



IDENTIFYING NEW OPPORTUNITIES

CITI EXPLORATION DAY

27 JUNE 2017



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MINERAL RESOURCES AND ORE RESERVES

The information that relates to the Mineral Resource and Ore Reserve estimates of Worsley Alumina, Illawarra Metallurgical Coal, Cannington, South Africa Energy Coal, Australia Manganese, South Africa Manganese, Cerro Matoso and Brazil Alumina was declared as part of South32's Annual Resource and Reserve declaration in the FY16 Annual Report (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 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.

Reserve life is calculated based on the current stated Ore Reserves divided by the current approved nominated production rate as at the end of FY16. Reserve life information is based on the previously disclosed FY16 annual Resource and Reserve statement (pg. 73-84 of the South32 Annual Report 2016).

Resource life is estimated from the FY16 Classified Mineral or Coal Resources (as applicable), and as provided in the FY16 annual Resource and Reserve statement, converted to a run-of-mine basis using historical Mineral or Coal Resources (as applicable) to Ore Reserves conversion factors, divided by the nominated run-of-mine production rate on a 100 per cent basis. Resource life calculations are indicative only and do not necessarily reflect future uncertainties such as economic conditions, technical or permitting issues. Historical Mineral or Coal Resources to Ore Reserves conversion factors may not be indicative of future conversion factors. Resource Life is based on the company's' current expectations of future results and should not be solely relied upon by investors when making investment decisions. There is a low level of geological confidence associated with Inferred Mineral resources and there is no certainty that further exploration will result in the determination of indicated resources.

Resource life information is based on the previously disclosed BAML Global Metals Mining & Steel Conference presentation 2017 (presented 16/05/2017 www.south32.net)

South32 is not aware of any new information or data that materially affects the information included in the announcements mentioned above and, in the case of estimates of Mineral Resources or Ore Reserves, all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. In addition, the form and context in which the Competent Persons' findings are presented have not been materially modified.



Optimise the performance of
our existing operations



Unlock their potential



Identify new opportunities to
compete for capital



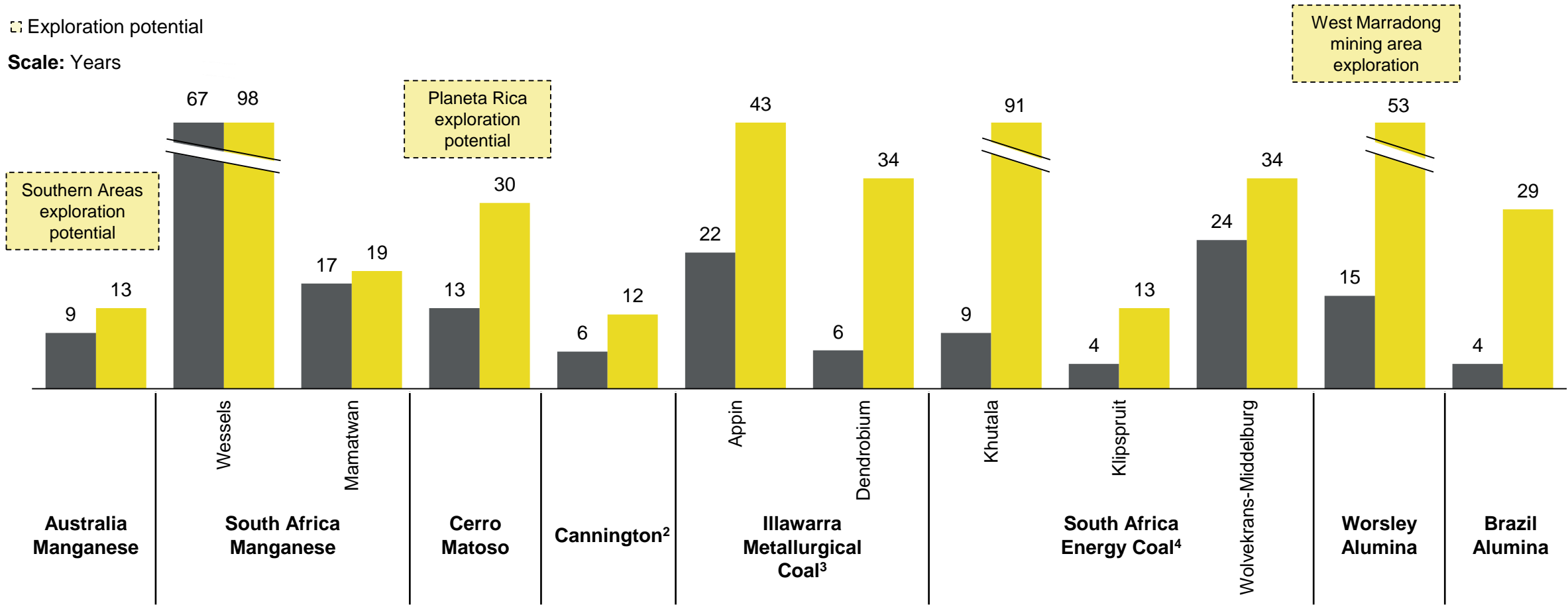
Exploration

RESERVE AND RESOURCE LIFE



- Reserve Life
- Resource Life
- Exploration potential

Scale: Years



Notes:

1. Resource and Reserve Life calculations are based on the previously disclosed FY16 Annual Resource and Reserve Statement (pg. 73-84 of the South32 Annual Report 2016) which has been prepared by Competent Persons in accordance with the requirements of the JORC Code (2012). Resource conversion factors and run-of-mine production assumptions are shown in slide 2 – Important Notices.
2. Cannington underground Reserve life is 6.5 years based on the nominal production rate. Open cut Resource life of 5 years is estimated at a resource to reserve conversion rate of 0.8.
3. Appin colliery Reserve and Resource refers to Bulli coal seam, Dendrobium colliery Reserve and Resource refers to Wongawilli coal seam.
4. Khutala Coal Resource life is inclusive of undeveloped domains; Klipspruit Coal Resource life do not include Weltevreden Resources.

IDENTIFYING NEW OPPORTUNITIES



Focused opportunity set that is continually assessed

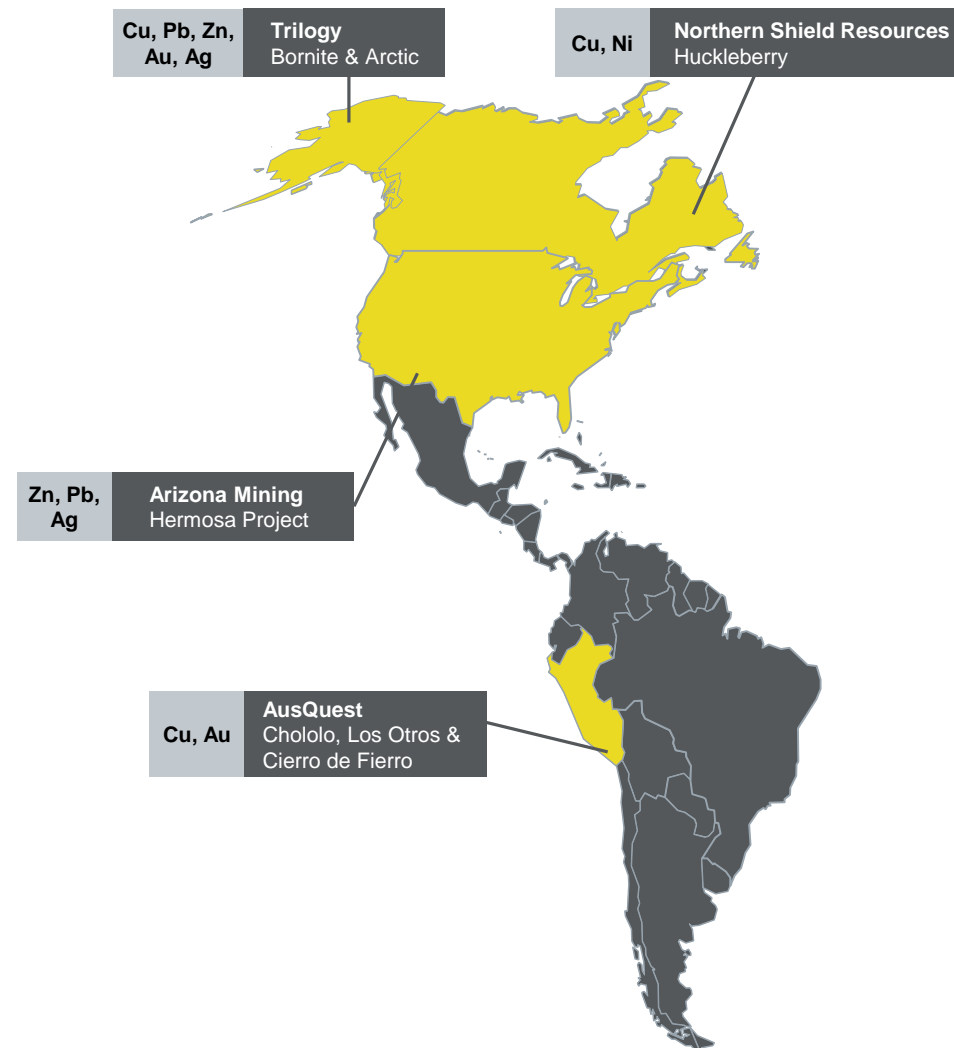
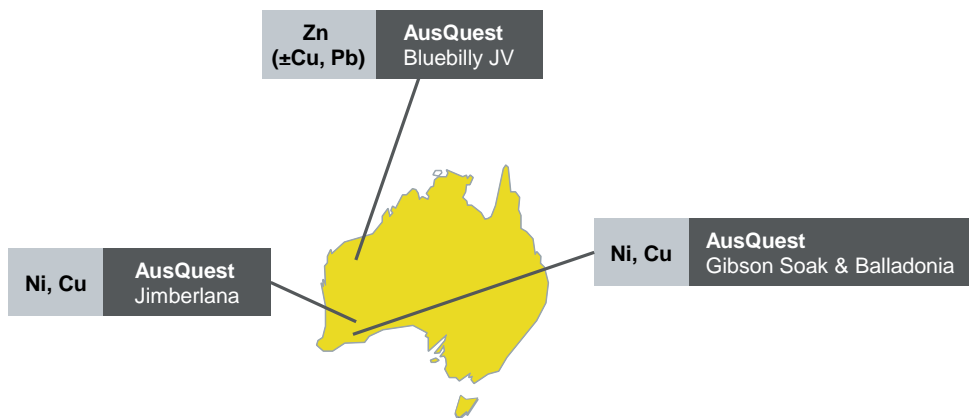
Greenfield exploration in attractive jurisdictions offers attractive risk/reward potential

Partnering with juniors provides access to attractive opportunities and reduces technical and operating exploration risk

Multi-year field programs to test upside resource potential

Advance suitable projects to development and seek partners where required

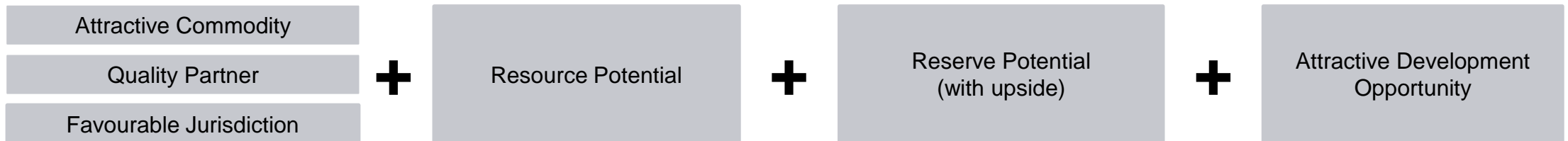
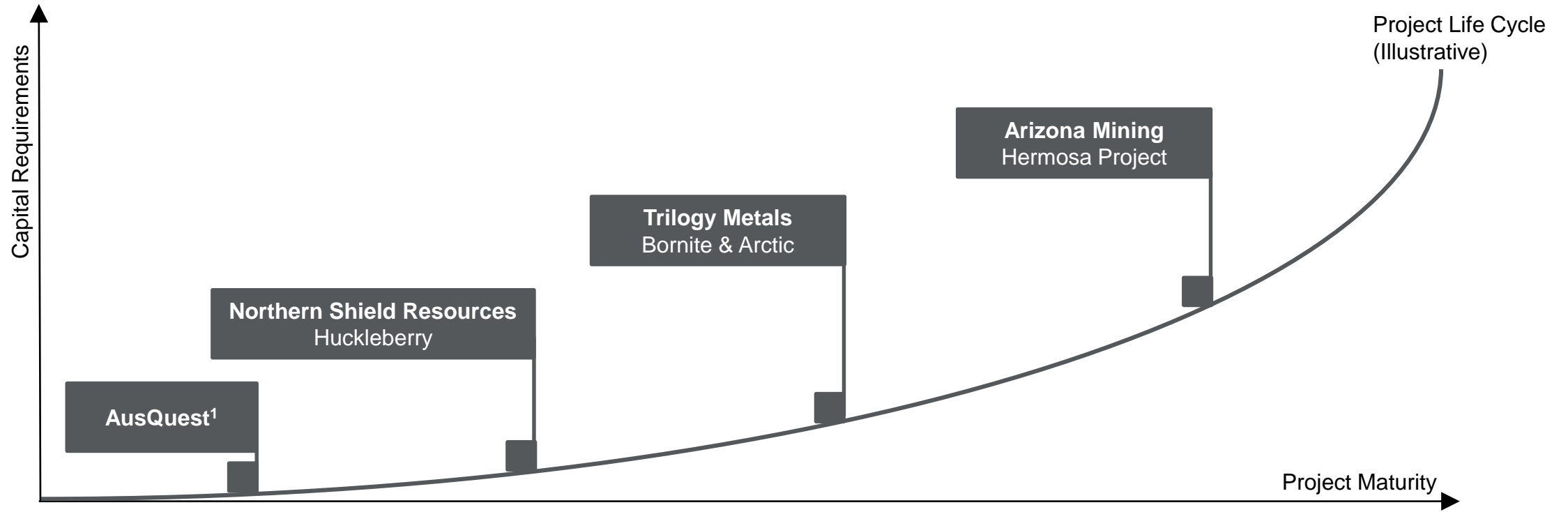
Exploration spend of ~US\$30M¹ expected in FY17 across our portfolio



Notes:

1. Excludes C\$110.3M purchase of Arizona Mining shares.

EXPLORATION OPPORTUNITIES



1. Currently 1 JV and 5 Opportunities

Concept

AusQuest Strategic Alliance¹

Zn (±Cu,Pb)	<ul style="list-style-type: none"> Bluebilly JV (Australia)
Ni, Cu	<ul style="list-style-type: none"> Jimberlana (Australia) Gibson Soak & Balladonia (Australia)
Cu, Au	<ul style="list-style-type: none"> Chololo (Peru) Los Otros (Peru) Cerro de Fierro (Peru)



Concept

Northern Shield Option Agreement¹

Cu, Ni, PGE	Huckleberry (Canada)
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- Exploration drilling for Cu-Ni-PGE mineralisation at the Huckleberry property in the Labrador Trough in Northern Quebec



Exploration Drilling

Trilogy Metals

Cu, Pb, Zn Au, Ag	Bornite & Arctic (Alaska)
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- Polymetallic district in Alaska at relatively early stage of exploration
- 3.8Mt contained Cu in Mineral Resource² (Arctic 40Mt @ 2.95% Cu, Bornite Open Pit 125Mt @ 0.97% Cu, Bornite below pit 58Mt @ 2.9% Cu)
- Drilling this season to test extension of known mineralisation



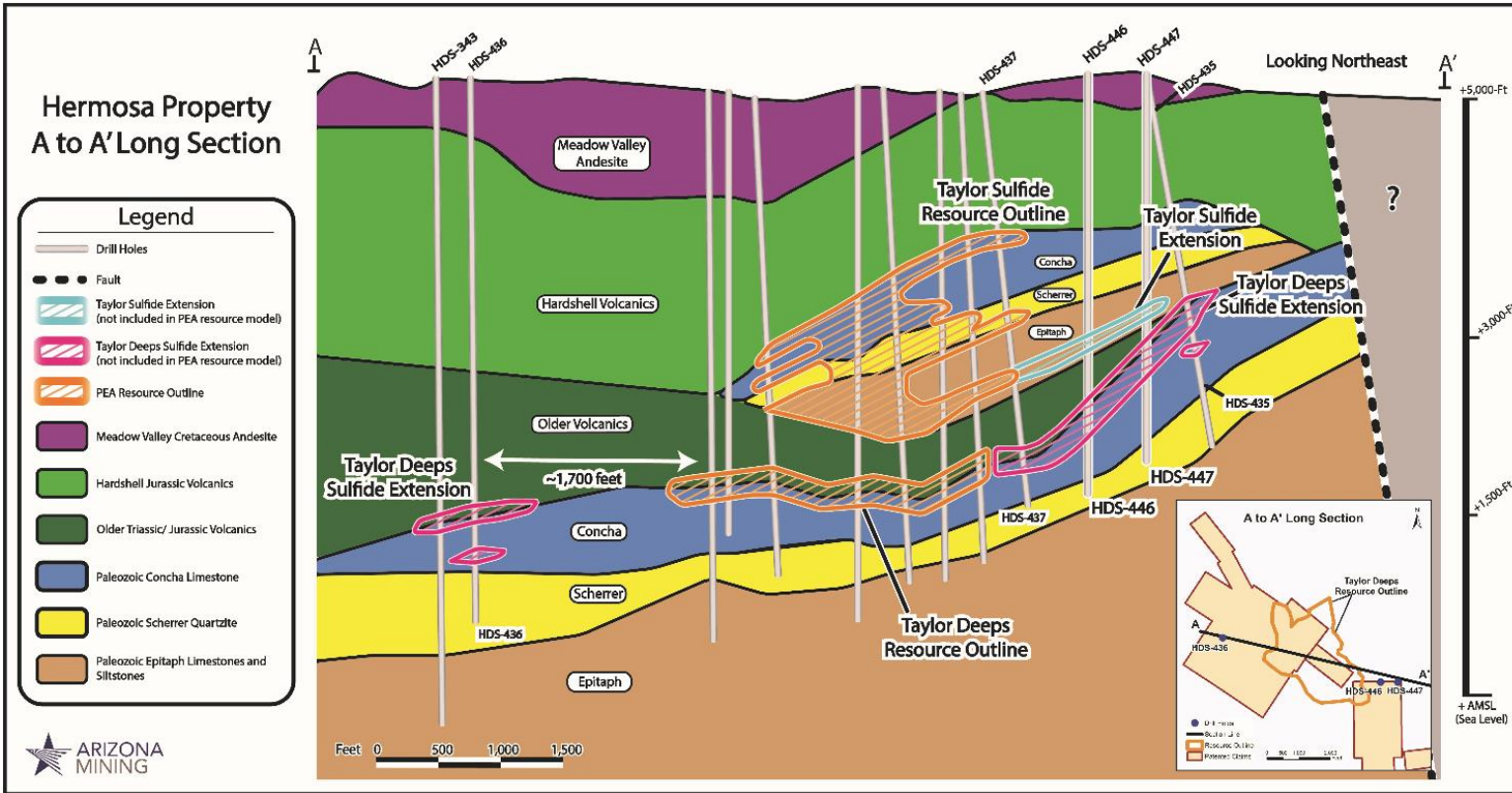
Notes:

- The opportunities are conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if exploration will result in the estimation of a Mineral Resource
- Trilogy Metals Mineral Resource estimate, published 22.04.2017 on their website (www.trilogymetals.com), prepared in accordance with NI43-101 and the CIM definition standard. www.sedar.com

Zn, Pb, Ag

Hermosa Project

Strategic Investment of C\$110M for 15% stake in Arizona Mining



- Hermosa Project in Arizona with underground Taylor sulphide deposit
- Current Mineral Resource of 72.5Mt (M&I)¹ @ 10.5% ZnEq.
- Funds to advance feasibility study, advance permitting and further exploration

Notes:

1. Measured and Indicated Mineral Resource as reported by Arizona Mining in Technical Report March 2017, in accordance with NI43-101 of Canadian Securities Administrators, stated at a cut-off grade 4% ZnEq, reported using units of short tons. (www.sedar.com)

