



South32 Limited
(Incorporated in Australia under the *Corporations Act 2001* (Cth))
(ACN 093 732 597)
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QUARTERLY REPORT

June 2024

- **Achieved 98% of current Group FY24 copper equivalent production guidance [note 1], and remain on track to deliver FY24 Operating unit costs in line with current guidance.**
- **Delivered strong sales in the June 2024 quarter, capturing higher commodity prices and releasing working capital to finish the year.**
- **Advanced our portfolio transformation, completing key milestones for the sale of Illawarra Metallurgical Coal [note 2], and progressing construction at Hermosa's Taylor zinc-lead-silver deposit as planned.**
- Aluminium production was largely unchanged year-on-year, as Hillside Aluminium achieved record production, Brazil Aluminium continued to ramp up, and Mozal Aluminium progressed its recovery plan.
- Alumina production was largely unchanged year-on-year, with improved plant availability at Brazil Alumina partially offsetting a temporary bauxite conveyor outage at Worsley Alumina in the quarter.
- Cannington payable zinc equivalent production [note 3] increased by 10% in FY24, despite adverse weather impacts, as the operation realised higher average metal grades.
- Sierra Gorda payable copper equivalent production [note 4] declined by 15% in FY24, as higher plant throughput was offset by lower than planned copper grades and molybdenum recoveries in the current phase of the mine plan.
- Cerro Matoso nickel production was largely unchanged year-on-year, with higher plant throughput and nickel grades supporting a 6% increase in quarterly production.
- Consistent with guidance, Illawarra Metallurgical Coal saleable production decreased by 24% in FY24, as the operation completed planned longwall moves.
- Australia Manganese progressed recovery plans following Tropical Cyclone Megan, while South Africa Manganese responded to stronger manganese prices, achieving record annual production.
- FY25 production guidance revised lower for alumina (5%), Sierra Gorda payable copper equivalent (7%) and Cannington payable zinc equivalent (9%).
- Impairment expenses for Worsley Alumina (~US\$554M pre-tax) and Cerro Matoso (~US\$264M pre-tax) will be recognised in our FY24 financial results.

South32 Chief Executive Officer, Graham Kerr: *"We delivered another quarter of improved operating performance, achieving sequentially higher volumes across the majority of our operations, and remaining on track to achieve FY24 operating unit cost guidance.*

"Our performance enabled us to capitalise on stronger commodity prices, lift sales volumes and release working capital, boosting cash generation in the quarter.

"The sale of Illawarra Metallurgical Coal is expected to be completed later this quarter, further strengthening our balance sheet, simplifying our business, reducing our capital intensity and unlocking capital to invest in our high-quality development projects in zinc and copper.

"Construction and permitting are tracking to plan at the Taylor zinc-lead-silver deposit at Hermosa, the first phase of a regional-scale opportunity to supply commodities critical for the global energy transition."

Production summary							
South32 share	FY23	FY24	YoY	4Q23	3Q24	4Q24	QoQ
Alumina production (kt)	5,101	5,063	(1%)	1,249	1,240	1,249	1%
Aluminium production (kt)	1,133	1,138	0%	286	278	285	3%
Payable copper production (kt)	70.7	60.8	(14%)	17.3	13.9	15.3	10%
Payable silver production (koz)	11,813	13,273	12%	3,522	3,050	3,224	6%
Payable lead production (kt)	101.7	112.4	11%	28.3	24.8	28.8	16%
Payable zinc production (kt)	59.2	60.7	3%	16.2	14.3	17.4	22%
Payable nickel production (kt)	40.8	40.6	0%	10.2	10.8	11.5	6%
Metallurgical coal production (kt)	5,497	4,305	(22%)	1,504	1,244	1,274	2%
Manganese ore production (kwmt)	5,653	4,499	(20%)	1,455	1,175	534	(55%)

Unless otherwise noted: percentage variance relates to performance during the financial year ended June 2024 compared with the financial year ended June 2023 (YoY), or the June 2024 quarter compared with the March 2024 quarter (QoQ); production and sales volumes are reported on an attributable basis.

CORPORATE UPDATE

Sustainability

- We completed planned milestones in our multi-year Safety Improvement Program, deploying our 'Lead Safely Every Day' program across our leadership and frontline workforce.
- We advanced decarbonisation programs to support our target [note 5] to halve our operational greenhouse gas (GHG) emissions by 2035. In FY24, Worsley Alumina converted two coal-fired boilers to natural gas, expected to reduce the refinery's operational GHG emissions by over 10% from FY21 levels. Hillside Aluminium has now converted 36% of its pots to AP3XLE energy efficiency technology.

Portfolio

- The sale of Illawarra Metallurgical Coal to an entity owned by Golden Energy and Resources Pte Ltd and M Resources Pty Ltd, for up to US\$1,650M [note 6], received Australian Foreign Investment Review Board approval on 5 July 2024 [note 2]. The transaction is expected to complete in late Q1 FY25, subject to receipt of the remaining foreign merger clearances. As a result of the transaction, we will record an impairment reversal of ~US\$200M (~US\$140M post-tax) in our FY24 financial results, which will be excluded from FY24 Underlying earnings.
- The sale of our 50% interest in the Eagle Downs metallurgical coal project to a subsidiary of Stanmore Resources Limited is expected to complete in Q1 FY25. The consideration for the transaction comprises US\$15M in cash, a contingent payment of US\$20M [note 7] and a price-linked royalty of up to US\$100M [note 8].
- On 13 June 2024, Samancor Manganese entered into a binding agreement to divest the Metalloys manganese alloy smelter, subject to the satisfaction of conditions [note 9].

Income statement

- We will record impairment expenses in our FY24 financial results, as set out below, which will be excluded from FY24 Underlying earnings.
 - Worsley Alumina: ~US\$554M (~US\$389M post-tax) to a carrying value of ~US\$2,027M, reflecting increased uncertainty created by the Western Australian Environmental Protection Authority's recommended conditions for the Worsley Mine Development Project approval and associated challenging operating conditions [note 10]; and
 - Cerro Matoso: ~US\$264M (~US\$248M post-tax) to a carrying value of ~US\$54M, reflecting structural changes in the nickel market which are expected to continue to place pressure on nickel prices and discounts for our ferronickel product.
- Australia Manganese incurred ~US\$90M of idle capacity and other remediation related costs as a result of Tropical Cyclone Megan. These costs will be excluded from FY24 Underlying earnings as an earnings adjustment.

- FY24 Group Underlying depreciation and amortisation is expected to be ~US\$915M, including ~US\$140M for our manganese business and ~US\$130M for Sierra Gorda.
- FY24 Group Underlying net finance costs are expected to be ~US\$250M, primarily comprising the unwinding of the discount applied to our closure and rehabilitation provisions and interest on lease liabilities and long-dated debt.

Cash flow and balance sheet

- We delivered a strong sales result in the June 2024 quarter, drawing down inventory and capturing the benefit of higher commodity prices. This is expected to support an unwind of working capital of ~US\$180M in H2 FY24 (H1 FY24: US\$276M build).
- We received net distributions [note 11] of US\$26M from our manganese equity accounted investments (EAI) in FY24, as we provided US\$30M of initial funding to Australia Manganese in the June 2024 quarter to support recovery plans.
- We received net distributions [note 11] of US\$27M from our Sierra Gorda EAI in FY24, including US\$9M in the June 2024 quarter, as the operation invested in deferred stripping and study work for the fourth grinding line expansion.
- FY24 Group capital expenditure (excluding EAIs and Hermosa) is expected to be ~US\$670M, reflecting our planned investment in productivity and improvement projects across our portfolio, including ~US\$340M at Illawarra Metallurgical Coal. Our share of capital expenditure for our manganese and Sierra Gorda EAIs is expected to be ~US\$315M in FY24.
- We returned US\$198M to shareholders during FY24, including US\$163M [note 12] in fully-franked ordinary dividends and US\$35M via the on-market share buy-back [note 13].

Tax

- Our FY24 Group Underlying effective tax rate (ETR) is expected to be in a range of approximately 40% to 42%, reflecting our geographical earnings mix and the corporate tax rates [note 14] and royalty related taxes [note 15] of the jurisdictions in which we operate.
- We made Group tax payments of US\$223M (excluding EAIs) in FY24 as cash tax normalised following one-off portfolio related tax payments in the prior period.

DEVELOPMENT AND EXPLORATION UPDATE

Hermosa project

- We invested US\$372M of growth capital expenditure at Hermosa in FY24, as we progressed construction of key infrastructure and permitting for the Taylor zinc-lead-silver and Clark battery-grade manganese deposits.
- Following final investment approval for Taylor in Q3 FY24 [note 16], we completed pre-sink shaft activity and construction of the main shaft headframe during the quarter. Shaft construction is on track to commence in Q1 FY25.
- We completed construction of the final two surface dewatering wells during the quarter, to support critical path dewatering activity for both the Taylor and Clark deposits.
- Permitting activity continued to plan. During the quarter, we received an air permit from the Arizona Department of Environmental Quality, the last required state permit to enable full construction of Taylor.
- FAST-41 federal permitting for both Taylor and Clark progressed to the next stage, with the US Forest Service publishing a Notice of Intent to prepare an Environmental Impact Statement during the quarter.
- We advanced study and product qualification work for Clark. Construction of an exploration decline to provide access to ore to facilitate demonstration scale production remains on track to be completed by the end of CY25.
- During the quarter, we were awarded a US\$20M grant from the US Department of Defense under the Defense Production Act battery grant program to support development activity at Clark.
- We directed US\$24M to capitalised exploration during FY24 as we progressed drilling programs at our polymetallic Peake and Flux prospects [note 17]. Exploration results are expected across the 2024 calendar year.

Greenfield exploration

- We invested US\$27M in our greenfield exploration opportunities during FY24, as we progressed multiple exploration programs targeting base metals in Australia, USA, Canada, Argentina and Ireland.

Other exploration

- We invested US\$62M (US\$48M capitalised) in exploration programs at our existing operations and development options during FY24, including US\$24M at the Hermosa project (noted above, all capitalised) and US\$13M for our Sierra Gorda EAI (all capitalised).

PRODUCTION SUMMARY

Production guidance	FY23	FY24	FY24e ^(a)	% ^(b)	Comments
Worsley Alumina					
Alumina production (kt)	3,839	3,777	4,000	94 %	Temporary outage of the bauxite conveyor in Q4 FY24
Brazil Alumina (non-operated)					
Alumina production (kt)	1,262	1,286	1,300	99 %	
Brazil Aluminium (non-operated)					
Aluminium production (kt)	69	104	100	104 %	
Hillside Aluminium [note 18]					
Aluminium production (kt)	719	720	720	100 %	
Mozal Aluminium [note 18]					
Aluminium production (kt)	345	314	320	98 %	
Sierra Gorda (non-operated)					
Payable copper equivalent production (kt) [note 4]	86.5	73.8	78.7	94 %	
Payable copper production (kt)	70.7	60.8	67.0	91 %	Lower than planned copper grades in Q4 FY24, partly offset by higher by-product volumes
Payable molybdenum production (kt)	1.2	0.9	0.8	113 %	
Payable gold production (koz)	28.8	24.6	22.5	109 %	
Payable silver production (koz)	630	607	550	110 %	
Cannington					
Payable zinc equivalent production (kt) [note 3]	259.6	285.2	287.2	99 %	
Payable silver production (koz)	11,183	12,666	12,500	101 %	
Payable lead production (kt)	101.7	112.4	115.0	98 %	
Payable zinc production (kt)	59.2	60.7	62.0	98 %	
Cerro Matoso					
Payable nickel production (kt)	40.8	40.6	40.5	100 %	
Illawarra Metallurgical Coal					
Total coal production (kt)	6,520	4,938	5,000	99 %	
Metallurgical coal production (kt)	5,497	4,305	4,400	98 %	
Energy coal production (kt)	1,023	633	600	106 %	
Australia Manganese					
Manganese ore production (kwmt)	3,545	2,324	N/A	N/A	Production guidance withdrawn in March 2024 due to Tropical Cyclone Megan
South Africa Manganese					
Manganese ore production (kwmt)	2,108	2,175	2,000	109 %	

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

b. Reflects percentage of achieved production for FY24 compared to current FY24e.

MARKETING UPDATE

Commodity markets strengthened in H2 FY24 reflecting constrained supply and improving demand.

The average realised prices achieved for our commodities are summarised below. Outstanding concentrate sales were revalued at 30 June 2024 with the final price of these to be determined in the December 2024 half year.

Realised prices [note 19]	FY23	1H24	2H24	FY24	FY24 vs FY23	2H24 vs 1H24
Worsley Alumina						
Alumina (US\$/t)	357	344	376	360	1%	9%
Brazil Alumina (non-operated)^(a)						
Alumina (US\$/t)	369	362	394	378	2%	9%
Brazil Aluminium (non-operated)^(a)						
Aluminium (US\$/t)	2,452	2,275	2,435	2,373	(3%)	7%
Hillside Aluminium						
Aluminium (US\$/t)	2,535	2,318	2,448	2,389	(6%)	6%
Moзал Aluminium						
Aluminium (US\$/t)	2,653	2,377	2,610	2,491	(6%)	10%
Sierra Gorda (non-operated) [note 20]^(a)						
Payable copper (US\$/lb)	3.51	3.56	4.19	3.86	10%	18%
Payable molybdenum (US\$/lb)	21.28	20.82	20.35	20.60	(3%)	(2%)
Payable gold (US\$/oz)	1,821	1,957	2,342	2,129	17%	20%
Payable silver (US\$/oz)	21.9	23.3	26.3	24.8	13%	13%
Cannington [note 20]						
Payable silver (US\$/oz)	21.1	22.5	27.5	24.8	18%	22%
Payable lead (US\$/t)	1,919	1,979	2,031	2,002	4%	3%
Payable zinc (US\$/t)	2,151	2,085	2,358	2,230	4%	13%
Cerro Matoso [note 21]						
Payable nickel (US\$/lb)	7.76	6.00	6.30	6.17	(20%)	5%
Illawarra Metallurgical Coal						
Metallurgical coal (US\$/t)	279	276	275	275	(1%)	0%
Energy coal (US\$/t)	144	101	113	107	(26%)	12%
Australia Manganese [note 22]						
Manganese ore (US\$/dmtu, FOB)	4.59	3.79	3.71	3.77	(18%)	(2%)
South Africa Manganese [note 22]						
Manganese ore (US\$/dmtu, FOB)	3.58	3.03	4.05	3.53	(1%)	34%

a. While Brazil Alumina and Brazil Aluminium are non-operated, South32 owns the marketing rights for our share of production. While Sierra Gorda is also non-operated, the Joint Venture is responsible for marketing our share of production.

OPERATING UNIT COST UPDATE

We expect to report FY24 Operating unit costs in line with FY24 guidance, as we continued our focus on driving operating performance and cost efficiencies.

Operating unit cost ^(a)		
	Current Guidance FY24 ^{e(b)(c)}	FY24 Operating unit costs commentary
Worsley Alumina (US\$/t)	270	Expected to be in line with FY24 guidance.
Brazil Alumina (non-operated)	Not provided	Expected to be consistent with H1 FY24 Operating unit costs (US\$325/t).
Brazil Aluminium (non-operated)	Not provided	Expected to be ~10% below H1 FY24 Operating unit costs (US\$4,025/t), as the smelter continued to ramp-up all three potlines.
Hillside Aluminium	Not provided	The cost profile of our South African aluminium smelters is heavily influenced by the South African rand, and the price of raw materials and energy. FY24 Operating unit costs for Hillside Aluminium are expected to be consistent with H1 FY24 (US\$2,135/t).
Mozal Aluminium		FY24 Operating unit costs for Mozal Aluminium are expected to be ~4% below H1 FY24 (US\$2,461/t), as the smelter progressed its recovery plan.
Sierra Gorda (non-operated) (US\$/t) ^(d)	17.0	Expected to be in line with FY24 guidance.
Cannington (US\$/t) ^(d)	155	Expected to be in line with FY24 guidance.
Cerro Matoso (US\$/lb)	5.20	Expected to be in line with FY24 guidance.
Illawarra Metallurgical Coal (US\$/t)	150	Expected to be in line with FY24 guidance.
Australia Manganese (FOB) (US\$/dmu)	N/A	Operating unit costs for the period are expected to be ~US\$2.25/dmtu. Separately, we expect to incur remediation costs and idle capacity losses of ~US\$90M, which will be excluded from FY24 Underlying Earnings.
South Africa Manganese (FOB) (US\$/dmu)	2.60	Expected to be in line with FY24 guidance.

- a. Operating unit cost is Revenue less Underlying EBITDA, excluding third party sales, divided by sales volumes.
- b. FY24e Operating unit cost guidance includes royalties (where appropriate) and commodity price and foreign exchange rate forward curves or our internal expectations (refer to footnote 23).
- c. The denotation (e) refers to an estimate or forecast year.
- d. US dollar per tonne of ore processed. Periodic movements in finished product inventory may impact Operating unit costs.

WORSLEY ALUMINA (86% SHARE)

South32 share	FY23	FY24	YoY	4Q23	3Q24	4Q24	4Q24	4Q24
							vs	vs
							4Q23	3Q24
Alumina production (kt)	3,839	3,777	(2%)	1,012	927	916	(9%)	(1%)
Alumina sales (kt)	3,817	3,767	(1%)	1,111	895	974	(12%)	9%

Worsley Alumina saleable production decreased by 2% (or 62kt) to 3,777kt in FY24, achieving 94% of guidance, as a temporary outage of the bauxite conveyor impacted bauxite supply to the refinery during the June 2024 quarter. FY25 production guidance has been revised lower by 6% to 3,750kt, as we complete additional conveyor maintenance, and manage bauxite inventories due to delays experienced with regulatory approvals for new mining areas.

On 8 July 2024, the Western Australian Environmental Protection Authority (WA EPA) published its recommendation that the proposal for the Worsley Mine Development Project may be implemented, subject to conditions. If imposed in their current form, several conditions recommended by the WA EPA create significant operating challenges for Worsley Alumina and impact its long-term viability. Following what has been a long and protracted process, Worsley Alumina intends to lodge an appeal in relation to the WA EPA assessment report, and to work collaboratively with the Western Australian Government to enable Worsley Alumina to continue to meet the State's robust

environmental standards and to continue the significant contribution Worsley Alumina has made to the South West for the past 40 years. Worsley Alumina aims to secure environmental approvals for the proposal by the end of CY24.

BRAZIL ALUMINA (36% SHARE, NON-OPERATED)

South32 share	FY23	FY24	YoY	4Q23	3Q24	4Q24	4Q24 vs 4Q23	4Q24 vs 3Q24
Alumina production (kt)	1,262	1,286	2%	237	313	333	41%	6%
Alumina sales (kt)	1,237	1,282	4%	242	277	358	48%	29%

Brazil Alumina saleable production increased by 2% (or 24kt) to 1,286kt in FY24, achieving 99% of guidance, with improved plant availability supporting a 6% increase in production during the June 2024 quarter. FY25 production guidance remains unchanged at 1,350kt.

BRAZIL ALUMINIUM (40% SHARE, NON-OPERATED)

South32 share	FY23	FY24	YoY	4Q23	3Q24	4Q24	4Q24 vs 4Q23	4Q24 vs 3Q24
Aluminium production (kt)	69	104	51%	24	26	28	17%	8%
Aluminium sales (kt)	68	102	50%	26	32	30	15%	(6%)

Brazil Aluminium saleable production increased by 51% (or 35kt) to 104kt in FY24, exceeding guidance by 4%, as the smelter continued to ramp up all three potlines. FY25 production guidance remains unchanged at 130kt.

HILLSIDE ALUMINIUM (100% SHARE)

South32 share	FY23	FY24	YoY	4Q23	3Q24	4Q24	4Q24 vs 4Q23	4Q24 vs 3Q24
Aluminium production (kt)	719	720	0%	180	181	180	0%	(1%)
Aluminium sales (kt)	719	720	0%	185	209	184	(1%)	(12%)

Hillside Aluminium saleable production increased by 1kt to a record 720kt in FY24, achieving 100% of guidance, as the smelter continued to test its maximum technical capacity, despite the impact of load-shedding. FY25 production guidance remains unchanged at 720kt [note 18].

MOZAL ALUMINIUM (63.7% SHARE)

South32 share	FY23	FY24	YoY	4Q23	3Q24	4Q24	4Q24 vs 4Q23	4Q24 vs 3Q24
Aluminium production (kt)	345	314	(9%)	82	71	77	(6%)	8%
Aluminium sales (kt)	334	326	(2%)	114	58	101	(11%)	74%

Mozal Aluminium saleable production decreased by 9% (or 31kt) to 314kt in FY24, achieving 98% of guidance, with production increasing by 8% during the June 2024 quarter as the smelter progressed its recovery plan, despite the impact of load-shedding. Production is expected to increase by ~15% to 360kt [note 18] in FY25 (previously 372kt) as the smelter returns toward nameplate capacity.

Sales increased by 74% during the June 2024 quarter as we drew down inventory to normalised levels by the end of the financial year, capitalising on strengthened market conditions.

As previously disclosed, we continue to work with the Government of the Republic of Mozambique and Eskom to secure the smelter's hydro-electric power supply beyond Q3 FY26, as there are currently no viable alternative suppliers of renewable energy at the required scale.

SIERRA GORDA (45% SHARE)

South32 share	FY23	FY24	YoY	4Q23	3Q24	4Q24	4Q24 vs 4Q23	4Q24 vs 3Q24
Payable copper equivalent production (kt) [note 4]	86.5	73.8	(15%)	22.5	16.8	18.4	(18%)	10%
Payable copper production (kt)	70.7	60.8	(14%)	17.3	13.9	15.3	(12%)	10%
Payable copper sales (kt)	71.8	60.9	(15%)	18.0	13.1	15.3	(15%)	17%

Sierra Gorda payable copper equivalent production [note 4] decreased by 15% (or 12.7kt) to 73.8kt in FY24, achieving 94% of guidance, due to lower than planned copper grades in the June 2024 quarter.

Looking forward, higher clay content in the current phase of the mine plan is expected to continue to impact molybdenum production in FY25, with FY25 payable copper equivalent production guidance revised lower by 7% to 85.3kt (copper 70.0kt, molybdenum 1.3kt, gold 25.0koz and silver 550koz).

Sierra Gorda continued to progress the feasibility study for the fourth grinding line expansion, which remains on track to support a final investment decision in H1 FY25.

CANNINGTON (100% SHARE)

South32 share	FY23	FY24	YoY	4Q23	3Q24	4Q24	4Q24 vs 4Q23	4Q24 vs 3Q24
Payable zinc equivalent production (kt) [note 3]	259.6	285.2	10%	74.5	64.8	73.2	(2%)	13%
Payable silver production (koz)	11,183	12,666	13%	3,368	2,897	3,065	(9%)	6%
Payable silver sales (koz)	10,739	11,793	10%	3,244	2,210	3,054	(6%)	38%
Payable lead production (kt)	101.7	112.4	11%	28.3	24.8	28.8	2%	16%
Payable lead sales (kt)	99.0	102.4	3%	26.0	17.9	27.9	7%	56%
Payable zinc production (kt)	59.2	60.7	3%	16.2	14.3	17.4	7%	22%
Payable zinc sales (kt)	58.1	60.1	3%	21.8	11.6	20.2	(7%)	74%

Cannington payable zinc equivalent production [note 3] increased by 10% (or 25.6kt) to 285.2kt in FY24 as the operation managed the impact of widespread flooding following Tropical Cyclone Kirrily, and processed a sequence of higher grade stopes in the June 2024 quarter, achieving 99% of guidance.

Looking forward, a significant increase in underground activity and complexity is expected to drive greater variability in mine performance as the underground mine progresses towards the end of its life. Due to these factors and the need to re-establish run of mine stocks following adverse weather impacts in H2 FY24, we have lowered FY25 guidance for mill throughput to 2,100kdt and payable zinc equivalent production by 9% to 250.1kt (silver 11,300koz, lead 100.0kt and zinc 50.0kt).

Higher sales volumes in the June 2024 quarter reflected timing differences following widespread flooding in the prior quarter that caused a temporary outage of a third-party rail line.

CERRO MATOSO (99.9% SHARE)

South32 share	FY23	FY24	YoY	4Q23	3Q24	4Q24	4Q24 vs 4Q23	4Q24 vs 3Q24
Payable nickel production (kt)	40.8	40.6	0%	10.2	10.8	11.5	13%	6%
Payable nickel sales (kt)	40.8	40.9	0%	10.4	10.8	12.1	16%	12%

Cerro Matoso payable nickel production was largely unchanged at 40.6kt in FY24, achieving 100% of guidance, with higher planned throughput and nickel grades supporting a 6% increase in production during the June 2024 quarter. FY25 production guidance remains unchanged at 35.0kt, reflecting lower planned nickel grades.

We continue to progress our strategic review of Cerro Matoso and expect to provide information on the outcomes of this review in H2 FY25.

ILLAWARRA METALLURGICAL COAL (100% SHARE)

South32 share	FY23	FY24	YoY	4Q23	3Q24	4Q24	4Q24 vs 4Q23	4Q24 vs 3Q24
Total coal production (kt)	6,520	4,938	(24%)	1,753	1,405	1,488	(15%)	6%
Total coal sales (kt) [note 24]	6,359	4,871	(23%)	1,697	1,238	1,537	(9%)	24%
Metallurgical coal production (kt)	5,497	4,305	(22%)	1,504	1,244	1,274	(15%)	2%
Metallurgical coal sales (kt)	5,402	4,172	(23%)	1,529	1,053	1,360	(11%)	29%
Energy coal production (kt)	1,023	633	(38%)	249	161	214	(14%)	33%
Energy coal sales (kt)	957	699	(27%)	168	185	177	5%	(4%)

Illawarra Metallurgical Coal saleable production decreased by 24% (or 1,582kt) to 4,938kt in FY24, achieving 99% of guidance, as the operation completed three planned longwall moves and commenced a fourth planned move in the June 2024 quarter.

AUSTRALIA MANGANESE (60% SHARE)

South32 share	FY23	FY24	YoY	4Q23	3Q24	4Q24	4Q24 vs 4Q23	4Q24 vs 3Q24
Manganese ore production (kwmt)	3,545	2,324	(34%)	869	645	—	N/A	N/A
Manganese ore sales (kwmt)	3,261	2,573	(21%)	866	709	—	N/A	N/A

Australia Manganese saleable production decreased by 34% (or 1,221kwmt) to 2,324kwmt in FY24 as we temporarily suspended operations in March 2024 due to the impacts of Tropical Cyclone Megan.

We continued to implement the operational recovery plan, dewatering targeted mining pits and commencing a phased mining restart during the quarter. Mining activity is expected to increase, supporting a planned build in stockpiles ahead of the wet season. Wharf operations are scheduled to commence in Q3 FY25, subject to maintaining construction productivity during the wet season.

FY25 production and capital expenditure guidance will be provided with our FY24 financial results.

We are working closely with our insurers to assess the timing and value of recoveries under our property damage and business interruption insurance.

SOUTH AFRICA MANGANESE (ORE 54.6% SHARE)

South32 share	FY23	FY24	YoY	4Q23	3Q24	4Q24	4Q24 vs 4Q23	4Q24 vs 3Q24
Manganese ore production (kwmt)	2,108	2,175	3%	586	530	534	(9%)	1%
Manganese ore sales (kwmt)	2,065	2,116	2%	541	485	549	1%	13%

South Africa Manganese saleable production increased by 3% (or 67kwmt) to a record 2,175kwmt in FY24, exceeding guidance by 9%, as the operation delivered improved mining performance and lifted output of secondary products to capitalise on stronger manganese prices. FY25 production guidance will be provided with our FY24 financial results.

NOTES

- Group payable copper equivalent production based on current FY24 production guidance, calculated by applying FY23 realised prices for all operations.
- Refer to market release "Illawarra Metallurgical Coal Sale Update" dated 5 July 2024.
- Payable zinc equivalent production (kt) was calculated by aggregating revenues from payable silver, lead and zinc, and dividing the total Revenue by the price of zinc. FY23 realised prices for zinc (US\$2,151/t), lead (US\$1,919/t) and silver (US\$21.1/oz) have been used for FY23, FY24 and FY24e.
- Payable 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. FY23 realised prices for copper (US\$3.51/lb), molybdenum (US\$21.28/lb), gold (US\$1,821/oz) and silver (US\$21.9/oz) have been used for FY23, FY24 and FY24e.
- 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. Our medium-term target is to halve our operational greenhouse gas (GHG) emissions by 2035 compared to our FY21 baseline. FY21 baseline adjusted to exclude GHG emissions from South Africa Energy Coal and TEMCO, which were divested in FY21.
- Refer to market release "Sale of Illawarra Metallurgical Coal" dated 29 February 2024.
- Subject to the Eagle Downs project reaching metallurgical coal production of 100,000 tonnes.
- Price-linked royalty calculated based on potential future metallurgical coal production and a metallurgical coal index price of at least US\$170/t.
- Refer to media release "Agreement to divest Metalloys manganese alloy smelter" dated 13 June 2024.
- Refer to market release "Worsley Alumina Approvals Update" dated 22 July 2024.
- Net distributions from our material equity accounted investments (EAI) (manganese and Sierra Gorda) includes dividends, capital contributions and net repayments/drawdowns of shareholder loans, which are unaudited and should not be considered as an indication of or alternative to an IFRS measure of profitability, financial performance or liquidity.
- Comprised of US\$145M in respect of the June 2023 half year paid in the December 2023 quarter and US\$18M in respect of the December 2023 half year paid in the June 2024 quarter.
- We returned US\$35M via the on-market share buy-back in FY24, purchasing 16M shares at an average price of A\$3.37. Since inception, US\$1.7B has been returned via the on-market share buy-back (795M shares at an average price of A\$3.05 per share).
- The corporate tax rates of the geographies where the Group operates include: Australia 30%, South Africa 27%, Colombia 35%, Mozambique 0%, Brazil 34%, and Chile 27%. The Mozambique operations are subject to a royalty on revenues instead of income tax.
- Australia Manganese is subject to a royalty related tax equal to 20% of adjusted EBIT. Sierra Gorda is subject to a royalty related tax based on the amount of copper sold and the mining operating margin, the rate is between 5% and 14% for annual sales over 50kt of refined copper. These royalties are included in Underlying tax expense.
- Refer to market release "Final investment approval to develop Hermosa's Taylor deposit" dated 15 February 2024.
- Exploration Results and Exploration Targets: The information in this announcement that relates to the Exploration Results and Targets for Taylor, Clark, Peake and Flux is extracted from the market release "Final investment approval to develop Hermosa's Taylor deposit" dated 15 February 2024. The information was prepared by D Bertuch, 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 changed from the original market announcement.
- Production guidance for Hillside Aluminium and Mozal Aluminium does not assume any load-shedding impact on production.
- Realised prices are unaudited. Volumes and prices do not include any third party trading that may be undertaken independently of equity production. Realised sales price is calculated as sales Revenue divided by sales volume unless otherwise stated.
- Realised prices for Sierra Gorda and Cannington are net of treatment and refining charges.
- Realised nickel sales prices are inclusive of by-products.
- Realised ore prices are calculated as external sales Revenue less freight and marketing costs, divided by external sales volumes.
- FY24 Operating unit cost guidance includes royalties (where appropriate) and the influence of exchange rates, and includes various assumptions for FY24, including: an alumina price of US\$340/t; an average blended coal price of US\$296/t for Illawarra Metallurgical Coal; a manganese ore price of US\$4.58/dmtu for 44% manganese product; a nickel price of US\$8.67/lb; a silver price of US\$22.7/troy oz; a lead price of US\$2,105/t (gross of treatment and refining charges); a zinc price of US\$2,446/t (gross of treatment and refining charges); a copper price of US\$3.67/lb (gross of treatment and refining charges); a molybdenum price of US\$19.22/lb (gross of treatment and refining charges); a gold price of US\$1,892/troy oz; an AUD:USD exchange rate of 0.64; a USD:ZAR exchange rate of 19.12; a USD:COP exchange rate of 4,050; USD:CLP exchange rate of 924; and a reference price for caustic soda; which reflect forward markets as at January 2024 or our internal expectations
- Illawarra Metallurgical Coal sales are adjusted for moisture and will not reconcile directly to Illawarra Metallurgical Coal production.

The following abbreviations have been used throughout this report: US\$ million (US\$M); US\$ billion (US\$B); grams per tonne (g/t); tonnes (t); thousand tonnes (kt); thousand tonnes per annum (ktpa); million tonnes (Mt); million tonnes per annum (Mtpa); ounces (oz); thousand ounces (koz); million ounces (Moz); thousand wet metric tonnes (kwmt); million wet metric tonnes (Mwmt); million wet metric tonnes per annum (Mwmt pa); dry metric tonne unit (dmtu); thousand dry metric tonnes (kdmt).

Figures in *italics* indicate that an adjustment has been made since the figures were previously reported. The denotation (e) refers to an estimate or forecast year.

OPERATING PERFORMANCE

South32 share	FY23	FY24	4Q23	1Q24	2Q24	3Q24	4Q24
Worsley Alumina (86% share)							
Alumina hydrate production (kt)	3,833	3,779	957	973	961	926	919
Alumina production (kt)	3,839	3,777	1,012	972	962	927	916
Alumina sales (kt)	3,817	3,767	1,111	913	985	895	974
Brazil Alumina (36% share)							

Alumina production (kt)	1,262	1,286	237	318	322	313	333
Alumina sales (kt)	1,237	1,282	242	272	375	277	358
Brazil Aluminium (40% share)							
Aluminium production (kt)	69	104	24	24	26	26	28
Aluminium sales (kt)	68	102	26	8	32	32	30
Hillside Aluminium (100% share)							
Aluminium production (kt)	719	720	180	180	179	181	180
Aluminium sales (kt)	719	720	185	170	157	209	184
Mozal Aluminium (63.7% share)							
Aluminium production (kt)	345	314	82	84	82	71	77
Aluminium sales (kt)	334	326	114	77	90	58	101
Sierra Gorda (45% share)							
Ore mined (Mt)	26.0	19.9	5.5	5.9	6.0	3.1	4.9
Ore processed (Mt)	21.2	21.9	5.4	5.5	5.4	5.5	5.5
Copper ore grade processed (% , Cu)	0.42	0.36	0.40	0.37	0.38	0.34	0.37
Payable copper equivalent production (kt) [note 4]	86.5	73.8	22.5	20.3	18.3	16.8	18.4
Payable copper production (kt)	70.7	60.8	17.3	16.0	15.6	13.9	15.3
Payable copper sales (kt)	71.8	60.9	18.0	15.3	17.2	13.1	15.3
Payable molybdenum production (kt)	1.2	0.9	0.5	0.4	0.1	0.2	0.2
Payable molybdenum sales (kt)	1.3	1.3	0.3	0.4	0.3	0.4	0.2
Payable gold production (koz)	28.8	24.6	7.3	6.3	7.1	5.3	5.9
Payable gold sales (koz)	29.1	24.9	7.3	6.3	7.5	5.2	5.9
Payable silver production (koz)	630	607	154	145	150	153	159
Payable silver sales (koz)	639	605	157	140	160	141	164
Cannington (100% share)							
Ore mined (kwmt)	2,223	2,252	631	551	599	529	573
Ore processed (kdmt)	2,156	2,221	562	562	577	525	557
Silver ore grade processed (g/t, Ag)	187	205	210	206	216	200	199
Lead ore grade processed (% , Pb)	5.6	5.9	5.8	5.8	6.2	5.6	5.9
Zinc ore grade processed (% , Zn)	3.8	3.7	4.0	3.2	3.6	3.8	4.1
Payable zinc equivalent production (kt) [note 3]	259.6	285.2	74.5	70.3	76.9	64.8	73.2
Payable silver production (koz)	11,183	12,666	3,368	3,230	3,474	2,897	3,065
Payable silver sales (koz)	10,739	11,793	3,244	2,873	3,656	2,210	3,054
Payable lead production (kt)	101.7	112.4	28.3	28.5	30.3	24.8	28.8
Payable lead sales (kt)	99.0	102.4	26.0	25.6	31.0	17.9	27.9
Payable zinc production (kt)	59.2	60.7	16.2	13.2	15.8	14.3	17.4
Payable zinc sales (kt)	58.1	60.1	21.8	13.9	14.4	11.6	20.2
Cerro Matoso (99.9% share)							
Ore mined (kwmt)	5,560	5,195	1,619	940	1,243	1,486	1,526
Ore processed (kdmt)	2,807	2,774	702	594	723	711	746

Ore grade processed (% Ni)	1.62	1.60	1.62	1.57	1.53	1.61	1.70
Payable nickel production (kt)	40.8	40.6	10.2	8.3	10.0	10.8	11.5
Payable nickel sales (kt)	40.8	40.9	10.4	8.5	9.5	10.8	12.1
Illawarra Metallurgical Coal (100% share)							
Total coal production (kt)	6,520	4,938	1,753	1,168	877	1,405	1,488
Total coal sales (kt) [note 24]	6,359	4,871	1,697	1,196	900	1,238	1,537
Metallurgical coal production (kt)	5,497	4,305	1,504	1,043	744	1,244	1,274
Metallurgical coal sales (kt)	5,402	4,172	1,529	996	763	1,053	1,360
Energy coal production (kt)	1,023	633	249	125	133	161	214
Energy coal sales (kt)	957	699	168	200	137	185	177
Australia Manganese (60% share)							
Manganese ore production (kwmt)	3,545	2,324	869	890	789	645	—
Manganese ore sales (kwmt)	3,261	2,573	866	940	924	709	—
Ore grade sold (% Mn)	43.9	42.5	43.1	42.9	42.2	42.2	—
South Africa Manganese (54.6% share)							
Manganese ore production (kwmt)	2,108	2,175	586	628	483	530	534
Manganese ore sales (kwmt)	2,065	2,116	541	518	564	485	549
Ore grade sold (% Mn)	39.2	38.8	39.4	39.0	38.4	38.7	39.1

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.

FURTHER INFORMATION

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