



6 January 2022

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

RESTART OF BRAZIL ALUMINIUM USING RENEWABLE POWER

South32 Limited (ASX, LSE, JSE: S32; ADR: SOUHY) (South32) is pleased to announce our decision to participate in a restart of the Alumar aluminium smelter (Brazil Aluminium), together with our joint venture partner Alcoa Corporation (Alcoa). First production is expected in the June 2022 quarter, with full capacity from the smelter's three potlines of 447ktpa (100%) to be achieved in the March 2023 quarter¹. Once at full capacity our Group wide annualised equity share of aluminium production is expected to lift by 16% (or 179kt) to 1,269kt².

South32's 40% share of Brazil Aluminium will be powered by 100% cost efficient renewable power, placing the smelter in the second quartile of the global aluminium site cost curve³. With our energy requirements secured under long term contracts, our alumina supply will be sourced from the co-located Brazil Alumina refinery (36% South32 share), offering substantial efficiencies.

Brazil Aluminium has been on care and maintenance since 2015. We expect to invest ~US\$70M (40% South32 share) across FY22 and FY23 to support the smelter's restart, including ~US\$10M in capital expenditure.

South32 Chief Executive Officer, Graham Kerr said "We are excited to participate in the restart of the Alumar smelter using 100% renewable power. With the smelter benefitting from existing infrastructure, access to our own supply of alumina and long-term green energy sources, we expect our investment to deliver strong returns through the cycle.

"We see strong long-term market fundamentals for aluminium. By investing along our existing alumina-aluminium value chain with the smelter's restart and the expected increase to our shareholding in Mozal Aluminium, we are further integrating our business and meaningfully increasing our share of metal produced utilising green energy.

"With this decision we continue to make substantial progress in reshaping our portfolio, increasing our exposure to the base metals required for the critical transition to a low carbon future."

About Brazil Alumina and Brazil Aluminium

Brazil Alumina comprises South32's 14.8% interest in the Mineração Rio do Norte (MRN) bauxite mine and our 36% interest in the Alumar alumina refinery. Brazil Aluminium comprises our interest in the Alumar aluminium smelter (40%). The MRN mine is located in the Trombetas region in the state of Pará, Brazil. The Alumar alumina refinery and Alumar aluminium smelter are located at São Luís in the state of Maranhão, Brazil.

¹ Production guidance for South32's 40% share is 5kt for FY22 and 140kt for FY23.

² Based on FY23e production guidance for Hillside Aluminium and Mozal Aluminium, with an increased ownership of 63.7% in the latter, our minimum expected shareholding after we triggered our pre-emptive rights (refer to market release "South32 to acquire up to an additional 25% of Mozal Aluminium" dated 30 September 2021).

³ Based on the CRU Aluminium Cost Model 2021.

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 bauxite, alumina, aluminium, 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.

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

Approved for release by Graham Kerr, Chief Executive Officer
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