

Quarterly Report

March 2021



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

- Net cash increased by US\$242M to US\$517M in the quarter as we capitalised on our strong operating performance combined with improving commodity prices, partially offset by the continuation of our capital management program.
- Set a year to date production record at Brazil Alumina and remain on-track to achieve nameplate production at Worsley Alumina following the completion of planned maintenance.
- Set a year to date production record at Australia Manganese and increased FY21 production guidance at South Africa Manganese by 10% as we continue to respond to market conditions.
- Delivered a 17% increase in year to date production at Illawarra Metallurgical Coal with the Appin dual longwall configuration continuing to deliver greater efficiencies.
- Increased FY21 production guidance at Cannington by a further 10% with continued strong underground performance supporting the accelerated extraction of a higher-grade mining sequence.
- No change to production guidance at all other operations.
- Completed the furnace refurbishment at Cerro Matoso and approved execution of the Ore Sorting and Mechanical Ore Concentration (OSMOC) project to lift nickel processing capacity from FY23.
- Committed to provide additional financial support to underpin the sustainability of South Africa Energy Coal under the ownership of Seriti, with the divestment and additional support remaining conditional on Eskom Holdings SOC Limited's final approval¹.

“Strong operating performance across the portfolio during the quarter combined with improving prices for most of our commodities saw our net cash position increase to US\$517 million.

“During the period we returned US\$90 million to our shareholders via our on-market share buy-back bringing total returns under our capital management program to US\$1.5 billion.

“We set year to date production records at Brazil Alumina and Australia Manganese. We increased our production guidance for South Africa Manganese as we continue to respond to market conditions and at Cannington off the back of continued strong underground performance.

“Having successfully completed a major furnace refurbishment at Cerro Matoso, we approved further investment in a new project that will lift future nickel production.

“We continue to reshape our portfolio, moving closer to the divestment of South Africa Energy Coal while progressing studies for our base metals development options.

“Looking ahead, we expect the global economic recovery combined with fiscal stimulus to continue, driving a rebound in metal demand and sustaining higher prices for many of our key commodities.”

Graham Kerr, South32 CEO

Production summary							
South32 share	9M YTD20	9M YTD21	YoY	3Q20	2Q21	3Q21	QoQ
Alumina production (kt)	3,911	3,934	1%	1,276	1,401	1,218	(13%)
Aluminium production (kt)	741	736	(1%)	245	248	240	(3%)
Energy coal production (kt)	18,472	16,097	(13%)	5,851	5,306	4,020	(24%)
Metallurgical coal production (kt)	4,026	4,830	20%	1,167	1,399	1,568	12%
Manganese ore production (kwmt)	4,120	4,329	5%	1,307	1,459	1,409	(3%)
Payable nickel production (kt)	30.9	23.2	(25%)	10.3	6.1	7.1	16%
Payable silver production (koz)	8,597	9,477	10%	2,433	3,130	3,484	11%
Payable lead production (kt)	80.3	90.6	13%	25.0	31.2	33.0	6%
Payable zinc production (kt)	49.8	48.2	(3%)	17.3	18.0	17.8	(1%)

Unless otherwise noted: percentage variance relates to performance during the nine months ended March 2021 compared with the nine months ended March 2020 (YoY) or the March 2021 quarter compared with the December 2020 quarter (QoQ); production and sales volumes are reported on an attributable basis.

Corporate Update

- The Group's net cash² balance increased by US\$242M during the quarter to US\$517M at 31 March 2021 as we benefitted from strong operating performance combined with improving commodity prices and a partial unwind in working capital. We also received US\$40M in cash and US\$15M in shares from the sale of a portfolio of non-core precious metals royalties to Elemental Royalties Corp (TSX-V: ELE) which completed in the period.
- We received net distributions³ of US\$46M (South32 share) during the quarter from our manganese equity accounted investments (EAI) (US\$98M in the nine months ended March 2021). Excess cash held in the EAI is expected to be distributed to partners in the June 2021 quarter.
- Our strong financial position supported the purchase of a further 42M shares via our on-market share buy-back at an average price of A\$2.78, enabling returns of US\$90M in the March 2021 quarter. To 31 March 2021 the capital management program was 90% complete with US\$169M remaining to be returned to shareholders ahead of its extension or expiry on 3 September 2021⁴. Subsequent to the end of the quarter, we paid a fully-franked ordinary dividend of US\$66M in respect of the December 2020 half year.
- Our Operating unit costs are tracking to plan at all operations on the basis of previously disclosed exchange rate and commodity price⁵ assumptions.
- Capital expenditure guidance of US\$515M (including EAI) is unchanged, with US\$23M of expenditure to be incurred at our Dendrobium Next Domain (DND) life extension project during the June 2021 half year expected to be largely offset by the deferral of sustaining capital expenditure at other Group operations due to COVID-19 restrictions and adverse weather. Expenditure guidance for DND was previously withdrawn following the decision by the Independent Planning Commission (IPC) to refuse our application for its development during the March 2021 quarter. We are currently assessing the impact of the IPC's decision on the operation and undertaking scaled back activity. We expect to provide a further update before the end of the calendar year.
- Capital expenditure guidance at South Africa Energy Coal of US\$64M was provided for the nine months to 31 March 2021. Guidance is not provided for the June 2021 quarter as we continue to progress our divestment of the operation.
- During the quarter, we committed to provide additional financial support to underpin the sustainability of South Africa Energy Coal under the ownership of Seriti. The divestment of South Africa Energy Coal to Seriti and additional support remains conditional on Eskom Holdings SOC Limited's final approval and the approval of National Treasury for amendments to the terms of the Duvha Coal Supply Agreement¹.
- Our geographical earnings mix will continue to have a significant bearing on our Group effective tax rate (ETR) given differing country tax rates⁶. Until it is sold, South Africa Energy Coal is expected to have an ETR of 0%, with all tax assets de-recognised and no benefit to be recorded for losses made prior to its planned divestment. Following its divestment we expect the Group's Underlying ETR to more closely reflect the corporate tax rates applicable to the Group. While it is difficult to predict our ETR (excluding EAI), it is expected to remain elevated in FY21 (H1 FY21: 52.8%).

Development and Exploration Update

- We directed US\$11M in the nine months ended March 2021 to regional exploration programs at Hermosa as drilling activity that had been impacted by COVID-19 restrictions resumed. We continue to progress our pre-feasibility study for the Taylor Deposit with work expected to be completed in the June 2021 quarter, ahead of a market update being provided. A separate scoping study for the Clark Deposit focussed on metallurgy and the manganese battery chemicals market is also underway, with completion expected in H1 FY22.
- The Ambler Metals Joint Venture entered into an agreement with the Alaska Industrial Development and Export Authority (AIDEA) for shared pre-development costs for a 340km road to access the Ambler region. Federal permits for construction of the road have been received by AIDEA, with pre-development costs of US\$17.5M (South32 share) expected to be incurred over four years to deliver feasibility and permitting activities, ahead of reaching a decision on construction of the project by the end of CY24. Of this total commitment to be funded from the Joint Venture, we expect to spend US\$3.3M (South32 share) in the CY21 field season, with AIDEA having also entered into a land access agreement with Alaska Native regional corporation Doyon, Limited (Doyon) covering areas owned and managed by Doyon along the proposed route for the road.
- Consistent with our strategy, that includes partnering with companies to fund early stage greenfield exploration opportunities, we invested US\$12M in the nine months ended March 2021. Although the risks associated with COVID-19 persist across a majority of our exploration jurisdictions, our partners in the United States and Peru were able to progress drilling, while fieldwork also resumed in Australia, Ireland and elsewhere in South America during the March 2021 quarter.
- We directed US\$28M towards exploration programs at our existing operations and development options in the nine months ended March 2021 (US\$22M capitalised), including US\$2M for our EAI (US\$1M capitalised), and US\$11M at Hermosa as noted above (all capitalised).

Production Summary

Production guidance (South32 share)	FY20	9M YTD21	FY21e ^(a)	Comments
Worsley Alumina				
Alumina production (kt)	3,886	2,885	3,965	
Brazil Alumina				
Alumina production (kt)	1,383	1,049	1,370	
Hillside Aluminium⁷				
Aluminium production (kt)	718	537	720	
Mozal Aluminium⁷				
Aluminium production (kt)	268	199	273	
South Africa Energy Coal				
Energy coal production (kt)	22,672	15,007	N/A	Guidance not provided as we continue to progress divestment of the operation
Domestic coal production (kt)	12,552	8,581	N/A	
Export coal production (kt)	10,120	6,426	N/A	
Illawarra Metallurgical Coal				
Total coal production (kt)	7,006	5,920	8,000	
Metallurgical coal production (kt)	5,549	4,830	6,400	
Energy coal production (kt)	1,457	1,090	1,600	
Australia Manganese				
Manganese ore production (kwmt)	3,470	2,663	3,500	
South Africa Manganese				
Manganese ore production ⁸ (kwmt)	1,878	1,666	↑ 2,200	Guidance increased by 10% (subject to market demand)
Cerro Matoso				
Payable nickel production (kt)	40.6	23.2	34.6	
Cannington				
Payable zinc equivalent production ⁹ (kt)	332.6	264.1	↑ 382.6	
Payable silver production (koz)	11,792	9,477	↑ 13,700	Guidance increased by a further 10%
Payable lead production (kt)	110.4	90.6	↑ 130.7	
Payable zinc production (kt)	66.7	48.2	↑ 69.2	

a. The denotation (e) refers to an estimate or forecast year. All guidance is subject to further potential impacts from COVID-19.

Worsley Alumina

(86% share)

South32 share	9M YTD20	9M YTD21	YoY	3Q20	2Q21	3Q21	3Q21 vs 3Q20	3Q21 vs 2Q21
Alumina production (kt)	2,869	2,885	1%	936	1,047	875	(7%)	(16%)
Alumina sales (kt)	2,751	2,918	6%	860	1,077	840	(2%)	(22%)

Worsley Alumina saleable alumina production increased by 1% (or 16kt) to 2,885kt in the nine months ended March 2021. Alumina hydrate production increased by 4% (or 116kt) to a record 2,989kt in the same period, with the input circuit operating above nameplate capacity of 4.6Mtpa (100% basis).

FY21 production guidance remains unchanged at 3,965kt with the refinery expected to drawdown established hydrate stocks following the successful completion of planned calciner maintenance in the March 2021 quarter.

Brazil Alumina

(36% share)

South32 share	9M YTD20	9M YTD21	YoY	3Q20	2Q21	3Q21	3Q21 vs 3Q20	3Q21 vs 2Q21
Alumina production (kt)	1,042	1,049	1%	340	354	343	1%	(3%)
Alumina sales (kt)	1,014	1,058	4%	336	334	384	14%	15%

Brazil Alumina saleable production increased by 1% (or 7kt) to a record 1,049kt in the nine months ended March 2021 as the refinery continued to benefit from strong plant availability, realising the benefits of the De-bottlenecking Phase One project.

FY21 production guidance remains unchanged at 1,370kt.

Hillside Aluminium

(100%)

South32 share	9M YTD20	9M YTD21	YoY	3Q20	2Q21	3Q21	3Q21 vs 3Q20	3Q21 vs 2Q21
Aluminium production (kt)	540	537	(1%)	178	181	176	(1%)	(3%)
Aluminium sales (kt)	524	538	3%	174	172	191	10%	11%

Hillside Aluminium saleable production decreased by 1% (or 3kt) to 537kt in the nine months ended March 2021 as the smelter continued to test its maximum technical capacity, despite the impact from increased load-shedding. FY21 production guidance⁷ remains unchanged at 720kt.

The new energy supply agreement for the smelter is currently with the National Energy Regulator of South Africa for review. The new agreement is to cover power supplied for a 10-year period with a tariff that is South African rand based, and a rate of escalation linked to the South Africa Producer Price Index.

Mozal Aluminium

(47.1% share)

South32 share	9M YTD20	9M YTD21	YoY	3Q20	2Q21	3Q21	3Q21 vs 3Q20	3Q21 vs 2Q21
Aluminium production (kt)	201	199	(1%)	67	67	64	(4%)	(4%)
Aluminium sales (kt)	201	194	(3%)	65	66	64	(2%)	(3%)

Mozal Aluminium saleable production decreased by 1% (or 2kt) to 199kt in the nine months ended March 2021 with the smelter continuing to perform strongly despite the impact of load-shedding and workforce restrictions related to COVID-19 in the quarter. Notwithstanding the ongoing impact of restrictions, FY21 production is expected to approach guidance⁷ of 273kt.

South Africa Energy Coal

(100%)

South32 share	9M YTD20	9M YTD21	YoY	3Q20	2Q21	3Q21	3Q21 vs 3Q20	3Q21 vs 2Q21
Energy coal production (kt)	17,444	15,007	(14%)	5,659	4,980	3,764	(33%)	(24%)
Domestic sales (kt)	9,632	8,552	(11%)	2,944	2,920	2,025	(31%)	(31%)
Export sales (kt)	7,535	6,576	(13%)	2,681	2,210	1,879	(30%)	(15%)

South Africa Energy Coal saleable production decreased by 14% (or 2.4Mt) to 15.0Mt in the nine months ended March 2021 with reduced demand from Eskom impacting domestic sales. Export sales declined during the March 2021 quarter, impacted by disruptions to third party rail logistics and our decision to reduce activity in uneconomic pits to maximise margins.

Our export sales realised a discount of approximately 30% to the API4 (6,000Kcal) index¹⁰ in the nine months ended March 2021, as we produced a greater share of lower calorific product. Given the impact of lower realised prices, lower volumes, and a stronger South African rand, the operation remained loss-making in the March 2021 quarter.

Production guidance is not provided for the June 2021 quarter as we continue to progress our divestment of the operation, although we do expect production volumes to increase as rail logistics normalise.

Illawarra Metallurgical Coal

(100%)

South32 share	9M YTD20	9M YTD21	YoY	3Q20	2Q21	3Q21	3Q21 vs 3Q20	3Q21 vs 2Q21
Total coal production (kt)	5,054	5,920	17%	1,359	1,725	1,824	34%	6%
Total coal sales ¹¹ (kt)	5,213	5,850	12%	1,594	2,087	1,823	14%	(13%)
Metallurgical coal production (kt)	4,026	4,830	20%	1,167	1,399	1,568	34%	12%
Metallurgical coal sales (kt)	4,198	4,707	12%	1,398	1,697	1,542	10%	(9%)
Energy coal production (kt)	1,028	1,090	6%	192	326	256	33%	(21%)
Energy coal sales (kt)	1,015	1,143	13%	196	390	281	43%	(28%)

Illawarra Metallurgical Coal saleable production increased by 17% (or 0.9Mt) to 5.9Mt in the nine months ended March 2021 as the return to a three longwall configuration continued to deliver greater efficiencies through the operation of alternate dual longwalls at the Appin mine and we monetised further low-margin coal wash material. While this product attracts considerable grade and product-type discounts to the API5 (5,500Kcal) index¹² for our energy coal sales, the incremental volume benefits our Operating unit costs by eliminating coal waste emplacement.

FY21 production guidance remains unchanged at 8.0Mt with a longwall move scheduled at Appin in the June 2021 quarter.

Australia Manganese

(60% share)

South32 share	9M YTD20	9M YTD21	YoY	3Q20	2Q21	3Q21	3Q21 vs 3Q20	3Q21 vs 2Q21
Manganese ore production (kwmt)	2,616	2,663	2%	841	954	829	(1%)	(13%)
Manganese ore sales (kwmt)	2,512	2,730	9%	775	871	865	12%	(1%)
Manganese alloy production (kt)	81	51	(37%)	24	24	-	(100%)	(100%)
Manganese alloy sales (kt)	89	59	(34%)	31	33	-	(100%)	(100%)

Australia Manganese saleable ore production increased by 2% (or 47kwmt) to a record 2,663kwmt in the nine months ended March 2021. The primary concentrator continued to achieve strong output despite the impact of the wet season in the March 2021 quarter, while output from the PC02 circuit remained above nameplate capacity, contributing 10% of total production (9M YTD20: 11%).

While we continue to monitor the potential for further impact from the wet season, FY21 production guidance remains unchanged at 3,500kwmt.

We did not produce any manganese alloy in the March 2021 quarter following our divestment of the TEMCO manganese alloy smelter.

South Africa Manganese

(60% share)

South32 share	9M YTD20	9M YTD21	YoY	3Q20	2Q21	3Q21	3Q21 vs 3Q20	3Q21 vs 2Q21
Manganese ore production ⁸ (kwmt)	1,504	1,666	11%	466	505	580	24%	15%
Manganese ore sales ⁸ (kwmt)	1,549	1,600	3%	476	586	497	4%	(15%)
Manganese alloy production (kt)	48	-	(100%)	14	-	-	(100%)	0%
Manganese alloy sales (kt)	48	11	(77%)	20	3	-	(100%)	(100%)

South Africa Manganese saleable ore production increased by 11% (or 162kwmt) to 1,666kwmt in the nine months ended March 2021, as we increased volumes of higher quality premium material from our Mamatwan mine and lifted our use of opportunistic, higher cost trucking. Ore production in the March 2021 quarter was 15% higher following completion of planned maintenance at the Mamatwan mine in the prior quarter. March 2021 quarter ore sales volumes declined by 15%, with third party rail logistics impacted by wet weather and shipments slipping into the June 2021 quarter following the declaration of force majeure by Transnet.

FY21 production guidance has been increased by 10% to 2,200kwmt as we continue to respond to market conditions by utilising higher cost trucking capacity. We will continue to monitor market demand and the potential for further disruption due to adverse weather.

We did not produce any manganese alloy in the nine months ended March 2021 as our Metalloys smelter remained on care and maintenance.

Cerro Matoso

(99.9% share)

South32 share	9M YTD20	9M YTD21	YoY	3Q20	2Q21	3Q21	3Q21 vs 3Q20	3Q21 vs 2Q21
Payable nickel production (kt)	30.9	23.2	(25%)	10.3	6.1	7.1	(31%)	16%
Payable nickel sales (kt)	30.6	23.2	(24%)	10.2	6.1	6.7	(34%)	10%

Cerro Matoso payable nickel production decreased by 25% (or 7.7kt) to 23.2kt in the nine months ended March 2021 following completion of a major refurbishment at one of the furnaces in the quarter. FY21 production guidance remains unchanged at 34.6kt, having completed the furnace ramp-up to normalised rates.

Payable nickel sales increased by 10% during the March 2021 quarter as production volumes lifted. While our ferronickel product sells with reference to the LME Nickel index price on a M or M+1 basis it continues to attract product discounts of approximately 10%.

Following approval to develop the low capital, higher-grade Q&P project in the December 2020 quarter, which supported an increase in our FY21 and FY22 production guidance, the Ore Sorting and Mechanical Ore Concentration (OSMOC) project was approved to proceed to execution during the March 2021 quarter. The OSMOC project is expected to deliver increased payable nickel production of up to 10% from FY23 through expanded processing capacity and improvements to the upgrading circuit to lift average ore grades¹³. The project has an anticipated capital spend of US\$24M with US\$4M expected in the June 2021 quarter.

Further to the orders issued by the Constitutional Court of Colombia in April 2018, the operation was granted a new environmental licence in the March 2021 quarter. With this licence, and our ongoing provision of health care to the community members, all outstanding orders issued have been satisfied and we have moved to a monitoring phase.

Cannington

(100% share)

South32 share	9M YTD20	9M YTD21	YoY	3Q20	2Q21	3Q21	3Q21 vs 3Q20	3Q21 vs 2Q21
Payable zinc equivalent production ⁹ (kt)	243.4	264.1	9%	74.7	90.7	96.8	30%	7%
Payable silver production (koz)	8,597	9,477	10%	2,433	3,130	3,484	43%	11%
Payable silver sales (koz)	8,538	9,276	9%	2,626	3,359	2,950	12%	(12%)
Payable lead production (kt)	80.3	90.6	13%	25.0	31.2	33.0	32%	6%
Payable lead sales (kt)	74.6	89.8	20%	22.8	31.9	28.4	25%	(11%)
Payable zinc production (kt)	49.8	48.2	(3%)	17.3	18.0	17.8	3%	(1%)
Payable zinc sales (kt)	49.7	47.7	(4%)	14.4	20.0	15.9	10%	(21%)

Cannington payable zinc equivalent production increased by 9% (or 20.7kt) to 264.1kt in the nine months ended March 2021 following strong underground mine performance which has supported the acceleration of a higher-grade mining sequence. As a result of the continued strong operating performance and expectation of higher grades in the June 2021 quarter we have further increased FY21 zinc equivalent production guidance by 10% to 382.6kt (silver 13,700koz, lead 130.7kt and zinc 69.2kt). FY22 production guidance remains unchanged at this time.

Notwithstanding the strong production performance, sales were negatively impacted in the March 2021 quarter as a result of weather related timing disruptions to rail logistics that are expected to unwind in the June 2021 quarter.

We have initiated a pre-feasibility study to assess the potential to transition the underground mine to a truck haulage operation, from the current truck/shaft configuration. The change in configuration is a low cost capital option that has the potential to bring forward further higher-grade material from FY23 at current operating costs and throughput rates.

Notes:

1. Refer to the market announcement "Agreement to Divest South Africa Energy Coal" dated 6 November 2019. Purchaser includes Thabong Coal Proprietary Limited, a wholly-owned subsidiary of Seriti, and two trusts for the benefit of employees and communities. Refer to the market announcement "South Africa Energy Coal Divestment Update" dated 1 April 2021. Final material conditions include approval from Eskom Holdings SOC Limited for the transfer of our shareholding and amendments to the terms of the Duvha Coal Supply Agreement, with the latter also subject to National Treasury consent.
2. Net cash number is unaudited and should not be considered as an indication of or alternative to an IFRS measure of profitability, financial performance or liquidity.
3. Net distributions from equity accounted investments includes net debt movements and dividends, which are unaudited and should not be considered as an indication of or alternative to an IFRS measure of profitability, financial performance or liquidity.
4. Since inception, US\$1.2B has been allocated to the on-market share buy-back (585M shares at an average price of A\$2.86 per share) and US\$292M returned in the form of special dividends.
5. FY21 Operating unit cost guidance includes royalties (where appropriate) and the influence of exchange rates, and includes various assumptions for FY21, including: an alumina price of US\$270/t; an average blended coal price (including coal wash sales) of US\$96/t for Illawarra Metallurgical Coal; a manganese ore price of US\$4.55/dmtu for 44% manganese product; a nickel price of US\$7.51/lb; a thermal coal price of US\$77/t (API4) for South Africa Energy Coal; a silver price of US\$25.15/troy oz; a lead price of US\$1,952/t (gross of treatment and refining charges); a zinc price of US\$2,597/t (gross of treatment and refining charges); an AUD:USD exchange rate of 0.75; a USD:ZAR exchange rate of 15.69; a USD:COP exchange rate of 3,594; and a reference price for caustic soda; all of which reflected forward markets as at January 2021 or our internal expectations.
6. The primary corporate tax rates applicable to the Group for FY21 include: Australia 30%, South Africa 28%, Colombia 31%, Mozambique 0% and Brazil 34%. The Colombian corporate tax rate is 31% in CY21 and will decrease to 30% from 1 January 2022. The Mozambique operations are subject to a royalty on revenues instead of income tax.
7. Production guidance for Hillside Aluminium and Mozal Aluminium does not assume any load-shedding impact on production.
8. Consistent with the presentation of South32's segment information, South Africa Manganese ore production and sales have been reported at 60%. The Group's financial statements will continue to reflect a 54.6% interest in South Africa Manganese ore.
9. 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. FY20 realised prices for zinc (US\$1,416/t), lead (US\$1,648/t) and silver (US\$16.5/oz) have been used for FY20, 9M YTD21 and FY21e.
10. The sales volume weighted average of the Argus McCloskey API4 Coal index 6,000Kcal NAR (FOB Richards Bay, South Africa) on a basis of a one month lag to published pricing (Month minus one or "M-1") was US\$67/t in the nine months ended March 2021.
11. Illawarra Metallurgical Coal sales are adjusted for moisture and will not reconcile directly to Illawarra Metallurgical Coal production.
12. The sales volume weighted average of the Argus McCloskey API5 Coal index 5,500Kcal NAR (FOB Newcastle, Australia) on a basis of a one month lag to published pricing (Month minus one or "M-1") was US\$42/t in the nine months ended March 2021.
13. The information in this report that relates to the production target is based on Proved and Probable Ore Reserves (87%), and Measured (12%) and Indicated (1%) Mineral Resources for Cerro Matoso. Mineral Resources and Ore Reserve estimates for Cerro Matoso was declared as part of South32's Annual Resource and Reserve declaration in the Annual Report 2020 (www.south32.net) issued on 4 September 2020 and prepared by E Espitia (MAusIMM) and N Monterroza (MAusIMM) 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 announcement. 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. Payable nickel is calculated using long term consensus metal prices and relative metallurgical recoveries.

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); 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	9M YTD20	9M YTD21	3Q20	4Q20	1Q21	2Q21	3Q21
Worsley Alumina (86% share)							
Alumina hydrate production (kt)	2,873	2,989	963	967	1,010	1,002	977
Alumina production (kt)	2,869	2,885	936	1,017	963	1,047	875
Alumina sales (kt)	2,751	2,918	860	1,031	1,001	1,077	840
Brazil Alumina (36% share)							
Alumina production (kt)	1,042	1,049	340	341	352	354	343
Alumina sales (kt)	1,014	1,058	336	378	340	334	384
Hillside Aluminium (100%)							
Aluminium production (kt)	540	537	178	178	180	181	176
Aluminium sales (kt)	524	538	174	199	175	172	191
Mozal Aluminium (47.1% share)							
Aluminium production (kt)	201	199	67	67	68	67	64
Aluminium sales (kt)	201	194	65	78	64	66	64
South Africa Energy Coal (100%)							
Energy coal production (kt)	17,444	15,007	5,659	5,228	6,263	4,980	3,764
Domestic sales (kt)	9,632	8,552	2,944	3,006	3,607	2,920	2,025
Export sales (kt)	7,535	6,576	2,681	2,180	2,487	2,210	1,879
Illawarra Metallurgical Coal (100%)							
Total coal production (kt)	5,054	5,920	1,359	1,952	2,371	1,725	1,824
Total coal sales ¹¹ (kt)	5,213	5,850	1,594	2,071	1,940	2,087	1,823
Metallurgical coal production (kt)	4,026	4,830	1,167	1,523	1,863	1,399	1,568
Metallurgical coal sales (kt)	4,198	4,707	1,398	1,644	1,468	1,697	1,542
Energy coal production (kt)	1,028	1,090	192	429	508	326	256
Energy coal sales (kt)	1,015	1,143	196	427	472	390	281
Australia Manganese (60% share)							
Manganese ore production (kwmt)	2,616	2,663	841	854	880	954	829
Manganese ore sales (kwmt)	2,512	2,730	775	928	994	871	865
Ore grade sold (% , Mn)	44.8	44.4	44.4	43.9	44.3	44.5	44.4
Manganese alloy production (kt)	81	51	24	29	27	24	-
Manganese alloy sales (kt)	89	59	31	27	26	33	-
South Africa Manganese (60% share)							
Manganese ore production ⁸ (kwmt)	1,504	1,666	466	374	581	505	580
Manganese ore sales ⁸ (kwmt)	1,549	1,600	476	316	517	586	497
Ore grade sold (% , Mn)	39.9	40.1	39.8	40.8	39.7	40.0	40.6
Manganese alloy production (kt)	48	-	14	5	-	-	-
Manganese alloy sales (kt)	48	11	20	7	8	3	-

South32 share	9M YTD20	9M YTD21	3Q20	4Q20	1Q21	2Q21	3Q21
Cerro Matoso (99.9% share)							
Ore mined (kwmt)	2,041	2,064	641	798	645	825	594
Ore processed (kdmt)	2,082	1,683	693	679	698	457	528
Ore grade processed (% , Ni)	1.66	1.58	1.67	1.59	1.58	1.55	1.60
Payable nickel production (kt)	30.9	23.2	10.3	9.7	10.0	6.1	7.1
Payable nickel sales (kt)	30.6	23.2	10.2	10.0	10.4	6.1	6.7
Cannington (100%)							
Ore mined (kwmt)	2,066	2,123	706	726	700	709	714
Ore processed (kdmt)	2,095	2,026	701	744	630	672	724
Silver ore grade processed (g/t, Ag)	155	175	134	161	169	179	177
Lead ore grade processed (% , Pb)	4.7	5.4	4.5	4.8	5.0	5.2	5.8
Zinc ore grade processed (% , Zn)	3.4	3.4	3.6	3.2	2.9	3.7	3.5
Payable zinc equivalent production ⁹ (kt)	243.4	264.1	74.7	89.2	76.6	90.7	96.8
Payable silver production (koz)	8,597	9,477	2,433	3,195	2,863	3,130	3,484
Payable silver sales (koz)	8,538	9,276	2,626	3,571	2,967	3,359	2,950
Payable lead production (kt)	80.3	90.6	25.0	30.1	26.4	31.2	33.0
Payable lead sales (kt)	74.6	89.8	22.8	33.5	29.5	31.9	28.4
Payable zinc production (kt)	49.8	48.2	17.3	16.9	12.4	18.0	17.8
Payable zinc sales (kt)	49.7	47.7	14.4	19.0	11.8	20.0	15.9

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 connect with COVID-19.

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