



# 2024 FULL YEAR FINANCIAL RESULTS

29 August 2024



# IMPORTANT NOTICES



This presentation should be read in conjunction with the “Financial Results and Outlook – full year ended 30 June 2024” announcement released on 29 August 2024, which is available on South32’s website ([www.south32.net](http://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, Underlying effective tax rate, Operating margin, Free cash flow and net debt. 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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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.

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## **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 FY24 Annual Report ([www.south32.net](http://www.south32.net)) issued on 29 August 2024 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.

The information in this presentation that relates to the Mineral Resource and Ore Reserve estimate for the Sierra Gorda copper mine is extracted from the announcement entitled “Sierra Gorda copper mine – Ore Reserve declaration and Mineral Resource update” published on 29 August 2024 ([www.south32.net](http://www.south32.net)) 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 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.

## **PRODUCTION TARGETS**

Taylor: The information in this presentation that refers to Production Target and forecast financial information for Taylor is based on Probable (61%) Ore Reserves and Measured (1%), Indicated (5%), Inferred (9%) Mineral Resources and Exploration Target (24%) for the Taylor deposit, and was originally disclosed in “Final Investment Approval to Develop Hermosa’s Taylor Deposit” dated 15 February 2024. The Mineral Resources and Ore Reserves underpinning the Production Target have been prepared by a Competent Person in accordance with the JORC Code. 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 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 33% of tonnage (9% Inferred Mineral Resources and 24% Exploration Target) is not the determining factor of the project viability and the project forecasts a positive financial performance when using 67% tonnage (61% Probable Ore Reserves and 1% Measured and 5% 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.

Sierra Gorda: The information in this presentation that refers to Production Target and forecast financial information for the Sierra Gorda mine is based on Proved (31%) and Probable (39%) Ore Reserves and (30%) Inferred Mineral Resources and was originally disclosed in “Sierra Gorda copper mine – Ore Reserve declaration and Mineral Resource update” dated 29 August 2024. The Ore Reserve and Mineral Resource estimate underpinning the Production Target has been prepared by Competent Persons and reported in accordance with the JORC Code. 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 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 might be required to establish sufficient confidence that this target will be met. 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 30% of Inferred Mineral Resources is not the determining factor of the project viability and the project forecasts a positive financial performance when using 70% Ore Reserves. South32 is satisfied, therefore, that the use of Inferred Mineral Resources in the Production Target and forecast financial information reporting is reasonable.

Worsley Alumina: The information in this presentation that refers to Production Target and forecast financial information for Worsley Alumina is based on Proved (84%) and Probable (16%) Ore Reserves disclosed in South32 Annual report released on 29 August 2024 and is available to view on [www.south32.net](http://www.south32.net). The Ore Reserve estimate underpinning the Production Target has been prepared by a Competent Person and reported in accordance with the JORC Code.

## **EXPLORATION TARGETS AND EXPLORATION RESULTS**

The information in this presentation that relates to the Exploration Targets and Exploration Results for Taylor and Clark are extracted from “Final investment approval to develop Hermosa’s Taylor deposit” released on 15 February 2024, and is available to view on [www.south32.net](http://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.

The information in this presentation that relates to Exploration Results for the Peake deposit is based on information compiled by David Bertuch. Mr. Bertuch is a full-time employee of South32 and, is a member of The Australasian Institute of Mining and Metallurgy. Mr. Bertuch has sufficient experience that is relevant to the style of mineralisation and the type of deposits under consideration and to the activity 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 JORC Code). Mr. Bertuch consents to the inclusion in the presentation of the matters based on his information in the form and context in which it appears. Additional information is contained in Annexure 1.

The information in this presentation that relates to Exploration Results for the Flux prospect is extracted from “Strategy and Business Update 2024” released on 14 May 2024, and is available to view on [www.south32.net](http://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



The Group reported a loss after tax attributable to members of US\$203M in FY24, with impairment expenses for Worsley Alumina (US\$388M post-tax) and Cerro Matoso (US\$248M post-tax), partially offset by an impairment reversal at Illawarra Metallurgical Coal (US\$139M post-tax). Underlying earnings<sup>1</sup> decreased by US\$536M to US\$380M.

Consistent with our accounting policies, various items are excluded from the Group's profit/(loss) to derive Underlying earnings. Total adjustments to derive Underlying EBIT (US\$983M), shown in the table below, include:

- Net impairment loss/(reversal) of non-financial assets (+US\$604M):
  - Impairment expenses
    - Worsley Alumina: (+US\$554M) reflecting increased uncertainty created by the Western Australian Environmental Protection Authority's recommended conditions for the Worsley Mine Development Project approval and associated challenging operating conditions;
    - Cerro Matoso: (+US\$264M) reflecting structural changes in the nickel market which are expected to continue to place pressure on nickel prices and discounts for our ferronickel product;
  - Impairment reversals
    - Illawarra Metallurgical Coal: (-US\$197M) following the announced sale to an entity owned by Golden Energy and Resources Pte Ltd and M Resources Pty Ltd; and
    - Eagle Downs metallurgical coal project: (-US\$17M) following the announced sale to a subsidiary of Stanmore Resources Limited.
- Sierra Gorda (+US\$155M) and manganese joint venture adjustments (+US\$129M): to reconcile the statutory equity accounting position to a proportional consolidation basis. This included idle capacity and other remediation related costs (+US\$93M) at Australia Manganese as a result of Tropical Cyclone Megan;
- Significant items (+US\$50M): the Group operates a captive insurance program, in which a wholly-owned subsidiary of the Group insures a number of operations, including Australia Manganese. As a result of Tropical Cyclone Megan, we have recognised a self-insurance expense of US\$50M with a partially offsetting amount of US\$30M (South32 share) recognised within Australia Manganese and included in the manganese joint venture adjustments noted above; and
- Net impairment loss of financial assets (+US\$29M): periodic revaluation of the shareholder loan receivable from Sierra Gorda reflecting copper prices and other macroeconomic assumptions. An offsetting amount is recorded in the Sierra Gorda joint venture adjustments noted above.

Profit/(loss) to Underlying EBITDA reconciliation	FY24 US\$M	FY23 US\$M
<b>Profit/(loss) before tax and net finance income/(costs) from continuing operations</b>	<b>(735)</b>	<b>(466)</b>
<b>Profit/(loss) before tax and net finance income/(costs) from a discontinued operation</b>	<b>638</b>	<b>664</b>
Adjustments to derive Underlying EBIT:		
Significant items	50	(186)
Joint venture adjustments	284	291
Exchange rate (gains)/losses on the restatement of monetary items	24	(62)
Net impairment loss/(reversal) of financial assets	29	71
Net impairment loss/(reversal) of non-financial assets	604	1,300
(Gains)/losses on non-trading derivative instruments, contingent consideration and other investments measured at fair value through profit and loss	(8)	4
<b>Total adjustments to derive Underlying EBIT</b>	<b>983</b>	<b>1,418</b>
<b>Underlying EBIT</b>	<b>886</b>	<b>1,616</b>
Underlying depreciation and amortisation	916	918
<b>Underlying EBITDA</b>	<b>1,802</b>	<b>2,534</b>
<b>Profit/(loss) to Underlying earnings reconciliation</b>	<b>FY24 US\$M</b>	<b>FY23 US\$M</b>
Profit/(loss) after tax attributable to members	(203)	(173)
Total adjustments to derive Underlying EBIT	983	1,418
Total adjustments to derive Underlying net finance costs	(228)	(203)
Total adjustments to derive Underlying income and royalty related tax expense	(172)	(126)
<b>Underlying earnings</b>	<b>380</b>	<b>916</b>

# FY24 OVERVIEW

**Delivered strong second half results and accelerated our portfolio transformation**

**Delivered improved safety performance**

**Lifted Underlying earnings and cash generation in H2 FY24**

**Allocated US\$200M to our ongoing capital management program**

**Approved final investment for Hermosa's Taylor zinc-lead-silver deposit<sup>2</sup>**

**Sale of IMC<sup>3</sup> will simplify our portfolio and strengthen our balance sheet**

**Investing to grow future copper volumes at Sierra Gorda**



# 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 FY24 FINANCIAL PERFORMANCE



**Our FY24 financial results reflected stronger Underlying earnings and cash generation to finish the year, supported by improved operating performance and prices for our key commodities in H2 FY24**

**Net loss after tax  
US\$203M**

**Underlying earnings<sup>1</sup>  
US\$380M**

**Underlying EBITDA  
US\$1,802M**

**Operating margin<sup>4</sup>  
22.8%**

**Record production  
at two operations**

**Operating unit costs  
in line with guidance  
across our operations**

**Net debt US\$762M  
(↓US\$329M in H2 FY24)**

**Pro-forma net cash ~US\$250M  
following the sale of IMC<sup>(a)</sup>**

**US\$198M returned to  
shareholders in FY24<sup>(b)</sup>**

**H2 FY24 ordinary dividend  
3.1 US cents per share (US\$140M)**

**US\$200M on-market share buy-back  
to commence following the sale of IMC**

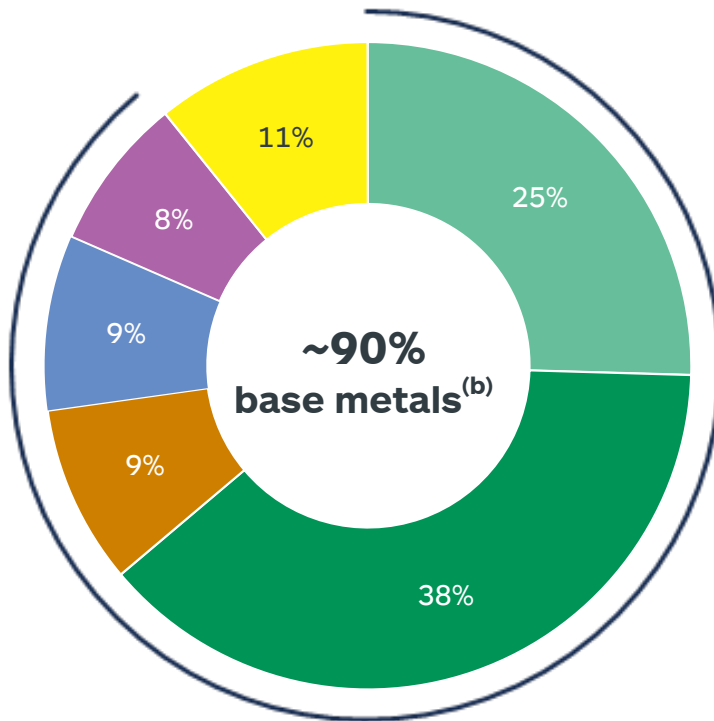
Notes:

- Pro-forma as at 30 June 2024, reflecting net debt of US\$762M and upfront proceeds from the sale of IMC (US\$1,050M), less the already received deposit (US\$40M). The upfront payment is subject to working capital, net debt and capital expenditure adjustments at completion.
- Fully-franked ordinary dividend paid in respect of H2 FY23 (US\$145M), fully-franked ordinary dividends paid in respect of H1 FY24 (US\$18M) and our on-market share buy-back (US\$35M).

# OUR TRANSFORMED PORTFOLIO

**A simplified portfolio focused on commodities critical for a low-carbon future**

**Illustrative FY24 Group Underlying revenue<sup>(a)</sup>**



**FY24 Underlying EBITDA<sup>(c)</sup>**

**US\$1.05B**



**Aluminium value chain**

- Optimising our leading, integrated positions in the aluminium value chain
- Growing low-carbon aluminium<sup>5</sup> production volumes by 17% in FY25 and 8% in FY26

**Copper<sup>6</sup>**

- Growing copper production by 15% in FY25 and 6% in FY26
- Potential to lift capacity by ~20% through Sierra Gorda's fourth grinding line<sup>(d)</sup>

**Zinc<sup>7</sup>**

- Constructing Taylor, a future top 10 global zinc mine<sup>8</sup> in the first cost quartile<sup>9</sup>
- Investing to unlock value from future growth stages at Hermosa

Alumina   Aluminium   Copper   Zinc   Nickel   Manganese

**Notes:**

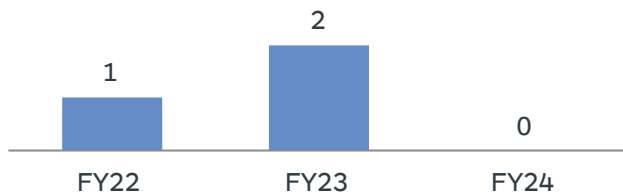
- Presented on a proportional consolidation basis. Excludes IMC, third party product revenue and Group and unallocated items/eliminations.
- Base metals includes aluminium value chain, copper, zinc and nickel.
- Excludes metallurgical coal, nickel, manganese, Hermosa and Group and unallocated costs.
- Subject to the completion of a feasibility study and final investment decision, expected in H1 FY25.

# OUR FY24 SAFETY PERFORMANCE

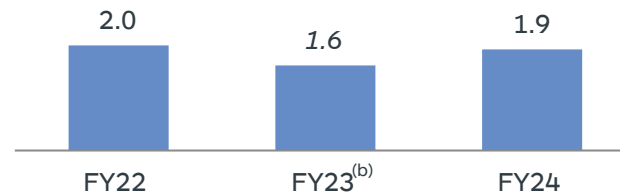


**Our safety guarantee<sup>(a)</sup> instils our belief that everyone at South32 can go home safe and well**

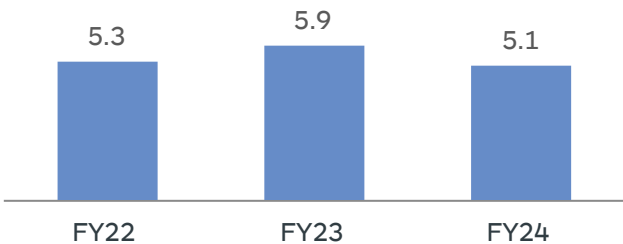
**Fatalities<sup>10,11</sup>**



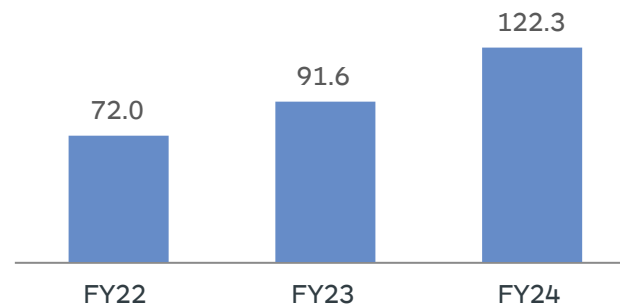
**Lost time injury frequency (LTIF)<sup>12</sup>**



**Total recordable injury frequency (TRIF)<sup>12</sup>**



**Total significant hazard frequency<sup>13</sup>**



- Continued to implement our global, multi-year Safety Improvement Program
- No fatalities at our operations and improved our TRIF by 14%
- Total significant hazard frequency increased by 34%, indicating improved hazard awareness and a positive reporting culture

**Notes:**

- We use our safety guarantee as part of an internal approach with our people to instil a belief that everyone can go home safe and well, create a sense of chronic unease, reduce complacency, and assist to reduce risk tolerance in relation to safety and health.
- Seven injuries which occurred in FY23 have been reclassified from restricted work cases to lost time cases, resulting in an increase in LTIF from 1.4 to 1.6.



# OUR FY24 CLIMATE CHANGE PERFORMANCE



## Progressed decarbonisation activities for our higher-emitting operations and continued to reshape our portfolio

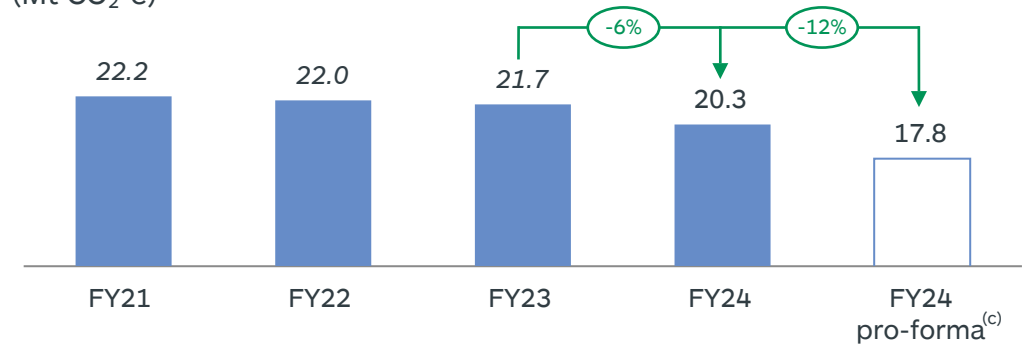
### Decarbonising our operations

- Converted the first two coal-fired boilers at Worsley Alumina to natural gas, reducing the refinery's greenhouse gas (GHG) emissions by >10% from FY21 levels
- Converted 18% of Hillside Aluminium's pots to AP3XLE efficiency technology, bringing the total to 36%
- Continued to work with key stakeholders towards securing stable and affordable low-carbon energy solutions for our aluminium smelters in Southern Africa

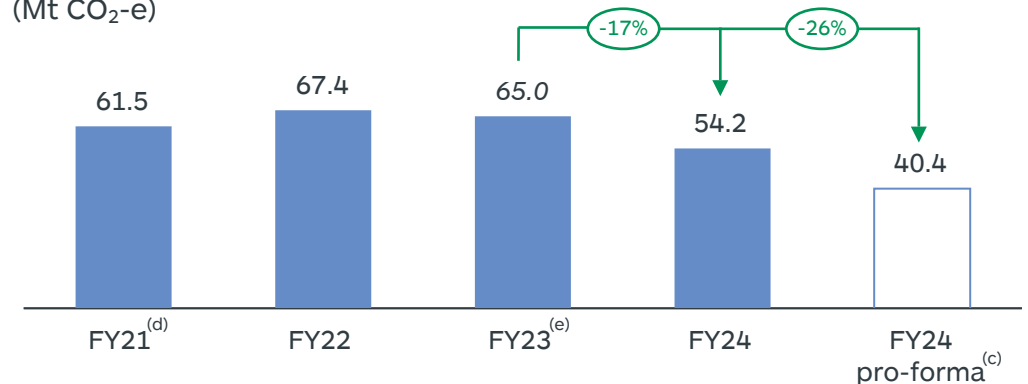
### Reshaping our portfolio

- Approved the development of Taylor using 'next generation mine' design principles and progressed studies to produce battery-grade manganese from Clark
- Invested in projects to grow our copper volumes at Sierra Gorda and added attractive base metals exploration options to our portfolio
- On track to complete the sale of IMC on 29 August 2024, further streamlining our portfolio towards base metals and reducing our exposure to Scope 3 GHG emissions<sup>(a)</sup>

Scope 1 and 2 GHG emissions<sup>(b)</sup>  
(Mt CO<sub>2</sub>-e)



Scope 3 GHG emissions  
(Mt CO<sub>2</sub>-e)



Notes:

- Refers to a reduced exposure to hard-to-abate emissions from the steelmaking value chain.
- In FY24, IMC transitioned its reporting methodology from Continuous Emissions Monitoring to Periodic Emissions Monitoring. The updated methodology was used for FY23 GHG emissions reporting to the Clean Energy Regulator. Updated historical GHG emissions for IMC have been disclosed in this presentation.
- FY24 pro-forma refers to Group GHG emissions excluding IMC.
- Excludes South Africa Energy Coal and TEMCO.
- Downstream transportation and distribution has been restated from 0.9Mt CO<sub>2</sub>-e in FY23 to 0.4Mt CO<sub>2</sub>-e following a review of the methodology used in this category.



# FINANCIAL RESULTS

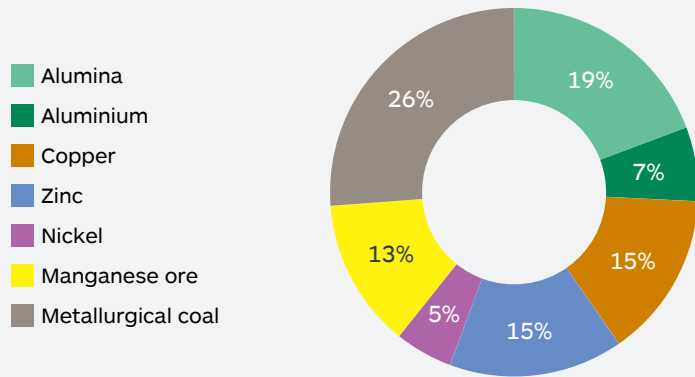


# PERFORMANCE ANALYSIS

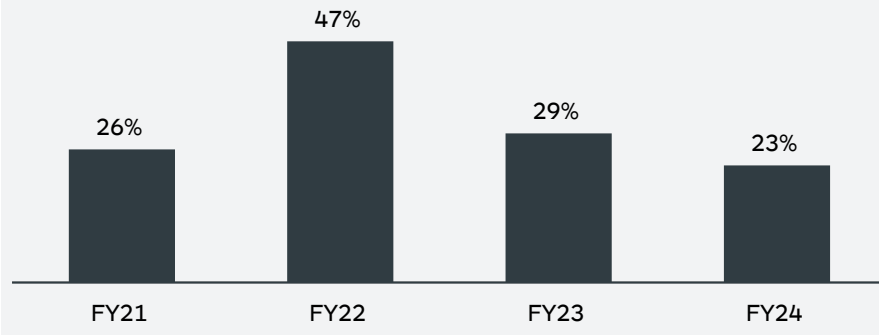


## Higher alumina and zinc margins more than offset by lower average commodity prices

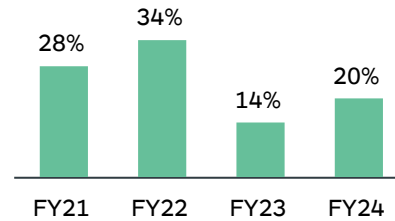
FY24 Underlying EBITDA contribution by commodity<sup>(a)</sup>



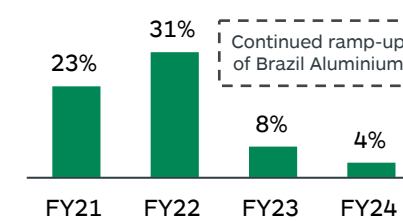
Group operating margin<sup>4</sup>



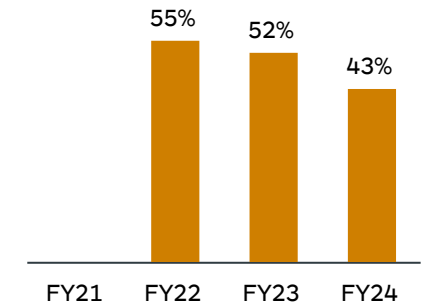
Alumina operating margin



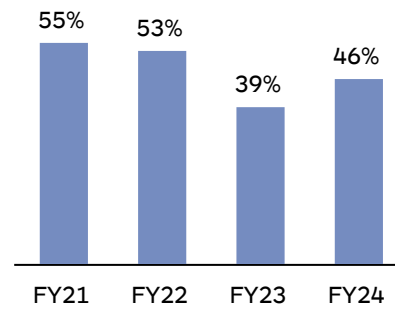
Aluminium operating margin



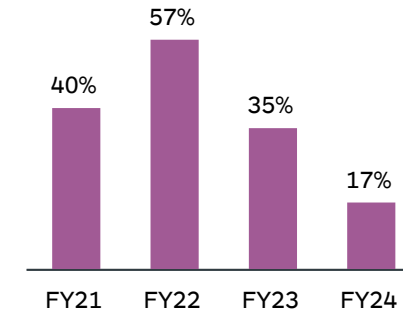
Copper operating margin<sup>6</sup>



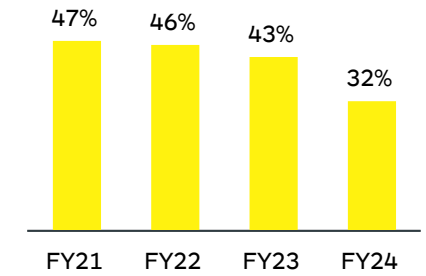
Zinc operating margin<sup>7</sup>



Nickel operating margin



Manganese ore operating margin<sup>14</sup>



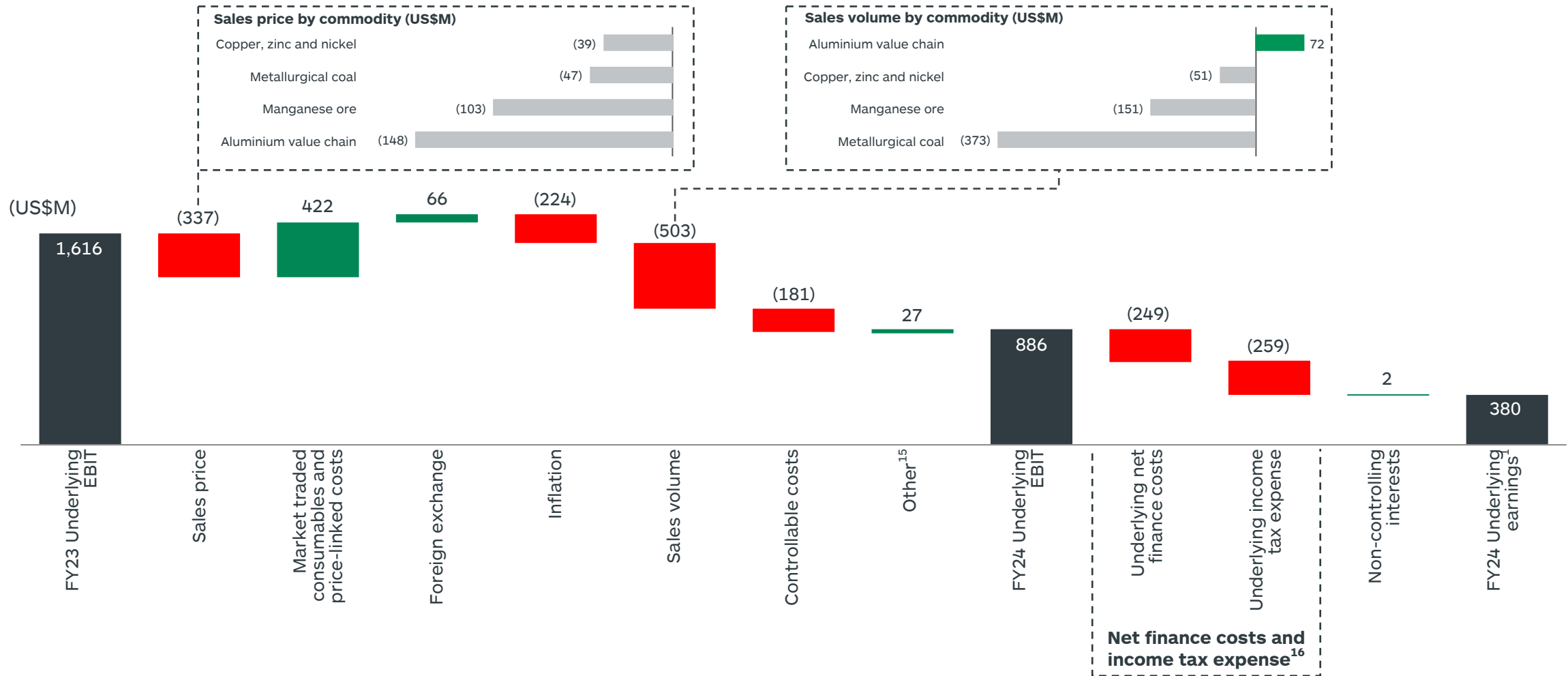
Notes:

a. Presented on a proportional consolidation basis and excludes manganese alloys, Hermosa, and Group and unallocated items/eliminations. Metallurgical coal comprises IMC, including energy coal by-product volumes and excluding third party product.

# EARNINGS ANALYSIS

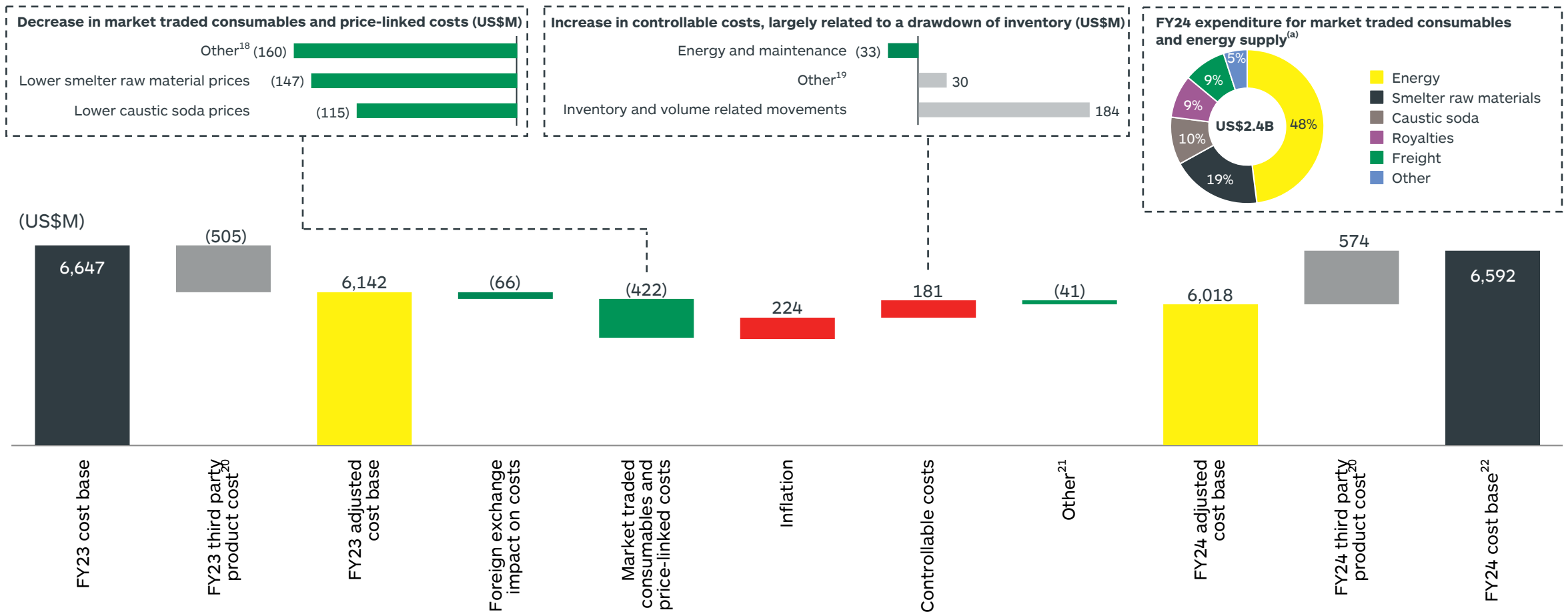


**Lower raw material input prices and weaker FX more than offset by lower average commodity prices, the impact of planned longwall moves at IMC and Tropical Cyclone Megan at Australia Manganese**



# COST ANALYSIS

**Disciplined cost management and lower raw material input prices supported a reduction in our total cost base<sup>17</sup>**



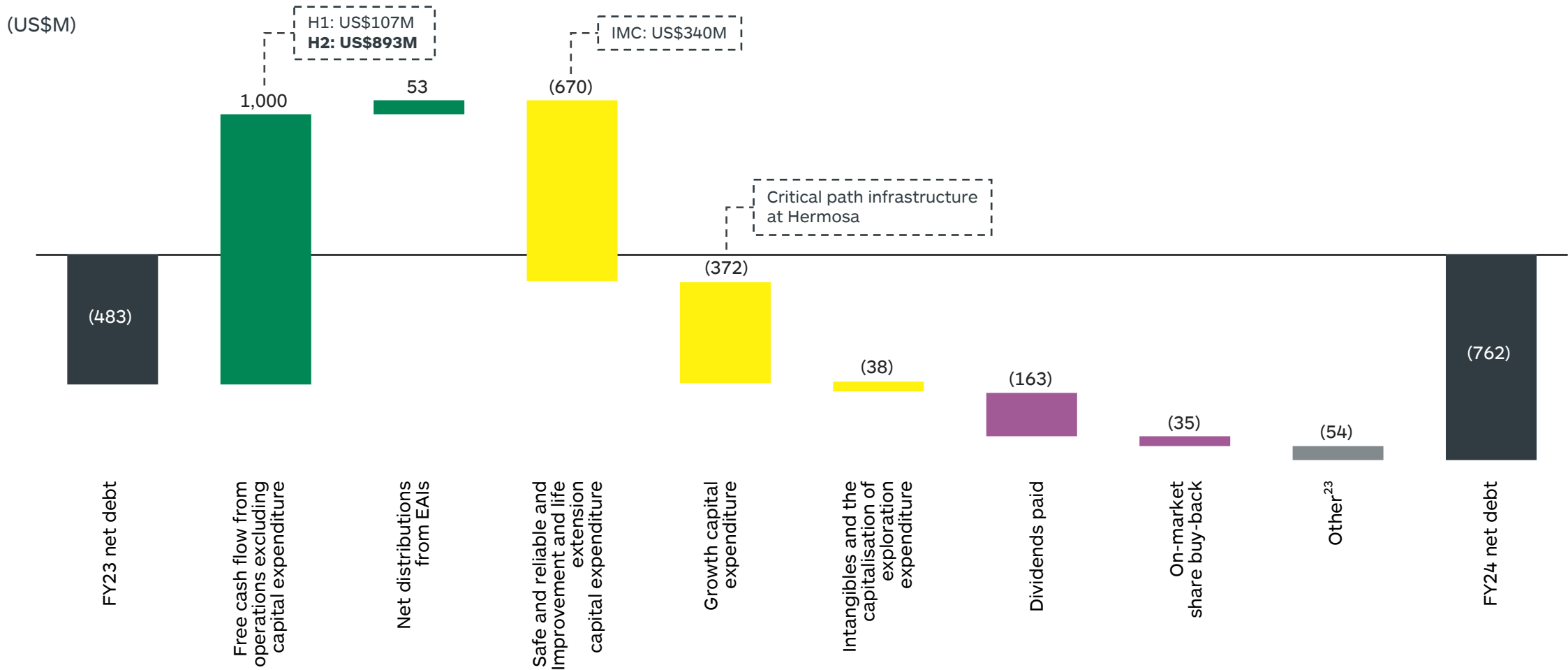
Notes:

a. Refers to FY24 expenditure for market traded consumables and price-linked costs, as well as the energy supply contracts for Brazil Aluminium, Hillside Aluminium and Mozal Aluminium. Other includes bauxite consumption at Brazil Alumina.

# CASH FLOW ANALYSIS



**Delivered a significant uplift in free cash flow in H2 FY24 while investing to grow future base metals volumes**

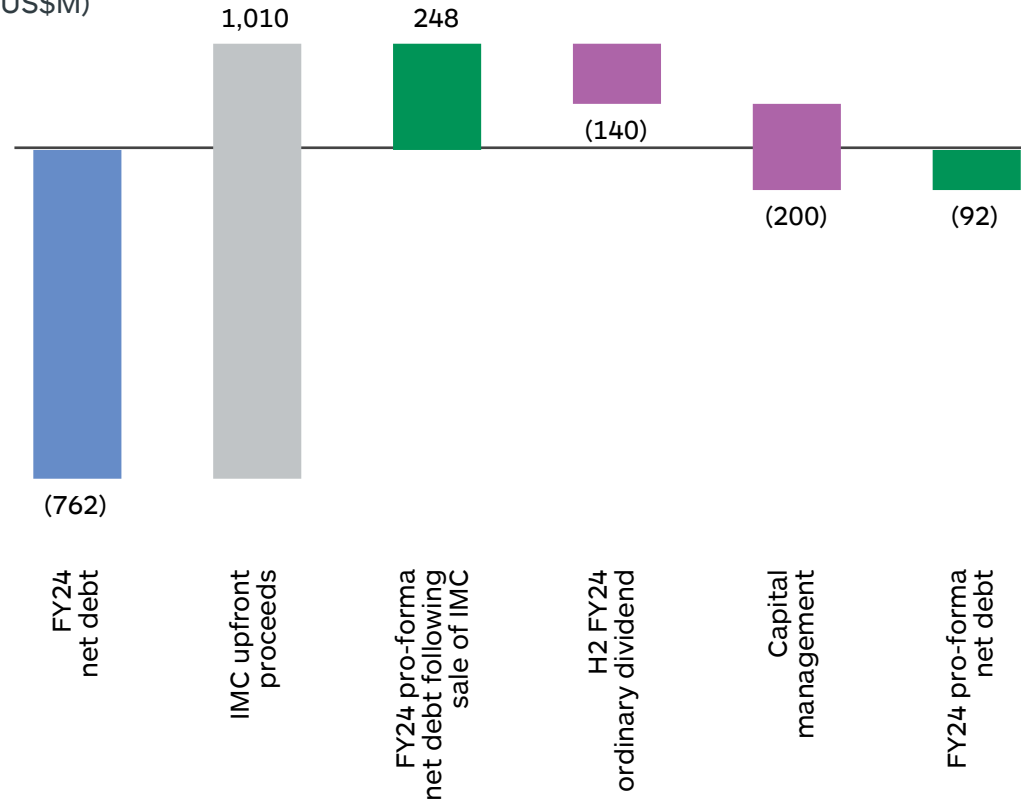


# BALANCE SHEET



## Sale of IMC will enhance our balance sheet strength and flexibility

June 2024 net cash/(debt)  
(US\$M)



Net debt reduced by US\$329M in H2 FY24

Pro-forma net cash position ~US\$250M following sale of IMC<sup>(a)</sup>

Continue to maintain a strong balance sheet following returns to shareholders

Continue to prioritise an investment grade credit rating through the cycle

Notes:

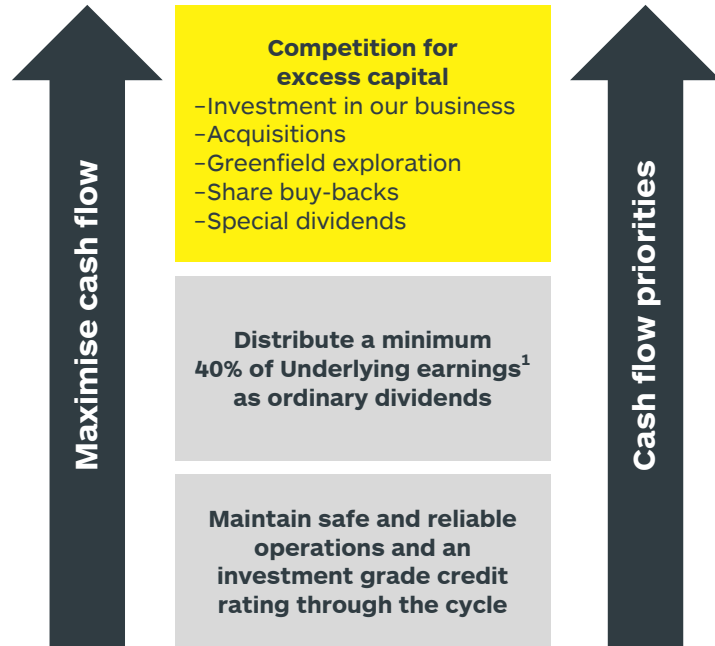
- a. Pro-forma as at 30 June 2024, reflecting net debt of US\$762M and upfront proceeds from the sale of IMC (US\$1,050M), less the already received deposit (US\$40M). The upfront payment is subject to working capital, net debt and capital expenditure adjustments at completion. Further proceeds to come from deferred cash consideration of US\$250M, payable in 2030, and contingent price-linked cash consideration of up to US\$350M (refer to footnote 24).

# CAPITAL MANAGEMENT FRAMEWORK

**Our capital management framework is unchanged**

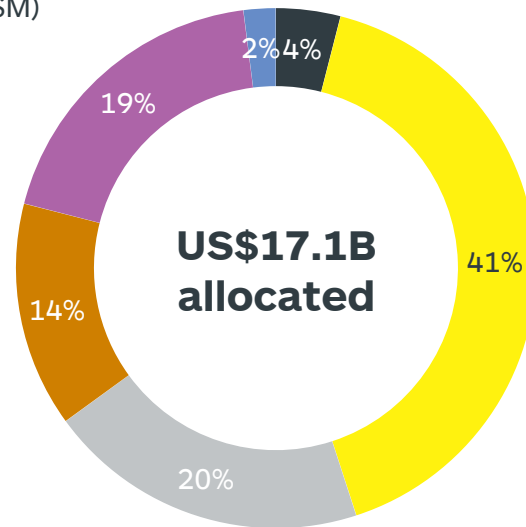
Capital management framework

**ROIC**



**Expanded our capital management program by US\$200M to US\$2.5B**

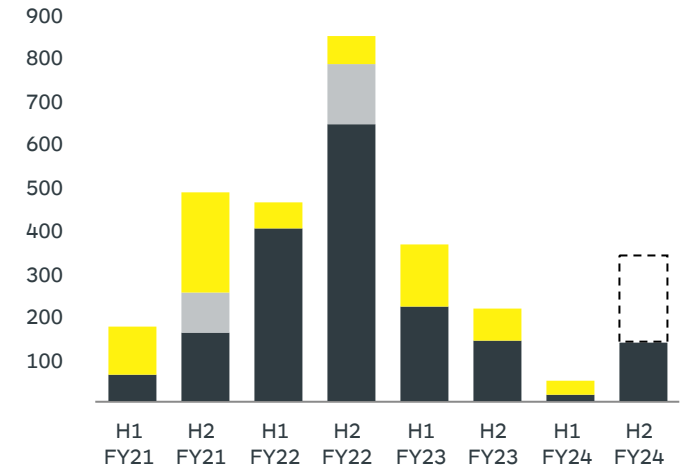
Capital allocation since FY16<sup>(a)</sup>  
(US\$M)



- Net cash added to balance sheet
- Capital expenditure (including EAI)
- Ordinary dividends
- Capital management program
- Acquisitions
- Greenfield exploration

**On-market share buy-back to commence following the sale of IMC**

Shareholder returns<sup>(b)</sup>  
(US\$M)



- ⌋ Announced capital management program
- On-market share buy-back
- Special dividends
- Ordinary dividends

Notes:

a. Total capital allocation since FY16 includes proceeds from the sale of IMC.

b. Shareholder returns refers to dividends declared in respect of each period and on-market share buy-back amounts paid during each period.





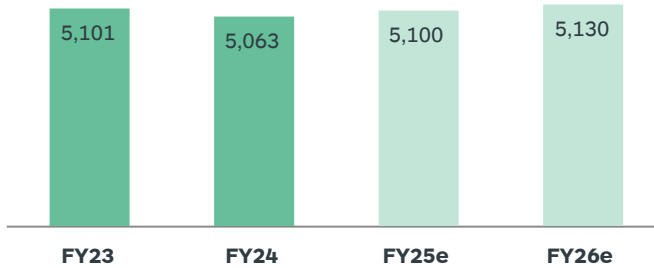
# OUTLOOK

# PRODUCTION GUIDANCE



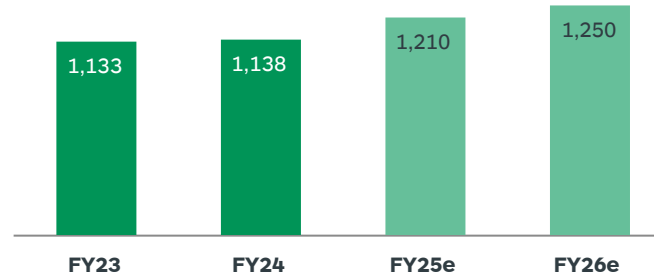
## Alumina (kt)

Constrained bauxite supply at Worsley Alumina; improved plant availability at Brazil Alumina



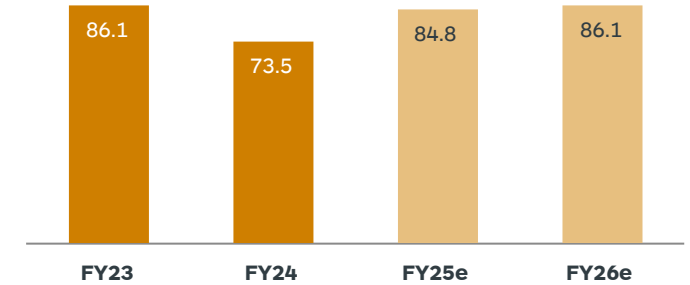
## Aluminium (kt)

Low-carbon aluminium<sup>5</sup> growth of 17% in FY25 and 8% in FY26



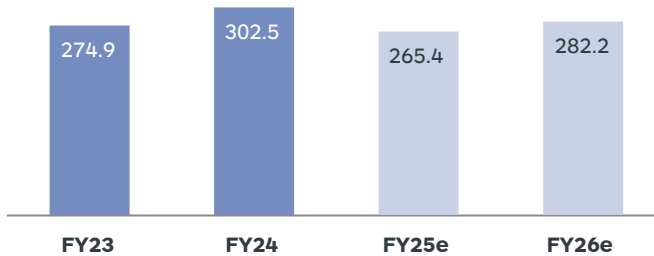
## Copper equivalent<sup>25</sup> (kt)

Continued benefit of plant de-bottlenecking and higher planned copper grades



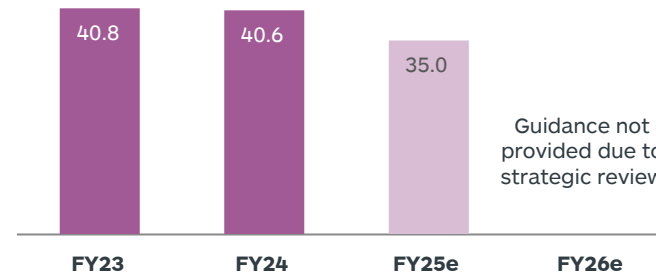
## Zinc equivalent<sup>26</sup> (kt)

Increased underground mine activity and complexity



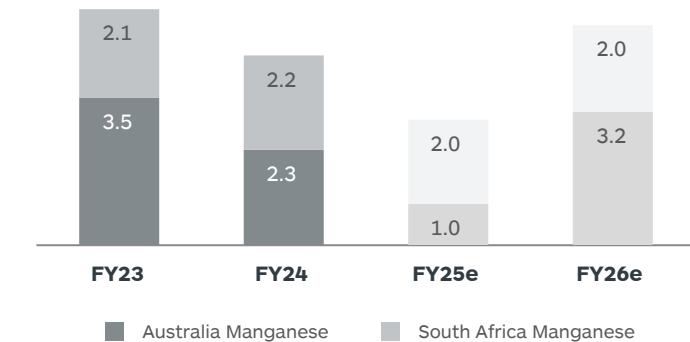
## Nickel (kt)

Lower planned nickel grades; FY26e subject to strategic review



## Manganese ore (Mwmt)

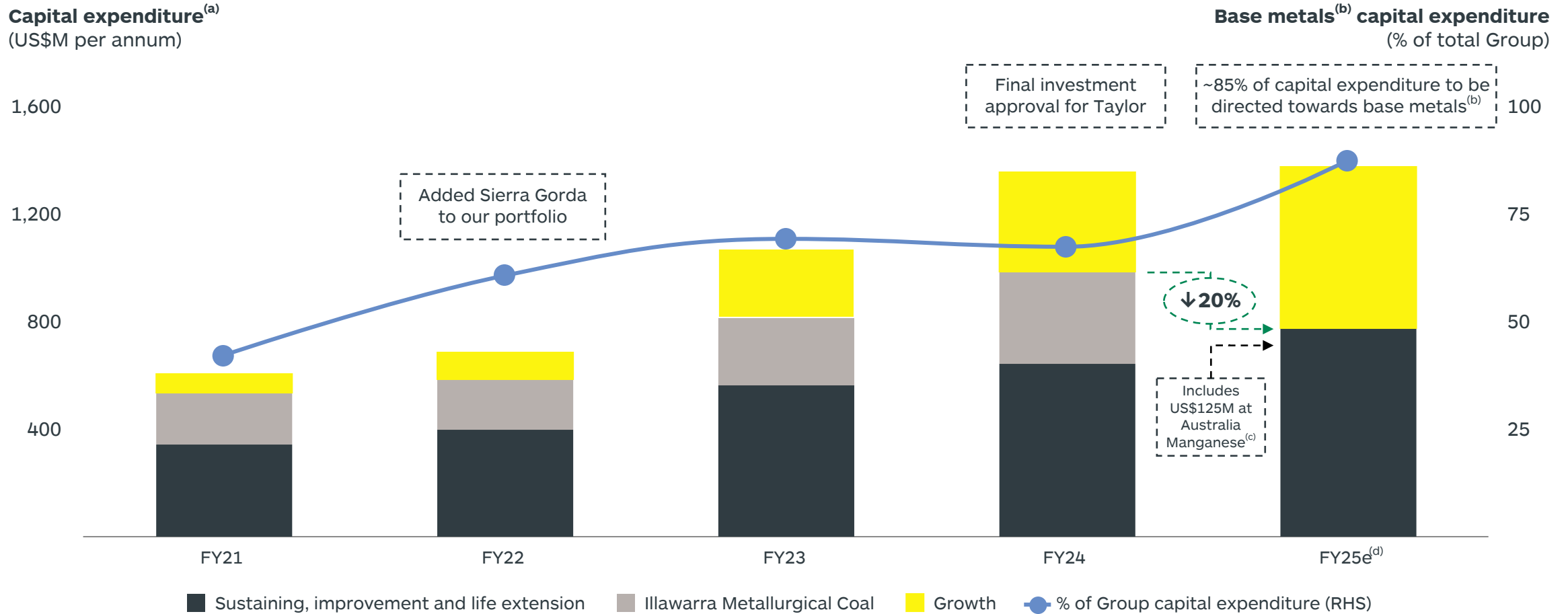
Delivering recovery plan at Australia Manganese; optimising volumes from South Africa Manganese



# CAPITAL EXPENDITURE GUIDANCE



Investing to grow our base metals production with lower sustaining capital expenditure following the sale of IMC



Notes:

- a. Inclusive of our manganese and Sierra Gorda EAs.
- b. Includes aluminium value chain, copper, zinc, nickel and all Hermosa capital expenditure.
- c. Includes capital expenditure for mine repairs and infrastructure, including the wharf and a critical bridge.
- d. FY25e capital expenditure guidance excludes IMC.

## Delivering a safe return to operations following the severe impacts of Tropical Cyclone Megan

Flooded pit following Tropical Cyclone Megan



Dewatering progress as at August 2024



### Operational recovery plan

- Dewatering targeted mining pits and commenced a phased return to mining activities
- Activity to increase to support a planned build in stockpiles ahead of the wet season
- Production is expected to be 1,000kwmt in FY25 and 3,200kwmt in FY26
- Wharf operations scheduled to recommence in Q3 FY25, subject to maintaining construction productivity during the wet season, with sales volumes to progressively increase over Q4 FY25

### Remediation capital

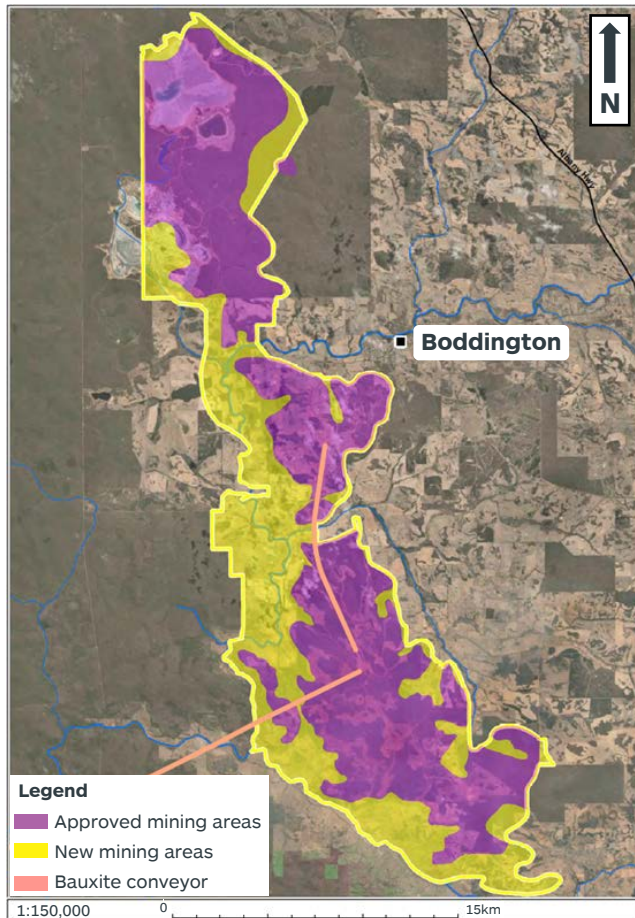
- FY25 capital expenditure expected to be US\$125M (our 60% share) as we repair and install infrastructure, including the wharf and a critical bridge

### Insurance

- Our insurers have confirmed that the damage caused by Tropical Cyclone Megan is covered under our property damage and business interruption insurance
- We are continuing to work with our insurers to assess the timing and value of recoveries under these policies

## Securing our next bauxite mining areas and continuing to meet the State's robust environmental standards

### Bauxite mining areas



### Worsley Mine Development Project

- Unlocking additional high-quality bauxite which is expected to sustain production to at least ~FY36<sup>(a)</sup>
- Commenced approval process with the WA Environmental Protection Authority (WA EPA) in 2019
- Refined our proposal, applying the mitigation hierarchy to reduce proposed clearing by approximately 45%, and increasing our biodiversity offset package by ~3,000ha

### Approval update and appeal

- On 8 July 2024, the WA EPA published its assessment report, which recommended that the proposal may be implemented, subject to conditions
- If imposed in their current form, several conditions would create significant operating challenges
- We have lodged an appeal in relation to the WA EPA's assessment report, including conditions regarding:
  - GHG emissions, which are not practicable, inconsistent with the State and Commonwealth policy (e.g. Safeguard Mechanism) and inconsistent with robust emission accounting standards; and
  - Additional protected areas and buffers which go beyond reasonable measures for managing environmental risks of the proposal based on scientific assessment and decades of operating experience
- We are aiming to secure environmental approvals for the proposal by the end of CY24

#### Notes:

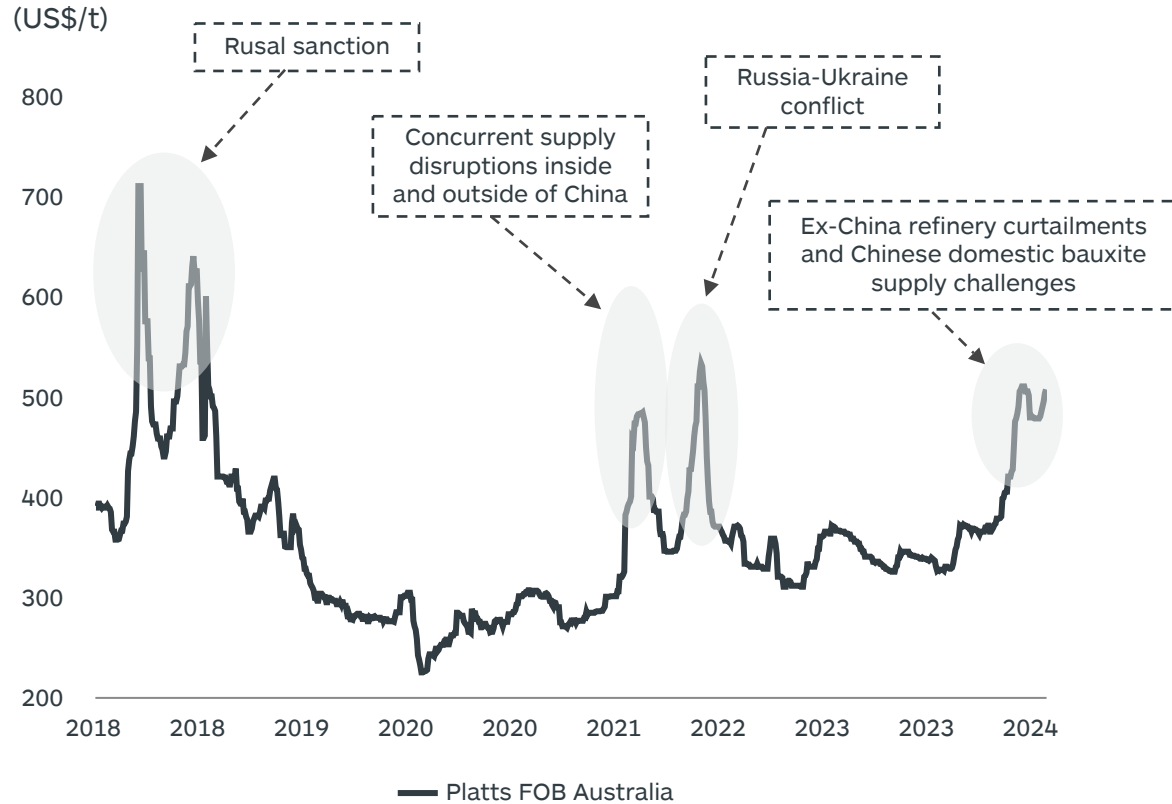
- a. Refer to important notices (slide 2) for additional disclosure.

# ALUMINA MARKET

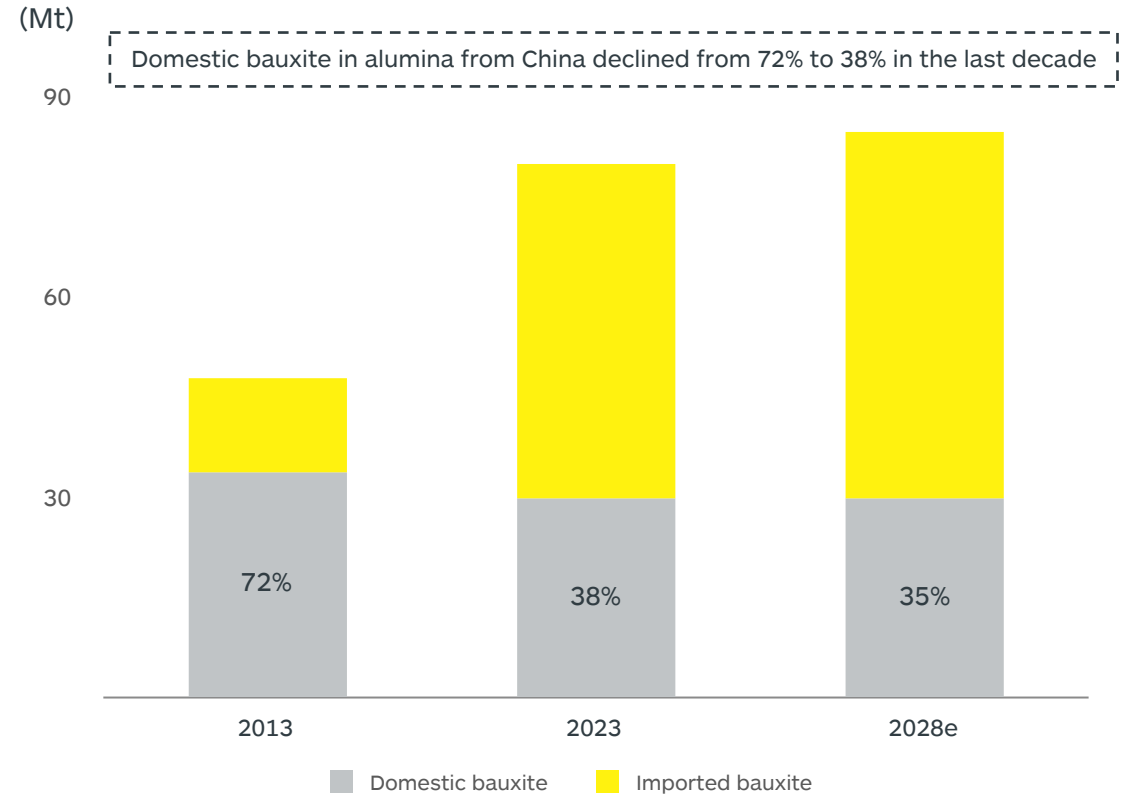
**Chinese bauxite supply challenges, and ex-China refinery curtailments driven by energy, environmental and logistics constraints, have tightened the market**

**Future builds are expected from outside of China due to declining Chinese bauxite self-sufficiency and environmental policies**

**Alumina prices<sup>(a)</sup>**



**China alumina by source**



Sources: Alumina prices (Platts). China alumina by source (CRU, South32 Analysis).

Notes:

a. Spot price as of 20 August 2024.

# ALUMINIUM MARKET

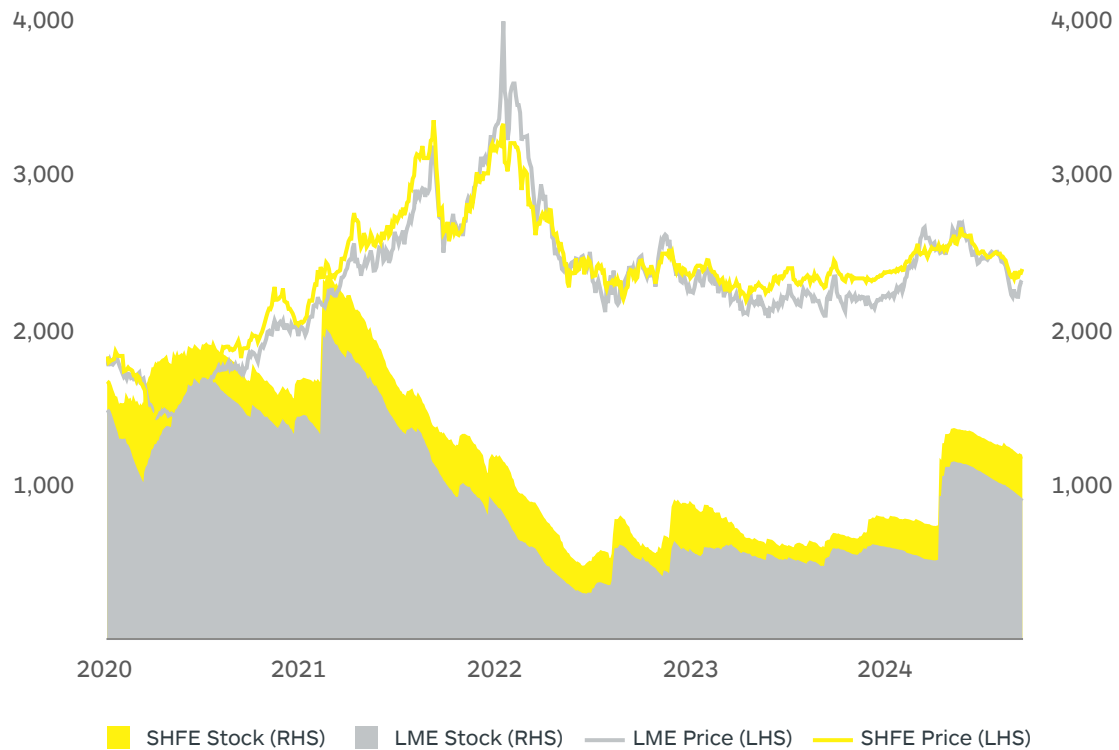


**Global demand (predominantly driven by China) grew ~3.5% in H2 FY24, supporting prices through the period**

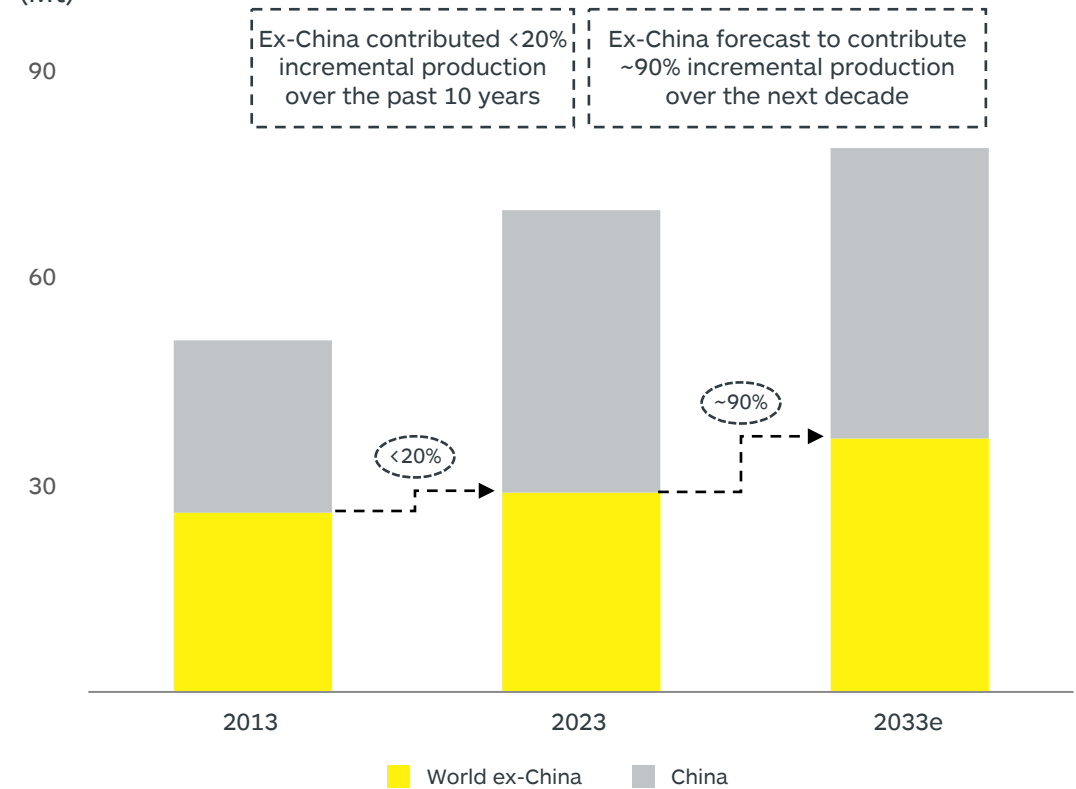
**With China's smelting capacity expected to be capped at 45Mt, rest of world investment is required to meet demand**

**Attractive long-term price outlook supported by global energy transition and higher cost inducement projects ex-China**

**Aluminium price and stocks<sup>(a)</sup>**  
(US\$/t, LHS; kt, RHS)



**Aluminium production**  
(Mt)



Sources: LME, SHFE (Shanghai Futures Exchange). Aluminium production (CRU).

Notes:

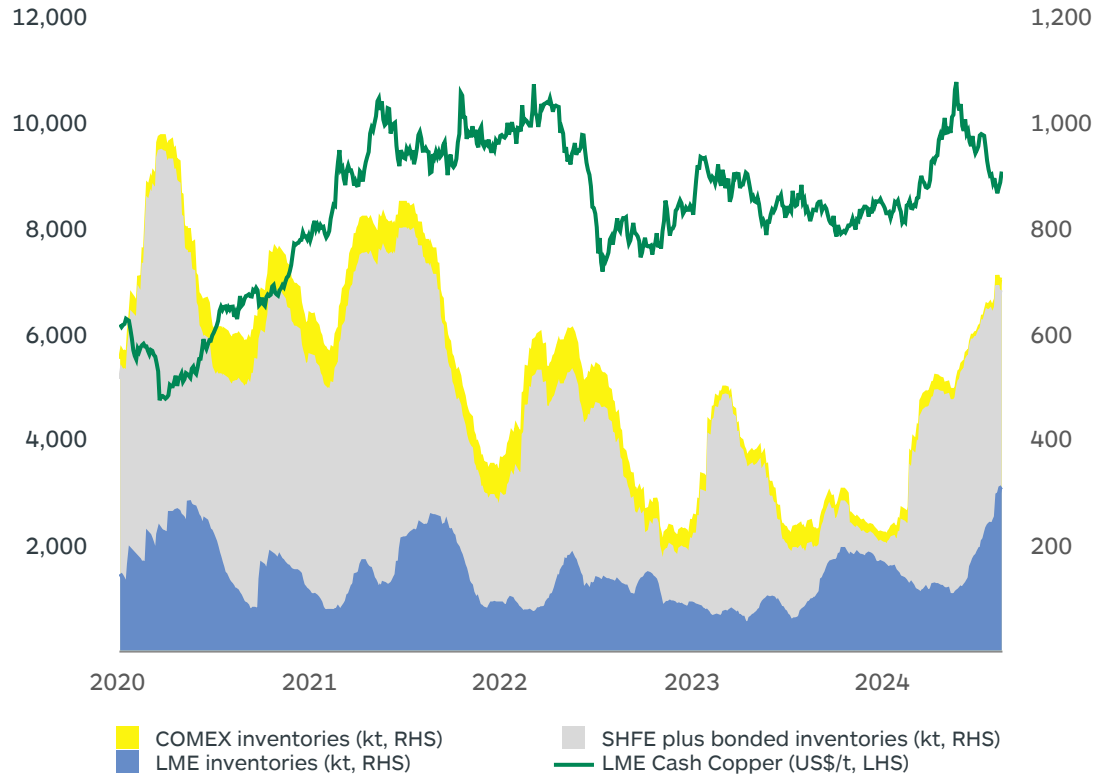
a. Spot price as of 20 August 2024. SHFE prices refer to SHFE excluding VAT of 13% (from 1 April 2019) 16% (from May 2018) and 17% prior to that.

# COPPER MARKET



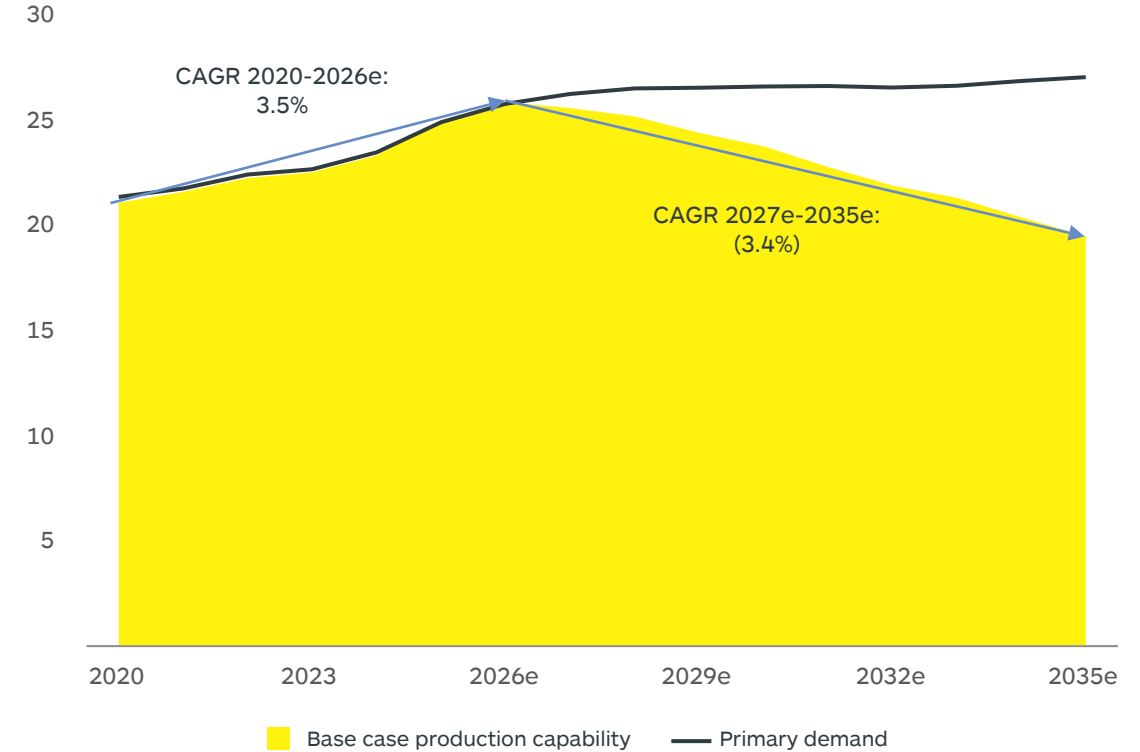
The concentrate market remained tight despite a recovery in exchange inventories, supporting prices during FY24

**Global copper price and inventories<sup>(a)</sup>**  
(US\$/t, LHS; kt, RHS)



Strong long-term primary demand outlook requiring new mine supply despite scrap recycling and potential substitution towards aluminium

**Total mine production capability versus primary demand**  
(Mt Cu)



Sources: Global copper price and inventories (LME, SHFE, COMEX); Total mine production capability versus primary demand (WoodMac Global Copper Strategic Planning Outlook Q2 2024, South32 Analysis).

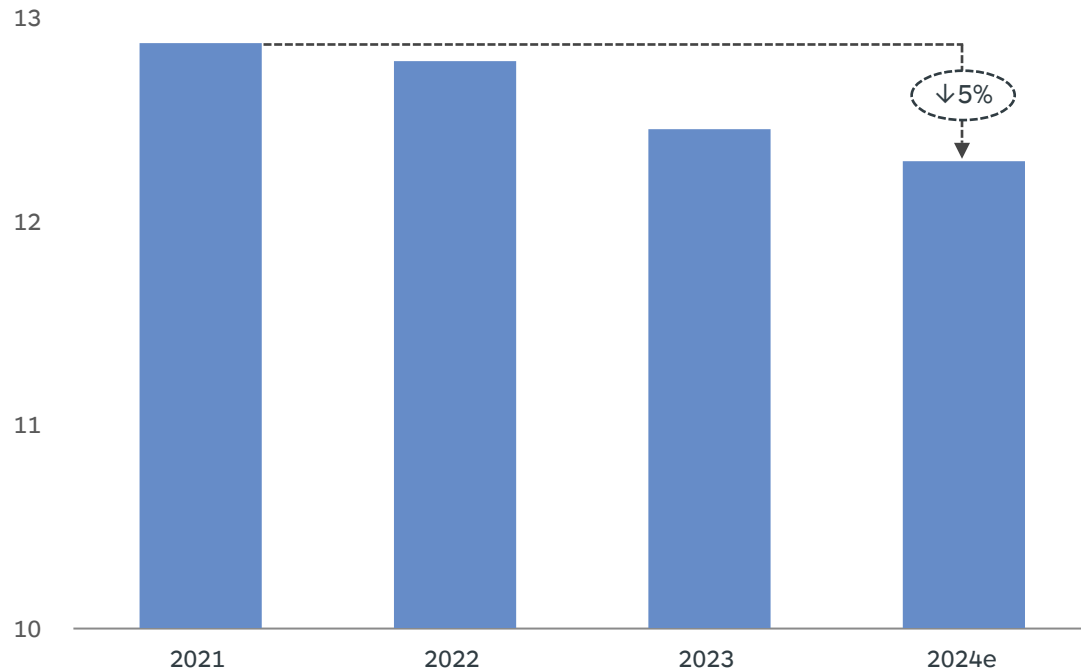
Notes:  
a. Spot price as of 16 August 2024.



# ZINC MARKET

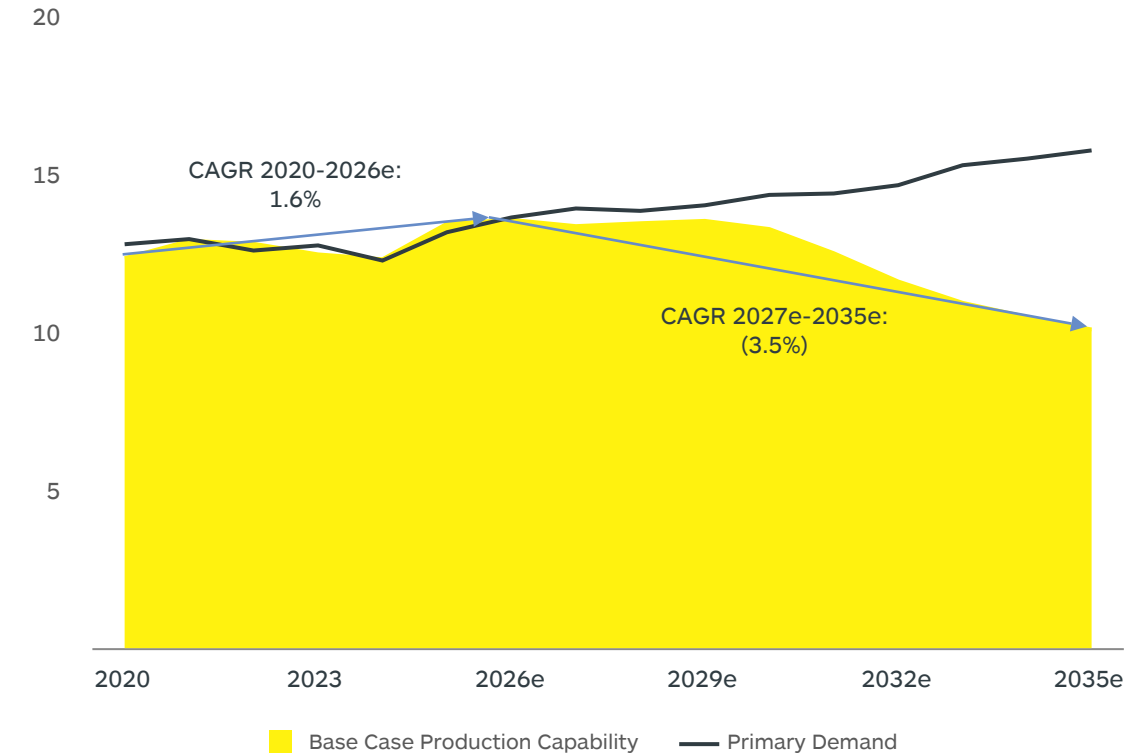
Global supply has been constrained by a lack of new discoveries, falling grades and rising environmental regulations in China, factors that will continue to impact the supply outlook

**Zinc concentrate production**  
(Mt Zn)



Primary demand growth expected to outpace production by ~3Mt to 2032, an industry challenge similar in magnitude to copper

**Total mine production capability versus primary demand<sup>(a)</sup>**  
(Mt Zn)



Sources: Wood Mackenzie Global Zinc Strategic Planning Outlook June 2024, South32 Analysis.

Notes:

a. Primary demand represents requirement for zinc in concentrates and represents smelter production adjusted for smelter production losses, zinc from secondary plants and zinc in residues and secondaries.



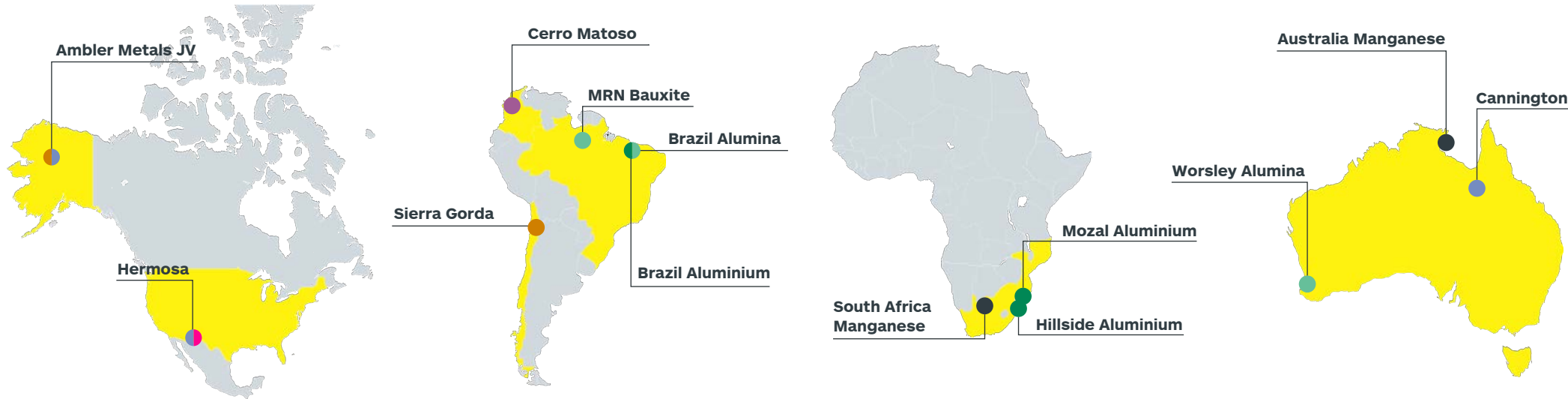
# PORTFOLIO AND GROWTH



# OUR PORTFOLIO



**An attractive commodity mix and growth pipeline in commodities critical for a low-carbon future**



### Development projects

- Hermosa Taylor zinc-lead-silver
- Sierra Gorda fourth grinding line expansion<sup>(a)</sup>

### Development options in study phases

- Hermosa Clark battery-grade manganese
- Ambler Metals Arctic deposit

### Greenfield exploration partnerships and prospects<sup>(b)</sup> in:

- |           |               |                  |                  |                |                |
|-----------|---------------|------------------|------------------|----------------|----------------|
| <b>US</b> | <b>Canada</b> | <b>Argentina</b> | <b>Australia</b> | <b>Namibia</b> | <b>Ireland</b> |
| ● ●       | ●             | ● ●              | ● ● ●            | ●              | ●              |

● Alumina ● Aluminium ● Copper ● Nickel ● Zinc ● Battery-grade manganese ● Manganese

Notes:  
 a. Subject to the completion of a feasibility study and a final investment decision, expected in H1 FY25.  
 b. Greenfield exploration partnerships and prospects are not shown on the map.

# OUR GROWTH PIPELINE

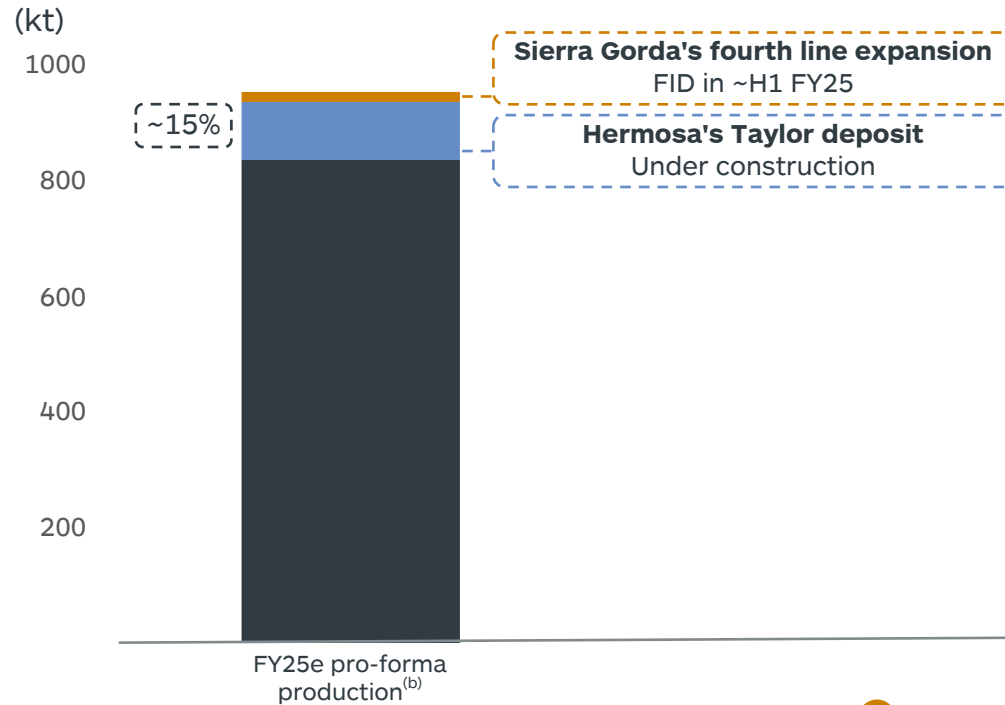


## Advancing our high-quality development projects and pipeline of growth options in base metals

~15%<sup>(a)</sup> CuEq growth in zinc and copper

Deep pipeline of projects in study and exploration phase

### Copper equivalent production<sup>27</sup>



- Hermosa's Clark deposit battery-grade manganese potential
- ● Hermosa's near-mine and regional exploration
- Sierra Gorda's Catabela Northeast porphyry prospect
- Chita Valley project and exploration options in San Juan, Argentina
- ● Ambler Metals high-grade polymetallic Arctic deposit
- ● 25+ greenfield exploration options and partnerships

● Copper   ● Zinc   ● Battery-grade manganese

Notes:

- a. This illustrative analysis is calculated based on:
  - production volumes from Taylor, based on annual average steady state production in the feasibility study (refer to important notices (slide 2) for additional disclosure); and
  - further potential production volumes following Sierra Gorda's fourth grinding line expansion, based on an ~20% increase in Sierra Gorda's FY24 production volumes.
- b. Excludes IMC.

## Unlocking value and growing future copper volumes at Sierra Gorda

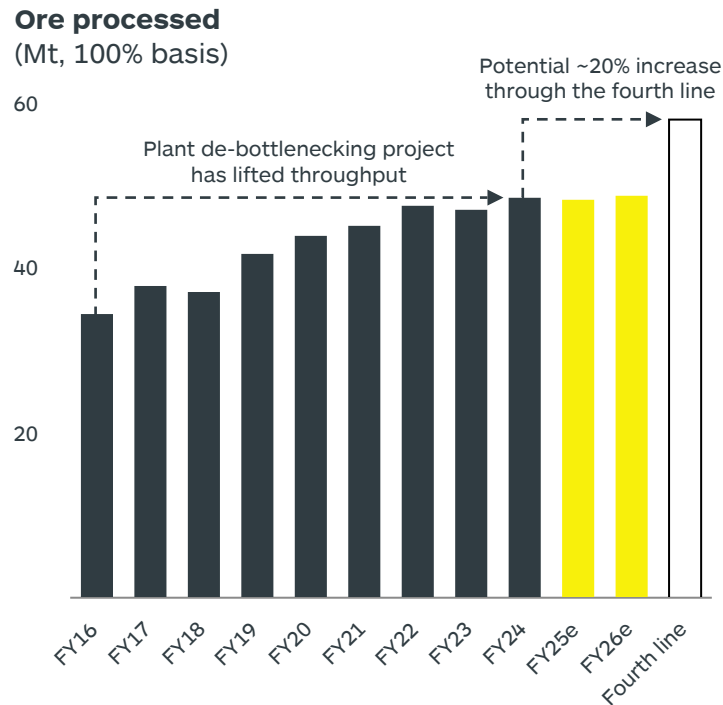
Large scale, long life copper mine with remaining operating life of 24 years<sup>(a)</sup>

First time Ore Reserve 782Mt at 0.44% CuEq<sup>(a)</sup>

Mineral Resource estimate 1,870Mt at 0.41% CuEq<sup>(a)</sup> remains open at depth

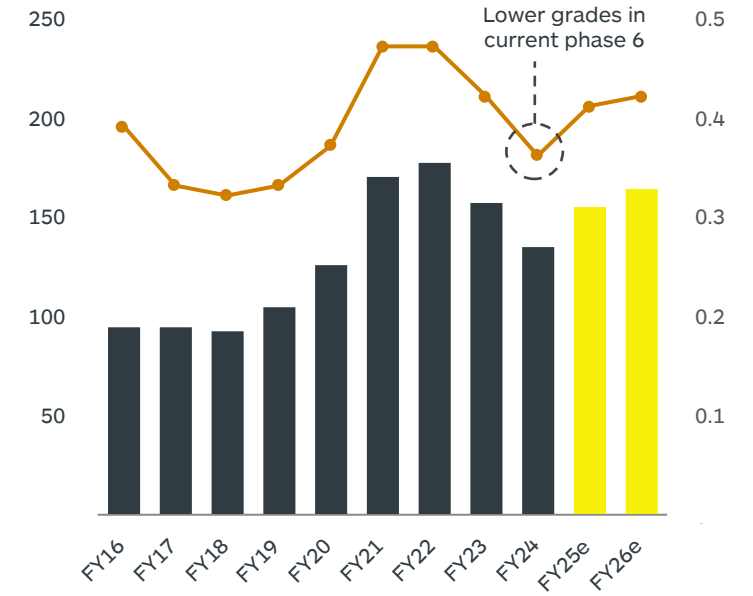
Continuing exploration drilling programs at the Catabela Northeast prospect

Lifting processing capacity through capital efficient projects



Higher planned copper grades in the next phase of the mine plan

**Payable copper production and copper head grade** (kt, 100% basis (LHS); % Cu (RHS))

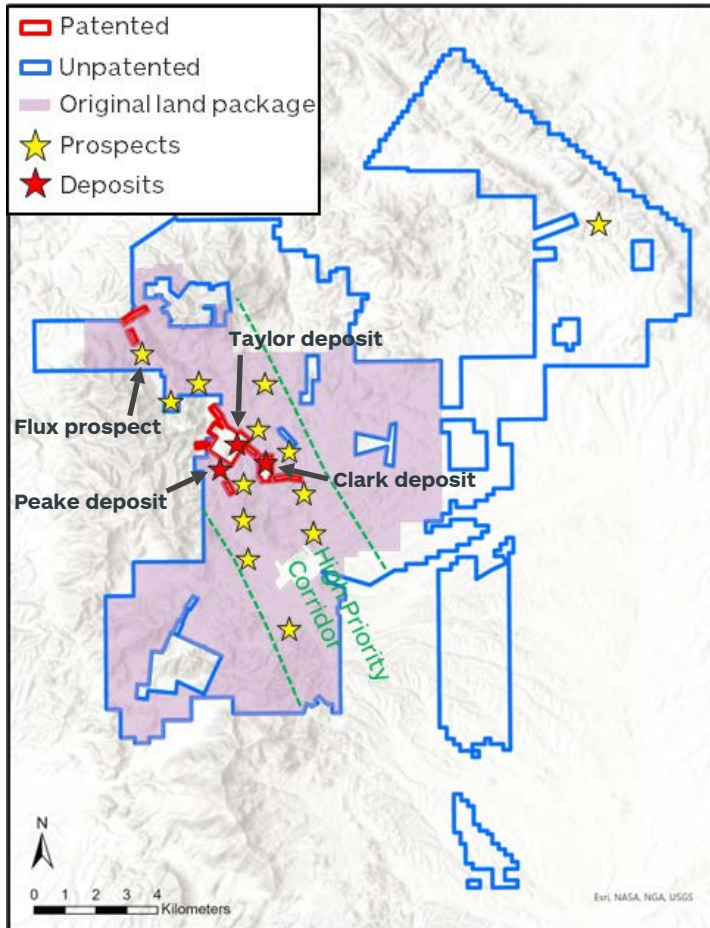


Notes:

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

# OUR HERMOSA PROJECT

**A regional scale project with the potential to produce critical commodities across multiple deposits for decades, underpinned by Taylor as the first development stage**



## Taylor deposit

**Zinc-lead-silver**

- Final investment approval for Taylor's development underpinned by attractive returns over an initial operating period of ~28 years<sup>(a)</sup>
- Potential to be a top 10 global zinc mine<sup>8</sup> in the first quartile of the industry's cost curve<sup>9</sup>
- Construction underway with first production expected in H2 FY27<sup>2</sup>

## Clark deposit

**Battery-grade manganese**

- Potential exposure to rapidly forming North American EV market
- Studies, product qualification and customer engagements underway, with multiple non-binding MOUs for future battery-grade manganese supply
- Construction of an exploration decline is expected to be completed by end CY25, which will enable access to ore for demonstration scale production

## Exploration land package

**Copper, zinc**

- Highly prospective regional land package with 15+ base metals targets
- Additional high-grade copper exploration results from Peake, adjacent to Taylor Deeps, highlight the potential for a continuous copper system
- Taylor-like mineralisation intersected at Flux, our first exploration drilling program on federal lands<sup>(a)</sup>

Notes:

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

# OUR TAYLOR DEPOSIT

**Development progressing to plan with construction of the shafts and surface facilities to commence in FY25**

## FY24 milestones

- Completed dewatering program which covers both Taylor and Clark
- Received all state permits required to construct Taylor
- Completed shaft pre-sink activity and constructed the main shaft headframe

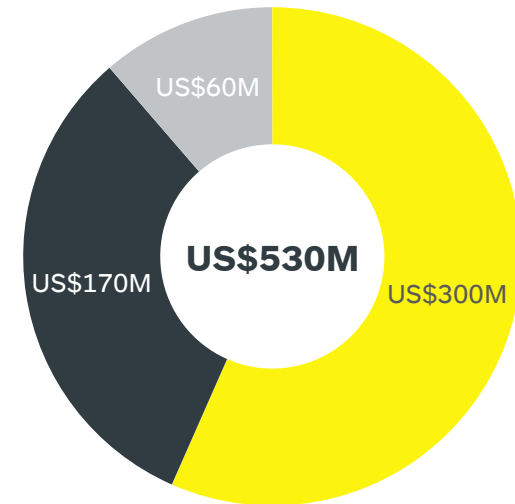
## Taylor construction (August 2024)



## FY25 priorities

- Progress construction of the main and ventilation shafts
- Engineering, long-lead items and initial construction of surface infrastructure
- Commence construction of the permanent transmission line on private lands

## FY25e Taylor growth capital expenditure<sup>28</sup>

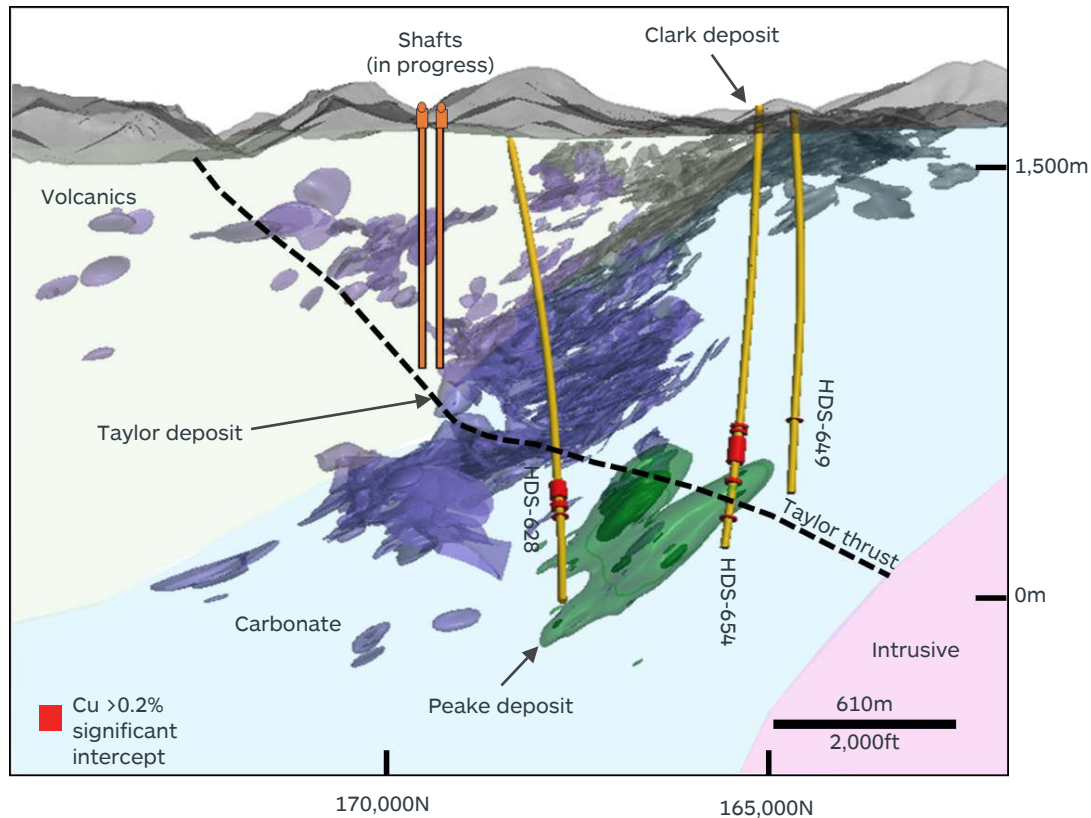


■ Surface Facilities ■ Mining ■ Indirects

# HERMOSA NEAR MINE EXPLORATION POTENTIAL

## Additional drill results support the potential for a continuous copper system connecting Peake and Taylor

Peake deposit (looking east)



- Recent drilling at Peake has returned further high-grade copper results<sup>(a)</sup>
- Further exploration programs to test the potential for a continuous copper system connecting Peake and Taylor Deeps
- Potential to develop Peake from underground infrastructure established at Taylor
- Embedded flexibility in the Taylor process plant design to add a copper circuit

Peake deposit - selected drilling results<sup>(b)</sup>

Hole ID	From (m)	To (m)	Width (m)	Copper (%)	Zinc (%)	Lead (%)	Silver (g/t)	CuEq (%)
HDS-628	1,288.7	1,346.0	57.3	0.68	0.35	0.40	44	1.21
	1,365.8	1,386.5	20.7	0.58	1.14	0.09	17	1.15
HDS-649	1,109.5	1,113.0	3.5	0.73	0.003	0.06	25	0.90
	1,191.5	1,279.1	87.6	0.65	0.01	0.01	10	0.72
HDS-654	1,191.5	1,200.9	9.4	Including		0.02	37	2.97
	1,298.6	1,317.3	18.7	0.99	0.12	0.22	18	1.21
HDS-813-E	1,308.4	1,317.3	9.0	Including		0.15	23	2.03
	1,425.5	1,446.3	20.7	0.63	0.57	0.72	71	1.50
				Including				
	1,428.0	1,435.3	7.3	1.39	0.85	1.47	170	3.23

Notes:

- Out of a total of nine drill holes, five drill holes returned significant intersections.
- Refer to important notices (slide 2) and Annexure 1 for additional disclosure.



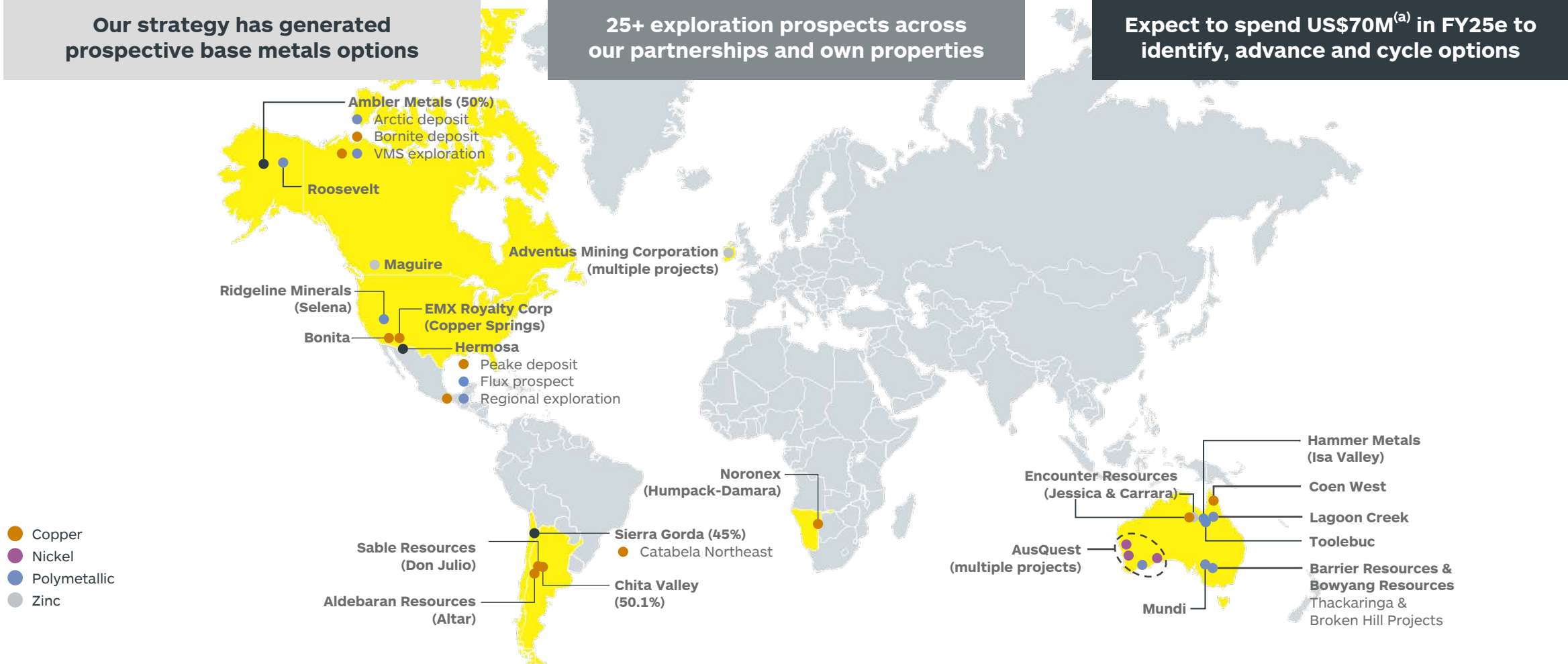
# OUR FUTURE GROWTH THROUGH DISCOVERY

**Progressing a pipeline of exploration prospects in targeted regions as we work to discover our next generation of base metals mines**

**Our strategy has generated prospective base metals options**

**25+ exploration prospects across our partnerships and own properties**

**Expect to spend US\$70M<sup>(a)</sup> in FY25e to identify, advance and cycle options**



Notes:  
a. Includes capitalised exploration (excluding EAI) of US\$40M and greenfield exploration of US\$30M.

# OUR EXPLORATION PORTFOLIO IN ARGENTINA

**We have consolidated our position in the San Juan region in Argentina, establishing a low-cost entry to an emerging copper district with substantial exploration upside**

## Porphyry copper belts system



**We have established attractive exploration positions in the emerging San Juan copper district, located on the same terrain of porphyry copper belts that host the Sierra Gorda copper mine in Chile**

### **Chita Valley project (50.1%)**

- Recently acquired 50.1% and assumed operatorship following a multi-year exploration program
- First time Mineral Resource for the Chinchillones copper porphyry deposit expected in CY25
- 9,000m diamond drilling program underway

### **Sable Resources Ltd (option to acquire 65% of the Don Julio project)**

- 69,350 hectare land package prospective for copper, zinc, silver and gold
- Field programs have identified new copper target areas for future drill testing in FY25

### **Aldebaran Resources Inc. (14.8% equity interest)**

- Aldebaran holds a controlling interest in the Altar copper porphyry development project
- Aldebaran expects to complete a preliminary economic assessment for the Altar project in CY25



# SUMMARY



# SUMMARY

**We continue to execute our strategy and reshape our portfolio for a low-carbon future**

**Focused on consistent operating performance and disciplined cost management**

**Delivering near-term volume growth in copper and low-carbon aluminium<sup>5</sup>**

**Increasing future base metals volumes through high-quality growth options**

**Maintaining a strong balance sheet while returning capital efficiently**

**Continuing to reward shareholders as our financial performance improves**





# SUPPLEMENTARY INFORMATION

# EARNINGS SENSITIVITIES

Commodity	EBIT sensitivity <sup>(a)</sup> +/- 10%
	US\$M
Aluminium <sup>(b)</sup>	292
Alumina <sup>(b)</sup>	181
Copper <sup>(c)</sup>	67
Nickel	42
Manganese ore	35
Silver	29
Lead	21
Zinc	11
Australian dollar	139
South African rand	130
Brazilian real	35
Colombian peso	33
Chilean peso	17

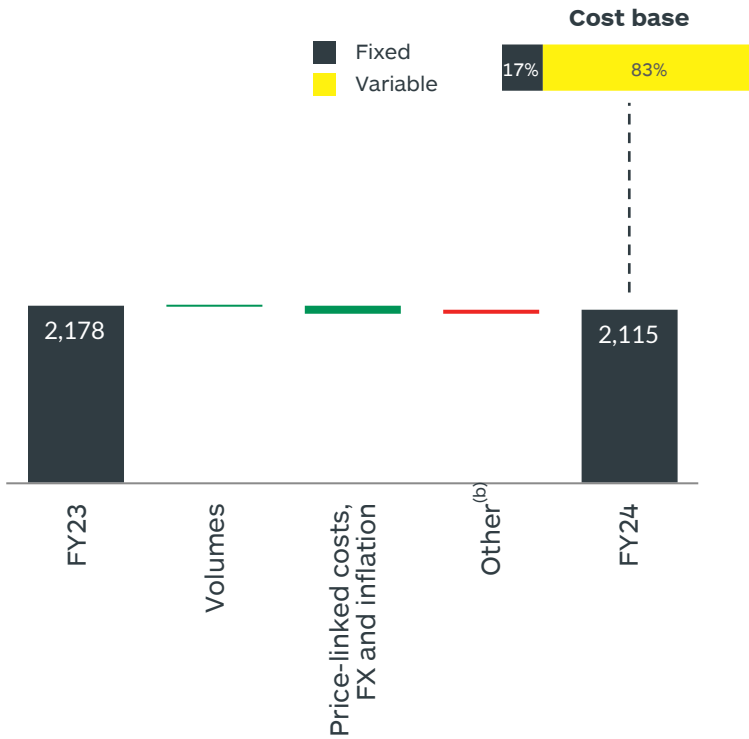
Notes:

- The sensitivities reflect the annualised estimated impact on FY25e Underlying EBIT of a 10% movement in FY24 actual realised prices and FY24 actual average exchange rates applied to FY25e volumes and operating unit costs.
- 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.
- Includes copper, molybdenum, gold and silver at Sierra Gorda.

# ALUMINIUM SMELTER OPERATING UNIT COSTS

## Hillside Aluminium (US\$/t)

Continuing to test nameplate capacity



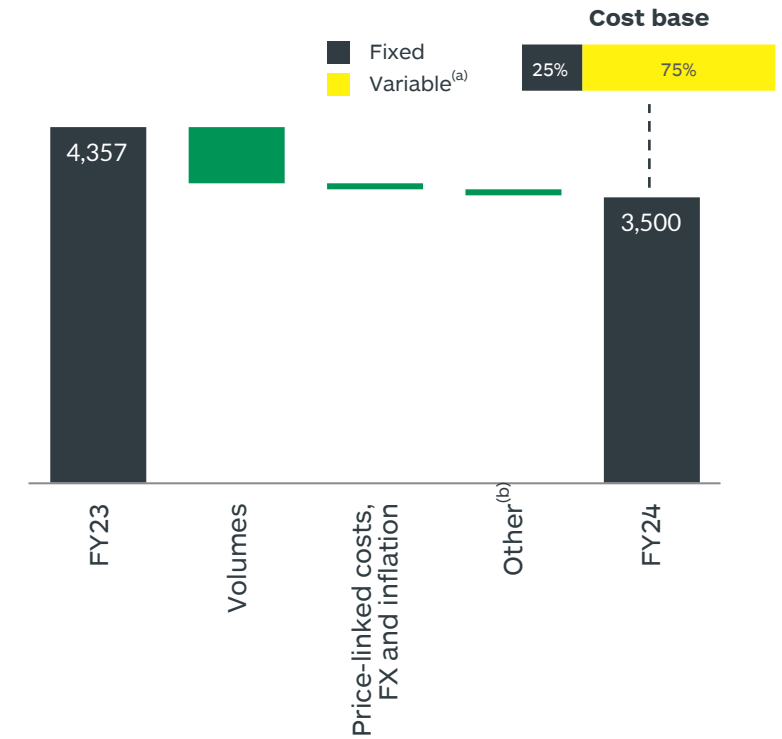
## Mozal Aluminium (US\$/t)

Operating unit costs to benefit from 15% planned production growth in FY25



## Brazil Aluminium (US\$/t)

Operating unit costs to benefit from 25% planned production growth in FY25



Notes:

- a. Brazil Aluminium's variable costs includes the expenses associated with its take-or-pay power contract.
- b. Other primarily relates to maintenance, labour and contractors, and inventory movements.

# OPERATING UNIT COSTS GUIDANCE



Operating unit costs	H2 FY24 actual	FY24 actual	FY25 guidance <sup>29</sup>	FY25 guidance vs. FY24 actual						Commentary
				(10%)	(5%)	0%	5%	10%	15%	
<b>Worsley Alumina</b> (US\$/t)	280	269	290							Constrained bauxite supply, higher caustic soda prices and price-linked royalties
<b>Brazil Alumina (non-operated)</b> (US\$/t)	320	323	Not provided							Will continue to be influenced by the price of raw material inputs and energy
<b>Sierra Gorda (non-operated)<sup>30</sup></b> (US\$/t)	15.2	17.0	16.0							Moderation in labour costs following the prior period's workforce payment
<b>Cannington<sup>30</sup></b> (US\$/t)	159	154	170							Lower planned mill throughput
<b>Cerro Matoso</b> (US\$/lb)	4.73	5.10	5.65							Lower planned nickel grades, partially offset by lower price-linked royalties and a weaker Colombian peso
<b>Australia Manganese<sup>31</sup></b> (US\$/dmtu)	N/A	2.32	N/A							Subject to operational recovery plan and volumes in H2 FY25
<b>South Africa Manganese<sup>31</sup></b> (US\$/dmtu)	2.78	2.67	3.00							Higher price-linked royalties and in-land logistics costs

## Aluminium smelters raw material basket costs

(% of LME Aluminium)<sup>32</sup>

Aluminium smelters raw material basket costs	H2 FY24 actual	FY24 actual	6 month averages					Commentary
			Jul-22	Jan-23	Jul-23	Jan-24	Jul-24	
<b>Brazil Aluminium (non-operated)</b> (US\$/t)	3,160	3,500	37%	43%	44%	43%	42%	Will continue to be influenced by foreign exchange rates and the price of raw material inputs and energy  FY25 Operating unit costs for Brazil Aluminium and Mozal Aluminium will benefit from planned production growth of 25% and 15%, respectively
<b>Hillside Aluminium</b> (US\$/t)	2,097	2,115						
<b>Mozal Aluminium</b> (US\$/t)	2,238	2,371						

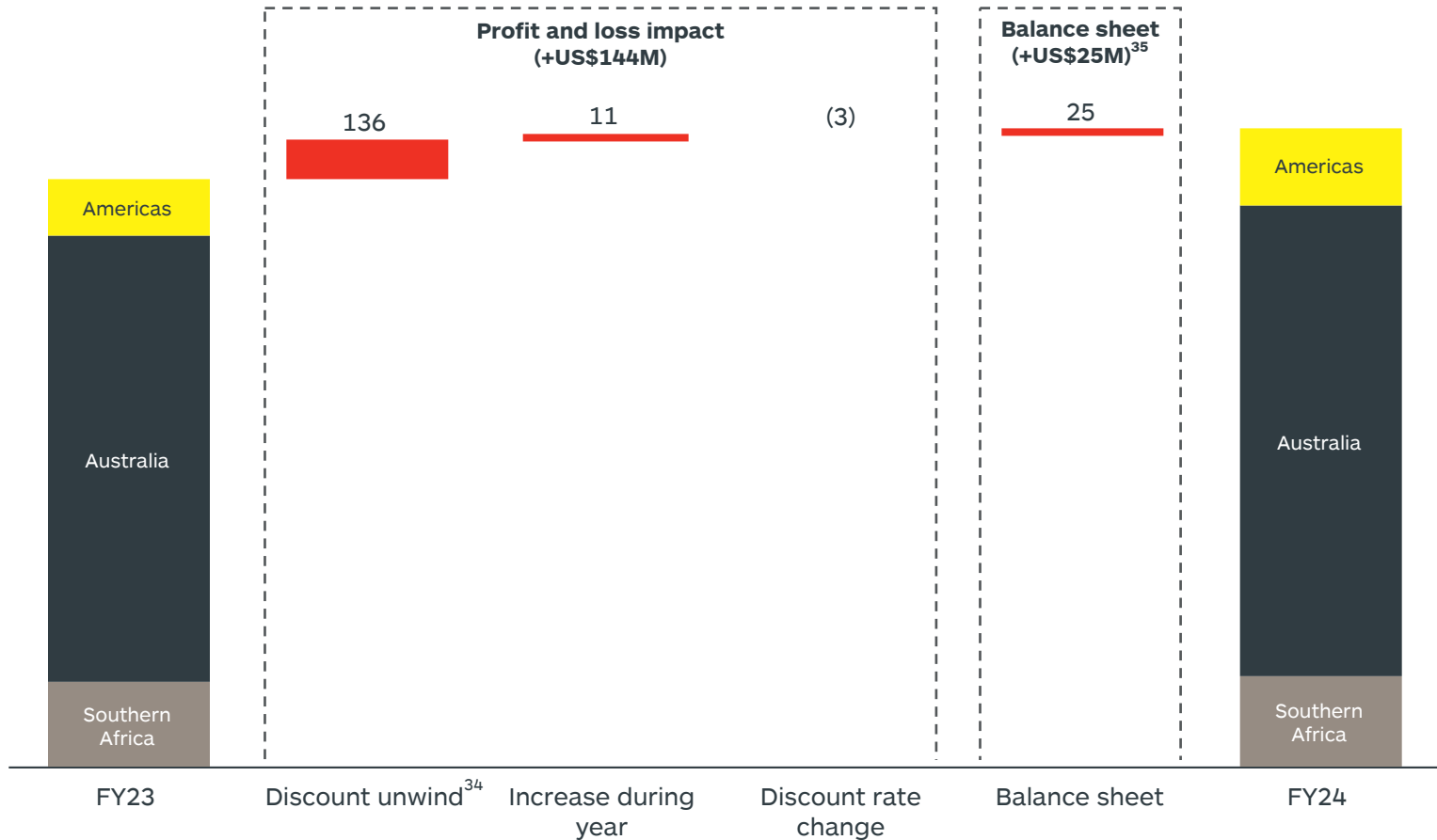
■ Foreign exchange  
 ■ Inflation  
 ■ Price-linked costs (including royalties)<sup>33</sup>  
 ■ Controllable costs  
○ FY25 guidance ≤ 5% of FY24 actual  
 ○ FY25 guidance > 5% of FY24 actual



# CLOSURE & REHABILITATION PROVISIONS

Closure and rehabilitation provisions by operation (South32 share, excluding EIAs)	FY24	FY23
	US\$M	US\$M
Worsley Alumina	976	924
Brazil Alumina (non-operated)	98	75
Brazil Aluminium (non-operated)	12	8
Hillside Aluminium	196	177
Mozal Aluminium	105	106
Cannington	339	323
Cerro Matoso	117	63
Illawarra Metallurgical Coal	233	220
Hermosa	24	35
Eagle Downs Metallurgical Coal	7	7
<b>Total<sup>(a)</sup></b>	<b>2,107</b>	<b>1,938</b>

## South32 Group



Notes:

a. Includes provisions relating to the Illawarra Metallurgical Coal and Eagle Downs operations that are classified as held for sale on the Group's Consolidated balance sheet.

# CAPITAL EXPENDITURE GUIDANCE

<b>Capital expenditure excluding exploration and intangibles (South32 share)</b>	<b>FY24 US\$M</b>	<b>FY25e US\$M</b>
Worsley Alumina	69	90
Brazil Alumina	58	60
Brazil Aluminium	8	10
Hillside Aluminium	38	60
Mozal Aluminium	22	25
Cannington	37	45
Cerro Matoso	34	20
Illawarra Metallurgical Coal <sup>(a)</sup>	337	—
<b>Safe and reliable capital expenditure (excluding EAI)</b>	<b>603</b>	<b>310</b>
Worsley Alumina	37	45
Brazil Alumina	22	3
Other operations	8	32
<b>Improvement and life extension capital expenditure (excluding EAI)</b>	<b>67</b>	<b>80</b>
Hermosa	372	600
<b>Growth capital expenditure</b>	<b>372</b>	<b>600</b>
<b>Total capital expenditure (excluding EAI)</b>	<b>1,042</b>	<b>990</b>
<b>Total capital expenditure (including EAI)</b>	<b>1,357</b>	<b>1,375</b>
<b>Capital expenditure for EAI excluding exploration and intangibles (South32 share)</b>		
Sierra Gorda	175	185
Australia Manganese	39	125
South Africa Manganese	31	35
<b>Safe and reliable capital expenditure (EAI)</b>	<b>245</b>	<b>345</b>
Sierra Gorda <sup>(b)</sup>	32	25
Australia Manganese	26	—
South Africa Manganese	12	15
<b>Improvement and life extension capital expenditure (EAI)</b>	<b>70</b>	<b>40</b>
<b>Total capital expenditure (EAI)</b>	<b>315</b>	<b>385</b>

Notes:

- The sale of Illawarra Metallurgical Coal is expected to be completed on 29 August 2024. Accordingly, FY25 capital expenditure guidance has not been provided.
- We expect to update FY25 capital expenditure guidance following a final investment decision for the fourth grinding line project, planned for H1 FY25.

# FOOTNOTES



1. Refers to Underlying earnings attributable to members. Members are equity holders of South32 Limited. Amounts reported as attributable to members are stated net of amounts attributable to non-controlling interests.
2. Refer to market release "Final Investment Approval to Develop Hermosa's Taylor Deposit" dated 15 February 2024.
3. Refer to market release "Illawarra Metallurgical Coal Sale Unconditional" dated 29 July 2024.
4. Comprises Underlying EBITDA excluding third party products and services EBITDA, divided by Underlying revenue excluding third party products and services revenue. Also referred to as operating margin.
5. Refers to aluminium produced in a process that results in less than 4t CO<sub>2</sub>-e Scope 1 and Scope 2 GHG emissions per tonne of aluminium.
6. Copper comprises Sierra Gorda, including molybdenum, gold and silver by-product volumes.
7. Zinc comprises Cannington, including lead and silver by-product volumes.
8. Based on Wood Mackenzie Asset Profiles for Individual Mines (Q3 2023 dataset), South32 long-term price assumptions for zinc (US\$3,207/t), lead (US\$2,069/t) and silver (US\$20.2/oz), and Consensus Economics price assumptions for other commodities.
9. Based on estimated all-in sustaining costs in the Taylor feasibility study benchmarked against the Wood Mackenzie Zinc Mine Normal Costs League (Q4 2023 dataset). Costs are calculated as the sum of direct costs, indirect cash costs, interest charges and sustaining capital expenditure.
10. 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. Incidents are included where South32 controls the work location or controls the work activity.
11. Refers to fatalities that occur as part of our operations and in locations where we have operational control.
12. Frequency rates are calculated per 1,000,000 hours worked for employees and contractors.  
Total recordable injury frequency (TRIF): (Sum of recordable injuries that result in medical treatment, restricted work, lost time or fatality x 1,000,000) ÷ exposure hours.  
Lost time injury frequency (LTIF): (Sum of recordable injuries that result in one or more lost work day after the day of the event x 1,000,000) ÷ exposure hours.  
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 and illnesses.
13. Total significant hazard 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.
14. South Africa Manganese ore has been reported as a 54.6% interest 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%.
15. Other primarily comprises the reclassification of remediation costs and idle capacity losses at Australia Manganese as a significant item in accordance with our accounting policies, as well as differences in Underlying depreciation and amortisation, Underlying other income, Underlying third party products and services, and Underlying share of profit/(loss) of non-material EAI.
16. Underlying net finance costs and Underlying income tax expense are actual FY24 results, not year-on-year variances.
17. The Group's total adjusted cost base of US\$6,018M for FY24 (FY23: US\$6,142M) which excludes third party product costs.
18. Other primarily includes lower price-linked royalties, lower coal, oil and diesel prices, and lower freight and distribution costs.
19. Other primarily relates to a planned workforce payment at Sierra Gorda following the finalisation of a new, three-year industrial agreement, and higher contractor and maintenance costs across the operations.
20. FY24 Third party products and services sold comprise US\$170M for aluminium, (US\$7M) for alumina, US\$209M for coal, US\$65M for freight services, US\$103M for raw materials and US\$34M for manganese. Underlying EBIT on third party products and services comprise nil for aluminium, US\$10M for alumina, US\$28M for coal, (US\$2M) for freight services, (US\$1M) for raw materials and nil for manganese. FY23 Third party products and services sold comprise US\$87M for aluminium, US\$12M for alumina, US\$129M for coal, US\$96M for freight services, US\$148M for raw materials and US\$33M for manganese. Underlying EBIT on third party products and services comprise (US\$1M) for aluminium, US\$13M for alumina, US\$11M for coal, (US\$1M) for freight services, US\$1M for raw materials and nil for manganese.
21. Other primarily relates to inventory value adjustments.
22. Cost base includes material EAI and excludes Other income. FY24 includes a US\$98M adjustment for Other income and other accounting related adjustments to reconcile to Underlying revenue minus Underlying EBITDA (FY23 includes a US\$131M adjustment for Other income and other accounting related adjustments to reconcile to Underlying revenue minus Underlying EBITDA).
23. Other includes cash proceeds from the sale of Illawarra Metallurgical Coal (deposit) and non-core royalties to Anglo Pacific Group, more than offset by an additional 4.9% equity interest in Aldebaran Resources Inc., the purchase of shares by South32 Employee Incentive Plans Trusts (ESOP Trusts) and capitalised lease liabilities.
24. The contingent price-linked cash consideration comprises up to US\$350M applicable for five years from the date of completion with no annual cap. The first two years will be calculated and paid on the second anniversary of completion and annually thereafter. The contingent price-linked consideration will be calculated as 50% of incremental metallurgical coal revenue from equity production, net of royalties, based on the following metallurgical coal price thresholds: Year 1: US\$200/t, Year 2: US\$200/t, Year 3: US\$190/t, Year 4: US\$180/t, Year 5: US\$180/t.

# FOOTNOTES



25. Payable 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. FY24 realised prices for copper (US\$3.86/lb), molybdenum (US\$20.60/lb), gold (US\$2,129/oz) and silver (US\$24.8/oz) have been used for FY23, FY24, FY25e and FY26e.
26. Payable zinc equivalent (kt) was calculated by aggregating revenues from payable silver, lead and zinc, and dividing the total Revenue by the price of zinc. FY24 realised prices for zinc (US\$2,230/t), lead (US\$2,002/t) and silver (US\$24.8/oz) have been used for FY23, FY24, FY25e and FY26e.
27. Group payable copper equivalent production, calculated by applying FY24 realised prices for all operations.
28. FY25e growth capital expenditure guidance of US\$600M at Hermosa, as we construct infrastructure for Taylor (~US\$530M), progress studies and key infrastructure for Clark (~US\$40M) and complete work across the broader project (~US\$30M).
29. FY25 Operating unit cost guidance includes royalties (where appropriate) and the influence of exchange rates, and includes various assumptions for FY25, including: an alumina price of US\$480/t; a manganese ore price of US\$7.80/dmtu for 44% manganese product; a nickel price of US\$7.50/lb; a silver price of US\$27.8/oz; a lead price of US\$2,070/t (gross of treatment and refining charges); a zinc price of US\$2,750/t (gross of treatment and refining charges); a copper price of US\$4.40/lb (gross of treatment and refining charges); a molybdenum price of US\$17.50/lb (gross of treatment and refining charges); a gold price of US\$2,300/oz; an AUD:USD exchange rate of 0.65; a USD:ZAR exchange rate of 18.50; a USD:COP exchange rate of 4,100; USD:CLP exchange rate of 900; and a reference price for caustic soda; which reflect forward markets as at August 2024 or our internal expectations.
30. 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.
31. FOB ore Operating unit cost is Revenue less Underlying EBITDA, freight and marketing costs, divided by ore sales volume.
32. 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.
33. Price-linked costs reflect commodity price-linked and market traded consumables costs.
34. Unwind of discount applied to closure and rehabilitation provisions.
35. Balance sheet movement (+US\$25M) reflects the net impact of a US\$43M increase in provisions as a result of amounts capitalised for changes in costs and estimates related to open mines, a US\$25M increase in provisions associated with the impact of a changes in years to closure, partially offset by a US\$8M decrease in provisions associated with the capitalisation of foreign exchange impacts on restatement of closure provisions relating to open sites, a US\$16M decrease as a result of utilisation and a US\$19M decrease as a result of amounts capitalised from changes in discount rate.

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); Chilean peso (CLP); Colombian peso (COP); 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); final investment decision (FID); free on board (FOB); feet (ft); foreign exchange (FX); financial year (FY); half (H); hard coking coal (HCC); high-purity manganese sulphate monohydrate (HPMSM); Joint Ore Reserve Committee (JORC); joint venture (JV); kilo (k); pound (lb); London Metals Exchange (LME); lost time injury frequency (LTIF); metre (m); million (M); manganese (Mn); South Africa Manganese (MnSA); molybdenum (Mo); memorandum of understanding (MOU); prefeasibility study (PFS); total recordable illness frequency (TRILF); total recordable injury frequency (TRIF); troy ounces (oz); lead (Pb); quarter (Q); return on invested capital (ROIC); rest of world (ROW); Shanghai Futures Exchange (SHFE); tonnes (t); treatment and refining charges (TCRCs); tonnes per annum (tpa); United States (US); United States dollar (US\$); Western Australia (WA); wet metric tonne (wmt); year on year (YoY); South African rand (ZAR) and zinc (Zn).



## Annexure 1: JORC Code Table 1: Peake Deposit

The following tables provide a summary of important assessment and reporting criteria used for the reporting of Exploration Results for the Peake deposit, which forms part of the Hermosa Project located in South Arizona, USA (Figure 1). Sections 1 and 2 below relate to the assessment and reporting criteria used in reporting exploration results of the Peake deposit. The criteria are in accordance with the Table 1 checklist in *The Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code, 2012 Edition)* on an 'if not, why not' basis.

### Section 1 Sampling techniques and data

(Criteria in this section apply to all succeeding sections.)

Criteria	Commentary
Sampling techniques	<ul style="list-style-type: none"> <li>The Peake deposit is based on a database comprising 27 diamond drill holes of primarily PQ, HQ and NQ sizes. Exploration results from 18 of these holes were previously reported with nine new holes reported in this announcement. The Peake deposit is characterised by diamond drilling.</li> <li>Sampling is predominantly at 1.5m intervals on a half-core basis.</li> <li>Core is competent to locally vuggy and sample representativity is monitored using half-core field duplicates submitted at a rate of approximately 1:40 samples. Field duplicates located within mineralisation envelopes demonstrate a 78% performance to within 30% of original sample splits for copper (Cu). Zinc (Zn), lead (Pb), and silver (Ag) demonstrate 77%, 67%, and 73% performance, respectively. Performance significantly improves to more than 89% for all Cu (&gt;0.2%), Pb (&gt;0.5%), and Ag (&gt;50 g/t) in higher grade samples. Zn (&gt;0.5%) performance is 83% in higher grade samples.</li> <li>Core assembly, interval mark-up, recovery estimation (over the 3m drill string) and photography are all activities that occur prior to sampling and follow documented procedures.</li> <li>Sample size reduction during preparation involves crushing and splitting of PQ (122.6mm), HQ (95.6mm) or NQ (75.3mm) half-cores.</li> </ul>
Drilling techniques	<ul style="list-style-type: none"> <li>Data used for reporting results is based on logging and sampling of PQ, HQ, and NQ diamond core. Triple and split-tube drilling methods are employed in situations where ground conditions require such coring mechanisms to improve core recovery.</li> <li>Since mid-August 2018, all drill cores were oriented using the Boart Longyear 'Trucore' system. In Q3 FY20, acoustic televiewer data capture was implemented for downhole imagery for most drilling to improve orientation and geotechnical understanding. From September 2021, the acoustic televiewer was the sole drill core orientation method applied. Structural measurements from oriented drilling are incorporated in geological modelling to assist with fault interpretation.</li> <li>A subset of the Peake deposit drilling consists of directional drilling. A drilling method that wedges from one hole to create a new drill hole. That new hole is then turned towards its respective target via a directional motoring process. During the motoring process core samples are not recovered. Motoring is only used in non-mineralized areas.</li> </ul>
Drill sample recovery	<ul style="list-style-type: none"> <li>Prior to October 2018, core recovery was determined by summation of measurement of individual core pieces within each 3m drill string. Recovery of core has since been measured after oriented core alignment and mark-up.</li> <li>Core recovery is recorded for all diamond drill holes. Recovery on a hole basis exceeds 90%.</li> <li>Poor core recovery can occur when drilling through the oxide material and in major structural zones. To maximise core recovery, drillers vary speed, pressure, and composition of drilling muds, reduce PQ to HQ to NQ core size and use triple tube and '3 series' drill bits.</li> <li>When core recovery is compared to Zn, Pb, Cu and Ag grades for either a whole data set or within individual lithology, there is no discernible relationship between core recovery and grade.</li> <li>Correlation analysis suggests there is no relationship between core recovery and depth from surface except where structure is a consideration. In isolated cases, lower recovery is observed at intersections of the carbonates with a major thrust structure, locally natural karstic voids have been encountered alongside shallow historic workings.</li> </ul>

Criteria	Commentary
<i>Logging</i>	<ul style="list-style-type: none"> <li>The entire length of core is photographed and logged for lithology, alteration, structure, rock quality designation (RQD) and mineralisation.</li> <li>Logging is both quantitative and qualitative, of which there are several examples including estimation of mineralisation percentages and association of preliminary interpretative assumptions with observations.</li> <li>All logging is peer reviewed against core photos. The context of current geological interpretation and information from surrounding drill holes are used when updating geological model.</li> <li>Geologic and geotechnical logging is recorded on a tablet with inbuilt Quality Assurance and Quality Control (QA/QC) processes to minimise entry errors before synchronising with the site database.</li> <li>Logging is completed to an appropriate level to support assessment of exploration results.</li> </ul>
<i>Sub-sampling techniques and sample preparation</i>	<ul style="list-style-type: none"> <li>Sawn half cores and barren whole core samples are taken on predominantly 1.5m intervals for the entire drill hole after logging. Mineralisation is highly visual. Sampling is also terminated at litho-structural and mineralogical boundaries to reduce the potential for boundary/dilution effects on a local scale.</li> <li>Sample lengths vary between 0.6m and 3m. The selection of the sub-sample size is not supported by sampling studies.</li> <li>All sample preparation is performed offsite at Australian Laboratory Services (ALS), an ISO 17025 certified laboratory. Samples submitted to ALS are generally four to six kilograms in weight.</li> <li>Sample size reduction during preparation involves crushing of PQ (122.6mm), HQ (95.6mm) or NQ (75.3mm) half or whole core, splitting of the crushed fraction, pulverisation, and splitting of the sample for analysis.</li> <li>Core samples are crushed and rotary split in preparation for pulverisation. Depending on the processing facility, splits are done via riffle or rotary splits are used for pulp samples.</li> <li>Core samples are crushed and rotary split in preparation for pulverisation. Depending on the processing facility, splits are done via riffle or rotary splits are used for pulp samples.</li> <li>Samples are crushed to 70% passing two-millimetre mesh. A 1kg split of crushed sub-sample is obtained via rotary or riffle splitter and pulverised to 85% passing 75µm. The 1kg pulp samples are taken for assay, and 0.25g splits are used for digestion.</li> <li>ALS protocol requires five percent of samples to undergo a random granulometry QC test. Samples are placed on 2mm sieve and processed completely to ensure the passing mesh criterion is maintained. Pulps undergo comparable tests with finer meshes. Results are uploaded to an online portal for review by the client.</li> <li>The sub-sampling techniques and sample preparation procedures employed are adequate for generating reliable assay data necessary for the reporting of Exploration Results.</li> <li>Precision in sample preparation is monitored with blind laboratory duplicates assayed at a rate of 1:50 submissions.</li> <li>Coarse crush preparation duplicate pairs show that more than 85% of all Cu, Zn, Pb, and Ag pairs for sulphide mineralisation report within +/-30% of original samples. Performance significantly improves to 100% for all analytes in higher grade samples.</li> <li>Pulp duplicates reporting to 86-92% for Cu, Zn, and Pb with Ag reporting at 80% within +/-20%. For higher pulp grade samples, the performance improves to 100% for all elements.</li> </ul>
<i>Quality of assay data and laboratory tests</i>	<ul style="list-style-type: none"> <li>Samples of 0.25g from pulps are processed at ALS Vancouver using a combination of inductively coupled plasma – mass spectrometry ICP-MS (ME-MS61) four acid 48 element assay and addition of overlimit packages of OG62 for Cu, Ag, Pb, Zn, Mn, S-IR07 for sulphur, VOL50 for high grade Zn, VOL70 for high grade Pb, and ME-ICP81 for higher grade Mn.</li> <li>Digestion batches comprising 36 samples plus four internal ALS control samples (one blank, two certified reference material (CRM), and one duplicate) are processed using four-acid digestion. Analysis is conducted in groups of three larger digestion batches. Instruments are calibrated for each batch before and after analysis.</li> <li>The performance of ALS internal QA/QC samples is continuously monitored. In the event of a blank failure, the entire batch is reprocessed from the crushing stage. If one</li> </ul>

Criteria	Commentary
	<p>CRM fails, data reviewers internal to ALS examine the location of the failure in the batch and determine how many samples around the failure should be re-analysed. If both CRMs fail, the entire batch is re-analysed. No material failures have been observed from the data.</p> <ul style="list-style-type: none"> <li>Coarse and fine-grained certified silica blank material submissions, inserted at the beginning and end of every work order of approximately 200 samples, indicate a lack of systematic sample contamination in sample preparation and ICP solution carryover. Systematic contamination issues are not observed for the blanks.</li> <li>All blank QA/QC samples passed for Peake drilling results.</li> <li>A range of CRMs are submitted at a rate of 1:40 samples to monitor assay accuracy. All CRMs near mineralized intervals passed QA/QC.</li> <li>The nature and quality of assaying and laboratory procedures are appropriate for supporting the disclosure of exploration results.</li> </ul>
<i>Verification of sampling and assaying</i>	<ul style="list-style-type: none"> <li>Core photos of the entire hole are reviewed by geologists to verify significant intersections and to finalise the geological interpretation from core logging.</li> <li>Sampling is recorded digitally and uploaded to a secure database (acquire) via an API provided by the ALS laboratory and the external Laboratory Information Management System (LIMS). Digitally transmitted assay results are reconciled once uploaded to the database.</li> <li>No adjustments of assay data were made.</li> </ul>
<i>Location of data points</i>	<ul style="list-style-type: none"> <li>Drill hole collar locations are surveyed by surveyors using a GPS Real Time Kinematic (RTK) rover station correlating with the Hermosa project RTK base station and Global Navigation Satellite Systems which provide up to 1cm accuracy. Directionally drilled holes from the same original hole share the same drill collar location.</li> <li>Downhole surveys prior to mid-August 2018 were undertaken with a 'TruShot' single shot survey tool every 76m and at the bottom of the hole. Between 20 June 2018 and 14 August 2018, downhole surveys were undertaken at the same interval with both the single shot and a Reflex EZ-Gyro, after which the Reflex EZ-Gyro was used exclusively. In 2023, the survey tool became the Omnix42 Multishot. Surveys continued to be taken as single shot surveys every 30m.</li> <li>The Hermosa project uses the Arizona State Plane (grid) Coordinate System, Arizona Central Zone, International Feet. The datum is NAD83 with the vertical heights converted from the ellipsoidal heights to NAVD88 using GEOID12B.</li> <li>All drill hole collar and downhole survey data were audited against source data.</li> <li>Survey collars have been compared against a one-foot topographic aerial map. Discrepancies exceeding 1.8m were assessed against a current aerial flyover and the differences attributed to surface disturbance from construction development and/or road building.</li> <li>Survey procedures and practices result in data location accuracy suitable for exploration result reporting.</li> </ul>
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> <li>Drill hole spacing ranges from 30m to 500m. The spacing supplies sufficient information for geological interpretation.</li> <li>Drill holes were composited to nominal 1.5m downhole composites.</li> </ul>
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> <li>Mineralisation varies in dip between 30°NW and 40°NW in the Peake Sulphide domains.</li> <li>Drilling is oriented at a sufficiently high angle to allow for accurate representation of grade and tonnage using three-dimensional modelling methods.</li> <li>There is an indication of sub-vertical structures (possibly conduits for or offsetting mineralisation) which have been accounted for at a regional scale through the integration of mapping and drilling data. Angled and oriented core drilling introduced from October 2018 is designed to improve understanding of the relevance of structures to mineralisation, as well as the implementation of acoustic televiewer capture.</li> </ul>
<i>Sample security</i>	<ul style="list-style-type: none"> <li>Samples are tracked and reconciled through a sample numbering and dispatch system from site to the ALS sample distribution and preparation facility in Tucson or other ALS preparation facilities as needed. The ALS LIMS assay management system provides an additional layer of sample tracking from the point of sample receipt. Movement of samples from site to the Tucson distribution and preparation facility is currently</li> </ul>



Criteria	Commentary
	<p>conducted through contracted transport. Distribution to other preparation facilities and Vancouver is managed by ALS dedicated transport.</p> <ul style="list-style-type: none"> <li>• Assays are reconciled and results are processed in a secure database (acquire) which has password and user level security.</li> <li>• Core is stored in secured onsite storage prior to processing. After sampling, the remaining core, returned sample rejects and pulps are stored at a purpose-built facility that has secured access.</li> <li>• All sampling, assaying and reporting of results are managed with procedures that provide adequate sample security.</li> </ul>
<i>Audits or reviews</i>	<ul style="list-style-type: none"> <li>• No external audits have been undertaken on exploration results.</li> <li>• The ALS laboratory sample preparation and analysis procedures were audited by internal South32 Geoscientists during the drilling campaign. No significant issues were identified. Outcomes of the audit were shared with ALS for them to implement recommendations.</li> <li>• Recent changes have been implemented to improve duplicate performance by increasing the size of sub-sample splits and pulverising volumes.</li> </ul>

## Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"><li>• The Hermosa Project mineral tenure (Figure 1) is secured by 30 patented mining claims, totalling 228 hectares that have full surface and mineral rights owned fee simple. These claims are retained in perpetuity by annual real property tax payments to Santa Cruz County in Arizona and have been verified to be in good standing until 31 December 2024.</li><li>• The patented land is surrounded by 2,505 unpatented lode mining claims totalling 19,225.82 hectares. These claims are retained through payment of federal annual maintenance fees to the Bureau of Land Management (BLM) and filing record of payment with the Santa Cruz County Recorder. Payments for these claims have been made for the period up to their annual renewal on or before 1 September 2024.</li><li>• Peake is located across both patented and unpatented mining claims.</li><li>• Title to the mineral rights is vested in South32's wholly owned subsidiary South32 Hermosa Inc. No approval is required in addition to the payment of fees for the claims.</li><li>• Arizona Mining Inc. (AMI) purchased the project from American Smelting and Refining Company (ASARCO) and no legacy royalties, fees or other obligations are due to ASARCO or its related claimants (i.e. any previous royalty holders under ASARCO royalty agreements). At present, four separate royalty obligations apply to the project:<ul style="list-style-type: none"><li>◦ Osisko Gold Royalties Ltd.: A 1% NSR royalty to Osisko Gold Royalties Ltd. (Osisko) on all sulphide ores of lead and zinc in, under, or upon the surface or subsurface of the Hermosa project. This royalty also applies to any copper, silver or gold recovered from the concentrate from such ores.</li><li>◦ Bronco Creek Exploration Inc.: A 2% of production returns from those claims to Bronco Creek claims.</li></ul></li><li>• In addition to the 30 patented mining claims with the surface and mineral rights owned fee simple, South32 Hermosa Inc. also owns other fee simple properties totalling approximately 3,120.09 acres (1,263.65 ha) which are not patented mining claims, and which are a mix of residential and vacant properties.</li></ul>
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"><li>• The Peake deposit was first intersected in 2018 by AMI. Subsequent exploration by South32 has delineated a Mineral Resource and continued improving the exploration target.</li></ul>
<i>Geology</i>	<ul style="list-style-type: none"><li>• The regional geology is set within Lower-Permian carbonates, underlain by Cambrian sediments and Proterozoic granodiorites. The carbonates are unconformably overlain by Triassic to late-Cretaceous volcanic rocks (Figures 2 and 3). The regional structure and stratigraphy are a result of late-Precambrian to early-Palaeozoic rifting, subsequent widespread sedimentary aerial and shallow marine deposition through the Palaeozoic Era, followed by Mesozoic volcanism and late batholithic intrusions of the Laramide Orogeny. Mineral deposits associated with the Laramide orogeny tend to align along regional northwest and northeast structural trends.</li><li>• Cretaceous-age intermediate and felsic volcanic and intrusive rocks cover much of the Hermosa project area and host low-grade disseminated silver mineralisation, epithermal veins and silicified breccia zones that have been the source of historic silver and lead production.</li><li>• Mineralisation style of the Peake deposit is a skarn-style copper-lead-zinc-silver deposit.</li><li>• Approximately 600–750m lateral and south of the Taylor Deeps domain, the Peake deposit copper-skarn sulphide mineralisation is identified in older lithological stratigraphic units along the continuation of the thrust fault (Figures 4 and 5). Mineralisation dips 30°NW to 40°NW. Mineralisation has not been closed off down-dip, up-dip, or along strike.</li><li>• The Peake deposit is comprised of a series of stacked horizons that have a general north-westerly dip of 30° hosting disseminated to semi-massive sulphide. The upper and lower extents of the horizons tend to have polymetallic mineralisation with the central component dominated by copper sulphides, predominantly chalcopyrite. Total known mineralisation extents, open in multiple directions, are 800m strike and 380m width that contains a stacked profile of mineralization that is approximately 130m thick, for an approximate 450m strike and 300m width.</li></ul>
<i>Drill hole Information</i>	<ul style="list-style-type: none"><li>• The Peake deposit drill hole information, including tabulations of drill hole positions and lengths, is stored within project data files created for this exploration results review, on a secure server.</li></ul>

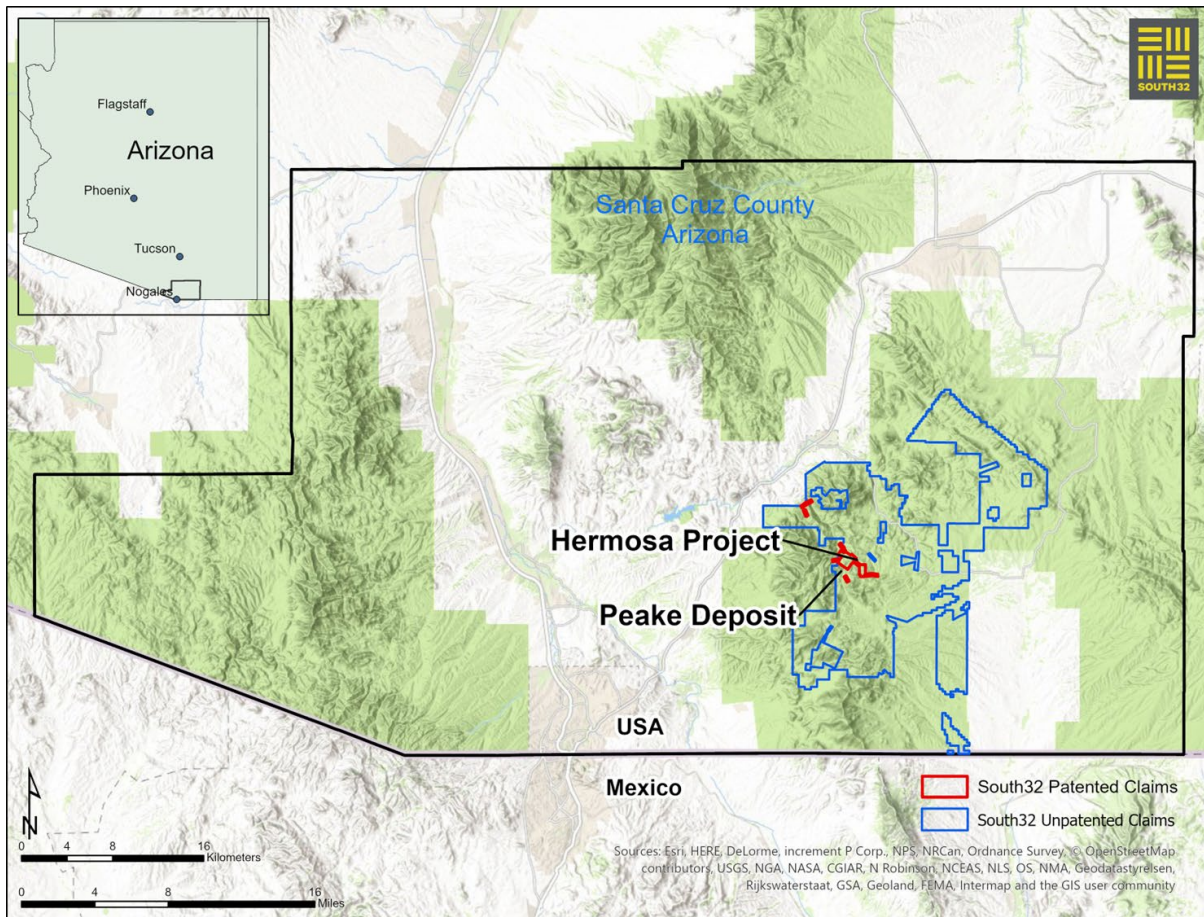
Criteria	Commentary
	<ul style="list-style-type: none"> <li>A drill hole plan view (Figure 3) provides a summary of drilling collar locations that support the Peake deposit exploration results and surface geology. Figure 4 provides the Peake deposit exploration drill holes relative to the mineralisation domains. Figure 5 provides the drill hole plan in cross section relative to the FY23 Taylor deposit and FY22 Clark deposit Mineral Resource domains and simplified lithologies, and the Peake deposit. Figure 5 shows a cross sectional view of the mineralisation domains and Figure 6 shows a level plan of the Peake deposit relative to drilling and current mineralisation envelope.</li> <li>Table 1 summarises new drill holes to date from Peake deposit exploration.</li> <li>Table 2 summarises newly released Peake deposit exploration results as significant intersections. Previous drill hole information was provided in the following announcements released to the ASX which can be found at <a href="http://www.south32.net">www.south32.net</a>: <ul style="list-style-type: none"> <li>Hermosa Project Update on 17 January 2022</li> <li>Hermosa Mineral Resource Estimate and Exploration Results on 24 July 2023</li> <li>Final Investment Approval to Develop Hermosa's Taylor Deposit on 15 February 2024</li> </ul> </li> <li>Hole depths vary between 15m and 2,079m.</li> </ul>
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> <li>Data is not aggregated other than length-weighted compositing for grade estimation.</li> <li>Significant assay intercepts are reported as length-weighted averages exceeding either 2% ZnEq or 0.2% Cu over &gt; 2.5m interval to report exploration results.</li> <li>No top cuts are applied to grades for intercept length-weighted average calculations when assessing and reporting exploration results.</li> <li>Percentage zinc equivalent (% ZnEq) accounts for combined value of Zn, Pb and Ag. Metals are converted to % ZnEq via unit value calculations using internal price forecasts and relative metallurgical recovery assumptions. Total metallurgical recoveries differ between geological domains and vary from 85% to 92% for Zn, 89% to 92% for Pb and 76% to 83% for Ag. Average payable metallurgical recovery assumptions are 90% for Zn, 91% for Pb, and 81% for Ag. The formula used for calculation of zinc equivalent is <math>ZnEq (\%) = Zn (\%) + 0.5859 * Pb (\%) + 0.01716 * Ag (g/t)</math>.</li> <li>Percentage copper equivalent (% CuEq) accounts for combined value of Cu, Zn, Pb and Ag. Metals are converted to % CuEq via unit value calculations using internal price forecasts and relative metallurgical recovery assumptions. Total metallurgical recoveries differ between geological domains and vary from 85% to 92% for Zn, 89% to 92% for Pb, 76% to 83% for Ag and 80% for Cu. Average payable metallurgical recovery assumptions are 90% for Zn, 91% for Pb, 81% for Ag and 80% for Cu. The formula used for calculation of copper equivalent is <math>CuEq (\%) = Cu (\%) + 0.3965 * Zn (\%) + 0.2331 * Pb (\%) + 0.0068 * Ag (g/t)</math>.</li> </ul>
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> <li>Where drilling intersects the low-to-moderately dipping (30°) stratigraphy, the intersection length can be up to 15% longer than true width.</li> </ul>
<i>Diagrams</i>	<ul style="list-style-type: none"> <li>Relevant maps and sections are included with this announcement.</li> </ul>
<i>Balanced reporting</i>	<ul style="list-style-type: none"> <li>Exploration results for Peake deposit are reported as an update to previously disclosed Exploration Results and is included under 'Drill hole information'.</li> </ul>
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> <li>Aside from drilling, the geological model is developed from local and regional mapping, geochemical sampling and analysis and geophysical surveys. Metallurgical test work, specific gravity sampling and preliminary geotechnical logging have contributed to evaluating the potential for reasonable prospects for eventual economic extraction of the Mineral Resource at an exploration target level.</li> <li>Magneto-telluric (MT) and Induced Polarisation (IP) surveys were conducted with adherence to industry standard practices by Quantec Geosciences Inc. In most areas, the MT stations were collected along north-south lines with 200m spacing. Spacing between lines is 400m. Some areas were collected at 400m spacing within individual lines. IP has also been collected, both as 2D lines and as 2.5D swaths, collected with a variable spacing of data receivers.</li> <li>Downhole Electromagnetic (DHEM) surveys have been conducted on a selection of drill holes in the Peake deposit area.</li> </ul>

Criteria	Commentary
	<ul style="list-style-type: none"> <li>Quality control of geophysical data includes using a third-party geophysical consultant to verify data quality and provide secondary inversions for comparison to Quantec interpretations.</li> </ul>
<i>Further work</i>	<ul style="list-style-type: none"> <li>Planned elements of the exploration strategy include extensional and infill drilling, orientation and logging for detailed structural and geotechnical analysis, comprehensive specific gravity sampling, further geophysical and geochemical data capture and structural and paragenesis studies.</li> <li>Additional drilling of the Peake deposit is planned for FY25 and is guided by outcomes of a detailed assessment of recent drilling and geophysical surveys in the area.</li> </ul>

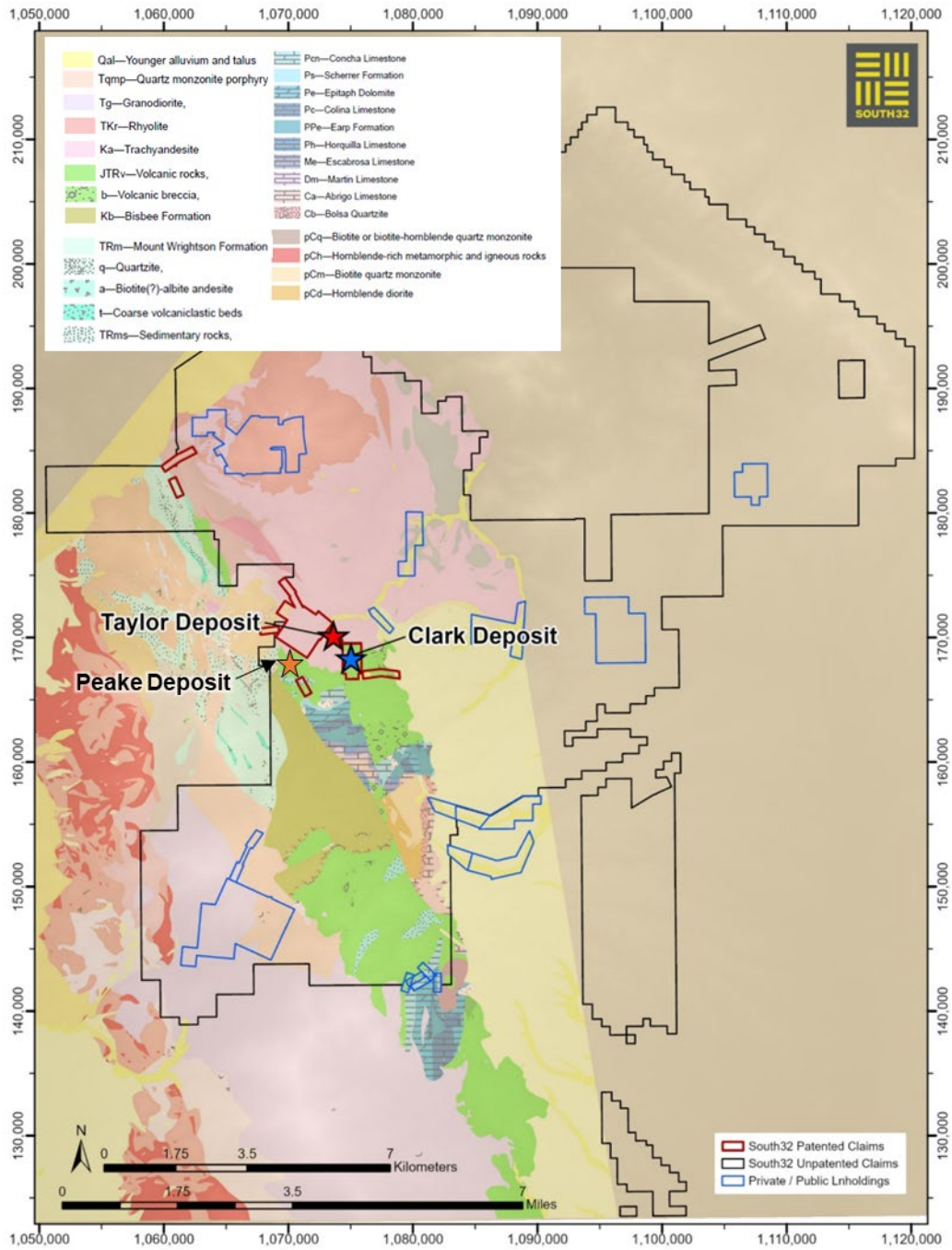
### Competent Person Statement

The information in this announcement that relates to Exploration Results for Peake Deposit is based on information compiled by David Bertuch, a Competent Person who is a member of The Australasian Institute of Mining and Metallurgy. Mr. Bertuch is a full-time employee of South32 and has sufficient experience that is relevant to the style of mineralisation and the type of deposit under consideration and to the activity 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'. Mr. Bertuch consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

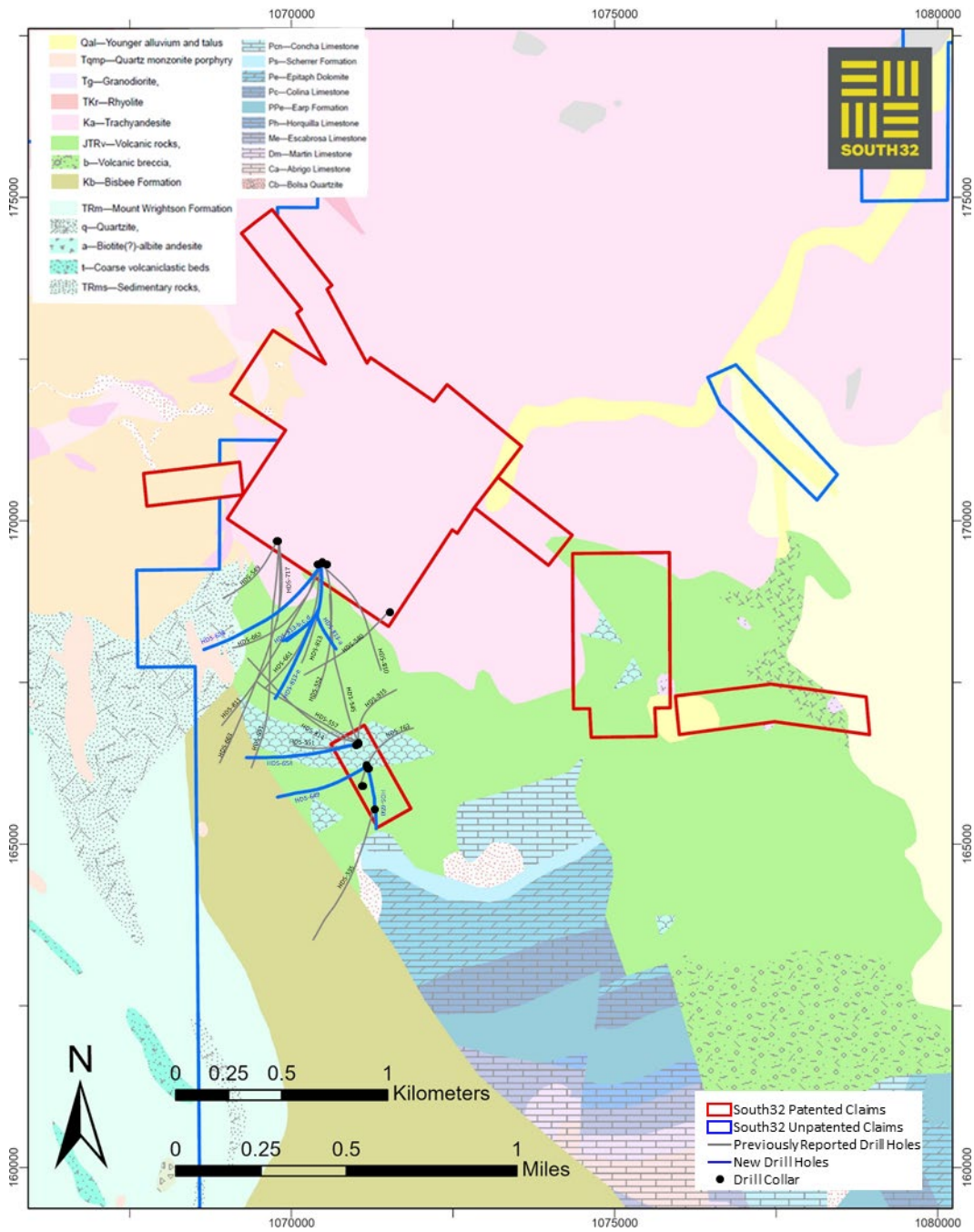
**Figure 1: Regional location plan**



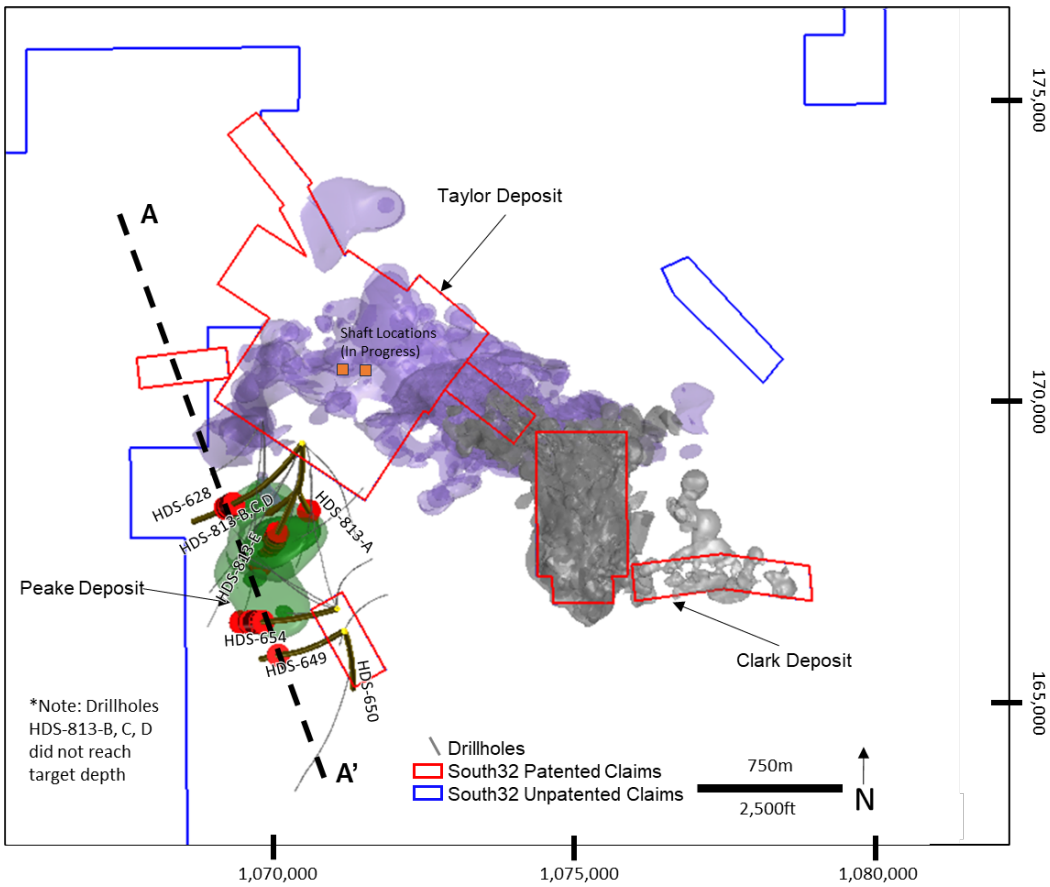
**Figure 2: Hermosa project regional geology**



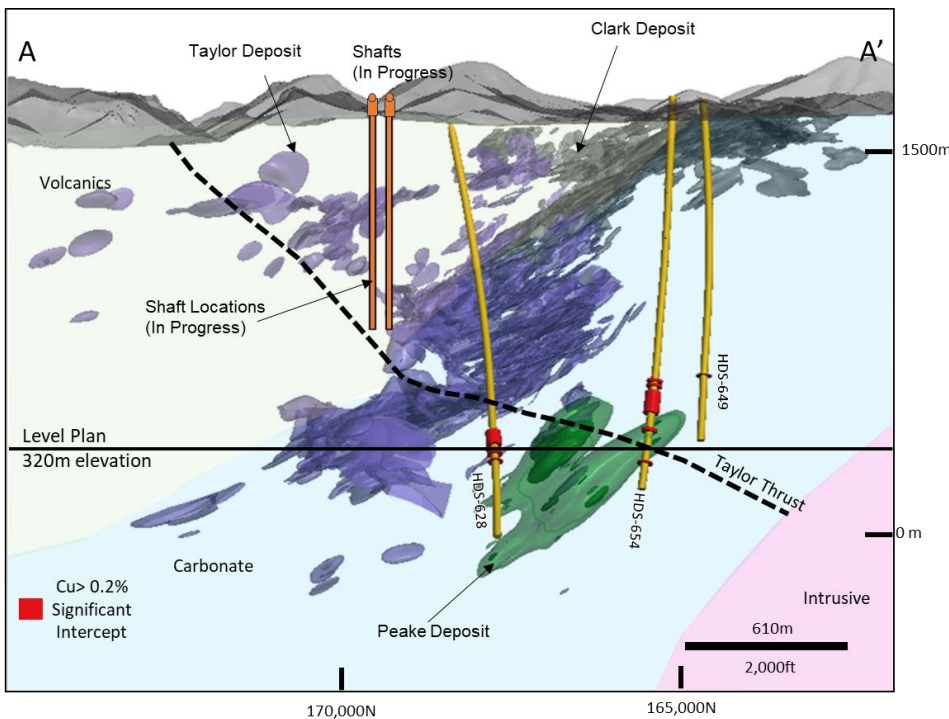
**Figure 3: Peake deposit local geology and Exploration Results collar locations**



**Figure 4: Plan view of the Taylor, Clark, Peake Mineralisation Domains, and approximate shaft locations with previously reported and new exploration drill holes.**

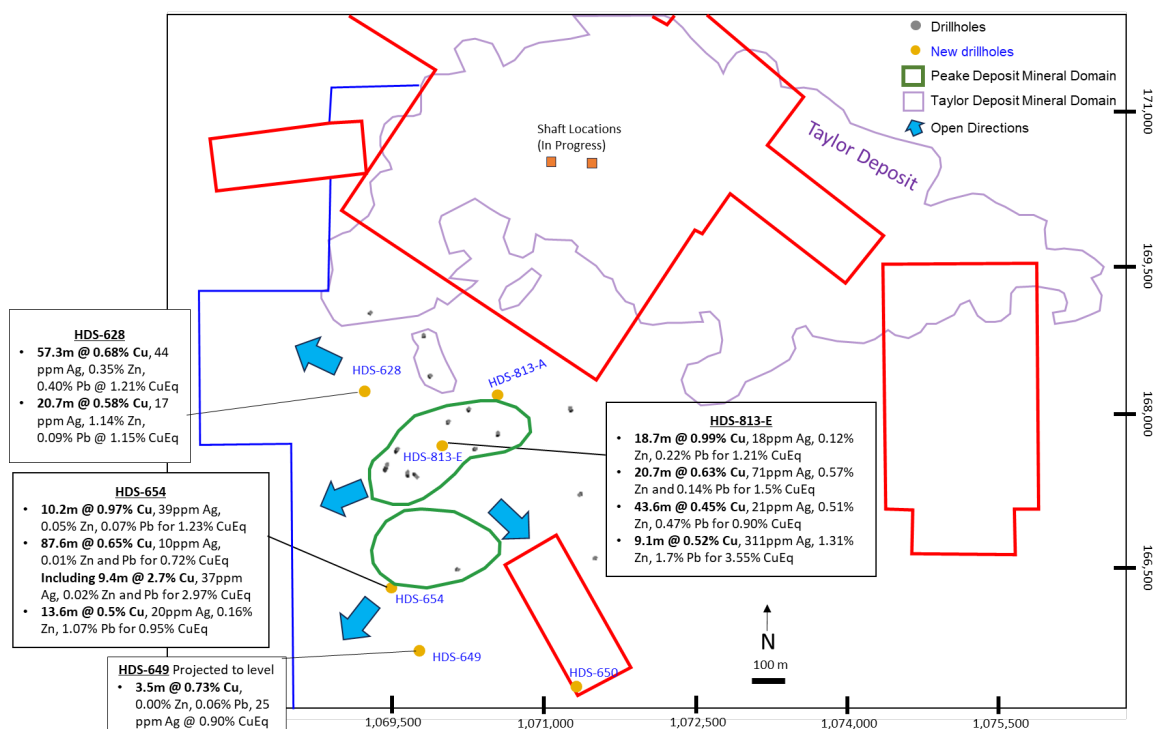


**Figure 5: Cross-section through the Taylor, Clark, and Peake mineralisation domains showing the new exploration holes, simplified geology, Taylor Thrust and approximate shaft locations – looking east 2000 m wide.**





**Figure 6: Level plan map at 320m elevation showing Peake drillholes and mineral domains. Newly reported hole IDs are blue.**



**Table 1: Hole ID, collar location, dip, azimuth, and drill depth of new drill holes from the Peake Deposit**

Hole ID	East (UTM)	North (UTM)	Elevation (m)	Wedge Depth (m)	Dip	Azimuth	TD Depth (m)
HDS-813-A	525790	3480616	1592.8	783.6	-76	149	1602.6
HDS-813-B	525790	3480616	1592.8	746.8	-71	220	1215.5
HDS-813-C	525790	3480616	1592.8	1100.3	-61	237	1290.5
HDS-813-D	525790	3480616	1592.8	1090.3	-60	232	1259.9
HDS-813-E	525790	3480616	1592.8	681.5	-64	206	1685.1
HDS-628	525792	3480615	1593.9	N/A	-70	215	1748.9
HDS-649	525996	3479663	1656.5	N/A	-68	240	1264.6
HDS-650	526001	3479658	1656.6	N/A	-78	163	1497.2
HDS-654	525963	3479775	1665.6	N/A	-68	253	1585.0

**Table 2: Significant intersections – Peake Deposit Exploration Results**

Hole ID	From (m)	To (m)	Cut Off 2% ZnEq	Width (m)	Zinc (%)	Lead (%)	Silver (g/t)	Copper (%)	Molybdenum (%)	CuEq (%)	ZnEq (%)
HDS-813-A	1352.2	1355.8	2% ZnEq	3.5	5.02	3.92	79	0.005	-	-	8.69
HDS-813-B	Did not reach target depth.										-
HDS-813-C	Did not reach target depth.										-
HDS-813-D	Did not reach target depth.										-
HDS-813-E	1298.6	1317.3	0.2% Cu	18.7	0.12	0.22	18	0.99	-	1.21	-
	Including										
	1308.4	1317.3	0.2% Cu	9.0	0.06	0.15	23	1.84	-	2.03	-
	And										
	1336.4	1353.0	0.2% Cu	16.6	0.02	0.68	55	0.31	-	0.85	-
	1371.8	1412.7	0.2% Cu	41.0	0.11	0.14	19	0.37	-	0.58	-
	1425.5	1446.3	0.2% Cu	20.7	0.57	0.72	71	0.63	-	1.50	-
	Including										
	1428.0	1435.3	0.2% Cu	7.3	0.85	1.47	170	1.39	-	3.23	-
	And										
	1461.4	1466.1	0.2% Cu	4.7	0.10	0.13	39	0.41	-	0.74	-
	1478.0	1521.6	0.2% Cu	43.6	0.51	0.47	21	0.45	-	0.90	-
1669.1	1678.2	0.2% Cu	9.1	1.31	1.70	311	0.52	-	3.55	-	
HDS-628	1288.7	1346.0	0.2% Cu	57.3	0.35	0.40	44	0.68	0.021	1.21	-
	1365.8	1386.5	0.2% Cu	20.7	1.14	0.09	17	0.58	0.029	1.15	-
	1413.1	1416.1	0.2% Cu	3.0	0.18	0.02	121	0.24	-	1.14	-
HDS-649	1109.5	1113.0	0.2% Cu	3.5	0.003	0.06	25	0.73	0.035	0.90	-
HDS-650	No Significant Intersection										
HDS-654	1142.7	1152.9	0.2% Cu	10.2	0.05	0.07	39	0.97	-	1.23	-
	1161.9	1172.7	0.2% Cu	10.8	0.03	0.02	7	0.80	-	0.82	-
	Including										
	1161.9	1163.9	0.2% Cu	2.0	0.03	0.04	23	3.90	-	4.06	-
	And										
	1191.5	1279.1	0.2% Cu	87.6	0.01	0.01	10	0.65	-	0.72	-
	Including										
	1191.5	1200.9	0.2% Cu	9.4	0.02	0.02	37	2.70	0.013	2.97	-
	1224.2	1253.3	0.2% Cu	29.1	0.01	0.01	12	0.86	-	0.94	-
	And										
1339.6	1353.2	0.2% Cu	13.6	0.16	1.07	20	0.50	-	0.95	-	
1476.1	1481.9	0.2% Cu	5.8	0.36	0.53	13	0.26	0.012	0.61	-	

Note: Zn and Pb grades less than 0.1% are omitted from the CuEq calculation