

# MEDIA RELEASE



24 November 2020

## AGREEMENT TO DIVEST SELECT PRECIOUS METAL ROYALTIES

South32 Limited (“South32”) is pleased to announce it has entered into a binding agreement for the sale of a package of minerals royalties to Elemental Royalties Corp. (“Elemental”). The royalty package consists of three gold royalties and one related non-gold royalty of immaterial value.

Completion of the transaction is subject to a number of conditions including approval from Australia’s Foreign Investment Review Board and Elemental securing the required funding. Upon satisfaction of the conditions, Elemental will make a US\$40M cash payment and issue US\$15M in Elemental shares to South32. Following completion of the transaction, South32 will hold an approximate 19.7 percent stake in Elemental, which trades on the TSX Venture Exchange.

“The sale of these royalties is another step forward in unlocking value in our portfolio, at a time when there is strong appetite for exposure to stand-alone royalty investments,” Chief Executive Officer Graham Kerr said. “The proposed transaction will realise a cash payment, while retaining exposure to these royalties through a shareholding in Elemental. Separately, we continue to hold a portfolio of royalties weighted towards base metals.”

*Ends*

### South32 royalty portfolio

The four royalties included in this transaction primarily relate to gold exploration and late-stage development options based in Western Australia. Following the transaction, South32 will hold a portfolio of 40 minerals royalties which are weighted towards base metals and diversified by geography and development stage. The royalty portfolio is held by South32 Royalty Investments Pty Limited, a wholly-owned subsidiary of South32.

### Advisers

South32 was advised by Scotiabank, Herbert Smith Freehills and McCarthy Tetrault.

### About South32

South32 is a globally diversified mining and metals company. 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 bauxite, alumina, aluminium, energy and metallurgical coal, manganese, nickel, silver, lead and zinc at our operations in Australia, Southern Africa and South America. With a focus on growing our base metals exposure, we also have two development options in North America and several partnerships with junior explorers around the world.

### About Elemental

Elemental Royalties is a gold-focused royalty company listed on the TSX-V in Canada and provides investors with lower risk precious metals exposure through a portfolio of nine high-quality royalties. This enables investors to benefit from ongoing royalty revenue, future exploration upside and low operating costs. Elemental’s experienced team seeks to secure royalties in advanced precious metals projects, run by established operators, from its pipeline of identified opportunities.

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Further information on South32 can be found at [www.south32.net](http://www.south32.net).