



MEDIA RELEASE

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SOUTH32 ENTERS INTO AN OPTION AGREEMENT FOR COPPER IN NORTH AMERICA

South32 Limited (ASX, LSE, JSE: S32; ADR: SOUHY) (South32) announces that it has entered into an option agreement with Trilogy Metals Inc. (TSX, NYSE-MKT: TMQ) (Trilogy), formerly NovaCopper Inc., in respect of Trilogy's Upper Kobuk Mineral Projects (UKMP) located in the Ambler Mining District in Alaska. The UKMP includes the Bornite and Arctic deposits.

South32 will provide US\$30M (Initial Funding) over three years which will be used to test the extension of the high-grade copper resource at Trilogy's Bornite deposit. The Initial Funding will be paid in tranches of US\$10M per annum, with the decision to proceed to year 2 and 3 subject to exploration results.

At any time during the three year period South32 may exercise the option to form a 50-50 joint venture by contributing \$150M, plus any amounts Trilogy spends on the Arctic Project, to a maximum of \$5 million per year, less the Initial Funding.

South32 Chief Executive Officer, Graham Kerr said: "This is another step in our strategy to identify opportunities to add value to our portfolio by investing through the drill bit."

"We are pleased to be partnering with Trilogy and NANA, the Inupiat-owned Alaska Native Corporation in the region, and we are looking forward to working together to explore the potential of the UKMP deposits."

Ends

About South32

South32 is a globally diversified mining and metals company with high quality operations in Australia, Southern Africa and South America. 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 have a simple strategy to maximise the potential of our assets and shareholder returns by optimising our existing operations, unlocking their potential and identifying new opportunities to compete for capital.

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