



24 February 2020

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

BMO CAPITAL MARKETS GLOBAL METALS & MINING CONFERENCE PRESENTATION 2020

South32 Limited (ASX, LSE, JSE: S32; ADR: SOUHY) (South32) Chief Executive Officer, Graham Kerr will present at the BMO Capital Markets Global Metals & Mining Conference in Hollywood, Florida today.

The presentation is attached and an accompanying webcast will be available on the South32 website (<https://www.south32.net/investors-media/investor-centre/presentations-reports-speeches>).

About South32

South32 is a globally diversified mining and metals company. We produce bauxite, alumina, aluminium, energy and metallurgical coal, manganese, nickel, silver, lead and zinc at our operations in Australia, Southern Africa and South America. We are also the owner of a high grade zinc, lead and silver development option in North America and have several partnerships with junior explorers with a focus on base metals. Our purpose is to make a difference by developing natural resources, improving people's lives now and for generations to come, and to be trusted by our owners and partners to realise the potential of their resources.

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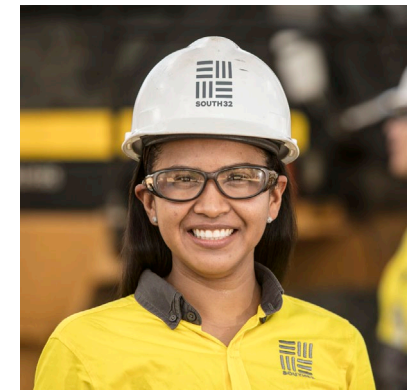
Further information on South32 can be found at www.south32.net.

JSE Sponsor: UBS South Africa (Pty) Ltd
24 February 2020



BMO Capital Markets Global Metals and Mining Conference

24 February 2020



This presentation should be read in conjunction with the “Financial Results and Outlook – half year ended 31 December 2019” announcement released on 13 February 2020, which is available on South32’s website (www.south32.net).

Figures in italics indicate that an adjustment has been made since the figures were previously reported.

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 facilities; 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 or statements of fact. 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. South32 makes no representation, assurance or guarantee as to the accuracy or likelihood or fulfilment of any forward-looking statement or any outcomes expressed or implied in any forward-looking statement. 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. The denotation (e) refers to an estimate or forecast year.

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This presentation includes certain non-IFRS financial measures, including Underlying earnings, Underlying EBIT and Underlying EBITDA, Basic Underlying earnings per share, Underlying effective tax rate, Underlying EBIT margin, Underlying EBITDA margin, Underlying return on invested capital, Free cash flow, net debt, net cash, 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.

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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.

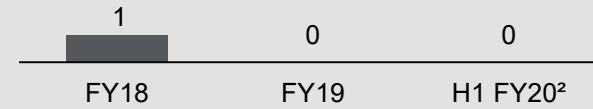
MINERAL RESOURCES AND ORE RESERVES

The information that relates to the Mineral Resources of the Taylor Deposit was declared in the market announcement “Hermosa Project – Mineral Resource Declaration” dated 17 June 2019 (www.south32.net) based on information compiled by Matthew Readford, Competent Person. South32 confirms that it is not aware of any new information or data that materially affects the information included in the original announcement. 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.

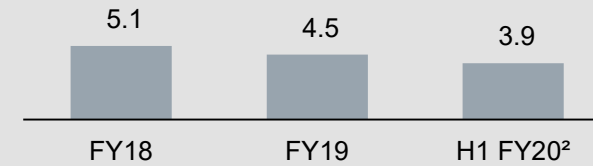
Information that relates to estimates of Mineral Resources for the Clark Deposit (formally the Central Deposit) of the Hermosa project are foreign estimates under ASX Listing Rules and are not reported in accordance with the JORC Code. Reference should be made to the clarifying statement on Mineral Resources in the market announcement “South32 to acquire Arizona Mining in agreed all cash offer” dated 18 June 2018, in accordance with ASX Listing Rule 5.12. 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 or has the ability to verify the foreign estimate as a Mineral Resource in accordance with the JORC Code. South32 confirms that the supporting information contained in the clarifying statement in the 18 June 2018 market announcement continues to apply and has not materially changed. Competent Persons have not done sufficient work to classify the foreign estimates as Mineral Resources in accordance with JORC Code. It is uncertain that following evaluation and further exploration that the foreign estimates will be able to be reported as Mineral Resources or Ore Reserves in accordance with the JORC Code. During FY20 we have commenced a work program to increase confidence in the resource to ensure that resources are reported in accordance with the JORC Code.

Safety performance

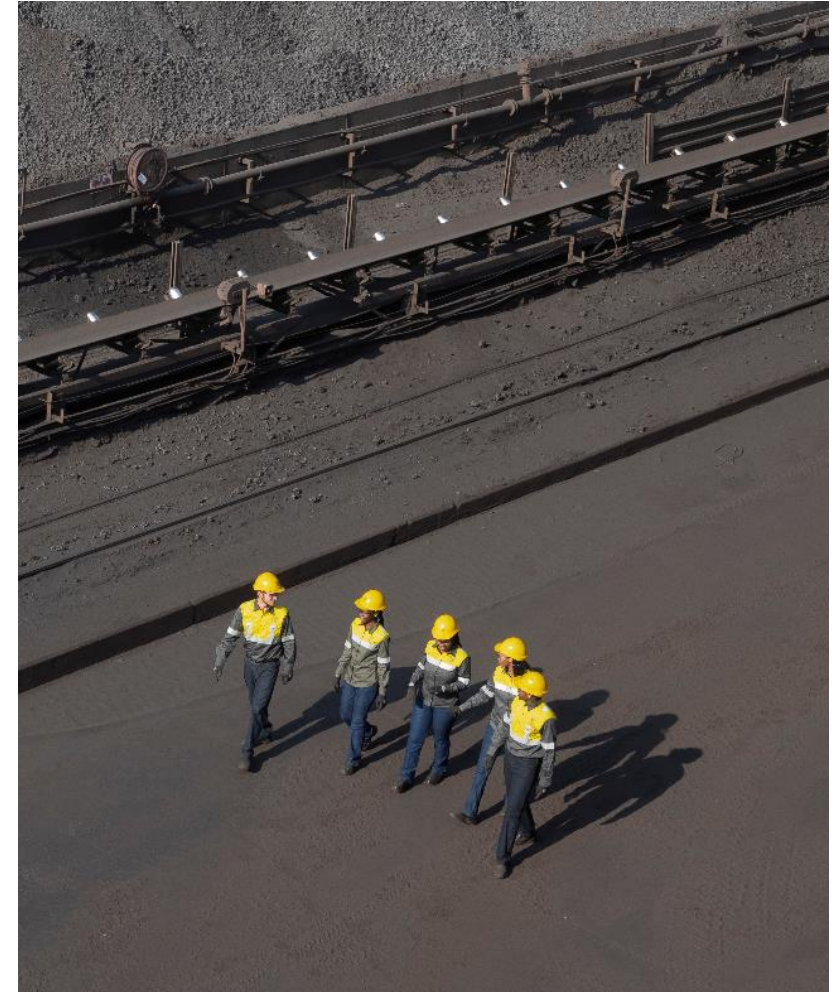
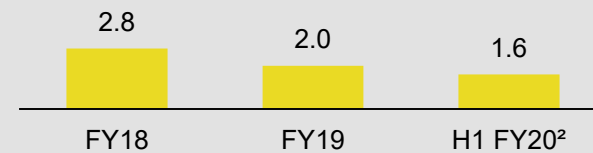
Fatalities^{1,3}



TRIF^{1,3}



Employee Occupational Illness^{1,3}



Underlying EBITDA
US\$678M

Underlying earnings
US\$131M

Free cash flow^(a)
US\$284M

Net cash balance
US\$277M

US\$300M returned
to shareholders^(b)

Fully franked interim dividend US\$54M
Fully franked special dividend US\$54M
On-market share buy-back US\$192M

Capital management program
expanded by
US\$180M to US\$1.43B

US\$198M remaining
to be allocated

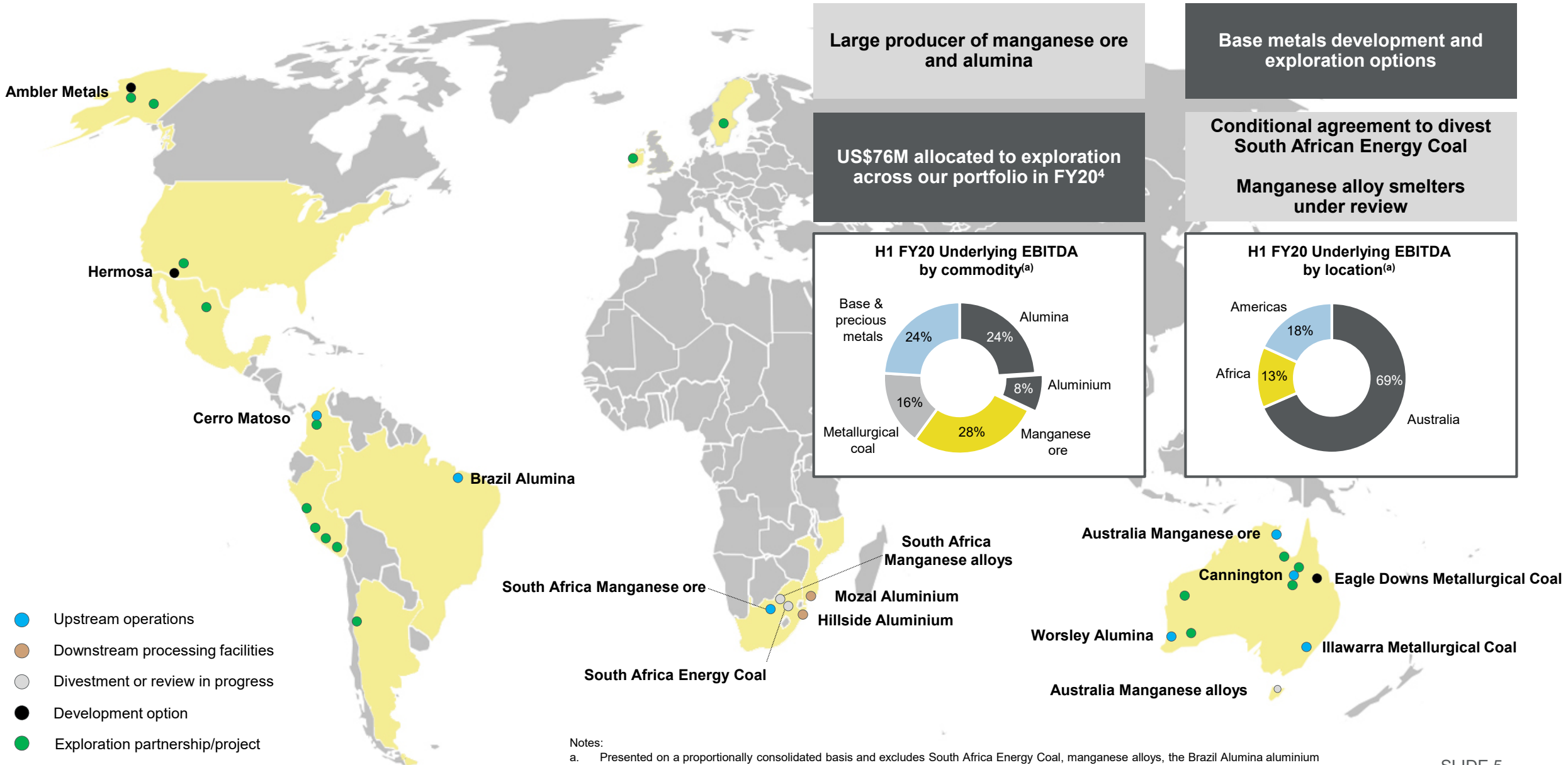
Conditional agreement to divest
South Africa Energy Coal^(c)

Ambler Metals Joint Venture
embeds another base metals
development option

Notes:

- a. Free cash flow from operations including net distributions from our manganese EAI.
- b. In respect of the December 2019 half year.
- c. Refer to the market announcement "Agreement to Divest South Africa Energy Coal" dated 6 November 2019.

Our portfolio



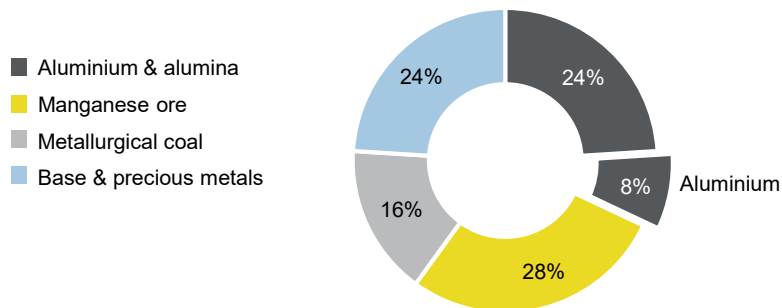
Notes:

a. Presented on a proportionally consolidated basis and excludes South Africa Energy Coal, manganese alloys, the Brazil Alumina aluminium smelter, Hermosa and Group and unallocated costs.

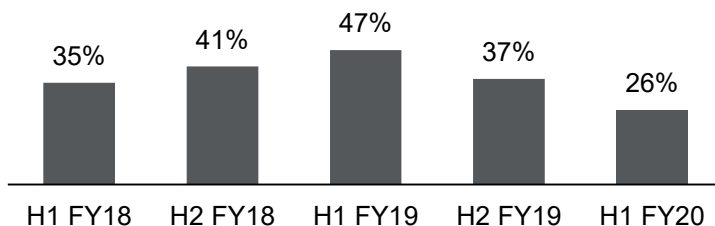
H1 FY20 performance update

Lower prices for our key commodities more than offset weaker producer currencies and the benefit of our strong operating result

H1 FY20 Underlying EBITDA contribution by commodity^{(a)(b)}

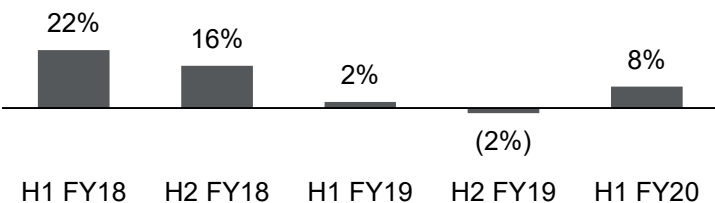


Alumina operating margin^(a)



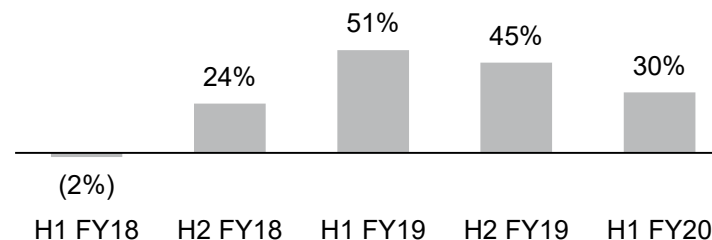
Priorities
Return Worsley to nameplate capacity and capture the benefits of Brazil Alumina's de-bottlenecking project

Aluminium operating margin



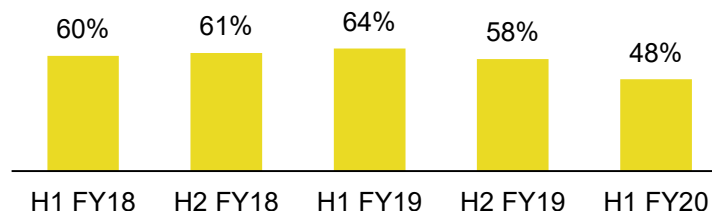
Priorities
Realise the benefits of Hillside's workforce restructure and continue to test the technical capacity of both smelters

Metallurgical coal operating margin^(b)



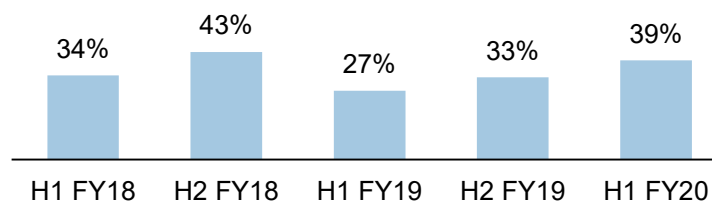
Priorities
Lift development rates in support of improved longwall performance

Manganese ore operating margin



Priorities
Adjust production in accordance with market conditions
Progress exploration in the Southern Areas at GEMCO

Base & precious metals operating margin



Priorities
Continue strong performance at Cerro Matoso and Cannington
Progress our development options to grow base metals exposure

Notes:

- a. Presented on a proportionally consolidated basis and excludes South Africa Energy Coal, manganese alloys, the Brazil Alumina aluminium smelter, Hermosa and Group and unallocated costs.
- b. Metallurgical coal comprises Illawarra Metallurgical Coal, including energy coal by-product volumes.

Manganese market

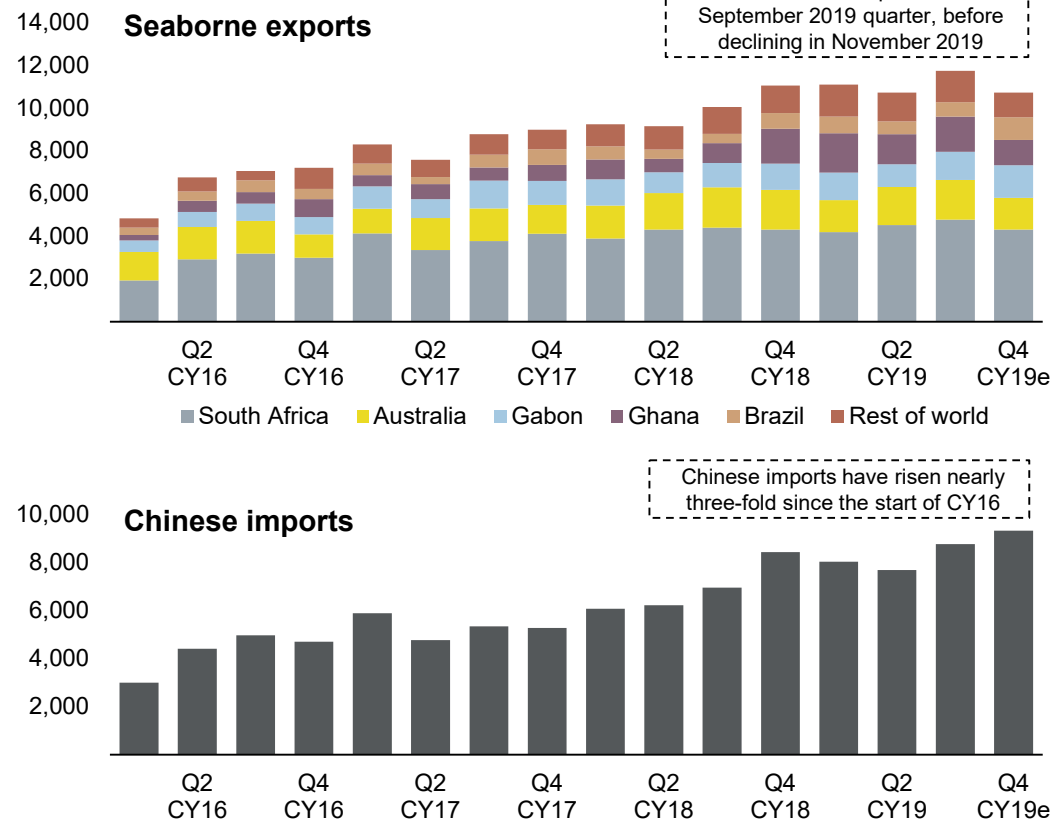
Weaker steel and alloy demand during H2 CY19

Higher cost producers responded by exiting the market

Environmental restrictions and grade decline have underpinned a rise in Chinese import dependency

Long term price to be set by marginal South African supply transitioning to more expensive underground over time

Manganese ore supply^(a)
(kt, Mn content unadjusted)

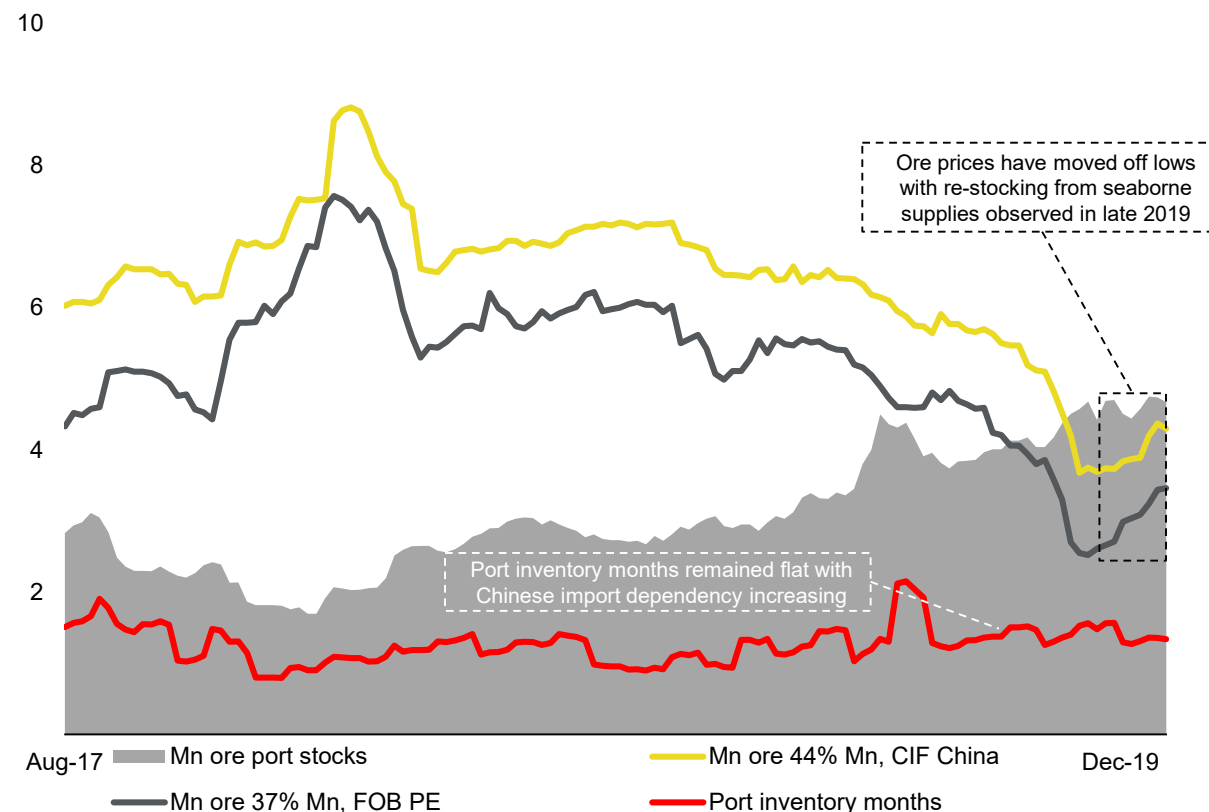


Source: GTIS

Notes:

a. Q4 2019E data is based on October and November actuals, and an estimate for December 2019 based on annualising October and November actuals.

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



Source: Fastmarkets, Steel Orbis

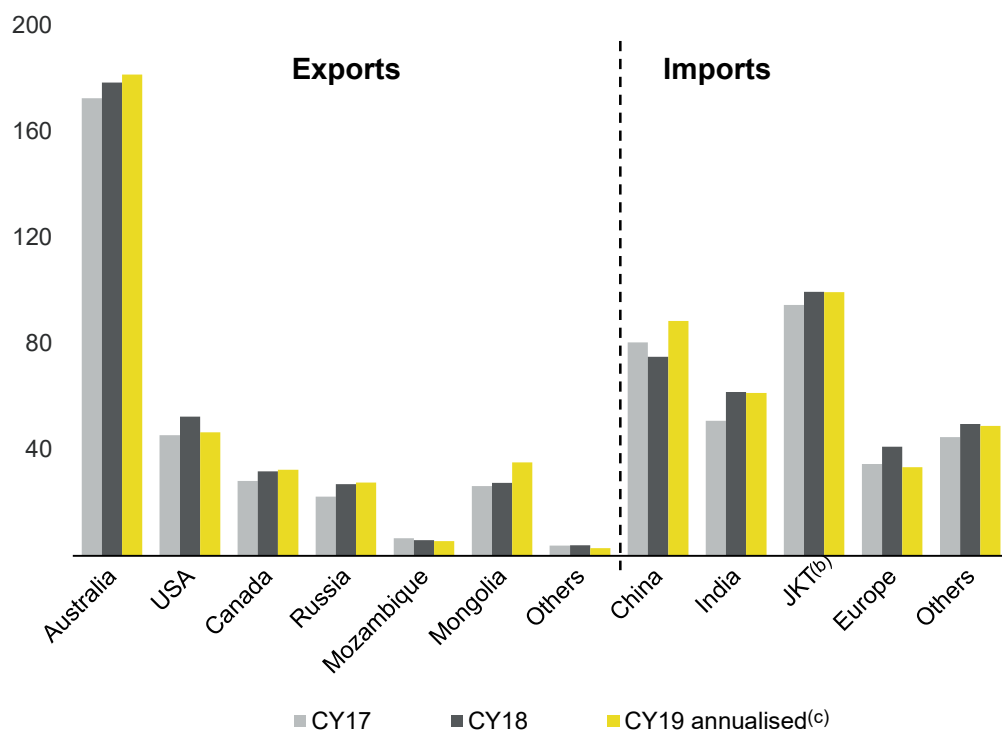
Metallurgical coal market

Demand growth driven mainly by increase in Chinese steel output (+76Mt or 8.3% YoY in CY19)

Spreads are widening again due to Chinese preference for imported premium HCC and weak ex-China demand

Long run growth driven by India and other emerging Asian economies

Metallurgical coal trade flows^(a)
(Mt)

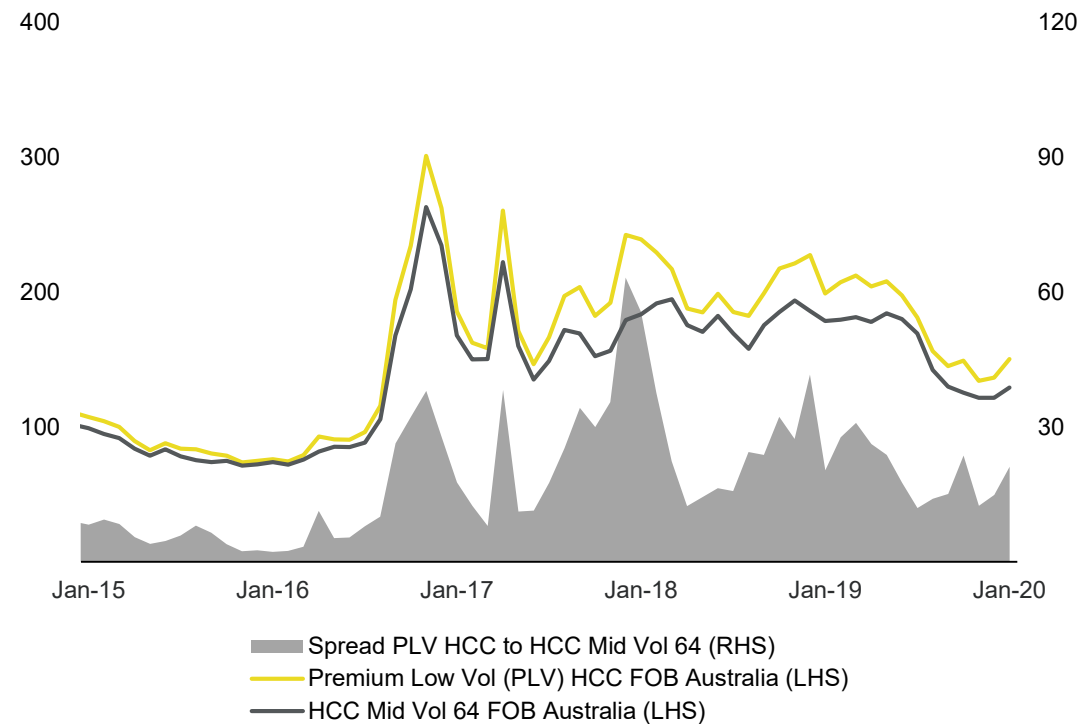


Source: GTIS, IHS India Coal Report and South32 analysis

Notes:

- a. Metallurgical coal trade flow includes hard coking coal (HCC), weak coking coal and PCI. Includes Mongolian coal exports to China.
- b. JKT means Japan, South Korea and Taiwan.
- c. CY19 annualised data is based on year to date November month end actuals.

Metallurgical coal prices
(US\$/t)



Source: Platts SBB database, South32 analysis

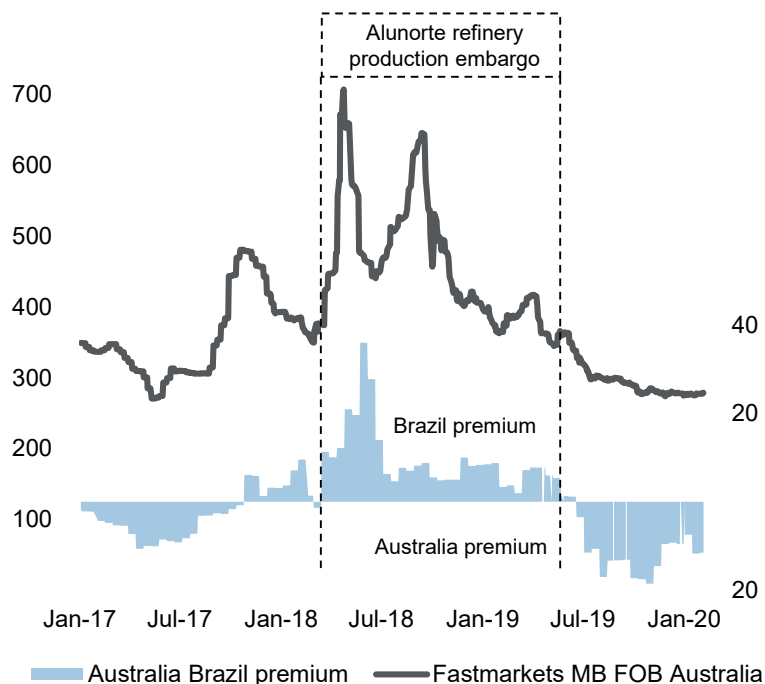
Market rebalanced post Alunorte and AI Taweelah ramp-up

Chinese supply to drive market balance with imported alumina remaining cost competitive

Deteriorating Chinese bauxite supply and increasing delivered costs of imports to steepen cost curve

Alumina price

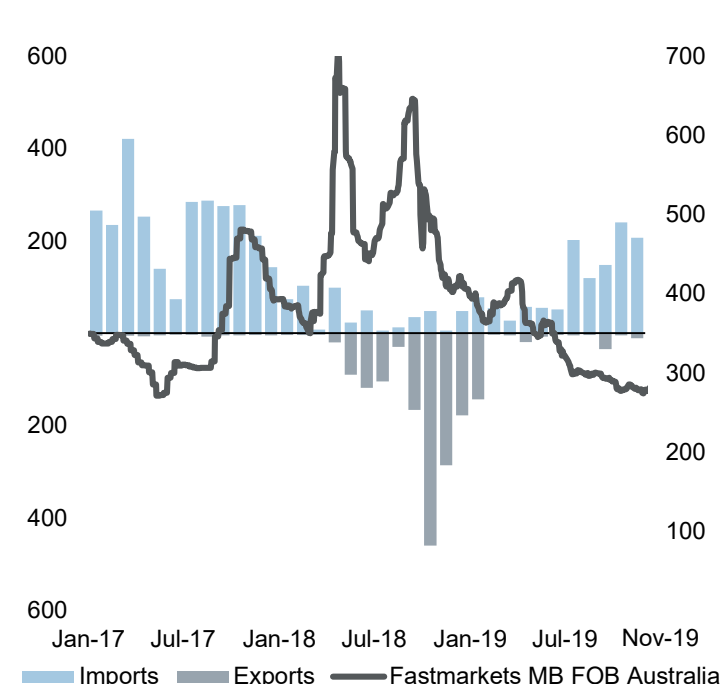
(US\$/t, LHS; Australia Brazil delta US\$/t, RHS)



Source: Fastmarkets, South32 analysis

China alumina imports/exports

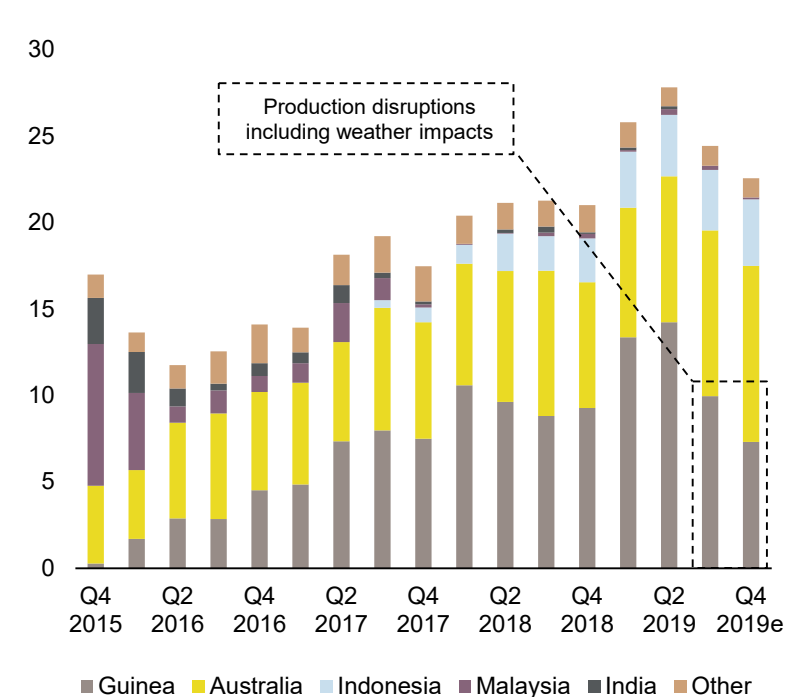
(kt, LHS; Alumina price US\$/t RHS)



Source: GTIS, SMM, China Custom, Fastmarkets

China bauxite imports^(a)

(Mt)



Source: GTIS

Notes:

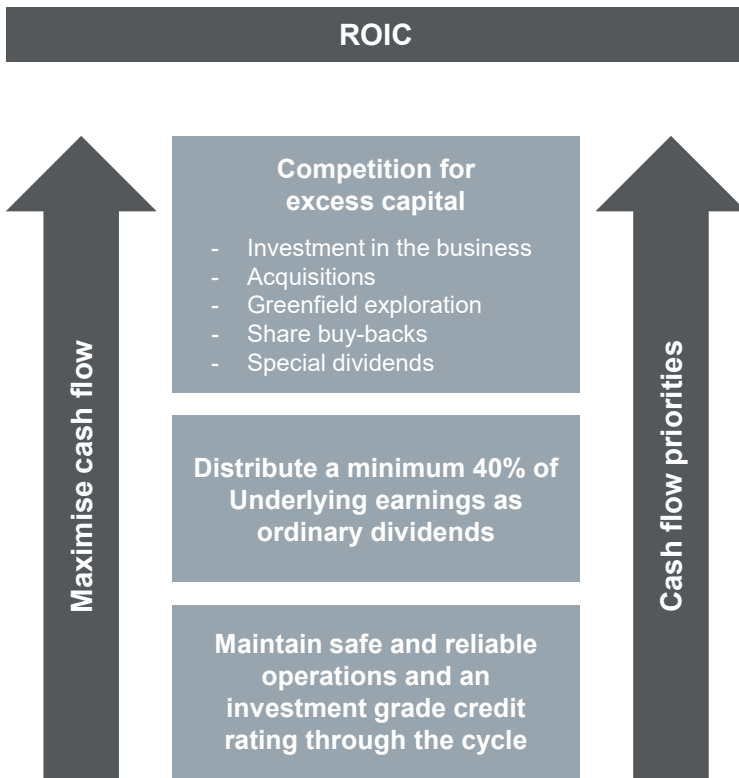
a. Q4 2019E data is based on October and November actuals and an estimate for December.

Our framework remains unchanged

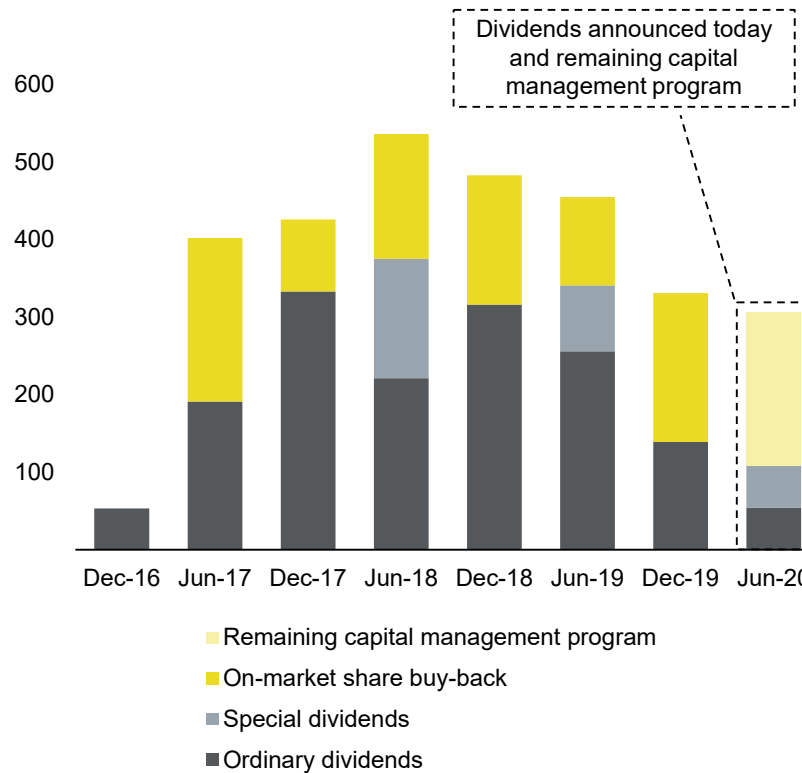
Its application has been disciplined and consistent

We have balanced returns to shareholders with investment in our business

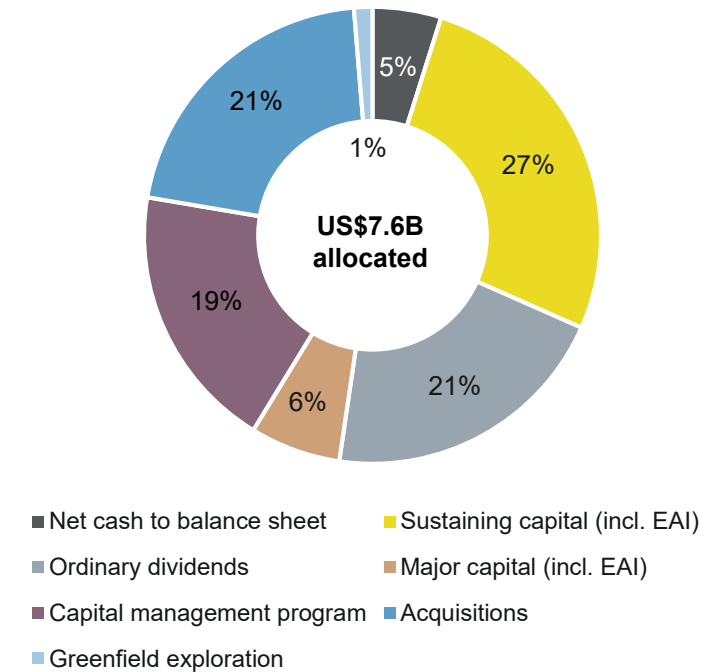
Capital management framework



Shareholder returns (paid and committed) (US\$M)



Capital allocation (Capital allocation since FY16)⁵

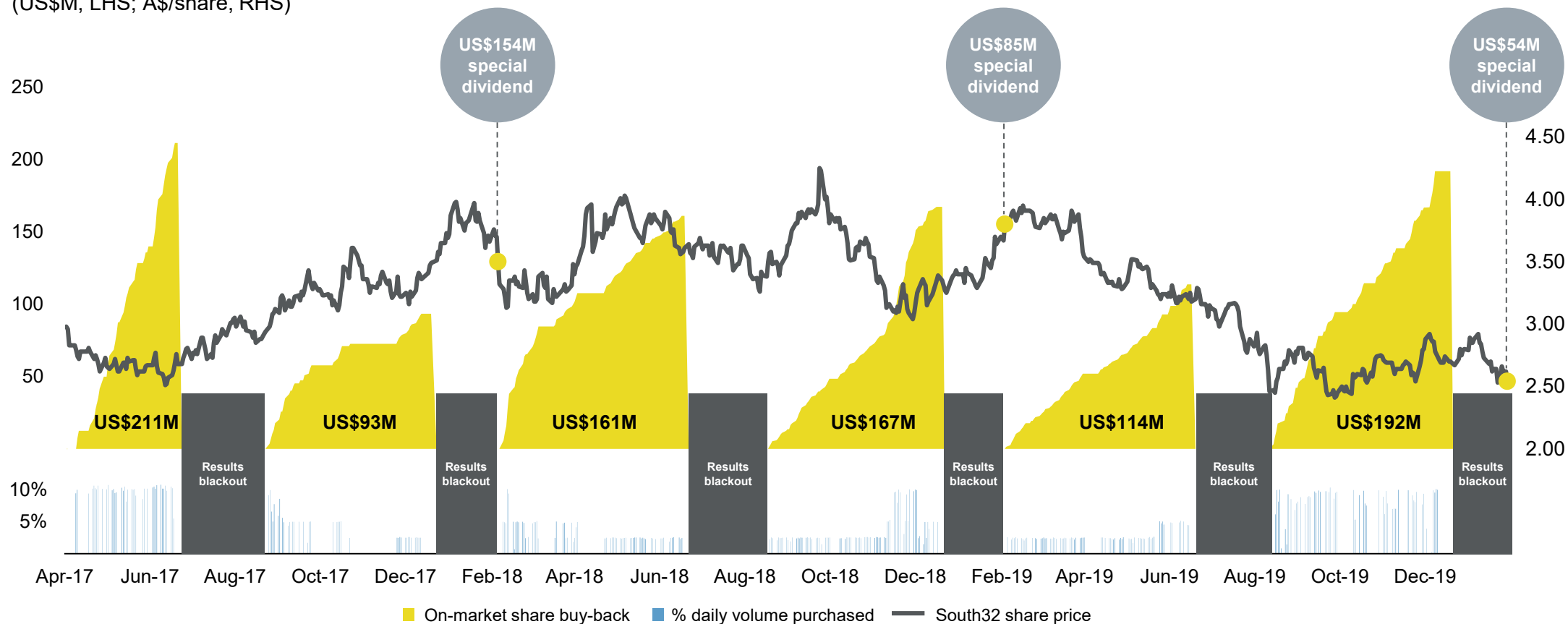


Capital management program

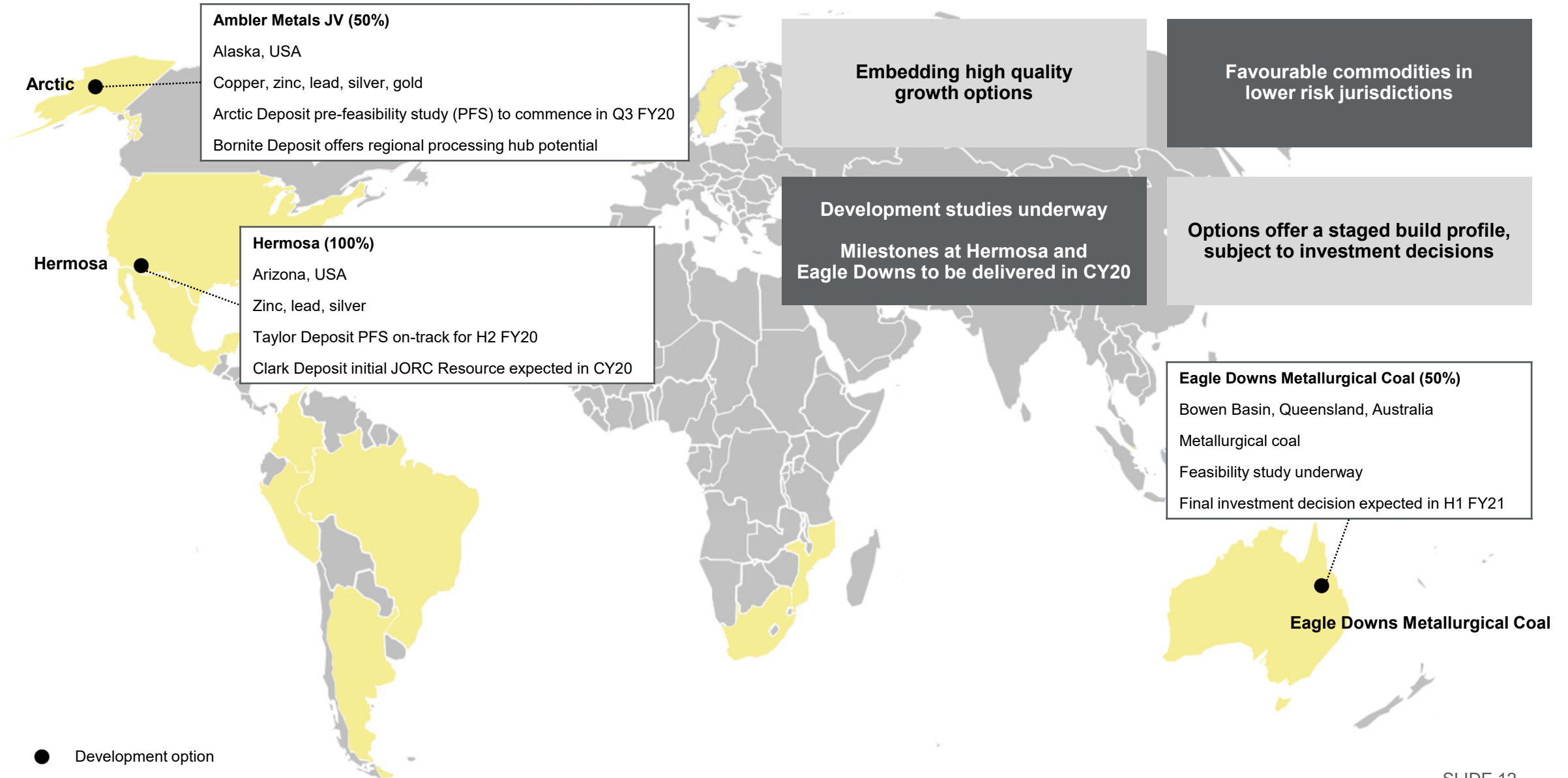


<p>Program expanded by US\$180M to US\$1.43B</p> <p>US\$198M remaining after payment of US\$54M special dividend</p>	<p>Flexible program to return excess capital efficiently and in a timely manner</p>	<p>Shares on issue reduced by 8% since commencement in April 2017</p>	<p>Average buy-back price A\$3.03 per share</p> <p>(volume weighted average price A\$3.24 per share over same period)</p>
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South32 capital management program
(US\$, LHS; A\$/share, RHS)



Our development options



Eagle Downs Metallurgical Coal project

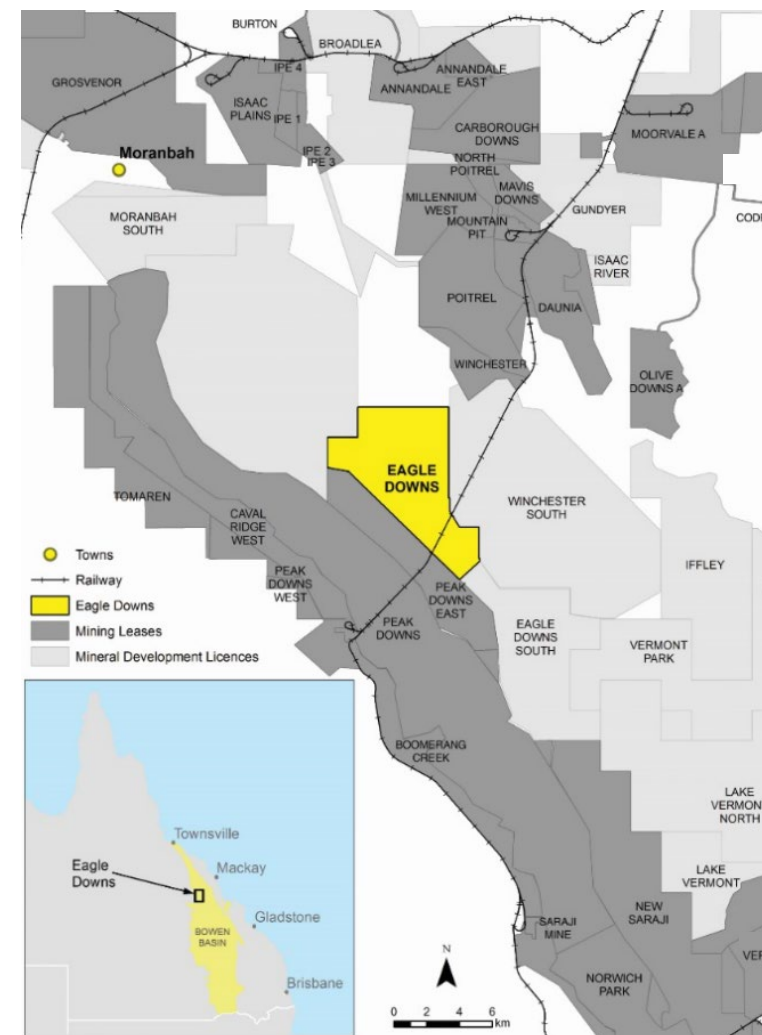
50% interest and operating control in a fully permitted, partially developed mine

FY20 capital expenditure guidance of US\$11M (South32 share)

Development studies underway

Final investment decision expected in H1 FY21

Eagle Downs location map



Hermosa project

Initial JORC Resource for the Taylor Deposit has de-risked and increased our confidence in the project

Deposit remains open at depth and laterally

Taylor Deposit Mineral Resource (100% basis)^(a)

Net Smelter Return (NSR) cut-off US\$90/t

Ore Type	Total Mineral Resources			
	Mt	% Zn	% Pb	g/t Ag
UG Sulphide^(a)	149	3.32	3.66	70
UG Transition^(a)	6.2	5.22	3.82	57
Total Sulphides	155	3.39	3.67	69

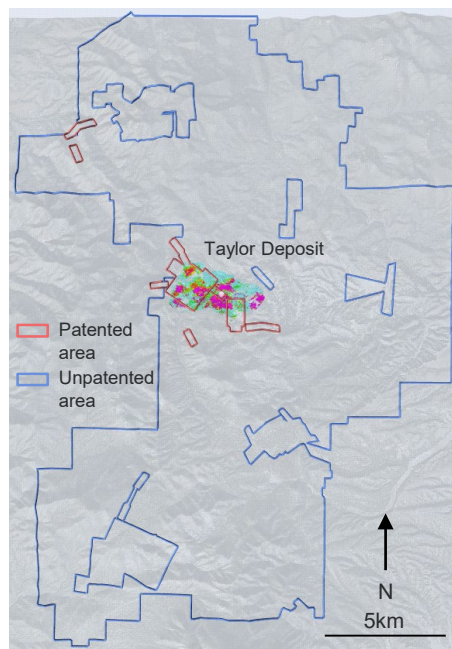
Current exploration program targeting identified extensions

PFS on-track for completion in H2 FY20

Taylor Deposit Mineral Resource (looking South)

Remains open at depth and laterally

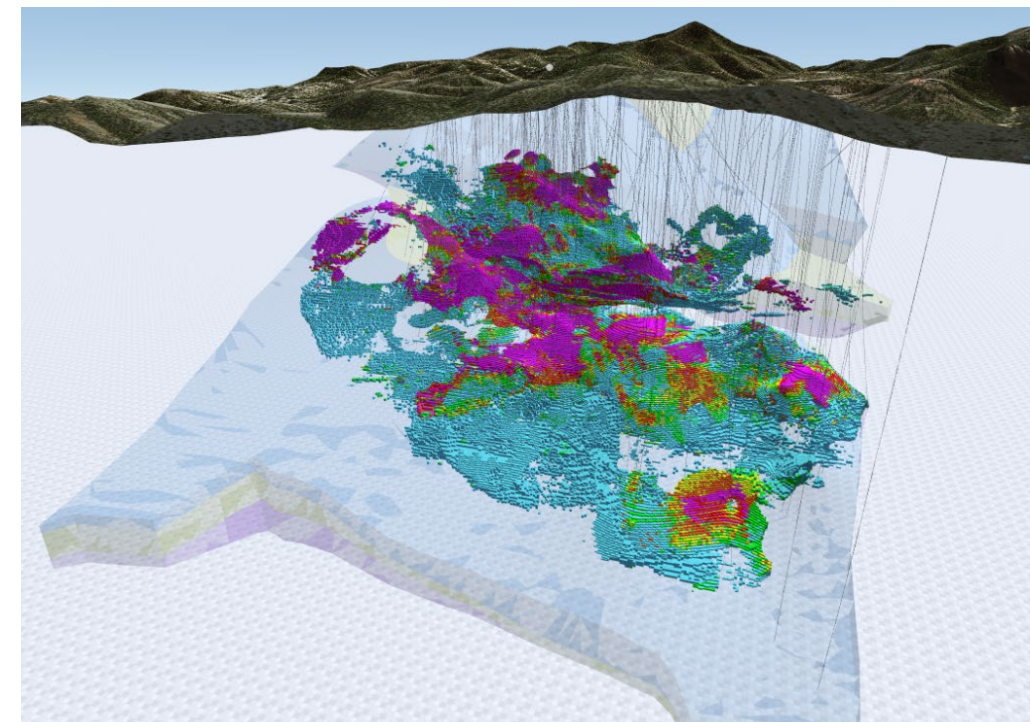
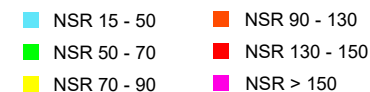
Hermosa land package



Taylor Deposit



Net Smelter Return (NSR) Cut-off in US\$/t



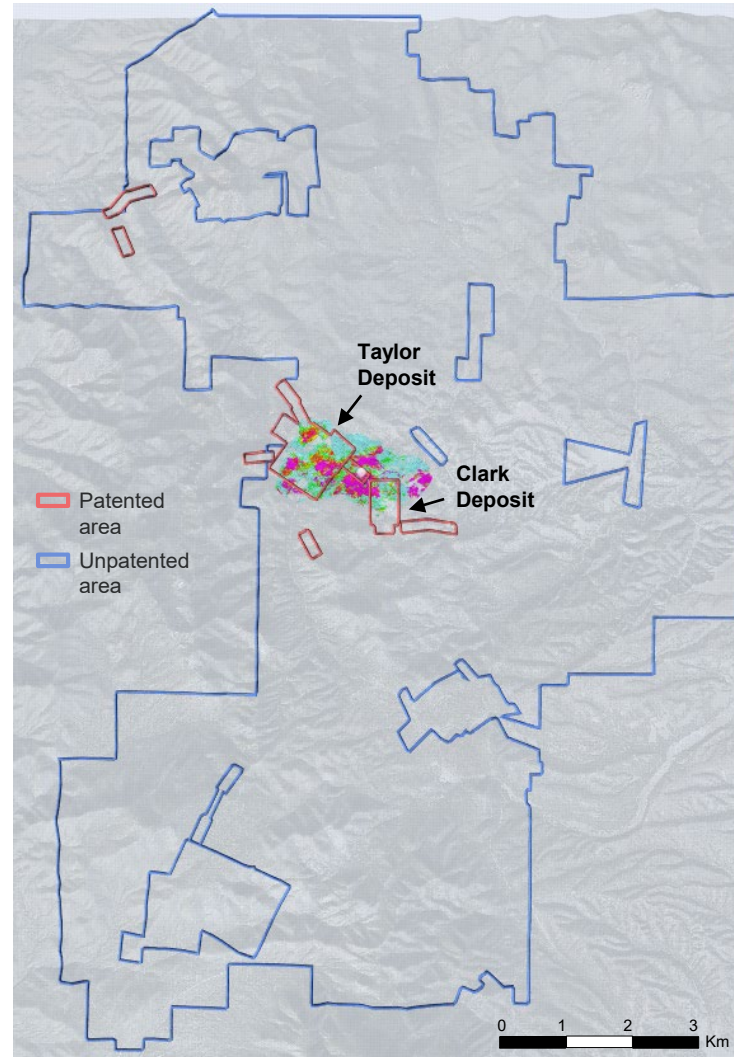
Notes:

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

Hermosa project

Hermosa land package

Taylor Deposit, Clark Deposit and regional landholdings



Regional landholdings increased by 30% since acquisition

Initial JORC Resource for Clark Deposit expected in CY20

Regional exploration program underway

15 new targets identified

Capital expenditure directed to establishing surface infrastructure

Voluntary remediation program completed

Hermosa Tailings Storage Facility (TSF) (looking north)

Aerial view of lined TSF and Taylor Deposit support infrastructure



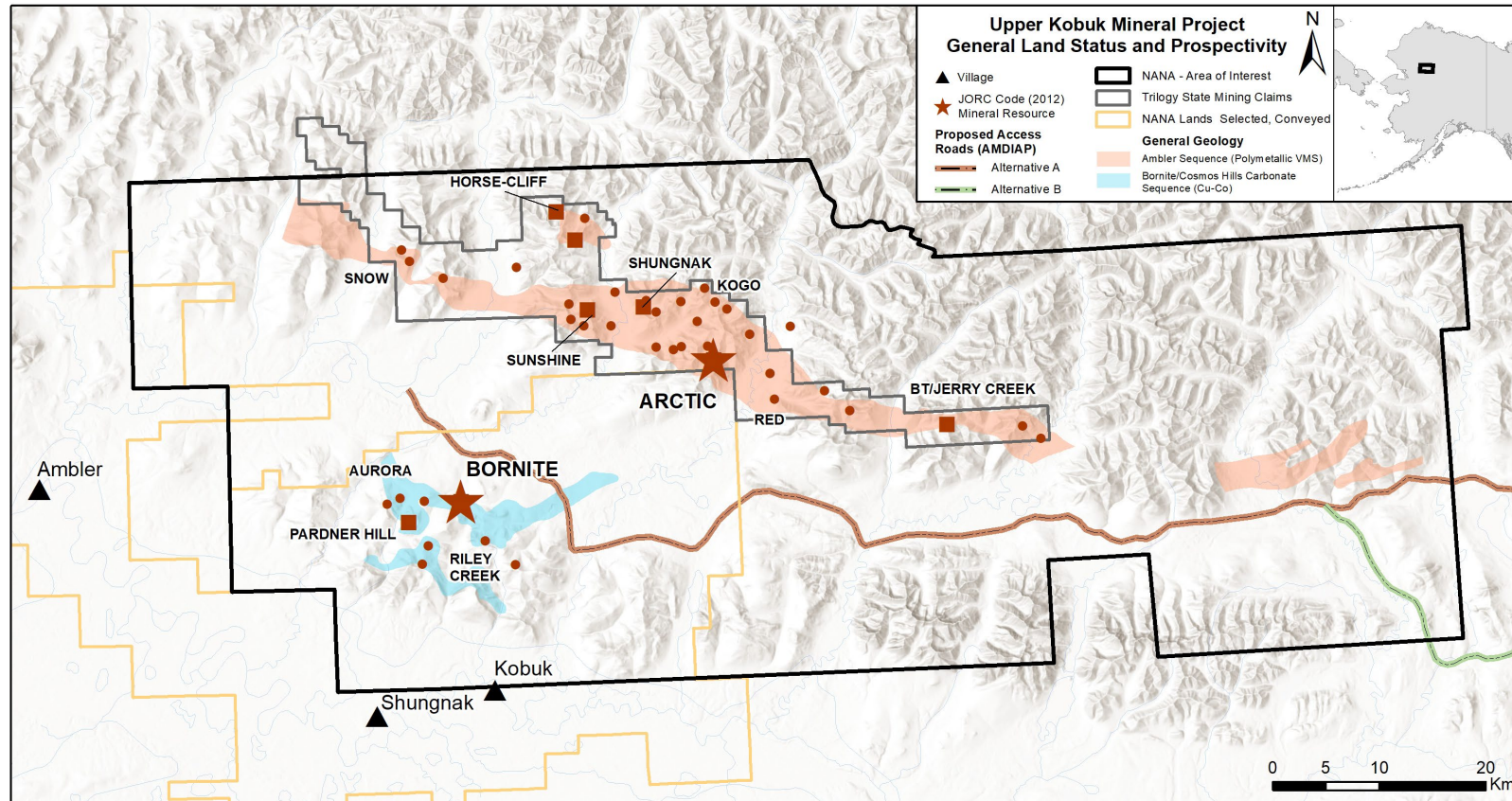
Regional scale in an attractive mining jurisdiction

Arctic, a high grade VMS development option

Bornite, a large carbonate hosted copper deposit

Identified prospects and VMS clusters

Ambler Metals JV location map



High grade development option in northwest Alaska

- 50% joint venture with Trilogy Metals following an initial exploration partnership over three field seasons
- Two highly prospective mineralised belts with potential to establish a processing hub
- Funded to progress Arctic to a development decision, undertake further drilling at Bornite and test regional targets
- Supportive local partner NANA Regional Corporation^(a)

Pathway to a development decision

- JV to commence a PFS on Arctic open pit opportunity
- US Bureau of Land Management expected to file the Environmental Impact Statement and Record of Decision for the regional access road in CY20
- Arctic permitting to follow completion of technical studies

Notes:

a. If the JV proceeds with construction of a mine on lands subject to the NANA Agreement, NANA will have the option to acquire between 16% and 25% (as specified by NANA) of the project or receive a net proceeds royalty of 15%.

Initial JORC Resource estimates
declared by South32

Further resource definition drilling at
Arctic to support development studies

Bornite open at depth and laterally

Arctic Deposit Mineral Resource Estimate (100% basis)^{(a)(b)}

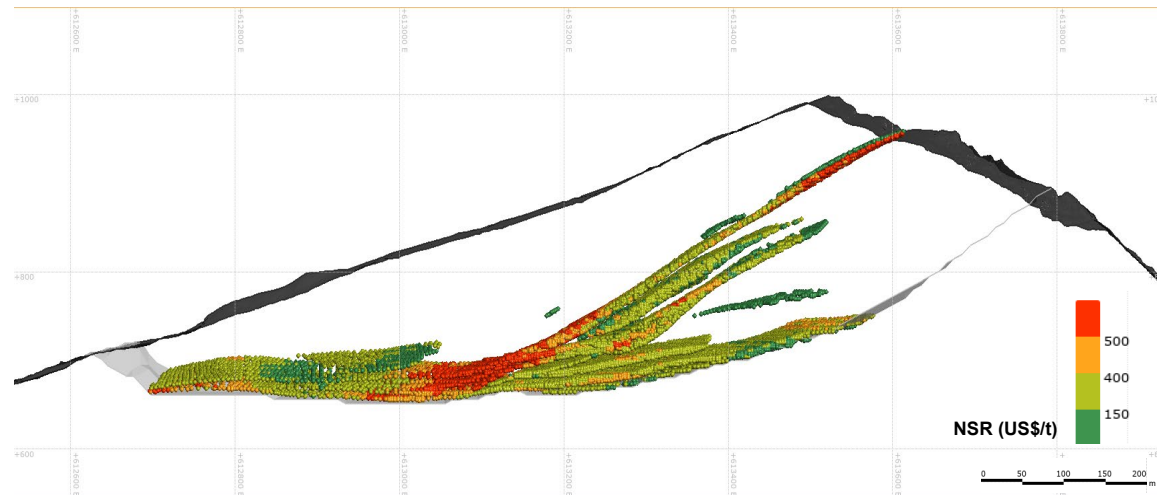
	Total Mineral Resources					
	Mt	% Cu	% Zn	% Pb	g/t Ag	g/t Au
Open pit	37	3.06	4.30	0.77	47	0.60

Bornite Deposit Mineral Resource Estimate (100%)^{(a)(c)}

	Total Mineral Resources	
	Mt	% Cu
Open pit	78	1.04
Underground	70	2.29

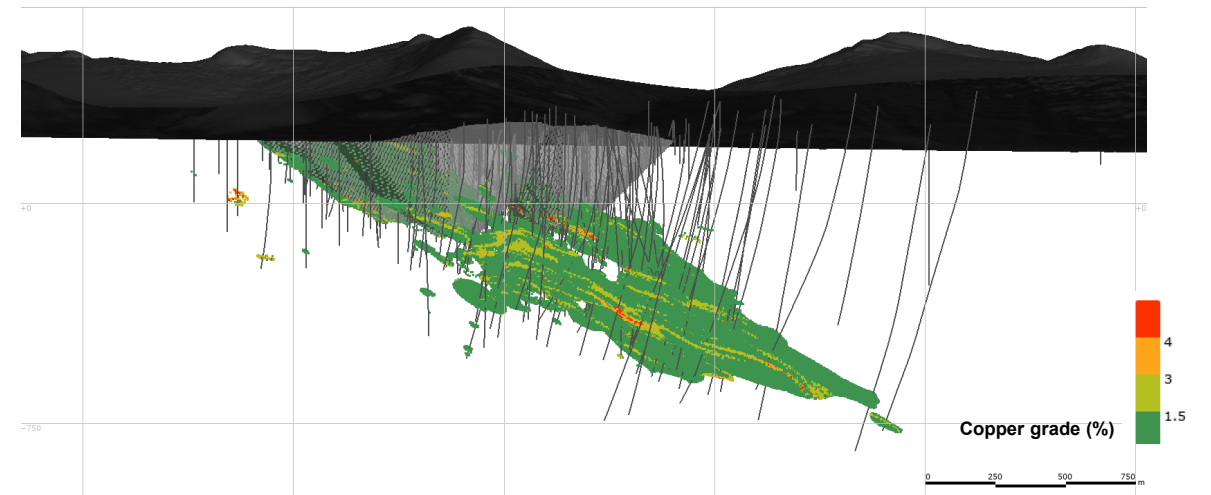
Arctic Deposit (looking north)

A shallow, high grade open pit resource



Bornite Deposit (looking southwest)

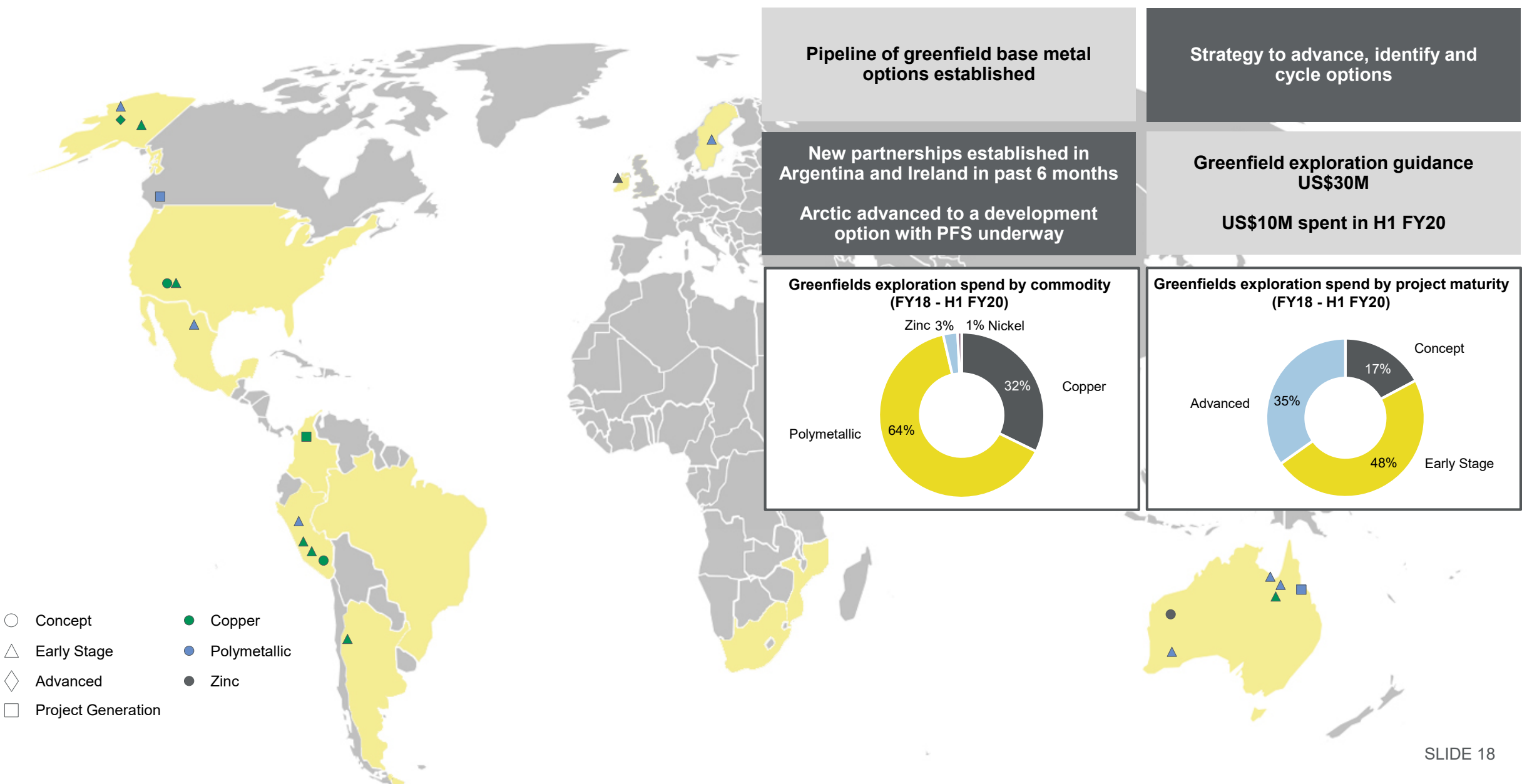
Remains open at depth and laterally



Notes:

- a. Refer to slides 21 and 22 for detailed JORC Mineral Resource tables.
- b. NSR cut-off US\$63.40 per tonne, constrained within an NSR optimised resource pit shell.
- c. Cut-off 0.5% Cu for Open Pit and 1.5% Cu for Underground.

Our exploration footprint



Underlying EBITDA
US\$678M

Underlying earnings
US\$131M

Free cash flow^(a)
US\$284M

Net cash balance
US\$277M

US\$300M returned
to shareholders^(b)

Fully franked interim dividend US\$54M
Fully franked special dividend US\$54M
On-market share buy-back US\$192M

Capital management program
expanded by
US\$180M to US\$1.43B

US\$198M remaining
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Conditional agreement to divest
South Africa Energy Coal^(c)

Ambler Metals Joint Venture
embeds another base metals
development option

Notes:

- a. Free cash flow from operations including net distributions from our manganese EAI.
- b. In respect of the December 2019 half year.
- c. Refer to the market announcement "Agreement to Divest South Africa Energy Coal" dated 6 November 2019.



Supplementary Information



Mineral Resources for the Arctic Deposit



Arctic Deposit Mineral Resource Estimate as at 31 January 2020 (100% basis)

	Indicated Mineral Resources						Inferred Mineral Resources						Total Mineral Resources					
	Mt	% Cu	% Zn	% Pb	g/t Ag	g/t Au	Mt	% Cu	% Zn	% Pb	g/t Ag	g/t Au	Mt	% Cu	% Zn	% Pb	g/t Ag	g/t Au
Open pit	33	3.14	4.43	0.80	49	0.63	4.7	2.55	3.34	0.57	37	0.38	37	3.06	4.30	0.77	47	0.60

Notes:

1. Cut-off: NSR of US\$63.40 per tonne, constrained within a South32 NSR optimised resource pit shell.
2. The NSR is based on South32 internal long term forecast high prices for copper, zinc, lead, gold, silver and metallurgical recoveries to the copper concentrate of 88.8% Cu and 27.6% Ag, to the zinc concentrate of 81.9% Zn, and to the lead concentrate of 70% Pb, 56.7% Au, and 53.2% Ag.
3. All masses are reported as dry metric tonnes. All tonnes and grade information have been rounded to reflect relative uncertainty of the estimate, hence small differences may be present in the totals.

Estimate of Mineral Resources for the Arctic Deposit

South32 confirms the first time reporting of the Mineral Resource estimate for the Arctic VMS Deposit as at 31 January 2020.

The estimates of Mineral Resources are reported in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 (JORC Code) and the Australian Securities Exchange Listing Rules.

Competent Person's Statement

The information in this report that relates to Mineral Resources for the Arctic Deposit is presented on a 100% basis, represents an estimate as at 31 January 2020, and is based on information compiled by Mr David F. Machuca Mory.

Mr Machuca is a Senior Consultant with SRK Consulting (Canada) Inc. he is a Member of Professional Engineers Ontario, a Recognised Professional Organisation as defined by the JORC Code. Mr Machuca has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activities being undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. The Competent Person consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Mineral Resources for the Bornite Deposit

Bornite Deposit Mineral Resources at 31 January 2020 (100% basis)

	Indicated Mineral Resources		Inferred Mineral Resources		Total Mineral Resources	
	Mt	% Cu	Mt	% Cu	Mt	% Cu
Open pit	40	1.06	38	1.03	78	1.04
Underground	-	-	70	2.29	70	2.29

Notes:

1. Cut-off - 0.5% Cu for Open Pit Mineral Resource and 1.5% Cu for potential Underground Mineral Resource.
2. The Bornite Open Pit Mineral Resource is reported within a South32 optimised resource pit shell using South32 internal long term high copper price forecast.
3. Metallurgical recoveries range as a function of copper grade. A 91% recovery and 30% Cu concentrate grade is achieved at average copper feed grades.
4. All masses are reported as dry metric tonnes. All tonnes and grade information have been rounded to reflect relative uncertainty of the estimate, hence small differences may be present in the totals.

Estimate of Mineral Resources for the Bornite Deposit

South32 confirms the first time reporting of the Mineral Resource estimate for the Bornite Deposit as at 31 January 2020.

The estimates of Mineral Resources are reported in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 (JORC Code) and the Australian Securities Exchange Listing Rules.

Competent Person's Statement

The information in this report that relates to Mineral Resources for the Bornite Deposit is presented on a 100% basis, represents an estimate as at 31 January 2020, and is based on information compiled by Dr Sia Khosrowshahi.

Dr. Khosrowshahi is a Principal Ore Reserve Specialist with Golder Associates and is a Member of the Australasian Institute of Mining and Metallurgy. Dr. Khosrowshahi has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activities being undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. The Competent Person consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

1. Fatalities, Total Recordable Injury Frequency (TRIF) per million hours worked and Employee Occupational Illness (EOI) per million hours worked, are all calculated in accordance with the United States Government Occupational Safety and Health Assessment (OSHA) guidelines for the recording and reporting of occupational injuries and illnesses.
2. H1 FY20 information is unaudited.
3. Metrics apply to “operated assets” that have been wholly owned and operated by South32, or that have been operated by South32 in a joint venture operation.
4. Greenfield exploration US\$30M, capitalised exploration US\$43M (excluding EAI) and EAI exploration US\$3M.
5. Capital allocation includes committed payments of the H1 FY20 ordinary dividend (US\$54M) and H1 FY20 special dividend (US\$54M) to be paid in April 2020, and remaining committed capital management program (US\$198M) as at H1 FY20 results announcement.

The following abbreviation have been used throughout this presentation: equity accounted investments (EAI).

