



16 May 2023

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
south32.net

STRATEGY AND BUSINESS UPDATE

South32 Limited (ASX, LSE, JSE: S32; ADR: SOUHY) (South32) is pleased to provide the attached Strategy and Business Update.

South32 Chief Executive Officer, Graham Kerr will present at the BofA Securities Global Metals, Mining & Steel Conference on 16 May 2023 at 8:30pm Australian Western Standard Time.

The presentation is attached and an accompanying webcast will be made available on the South32 website on completion (<https://www.south32.net/investors/presentations-speeches>).

About us

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 commodities including bauxite, alumina, aluminium, copper, silver, lead, zinc, nickel, metallurgical coal and manganese from 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.

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

Approved for release by Graham Kerr, Chief Executive Officer
JSE Sponsor: The Standard Bank of South Africa Limited
16 May 2023

STRATEGY AND BUSINESS UPDATE

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IMPORTANT NOTICES



This presentation should be read in conjunction with the "Financial Results and Outlook – half year ended 31 December 2022" announcement released on 16 February 2023, which is available on South32's website (www.south32.net).

FORWARD-LOOKING STATEMENTS

This presentation 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, including any disruption arising in connection with COVID-19.

NON-IFRS FINANCIAL INFORMATION

This presentation includes certain non-IFRS financial measures, including Underlying revenue, net debt, and ROIC. These measures are used internally by management to assess the performance of our business, make decisions on the allocation of our resources and assess operational management. Non-IFRS measures have not been subject to audit or review and should not be considered as an indication of or alternative to an IFRS measure of profitability, financial performance or liquidity.

NO OFFER OF SECURITIES

Nothing in this presentation should be read or understood as an offer or recommendation to buy or sell South32 securities, or be treated or relied upon as a recommendation or advice by South32.

RELIANCE ON THIRD PARTY INFORMATION

Any information contained in this presentation that has been derived from publicly available sources (or views based on such information) has not been independently verified. The South32 Group does not make any representation or warranty about the accuracy, completeness or reliability of the information. This presentation should not be relied upon as a recommendation or forecast by South32.

NO FINANCIAL OR INVESTMENT ADVICE – SOUTH AFRICA

South32 does not provide any financial or investment 'advice' as that term is defined in the South African Financial Advisory and Intermediary Services Act, 37 of 2002, and we strongly recommend that you seek professional advice.

MINERAL RESOURCES AND ORE RESERVES

Information in this presentation that relates to Ore/Coal Reserve or Mineral/Coal Resource estimates for all operations and projects was declared as part of South32's annual Resource and Reserve declaration in the FY22 Annual Report (www.south32.net) issued on 9 September 2022 and prepared by Competent Persons 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 announcements. All material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. South32 confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement. For material assumptions and technical parameters underpinning Worsley Mineral Resources and Ore Reserves, please refer to the original announcement titled "Worsley Alumina Ore Reserves updated" dated 23 August 2018 and for material assumptions and technical parameters underpinning Ilawarra Metallurgical Coal, Coal Resources and Coal Reserves, please refer to original announcement titled "Ilawarra Metallurgical Coal- Coal Reserves update" dated 17 June 2019.

Resource life is estimated using Mineral Resources (extracted from South32's FY22 Annual Report published on 9 September 2022 and available to view on www.south32.net) and Exploration Target (details of which are available in the "Hermosa Project Update" announcement published on 17 January 2022), converted to a run-of-mine basis using conversion factors, divided by the nominated run-of-mine production rate on a 100% basis. Whilst South32 believes it has a reasonable basis to reference this resource life and incorporate it within its Production Targets, it should be noted that resource life calculations are indicative only and do not necessarily reflect future uncertainties such as economic conditions, technical or permitting issues. Resource life is based on our current expectations of future results and should not be solely relied upon by investors when making investment decisions. The cautionary statement included in the next paragraph relates to the proportion of Inferred Resources and Exploration Target when calculating Resource life and should be read in conjunction with this paragraph.

The information in this presentation that relates to the mineral resource and mineral reserve estimates for the Sierra Gorda Cu-Mo-Au deposit was declared in the market release "South32 to acquire a 45% interest in the Sierra Gorda Copper Mine" dated 14 October 2021. The estimates are qualifying foreign estimates and are not reported in accordance with the JORC Code. Competent persons have not done sufficient work to classify the foreign estimates as Mineral Resources and Ore Reserves in accordance with the JORC Code. It is uncertain that following evaluation and further exploration the foreign estimates will be able to be reported as Mineral Resources or Ore Reserves in accordance with the JORC Code. South32 is not in possession of any new information or data relating to the foreign estimate that materially impacts on the reliability of the estimates. South32 confirms that the information contained in the clarifying statement in the market release referred above continues to apply and has not materially changed. South32 notes that the stockpiled ore referred to in this presentation is unclassified and cannot confirm whether the estimate has been compiled using an appropriate foreign reporting standard.

PRODUCTION TARGETS

Cannington: The information in this announcement that refers to the Production Target for Cannington is based on 100% Proved Ore Reserves. The Ore Reserves underpinning the Production Target was disclosed in South32's FY22 Annual Report published on 9 September 2022 (www.south32.net). The Ore Reserve estimate and supporting documentation was prepared by a Competent Person in accordance with the requirement of the JORC Code.

Ilawarra Metallurgical Coal: The information in this announcement that refers to the Production Target for Appin (Ilawarra Metallurgical Coal) is based on 14% Proved and 86% Probable Coal Reserves and for Wongawilli, it is based on 23% Proved and 52% Probable Coal Reserves and 20% Measured and 5% Indicated Coal Resources. The Coal Resources and Coal Reserves underpinning the Production Target was disclosed in South32's FY22 Annual Report published on 9 September 2022 (www.south32.net). The Coal Resource and Reserve estimate and supporting documentation was prepared by Competent Persons in accordance with the requirement of the JORC Code.

Australia Manganese: The information in this announcement that refers to Production Target and forecast financial information is based on Proved (64%) and Probable (36%) Ore Reserves. The updated Mineral Resources and Ore Reserves underpinning the Production Target have been prepared by Joshua Harvey and Mark Bryant, Competent Person in accordance with the requirements of the JORC Code. The Mineral Resources and Ore Reserves estimates are published with this presentation and are available to view as an Annexure to this presentation.

MRN: The information in this announcement that refers to production target and forecast financial information for MRN is based on Measured (63%), Indicated (8%) and Inferred (29%) Mineral Resources. The Mineral Resources underpinning the Production Target have been prepared by a Competent Person in accordance with the requirement of the JORC Code and is available to view in South32's FY22 annual report (www.south32.net) published on 9 September 2022. South32 confirms that inclusion of 29% Inferred Mineral Resource tonnage is not the determining factor of the project viability and the project forecasts a positive financial performance when using 71% tonnage (63% Measured and 8% 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.

EXPLORATION TARGETS

Peake: The information is this presentation that relates to Exploration Target for Peake is extracted from "Hermosa Project Update" released on 17 January 2022 and is available to view on www.south32.net. The information was prepared by a Competent Person 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 market announcement. South32 confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Flux: The information is this presentation that relates to Exploration Target for Flux is extracted from "South32 Strategy and Business Update" released on 18 May 2021 and is available to view on www.south32.net. The information was prepared by a Competent Person 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 market announcement. South32 confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

OVERVIEW

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 commodities
critical to a low-carbon future**

**We have a pipeline of development options
with the potential to deliver significant growth**

**Our consistent execution is underpinned by our
disciplined capital allocation and strong balance sheet**



OUR STRATEGY

Our purpose is underpinned by a simple strategy



OPTIMISE

our business by working safely, minimising our impact, consistently delivering stable and predictable performance and continually improving our competitiveness



UNLOCK

the full value of our business through our people, innovation, projects and technology



IDENTIFY

and pursue opportunities to sustainably reshape our business for the future, and create enduring social, environmental and economic value

OUR SUSTAINABILITY APPROACH

Our approach to sustainability focuses on five interconnected pillars



Our FY23 focus areas

- Implementing our Safety Improvement Program
- Embedding our Inclusion and Diversity Standard
- Implementing a global approach to indigenous and tribal peoples engagement and cultural heritage
- Executing our decarbonisation program pipeline
- Participating in pilot programs in support of TNFD^(a)

Our third-party ESG ratings^{1,2}



January 2023: Medium ESG risk rating, ranking 15 out of 205 companies in the Diversified Metals industry group



Notes:

a. TNFD refers to Taskforce on Nature-related Financial Disclosures.

PROTECTING AND RESPECTING OUR PEOPLE

Providing a safe and inclusive workplace to unlock the full potential of our people

Our belief that we all guarantee everyone at South32 goes home safe and well

- Implementing our multi-year Safety Improvement Program to fundamentally shift our safety performance
- Rolling out our 'Lead Safely Every Day' training to enhance leadership capability and uplift culture
- Ensuring the sustained effectiveness of enabling systems

Building an inclusive and diverse workforce

- Implementing our Inclusion and Diversity Standard
- Continuing to manage sexual harassment as a material safety risk and implementing additional controls
- Achieved 50% representation of women on our Lead Team and 26.6% at an Operational Lead Team level³, with plans in place to improve representation across all levels of the business



ADDRESSING CLIMATE CHANGE

Progressing initiatives to support our target⁴ to reduce operational GHG emissions 50% by 2035^(a) and our goal⁴ of net zero GHG emissions by 2050

Reshaping our portfolio



Decarbonising our operations



Partnering with others



Managing physical climate risk



Reshaping our portfolio through the lens of our climate commitments

- Acquired 45% of the Sierra Gorda copper mine and secured 100% renewable electricity
- Doubled our low-carbon aluminium⁵ capacity
- Advancing a pipeline of options to strengthen our future supply of critical minerals

Executing our pipeline of decarbonisation projects

- First coal to gas boiler conversion at Worsley Alumina on-track for mid CY23
- Focused on increasing the efficiency of coal seam gas drainage at Illawarra Metallurgical Coal and trialling new controls to address ventilation air methane
- Deploying AP3XLE energy efficiency technology at Hillside Aluminium

Partnering with others to address value chain emissions and support a just transition

- Established our first mechanism to link GHG emission reduction with freight costs under a shipping contract with Klaveness Combination Carriers
- Progressing just transition planning for Worsley Alumina and Hillside Aluminium, to support their transition from coal-fired energy

Responding to physical impacts of climate change

- Updating our life of operations plans to reflect physical climate risk assessments, building on our past investments in water infrastructure

Notes:

a. Target to reduce Scope 1 and 2 GHG emissions by 2035 compared to our FY21 baseline.

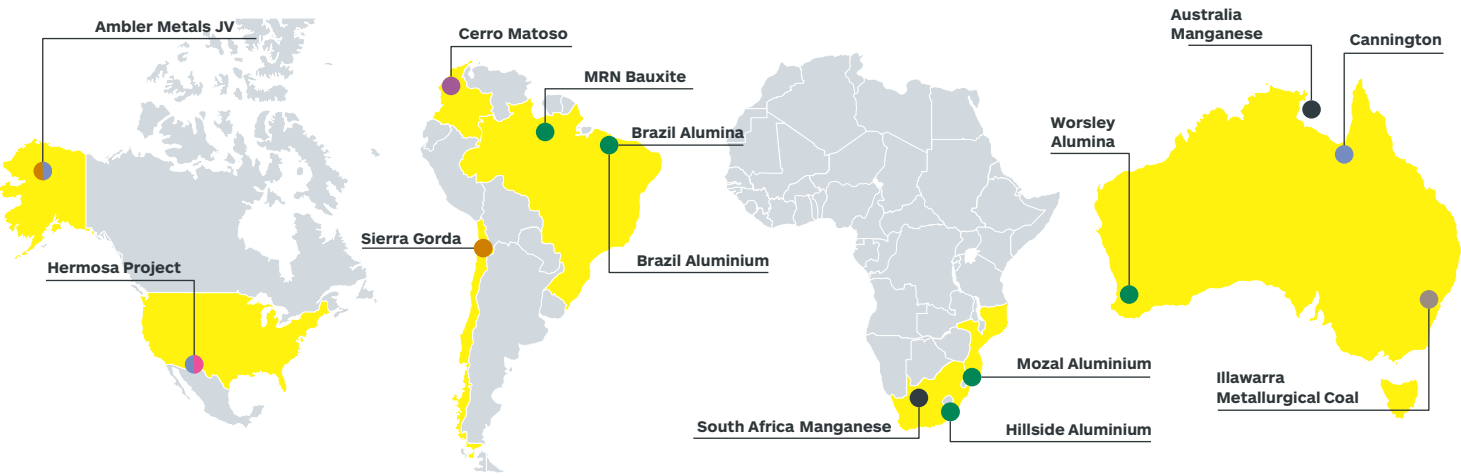
OUR PORTFOLIO

We have an attractive commodity mix and a growth pipeline in commodities critical to a low-carbon future

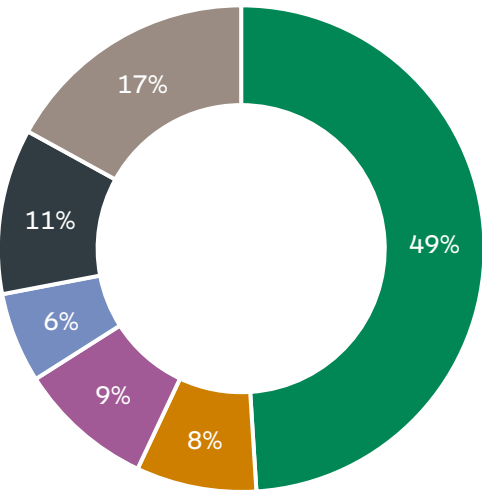
15% growth in aluminium and base metals volumes in FY23e⁶

Multiple options at our Hermosa project in federally-designated critical minerals

Deep pipeline of options in study and exploration phases



Underlying revenue by commodity (H1 FY23)



Greenfield exploration partnerships and prospects in:

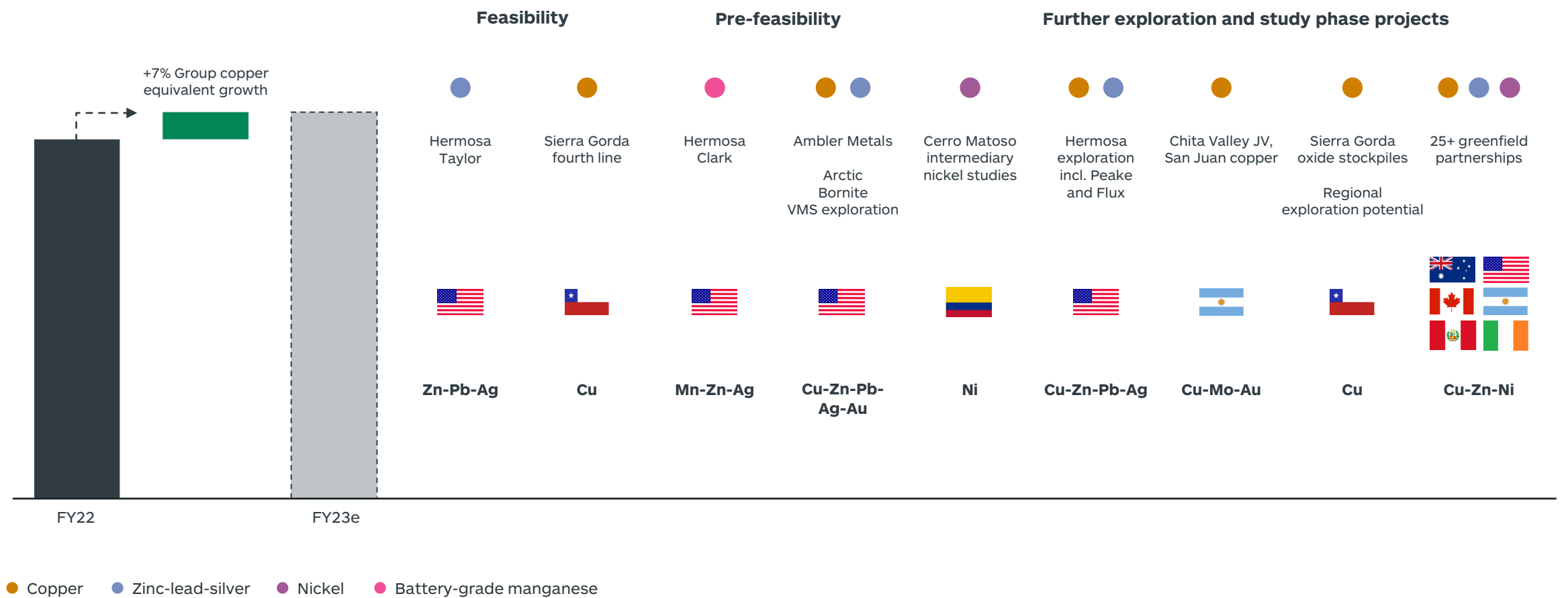


- Aluminium value chain
- Nickel
- Manganese ore
- Battery-grade manganese
- Copper
- Zinc-lead-silver
- Metallurgical coal

OUR GROWTH PIPELINE



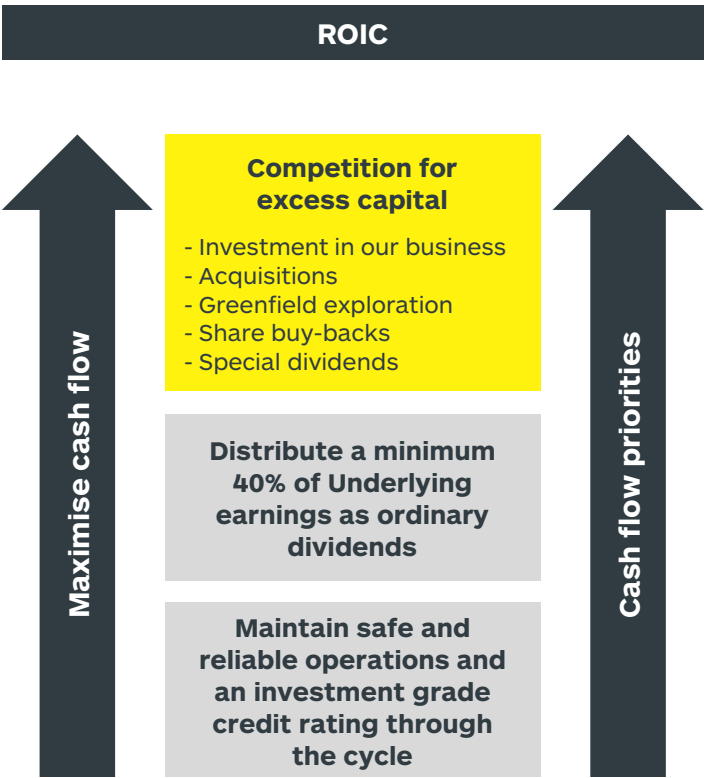
We have embedded options with the potential to deliver significant growth in commodities for a low-carbon future



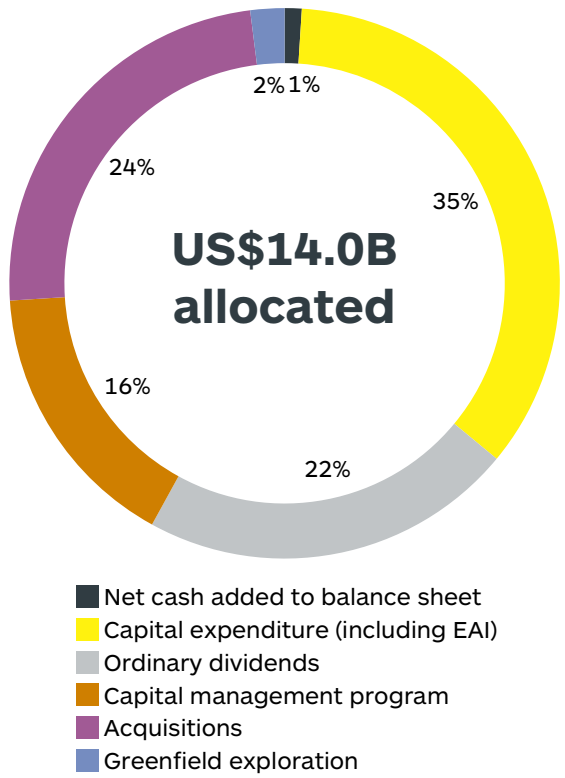
OUR CAPITAL MANAGEMENT FRAMEWORK

Our capital management framework supports investments in our business and rewards shareholders as performance improves

Capital management framework



Capital allocation since FY16^(a) (US\$M)



- ✓ **US\$5.2B invested** to optimise, unlock and identify value in our business⁷
- ✓ **US\$5.4B returned** to shareholders⁸
- ✓ **US\$3.3B directed to acquisitions** to create value by improving our portfolio
- ✓ **US\$0.1B retained** to strengthen our balance sheet⁹

Notes:
a. Includes actual capital allocation from FY16 to H1 FY23, plus committed returns to shareholders (ordinary dividends and capital management program).

OUR CAPITAL EXPENDITURE OUTLOOK

Prioritising safe and reliable operations and unlocking value through improvement and growth projects

Capital expenditure guidance^{(a)(b)} (US\$M per annum)



We expect to direct US\$250M in FY23e at our Hermosa project, delivering critical path activity and study work for our Taylor and Clark deposits

Taylor's feasibility study is expected in H2 CY23, as we undertake additional engineering studies to align the development schedule for a permitting process under FAST-41 and incorporate current market cost estimates

We have approved a ~US\$60M investment to construct a decline at Clark, providing access to ore to facilitate demonstration scale production of battery-grade manganese



FY24 improvement and life extension capital includes:

- US\$75M at Worsley Alumina for new mining areas, energy security and decarbonisation
- US\$35M at Australia Manganese for the Eastern Lease South life extension project
- US\$15M at Sierra Gorda for plant de-bottlenecking and the feasibility study for the fourth grinding line expansion, which is expected to be completed in H1 FY24
- US\$15M at Brazil Alumina for the De-bottlenecking Phase Two project



FY24 safe and reliable capital includes:

- US\$190M at Sierra Gorda including deferred stripping and additional tailings infrastructure
- US\$290M at Illawarra Metallurgical Coal to support the transition to a single longwall configuration at Appin, and additional ventilation infrastructure^(c) to extend Appin to 2039^(d)

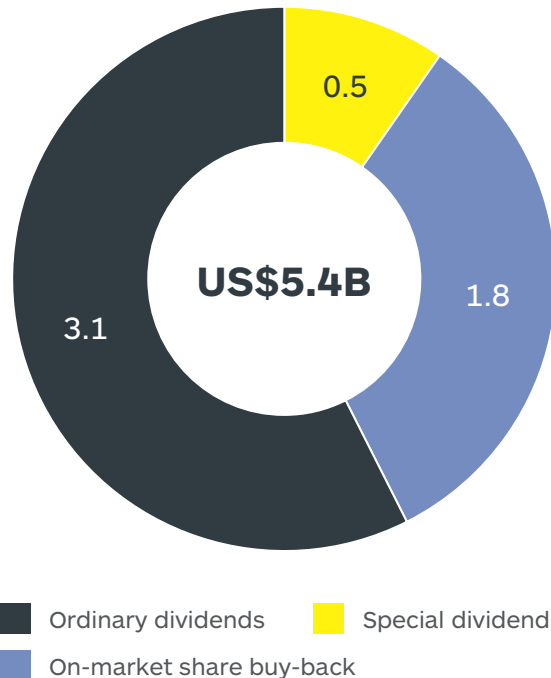
Notes:

- Includes our Manganese and Sierra Gorda EAls.
- FY23e and FY24e capital expenditure guidance includes the following assumptions for exchange rates: an AUD:USD exchange rate of 0.67, a USD:BRL exchange rate of 5.51, a USD:COP exchange rate of 4,630, a USD:MZN exchange rate of 67.94, a USD:ZAR exchange rate of 18.80 and a USD:CLP exchange rate of 857.
- ~US\$260M total investment in additional ventilation infrastructure, with US\$50M in FY23e, US\$90M in FY24e, US\$90M in FY25e and US\$30M in FY26e.
- Refer to important notices (slide 2) for additional disclosure.

OUR SHAREHOLDER RETURNS

We have returned US\$2.3B to shareholders through our ongoing capital management program over the past six years

Shareholder returns since FY16 (US\$B)



- Disciplined application of our capital management framework and strong balance sheet means shareholders benefit as our financial performance improves
- Our ongoing capital management program¹⁰ has contributed to almost doubling our minimum shareholder returns ratio

Minimum dividends
40%
of Underlying earnings



All shareholder returns
73%
of Underlying earnings

- We apply a flexible approach when returning excess capital to shareholders between special dividends and our on-market share buy-back
- Our value driven on-market share buy-back^(a) has reduced our shares on issue by 14%, further enhancing our per-share dividends through time

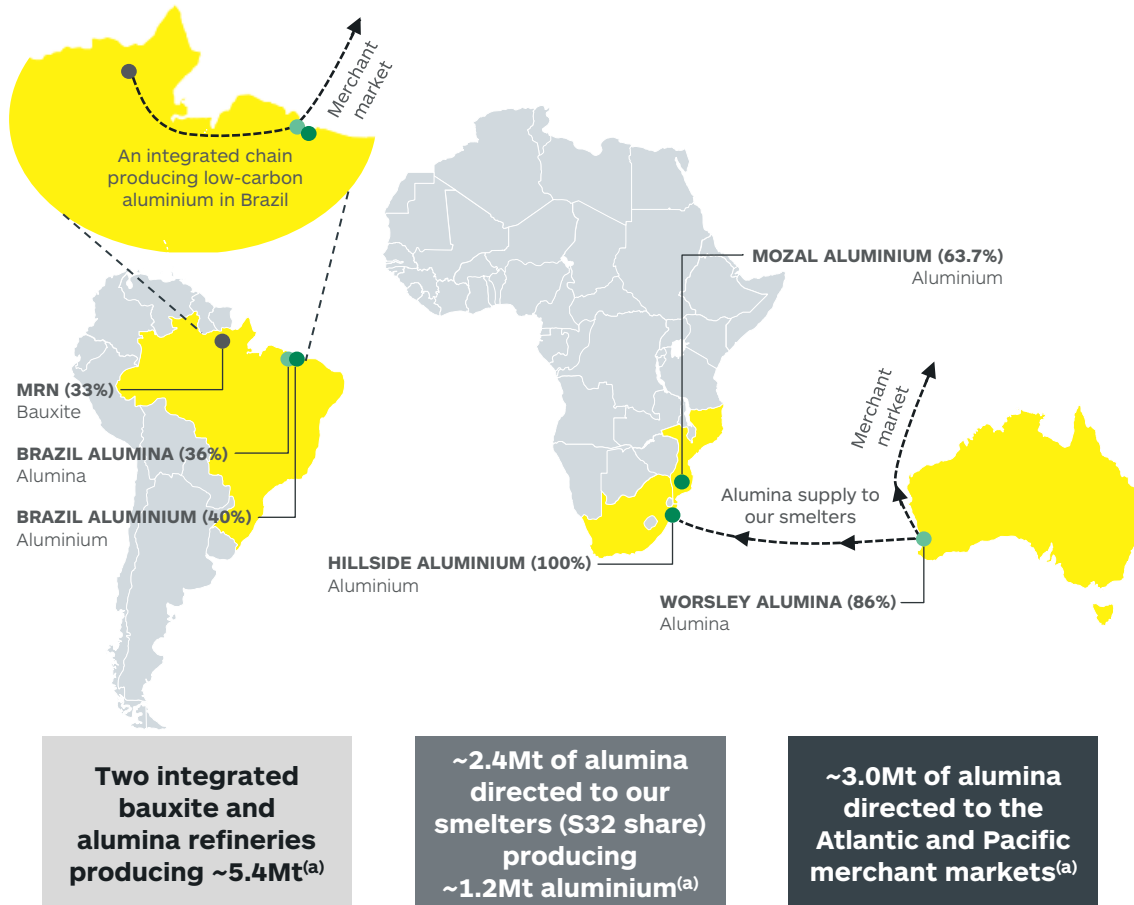
Notes:

- a. Since inception, US\$1.7B has been allocated to our on-market share buy-back at an average buy-back price of A\$3.03 per share. Our on-market share buy-back has US\$109M remaining to be returned as at 30 April 2023.

BUSINESS OVERVIEW

OUR ALUMINIUM VALUE CHAIN BUSINESS

We have leading integrated positions in the aluminium value chain



Bauxite and Alumina

- We are investing to further enhance our low-cost, integrated bauxite mines and alumina refineries¹¹
 - Feasibility study commenced for the West Zone project at the MRN bauxite mine, with the potential to extend mine life by more than 20 years^{(b)(c)}
 - Executing decarbonisation and energy security projects at Worsley Alumina, with the first coal to gas boiler conversion on-track for mid CY23
 - De-bottlenecking Phase Two project at Brazil Alumina is expected to lift capacity by 4% from H1 FY26

Aluminium

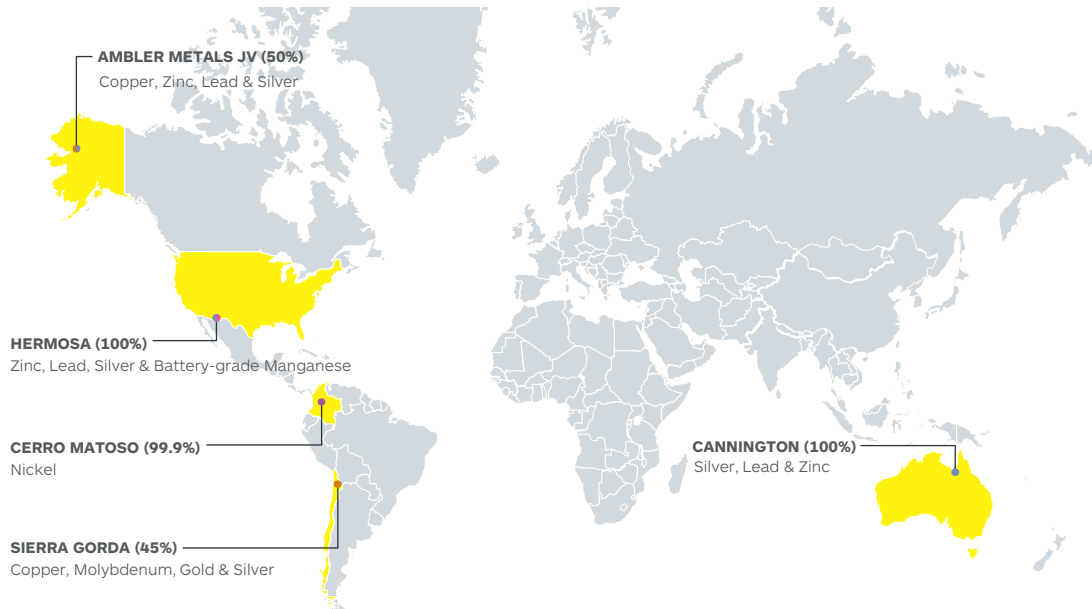
- Our recent investments in Mozal Aluminium¹² and Brazil Aluminium¹³ have increased our low-carbon aluminium capacity >100%
 - Mozal Aluminium is delivering its recovery plan to schedule, with full production expected to be restored in Q1 FY24
 - Brazil Aluminium is on-track to deliver nameplate capacity in FY24, with our share of production expected to increase ~100% to 148kt

Notes:

- Based on FY24e production guidance.
- There is low level of geological confidence associated with the 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. The stated Production Target is based on South32's current expectations of future results or events and should not be solely relied upon by investors when making investment decisions. Further evaluation work and appropriate studies are required to establish sufficient confidence that this target will be met.
- Refer to important notices (slide 2) for additional disclosure.

OUR BASE METALS BUSINESS

Base and precious metals production across copper, nickel, zinc, lead and silver, and a portfolio of growth options



18% growth in base and precious metals production in FY23e^(a)

**71.8kt
of copper**

**40.5kt
of nickel**

**60.5kt
of zinc**

**11Moz
of silver**

Sierra Gorda copper

- Capital efficient de-bottlenecking project on-track to be completed in FY24
- Fourth grinding line expansion study underway, with the potential to increase plant throughput by ~15-20% and lower operating unit costs

Cannington zinc-lead-silver

- Production recovering to plan following recent floods in northern Queensland
- Studying tailings reprocessing and open pit options to potentially extend the operation's life beyond the current 7 years of underground Ore Reserves^(b)

Cerro Matoso nickel

- Commissioned the OSMOC project, maintaining future nickel grades, and extended Cerro Matoso's mining contract by 15 years to 2044
- Studying the potential to produce incremental volume in the form of intermediary products for battery markets

Portfolio of attractive development and exploration options

- Our Hermosa project in Arizona, USA, hosts multiple options to increase our future supply of critical minerals
- We have established a portfolio of 25+ greenfield exploration options in prospective mineral belts with significant activity underway in Alaska, Argentina and northern Australia

Notes:

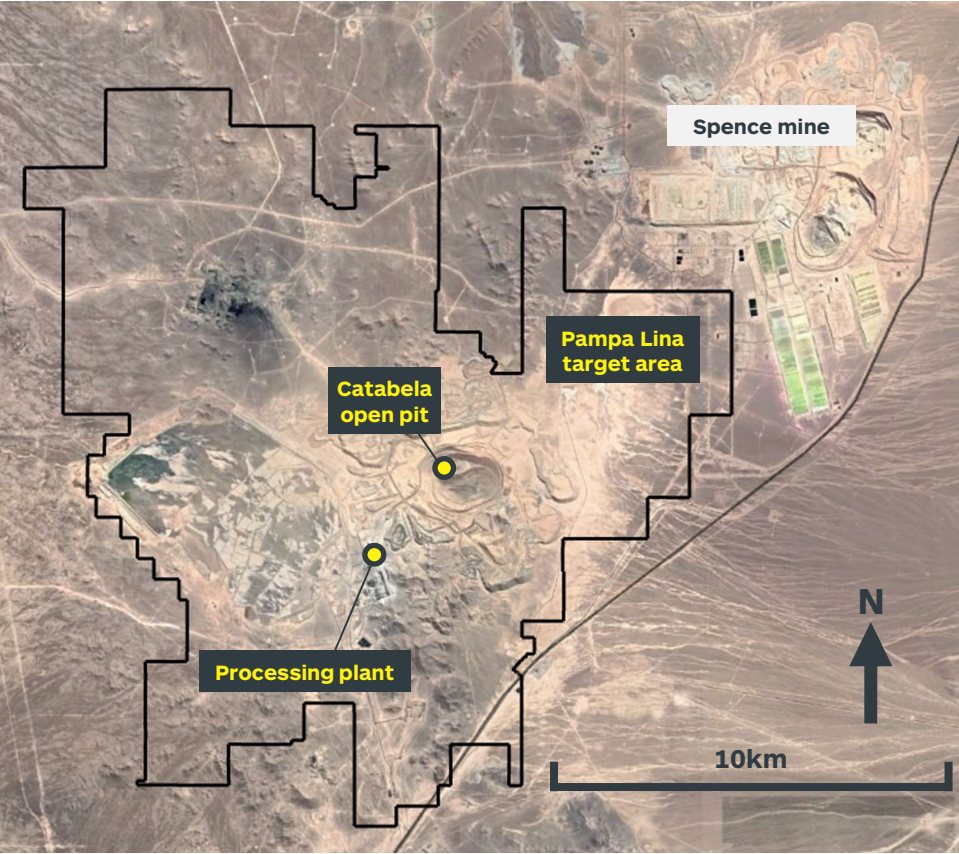
- FY23e copper equivalent production for Sierra Gorda, Cerro Matoso and Cannington, compared to FY22.
- Refer to important notices (slide 2) for additional disclosure.

SIERRA GORDA COPPER



The acquisition of Sierra Gorda has lifted Group margins and embedded options for further copper growth

Sierra Gorda location



Catabela pit remains open at depth

Future drilling campaigns to test depth potential

Capital efficient plant de-bottlenecking

On-track to increase plant throughput to 48–49Mtpa^(a) from FY24

Fourth grinding line feasibility study in H1 FY24

Addition of a fourth grinding line has the potential to lift throughput to 57–58Mtpa^(a)

Exploration programs testing nearby copper porphyry exploration potential

15,000 metre exploration drilling program underway, focused on the Pampa Lina copper porphyry prospect

Brownfield oxide project optionality

Studying options to unlock value from ~110Mt of stockpiled oxide material^(b)

Notes:
a. 100% basis.
b. Refer to important notices (slide 2) for additional disclosure.

CANNINGTON ZINC-LEAD-SILVER

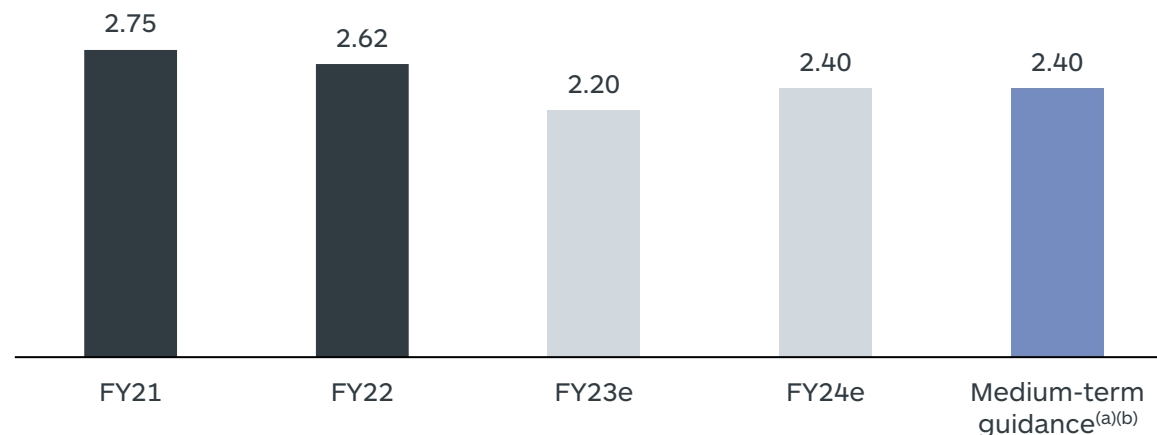


Transition to 100% truck haulage completed, bringing forward higher-grade material

Summary

- Transition to a 100% truck haulage operation completed in Q2 FY23
- Decommissioning the underground infrastructure has reduced constraints on underground mining sequences, allowing for higher-grade material to be brought forward in the mine plan
- H1 FY23 production volumes impacted by the underperformance of temporary crushers and labour availability
- Operation temporarily suspended due to severe flooding in Q3 FY23
- Production is recovering to plan and the operation is on-track to meet revised FY23e production guidance, with plant throughput expected to increase by 9% in FY24e as we rebuild ROM stocks
- Medium-term production guidance reflects our expectation of more complex underground mining conditions, with a greater number of stopes of varying size from FY24

Ore processed (Mdmt)



Payable production

	FY21	FY22	FY23e	FY24e	Medium-term guidance ^{(a)(b)}
Zinc (kt)	67.7	64.5	60.5	62.0	~50.0
Lead (kt)	131.8	120.6	102.0	115.0	~110.0
Silver (Moz)	13.7	12.9	11.0	12.5	~12.0

Notes:

a. FY25 to FY28 average.

b. Refer to important notices (slide 2) for additional disclosure.

CERRO MATOSO NICKEL

We have allocated capital at Cerro Matoso to unlock value and create options for potential supply into new nickel markets

Cerro Matoso's recent high-returning investments have helped to re-position the operation ...



... and sets a strong platform to unlock further value following its mining contract extension to 2044

Creating options to optimise product mix into battery supply chains

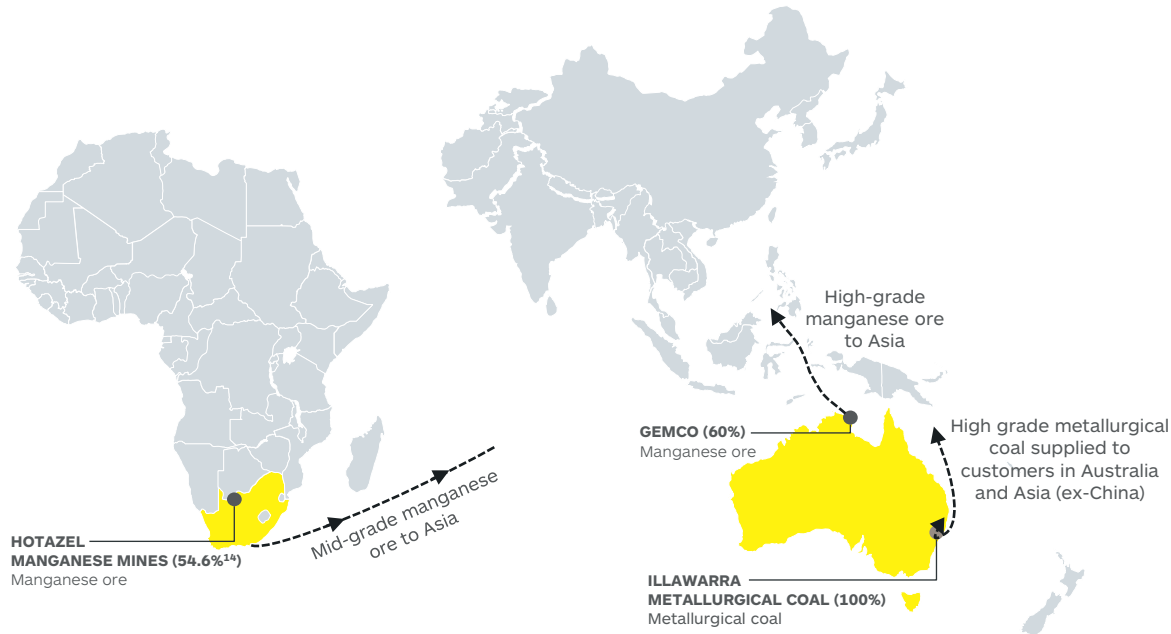
- Expanded processing capacity delivered by the OSMOC project has underpinned a 15-year extension to the mining contract, creating options for future investments at the operation
- The proximity of the operation to the US and the Free Trade Agreement with Colombia may provide a pathway to supply the rapidly growing North American market
- We continue to study the potential to produce incremental volumes of intermediate products for battery markets, including mixed hydroxide precipitate and nickel matte

Furnace maintenance program to sustain an extended operating life

- Planned furnace repair and refurbishment scheduled for Q4 FY25 is expected to underpin plant performance over the operating life
- This is expected to result in a ~20% reduction in nickel production in FY25, before returning to normalised levels in FY26

OUR STEELMAKING RAW MATERIALS BUSINESS

Supplying high quality manganese ore and coking coal products for domestic and export markets



**World's largest producer
of manganese ore via
our Samancor JV**

**Supplier of premium-quality,
hard coking coal for domestic
and export steel markets**

Manganese ore

- Approved the Eastern Lease South life extension project^(a), extending the life of GEMCO, one of the largest, lowest cost operations in the world¹⁵
- Studying options to unlock logistics capacity in our South Africa manganese business and expand our high-grade Wessels mine

Metallurgical coal

- Investing to improve productivity and extend the mine life of Appin
 - Transitioning to a more efficient single longwall configuration from FY25
 - Installing additional ventilation capacity to enable mining in Area 7 until at least 2039
- Pursuing a capital efficient approach to optimise Dendrobium
 - Focused on optimising approved domains (Areas 3A, 3B and 3C), following our decision not to invest in the Dendrobium Next Domain project
 - Saleable production expected to average ~1.5Mtpa between FY24 and FY28^{(b)(c)}, with gas drainage and study work completed to date supporting the potential for further mine life
- Between FY24 and FY28^{(b)(c)} we expect the operation to deliver average annual saleable production of ~5.5Mt

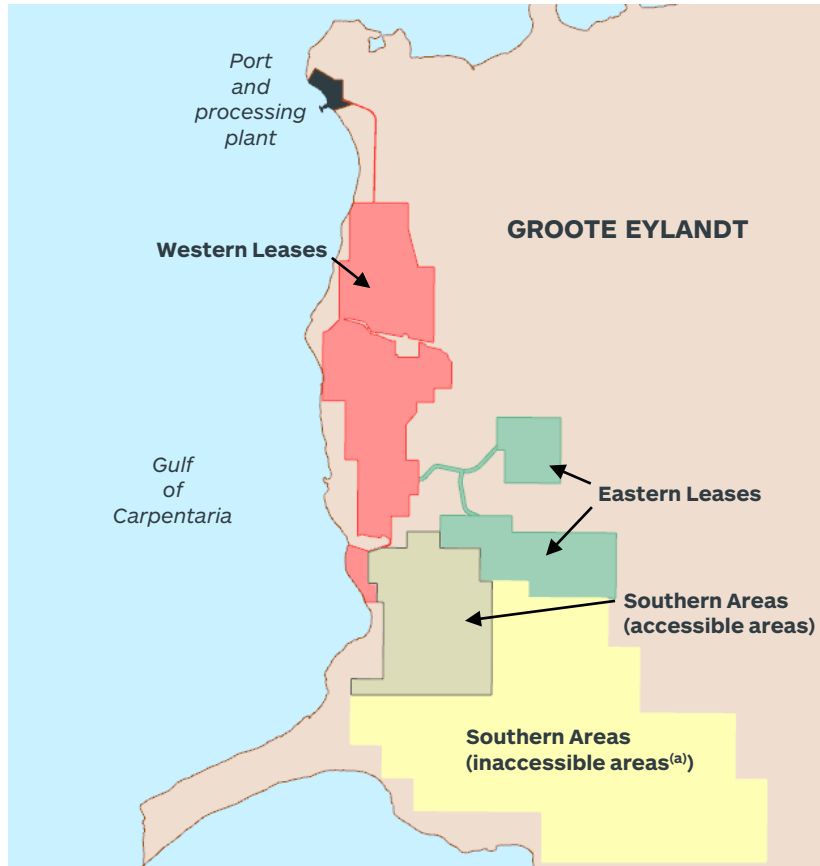
Notes:

- Refer Annexure with Australia Manganese Ore Reserves as at 30 April 2023.
- Based on average between FY24 and FY28, with outcomes to vary depending on the timing of longwall moves.
- Refer to important notices (slide 2) for additional disclosure.

AUSTRALIA MANGANESE

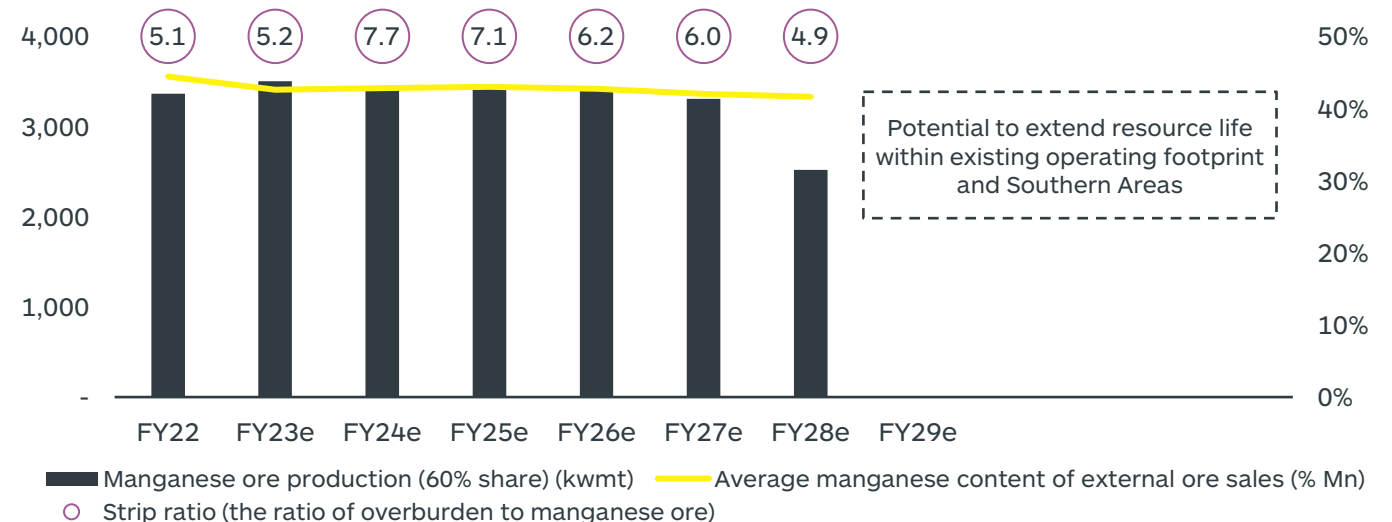
Progressing studies to extend the operation's life into the next decade

Australia Manganese mining areas and infrastructure



- We have approved the Eastern Lease South life extension project, with first ore expected FY25
- Low capital (US\$44M^(b)), high-returning project (IRR >50%^(c)) that extends the operation's life to at least FY28^(c)
- Additional study work underway on other areas within our existing operating footprint and the Southern Areas, to potentially extend the operation's life into the next decade

Manganese ore production and average manganese content of external ore sales (kwmt, LHS; % Mn, RHS)



Notes:

- A portion of Southern Areas is currently inaccessible due to water catchment and cultural heritage considerations.
- South32 share, with expected capital expenditure of US\$35M in FY24e and US\$9M in FY25e.
- Refer to important notices (slide 2) for additional disclosure.

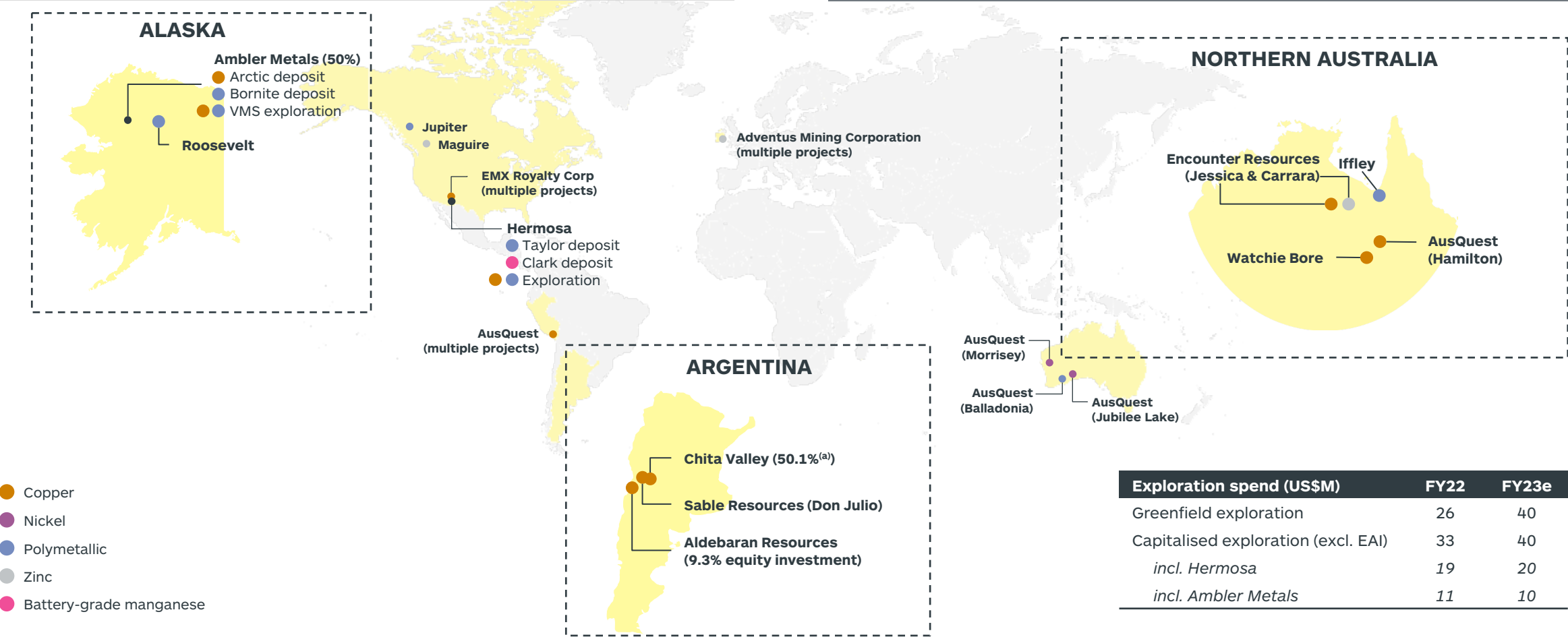


GROWTH AND EXPLORATION

OUR FUTURE GROWTH THROUGH DEVELOPMENT & DISCOVERY

Our next phase of growth is expected to come from our development options in North America

We are investing to discover our next generation of mines with over 25 exploration prospects



Exploration spend (US\$M)	FY22	FY23e
Greenfield exploration	26	40
Capitalised exploration (excl. EAI)	33	40
<i>incl. Hermosa</i>	19	20
<i>incl. Ambler Metals</i>	11	10

Notes:

a. We have exercised our earn-in right to acquire a 50.1% ownership interest in Minsud's Argentinian subsidiary (MSA) that holds and operates its flagship Chita Valley project.

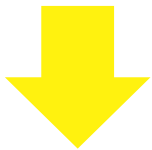
b. The exploration projects, partnerships or options on this slide reflect a combination of wholly-owned South32 projects, exploration partnerships, strategic alliances and earn-in agreements.

HERMOSA PROJECT

Only advanced project in the US with the potential to produce two critical minerals, zinc and manganese, recently confirmed as the first mining project to be added to the FAST-41 process

Taylor zinc-lead-silver development option

Targeting a sustainable operation with 20+ year resource life^(a) in the first quartile of the cost curve



Feasibility study and FID expected H2 CY23

Clark battery-grade manganese-zinc-silver development option

Advancing discussions with customers to supply battery-grade manganese into rapidly forming North American markets



Pilot plant production commenced, starting decline construction H2 CY23

Regional resource growth potential

Highly prospective regional land package with identified copper and base metals targets



Exploration ongoing at Peake, planning to drill Flux in H2 CY23

Notes:

a. Refer to important notices (slide 2) for additional disclosure.

TAYLOR OVERVIEW

Potential to be a globally significant producer of base metals

Taylor Highlights

138Mt zinc-lead-silver Mineral Resource^(a), which remains open at depth

Exploration target ranging from 10 to 95Mt^(a)

PFS outlined potential for a sustainable operation with a 20+ year initial resource life^(a)

Designed as a low-impact, low-carbon underground mine with conventional process plant

We are optimising the mine development schedule for a FAST-41 permitting process

Feasibility study on-track for H2 CY23, incorporating the revised schedule and current market cost estimates

Taylor site map



Notes:

a. Refer to important notices (slide 2) for additional disclosure.

CLARK OVERVIEW

Ideally positioned to provide secure, localised supply of battery-grade manganese for the North American market

Only advanced project in the US with a clear pathway to produce battery-grade manganese (BGM) from locally sourced ore

Confirmed flowsheet to produce high-purity manganese sulphate monohydrate (HPMSM)

PFS-S confirmed potential to produce ~60ktpa BGM, plus zinc and silver, over a ~60 year period¹⁷

Commenced pilot plant production with samples being prepared for feedback from potential customers

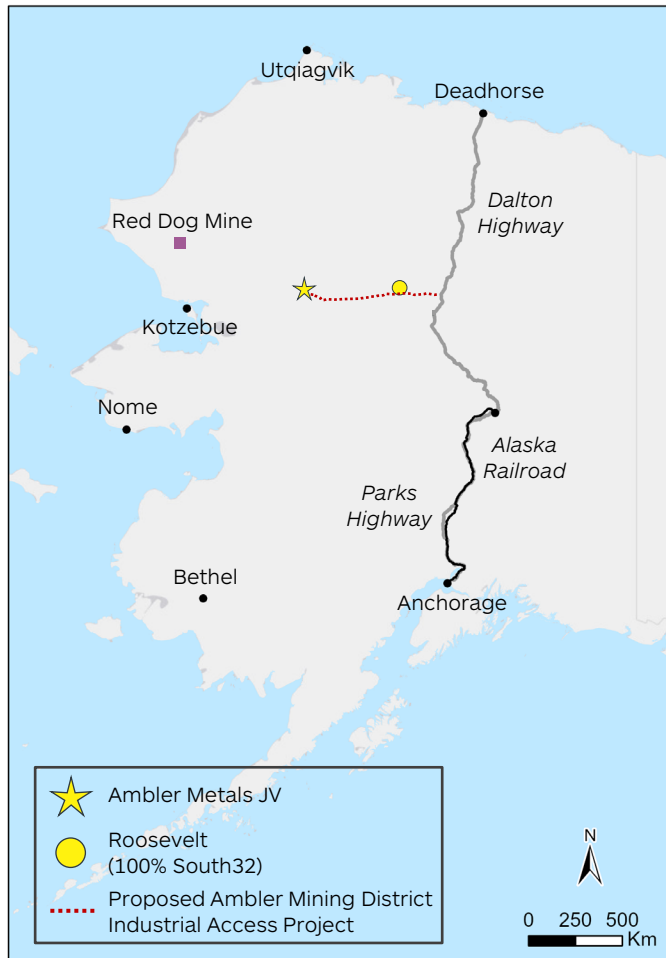
Preparing to construct a decline to access ore to facilitate demonstration plant output from late CY25

Fully integrated operation has carbon and traceability benefits sought after by end users

OUR EXPLORATION PORTFOLIO IN ALASKA

Attractive copper and polymetallic options in the prolific Ambler mining district

Alaska regional map



Ambler Metals JV (50%)

- 50% interest in the Ambler Metals joint venture, which hosts two known base metals deposits and numerous, early-stage volcanogenic massive sulphide (VMS) style exploration prospects
 - Arctic polymetallic deposit is one of the highest grade undeveloped base metals projects globally, with a JORC Mineral Resource estimate of 37Mt averaging 3.06% Cu and 4.30% Zn^(a)
 - Bornite copper deposit is a large, carbonate hosted copper deposit, open at depth and laterally, with open pit and underground potential
 - Focused on consolidating geological knowledge and advancing engineering studies for Arctic, while monitoring progress on approvals for the Ambler Mining District Industrial Access Project, with a supplemental Environmental Impact Study expected in Q2 FY24

Roosevelt Project (100%)

- Fully permitted, 10,000m drill program scheduled for the upcoming summer field season, targeting potential copper and zinc mineralisation

Arctic Deposit Mineral Resource^(a)

Classification	Mt	Cu (%)	Zn (%)	Pb (%)	Ag (g/t)	Au (g/t)
Indicated	33	3.14	4.43	0.80	49	0.63
Inferred	4.7	2.55	3.34	0.57	37	0.38
Open Pit	37	3.06	4.30	0.77	47	0.60

Bornite Deposit Mineral Resource^(a)

Classification	Mt	Cu (%)
Indicated	40	1.06
Inferred	38	1.03
Open Pit	78	1.04
Indicated	–	–
Inferred	70	2.29
Underground	70	2.29

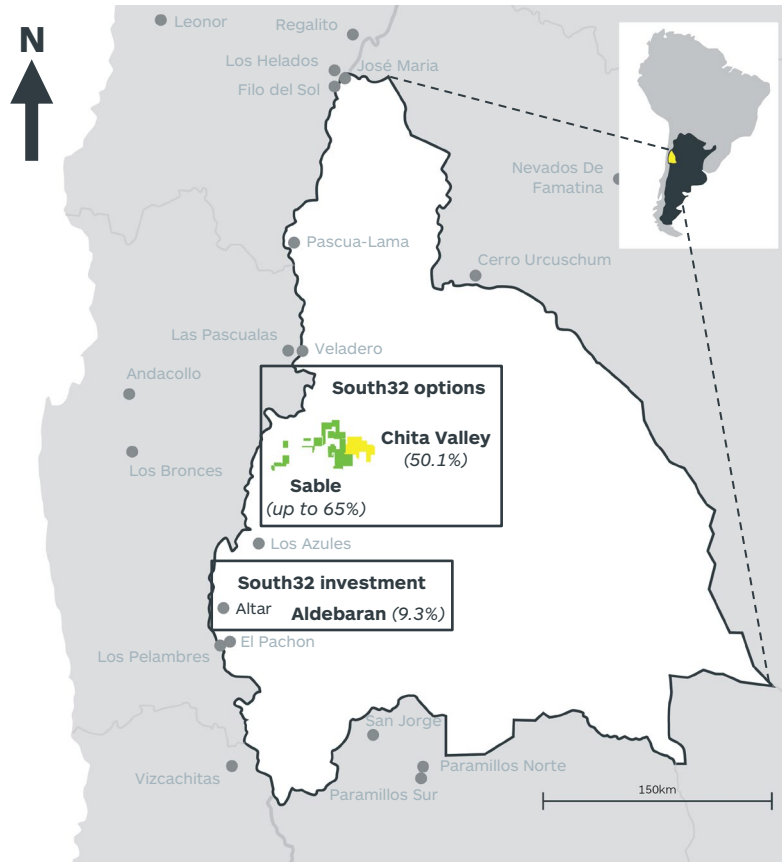
Notes:

a. As at 30 June 2022. Refer to important notices (slide 2) for additional disclosure.

OUR EXPLORATION PORTFOLIO IN ARGENTINA

The San Juan province of Argentina hosts several copper deposits along a highly prospective mineral belt

San Juan province, Argentina



We have invested in greenfield exploration partnerships in the San Juan province since November 2019, targeting copper porphyry style opportunities

Chita Valley (50.1%)

- We recently exercised our earn-in right with Minsud Resources for 50.1% of the Chita Valley copper porphyry exploration prospect^(a)
- We expect to complete the transaction and assume operatorship in the March 2024 quarter
- 21,700m drill program underway as part of the year 4 partnership with Minsud Resources

Sable Resources Ltd (option to acquire up to a 65% interest in the project)

- The Don Julio copper project comprises a 69,350 hectare land package prospective for copper, silver and gold. A 5,900m scout drilling program is currently underway

Aldebaran Resources Inc. (9.3% equity interest)

- 9.3% equity interest in Aldebaran Resources Inc., which holds an option to acquire a controlling interest in the Altar porphyry copper development project
- 15,000m drill program expected to be completed in H1 FY24

Notes:

- a. We have exercised our earn-in right to acquire a 50.1% ownership interest in Minsud's Argentinian subsidiary (MSA) that holds and operates its flagship Chita Valley project.

SUMMARY

SUMMARY



We produce commodities critical to a low-carbon future

Our recent investments have delivered strong growth in copper and low-carbon aluminium

We are progressing options to further increase our leverage to attractive long-term markets

Our consistent execution is underpinned by our disciplined capital allocation and strong balance sheet



MARKETS OUTLOOK

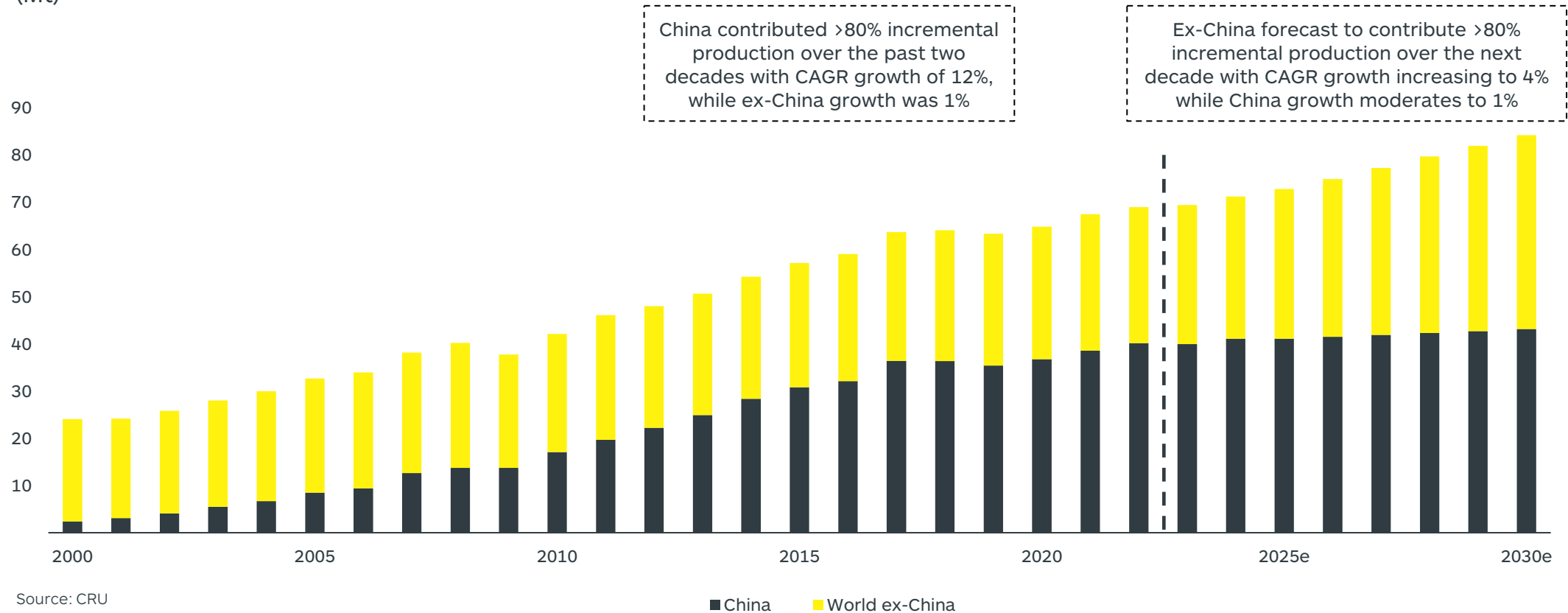
ALUMINIUM MARKET

Healthy demand growth (~3% p.a.) driven by transport and packaging sectors, and clean energy transition

With China's smelting capacity expected to be capped at 45Mt, the rest of the world is required to invest in new smelting capacity to meet demand

Long-term price to be supported by higher inducement cost projects outside of China, powered by green energy

Aluminium production (Mt)

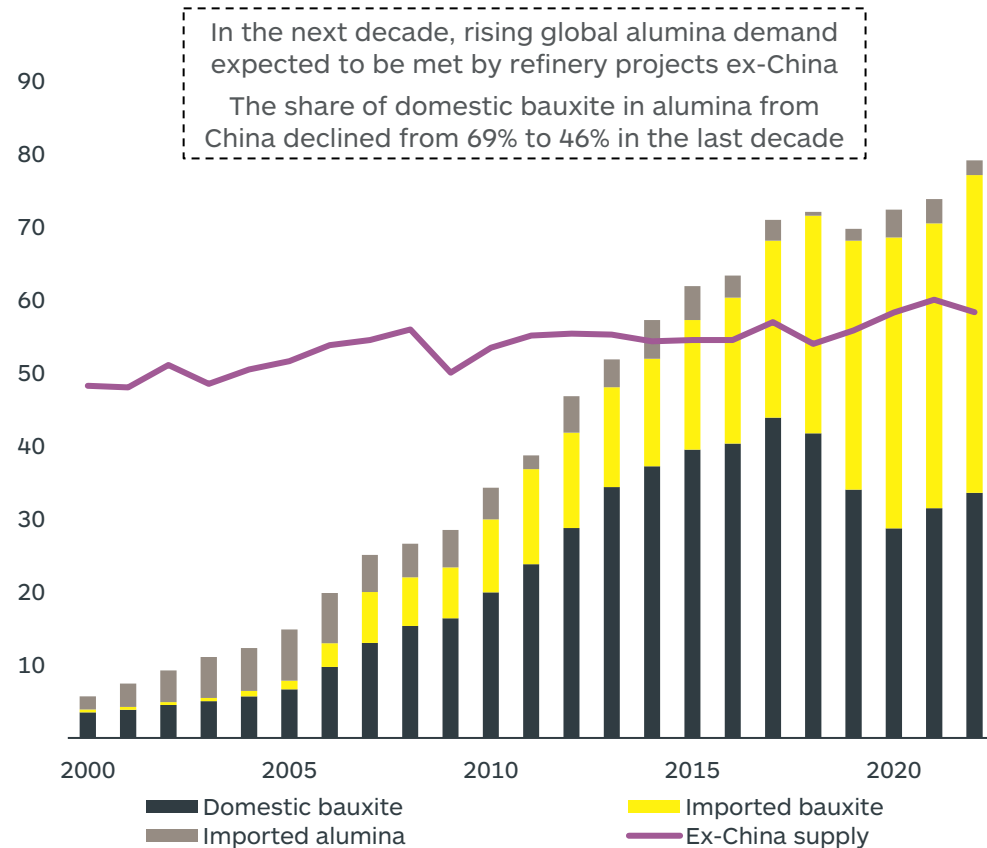


ALUMINA MARKET

Changing market dynamics and growing Chinese dependence on imported bauxite (+31% to 54% in the last decade)

China alumina by regional source

(Mt)

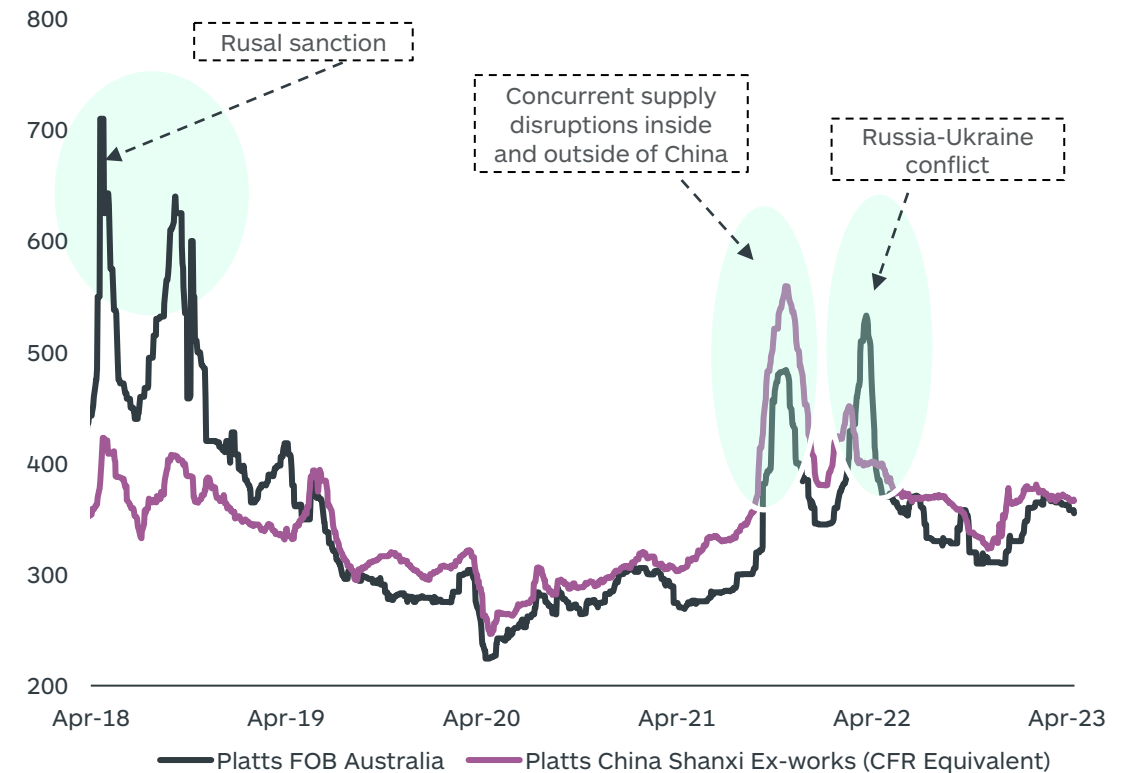


Source: CRU, IAI, South32 Analysis

Inducement cost projects expected to be built outside of China due to declining bauxite self-sufficiency and environmental policy

Alumina prices

(US\$/t)

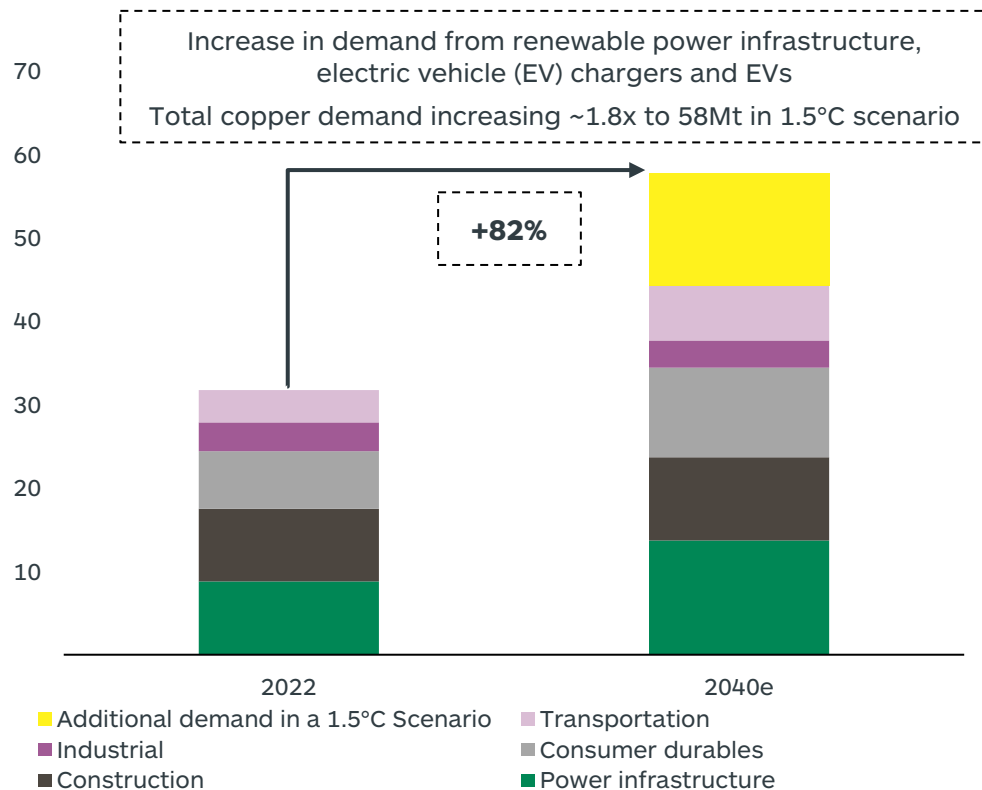


Source: Platts, South32 Analysis

COPPER MARKET

Copper demand outlook is well supported by the proliferation of renewables and rising electric vehicle penetration

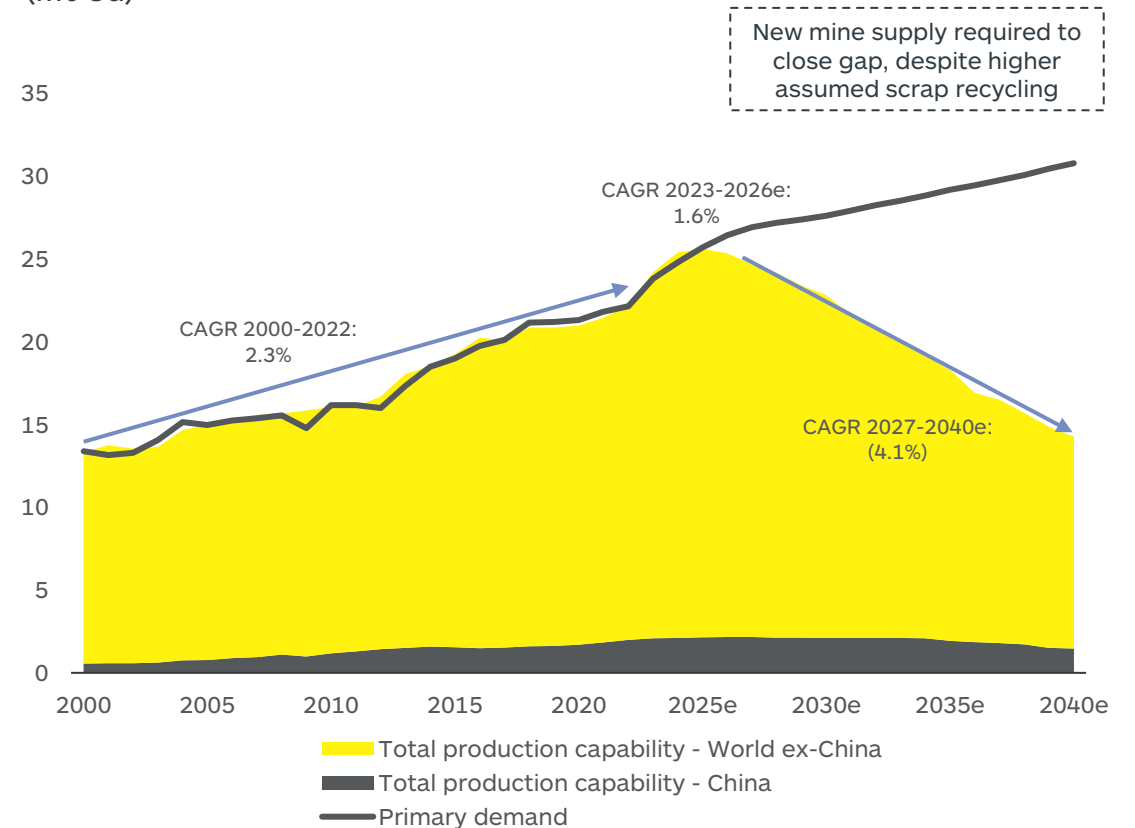
Copper total demand (Mt Cu)



Source: Wood Mac LTO Q4 2022, South32 analysis

Projected demand and supply gap by 2040e equivalent to requiring an additional ~1Mt of copper production each year

Regional mine production capability versus primary demand (Mt Cu)



Source: Wood Mac LTO Q4 2022, South32 analysis

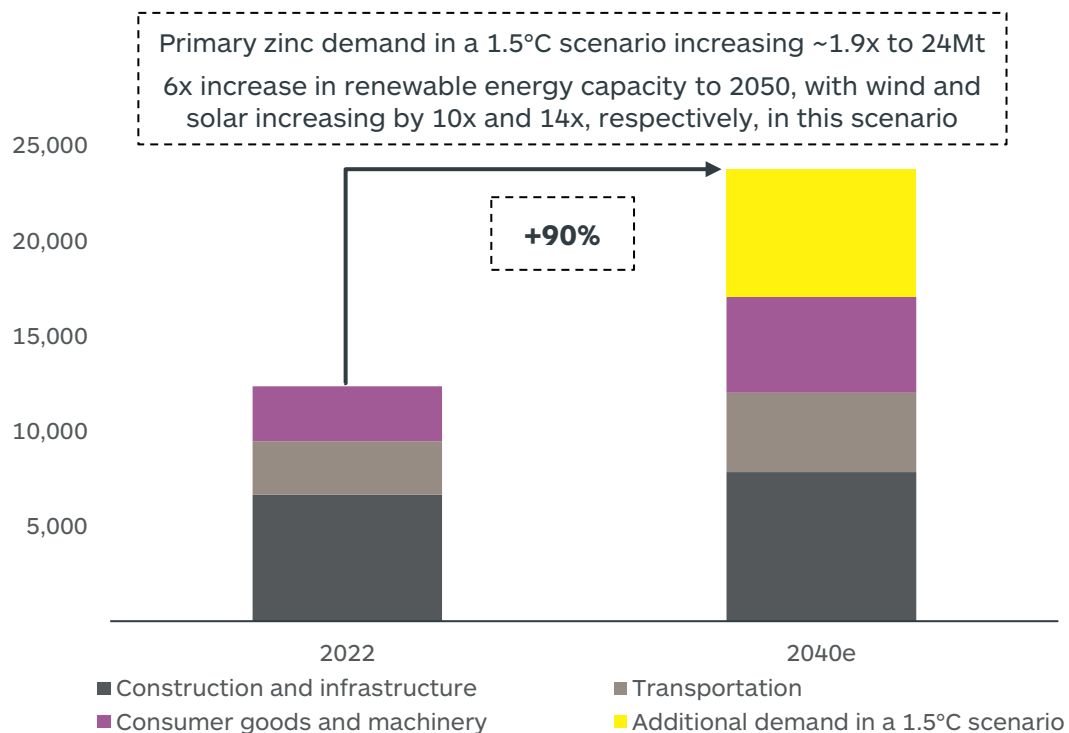
ZINC MARKET

Rapid renewables deployment could see zinc demand double over the next two decades, as zinc coatings are critical in protecting wind and solar infrastructure

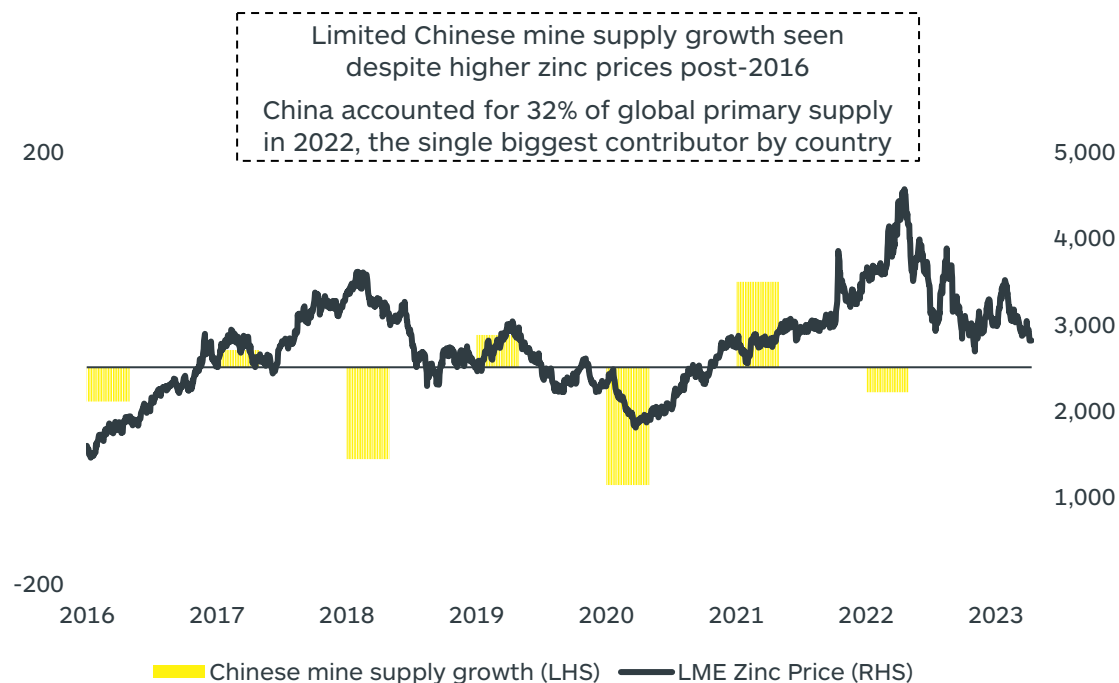
China's supply is constrained by rising environmental regulations and falling grades

Projected demand and supply gap by FY31 equivalent to requiring more than 10 new Taylor^(a) sized projects

Zinc primary demand
(kt Zn)



YoY growth in Chinese mine supply and zinc price
(kt Zn, LHS; US\$/t, RHS)



Source: South32 analysis

Source: South32 analysis, LME

Notes:

a. Based on Taylor Deposit pre-feasibility study with 130kt per annum steady state payable zinc production.

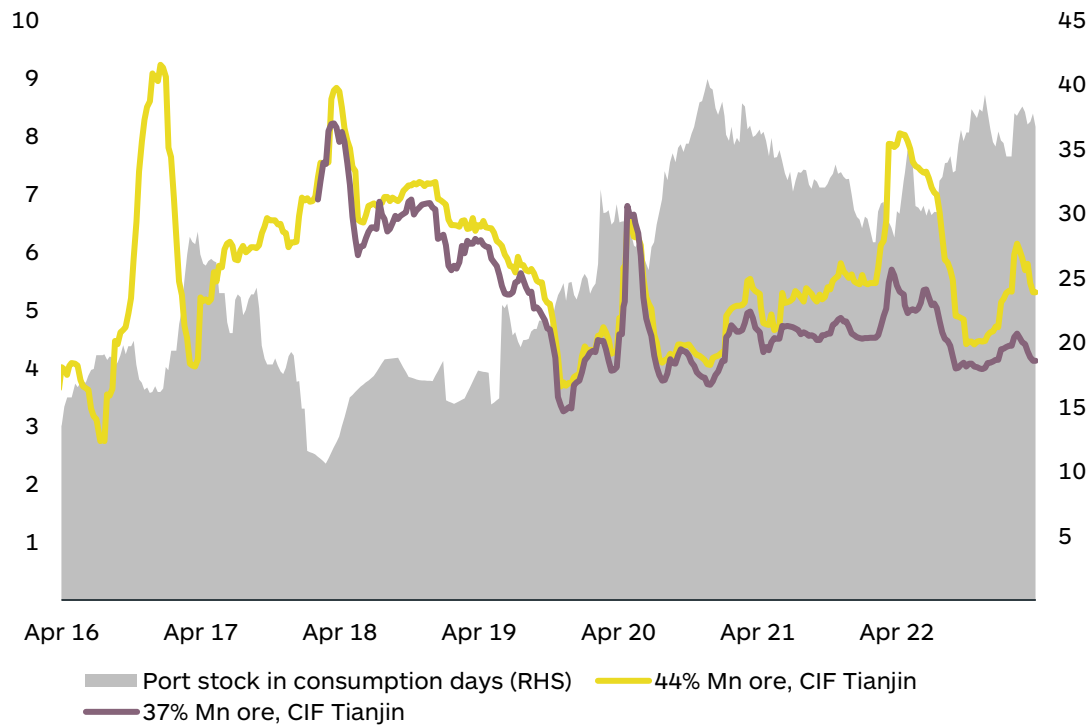
MANGANESE MARKET

Chinese energy costs have supported a preference for high-grade ores and a widening premium

Price movement in the short-term remains driven by pace of recovery in Chinese demand and supply dynamics

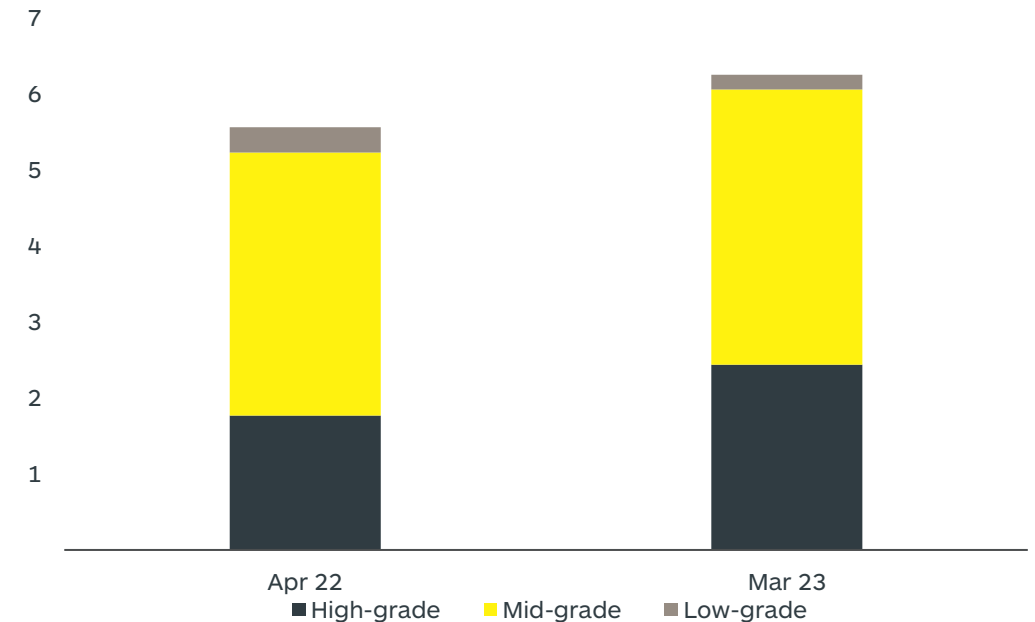
We continue to expect the long term price to be set by marginal South African supply transitioning underground over time

Manganese ore price and China port stocks in consumption days
(US\$/dmtu, LHS; days of consumption, RHS)



Source: Fastmarkets, Ferroalloy.net, South32 Analysis

China port stocks (Mt)



Source: Ferroalloy.net, South32 Analysis

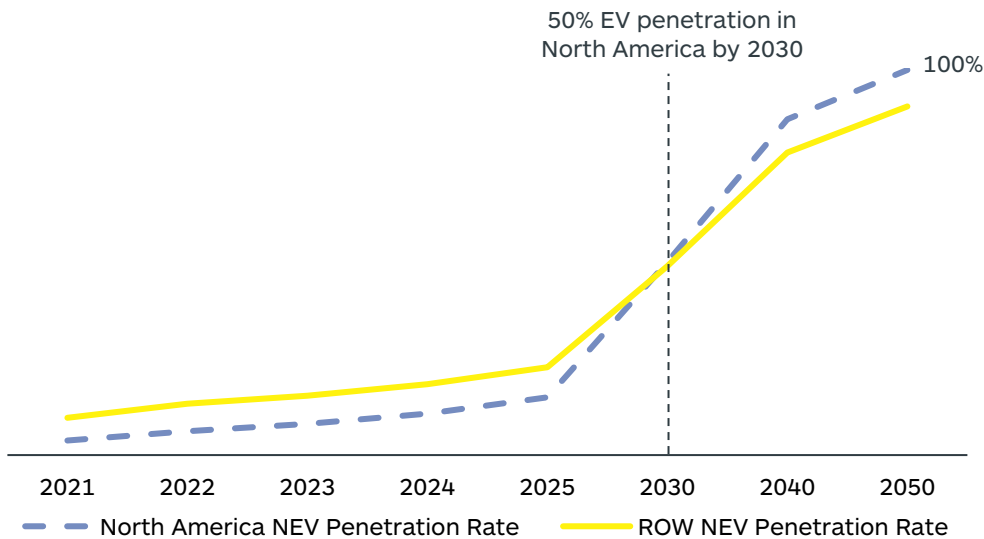
BATTERY-GRADE MANGANESE MARKET

Committed government policies are expected to underpin a near six-fold increase in North American EV penetration levels by 2030

We expect manganese-rich battery chemistries to capture ~30% of the market by 2030, and >50% by 2040

Manganese-rich cathodes provide substantial cost, performance and sustainable sourcing benefits

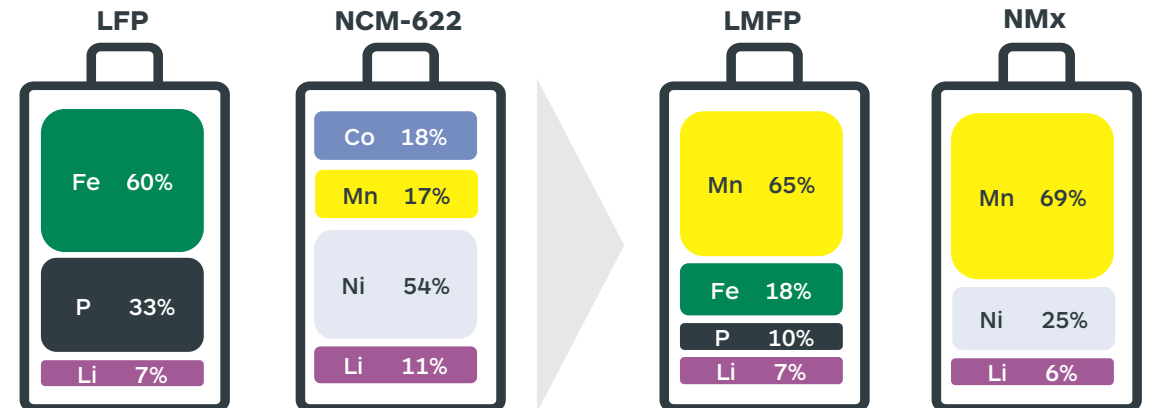
EV (passenger car and commercial vehicle) penetration rates^{(a)(b)(c)(d)}



Source: South32 analysis

Electric vehicle battery chemistries

Active cathode materials, % by mass



Battery chemistry for a standard NCM-622 battery contains ~17% Mn by mass while contributing <1% to cost^(e)

The future adoption of manganese-rich chemistries is increasingly supported by cathode producers and OEM public announcements of their next generation battery chemistry strategies

Source: BloombergNEF, Esource and other publicly available information

Notes:

- NEV (new electric vehicles) includes plug-in hybrids, battery EVs and hydrogen fuel-cell passenger cars
- Passenger car and commercial vehicles include commercial trucks/SUVs.
- EV penetration is calculated as EV production divided by total automobile production.
- North America refers to US, Canada and Mexico.
- Based on prices as at the end of 2022.

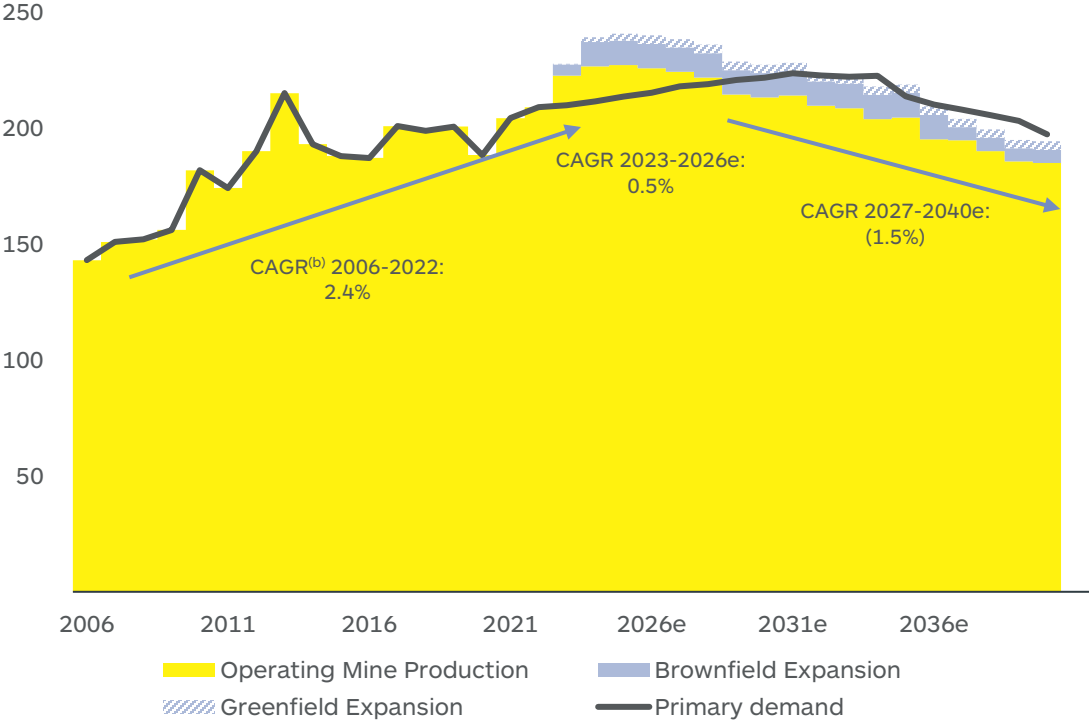
HARD COKING COAL MARKET

Demand for premium HCC^(a) will continue to increase until the commercial adoption of a viable steelmaking substitute

Permitting challenges are constraining new mine supply

Shortage of premium HCC expected to provide further price support for high grade product

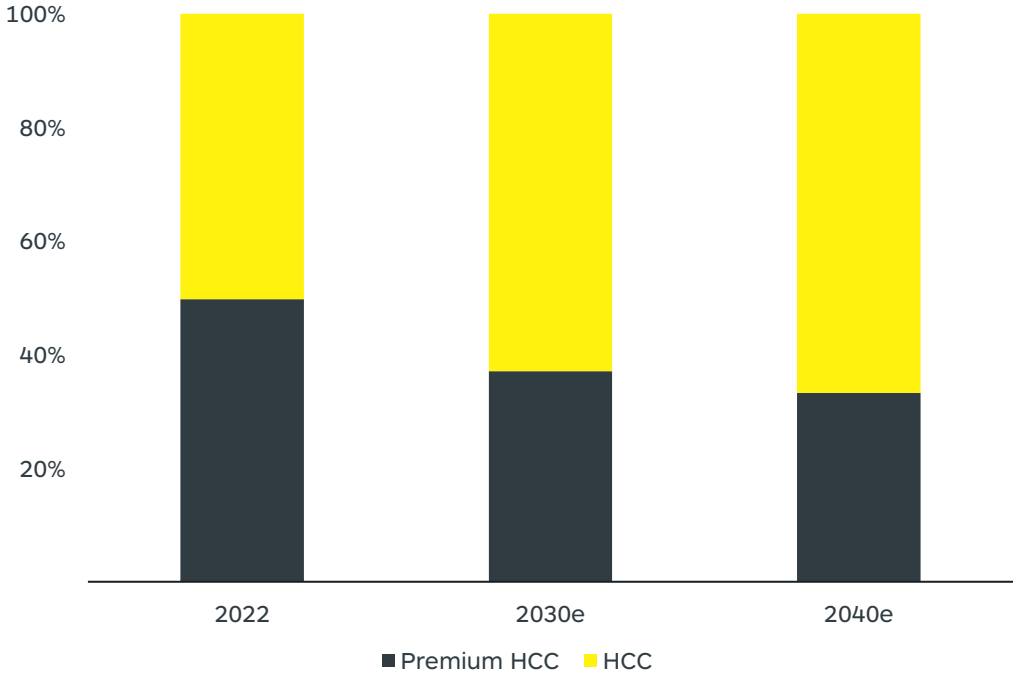
Seaborne HCC production capacity versus demand (HCC, Mt)



Source: CRU 2022 Q3, South32 analysis

Notes:
a. Premium hard coking coal (HCC) is classified as CSR (coke strength after reaction) greater than 65.
b. CAGR for production/estimated production from operating mines.

Premium HCC as % of Global Seaborne HCC supply is decreasing



SUPPLEMENTARY
INFORMATION

ANNEXURE – AUSTRALIA MANGANESE MINERAL RESOURCE AND ORE RESERVE UPDATE

As at 30 April 2023														As at 30 June 2022		
Material Type ⁽¹⁾	Measured Mineral Resources			Indicated Mineral Resources			Inferred Mineral Resources			Total Mineral Resources			South32 interest	Total Mineral Resources		
	Mt	% Mn	% Yield	Mt	% Mn	% Yield	Mt	% Mn	% Yield	Mt	% Mn	% Yield	%	Mt	% Mn	% Yield
ROM ⁽²⁾	67	44.7	48	35	41.0	47	26	44.2	45	129	43.6	47	60	138	43.6	47
Sands ⁽³⁾				13	20.0					13	20.0			9.0	19.5	

Notes:

(1) Cut-off grade

GEMCO ROM Mineral Resources
Sands ≥35% Mn washed product
No cut-off grade applied

(2) Mineral Resources are stated as in-situ, manganese grades are stated as per washed ore samples and should be read together with their respective mass recovery expressed as yields

(3) Mineral Resource tonnes and manganese grades are stated as in-situ.

As at 30 April 2023												As at 30 June 2022			
Material Type ⁽¹⁾⁽²⁾⁽³⁾	Proved Ore Reserves			Probable Ore Reserves			Total Ore Reserves			Reserve life	South32 interest	Total Ore Reserves			Reserve life
	Mt ⁽⁴⁾	% Mn	% Yield	Mt ⁽⁴⁾	% Mn	% Yield	Mt ⁽⁴⁾	% Mn	% Yield	Years	%	Mt	% Mn	% Yield	Years
ROM	28	42.9	58	16	42.2	53	44	42.6	56	4.7	60	35	43.0	59	3.9
Sands				7.3	40.0	22	7.3	40.0	22			5.8	40.0	19	

Notes:

(1) Cut-off grade

GEMCO ROM Ore Reserves
Sands ≥40% Mn washed product
No cut-off grade applied

(2) Ore Reserves are stated as delivered to plant, manganese grades are stated as expected product and should be read together with their respective mass yields

(3) Tonnes are stated on a dry basis.

Competent Persons Statement

The information in this report that relates to the Mineral Resource and Ore Reserve estimate for GEMCO represents an estimate as at 30 April 2023, and is based on information compiled by Mr. Joshua Harvey and Mr. Mark Bryant, Competent Persons who are Members of The Australasian Institute of Mining and Metallurgy. Mr. Harvey is a full-time employee of South32 and completed the Mineral Resource estimate. Mr. Bryant is a full-time employee of Bryant Mining Pty. Ltd. and was engaged by South32 to provide an Ore Reserve estimate. Both the Competent Persons have sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Harvey and Mr. Bryant consent to the inclusion in this report of the matters based on the information in the form and context in which it appears.

FOOTNOTES

1. In January 2023, South32 Limited received an ESG Risk Rating of 25.3 and was assessed by Morningstar Sustainalytics to be at Medium risk of experiencing material financial impacts from ESG factors. In no event shall this presentation be construed as investment advice or expert opinion as defined by the applicable legislation. Copyright © 2023 Morningstar Sustainalytics. All rights reserved. This publication contains information developed by Sustainalytics (www.sustainalytics.com). Such information and data are proprietary of Sustainalytics and/or its third party suppliers (Third Party Data) and are provided for informational purposes only. They do not constitute an endorsement of any product or project, nor an investment advice and are not warranted to be complete, timely, accurate or suitable for a particular purpose. Their use is subject to conditions available at <https://www.sustainalytics.com/legal-disclaimers>
2. In May 2022, South32 Limited received a rating of A (on a scale of AAA-CCC) in the MSCI ESG Ratings assessment. The use by South32 Limited of any MSCI ESG Research LLC or its affiliates ("MSCI") data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of South32 Limited by MSCI. MSCI services and data are the property of MSCI or its information providers, and are provided 'as-is' and without warranty. MSCI names and logos are trademarks or service marks of MSCI.
3. As at H1 FY23. Commencing FY23 the definition of Operational Lead Team was expanded to include functional leaders based at operations.
4. Target is defined as an intended outcome in relation to which we have identified one or more pathways for delivery of that outcome, subject to certain assumptions or conditions. Goal is defined as an aspiration to deliver an outcome for which we have not identified a pathway for delivery, but for which efforts will be pursued towards achieving that outcome, subject to certain assumptions or conditions.
5. Refers to aluminium produced using renewable power.
6. FY23e growth in copper equivalent production at our aluminium (Brazil Aluminium, Hillside Aluminium and Mozal Aluminium) and base metals (Sierra Gorda, Cannington and Cerro Matoso) operations, compared to FY22. Copper equivalent production was calculated using FY22 realised prices for all operations except for Brazil Aluminium which is based on FY22 average index price for aluminium.
7. Total capital expenditure, greenfield exploration and intangibles (including equity accounted investments and divested operations) from FY16 onwards to H1 FY23.
8. Includes ordinary dividends, special dividends and on-market share buy-back paid from FY16, plus US\$109M remaining on our current capital management program.
9. Calculated as the difference in net debt of US\$402M at 30 June 2015 and net debt of US\$298M as at 31 March 2023. Net debt number is unaudited and should not be considered as an indication of or alternative to an IFRS measure of profitability, financial performance or liquidity.
10. Inclusive of special dividends and on-market share buy-back (incorporating the US\$109M remaining on our capital management program which expires on 1 September 2023 unless the program is extended).
11. Based on the CRU Cost Model 2022, cash cost basis.
12. Refer to market release "South32 completes acquisition of additional shareholding in Mozal Aluminium" dated 31 May 2022.
13. Refer to market release "Restart of Brazil Aluminium using renewable power" dated 6 January 2022.
14. South Africa Manganese ore is reported as a 54.6% interest reflecting our Metalloys manganese alloy smelter (60% interest) having been placed on care and maintenance, and aligning with our interest in Hotazel Manganese Mines (HMM). South32 has a 44.4% ownership interest in HMM. 26% of HMM is owned by a B-BBEE consortium comprising Ntsimbintle Mining (9%), NCAB Resources (7%), Iziko Mining (5%) and HMM Education Trust (5%). The interests owned by NCAB Resources, Iziko Mining and HMM Education Trust were acquired using vendor finance with the loans repayable via distributions attributable to these parties, pro rata to their share in HMM. Until these loans are repaid, South32's interest in HMM is accounted at 54.6%.
15. Based on the CRU Cost Model 2022.
16. IRR is predicated on our internal price forecast for 44% manganese.
17. Refer to market release "Hermosa Project Update" dated 9 May 2023.

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

The following abbreviations have been used throughout this presentation: silver (Ag); gold (Au); Australian dollar (AUD); billion (B); battery-grade manganese (BGM); Brazilian real (BRL); Chilean peso (CLP); Colombian peso (COP); copper (Cu); calendar year (CY); dry metric tonne (dmt); equity accounted investment (EAI); environmental, social and governance (ESG); electric vehicle (EV); Title 41 of the Fixing America's Surface Transportation Act (FAST-41); final investment decision (FID); financial year (FY); greenhouse gas (GHG); half (H); high-purity manganese sulphate monohydrate (HPMSM); joint venture (JV); kilo (k); lithium ferrophosphate (LFP); lithium manganese iron phosphate (LMFP); metre (m); million (M); manganese (Mn); molybdenum (Mo); Mineração Rio do Norte (MRN); Mozambican metical (MZN); 60% nickel, 20% cobalt and 20% manganese battery (NCM-622); new electric vehicles (NEV); cobalt-free nickel-manganese (NMx); original equipment manufacturer (OEM); Ore Sorting and Mechanical Ore Concentration (OSMOC); troy ounces (oz); pre-feasibility study (PFS); selection phase of the pre-feasibility study (PFS-S); return on invested capital (ROIC); Taskforce on Nature-related Financial Disclosures (TNFD); tonnes per annum (tpa); United States (US); United States dollar (USD); volcanogenic massive sulphide (VMS); wet metric tonne (wmt); South African rand (ZAR) and zinc (Zn).

