



1 July 2026

South32 Limited
(Incorporated in Australia under the *Corporations Act 2001* (Cth))
(ACN 093 732 597)

ASX / LSE / JSE Share Code: S32 ADR: SOUHY
ISIN: AU000000S320
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FINAL INVESTMENT APPROVAL FOR SIERRA GORDA'S FOURTH GRINDING LINE

South32 Limited (ASX, LSE, JSE: S32; ADR: SOUHY) (South32) advises that the Sierra Gorda joint venture has approved execution of the fourth grinding line project (the Project), following completion of a feasibility study which confirmed the potential for attractive returns from this brownfield plant expansion.

The Project is expected to increase Sierra Gorda's processing capacity from ~48Mtpa to ~60Mtpa (100% basis) through the installation of a fourth grinding line, expanded crushing and flotation capacity, and associated process infrastructure.

The Project is expected to achieve first production in mid FY30, with full production rates in FY31.

Following Project completion, Sierra Gorda's annual average payable production is expected to be ~195kt of copper, ~6kt of molybdenum, ~58koz of gold and ~1,700koz of silver (~250kt¹ copper equivalent (CuEq)²) (100% basis), representing an ~30% increase in CuEq production relative to current levels³.

The expanded processing capacity delivered by the Project is also expected to support an ~10% reduction in average operating unit costs⁴.

Growth capital expenditure for the Project is expected to be ~US\$725M (100% basis) over FY27 to FY30⁵, representing a highly efficient capital intensity of ~US\$21k/t CuEq⁶, benefitting from existing water and power infrastructure.

Based on the feasibility study, the Project is expected to deliver an internal rate of return of ~20% at a long-term copper price of US\$5/lb or ~23% at a long-term copper price of US\$6/lb⁷.

The Project will be funded from operating cash flow and Sierra Gorda joint venture debt facilities.

South32 Chief Executive Officer, Matt Daley said: "Sierra Gorda's operating performance and strong cash flow generation have provided a platform for value accretive copper growth from this long-life, high-margin operation.

"The fourth grinding line project will significantly increase copper production, lower operating unit costs and is expected to deliver attractive financial returns through a brownfield expansion that leverages existing infrastructure.

"Beyond this project, Sierra Gorda continues to offer substantial growth potential. The current Catabela pit remains open at depth and at the adjacent Catabela Northeast prospect we recently reported an initial Exploration Target⁸ of 1.1Bt @ 0.48% TCu to 2.9Bt @ 0.45% TCu, highlighting further life extension potential."

¹ The information in this announcement that refers to Production Target and forecast financial information for Sierra Gorda is based on 309Mt of Proved (27%) and 399Mt of Probable (35%) Ore Reserves and 18Mt of Indicated (2%) and 426Mt Inferred (37%) Mineral Resources which was originally disclosed in "South32 FY25 Annual Report" dated 29 August 2025. The Mineral Resources and Ore Reserves underpinning the Production Target have been prepared by Competent Persons 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. South32 confirms that inclusion of 37% of tonnage (37% Inferred Mineral Resources) is not the determining factor of the Project viability, and the Project forecasts a positive financial performance when using 63% tonnage (27% Proved and 35% Probable Ore Reserves and 2% Indicated Mineral Resources). South32 is satisfied, therefore, that the use of Inferred Mineral Resources in the Production Target and forecast financial information reporting is reasonable.

² Based on expected increase in average copper equivalent production over CY31 to CY41. Payable copper equivalent production (CuEq) was calculated by aggregating revenues from copper, molybdenum, gold and silver, and dividing the total Revenue by the price of copper. FY25 realised prices for copper (US\$4.18/lb), molybdenum (US\$21.12/lb), gold (US\$2,877/oz) and silver (US\$31.7/oz) have been used to calculate CuEq volumes.

³ Compared to FY26 guidance of 190kt CuEq (copper 160kt, molybdenum 2.7kt, gold 40.0koz and silver 1,333koz) (100% basis).

⁴ Based on expected average operating unit costs over CY31 to CY41.

⁵ US dollars (real). Based on a USD: CLP exchange rate of 900. Reflects ~US\$190M in FY27, ~US\$290M in FY28, ~US\$200M in FY29 and ~US\$45M in FY30.

⁶ Based on increased CuEq production volumes over CY31 to CY41.

⁷ Post tax internal rate of return (nominal) calculation is reflective of cash flows from 1 July 2026. Molybdenum, gold and silver prices are based on consensus price forecasts.

⁸ The information in this announcement that relates to the Exploration Target for the Catabela Northeast prospect was prepared by Competent Person and declared in South32's "2026 Half Year Financial Results" presentation issued on 12 February 2026 in accordance with the requirements of the JORC Code. South32 confirms that it is not aware of any new information or data that materially affects the information included in the original announcement. South32 confirms that the form and context in which the competent persons' findings are presented have not materially modified from the original announcement. The potential quantity and grade is conceptual in nature, and that there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

Forward-looking statements

This release contains forward-looking statements, including statements about trends in commodity prices and currency exchange rates; demand for commodities; production forecasts; plans, strategies and objectives of management; capital costs and scheduling; operating costs; anticipated productive lives of projects, mines and facilities; and provisions and contingent liabilities. These forward-looking statements reflect expectations at the date of this release, however they are not guarantees or predictions of future performance. They involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, and which may cause actual results to differ materially from those expressed in the statements contained in this release. Readers are cautioned not to put undue reliance on forward-looking statements. Except as required by applicable laws or regulations, the South32 Group does not undertake to publicly update or review any forward-looking statements, whether as a result of new information or future events. Past performance cannot be relied on as a guide to future performance. South32 cautions against reliance on any forward-looking statements or guidance.

About Sierra Gorda

South32 acquired a 45% interest in Sierra Gorda in February 2022 and has joint control alongside 55% joint venture partner KGHM Polska Miedź.

Sierra Gorda is a large, conventional, open pit copper mine located in the Antofagasta region of northern Chile. Sierra Gorda benefits from high-quality, modern processing equipment, with significant historical capital investment. The operation is serviced by established infrastructure, including renewable power and a seawater pipeline, with freight rail and a national highway connecting it to the ports of Antofagasta and Angamos. The copper concentrate produced at the operation is transported by truck and rail to the ports of Antofagasta and Angamos for international export to end markets.

About us

Our purpose is to make a difference by developing natural resources, improving people's lives now and for generations to come. We are trusted by our owners and partners to realise the potential of their resources. We produce minerals and metals critical to the world's energy transition from operations across the Americas, Australia and Southern Africa and we are discovering and responsibly developing our next generation of mines. We aspire to leave a positive legacy and build meaningful relationships with our partners and communities to create brighter futures together.

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

Approved for release by Matt Daley, Chief Executive Officer
JSE Sponsor: The Standard Bank of South Africa Limited
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