

MEDIA RELEASE



13 August 2020

AGREEMENT TO DIVEST TASMANIAN ELECTRO METALLURGICAL COMPANY

South32 Limited ("South32") is pleased to announce that Groote Eylandt Mining Company (GEMCO), owned by the Samancor Manganese joint venture (JV), has entered into a binding agreement for the sale of its shareholding in the Tasmanian Electro Metallurgical Company (TEMCO) to an entity within GFG Alliance (GFG).

Completion of the transaction is subject to approval from Australia's Foreign Investment Review Board. Upon satisfaction of this condition, GFG will make a nominal payment to GEMCO to acquire 100% of the shares in TEMCO. As a condition to the completion of the transaction, the parties have entered into an ore supply agreement from GEMCO to TEMCO.

South32 CEO Graham Kerr said the agreement represented another milestone for South32 as it continues to reshape its portfolio.

"Today's agreement follows an extensive review of options regarding the future of our manganese alloy business. The transaction and our ongoing supply of ore to TEMCO will see the smelter, first established in 1962, continue to operate into the future," Mr Kerr said.

"TEMCO has a proud history of being a significant contributor to the local economy and we're pleased to have achieved what we believe is a positive outcome for our people, the local community and Tasmania. I would like to thank our workforce for their patience and dedication to continued safe operations throughout the review process."

"Looking forward, we are confident that GFG, a current TEMCO customer, is well placed to operate the smelter, with the acquisition representing an opportunity to further vertically integrate its steel business."

The transaction does not include the Samancor Manganese JV's South African manganese alloy smelter, Metalloys, which has separately been placed under care and maintenance.

Ends

Samancor Manganese JV

The Samancor Manganese JV is owned 60% by South32, with the remaining 40% held by Anglo American Plc.

Accounting and tax

TEMCO is currently equity accounted by South32 and its share of profit or loss after tax will continue to be reported in the Group's Underlying results until sale completion. On conclusion of the transaction GEMCO's shareholding in TEMCO, including all associated assets and liabilities, following a net working capital completion adjustment, will transfer to GFG.

South32 does not anticipate reporting a taxable profit on the transaction.

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 GFG Alliance

GFG Alliance is a collection of global businesses and investments owned by Sanjeev Gupta and his family. The Alliance is structured into three core industrial pillars: LIBERTY Steel Group, ALVANCE Aluminium Group and SIMEC Energy Group, independent of each other yet united through shared values and a purpose to create a sustainable future for industry and society. GFG Alliance employees 35,000 people, across 30 countries and has revenues of US\$20bn. GFG Alliance is a leader in sustainable industry with a mission to become Carbon Neutral by 2030.

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