



22 February 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

SOUTH32 COMPLETES ACQUISITION OF 45% INTEREST IN SIERRA GORDA COPPER MINE

South32 Limited (ASX, LSE, JSE: S32; ADR: SOUHY) (South32) is pleased to announce that today we completed the acquisition of a 45% interest in the Sierra Gorda copper mine from Sumitomo Metal Mining and Sumitomo Corporation (collectively Sumitomo)¹. The final purchase price includes a US\$1.4B upfront cash payment² plus a contingent price-linked consideration component of up to US\$500M, payable at threshold copper production rates and prices in the years 2022-25. The upfront consideration was funded from cash on hand (~US\$600M) and an acquisition debt facility (~US\$800M).

South32 Chief Executive Officer, Graham Kerr said: “Our acquisition of an interest in the Sierra Gorda copper mine is a major milestone for South32. By adding copper to our portfolio, along with our recent commitments to substantially increase our green aluminium production, we are making significant progress reshaping our portfolio for a low carbon future.

“Sierra Gorda will immediately contribute to earnings, improve Group operating margins and give South32 long term exposure to a metal that is increasingly hard to discover, develop and produce. We believe copper will play a key role in the world’s decarbonisation and energy transition.”

Production, operating unit costs and capital expenditure guidance for South32’s interest in Sierra Gorda over the remainder of FY22 from completion is included in the table below. FY23 guidance will be provided with our FY22 Financial Results.

45% South32 share	FY22e
Ore processed (Mdmmt)	7.9
Copper equivalent production (kt) ³	31
Copper production (kt)	27
Molybdenum production (kt)	0.4
Gold production (koz)	10
Silver production (koz)	225
Operating unit costs (US\$/lb CuEq) ⁴	1.63
Safe and reliable capital expenditure (US\$M) ⁵	50
Improvement and life extension capital expenditure (US\$M)	15

About us

¹ Refer to market release “South32 to acquire a 45% interest in the Sierra Gorda copper mine” dated 14 October 2021. The estimates indicated in the original announcement are qualifying foreign estimate and are not reported in accordance with the JORC Code. A Competent Person has not done sufficient work to classify foreign estimates as Mineral Resources or Ore Reserves in accordance with the JORC Code. It is uncertain that following evaluation and/or further work that the foreign estimates will be reported as Mineral Resources or Ore Reserves in accordance with the JORC Code.

² Based on initial upfront consideration of US\$1.55B, with adjustments including working capital and net debt.

³ Copper equivalent production (kt) was calculated by aggregating revenues from copper, molybdenum, gold and silver, and dividing the total Revenue by the price of copper. Average metallurgical recoveries are 83% for copper, 57% for molybdenum and 53% for gold. FY21 index prices for copper (US\$4.23/lb), molybdenum (US\$15.7/lb), gold (US\$1,796/oz) and silver (US\$25.2/oz) have been used for FY22e.

⁴ US dollar per pound of copper equivalent production. FY21 index prices for copper (US\$4.23/lb), molybdenum (US\$15.7/lb), gold (US\$1,796/oz) and silver (US\$25.2/oz) have been used for FY22e Operating unit costs.

⁵ Safe and reliable capital expenditure includes deferred stripping.

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, metallurgical coal, manganese, nickel, silver, lead, zinc and copper 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.

Investor Relations

Alex Volante

T +61 8 9324 9029
M +61 403 328 408
E Alex.Volante@south32.net

Tom Gallop

T +61 8 9324 9030
M +61 439 353 948
E Tom.Gallop@south32.net

Media Relations

Miles Godfrey

M +61 415 325 906
E Miles.Godfrey@south32.net

Jenny White

T +44 20 7798 1773
M +44 7900 046 758
E Jenny.White@south32.net

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

Approved for release by Graham Kerr, Chief Executive Officer
JSE Sponsor: UBS South Africa (Pty) Ltd
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Forward-looking statements

This release 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, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption arising in connection with COVID-19.