

QUARTERLY REPORT

September 2022



- Our share of aluminium production increased by 9% in the September 2022 quarter, as our Southern African smelters continued to test their maximum technical capacity and the Brazil Aluminium smelter was successfully restarted
- We completed planned calciner maintenance at Worsley Alumina and Brazil Alumina
- We achieved an 11% increase in copper equivalent production¹ at Sierra Gorda, benefitting from higher copper grades
- We progressed productivity projects at our other base metals operations, with the transition to 100% truck haulage at Cannington and the Ore Sorting and Mechanical Ore Concentration project at Cerro Matoso expected to deliver increased volumes in H2 FY23
- We had a strong start to the year in manganese, tracking ahead of our production guidance, as GEMCO achieved higher primary production and our low-cost PCO2 circuit continued to operate above design capacity
- We have revised production guidance down by 5% at Illawarra Metallurgical Coal to 7.0Mt, following an extended longwall move and the impact of industrial action at our Appin mine during the September 2022 quarter
- All other production guidance is unchanged, with 13% copper equivalent production² growth now expected in FY23
- We finalised new industrial agreements at our Appin mine at Illawarra Metallurgical Coal and Hillside Aluminium, subsequent to the end of the quarter
- We completed the sale of four non-core royalties for up to US\$200M, unlocking latent value in our portfolio³
- We returned US\$784M in fully-franked ordinary and special dividends subsequent to the end of the quarter, with a further US\$200M remaining to be returned via our capital management program

South32 Chief Executive Officer, Graham Kerr: “Highlights during the September 2022 quarter included an 11 per cent increase in copper equivalent production at the Sierra Gorda copper mine in Chile, a nine per cent increase in aluminium production and a six per cent increase in manganese ore production at GEMCO. We maintain a strong outlook with 13 per cent production growth expected in FY23.

“During the quarter, we announced that we would not proceed with an investment in the Dendrobium Next Domain project at Illawarra Metallurgical Coal, increasing our capacity to direct capital towards other opportunities, including our world class development options in North America.

“We advanced development studies and critical path infrastructure at our Hermosa project in Arizona. We expect to complete the selection phase of the pre-feasibility study for the battery-grade manganese Clark deposit by the end of CY22 and make a final investment decision for the zinc-lead-silver Taylor deposit in mid CY23.

“We returned US\$50M to shareholders via our on-market share buy-back and finished the quarter with a net cash position of US\$446M, with a further US\$784M returned in October 2022 via fully-franked ordinary and special dividends.

“Our strong balance sheet and disciplined approach to capital management enables us to continue to make returns to shareholders while investing in our portfolio of growth options focused on metals critical to a low-carbon future.”

Production summary							
South32 share	YTD FY22	YTD FY23	YoY	1Q22	4Q22	1Q23	QoQ
Alumina production (kt)	1,278	1,257	(2%)	1,278	1,361	1,257	(8%)
Aluminium production (kt)	248	279	13%	248	255	279	9%
Payable copper production (kt)	–	19.0	N/A	–	16.9	19.0	12%
Payable silver production (koz)	3,493	2,748	(21%)	3,493	2,836	2,748	(3%)
Payable lead production (kt)	31.9	24.6	(23%)	31.9	25.8	24.6	(5%)
Payable zinc production (kt)	15.4	14.0	(9%)	15.4	15.4	14.0	(9%)
Payable nickel production (kt)	9.6	9.6	0%	9.6	10.8	9.6	(11%)
Metallurgical coal production (kt)	1,575	1,270	(19%)	1,575	1,380	1,270	(8%)
Manganese ore production (kwmt)	1,505	1,460	(3%)	1,505	1,469	1,460	(1%)

Unless otherwise noted: percentage variance relates to performance during the September 2022 quarter compared with the September 2021 quarter (YoY), or the September 2022 quarter compared with the June 2022 quarter (QoQ); production and sales volumes are reported on an attributable basis.

CORPORATE UPDATE

- In September 2022, we published our Annual Reporting Suite, which this year included our Climate Change Action Plan (CCAP). Our CCAP includes a new goal⁴ of net zero Scope 3 greenhouse gas emissions by 2050 and a commitment not to develop or invest in greenfield metallurgical coal projects. Our CCAP will be the subject of a non-binding advisory resolution at our 2022 Annual General Meeting.
- Net cash⁵ declined by US\$92M to US\$446M during the September 2022 quarter following the allocation of a further US\$50M to our on-market share buy-back and tax payments of US\$243M, including US\$111M in relation to our acquisition of Sierra Gorda. We also experienced a modest build in working capital as the collection of receivables was more than offset by an increase in finished goods inventory and we made one-off payments that were accrued in the prior period.
- We received net distributions⁶ of US\$54M (South32 share) from our manganese equity accounted investments (EAI) during the September 2022 quarter following the payment of income tax (US\$58M, 100% basis), and royalties at Australia Manganese (US\$84M, 100% basis) in respect of the June 2022 half year.
- In relation to the aforementioned tax payment for Sierra Gorda, ~€92M (~US\$94M at the payment date) relates to pre-closing tax liabilities which we intend to seek to recover from the vendors.
- Our FY23 Underlying effective tax rate (ETR) is expected to reflect the corporate tax rates and earnings of the jurisdictions in which we operate⁷, as well as the inclusion of our manganese business and Sierra Gorda in Underlying earnings on a proportional consolidation basis (including royalty related taxes for Australia Manganese and Sierra Gorda).
- We spent US\$50M purchasing a further 19M shares at an average price of A\$3.98 per share via our on-market share buy-back. Subsequent to the end of the period, we also paid a fully-franked ordinary dividend of US\$646M and a fully-franked special dividend of US\$138M in respect of the June 2022 half year. Our US\$2.3B capital management program is 91% complete with US\$200M remaining to be returned ahead of its extension or expiry on 1 September 2023⁸.
- On 23 August 2022, we announced that we would not proceed with an investment in the Dendrobium Next Domain (DND) project at Illawarra Metallurgical Coal following our consideration of recently completed study work and extensive analysis of alternatives considered for the complex⁹. We will focus on continuing to optimise the Dendrobium mine within approved mining areas (Areas 3A, 3B and 3C). As a result of our decision not to invest in the DND project, we expect to record a non-cash asset write-off of approximately US\$50M (post-tax ~US\$35M) in relation to study and other project related costs. This charge will be excluded from Underlying earnings in our financial results for the December 2022 half year.
- On 19 July 2022, we completed the sale of four non-core base metal royalties to Anglo Pacific Group PLC (now known as Ecora Resources PLC [Ecora Resources]) for up to US\$200M, including US\$103M in cash (US\$48M received at completion and US\$55M to be paid in six quarterly instalments), US\$82M of Ecora Resources shares, and contingent payments of up to US\$15M³. Following completion, we hold a 16.9% equity interest in Ecora Resources. We expect to make tax payments associated with the transaction of ~US\$58M across FY23.
- Consistent with our focus on adding prospective base metals options, we acquired a 9.9% equity interest in Aldebaran Resources Inc. (Aldebaran Resources) for US\$8M. Aldebaran Resources' key asset is an option to acquire a controlling interest in the Altar copper project in Suan Juan, Argentina. This investment increases our exposure to a highly prospective region, where we have existing greenfield exploration partnerships with Minsud Resources Corp. and Sable Resources Ltd.

DEVELOPMENT AND EXPLORATION UPDATE

Hermosa project

- The feasibility study for the Taylor Deposit remains on-track to support a planned final investment decision in mid CY23.
- The selection phase of the Clark pre-feasibility study is on-track for completion in late CY22. Subsequent to the end of the quarter, we commenced phase two metallurgical test work and bulk sample collection to support pilot plant production from mid CY23. We continue to evaluate options to accelerate the development pathway for Clark, supported by the decision of the United States Government to invoke the Defense Production Act for the production of critical minerals including manganese, and ongoing discussions with potential customers and end-users of battery-grade manganese.
- Dewatering is a critical path item which will enable access to both the Taylor and Clark orebodies. During the quarter, we progressed drilling of the first two dewatering wells and construction of the second water treatment plant, which remains on-track for commissioning in the June 2023 quarter.
- Growth capital expenditure at the Hermosa project was US\$46M during the September 2022 quarter, with US\$290M expected in FY23.
- We directed US\$3M to capitalised exploration during the September 2022 quarter, as we drilled two holes at our copper-lead-zinc-silver Peake prospect¹⁰, with exploration results expected in the June 2023 half year as we complete planned exploration programs. We expect to commence drilling at the Flux prospect¹¹ in early CY23, following the receipt of approvals. Capitalised exploration of US\$28M is expected in FY23 as we execute planned programs across Taylor, Clark and our highly prospective regional land package.

Ambler Metals project

- We invested US\$6M at our Ambler Metals joint venture in the September 2022 quarter, as we completed the CY22 summer exploration program and progressed work on the pre-feasibility study for the Arctic Deposit.
- The CY22 summer exploration program comprised further infill drilling at the Arctic Deposit and drill testing of regional exploration targets in the Ambler Belt.
- Further to the temporary suspension of the right-of-way permits for the Ambler Access Road issued to the Alaska Industrial Development and Export Authority, we expect the United States Bureau of Land Management to publish the draft Final Environmental Impact Statement in mid CY23.

Greenfield exploration

- We invested US\$13M in greenfield exploration programs across our partnerships and own properties in the September 2022 quarter. We expect to invest US\$44M in FY23 as we complete multiple drilling and field programs targeting base metals across Australia, USA, Canada, Argentina, Peru and Ireland.

Other exploration

- We directed US\$15M (US\$11M capitalised) towards exploration programs at our existing operations and development options during the September 2022 quarter, including US\$3M at the Hermosa project (noted above, all capitalised), US\$6M at Ambler Metals (noted above, all capitalised), US\$1M for our manganese EAI (nil capitalised) and US\$1M for our Sierra Gorda EAI (US\$1M capitalised).

PRODUCTION SUMMARY

Production guidance (South32 share)	FY22	3M YTD FY23	FY23e ^(a)	Comments
Worsley Alumina				
Alumina production (kt)	3,991	920	4,000	Calciner maintenance completed in Q1 FY23 Further calciner maintenance scheduled in Q3 FY23
Brazil Alumina (non-operated)				
Alumina production (kt)	1,297	337	1,395	
Brazil Aluminium (non-operated)				
Aluminium production (kt)	0.3	8.3	100	Expect ~25kt in H1 FY23 and ~75kt in H2 FY23, as the smelter ramps-up
Hillside Aluminium¹²				
Aluminium production (kt)	714	179	720	
Mozal Aluminium^{12,13}				
Aluminium production (kt)	278	92	370	
Sierra Gorda (non-operated)				
Payable copper equivalent production ¹ (kt)	30.6	22.6	89.0	
Payable copper production (kt)	25.3	19.0	71.8	
Payable molybdenum production (kt)	0.4	0.2	1.5	
Payable gold production (koz)	9.6	7.8	29.9	
Payable silver production (koz)	253	180	582	
Cannington				
Payable zinc equivalent production ¹⁴ (kt)	224.2	46.1	236.1	Lower planned volumes in H1 FY23 as we relocate crushing infrastructure to surface, as part of our transition to 100% truck haulage
Payable silver production (koz)	12,946	2,568	13,500	
Payable lead production (kt)	120.6	24.6	122.0	
Payable zinc production (kt)	64.5	14.0	72.0	FY23 guidance remains skewed to H2 FY23
Cerro Matoso				
Payable nickel production (kt)	41.7	9.6	43.5	Lower planned volumes in H1 FY23 as we commission the OSMOC project, which is on-track for completion in Q2 FY23
Illawarra Metallurgical Coal				
Total coal production (kt)	6,509	1,595	↓ 7,000	Guidance reduced by 5% (from 7.4Mt) with lower Appin volumes in Q1 FY23
Metallurgical coal production (kt)	5,712	1,270	↓ 6,000	
Energy coal production (kt)	797	325	↑ 1,000	
Australia Manganese				
Manganese ore production (kwmt)	3,363	898	3,400	
South Africa Manganese				
Manganese ore production (kwmt)	2,069	562	2,000	

a. The denotation (e) refers to an estimate or forecast year. All guidance is subject to further potential impacts from COVID-19.

WORSLEY ALUMINA (86% SHARE)

South32 share	YTD FY22	YTD FY23	YoY	1Q22	4Q22	1Q23	1Q23 vs 1Q22	1Q23 vs 4Q22
Alumina production (kt)	1,006	920	(9%)	1,006	1,030	920	(9%)	(11%)
Alumina sales (kt)	924	885	(4%)	924	1,118	885	(4%)	(21%)

Worsley Alumina saleable production decreased by 11% (or 110kt) to 920kt in the September 2022 quarter as we completed planned calciner maintenance. FY23 production guidance remains unchanged at 4,000kt with the refinery expected to deliver production above nameplate capacity of 4.6Mt (100% basis), benefitting from embedded improvement initiatives.

Sales decreased by 21% in the September 2022 quarter, which reflected lower product availability and the timing of shipments. We realised a circa 8% premium to the Platts Alumina Index¹⁵ on a volume-weighted M-1 basis for alumina sales in the September 2022 quarter as our realised prices continued to reflect elevated global freight rates (which are also reflected in Operating unit costs).

While we have not experienced any production impacts to date, we continue to monitor the performance of our domestic third-party coal suppliers following production disruptions during the winter. As part of this work, we are reviewing options to import low-calorific coal to supplement our domestic supply and rebuild our available stockpiles, with first shipments expected to be received during the December 2022 quarter. We do not currently expect a material impact on our FY23 Operating unit cost guidance of US\$296/t¹⁶, with the incremental cost of imported coal expected to be offset by the benefit of a weaker Australian dollar.

BRAZIL ALUMINA (36% SHARE)

South32 share	YTD FY22	YTD FY23	YoY	1Q22	4Q22	1Q23	1Q23 vs 1Q22	1Q23 vs 4Q22
Alumina production (kt)	272	337	24%	272	331	337	24%	2%
Alumina sales (kt)	247	313	27%	247	367	313	27%	(15%)

Brazil Alumina saleable production increased by 2% (or 6kt) to 337kt in the September 2022 quarter as the refinery recovered from weather-related disruptions in the prior quarter, partially offset by planned calciner maintenance. FY23 production guidance remains unchanged at 1,395kt.

We realised a circa 9% premium to the Platts Alumina Index¹⁵ on a volume-weighted M-1 basis for alumina sales in the September 2022 quarter as our realised prices continued to reflect elevated global freight rates (which are also reflected in Operating unit costs).

We commenced work on the refinery's De-bottlenecking Phase Two project during the September 2022 quarter. The project is expected to increase nameplate production rates by approximately 4% to 1.45Mt (South32 share) from H1 FY26, with anticipated capital expenditure of ~US\$40M (South32 share) between FY23 and FY25.

BRAZIL ALUMINIUM (40% SHARE)

South32 share	YTD FY22	YTD FY23	YoY	1Q22	4Q22	1Q23	1Q23 vs 1Q22	1Q23 vs 4Q22
Aluminium production (kt)	-	8.3	N/A	-	0.3	8.3	N/A	2,667%
Aluminium sales (kt)	-	3.3	N/A	-	-	3.3	N/A	N/A

Brazil Aluminium saleable production was 8.3kt in the September 2022 quarter following the successful restart of the first two potlines at the smelter. FY23 production guidance remains unchanged at 100kt, with ~25kt expected in H1 FY23 and ~75kt in H2 FY23 as the first two potlines continue to ramp-up and potline three is expected to restart in late CY22. First sales of aluminium metal were achieved during the September 2022 quarter.

HILLSIDE ALUMINIUM (100% SHARE)

South32 share	YTD FY22	YTD FY23	YoY	1Q22	4Q22	1Q23	1Q23 vs 1Q22	1Q23 vs 4Q22
Aluminium production (kt)	180	179	(1%)	180	179	179	(1%)	0%
Aluminium sales (kt)	160	162	1%	160	198	162	1%	(18%)

Hillside Aluminium saleable production was unchanged at 179kt in the September 2022 quarter as the smelter continued to test its maximum technical capacity despite the impact of elevated load-shedding. FY23 production guidance remains unchanged at 720kt¹². Following the end of the quarter, we finalised a new collective employment agreement at Hillside Aluminium, with a term of three years to 2025.

Sales decreased by 18% in the September 2022 quarter as port congestion impacted the timing of shipments. Subsequent to the end of the quarter, the Transnet workforce undertook industrial action, temporarily impacting our access to third-party logistics. We continue to closely monitor the situation and will seek to mitigate the potential impact on our aluminium sales during the December 2022 quarter.

We continued our deployment of the AP3XLE energy efficiency technology during the quarter. At Hillside Aluminium, the technology is expected to reduce energy consumption and in turn, lower greenhouse gas emissions by approximately 150,000 to 200,000 tonnes per annum once fully deployed.

MOZAL ALUMINIUM (63.7%¹³ SHARE)

South32 share	YTD FY22	YTD FY23	YoY	1Q22	4Q22	1Q23	1Q23 vs 1Q22	1Q23 vs 4Q22
Aluminium production (kt)	68	92	35%	68	76	92	35%	21%
Aluminium sales (kt)	55	87	58%	55	88	87	58%	(1%)

Mozal Aluminium saleable production increased by 21% (or 16kt) to 92kt in the September 2022 quarter, reflecting our increased equity share¹³, and the smelter continued to test its maximum technical capacity despite the impact of elevated load-shedding. FY23 production guidance remains unchanged at 370kt¹².

We continued our deployment of the AP3XLE energy efficiency technology during the quarter. At Mozal Aluminium, the technology is expected to deliver a circa 5% increase in annual production from FY24 with no associated increase in power consumption.

SIERRA GORDA (45% SHARE)

South32 share	YTD FY22	YTD FY23	YoY	1Q22	4Q22	1Q23	1Q23 vs 1Q22	1Q23 vs 4Q22
Payable copper equivalent production ¹ (kt)	-	22.6	N/A	-	20.3	22.6	N/A	11%
Payable copper production (kt)	-	19.0	N/A	-	16.9	19.0	N/A	12%
Payable copper sales (kt)	-	19.2	N/A	-	16.6	19.2	N/A	16%

Sierra Gorda payable copper equivalent production¹ increased by 11% (or 2.3kt) to 22.6kt in the September 2022 quarter. Plant throughput was ~48Mt on an annualised basis (100% basis) and we continued work on the plant de-bottlenecking project, designed to sustainably lift throughput capacity to ~50Mtpa (100% basis) from the December 2022 quarter. We realised a higher average copper grade of 0.45% in the September 2022 quarter (Q4 FY22: 0.40%) in-line with plan, with an average copper grade of approximately 0.41% expected across FY23. FY23 payable copper equivalent production¹ guidance of 89.0kt remains unchanged (copper 71.8kt, molybdenum 1.5kt, gold 29.9koz and silver 582koz). We realised a payable copper price of US\$2.92/lb during the September 2022 quarter, net of treatment and refining charges and provisional pricing adjustments.

CANNINGTON (100% SHARE)

South32 share	YTD FY22	YTD FY23	YoY	1Q22	4Q22	1Q23	1Q23 vs 1Q22	1Q23 vs 4Q22
Payable zinc equivalent production ¹⁴ (kt)	58.1	46.1	(21%)	58.1	48.9	46.1	(21%)	(6%)
Payable silver production (koz)	3,493	2,568	(26%)	3,493	2,668	2,568	(26%)	(4%)
Payable silver sales (koz)	2,718	1,704	(37%)	2,718	3,362	1,704	(37%)	(49%)
Payable lead production (kt)	31.9	24.6	(23%)	31.9	25.8	24.6	(23%)	(5%)
Payable lead sales (kt)	25.3	18.7	(26%)	25.3	31.0	18.7	(26%)	(40%)
Payable zinc production (kt)	15.4	14.0	(9%)	15.4	15.4	14.0	(9%)	(9%)
Payable zinc sales (kt)	14.3	14.9	4%	14.3	16.1	14.9	4%	(7%)

Cannington payable zinc equivalent production¹⁴ decreased by 6% (or 2.8kt) to 46.1kt in the September 2022 quarter due to a planned reduction in crushing capacity. We deployed temporary mobile crushers to enable the relocation of underground crushing infrastructure to surface, as part of the operation's transition to 100% truck haulage. The new configuration is expected to bring higher-grade material forward in the mine plan.

FY23 production guidance (silver 13,500koz, lead 122.0kt and zinc 72.0kt, or 236.1kt payable zinc equivalent production¹⁴) is unchanged, with volumes remaining skewed toward H2 FY23 as we complete the relocation of crushing infrastructure to surface in the December 2022 quarter.

Payable silver and lead sales decreased by 49% and 40% respectively in the September 2022 quarter, which reflected lower product availability and the timing of shipments.

CERRO MATOSO (99.9% SHARE)

South32 share	YTD FY22	YTD FY23	YoY	1Q22	4Q22	1Q23	1Q23 vs 1Q22	1Q23 vs 4Q22
Payable nickel production (kt)	9.6	9.6	0%	9.6	10.8	9.6	0%	(11%)
Payable nickel sales (kt)	10.4	9.0	(13%)	10.4	11.9	9.0	(13%)	(24%)

Cerro Matoso payable nickel production decreased by 11% (or 1.2kt) to 9.6kt in the September 2022 quarter due to a planned reduction in average nickel grade (Q1 FY23: 1.63%, Q4 FY22: 1.71%), ahead of execution of the Ore Sorting and Mechanical Ore Concentration (OSMOC) project. The OSMOC project is on-track to be completed during the December 2022 quarter, delivering additional volumes to mitigate natural grade decline through expanded processing capacity and improvements to the upgrading circuit¹⁷. FY23 production guidance remains unchanged at 43.5kt. Separately, the OSMOC project is expected to support the extension of the mining contract by 15 years, to 2044, subject to certification and a payment of approximately US\$44 million to the National Mining Agency.

Sales decreased by 24% in the September 2022 quarter which reflected lower product availability. Our ferronickel product typically attracts a discount to the LME Nickel price index on a volume weighted M or M+1 basis, with this discount further widening in the September 2022 quarter. We expect elevated discounts to persist in the near-term due to additional global supply of class two nickel.

ILLAWARRA METALLURGICAL COAL (100% SHARE)

South32 share	YTD FY22	YTD FY23	YoY	1Q22	4Q22	1Q23	1Q23 vs 1Q22	1Q23 vs 4Q22
Total coal production (kt)	1,888	1,595	(16%)	1,888	1,583	1,595	(16%)	1%
Total coal sales ¹⁸ (kt)	1,708	1,390	(19%)	1,708	1,886	1,390	(19%)	(26%)
Metallurgical coal production (kt)	1,575	1,270	(19%)	1,575	1,380	1,270	(19%)	(8%)
Metallurgical coal sales (kt)	1,490	1,193	(20%)	1,490	1,588	1,193	(20%)	(25%)
Energy coal production (kt)	313	325	4%	313	203	325	4%	60%
Energy coal sales (kt)	218	197	(10%)	218	298	197	(10%)	(34%)

Illawarra Metallurgical Coal saleable production increased by 1% (or 12kt) to 1,595kt in the September 2022 quarter. Higher output from the Dendrobium mine during the September 2022 quarter was mostly offset by lower production at the Appin mine as difficult strata conditions resulted in an extended longwall move. Separately, workforce disruptions ahead of the successful negotiation of the new Enterprise Agreement at Appin resulted in reduced labour productivity during the September 2022 quarter. Following the end of the quarter, we finalised the new Enterprise Agreement at Appin, with a term of four years to 2026.

While the complex has returned to optimised rates, we have reduced FY23 production guidance by 5% to 7.0Mt (metallurgical coal 6.0Mt and energy coal 1.0Mt) due to the production impacts at Appin during the September 2022 quarter. We do not currently expect a material impact on our FY23 Operating unit cost guidance of US\$116/t¹⁶, with the benefit of a weaker Australian dollar expected to offset the impact of lower volumes.

Coal sales decreased by 26% in the September 2022 quarter which reflected lower product availability for our coal blend.

AUSTRALIA MANGANESE (60% SHARE)

South32 share	YTD FY22	YTD FY23	YoY	1Q22	4Q22	1Q23	1Q23 vs 1Q22	1Q23 vs 4Q22
Manganese ore production (kwmt)	897	898	0%	897	844	898	0%	6%
Manganese ore sales (kwmt)	906	779	(14%)	906	860	779	(14%)	(9%)

Australia Manganese saleable production increased by 6% (or 54kwmt) to 898kwmt in the September 2022 quarter as improved yields supported higher primary concentrator output, while our low-cost PC02 circuit continued to operate above its design capacity, delivering approximately 10% of production (Q4 FY22: 11%). FY23 production guidance remains unchanged at 3,400kwmt, subject to the impacts from the wet season.

Sales decreased by 9% in the September 2022 quarter due to the timing of shipments.

SOUTH AFRICA MANGANESE (ORE 54.6% SHARE)

South32 share	YTD FY22	YTD FY23	YoY	1Q22	4Q22	1Q23	1Q23 vs 1Q22	1Q23 vs 4Q22
Manganese ore production (kwmt)	608	562	(8%)	608	625	562	(8%)	(10%)
Manganese ore sales (kwmt)	515	473	(8%)	515	581	473	(8%)	(19%)

South Africa Manganese saleable production decreased by 10% (or 63kwmt), from record levels in the June 2022 quarter, to 562kwmt in the September 2022 quarter. Despite the impact of reduced third-party rail and port availability, with Transnet declaring force majeure following industrial action subsequent to the end of the quarter, production volumes are currently tracking in-line with our FY23 production guidance of 2,000kwmt. While we continue to monitor and respond to the situation, we expect third-party rail capacity to progressively improve over the December 2022 quarter after Transnet reached a new wage agreement with its majority union on 17 October 2022.

NOTES

1. Payable copper equivalent production (kt) was calculated by aggregating revenues from payable copper, molybdenum, gold and silver, and dividing the total Revenue by the price of copper. FY22 realised prices for copper (US\$3.50/lb), molybdenum (US\$18.48/lb), gold (US\$1,934/oz) and silver (US\$23.5/oz) have been used for FY22, Q1 FY23 and FY23e.
2. Expected Group payable copper equivalent production in FY23, compared to FY22, calculated by applying FY22 realised prices for all operations (except for Brazil Aluminium which is based on FY22 average index prices for aluminium) to our FY23 production guidance and FY22 actual volumes, respectively.
3. Refer to market release "South32 unlocks up to US\$200M in value from non-core royalty sale" dated 12 July 2022. Includes US\$103M in cash payments, US\$82M of Ecora Resources PLC shares issued on completion and contingent payments of up to US\$15M. The US\$103M cash payment comprises US\$48M paid on completion, and US\$55M payable in six equal quarterly instalments over the 18 months from completion. 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.
4. Goal is defined as an ambition to seek an outcome for which there is no current pathway(s), but for which efforts will be pursued towards addressing that challenge, subject to certain assumptions or conditions. 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.
5. Net cash number is unaudited and should not be considered as an indication of or alternative to an IFRS measure of profitability, financial performance or liquidity.
6. Net distributions from our material equity accounted investments (manganese and Sierra Gorda) includes net debt movements and dividends, which are unaudited and should not be considered as an indication of or alternative to an IFRS measure of profitability, financial performance or liquidity.
7. The corporate tax rates of the geographies where the Group operates include: Australia 30%, South Africa 27%, Colombia 35%, Mozambique 0%, Brazil 34% and Chile 27%. The South African corporate tax rate reduced to 27% from 1 July 2022. The Mozambique operations are subject to a royalty on revenues instead of income tax. Sierra Gorda is subject to a royalty related tax based on the amount of copper sold and the mining operating margin, the rate is between 5% and 14% for annual sales over 50kt of refined copper.
8. Since inception, US\$1.5B has been allocated to the on-market share buy-back (714M shares at an average price of A\$2.96 per share) and US\$525M returned in the form of special dividends.
9. Refer to market release "Dendrobium Next Domain Update" dated 23 August 2022.
10. Peake Prospect Exploration Target: The information in this announcement that relates to the Exploration Target for Peake Prospect is extracted from "Hermosa Project Update" published on 17 January 2022 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.
11. Flux Exploration Target: The information in this announcement that relates to the Exploration Target for Flux is extracted from "South32 Strategy and Business Update" published 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.
12. Production guidance for Hillside Aluminium and Mozal Aluminium does not assume any load-shedding impact on production.
13. Refer to market release "South32 completes acquisition of additional shareholding in Mozal Aluminium" dated 31 May 2022. Historical production and sales figures have not been restated for our increased ownership (presented on a 47.1% basis to 31 May 2022).
14. 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. FY22 realised prices for zinc (US\$3,248/t), lead (US\$2,046/t) and silver (US\$21.0/oz) have been used for FY22, Q1 FY23 and FY23e.
15. The sales volume weighted average of the Platts Alumina Index (FOB Australia) on the basis of a one month lag to published pricing (Month minus one or "M-1") was US\$344/t in the September 2022 quarter.
16. FY23 Operating unit cost guidance includes royalties (where appropriate) and the influence of exchange rates, and includes various assumptions for FY23, including: an alumina price of US\$364/t; an average blended coal price of US\$265/t for Illawarra Metallurgical Coal; an AUD:USD exchange rate of 0.69; and a reference price for caustic soda; which reflect forward markets as at June 2022 or our internal expectations.
17. The information in this report that relates to the production target is based on Proved (75%) and Probable (25%) Ore Reserves for Cerro Matoso. Mineral Resources and Ore Reserve estimates for Cerro Matoso was declared as part of South32's Annual Resource and Reserve declaration in the Annual Report 2022 (www.south32.net) issued on 9 September 2022 and prepared by I Espitia (MAusIMM) and N Monterroza (MAusIMM) 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 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. Payable nickel is calculated using long-term consensus metal prices and relative metallurgical recoveries.
18. Illawarra Metallurgical Coal sales are adjusted for moisture and will not reconcile directly to Illawarra Metallurgical Coal production.

The following abbreviations have been used throughout this report: US\$ million (US\$M); US\$ billion (US\$B); € (Euro); (grams per tonne (g/t); tonnes (t); thousand tonnes (kt); thousand tonnes per annum (ktpa); million tonnes (Mt); million tonnes per annum (Mtpa); ounces (oz); thousand ounces (koz); million ounces (Moz); thousand wet metric tonnes (kwmt); million wet metric tonnes (Mwmt); million wet metric tonnes per annum (Mwmt pa); dry metric tonne unit (dmtu); thousand dry metric tonnes (kdmt).

Figures in *italics* indicate that an adjustment has been made since the figures were previously reported. The denotation (e) refers to an estimate or forecast year.

OPERATING PERFORMANCE

South32 share	YTD FY22	YTD FY23	1Q22	2Q22	3Q22	4Q22	1Q23
Worsley Alumina (86% share)							
Alumina hydrate production (kt)	997	957	997	997	972	1,014	957
Alumina production (kt)	1,006	920	1,006	973	982	1,030	920
Alumina sales (kt)	924	885	924	1,022	910	1,118	885
Brazil Alumina (36% share)							
Alumina production (kt)	272	337	272	359	335	331	337
Alumina sales (kt)	247	313	247	379	306	367	313
Brazil Aluminium (40% share)							
Aluminium production (kt)	-	8.3	-	-	-	0.3	8.3
Aluminium sales (kt)	-	3.3	-	-	-	-	3.3
Hillside Aluminium (100% share)							
Aluminium production (kt)	180	179	180	178	177	179	179
Aluminium sales (kt)	160	162	160	176	179	198	162
Mozal Aluminium (63.7%¹³ share)							
Aluminium production (kt)	68	92	68	68	66	76	92
Aluminium sales (kt)	55	87	55	67	66	88	87
Sierra Gorda (45% share)							
Ore mined (Mt)	-	8.8	-	-	4.7	9.0	8.8
Ore processed (Mt)	-	5.4	-	-	2.3	5.2	5.4
Copper ore grade processed (% Cu)	-	0.45	-	-	0.45	0.40	0.45
Payable copper equivalent production ¹ (kt)	-	22.6	-	-	10.3	20.3	22.6
Payable copper production (kt)	-	19.0	-	-	8.4	16.9	19.0
Payable copper sales (kt)	-	19.2	-	-	11.1	16.6	19.2
Payable molybdenum production (kt)	-	0.2	-	-	0.2	0.2	0.2
Payable molybdenum sales (kt)	-	0.3	-	-	0.1	0.5	0.3
Payable gold production (koz)	-	7.8	-	-	2.3	7.3	7.8
Payable gold sales (koz)	-	7.7	-	-	3.0	6.9	7.7
Payable silver production (koz)	-	180	-	-	85	168	180
Payable silver sales (koz)	-	179	-	-	111	171	179

South32 share	YTD FY22	YTD FY23	1Q22	2Q22	3Q22	4Q22	1Q23
Cannington (100%)							
Ore mined (kwmt)	750	639	750	725	637	641	639
Ore processed (kdmt)	687	518	687	698	681	552	518
Silver ore grade processed (g/t, Ag)	185	179	185	169	188	177	179
Lead ore grade processed (% , Pb)	5.5	5.6	5.5	4.9	5.9	5.5	5.6
Zinc ore grade processed (% , Zn)	3.2	3.7	3.2	3.6	3.4	3.8	3.7
Payable zinc equivalent production ¹⁴ (kt)	58.1	46.1	58.1	55.9	61.3	48.9	46.1
Payable silver production (koz)	3,493	2,568	3,493	3,217	3,568	2,668	2,568
Payable silver sales (koz)	2,718	1,704	2,718	4,000	2,818	3,362	1,704
Payable lead production (kt)	31.9	24.6	31.9	28.3	34.6	25.8	24.6
Payable lead sales (kt)	25.3	18.7	25.3	38.0	27.9	31.0	18.7
Payable zinc production (kt)	15.4	14.0	15.4	17.3	16.4	15.4	14.0
Payable zinc sales (kt)	14.3	14.9	14.3	18.5	17.3	16.1	14.9
Cerro Matoso (99.9% share)							
Ore mined (kwmt)	1,058	1,332	1,058	1,358	1,310	1,141	1,332
Ore processed (kdmt)	620	666	620	715	690	678	666
Ore grade processed (% , Ni)	1.76	1.63	1.76	1.71	1.73	1.71	1.63
Payable nickel production (kt)	9.6	9.6	9.6	10.7	10.6	10.8	9.6
Payable nickel sales (kt)	10.4	9.0	10.4	9.7	9.8	11.9	9.0
Illawarra Metallurgical Coal (100%)							
Total coal production (kt)	1,888	1,595	1,888	1,257	1,781	1,583	1,595
Total coal sales ¹⁸ (kt)	1,708	1,390	1,708	1,547	1,465	1,886	1,390
Metallurgical coal production (kt)	1,575	1,270	1,575	1,192	1,565	1,380	1,270
Metallurgical coal sales (kt)	1,490	1,193	1,490	1,387	1,358	1,588	1,193
Energy coal production (kt)	313	325	313	65	216	203	325
Energy coal sales (kt)	218	197	218	160	107	298	197
Australia Manganese (60% share)							
Manganese ore production (kwmt)	897	898	897	807	815	844	898
Manganese ore sales (kwmt)	906	779	906	831	775	860	779
Ore grade sold (% , Mn)	44.2	44.3	44.2	44.2	44.1	44.2	44.3
South Africa Manganese (54.6% share)							
Manganese ore production (kwmt)	608	562	608	445	391	625	562
Manganese ore sales (kwmt)	515	473	515	579	495	581	473
Ore grade sold (% , Mn)	40.3	38.5	40.3	38.7	40.5	39.4	38.5

Forward-looking statements

This release 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 release, 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 release. 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, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption arising in connection with COVID-19.

FURTHER INFORMATION

INVESTOR RELATIONS

Ben Baker
M +61 403 763 086
E Ben.Baker@south32.net

MEDIA RELATIONS

Jamie Macdonald
M +61 408 925 140
E Jamie.Macdonald@south32.net

Miles Godfrey
M +61 415 325 906
E Miles.Godfrey@south32.net

Approved for release to the market by Graham Kerr, Chief Executive Officer
JSE Sponsor: The Standard Bank of South Africa Limited
24 October 2022

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