



# **SOUTH32 LIMITED**

BATTERY GRADE MANGANESE  
MADE IN ARIZONA, USA

February 2023

# IMPORTANT NOTICES



This presentation should be read in conjunction with the "Financial Results and Outlook – year ended 30 June 2022" announcement released on 25 August 2022, which is available on South32's website ([www.south32.net](http://www.south32.net)).

Figures in *italics* indicate that an adjustment has been made since the figures were previously reported.

## 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 presentation, however they are not guarantees or predictions of future performance or statements of fact. 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 presentation. Readers are cautioned not to put undue reliance on forward-looking statements. South32 makes no representation, assurance or guarantee as to the accuracy or likelihood or fulfilment of any forward-looking statement or any outcomes expressed or implied in any forward-looking statement. 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, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption arising in connection with COVID-19. The denotation "e" refers to an estimate or forecast year.

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This presentation includes certain non-IFRS financial measures, including Underlying earnings, Underlying EBIT and Underlying EBITDA, Underlying revenue, Underlying net finance costs, Underlying depreciation and amortisation, Underlying operating costs, Underlying income tax expense, Underlying royalty related tax expense, Basic Underlying earnings per share, Underlying effective tax rate, Underlying EBIT margin, Underlying EBITDA margin, Underlying return on capital, Free cash flow, net debt, net operating assets 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

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## 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 FY21 Annual Report ([www.south32.net](http://www.south32.net)) issued on 3 September 2021 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.

Illawarra Metallurgical Coal Production Target cautionary statement: The Coal Resources and Coal Reserves estimates underpinning the Production Target have been prepared by Competent Persons and reported in accordance with the JORC Code. The Coal Resources and Coal Reserves estimates are available to view in South32's FY21 Annual Report ([www.south32.net](http://www.south32.net)) published on 3 September 2021. 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.

Resource life is estimated using Mineral Resources (extracted from South32's FY21 Annual Report published on 3 September 2021 and available to view on [www.south32.net](http://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.

Clark Deposit scoping study cautionary statement: The scoping study referred to in this presentation is based on the original announcement "Hermosa Project Update" released on 17 January 2022 and is available to view on [www.south32.net](http://www.south32.net). South32 confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement.

Taylor Production Targets cautionary statement: The information in this presentation that refers to Production Target and forecast financial information is based on Measured (20%), Indicated (62%), Inferred (14%) Mineral Resources and Exploration Target (4%) for the Taylor Deposit. The Mineral Resources underpinning the Production Target have been prepared by a Competent Person in accordance with the JORC Code. All material assumptions on which the Production Target and forecast financial information is based is provided in the "Hermosa Project Update" announcement released on 17 January 2022. There is low level of geological confidence associated with 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 potential quantity and grade of the Exploration Target is conceptual in nature. In respect of Exploration Target used in the Production Target, there has been insufficient exploration to determine a Mineral Resource and there is no certainty that further exploration work will result in the determination of Mineral Resources or that the Production Target itself 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. South32 confirms that inclusion of 18% of tonnage (14% Inferred Mineral Resources and 4% Exploration target) is not the determining factor of the project viability and the project forecasts a positive financial performance when using 82% tonnage (20% Measured and 62% Indicated Mineral Resources). South32 is satisfied, therefore, that the use of Inferred Mineral Resources and Exploration Target in the Production Target and forecast financial information reporting is reasonable.

Peake Exploration Target: The information in 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](http://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 Exploration Target: The information in 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](http://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.

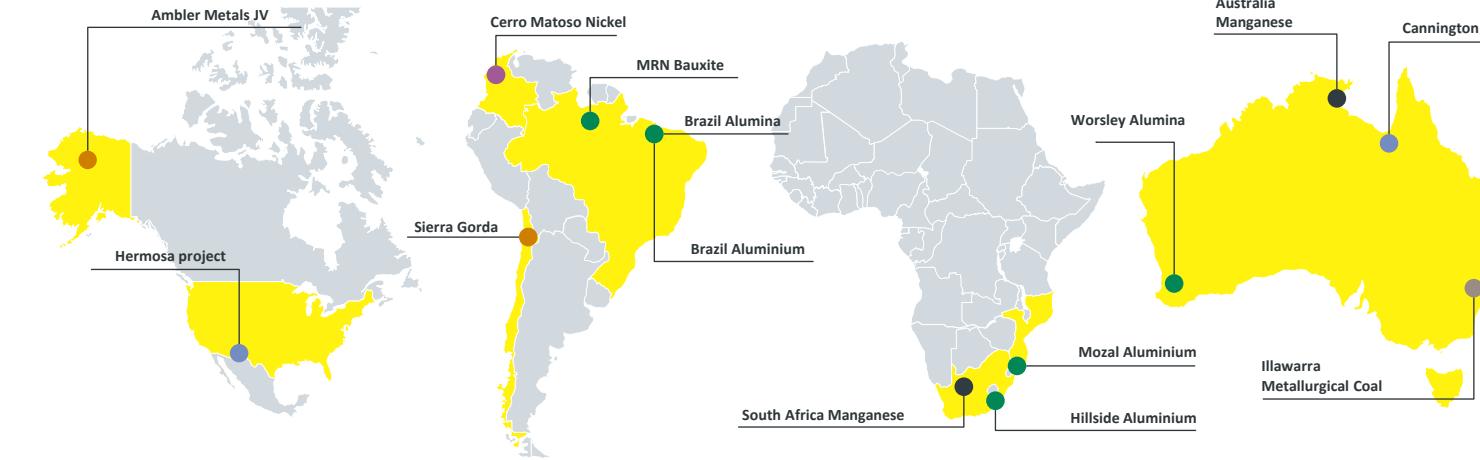
# SOUTH32 SNAPSHOT

- A global resources company with operations in Australia, Southern Africa and South America where we mine, refine and smelt ten different commodities
- Publicly listed in Australia, London and South Africa
- Member of the International Council of Mining and Metals
- World's largest producer of manganese ore
- Multiple, world class development options in North America, focused on metals critical to a low carbon future
- Includes our battery-grade manganese project in Arizona
- Target to reduce our operational carbon emissions (Scope 1 and 2) by 50% by 2035 ahead of our goal of achieving net zero across Scope 1, 2 and 3 by 2050



# OUR PORTFOLIO

We have a diverse operational footprint, producing a wide range of products for a global customer base



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

## Advancing greenfield exploration partnerships and prospects in:



## Project pipeline

### Brownfield options in study phase

- Worsley Alumina decarbonisation and life extension
- MRN bauxite mine life extension
- Hillside low-carbon electricity
- Sierra Gorda fourth line expansion and oxide projects
- Cerro Matoso MHP nickel study

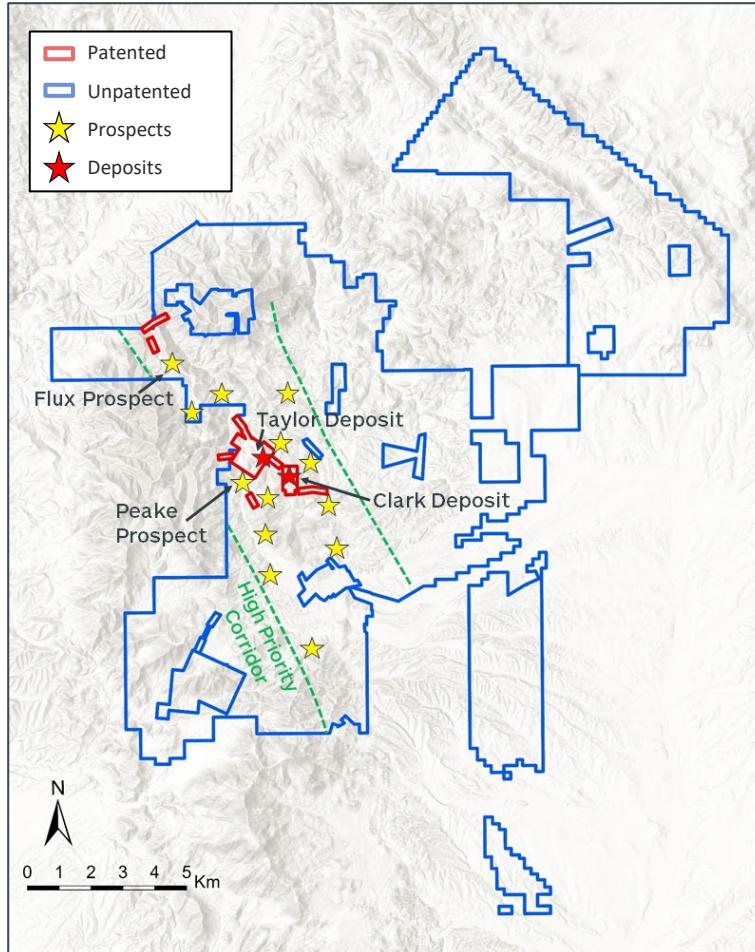
### Greenfield growth options in study phase

- ● Hermosa Taylor and Clark Deposits
- ● Ambler Metals Arctic Deposit

# HERMOSA PROJECT, ARIZONA USA

Only deposit with the potential to produce battery-grade manganese from a fully-integrated operation in America

## Hermosa land package



## Zinc-lead-silver development option

- PFS demonstrated potential for a sustainable, low cost operation with 20+ year initial resource life<sup>(a)</sup> in the first quartile of the industry's cost curve
- Conventional plant and dual shaft access mine with associated infrastructure
- Final investment decision expected in mid CY23

## Battery-grade manganese product potential

- Large scale Mineral Resource of 55Mt
- Scoping study<sup>(a)</sup> has confirmed the potential to produce battery-grade manganese into rapidly-growing markets
- Co-location of mine and processing plant in Arizona supports a secure, traceable supply of battery-grade manganese

## Sustainable operation

- Small footprint mine for surface biological resource protection and low water use intensity from underground mining method and dry stack tailings
- Discussions on-going to secure 100% renewable power from local providers
- Committed to working with Native American tribes to protect cultural resources, engaging outside of regulatory processes

Notes:

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

Ideally positioned to provide secure, localised supply of battery-grade manganese to North American customers

## Looking forward:

- Nearing completion of our PFS selection phase for underground manganese mine development
- Metallurgical test work and bulk sample collection underway
- Pilot plant production for potential customers from mid-CY23
- Federal funding initiatives and Arizona state site permitting being advanced
- Demonstration plant scope to be determined following pilot plant test work

Hermosa project

