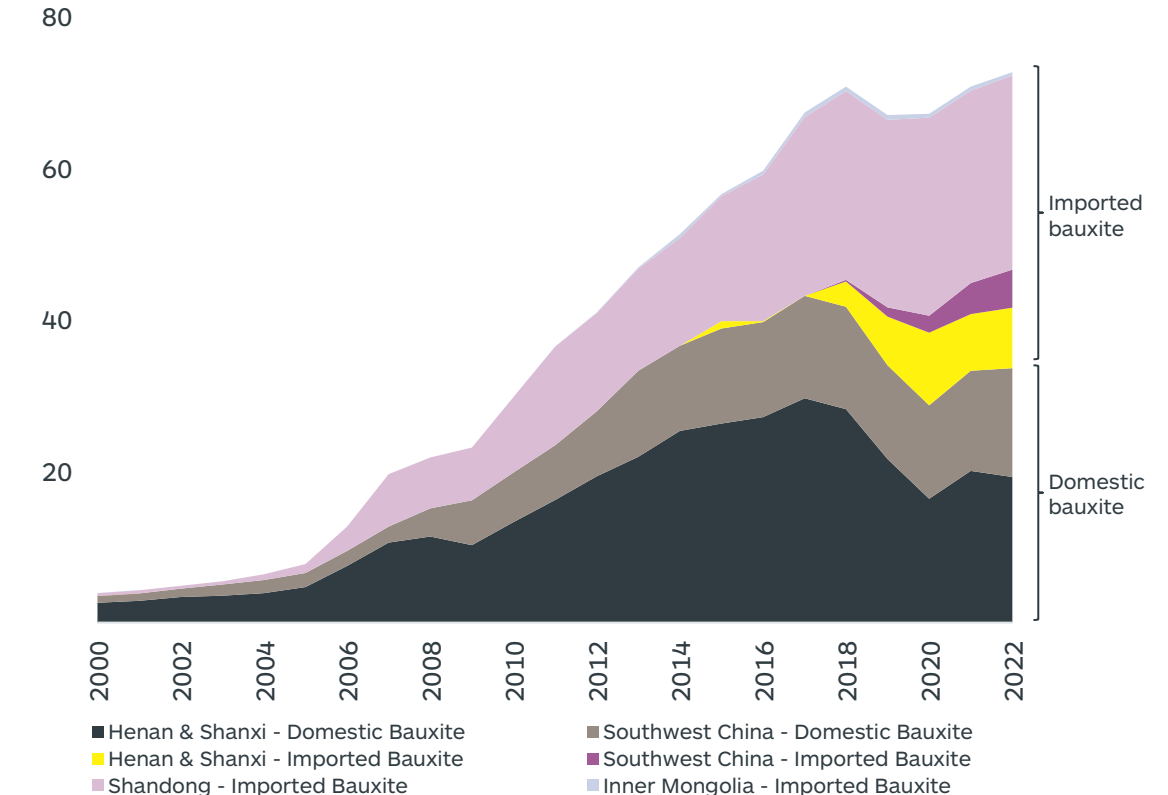
Higher bauxite costs are challenging margins at less efficient refineries, with ~50% of global supply currently loss-making

Inducement cost projects expected to be built outside of China due to declining bauxite self-sufficiency and environmental policy

Alumina cost curve (CY22 and CY23e)^(a)
(US\$/t)



Chinese domestic alumina production
(Mt)



Sources: Alumina cost curve (CRU). Chinese domestic alumina production (CRU).

Notes:

- a. Illustrates business costs which represent cash costs net of premiums (normalised to FOB Australia price).
- b. Spot price as of 21 August 2023.

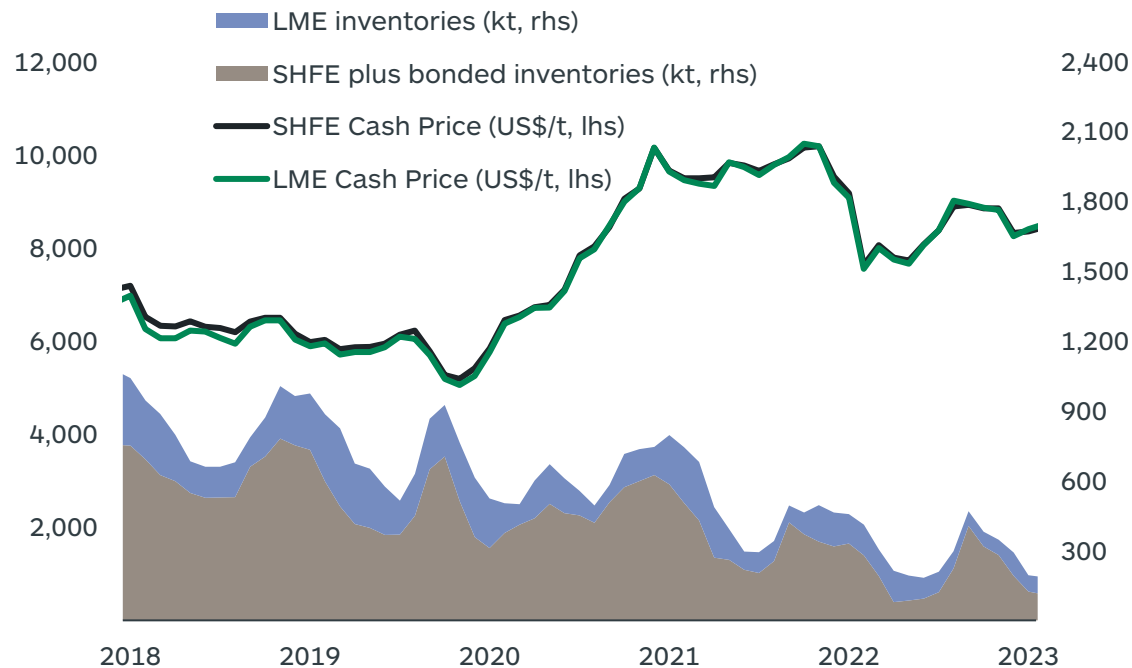
COPPER MARKET

Inventories are at multi-year lows, providing price support

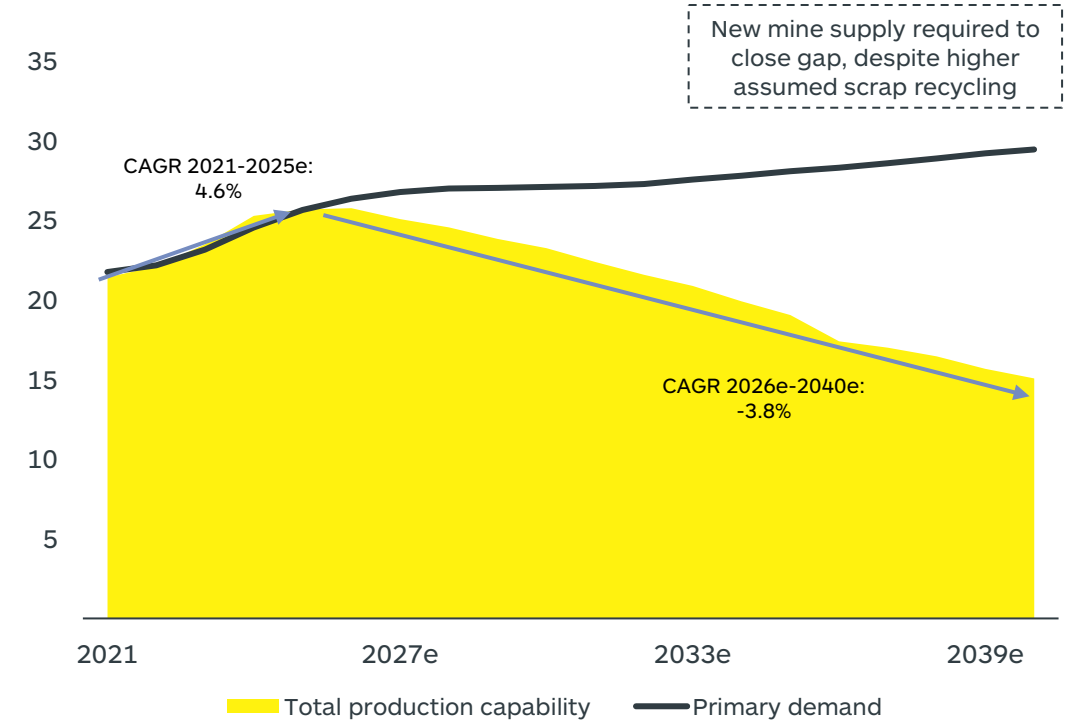
Long-term demand outlook is supported by renewable energy additions and rising electric vehicle penetration

2040e supply/demand gap equivalent to ~1Mt of new supply each year

China's copper price and inventories
(US\$/t, LHS; kt, RHS)



Total mine production capability versus primary demand
(Mt Cu)



Sources: China's copper price and inventories (LME, SHFE, Datastream). Total mine production capability versus primary demand (Wood Mac LTO Q2 2023, South32 analysis).

Notes:

- a. SHFE Cash Price in US\$ is calculated by converting official price in RMB/t by spot exchange rate and VAT adjustment factor.
- b. Spot price as of 31 Jul 2023.

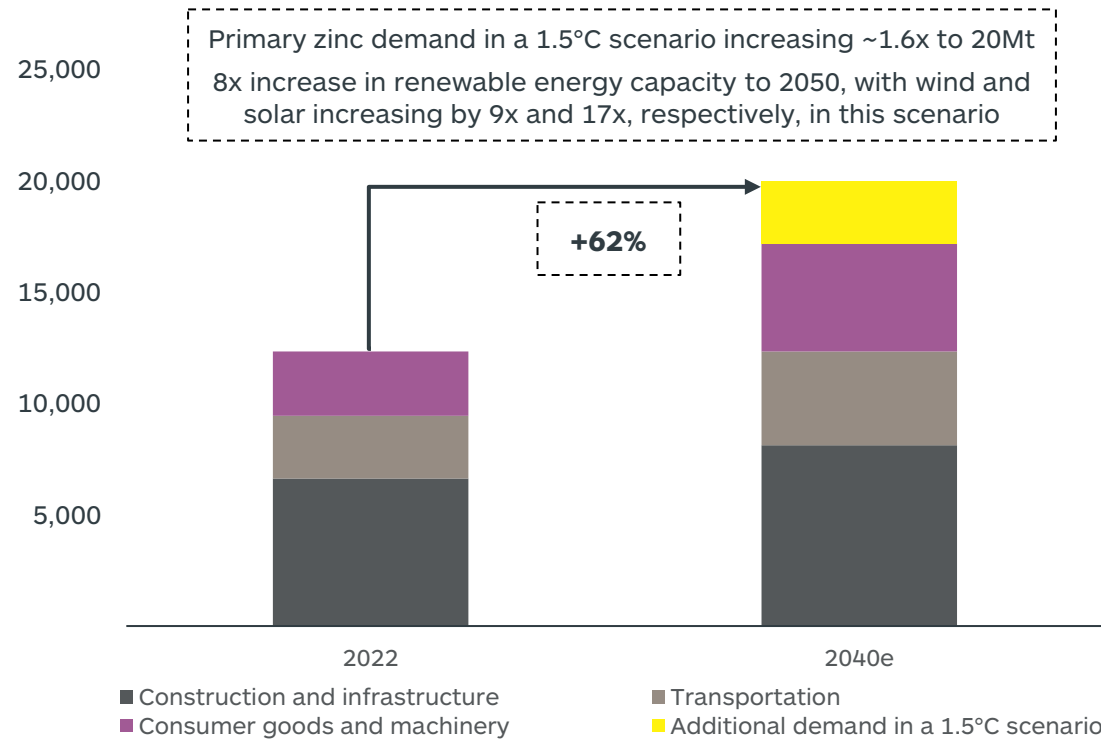
ZINC MARKET

A critical metal needed to make infrastructure climate-resilient and support rapid deployment of renewables

China's supply is constrained by falling grades and stronger environmental regulations

Strong long term demand fundamentals and limited global supply options expected to underpin higher incentive prices

Zinc primary demand
(kt Zn)



Chinese mine supply growth and zinc price
(kt Zn, LHS; US\$/t, RHS)



Sources: Zinc primary demand (South32 analysis). Chinese mine supply growth and zinc price (South32 analysis, LME).

Notes:

a. Zinc price refers to actuals only. Chinese mine supply growth for CY23e is based on actual YTD July 2023 annualised.

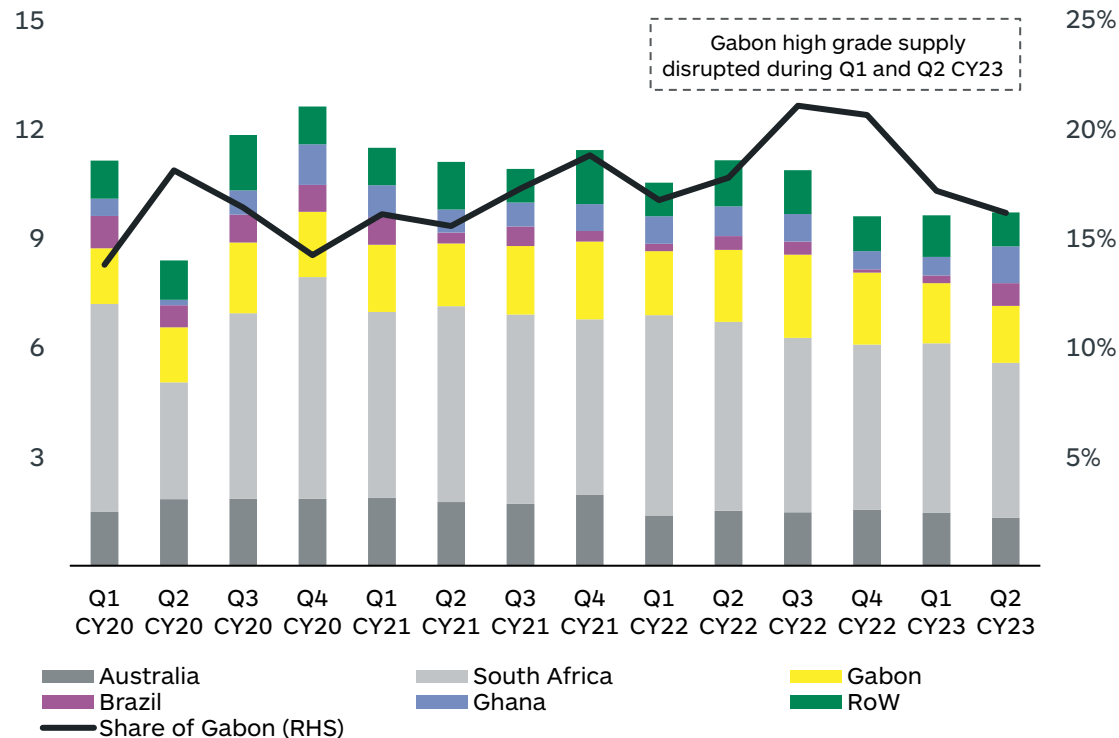
MANGANESE ORE MARKET

Disruption to high grade availability supported prices at beginning of CY23

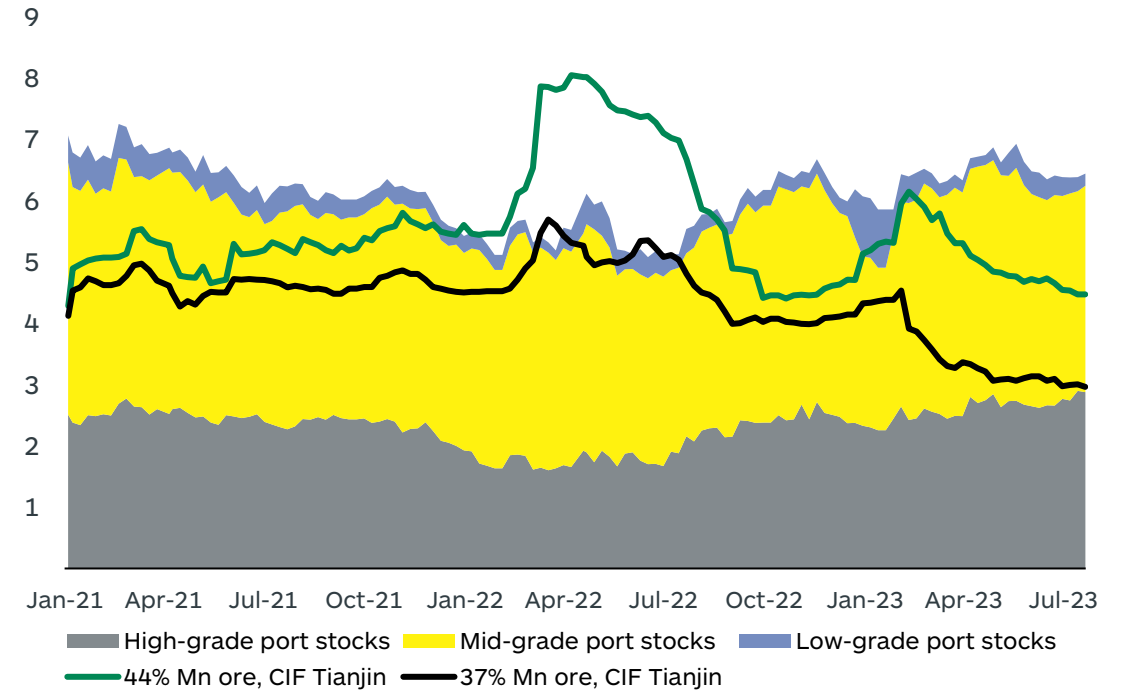
Near-term price movements to be driven by pace of Chinese steel demand recovery

Long-term price expected to be set by marginal South African supply transitioning underground over time

Manganese ore exports by region
(Mt, LHS; Gabon share by region %, RHS)



Manganese ore price and China port stocks by grade
(US\$/dmtu; Mt)



Sources: Manganese ore exports by region (GTA customs). Manganese ore price and China port stocks by grade (Fastmarkets, Ferroalloy.net).

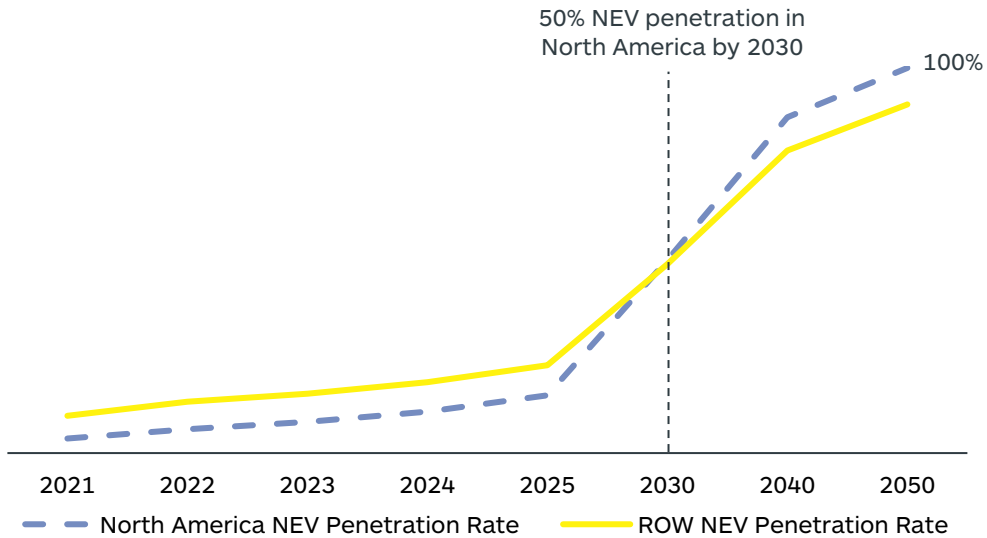
BATTERY-GRADE MANGANESE MARKET

Committed government policies are expected to underpin a near six-fold increase in North American NEV penetration levels by 2030

We expect manganese-rich battery chemistries to capture ~30% of the market by 2030, and >50% by 2040

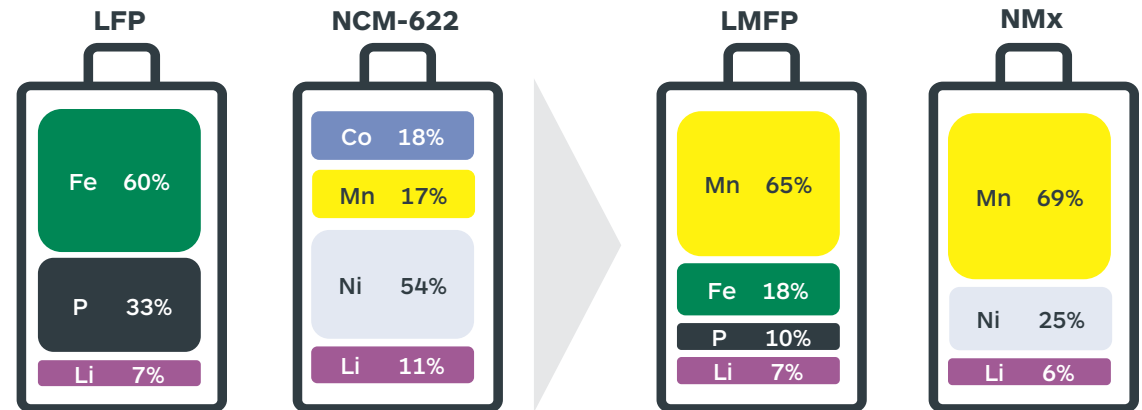
Manganese-rich cathodes provide substantial cost, performance and sustainable sourcing benefits

NEV (passenger car and commercial vehicle) penetration rates^{(a)(b)(c)(d)}



Electric vehicle battery chemistries

Active cathode materials, % by mass



Battery chemistry for a standard NCM-622 battery contains ~17% Mn by mass while contributing <1% to cost^(e)

The future adoption of manganese-rich chemistries is increasingly supported by cathode producers and OEM public announcements of their next generation battery chemistry strategies

Sources: NEV (passenger car and commercial vehicle) penetration rates (South32 analysis). Electric vehicle battery chemistries (BloombergNEF, Esource and other publicly available information).

Notes:

- a. NEV includes plug-in hybrids, battery EVs and hydrogen fuel-cell passenger cars.
- b. NEV penetration is calculated as NEV production divided by total automobile production.
- c. Passenger car and commercial vehicles include commercial trucks/SUVs.
- d. North America refers to US, Canada and Mexico.
- e. Based on prices as at the end of 2022.

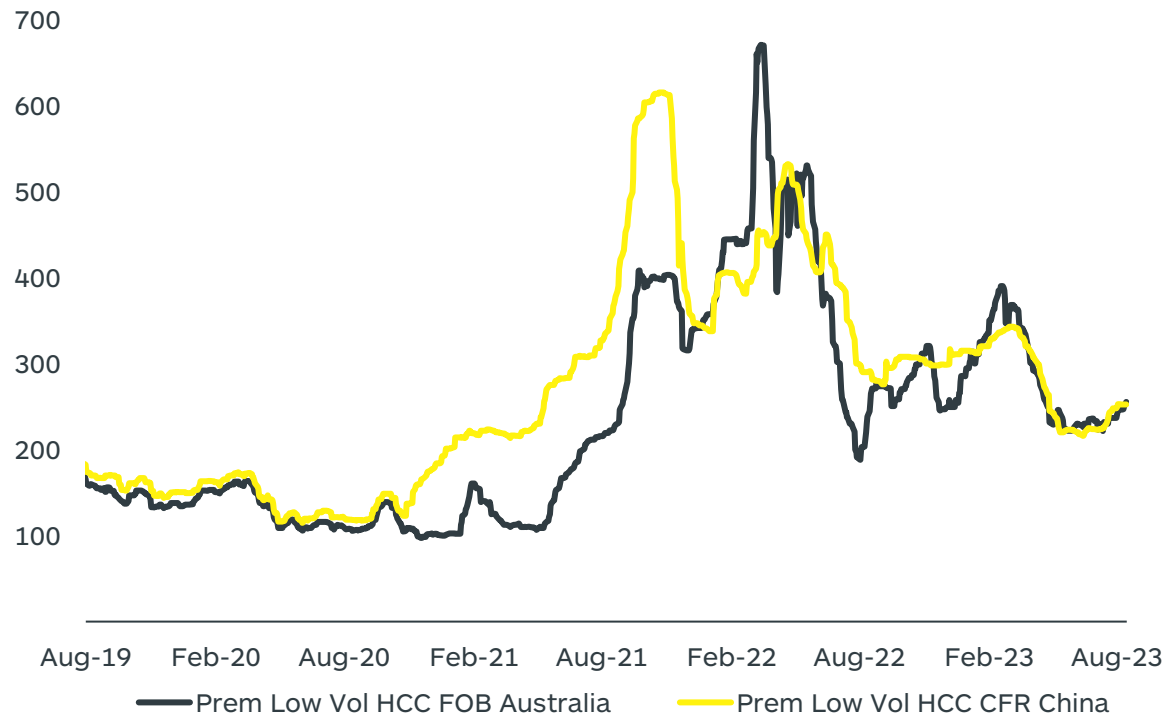
HARD COKING COAL MARKET

Easing supply constraints post La-Nina and weaker than expected recovery in Chinese steel demand have weighed on prices

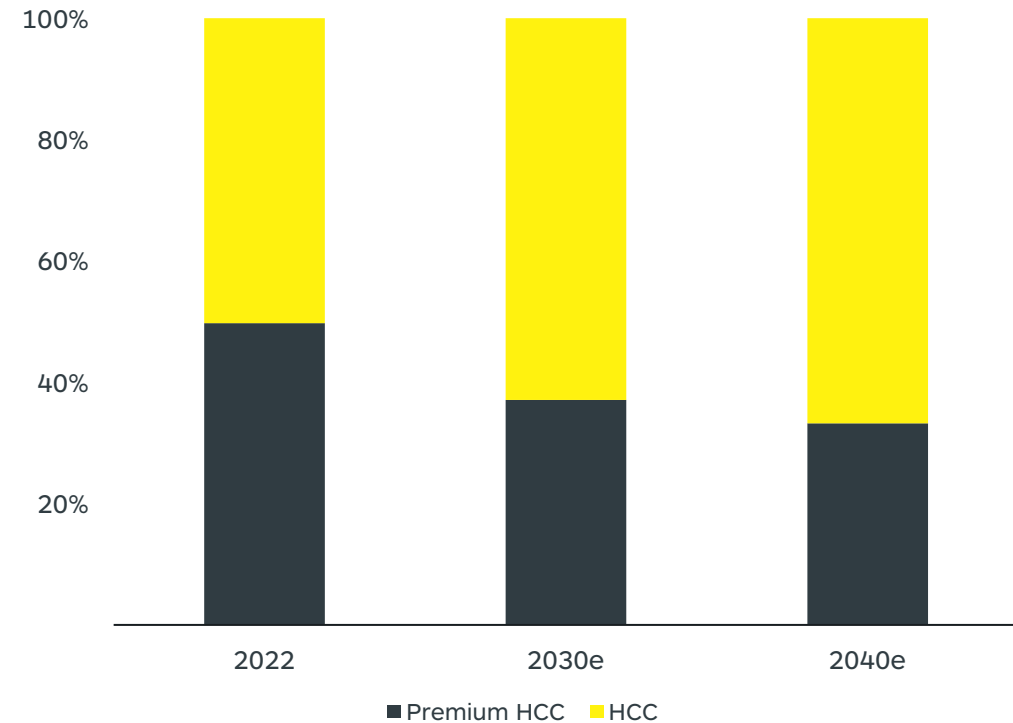
Seasonal India restocking and potential Australian supply constraints due to rail logistics bottlenecks expected to provide near-term price support

Growing demand and tighter supply of premium HCC^(a) to provide long term price support for high grade product

Hard coking coal price and arbitrage (US\$/t)



Premium HCC as % of Global Seaborne HCC supply is decreasing (%)



Sources: Hard coking coal price and arbitrage (Platts, South32 Analysis). Premium HCC as % of Global Seaborne HCC supply is decreasing (CRU, South32 analysis).

Notes:

a. Premium hard coking coal (HCC) is classified as CSR (coke strength after reaction) greater than 65.



SUPPLEMENTARY
INFORMATION

EARNINGS SENSITIVITIES

Annualised estimated impact on FY24e Underlying EBIT of a 10% change in commodity prices or currency ^(a)	EBIT sensitivities +/- 10%
	US\$M
Aluminium ^(b)	304
Alumina ^(b)	190
Metallurgical coal ^(c)	132
Manganese ore	96
Copper	69
Nickel	61
Silver	26
Lead	21
Zinc	13
Australian dollar	227
South African rand	128
Brazilian real	32
Colombian peso	30
Chilean peso	18

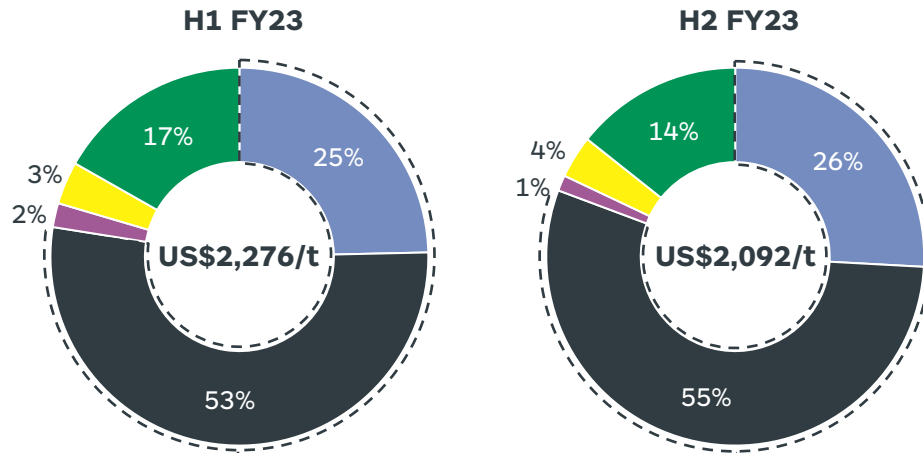
Notes:

- a. The sensitivities reflect the annualised estimated impact on FY24e Underlying EBIT of a 10% movement in FY23 actual realised prices and FY23 actual average exchange rates applied to FY24e volumes and costs.
- b. Aluminium sensitivity does not include the Group consolidation impact of inter-company alumina sold on index. Aluminium sensitivity is shown without any associated increase in alumina pricing.
- c. Includes metallurgical and energy coal at Illawarra Metallurgical Coal.

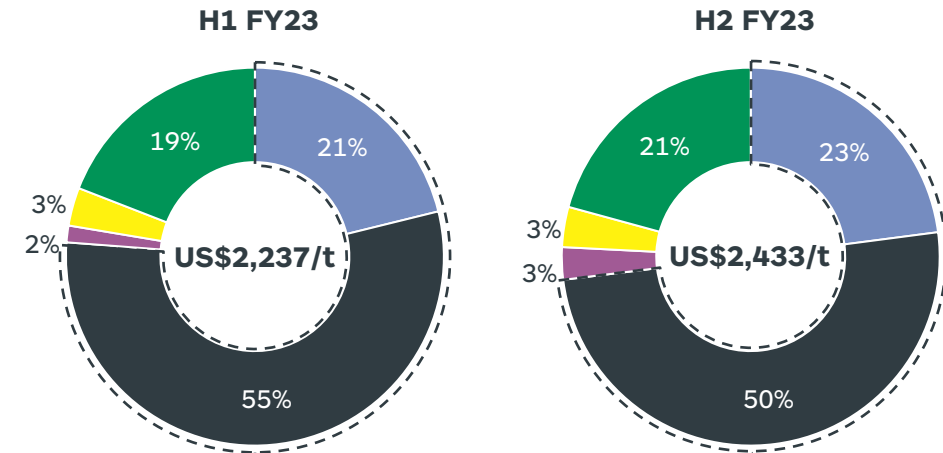
ALUMINIUM SMELTER COST BREAKDOWN

Smelter raw material input prices have started to moderate from elevated levels across the industry

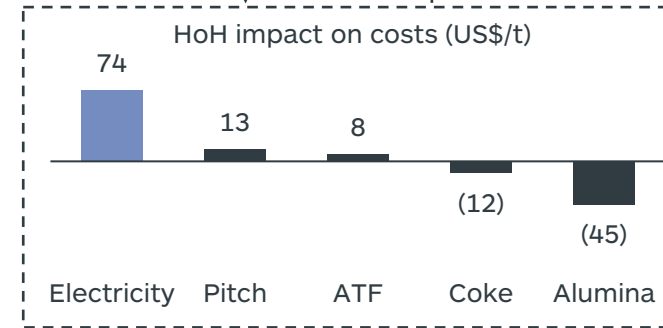
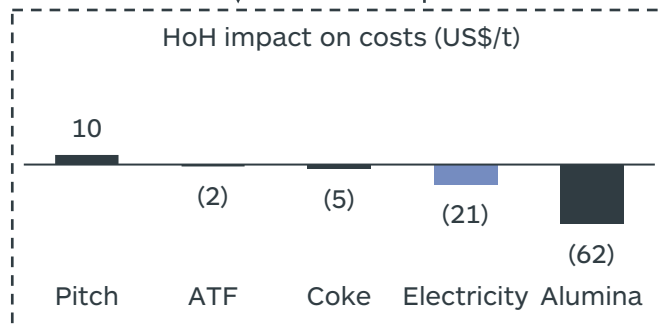
Hillside Aluminium – Operating unit costs (US\$/t)



Mozal Aluminium – Operating unit costs (US\$/t)



- Electricity
- Raw materials
- Pot relining
- Labour
- Other^(a)

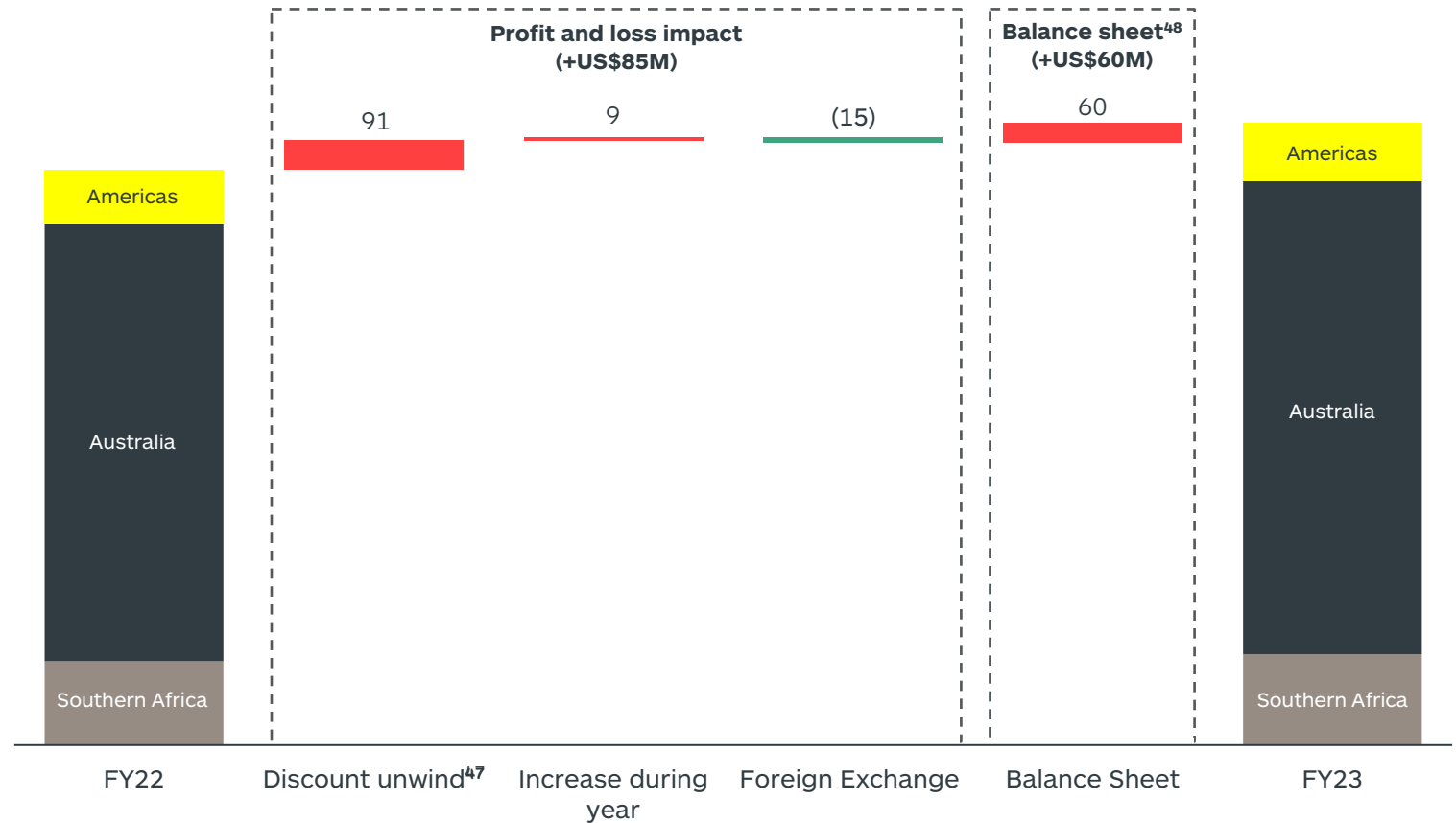


Notes:
a. Other primarily relates to inventory movements and freight.

CLOSURE & REHABILITATION PROVISIONS

Closure and rehabilitation provisions by operation (South32 share, excluding EAI's)	FY23 US\$M	FY22 US\$M
Worsley Alumina	924	822
Brazil Alumina (non-operated)	75	28
Brazil Aluminium (non-operated)	8	6
Hillside Aluminium ^(a)	177	186
Mozal Aluminium	106	75
Cannington	323	318
Cerro Matoso	63	103
Illawarra Metallurgical Coal	220	215
Hermosa	35	33
Eagle Downs Metallurgical Coal	7	7
Total	1,938	1,793

South32 Group



Notes:

a. Includes the Bayside aluminium smelter.

UNDERLYING INCOME TAX EXPENSE

Underlying income tax expense reconciliation and Underlying effective tax rate	FY23	FY22
	US\$M	US\$M
Underlying EBIT	1,616	3,967
Include: Underlying net finance costs	(188)	(155)
Remove: Share of (profit)/loss of EAI	(11)	2
Underlying profit before tax	1,417	3,814
Income tax expense	386	1,024
Tax effect of earnings adjustments to Underlying EBIT	(3)	32
Tax effect of earnings adjustments to Underlying net finance costs	(3)	(13)
Exchange rate variations on tax balances	4	(20)
Significant items	(23)	(26)
Sierra Gorda joint venture adjustments relating to income tax ⁴⁹	11	1
Sierra Gorda joint venture adjustments relating to royalty related tax ⁴⁹	12	4
Manganese joint venture adjustments relating to income tax ⁴⁹	85	153
Manganese joint venture adjustments relating to royalty related tax ⁴⁹	43	55
Total adjustments to derive Underlying income tax expense	126	186
Underlying income tax expense	512	1,210
Underlying effective tax rate	36.1%	31.7%

UNDERLYING NET FINANCE COSTS

Underlying net finance costs reconciliation	FY23	FY22
	US\$M	US\$M
Unwind of discount applied to closure and rehabilitation provisions	(113)	(83)
Interest on lease liabilities	(56)	(54)
Interest on senior unsecured notes	(31)	(7)
Change in discount rate on closure and rehabilitation provisions	-	3
Other	12	(14)
Underlying net finance costs	(188)	(155)
Add back earnings adjustment for exchange rate variations on net debt	8	40
Sierra Gorda joint venture adjustments ⁴⁹	167	62
Manganese joint venture adjustments ⁴⁹	28	22
Total adjustments to derive Underlying net finance costs	203	124
Net finance income/(costs)	15	(31)

CAPITAL EXPENDITURE GUIDANCE

Capital expenditure excluding exploration and intangibles (South32 share)	FY23 US\$M	FY24e US\$M
Worsley Alumina	49	85
Brazil Alumina	45	60
Brazil Aluminium	9	10
Hillside Aluminium	16	35
Mozal Aluminium	16	20
Cannington	60	40
Cerro Matoso	33	45
Illawarra Metallurgical Coal	242	320
Safe and reliable capital expenditure (excluding EAI)	470	615
Worsley Alumina	33	45
Brazil Alumina	13	20
Cerro Matoso	5	-
Illawarra Metallurgical Coal	6	3
Other operations	7	7
Improvement and life extension capital expenditure (excluding EAI)	64	75
Hermosa	256	170 ^(a)
Growth capital expenditure	256	170
Total capital expenditure (excluding EAI)	790	860
Total capital expenditure (including EAI)	1,069	1,200
Capital expenditure for EAI excluding exploration and intangibles (South32 share)		
Sierra Gorda	151	180
Australia Manganese	41	55
South Africa Manganese	16	30
Safe and reliable capital expenditure (EAI)	208	265
Sierra Gorda	45	30 ^(a)
Australia Manganese	17	35
South Africa Manganese	9	10
Improvement and life extension capital expenditure (EAI)	71	75
Total capital expenditure (EAI)	279	340

Notes:

a. Guidance for Hermosa reflects H1 FY24, subject to a final investment decision. Guidance for our Sierra Gorda EAI is subject to a final investment decision for the fourth grinding line expansion.

FOOTNOTES

1. Refer to market release “Hermosa Project Non-Cash Impairment” dated 24 July 2023.
2. Refer to market release “South32 unlocks up to US\$200M in value from non-core royalty sale” dated 12 July 2022. The sales price included US\$103M in cash payments, US\$82M of Ecora Resources PLC (formerly known as Anglo Pacific Group PLC) shares issued on completion and contingent payments of up to US\$15M. The cash payment comprises US\$48M paid on completion, and US\$55M payable in six equal quarterly instalments over the 18 months from completion (US\$28M will be received across FY24). The contingent payment is triggered if the West Musgrave project achieves commercial production, and throughput and commodity price-related conditions are met prior to an agreed expiry date.
3. In August 2023, the Chilean Mining Tax reforms became fully enacted and are effective from 1 January 2024. As part of the Group’s acquisition of Sierra Gorda during FY22, the Group has the right to claim an indemnity from the vendors for any mining tax changes enacted prior to December 2025. As the Mining Tax reforms have become law, the Group has recognised other income of US\$48 million and a corresponding receivable of US\$48 million from the vendors in relation to the indemnity.
4. Refer to market release “Dendrobium Next Domain Update” dated 23 August 2022.
5. Metrics describing health, safety, environment, people and community related performance in this presentation apply to ‘operated operations’ which include our controlled entities and South32-operated joint arrangements.
6. Incidents are included where South32 controls the work location or controls the work activity. Since FY20 we have disclosed fatalities that occur as part of activities associated with our operations, where we seek to influence safety performance, but which occur in locations where we do not have operational control. In FY21, an employee from a company contracted by Cerro Matoso lost their life while carrying out road paving activities on the public road between the municipality of Planeta Rica and our Q&P Project. In FY23, an employee from a company contracted by our South Africa Manganese operation lost their life in an offsite road trucking accident.
7. Total Recordable Injury Frequency (TRIF): (Sum of recordable injuries x 1,000,000) ÷ exposure hours. Lost Time Injury Frequency (LTIF): (Sum of lost time injuries x 1,000,000) ÷ exposure hours. Total recordable illness frequency (TRILF): (Sum of recordable illnesses x 1,000,000) ÷ exposure hours. TRIF, LTIF and TRILF are stated in units of per million hours worked for employees and contractors. We adopt the United States Government Occupational Safety and Health Administration and the International Council on Mining and Metals guidelines for the recording and reporting of occupational injuries.
8. In FY22 an additional two illnesses have been recorded and restated, and one additional illness was reported and restated in FY21. The nature of illnesses can result in prolonged diagnosis.
9. Total significant hazards frequency (per 1,000,000 hours worked). A hazard is something that has the potential to cause harm, ill health or injury, or damage to property, plant, or the environment.
10. FY23 growth in copper equivalent production at our aluminium (Brazil Aluminium, Hillside Aluminium and Mozal Aluminium) and base metals (Sierra Gorda, Cannington and Cerro Matoso) operations, compared to FY22. Copper equivalent production was calculated using FY22 realised prices for all operations (except for Brazil Aluminium which is based on FY22 average index prices for aluminium).
11. Refers to aluminium produced using renewable power.
12. Operating margin comprises Underlying EBITDA excluding third party product EBITDA, divided by Underlying revenue excluding third party product revenue.
13. Free cash flow represents cash generated from operations, including net distributions from EAls, and after capital expenditure, net interest and income taxes paid.
14. South32 demerged in FY15. Normalised revenue based on FY23 average realised prices at all our operations except for South Africa Energy Coal (SAEC), Tasmanian Electro Metallurgical Company (TEMCO) and Metalloys. For these exceptions, the normalised revenue is based on the average index prices for FY23 except for SAEC’s domestic energy coal, which is calculated based on R550/t using a USD:ZAR exchange rate of 17.66. South Africa Manganese ore has been restated to 54.6%.
15. Group FY22, FY23, and FY24e copper equivalent production was calculated using FY23 realised prices for all operations.
16. Community investment consists of direct investment, in-kind support and administrative costs. In FY23, our total community investment comprises of US\$0.6M in-kind support, US\$2.5M administrative costs, and US\$24.6M in direct investments (including enterprise development).
17. Local procurement is the direct purchase of goods and services within the local communities in which South32 operates. Suppliers are deemed as local based on their proximity to our local communities, including boundaries defined by local government areas, provinces and states.
18. Goal is defined as an aspiration to deliver an outcome for which we have not identified a pathway for delivery, but for which efforts will be pursued towards achieving that outcome, subject to certain assumptions or conditions.
19. “Women” are defined as employee headcount with a sex of “Female”.
20. Operations Leadership Team is defined as all members of an Operations Lead Team. Functional membership is limited to one per function and must be site based.
21. Generic term meaning Africans, Coloureds and Indians who are citizens of the Republic of South Africa by birth or descent; or who became citizens of the Republic of South Africa by naturalisation before 27 April 1994 or on or after 27 April 1994 and who would have been entitled to acquire citizenship by naturalisation prior to that date, as defined in the Broad-Based Black Economic Empowerment Amendment Act 2013 (South Africa).
22. Management roles are leaders with an identified job grading, based on the requirements of their role and salary, including executives and senior management.
23. Target is defined as an intended outcome in relation to which we have identified one or more pathways for delivery of that outcome, subject to certain assumptions or conditions.
24. South Africa Manganese ore has been reported as a 54.6% interest (previously 60%) reflecting our Metalloys manganese alloy smelter (60% interest) having been placed on care and maintenance, and aligning with our interest in Hotazel Manganese Mines (HMM). South32 has a 44.4% ownership interest in HMM. 26% of HMM is owned by a B-BBEE consortium comprising Ntsimbintle Mining (9%), NCAB Resources (7%), Iziko Mining (5%) and HMM Education Trust (5%). The interests owned by NCAB Resources, Iziko Mining and HMM Education Trust were acquired using vendor finance with the loans repayable via distributions attributable to these parties, pro rata to their share in HMM. Until these loans are repaid, South32’s interest in HMM is accounted at 54.6%.
25. Other includes cost savings associated with the Metalloys manganese alloy smelter having been placed on care and maintenance, partially offset by lower profitability from our additional interest in Mozal Aluminium and costs related to the closed Bayside Aluminium smelter.
26. Other primarily relates to Underlying depreciation and amortisation, Underlying other income, Underlying third party products and services, and Underlying share of profit/(loss) of non-material EAI.
27. Underlying net finance costs and Underlying income tax expense are actual FY23 results, not year-on-year variances.
28. Other includes cost savings associated with the Metalloys manganese alloy smelter having been placed on care and maintenance, partially offset by costs related to the closed Bayside Aluminium smelter.

FOOTNOTES



29. FY22 third party product cost is US\$102M for aluminium, US\$17M for alumina, US\$108M for coal, US\$40M for manganese, US\$138M for freight services and US\$165M for raw materials. FY23 third party product cost is US\$87M for aluminium, US\$12M for alumina, US\$129M for coal, US\$33M for manganese, US\$96M for freight services and US\$148M for raw materials.
30. Other primarily relates to increases in rehabilitation provisions.
31. Cost base includes EAls and excludes Other income. FY23 includes a US\$131M adjustment for Other income and other accounting related adjustments to reconcile to Underlying revenue minus Underlying EBITDA (FY22 includes a US\$96M adjustment for Other income and other accounting related adjustments to reconcile to Underlying revenue minus Underlying EBITDA).
32. Market traded consumables and price-linked costs excludes the impact of electricity price adjustments for Hillside Aluminium and Mozal Aluminium. FY23 total expenditure includes the impact of electricity price adjustments for Hillside Aluminium and Mozal Aluminium.
33. Other (FY23 expenditure) includes bauxite consumption at Brazil Alumina. Other (YoY decrease) includes year on year variances in bauxite prices at Brazil Alumina and accounting related adjustments.
34. Cash balance is as at 30 June 2023.
35. Refer to market release "December 2022 Quarterly Report" dated 23 January 2023.
36. Refer to market release "South32 prices US\$700M of Senior Notes" dated 8 April 2022.
37. Worsley Alumina lease liability for two multi fuel cogeneration units commenced in 2014 with a tenor of 32 years (incorporating a 7-year extension option).
38. EPS refers to Basic Underlying earnings per share since inception of the capital management program. Cumulative EPS is calculated as the sum of Underlying earnings over time, divided by shares outstanding with or without the share buy-back.
39. Sierra Gorda's copper equivalent production (kt) was calculated by aggregating revenues from copper, molybdenum, gold and silver, and dividing the total Revenue by the price of copper. FY23 realised prices for copper (US\$3.51/lb), molybdenum (US\$21.28/lb), gold (US\$1,821/oz) and silver (US\$21.9/oz) have been used for FY22, FY23, FY24e and FY25e.
40. Payable zinc equivalent production (kt) was calculated by aggregating revenues from payable silver, lead and zinc, and dividing the total Revenue by the price of zinc. FY23 realised prices for zinc (US\$2,151/t), lead (US\$1,919/t) and silver (US\$21.9/oz) have been used for FY21, FY22, FY23e and FY24e.
41. FY24 Operating unit cost guidance includes royalties (where appropriate) and the influence of exchange rates, and includes various assumptions for FY24, including: an alumina price of US\$349/t; an average blended coal price of US\$210/t for Illawarra Metallurgical Coal; a manganese ore price of US\$4.85/dmtu for 44% manganese product; a nickel price of US\$8.90/lb; a silver price of US\$24.5/troy oz; a lead price of US\$2,131/t (gross of treatment and refining charges); a zinc price of US\$2,446/t (gross of treatment and refining charges); a copper price of US\$3.87/lb (gross of treatment and refining charges); a molybdenum price of US\$22.51/lb (gross of treatment and refining charges); a gold price of US\$1,984/troy oz; an AUD:USD exchange rate of 0.65; a USD:ZAR exchange rate of 18.98; a USD:COP exchange rate of 4,033; USD:CLP exchange rate of 876; and a reference price for caustic soda; which reflect forward markets as at July 2023 or our internal expectations.
42. Sierra Gorda and Cannington Operating unit cost is Revenue less Underlying EBITDA divided by ore processed. Periodic movements in finished product inventory may impact Operating unit costs as related marketing costs may change.
43. FOB ore Operating unit cost is Revenue less Underlying EBITDA, freight and marketing costs, divided by ore sales volume.
44. Sources: LME, Baiinfo, Aladinny, AZ China, CRU, Platts, Jacobs. Calculation assumes 1t of aluminium, 1.9t alumina, 0.35t coke, 0.075t pitch and 0.02t aluminium tri-fluoride.
45. Price-linked costs reflect commodity price-linked and market traded consumables costs.
46. South32 acquired a 9.9% interest in Aldebaran Resources Inc for ~C\$11M (~US\$8M) in July 2022, with a further 4.9% interest agreed to be acquired in August 2023 for ~C\$9M. On completion of the transaction South32 will hold approximately 14.8% of Aldebaran Resources Inc. Aldebaran Resources Inc.'s key asset is an option to acquire a controlling interest in the Altar copper project in San Juan, Argentina.
47. Unwind of discount applied to closure and rehabilitation provisions.
48. Balance sheet movement (+US\$60M) reflects the net impact of a US\$83M increase in provisions as a result of amounts capitalised for changes in costs and estimates related to open mines, and a US\$66M increase in provisions as a result of a change in years to closure, partially offset by a US\$68M decrease in provisions associated with the capitalisation of foreign exchange impacts on restatement of closure provisions relating to open sites, a US\$16M decrease in provisions as a result of amounts capitalised from changes in discount rates, and a US\$5M decrease as a result of utilisation.
49. The underlying information reflects the Group's interest in material equity accounted joint ventures and is presented on a proportional consolidation basis, which is the measure used by the Group's management to assess their performance. The joint venture adjustments reconcile the proportional consolidation to the equity accounting position included in the Group's consolidated financial statements.

The denotation (e) refers to an estimate or forecast year.

The following abbreviations have been used throughout this presentation: silver (Ag); gold (Au); Australian dollar (AUD); aluminium tri-fluoride (ATF); billion (B); battery-grade manganese (BGM); cost and freight (CFR); cost, insurance, and freight (CIF); Chilean peso (CLP); Colombian peso (COP); coke strength after reaction (CSR); copper (Cu); copper equivalent (CuEq); calendar year (CY); dry metric tonne unit (dmtu); estimate (e); equity accounted investment (EAI); earnings before interest and tax (EBIT); earnings before interest, tax, depreciation and amortisation (EBITDA); earnings per share (EPS); effective tax rate (ETR); electric vehicle (EV); Title 41 of the Fixing America's Surface Transportation Act (FAST-41); final investment decision (FID); free on board (FOB); feet (ft); financial year (FY); greenhouse gas (GHG); global trade atlas (GTA) half (H); hard coking coal (HCC); half on half (HoH); high-purity manganese sulphate monohydrate (HPMSM); Joint Ore Reserve Committee (JORC); joint venture (JV); kilo (k); pound (lb); lithium ferrophosphate (LFP); left hand side (LHS); London Metals Exchange (LME); lithium manganese iron phosphate (LMFP); lost time injury frequency (LTIF); metre (m); million (M); manganese (Mn); molybdenum (Mo); memorandum of understanding (MOU); 60% nickel, 20% cobalt and 20% manganese battery (NCM-622); new electric vehicles (NEV); nickel (Ni); cobalt-free nickel-manganese (NMx); original equipment manufacturer (OEM); Ore Sorting and Mechanical Ore Concentration (OSMOC); total recordable illness frequency (TRILF); total recordable injury frequency (TRIF); troy ounces (oz); lead (Pb); selection phase of the pre-feasibility study (PFS-S); quarter (Q); right hand side (RHS); return on invested capital (ROIC); rest of world (ROW); Shanghai Futures Exchange (SHFE); tonnes (t); tonnes per annum (tpa); United States (US); United States dollar (USD); volcanogenic massive sulfide (VMS); wet metric tonne (wmt); year on year (YoY); South African rand (ZAR) and zinc (Zn).



Annexure 1: Material assumptions to support Production Target for Taylor deposit

Criteria	Commentary
<i>Mineral Resource estimate and Exploration Target as a basis for the Production Target</i>	<ul style="list-style-type: none"> 22% Measured, 38% Indicated, 9% Inferred Mineral Resources and 31% Exploration Target support a mine life of 29 years (Table 1 and Table 2). The Mineral Resource estimate was declared as part of South32's announcement "Hermosa Project – Mineral Resource Estimate Update and Exploration Results" published on 24 July 2023. The details of the Exploration Target were included in South32's announcement "Hermosa Project Update" published on 17 January 2022. Both the announcements are available to view on www.south32.net. South32 confirms that the inclusion of 9% tonnage from Inferred Mineral Resources and 31% tonnage from Exploration Target is not the determining factor of the project viability. The project forecasts a positive financial performance when using 60% tonnage from Measured and Indicated Mineral Resources. South32 is therefore satisfied that the use of Inferred Mineral Resources and Exploration Target in the determination of the Production Target is reasonable.
<i>Study status</i>	<ul style="list-style-type: none"> A pre-feasibility study has been completed for the Taylor deposit in compliance with Association for the Advancement of Cost Engineering (AACE) International Class 4 estimate. A technically achievable and economically viable mine plan has been determined by the study team. Material 'modifying factors' have been considered and are included in this section of the announcement.
<i>Cut-off parameters</i>	<ul style="list-style-type: none"> Taylor is a polymetallic deposit which uses an equivalent Net Smelter Return (NSR) value as a grade descriptor. NSR considers the remaining gross value of the in-situ revenue generating elements once processing recoveries, royalties, concentrate transport, refining costs and other deductions have been considered. The elements of economic interest used for cut-off determination include silver (Ag), lead (Pb) and zinc (Zn). The cut-off strategy employed at Taylor is to optimise the NPV of the operation. An NSR cut-off grade of US\$90/tonne was used in the development of mineable stope shapes.
<i>Mining factors or assumptions</i>	<ul style="list-style-type: none"> The mining method applied is longhole open stoping with paste backfill. This is the preferred mining method based on a combination of productivity, cost, resource recovery and risk of surface subsidence. Geotechnical recommendations based on deposit geology, geotechnical data and numerical modelling and in-situ stress modelling have been used to develop the stope shape dimensions and preferred stope extraction sequence. The mining dilution is applied based on rock dilution or fill dilution dependent on the location and type of the stope being mined. Dilution factors are applied based on an average modelled value on a stope-by-stope basis using incremental dilution widths applied to the stope geometry. The mining recovery factor is based on the stope type and stope size and ranged from 90% to 95%. Inferred Mineral Resources and Exploration Target are incorporated into the stope designs and contribute to the overall weighted grades and NSR of the stope. Inferred Mineral Resources contribute approximately 9% and Exploration Target contribute 31% of the total planned tonnes. A risk assessment was completed to understand the incremental value contributed by addition of Inferred Resources and Exploration Target and to confirm the project viability when such material do not contribute to the revenue. Primary access to the orebody will be through a main shaft and a ventilation shaft. Ore passes, haulage levels and ventilation raises will be established to move material internally within the mine and provide ventilation and cooling. Paste backfill will be produced in a surface backfill plant and distributed underground via a backfill reticulation system. Rock waste fill will also be utilised for filling underground voids. The proposed mining method with modifying factors applied supports a single-stage ramp-up to the preferred development scenario of up to 4.3Mt per annum.

Criteria	Commentary
<i>Metallurgical factors or assumptions</i>	<ul style="list-style-type: none"> • The Taylor processing plant will consist of well-established processing techniques. Primary crushing will be conducted underground, and crushed ore will be hoisted to the surface. Grinding will be conducted by an AG mill, secondary mill and pebble crusher to a size suitable for flotation. Sequential flotation will be followed by pressure filtration for concentrates and tailings. • Metallurgical recovery is found to vary by geological domain and recovery ranges are applied based on geologic formation. Average process recoveries are: 90% for zinc in zinc concentrate, 91% for lead in lead concentrate and 81% for silver in lead concentrate. • Lead is found to occur primarily as galena, and zinc is found to occur primarily as sphalerite with small amounts of non-sulphide zinc occurring in the geological domains close to surface. Galena and sphalerite are coarse grained and easily liberated for effective recovery by sequential flotation. • Manganese occurs in relatively high concentrations in gangue and can occur as an inclusion of sphalerite especially in the higher geological domains. This can cause manganese in zinc concentrate to exceed penalty limits for most smelters. No other deleterious elements are expected to exceed penalty limits for lead or zinc concentrates. • Metallurgical test work has been conducted using samples covering the ore body vertically and horizontally. All metallurgical test work and process design has been reviewed by independent consultants.
<i>Environmental factors or assumptions</i>	<ul style="list-style-type: none"> • The project consists of patented claims surrounded by the Coronado National Forest and unpatented claims located within the surrounding Coronado National Forest and managed by the United States Forest Service. • A permitting schedule has been developed for obtaining all critical state and federal approvals. • Waste rock generated from surface and underground excavations is delineated into Potentially Acid Generating (PAG) or Non-Acid Generating (NAG) rock. All PAG material will report to a lined facility. NAG material will be placed in surface stockpiles or within lined facilities, except for a limited amount that will be used for construction. • The tailings storage facilities have been designed in accordance with South32's Dam Management Standard and consistent with the International Council on Mining and Metals (ICMM) Tailings Governance Framework, in addition to the Australian National Committee on Large Dams (ANCOLD) guidelines. • Tailings from processing will be filtered and stored in purpose-built, lined, surface storage facilities or returned underground in the form of paste backfill. An existing tailings storage facility on patented claims will be used to store tailings from early operations.
<i>Infrastructure</i>	<ul style="list-style-type: none"> • Current site activity is supported by and consists of office buildings, core processing facilities, existing tailings storage facility as part of the Voluntary Remediation Program, water treatment plant, dewatering wells, ponds, road network and laydown yards. • Planned infrastructure will be installed to support future operations and will consist of: <ul style="list-style-type: none"> ○ Dual shafts ○ Ventilation and refrigeration systems ○ Process comminution, flotation and concentrate loadout ○ Tailings filtration plant and tailings storage facilities ○ Paste backfill plant ○ Dewatering wells, water treatment plant and pipelines ○ Surface shops, fuel bays, wash bays and office buildings ○ Powerlines and substations ○ Surface stockpile bins ○ Underground maintenance shops and ore/waste storage • A site-layout plan and construction schedule support the above listed infrastructure

Criteria	Commentary
<i>Costs</i>	<ul style="list-style-type: none"> • The capital cost estimate is supported by sufficient engineering scope and definition for preparation of a AACE International Class 4 estimate. • The operating cost estimate was developed in accordance with industry standards and South32 project requirements. <ul style="list-style-type: none"> ○ Mining costs were calculated primarily from first principles and substantiated by detailed labour rate calculations, vendor-provided equipment operating costs and budgetary quotations for materials and consumables. ○ Processing costs account for plant consumables/reagents, labour, power and maintenance materials and tailings storage facility costs. ○ General and administrative costs are based on current operating structures and optimised based on industry benchmarks and fit-for-purpose sizing. Permitting and environmental estimates are based on current permitting timelines. • Commodity price forecasts for silver, lead and zinc and foreign exchange are supplied by South32 Marketing. Price assumptions reflect South32's view on demand, supply, volume forecasts and competitor analysis. Price protocols will not be detailed as the information is commercially sensitive. • Transportation charges have been estimated using information on trucking costs, rail costs, export locations, transload capabilities and transit time associated with moving concentrate from site to port to market. • Treatment and Refining Charges used for valuation are supplied by South32 Marketing and reflect South32's view on demand, supply, volume forecasts and competitor analysis. • Applicable royalties and property fees have been applied using the current US federal, state and country rates.
<i>Revenue factors</i>	<ul style="list-style-type: none"> • The life of operation plan derived from the pre-feasibility study provides the mining and processing physicals such as volume, tonnes and grades to support the valuation. • Revenue is calculated by applying forecast metal prices and foreign exchange rates to the scheduled payable metal. Metal payabilities are based on contracted payability terms, typical for the lead and zinc concentrate markets.
<i>Market assessment</i>	<ul style="list-style-type: none"> • Internal price protocols reflect South32's view on demand, supply, and stock situations including customer analysis, competitor analysis and identification of major market windows and volume forecasts.
<i>Economic</i>	<ul style="list-style-type: none"> • Economic inputs are described in the cost, revenue and metallurgical factors commentary. • Sensitivity analysis has been completed on metal prices, metallurgical recoveries, mine operating costs, growth capital costs and use of Inferred Mineral Resources and Exploration Target to understand the value drivers and impact on valuation. • The pre-feasibility study evaluated alternate cases to assess the impact of longer than expected permitting timelines and associated capital spend profiles.
<i>Social</i>	<ul style="list-style-type: none"> • South32 maintains relationships with stakeholders in its host communities through structured and meaningful engagement activities including community forums, industry involvement, employee participation, local procurement and local employment. • A Stakeholder Engagement Plan has been developed in accordance with the Social Performance Standard and includes baseline studies, community surveys, risk assessments, stakeholder identification, engagement plans, cultural heritage, community investment plan, closure and rehabilitation.
<i>Other</i>	<ul style="list-style-type: none"> • Hermosa has developed a comprehensive risk register and risk management system to address foreseeable risks that could impact the project and future operations. • No material naturally occurring risks have been identified and the project is not subject to any material legal agreements or marketing arrangements.

Competent Person statements

Mineral Resource estimate: The information in this presentation that relates to the Mineral Resource estimate for the Taylor deposit is extracted from South32's announcement "Hermosa Project – Mineral Resource Estimate Update and Exploration Results" published on 24 July 2023 and is available to view on www.south32.net. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Table 1: Mineral Resource estimate for the Taylor deposit in 100% terms²

As of 30 June 2023

Ore Type	Measured Mineral Resources				Indicated Mineral Resources				Inferred Mineral Resources				Total Mineral Resources			
	Mt ²	% Zn	% Pb	g/t Ag	Mt ²	% Zn	% Pb	g/t Ag	Mt ²	% Zn	% Pb	g/t Ag	Mt ²	% Zn	% Pb	g/t Ag
UG Sulphide ^{1,3}	41	4.22	4.25	67	83	3.38	3.91	76	28	2.96	2.97	93	153	3.53	3.83	77

Million dry metric tonnes², % Zn- Percent zinc, % Pb- Percent lead, g/t Ag- grams per tonne of silver.

Notes:

1. Cut-off grade: NSR of US\$80/dmt for UG Sulphide. Input parameters for the NSR calculation are based on South32's long term forecasts for Zn, Pb and Ag pricing; haulage, treatment, shipping, handling and refining charges. Total metallurgical recovery assumptions differ between geological domains and vary from 85% to 92% for Zn, 89% to 92% for Pb, and 76% to 83% for Ag.
2. All masses are reported as dry metric tonnes (dmt). All tonnes and grade information have been rounded to reflect relative uncertainty of the estimate, hence small differences may be present in the totals.
3. UG Transition no longer reported separate from UG Sulphide due to change in modelling methodology.

Exploration Target: The information in this announcement that relates to Exploration Results for the Taylor deposit is extracted from South32's announcement "Hermosa Project update" published on 17 January 2022 and is available to view on www.south32.net. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Table 2: Ranges for the Exploration Target for Taylor sulphide mineralisation

As at 31 December 2021

Material Type	Low Case				Mid Case				High Case			
	Mt ²	% Zn	% Pb	g/t Ag	Mt ²	% Zn	% Pb	g/t Ag	Mt ²	% Zn	% Pb	g/t Ag
Sulphide ¹	10	3.8	4.2	81	45	3.4	3.9	82	95	3.6	4.0	79

Notes:

1. Net smelter return cut-off (US\$80/t): Input parameters for the NSR calculation are based on South32's long term forecasts for zinc, lead and silver pricing, haulage, treatment, shipping, handling and refining charges. Metallurgical recovery assumptions are 90% for zinc, 91% for lead, and 81% for silver.
2. All masses are reported as dry metric tonnes (dmt). All tonnes and grade information have been rounded to reflect relative uncertainty of the estimate, hence small differences may be present in the totals.

Production Target Cautionary Statement

The information in this presentation that refers to the Production Target is based on Measured (22%), Indicated (38%) and Inferred (9%) Mineral Resources and Exploration Target (31%) for the Taylor deposit. All material assumptions on which the Production Target is based is available in Annexure 1. There is low level of geological confidence associated with the Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the Production Target will be realised. The potential quantity and grade of the Exploration Target is conceptual in nature, there has been insufficient exploration to determine a Mineral Resource and there is no certainty that further exploration work will result in the determination of Mineral Resources or that the Production Target itself will be realised. The stated Production Target is based on South32's current expectations of future results or events and should not be solely relied upon by investors when making investment decisions. Further evaluation work and appropriate studies are required to establish sufficient confidence that this target will be met. South32 confirms that inclusion of 9% Inferred Mineral Resources and 31% Exploration Target are not the determining factors of the project viability and the project forecasts a positive financial performance when solely using Measured and Indicated Mineral Resources. South32 is satisfied, therefore, that the use of Inferred Mineral Resources and Exploration Target in the Production Target information is reasonable.

Annexure 2: Material Assumptions to support Production Target for Clark deposit

Criteria	Commentary
<i>Mineral Resource estimate as a basis for the production target</i>	<ul style="list-style-type: none"> 69% Indicated and 31% Inferred Mineral Resources support a mine life of 70 years (Table 3). The Mineral Resource estimate was declared as part of South32's Annual Report published on 9 September 2022 and is available to view on www.south32.net. South32 confirms that the inclusion of 31% tonnage from Inferred Mineral Resources is not the determining factor of the project viability. The project forecasts a positive financial performance when using 69% tonnage from Indicated Mineral Resources. South32 is therefore satisfied that the use of Inferred Mineral Resources in the determination of the Production Target is reasonable.
<i>Study status</i>	<ul style="list-style-type: none"> A selection phase of the pre-feasibility study has been completed for the Clark Deposit in compliance with the Association for the Advancement of cost engineering (AACE) International Class 5 estimate standard within an accuracy range of +/- 35%. A technically achievable and economically viable mine plan has been determined by the study team. Material modifying factors have been considered and are included in this section of the report.
<i>Cut-off parameters</i>	<ul style="list-style-type: none"> Clark is a polymetallic deposit which uses an equivalent Net Smelter Return (NSR) value as a grade descriptor. NSR considers the remaining gross value of the in-situ revenue generating elements once processing recoveries, royalties, concentrate transport, refining costs and other deductions have been considered. The elements of economic interest used for cut-off determination include manganese (Mn), silver (Ag) and zinc (Zn). The cut-off strategy employed at Clark is to optimise the NPV of the operation. An NSR cut-off grade of US\$160/tonne was used in the development of mineable stope shapes.
<i>Mining factors or assumptions</i>	<ul style="list-style-type: none"> Primary access to the orebody will be through a single decline. Ventilation raises will be established to provide ventilation to the working areas. Paste backfill will be produced in a surface backfill plant and distributed underground via a backfill reticulation system. The mining method applied is longhole open stoping with paste backfill. This is the preferred mining method based on a combination of productivity, cost, resource recovery and risk of surface subsidence. The mining dilution is applied based on rock dilution or fill dilution dependent on the location of the stope being mined. Dilution factors are applied on a stope-by-stope basis using incremental dilution widths applied to the stope geometry Geotechnical recommendations based on deposit geology have been used to develop the stope shape dimensions. Due to the continuous nature of the orebody the mining recovery factor in primary stopes is 105% to account for overbreak into ore in the adjacent secondary stopes. The mining recovery factor in the secondary stopes is 85%. Inferred Mineral Resources are incorporated into the stope designs and contribute to the overall weighted grades and NSR of the stope. Inferred Mineral Resources contribute approximately 31% of the total planned tonnes. A risk assessment was completed to understand the incremental value contributed by addition of Inferred Resources and to confirm project viability without considering revenue from Inferred Resources. The proposed mining method with modifying factors applied supports a single-stage ramp-up to a life of mine average of 0.6Mt per annum.

Criteria	Commentary
<i>Metallurgical factors or assumptions</i>	<ul style="list-style-type: none"> • Metallurgical test work has been conducted using samples covering the ore body vertically and horizontally. All metallurgical test work and the process design have been reviewed by independent consultants. • Manganese is found to commonly occur as either cryptomelane or pyrolusite. Zinc is hosted as a binary oxide mineral with manganese. • The Clark processing plant will consist of conventional mineral hydrometallurgical processing techniques. Primary crushing will be conducted on surface, and the crushed ore will be transported to the off-site processing facility. • At the offsite facility grinding will be conducted by a single-stage semi-autogenous grinding (SAG) mill to a size suitable for leaching. • Following the manganese and zinc extractive leach, the leach discharge will be washed and filtered. The leach tails, containing silver will advance to a conventional silver recovery circuit, producing silver doré. The silver plant final tails will be filtered and stored in a dry stack tailings facility. • The manganese-zinc rich pregnant leach solution from the extractive leach will advance through sequential purification circuits. Zinc is recovered as a salable zinc sulphide product prior to manganese recovery. Manganese is recovered via crystallisation producing a high purity manganese sulphate monohydrate (HPMSM) product. • Metallurgical recovery is found to vary by geological domain and head grade. Recovery ranges are applied based on geologic formation and grade. Average process recoveries are: 95 % for manganese to HPMSM product; 84% for zinc in zinc sulphide and 85% for silver.
<i>Environmental factors or assumptions</i>	<ul style="list-style-type: none"> • The project consists of patented claims surrounded by the Coronado National Forest and unpatented claims located within the surrounding Coronado National Forest and managed by the United States Forest Service. • A permitting schedule has been developed for obtaining state and federal approvals required for exploration, development and mining. • Waste rock generated from surface and underground excavations is delineated into potentially acid generating (PAG) or non-acid generating (NAG) rock. All PAG material will report to a lined facility. NAG material will be managed in a designated rock stockpile or used for construction. • The tailings storage facilities have been designed in accordance with South32's internal Standard and consistent with the International Council on Mining and Metals (ICMM) Tailings Governance Framework, in addition to the Australian National Committee on Large Dams (ANCOLD) guidelines. • Tailings from processing will be filtered and stored in purpose-built, lined, surface storage facilities or returned underground in the form of paste backfill.
<i>Infrastructure</i>	<ul style="list-style-type: none"> • Opportunities for synergy have been identified, and common infrastructure, facilities, transport, and logistics required for Clark have been integrated with the overall Hermosa site and operations, where feasible. • The current Hermosa site activity is supported by office buildings, core processing facilities, and a voluntary remediation program that includes an existing tailings storage, a water treatment plant, ponds, road networks and laydown yards. • Portions of the planned infrastructure and facilities for Clark are located at the Hermosa site and at offsite locations to support future operations, and will consist of: <ul style="list-style-type: none"> ○ Mine portal ○ Underground services and utilities ○ Paste backfill plant ○ Process comminution, hydrometallurgical circuits, and bagging plant ○ Tailings filtration plant and dry stack tailings storage facility ○ Dewatering wells, pipelines, and water treatment systems ○ Surface shops, fuel bays, wash bays and office buildings ○ Powerlines and substations • Site layout plans, engineering deliverables, and project execution plans support the infrastructure listed above.

Criteria	Commentary
<i>Costs</i>	<ul style="list-style-type: none"> • The capital cost estimate is supported by sufficient engineering scope and definition for preparation of a AACE International Class 5 estimate within an accuracy range of +/- 35%. • The operating cost estimate was developed in accordance with industry standards and South32 project requirements. <ul style="list-style-type: none"> ○ Mining costs were calculated primarily from first principles and substantiated by detailed labour rate calculations, vendor-provided equipment operating costs and budgetary quotations for materials and consumables. ○ Processing costs account for plant consumables/reagents, labour, power and maintenance materials and tailings storage facility costs. ○ General and administrative costs are based on current operating structures and optimised based on industry benchmarks and fit-for-purpose sizing. Permitting and environmental estimates are based on current permitting timelines. • Commodity price forecasts for manganese, silver, and zinc and foreign exchange are supplied by South32 Marketing. Price assumptions reflect South32's view on demand, supply, volume forecasts and competitor analysis. Price protocols will not be detailed as the information is commercially sensitive. • Transportation charges have been estimated using information on trucking costs, rail costs, export locations, transload capabilities and transit time associated with moving product from site to market. • Treatment and Refining Charges used for the valuation are supplied by South32 Marketing and reflect South32's view on demand, supply, volume forecasts and competitor analysis. • Applicable royalties and property fees have been applied using on the current US federal and state rates.
<i>Revenue factors</i>	<ul style="list-style-type: none"> • The life of operation plan derived from the pre-feasibility select study provides the mining and processing physicals such as volume, tonnes and grades to support the valuation. • Revenue is calculated by applying forecast metal prices and foreign exchange (when applicable) rates to the scheduled payable metal. Metal payabilities are based on contracted payability terms, typical for zinc and silver. Battery grade manganese product revenue is based on internal price forecasts.
<i>Market assessment</i>	<ul style="list-style-type: none"> • Internal price protocols reflect South32's view on demand, supply, and stock situations including customer analysis, competitor analysis and identification of major market windows and volume forecasts.
<i>Economic</i>	<ul style="list-style-type: none"> • Economic inputs are described in the cost, revenue and metallurgical factors commentary. • Sensitivity analyses have been completed on metal prices, metallurgical recoveries, mine operating costs, growth capital costs and use of Inferred Mineral Resources to understand the value drivers and impact on the valuation. • The selection phase of the pre-feasibility study evaluated alternate cases to assess the impact of alternative approaches such as: changes in capital spend profiles, mining methods, operating costs, etc.
<i>Social</i>	<ul style="list-style-type: none"> • South32 maintains relationships with stakeholders in its host communities through structured and meaningful engagement activities including community forums, industry involvement, employee participation, local procurement and local employment. • A Stakeholder Engagement Plan has been developed in accordance with the Social Performance Standard and includes baseline studies, community surveys, risk assessments, stakeholder identification, engagement plans, cultural heritage, community investment plans, closure and rehabilitation.
<i>Other</i>	<ul style="list-style-type: none"> • Hermosa has developed a comprehensive risk register and risk management system to address foreseeable risks that could impact the project and future operations. • No material naturally occurring risks have been identified and the project is not subject to any material legal agreements or marketing arrangements.

Competent Person statement

Mineral Resource estimate: The information in this presentation that relates to the Mineral Resource estimate for the Clark deposit is extracted from South32's FY22 Annual Report (www.south32.net) published on 9 September 2022. The information was prepared by a Competent Person in accordance with the requirements of the JORC Code. South32 confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement, and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. South32 confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Table 3: Mineral Resource estimate for the Clark deposit in 100% terms²

As of 30 June 2022

Ore Type	Indicated Mineral Resources				Inferred Mineral Resources				Total Mineral Resources			
	Mt ²	% Zn	% Mn	g/t Ag	Mt ²	% Zn	% Mn	g/t Ag	Mt ²	% Zn	% Mn	g/t Ag
UG Oxide ¹	33	2.49	9.39	57	22	2.04	8.64	110	55	2.31	9.08	78

Million dry metric tonnes², % Zn- Percent zinc, % Mn- Percent Manganese, g/t Ag- grams per tonne of silver.

Notes:

1. Cut-off grade: NSR of US\$175/dmt for UG Oxide. Input parameters for the NSR calculation are based on South32's long term forecasts for Zn, Mn and Ag pricing, haulage, treatment, shipping, handling and refining charges. Total metallurgical recovery 95% for manganese to HPMSM product; 84% for zinc in zinc sulphide and 85% for Silver.
2. All masses are reported as dry metric tonnes (dmt). All tonnes and grade information have been rounded to reflect relative uncertainty of the estimate, hence small differences may be present in the totals.

Production Target Cautionary statement

The information in this presentation that refers to the Production Target is based on Indicated (69%) and Inferred (31%) Mineral Resources for the Clark deposit. The Mineral Resources underpinning the Production Target is based on Mineral Resources disclosed in South32's FY22 Annual Report published on 9 September 2022 and can be viewed on www.south32.net. The Mineral Resource estimate and supporting documentation was prepared by a Competent Person in accordance with the requirement of the JORC Code. All material assumptions on which the Production Target is based is available in this document. There is low level of geological confidence associated with the Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the Production Target will be realised. The stated Production Target is based on South32's current expectations of future results or events and should not be solely relied upon by investors when making investment decisions. Further evaluation work and appropriate studies are required to establish sufficient confidence that this target will be met. South32 confirms that inclusion of 31% tonnage from Inferred Mineral Resources is not the determining factor of the project viability and the project forecasts a positive financial performance when using 69% tonnage from Indicated Mineral Resources. South32 is satisfied, therefore, that the use of Inferred Mineral Resources in the Production Target reporting is reasonable.