

Dear Illawarra Community,

I am writing to you to share an important update about our long-term plans at South32 Illawarra Metallurgical Coal.

As you may be aware, we commenced work on our Dendrobium Mine Extension Project about 5 years ago, seeking to enter new areas within an existing mining lease for Dendrobium Mine, located in Mount Kembla.

Following consideration of recently completed studies, South32 has decided not to proceed with investment in the Project.

While the Project demonstrated the potential to extend the life of the Dendrobium Mine by entering new areas, with the complexities involved we determined that our returns are not sufficient to support the investment required.

We will now focus on optimising our Dendrobium operations within the existing mining lease. We have identified opportunities to extend mining activities until at least 2028 and are evaluating potential options to extend mine life beyond this date. It is business as usual at Dendrobium.

Activities at our Appin Mine are unaffected by this announcement. We are progressing feasibility work to extend ventilation capacity that would support mining activities until at least 2039, which remains subject to South32 approval.

We remain committed to supporting the regions in which we operate, currently contributing approximately \$95M in royalties to the NSW Government and more than A\$1M a year to support local community groups and organisations.

While this decision provides clarity on the Dendrobium Mine Extension Project, we acknowledge it may be unexpected to our people and their families, the local community, local businesses, suppliers and our many other partners in various ways.

We are committed to ongoing and open dialogue with our people and stakeholders on this decision. You can find more information and contact one of our community representatives at www.south32.net

As always, our focus continues to be on safe and reliable operations.

Yours sincerely



Peter Baker
Vice President Operations
South32 Illawarra Metallurgical Coal



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Coal