

Quarterly Report

December 2019



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

- Increased alumina production by 4%, achieving record year to date production at Brazil Alumina and maintaining higher rates of calciner availability at Worsley Alumina as we deliver initiatives to sustainably increase to nameplate capacity.
- Maintained saleable aluminium production despite the impact of load-shedding at Hillside Aluminium and Mozal Aluminium.
- Reacted to lower manganese prices in the December 2019 quarter, reducing our use of higher cost trucking and completing an extended maintenance shut at our underground operations at South Africa Manganese.
- Reduced activity at South Africa Energy Coal in response to market conditions, resulting in a revision of FY20 production guidance to the bottom end of our range.
- Completed a longwall move at Illawarra Metallurgical Coal's Appin mine during the December 2019 quarter, where the focus remains on lifting development rates to support improved longwall performance and the operation's sustainable return to a three longwall configuration.
- Entered into a binding conditional agreement with Seriti Resources for the sale of our shareholding in South Africa Energy Coal, with the transaction expected to close in the December 2020 half year, subject to a number of material conditions being satisfied.
- Exercised our option with Trilogy Metals to acquire a 50% interest in the Upper Kobuk Mineral Projects embedding another base metals development option into our portfolio.
- Completed the sale of a legacy shareholding owned by our manganese joint venture for US\$93M (South32 share), distributing the majority of the proceeds to the Group in the December 2019 quarter.

"We continued our strong start to the year, delivering record year to date production at Brazil Alumina and maintaining production guidance across the majority of our operations."

"We have acted decisively during the quarter in response to market conditions, reducing contractor activity at South Africa Energy Coal and higher cost trucking at our South Africa Manganese business."

"Our disciplined approach to capital allocation has enabled us to maintain our strong financial position and return a further US\$331 million in the December 2019 half year with the continuation of our on-market share buy-back and payment of our ordinary dividend in respect of the prior six months."

"We have taken further action to reshape and improve our portfolio. We exercised our option to acquire a 50% interest in the base metals focussed Upper Kobuk Mineral Projects in Alaska, entered into a binding conditional agreement for the sale of South Africa Energy Coal and progressed the review of our manganese alloy smelting exposure."

Graham Kerr, South32 CEO

Production summary

South32 share	1H19	1H20	HoH	2Q19	1Q20	2Q20	QoQ
Alumina production (kt)	2,542	2,635	4%	1,383	1,308	1,327	1%
Aluminium production (kt)	495	496	0%	247	248	248	0%
Energy coal production (kt)	12,929	12,621	(2%)	6,369	6,723	5,898	(12%)
Metallurgical coal production (kt)	3,082	2,859	(7%)	1,567	1,651	1,208	(27%)
Manganese ore production (kwmt)	2,886	2,813	(3%)	1,439	1,415	1,398	(1%)
Manganese alloy production (kt)	109	91	(17%)	57	44	47	7%
Payable nickel production (kt)	21.1	20.6	(2%)	10.4	10.6	10.0	(6%)
Payable silver production (koz)	6,067	6,164	2%	2,882	2,972	3,192	7%
Payable lead production (kt)	48.3	55.3	14%	22.5	26.5	28.8	9%
Payable zinc production (kt)	26.3	32.5	24%	13.1	18.4	14.1	(23%)

Unless otherwise noted: percentage variance relates to performance during the half year ended December 2019 compared with the half year ended December 2018 (HoH) or the December 2019 quarter compared with the September 2019 quarter (QoQ); production and sales volumes are reported on an attributable basis.

Corporate Update

- In November 2019 we entered into a binding conditional agreement for the sale of our shareholding in South Africa Energy Coal to Seriti Resources Holdings Proprietary Limited (Seriti Resources) and two trusts which will acquire and hold equity on behalf of employees and communities. As previously reported, subject to a number of material conditions¹ being satisfied, the transaction is expected to close in the December 2020 half year.
- We exercised our option to acquire a 50% interest in a joint venture (JV) with Trilogy Metals Inc. (TSX: TMQ, Trilogy) that will own the Upper Kobuk Mineral Projects (UKMP) located in northwest Alaska. On formation of the JV, expected in the March 2020 quarter, Trilogy will contribute all of its assets associated with the UKMP and South32 will contribute US\$145M to the JV. The JV will retain US\$87.5M of the subscription payment to fund its activities and exploration programs with the balance of US\$57.5M loaned back to South32.
- Our manganese equity accounted investments (EAI) sold a legacy shareholding in an unlisted entity for US\$93M (South32 share) during the quarter. With the majority of these funds returned immediately to the Group, we received net distributions² of US\$160M (South32 share) from our manganese EAI during the December 2019 half year.
- We progressed the review of options for our manganese alloy smelters including their potential divestment, closure or suspension.
- Consistent with our disciplined approach to capital management we paid our US\$139M final dividend in respect of FY19 in October 2019 and purchased a further 106M shares for a cash consideration of US\$192M during the December 2019 half year. To 31 December 2019 we had completed US\$1.18B of our approved US\$1.25B capital management program, including the purchase of 424M shares at an average price of A\$3.03 per share (US\$939M) and US\$239M returned in the form of special dividends.
- Our geographical earnings mix and the impact of permanent differences that are magnified when margins are compressed or losses are incurred in specific jurisdictions, continues to have a significant bearing on our ETR. Until it is sold, South Africa Energy Coal is expected to have an ETR of 0% with all tax assets de-recognised as at 30 June 2019 and no benefit to be recorded for losses made prior to sale. Accordingly, in the December 2019 half year our Group ETR is expected to be in a range between 75% and 85% (excluding EAI) and is expected to remain elevated should South Africa Energy Coal continue to be loss-making until its divestment.

Production guidance (South32 share)	FY19	1H20	FY20e	Comments
Worsley Alumina				
Alumina production (kt)	3,795	1,933	3,965	
Brazil Alumina				
Alumina production (kt)	1,255	702	1,330	
Hillside Aluminium³				
Aluminium production (kt)	715	362	720	
MozaI Aluminium³				
Aluminium production (kt)	267	134	273	
South Africa Energy Coal⁴				
Energy coal production (kt)	24,979	11,785	↓ 26,000	Guidance revised to lower end of range as we adjust volumes to maximise margins in response to market conditions
Domestic coal production (kt)	14,978	6,763	↓ 15,300	
Export coal production (kt)	10,001	5,022	↓ 10,700	
Illawarra Metallurgical Coal				
Total coal production (kt)	6,647	3,695	7,000	
Metallurgical coal production (kt)	5,350	2,859	5,800	
Energy coal production (kt)	1,297	836	1,200	
Australia Manganese				
Manganese ore production (kwmt)	3,349	1,775	3,560	Subject to market demand
South Africa Manganese				
Manganese ore production ⁵ (kwmt)	2,187	1,038	2,100	Subject to market demand
Cerro Matoso				
Payable nickel production (kt)	41.1	20.6	35.6	
Cannington				
Payable zinc equivalent production ⁶ (kt)	218.2	120.1	221.0	
Payable silver production (koz)	12,201	6,164	11,200	
Payable lead production (kt)	101.4	55.3	104.0	
Payable zinc production (kt)	51.6	32.5	59.0	

The denotation (e) refers to an estimate or forecast year.

Marketing Update

Realised prices ⁷	1H19	2H19	1H20	1H20 vs 1H19	1H20 vs 2H19
Worsley Alumina					
Alumina (US\$/t)	458	383	322	(30%)	(16%)
Brazil Alumina					
Alumina (US\$/t)	504	409	301	(40%)	(26%)
Hillside Aluminium					
Aluminium (US\$/t)	2,144	1,922	1,859	(13%)	(3%)
Mozal Aluminium					
Aluminium (US\$/t)	2,171	1,986	1,914	(12%)	(4%)
South Africa Energy Coal					
Domestic coal (US\$/t)	22	26	23	5%	(12%)
Export coal (US\$/t)	83	59	55	(34%)	(7%)
Illawarra Metallurgical Coal					
Metallurgical coal (US\$/t)	207	210	154	(26%)	(27%)
Energy coal (US\$/t)	68	62	53	(22%)	(15%)
Australia Manganese⁸					
Manganese ore (US\$/dmtu, FOB)	6.59	6.11	4.49	(32%)	(27%)
South Africa Manganese⁹					
Manganese ore (US\$/dmtu, FOB)	5.85	5.29	3.81	(35%)	(28%)
Cerro Matoso¹⁰					
Payable nickel (US\$/lb)	5.20	5.58	6.77	30%	21%
Cannington¹¹					
Payable silver (US\$/oz)	14.7	14.2	17.5	19%	23%
Payable lead (US\$/t)	1,656	1,838	1,869	13%	2%
Payable zinc (US\$/t)	2,146	2,096	1,591	(26%)	(24%)

- Realised prices exclude third party products and services. We currently anticipate an underlying EBIT loss for third party products and services¹² of approximately US\$12M in the December 2019 half year (H1 FY19: US\$28M). This predominantly reflects the procurement of lower cost third party volumes to replace higher cost equity production in order to fulfil contractual commitments at South Africa Energy Coal.

Development and Exploration Update

- We completed the voluntary remediation program for historical tailings at Hermosa, establishing the initial tailings storage facility that is able to support the commencement of future production when production permits are received. Our pre-feasibility study remains on-track for completion in the June 2020 half year.
- We advanced feasibility study work at the Eagle Downs Metallurgical Coal project ahead of a final investment decision scheduled for the December 2020 half year.
- Consistent with our strategy to partner with companies to fund early stage greenfield exploration opportunities, we invested US\$10M during the December 2019 half year. We directed a further US\$26M towards exploration programs at our existing operations (US\$19M capitalised), including US\$2M for our EAI (US\$1M capitalised) and US\$12M at Hermosa (all capitalised) to further increase our knowledge of the Taylor Deposit and the greater Hermosa land package.

Worsley Alumina

(86% share)

South32 share	1H19	1H20	HoH	2Q19	1Q20	2Q20	2Q20 vs 2Q19	2Q20 vs 1Q20
Alumina production (kt)	1,906	1,933	1%	1,052	952	981	(7%)	3%
Alumina sales (kt)	1,885	1,891	0%	1,035	918	973	(6%)	6%

Worsley Alumina saleable production increased by 1% (or 27kt) to 1,933kt in the December 2019 half year, despite an extended calciner shut, as the refinery continued to benefit from improved calciner availability and we opportunistically sold stockpiled hydrate. FY20 production guidance remains unchanged at 3,965kt with further calciner maintenance scheduled for the March 2020 quarter.

We realised a premium to the Platts Alumina Index¹³ on a volume weighted M-1 basis for alumina sales in the December 2019 half year. This mostly reflected the structure of specific legacy supply contracts with our Mozal Aluminium smelter that are linked to the Platts Alumina Index on an M-1 basis, with caps and floors embedded within specific contracts that reset every calendar year. All other alumina sales were at market based prices.

Brazil Alumina

(36% share)

South32 share	1H19	1H20	HoH	2Q19	1Q20	2Q20	2Q20 vs 2Q19	2Q20 vs 1Q20
Alumina production (kt)	636	702	10%	331	356	346	5%	(3%)
Alumina sales (kt)	619	678	10%	317	304	374	18%	23%

Brazil Alumina saleable production increased by 10% (or 66kt) to a record 702kt in the December 2019 half year as the refinery benefitted from improved steam generation following the installation of package boilers in the June 2019 quarter, enabling the benefits of the De-bottlenecking Phase One project to be realised. Notwithstanding the strong operating performance, lower alumina prices and an increase in the use of higher cost third party bauxite is expected to impact the profitability of the operation in the December 2019 half year. FY20 production guidance remains unchanged at 1,330kt with maintenance scheduled for the June 2020 quarter.

Hillside Aluminium

(100%)

South32 share	1H19	1H20	HoH	2Q19	1Q20	2Q20	2Q20 vs 2Q19	2Q20 vs 1Q20
Aluminium production (kt)	360	362	1%	180	181	181	1%	0%
Aluminium sales (kt)	360	350	(3%)	182	174	176	(3%)	1%

Hillside Aluminium saleable production increased by 1% (or 2kt) to 362kt in the December 2019 half year as the smelter continued to test its maximum technical capacity, despite the impact to production from load-shedding and the completion of a major workforce restructure in the June 2019 quarter. Sales decreased by 3% in the December 2019 half year as a shipment slipped into January 2020. FY20 production guidance³ remains unchanged at 720kt.

Mozal Aluminium

(47.1% share)

South32 share	1H19	1H20	HoH	2Q19	1Q20	2Q20	2Q20 vs 2Q19	2Q20 vs 1Q20
Aluminium production (kt)	135	134	(1%)	67	67	67	0%	0%
Aluminium sales (kt)	129	136	5%	70	64	72	3%	13%

Mozal Aluminium saleable production decreased by 1% (or 1kt) to 134kt in the December 2019 half year as the smelter's operating performance continued to be impacted by load-shedding events. Despite an increase in the frequency of disruptions, FY20 production guidance³ remains unchanged at 273kt.

The smelter sources all of its alumina from our Worsley Alumina refinery with approximately 50% priced as a percentage of the LME aluminium index under a legacy contract and the remainder linked to the Platts alumina index on an M-1 basis, with caps and floors embedded within specific contracts that reset every calendar year. As a result the smelter's cost of alumina was a significant premium to the index in the December 2019 half year.

South Africa Energy Coal

(100%)

South32 share	1H19	1H20	HoH	2Q19	1Q20	2Q20	2Q20 vs 2Q19	2Q20 vs 1Q20
Energy coal production (kt)	12,171	11,785	(3%)	6,001	6,292	5,493	(8%)	(13%)
Domestic sales (kt)	7,749	6,688	(14%)	3,646	3,726	2,962	(19%)	(21%)
Export sales (kt)	4,206	4,854	15%	2,283	1,977	2,877	26%	46%

South Africa Energy Coal saleable production decreased by 3% (or 386kt) to 11.8Mt in the December 2019 half year as the operation demobilised contractors in response to market conditions, more than offsetting a 15% increase in export sales volumes following improved dragline availability at Klipspruit.

Notwithstanding the improvement in dragline performance, supporting a 46% increase in export sales during the December 2019 quarter, its ramp-up to full utilisation has been slower than anticipated as a result of wet weather. Combined with our near-term outlook for domestic demand and the demobilisation of contractors operating in unprofitable pits, we now expect FY20 production to be at the bottom end of our guidance range (26.0Mt). Operating unit costs are expected to be approximately 10% above the top end of our guidance range of US\$40/t in the December 2019 half year, ahead of benefitting from an expected increase in volumes during the June 2020 half year and the realisation of cost saving initiatives which include contractor demobilisation.

Illawarra Metallurgical Coal

(100%)

South32 share	1H19	1H20	HoH	2Q19	1Q20	2Q20	2Q20 vs 2Q19	2Q20 vs 1Q20
Total coal production (kt)	3,840	3,695	(4%)	1,935	2,082	1,613	(17%)	(23%)
Total coal sales ¹⁴ (kt)	3,259	3,619	11%	1,755	1,848	1,771	1%	(4%)
Metallurgical coal production (kt)	3,082	2,859	(7%)	1,567	1,651	1,208	(23%)	(27%)
Metallurgical coal sales (kt)	2,527	2,800	11%	1,349	1,482	1,318	(2%)	(11%)
Energy coal production (kt)	758	836	10%	368	431	405	10%	(6%)
Energy coal sales (kt)	732	819	12%	406	366	453	12%	24%

Illawarra Metallurgical Coal saleable production decreased by 4% (or 145kt) to 3.7Mt in the December 2019 half year following the completion of a longwall move at the Appin mine during the December 2019 quarter. FY20 production guidance remains unchanged at 7.0Mt with both the Dendrobium and Appin longwalls continuing to perform strongly and a further longwall move scheduled for the March 2020 quarter. Achieving improved development rates at Appin to support the improved longwall performance and a sustained return to a three longwall configuration at the operation from the June 2020 quarter remains a focus.

Australia Manganese

(60% share)

South32 share	1H19	1H20	HoH	2Q19	1Q20	2Q20	2Q20 vs 2Q19	2Q20 vs 1Q20
Manganese ore production (kwmt)	1,811	1,775	(2%)	879	868	907	3%	4%
Manganese ore sales (kwmt)	1,740	1,737	(0%)	856	852	885	3%	4%
Manganese alloy production (kt)	76	57	(25%)	35	28	29	(17%)	4%
Manganese alloy sales (kt)	76	58	(24%)	47	32	26	(45%)	(19%)

Australia Manganese saleable ore production decreased by 2% (or 36kwmt) to 1,775kwmt in the December 2019 half year as heavy rainfall in late FY19 slowed throughput for the primary circuit at the start of the September 2019 quarter. Separately, with demand for our low cost Premium Concentrate Ore (PC02) product remaining favourable, we continued to operate the circuit above its design capacity, contributing 11% of total production (H1 FY19: 9%). The PC02 fines product has a manganese content of approximately 40%, which leads to both grade and product-type discounts when referenced to the high grade 44% manganese lump ore index.

The Metal Bulletin 44% lump ore index (CIF Tianjin, China) price was US\$4.30/dmtu as at 10 January 2020 after averaging US\$3.95/dmtu during the month of December 2019. While we continue to monitor market conditions and the potential impact from the wet season across the remainder of the financial year, FY20 production guidance remains unchanged at 3,560kwmt.

Manganese alloy saleable production decreased by 25% (or 19kt) to 57kt in the December 2019 half year as one of the four furnaces was taken offline.

South Africa Manganese

(60% share)

South32 share	1H19	1H20	HoH	2Q19	1Q20	2Q20	2Q20 vs 2Q19	2Q20 vs 1Q20
Manganese ore production ⁵ (kwmt)	1,075	1,038	(3%)	560	547	491	(12%)	(10%)
Manganese ore sales ⁵ (kwmt)	1,010	1,073	6%	523	544	529	1%	(3%)
Manganese alloy production (kt)	33	34	3%	22	16	18	(18%)	13%
Manganese alloy sales (kt)	35	28	(20%)	19	13	15	(21%)	15%

South Africa Manganese saleable ore production decreased by 3% (or 37kwmt) to 1,038kwmt in the December 2019 half year as we reduced our use of higher cost trucking and undertook an extended maintenance shut at our Wessels mine in the December 2019 quarter, in response to market conditions. The Metal Bulletin 37% lump ore index (FOB Port Elizabeth, South Africa) price was US\$3.46/dmtu as at 10 January 2020 after averaging US\$3.09/dmtu during the month of December 2019. FY20 production guidance remains unchanged at 2,100kwmt, as we continue to monitor market conditions and respond accordingly.

Manganese alloy saleable production increased by 3% (or 1kt) to 34kt in the December 2019 half year.

Cerro Matoso

(99.9% share)

South32 share	1H19	1H20	HoH	2Q19	1Q20	2Q20	2Q20 vs 2Q19	2Q20 vs 1Q20
Payable nickel production (kt)	21.1	20.6	(2%)	10.4	10.6	10.0	(4%)	(6%)
Payable nickel sales (kt)	21.3	20.4	(4%)	10.4	10.0	10.4	0%	4%

Cerro Matoso payable nickel production decreased by 2% (or 0.5kt) to 20.6kt in the December 2019 half year following a planned increase in the contribution of lower grade stockpiled ore feed. FY20 production guidance remains unchanged at 35.6kt with the operation scheduled to undertake a major furnace refurbishment in the June 2020 quarter.

Cannington

(100% share)

South32 share	1H19	1H20	HoH	2Q19	1Q20	2Q20	2Q20 vs 2Q19	2Q20 vs 1Q20
Payable zinc equivalent production ⁶ (kt)	107.4	120.1	12%	51.3	60.5	59.6	16%	(1%)
Payable silver production (koz)	6,067	6,164	2%	2,882	2,972	3,192	11%	7%
Payable silver sales (koz)	6,340	5,912	(7%)	3,283	2,363	3,549	8%	50%
Payable lead production (kt)	48.3	55.3	14%	22.5	26.5	28.8	28%	9%
Payable lead sales (kt)	47.1	51.8	10%	24.6	20.6	31.2	27%	51%
Payable zinc production (kt)	26.3	32.5	24%	13.1	18.4	14.1	8%	(23%)
Payable zinc sales (kt)	24.7	35.3	43%	15.9	18.9	16.4	3%	(13%)

Cannington payable zinc equivalent production increased by 12% (or 12.7kt) to 120.1kt in the December 2019 half year as the operation drew down run of mine stocks to a normalised level and recorded a higher average zinc grade in the September 2019 quarter, that more than offset lower silver grades across the half year.

Processed silver, lead and zinc grades met our expectations in the December 2019 half year and FY20 production guidance remains unchanged (silver 11,200koz, lead 104.0kt and zinc 59.0kt) with sequentially lower lead and silver grades expected in the June 2020 half year. Higher payable zinc sales in the December 2019 half year reflect timing differences following significant floods in North Queensland in the March 2019 quarter that caused an extended outage of a third-party rail line connecting Cannington to the Townsville port.

Notes:

1. Refer to the market announcement "Agreement to Divest South Africa Energy Coal" dated 6 November 2019.
2. Net distributions from equity accounted investments includes net debt movements and dividends, which are unaudited and should not be considered as an indication of or alternative to an IFRS measure of profitability, financial performance or liquidity.
3. Production guidance for our Hillside Aluminium and Mozal Aluminium smelters does not assume any load-shedding impacts on production.
4. 8% of South Africa Energy Coal is owned by a Broad-Based Black Economic Empowerment (B-BBEE) consortium. The interests owned by the B-BBEE consortium were acquired using vendor finance, with the loans repayable to South32 via distributions attributable to these parties, pro rata to their share in South Africa Energy Coal. Until these loans are repaid, South32's interest in South Africa Energy Coal is accounted at 100%.
5. Consistent with the presentation of South32's segment information, South Africa Manganese ore production and sales have been reported at 60%. The Group's financial statements will continue to reflect a 54.6% interest in South Africa Manganese ore.
6. Payable zinc equivalent (kt) was calculated by aggregating Revenue from payable silver, lead and zinc, and dividing the total Revenue by the price of zinc. FY19 realised prices for zinc (US\$2,122/t), lead (US\$1,754/t) and silver (US\$14.4/oz) have been used for FY19, H1 FY20 and FY20e.
7. Realised prices are unaudited. Volumes and prices do not include any third party trading that may be undertaken independently of equity production. Realised sales price is calculated as sales Revenue divided by sales volume unless otherwise stated.
8. Realised ore prices are unaudited and calculated as external sales Revenue less freight and marketing costs, divided by external sales volume. Ore converted to sinter and alloy, and sold externally, is eliminated as an intracompany transaction.
9. Realised ore prices are unaudited and calculated as external sales Revenue less freight and marketing costs, divided by external sales volume. Ore converted to sinter and alloy, and sold externally, is eliminated as an intracompany transaction. Manganese ore sales are grossed-up to reflect a 60% accounting effective interest.
10. Realised nickel sales prices are unaudited and inclusive of by-products.
11. Realised prices for Cannington are unaudited and net of treatment and refining charges.
12. Underlying EBIT on third party products and services is unaudited and should not be considered as an indication of or alternative to an IFRS measure of profitability, financial performance or liquidity.
13. The average of the Platts Alumina Index (FOB Australia) on the basis of a one month lag to published pricing (Month minus one or "M-1") was US\$299/t in the December 2019 half year.
14. Illawarra Metallurgical Coal sales are adjusted for moisture and will not reconcile directly to Illawarra Metallurgical Coal production.

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

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

Operating Performance

South32 share	1H19	1H20	2Q19	3Q19	4Q19	1Q20	2Q20
Worsley Alumina (86% share)							
Alumina hydrate production (kt)	1,947	1,910	988	921	934	967	943
Alumina production (kt)	1,906	1,933	1,052	893	996	952	981
Alumina sales (kt)	1,885	1,891	1,035	936	1,036	918	973
Brazil Alumina (36% share)							
Alumina production (kt)	636	702	331	308	311	356	346
Alumina sales (kt)	619	678	317	247	374	304	374
Hillside Aluminium (100%)							
Aluminium production (kt)	360	362	180	176	179	181	181
Aluminium sales (kt)	360	350	182	156	191	174	176
Mozal Aluminium (47.1% share)							
Aluminium production (kt)	135	134	67	66	66	67	67
Aluminium sales (kt)	129	136	70	69	70	64	72
South Africa Energy Coal (100%)							
Energy coal production (kt)	12,171	11,785	6,001	6,098	6,710	6,292	5,493
Domestic sales (kt)	7,749	6,688	3,646	3,950	3,336	3,726	2,962
Export sales (kt)	4,206	4,854	2,283	2,547	3,122	1,977	2,877
Illawarra Metallurgical Coal (100%)							
Total coal production (kt)	3,840	3,695	1,935	1,202	1,605	2,082	1,613
Total coal sales ¹⁴ (kt)	3,259	3,619	1,755	1,531	1,516	1,848	1,771
Metallurgical coal production (kt)	3,082	2,859	1,567	990	1,278	1,651	1,208
Metallurgical coal sales (kt)	2,527	2,800	1,349	1,256	1,261	1,482	1,318
Energy coal production (kt)	758	836	368	212	327	431	405
Energy coal sales (kt)	732	819	406	275	255	366	453
Australia Manganese (60% share)							
Manganese ore production (kwmt)	1,811	1,775	879	820	718	868	907
Manganese ore sales (kwmt)	1,740	1,737	856	782	916	852	885
Ore grade sold (% , Mn)	46.0	45.0	45.8	45.8	46.0	45.6	44.4
Manganese alloy production (kt)	76	57	35	38	40	28	29
Manganese alloy sales (kt)	76	58	47	29	46	32	26
South Africa Manganese (60% share)							
Manganese ore production ⁵ (kwmt)	1,075	1,038	560	540	572	547	491
Manganese ore sales ⁵ (kwmt)	1,010	1,073	523	530	573	544	529
Ore grade sold (% , Mn)	40.3	40.0	40.5	39.7	41.7	40.4	39.6
Manganese alloy production (kt)	33	34	22	14	22	16	18
Manganese alloy sales (kt)	35	28	19	16	22	13	15

South32 share	1H19	1H20	2Q19	3Q19	4Q19	1Q20	2Q20
Cerro Matoso (99.9% share)							
Ore mined (kwmt)	1,209	1,400	596	645	424	668	732
Ore processed (kdmt)	1,401	1,389	689	634	703	712	677
Ore grade processed (% Ni)	1.68	1.66	1.69	1.63	1.65	1.65	1.67
Payable nickel production (kt)	21.1	20.6	10.4	9.4	10.6	10.6	10.0
Payable nickel sales (kt)	21.3	20.4	10.4	9.1	10.8	10.0	10.4
Cannington (100%)							
Ore mined (kwmt)	1,306	1,360	683	648	771	694	666
Ore processed (kdmt)	1,244	1,394	606	547	704	656	738
Silver ore grade processed (g/t, Ag)	183	165	181	202	172	168	162
Lead ore grade processed (% Pb)	4.8	4.8	4.7	5.6	4.8	4.9	4.8
Zinc ore grade processed (% Zn)	2.9	3.3	3.0	3.0	3.0	3.8	2.8
Payable Zinc equivalent production ⁶ (kt)	107.4	120.1	51.3	50.7	60.1	60.5	59.6
Payable silver production (koz)	6,067	6,164	2,882	2,881	3,253	2,972	3,192
Payable silver sales (koz)	6,340	5,912	3,283	1,820	4,874	2,363	3,549
Payable lead production (kt)	48.3	55.3	22.5	24.8	28.3	26.5	28.8
Payable lead sales (kt)	47.1	51.8	24.6	12.7	41.7	20.6	31.2
Payable zinc production (kt)	26.3	32.5	13.1	10.7	14.6	18.4	14.1
Payable zinc sales (kt)	24.7	35.3	15.9	7.2	15.7	18.9	16.4

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.

Further information

Investor Relations

Alex Volante

T +61 8 9324 9029

M +61 403 328 408

E Alex.Volante@south32.net

Media Relations

Rebecca Keenan

T +61 8 9324 9364

M +61 402 087 055

E Rebecca.Keenan@south32.net

Jenny White

T +44 20 7798 1773

M +44 7900 046 758

E Jenny.White@south32.net

16 January 2020

JSE Sponsor: UBS South Africa (Pty) Ltd