

# QUARTERLY REPORT



MARCH 2017

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

- Increased net cash by US\$645M to US\$1.5B at 31 March 2017.
- Announced a US\$500M capital management program in line with our commitment to return excess cash to shareholders.
- Maintained strong performance at our aluminium smelters and achieved an alumina hydrate production rate in excess of 4.6Mtpa (100% basis) at Worsley Alumina.
- Increased ore production at South Africa Manganese to an annualised rate of 3.8Mwmt pa (100% basis) in response to favourable market conditions.
- Delivered first ore from the higher grade La Esmeralda deposit at Cerro Matoso.
- Maintained FY17 production guidance at Illawarra Metallurgical Coal following the completion of an extended longwall move at Dendrobium.
- Revised FY17 production guidance at Cannington to 16.5Moz of silver, 135kt of lead and 70kt of zinc following an underground fire, with unit costs of approximately US\$155/t now expected.
- Revised FY17 and FY18 production guidance at South Africa Energy Coal following heavy rainfall and an associated delay in the development of new mining areas at the Wolvekrans-Middelburg Complex (WMC).
- Entered into an option agreement with Trilogy Metals Inc. in respect of their Upper Kobuk Mineral projects in the Ambler Mining District, Alaska.

*“Despite several operational challenges during the quarter, we increased our net cash balance by US\$645M to US\$1.5B.*

*“Having achieved the right balance of strength and flexibility, we announced a US\$500M capital management program and subsequently commenced an on-market share buy-back in April.*

*“Consistent with our strategy to identify new opportunities through the drill bit, we entered into a strategic alliance with AusQuest. Under this agreement, we will pursue five early stage base metal opportunities in Australia and Peru. We have also entered into an option agreement with Trilogy covering the more advanced Upper Kobuk Mineral projects in Alaska and will initially test the extent of their high grade Bornite copper resource.”*

Graham Kerr, South32 CEO

## Production summary

South32's share	9M YTD16	9M YTD17	YoY
Alumina production (kt)	4,000	<b>3,901</b>	(2%)
Aluminium production (kt)	725	<b>737</b>	2%
Energy coal production (kt)	24,967	<b>22,567</b>	(10%)
Metallurgical coal production (kt)	4,940	<b>4,260</b>	(14%)
Manganese ore production (kwmt)	3,551	<b>3,718</b>	5%
Manganese alloy production (kt)	179	<b>162</b>	(9%)
Payable nickel production (kt)	27.2	<b>26.8</b>	(1%)
Payable silver production (koz)	16,356	<b>12,277</b>	(25%)
Payable lead production (kt)	134.4	<b>105.2</b>	(22%)
Payable zinc production (kt)	60.3	<b>57.2</b>	(5%)

	3Q16	2Q17	3Q17	QoQ
	1,334	1,320	<b>1,288</b>	(2%)
	240	249	<b>245</b>	(2%)
	7,930	7,518	<b>6,858</b>	(9%)
	1,642	1,392	<b>1,431</b>	3%
	1,205	1,253	<b>1,285</b>	3%
	48	56	<b>47</b>	(16%)
	9.7	9.0	<b>9.1</b>	1%
	4,478	4,035	<b>3,548</b>	(12%)
	36.9	35.5	<b>31.3</b>	(12%)
	18.5	24.4	<b>15.1</b>	(38%)

Unless otherwise noted: percentage variance relates to performance during the nine months ended March 2017 compared with the nine months ended March 2016 (YoY) or the March 2017 quarter compared with the December 2016 quarter (QoQ); production and sales volumes are reported on an attributable basis.

## CORPORATE UPDATE

- Our net cash<sup>1</sup> balance increased by US\$645M to US\$1.5B in the quarter as working capital unwound and we received US\$108M (South32 share) in distributions from our equity accounted investments. On 27 March 2017, we announced a US\$500M capital management program and subsequently commenced an on-market share buy-back on 19 April 2017.
- Following an underground fire and subsequent downgrade to FY17 production guidance, Cannington's Operating unit cost<sup>2</sup>, including Sustaining capital expenditure, is now expected to increase to US\$155/t (previously US\$141/t). Unit cost guidance for all other operations in FY17 remains unchanged and will require strong performance in the June 2017 quarter.
- Capital expenditure of approximately US\$420M (previously US\$450M) is now expected in FY17, although the rate of spend is expected to increase in the June 2017 quarter as land is purchased in preparation for the Klipspruit Life Extension project.
- We invested US\$13.0M in exploration in the nine months ended March 2017 (US\$2.1M capitalised). This includes US\$1.7M at our equity accounted investments (US\$1.0M capitalised). We explored for metallurgical coal, manganese and silver in Australia and nickel in Colombia.
- Beyond our current portfolio, we are pursuing base metals opportunities in four countries, having entered into new agreements with AusQuest Limited and Trilogy Metals Inc. in March and April, respectively. Under the terms of the latter agreement, we will provide US\$30M over three years to test the extent of the high-grade copper resource at Trilogy's Bornite deposit in the Ambler Mining District, Alaska. This funding will be paid in tranches of US\$10M per annum, with the decision to proceed to year two and three subject to exploration results. Our exploration spend is now expected to be approximately US\$30M in FY17.

Upstream production guidance (South32's share)	FY16	9M YTD17	FY17e
<b>Worsley Alumina</b>			
Alumina production (kt)	3,961	2,904	3,965
<b>Brazil Alumina</b>			
Alumina production (kt)	1,335	997	1,320
<b>South Africa Energy Coal<sup>3</sup></b>			
Energy coal production (kt)	31,681	21,500	Revised ↓ 30,000
Domestic coal production (kt)	16,825	12,744	Revised ↑ 17,500
Export coal production (kt)	14,856	8,756	Revised ↓ 12,500
<b>Illawarra Metallurgical Coal</b>			
Total coal production (kt)	8,366	5,327	7,900
Metallurgical coal production (kt)	7,059	4,260	6,360
Energy coal production (kt)	1,307	1,067	1,540
<b>Australia Manganese</b>			
Manganese ore production (kwmt)	3,071	2,218	3,120
<b>South Africa Manganese</b>			
Manganese ore production <sup>4</sup> (kwmt)	1,711	1,500	Subject to demand
<b>Cerro Matoso</b>			
Payable nickel production (kt)	36.8	26.8	36.0
<b>Cannington</b>			
Payable silver production (koz)	21,393	12,277	Revised ↓ 16,500
Payable lead production (kt)	173	105	Revised ↓ 135
Payable zinc production (kt)	79	57	Revised ↓ 70

## WORSLEY ALUMINA

(86% share)

South32's share	9M YTD16	9M YTD17	YoY	3Q16	2Q17	3Q17	3Q16 vs 3Q17	2Q17 vs 3Q17
Alumina production (kt)	3,001	<b>2,904</b>	(3%)	1,008	973	<b>964</b>	(4%)	(1%)
Alumina sales (kt)	2,915	<b>2,927</b>	0%	1,017	949	<b>1,018</b>	0%	7%

Worsley Alumina saleable production decreased by 3% (or 97kt) to 2.9Mt in the nine months ended March 2017. While the alumina hydrate input circuit achieved an annualised production rate in excess of 4.6Mtpa (100% basis) in the March 2017 quarter, saleable alumina production was impacted by unplanned calciner maintenance. FY17 saleable alumina production guidance remains unchanged at approximately 4.0Mt.

## SOUTH AFRICA ALUMINIUM

(100%)

South32's share	9M YTD16	9M YTD17	YoY	3Q16	2Q17	3Q17	3Q16 vs 3Q17	2Q17 vs 3Q17
Aluminium production (kt)	525	<b>534</b>	2%	173	181	<b>178</b>	3%	(2%)
Aluminium sales (kt)	525	<b>510</b>	(3%)	162	169	<b>163</b>	1%	(4%)

South Africa Aluminium saleable production increased by 2% (or 9kt) to 534kt in the nine months ended March 2017 as benchmark levels of current efficiency continued to be achieved, the smelter benefitted from fewer load-shedding events and 22 pots were brought back online in the December 2016 quarter.

## MOZAL ALUMINIUM

(47.1% share)

South32's share	9M YTD16	9M YTD17	YoY	3Q16	2Q17	3Q17	3Q16 vs 3Q17	2Q17 vs 3Q17
Aluminium production (kt)	200	<b>203</b>	2%	67	68	<b>67</b>	0%	(1%)
Aluminium sales (kt)	185	<b>200</b>	8%	64	70	<b>66</b>	3%	(6%)

Mozal Aluminium saleable production increased by 2% (or 3kt) to 203kt in the nine months ended March 2017 as benchmark levels of current efficiency continued to be achieved and the smelter benefitted from fewer load-shedding events.

## BRAZIL ALUMINA

(36% share)

South32's share	9M YTD16	9M YTD17	YoY	3Q16	2Q17	3Q17	3Q16 vs 3Q17	2Q17 vs 3Q17
Alumina production (kt)	999	<b>997</b>	(0%)	326	347	<b>324</b>	(1%)	(7%)
Alumina sales (kt)	1,021	<b>994</b>	(3%)	360	339	<b>356</b>	(1%)	5%

Brazil Alumina saleable production remained largely unchanged in the nine months ended March 2017. Heavy rainfall in the March 2017 quarter resulted in a 7% (or 23kt) decrease in production relative to the record December 2016 quarter. FY17 saleable alumina production guidance remains unchanged at 1.3Mt.

## SOUTH AFRICA ENERGY COAL

(100%)

South32's share	9M YTD16	9M YTD17	YoY	3Q16	2Q17	3Q17	3Q16 vs 3Q17	2Q17 vs 3Q17
Energy coal production (kt)	24,071	<b>21,500</b>	(11%)	7,692	7,081	<b>6,675</b>	(13%)	(6%)
Domestic sales (kt)	13,080	<b>12,974</b>	(1%)	4,000	4,472	<b>4,056</b>	1%	(9%)
Export sales (kt)	11,596	<b>8,729</b>	(25%)	3,575	2,952	<b>2,873</b>	(20%)	(3%)

South Africa Energy Coal saleable production decreased by 11% (or 2.6Mt) to 21.5Mt in the nine months ended March 2017. Export sales and pit development at the WMC were impacted by heavy rainfall in the March 2017 quarter and FY17 production guidance has been revised accordingly to 30.0Mt (domestic coal 17.5Mt, export coal 12.5Mt). The depletion of existing pits and the delayed development of new mining areas at the WMC is expected to result in a further 2.5Mt reduction in production in FY18 to approximately 27.5Mt (domestic coal 16.0Mt, export coal 11.5Mt). While our budgeting process for FY18 is currently underway, we do anticipate a significant increase in Operating unit cost, including Sustaining capital expenditure, as a result of the temporary reduction in production and rise in sustaining capital expenditure at the WMC.

## ILLAWARRA METALLURGICAL COAL

(100%)

South32's share	9M YTD16	9M YTD17	YoY	3Q16	2Q17	3Q17	3Q16 vs 3Q17	2Q17 vs 3Q17
Total coal production (kt)	5,836	<b>5,327</b>	(9%)	1,880	1,829	<b>1,614</b>	(14%)	(12%)
Total coal sales (kt)	5,700	<b>5,585</b>	(2%)	1,959	1,412	<b>1,980</b>	1%	40%
Metallurgical coal production (kt)	4,940	<b>4,260</b>	(14%)	1,642	1,392	<b>1,431</b>	(13%)	3%
Metallurgical coal sales (kt)	4,727	<b>4,482</b>	(5%)	1,595	1,065	<b>1,694</b>	6%	59%
Energy coal production (kt)	896	<b>1,067</b>	19%	238	437	<b>183</b>	(23%)	(58%)
Energy coal sales (kt)	973	<b>1,103</b>	13%	364	347	<b>286</b>	(21%)	(18%)

Illawarra Metallurgical Coal total saleable production decreased by 9% (or 509kt) to 5.3Mt in the nine months ended March 2017 as challenging ground conditions were encountered at Appin Area 9 and mining rates were moderated at Appin Area 7 to ensure gas concentrations were maintained at safe levels. Production in the March 2017 quarter was impacted by a longwall move at Dendrobium that was extended by four days and was slow to ramp-up as a result of challenging roof conditions. FY17 production guidance remains unchanged at 7.9Mt and requires a strong finish to the year. A longwall move at Appin Area 9 is scheduled for June.

A drawdown of inventory ensured sales in the nine months ended March 2017 exceeded production by 258kt. Sales in the March 2017 quarter also included a carry-over shipment from the December 2016 half year, as anticipated.

## AUSTRALIA MANGANESE

(60% share)

South32's share	9M YTD16	9M YTD17	YoY	3Q16	2Q17	3Q17	3Q16 vs 3Q17	2Q17 vs 3Q17
Manganese ore production (kwmt)	2,332	<b>2,218</b>	(5%)	743	736	<b>719</b>	(3%)	(2%)
Manganese ore sales (kwmt)	2,309	<b>2,249</b>	(3%)	852	743	<b>749</b>	(12%)	1%
Manganese alloy production (kt)	111	<b>106</b>	(5%)	26	40	<b>28</b>	8%	(30%)
Manganese alloy sales (kt)	120	<b>119</b>	(1%)	44	28	<b>37</b>	(16%)	32%

Australia Manganese saleable ore production decreased by 5% (or 114kwmt) to 2.2Mwmt in the nine months ended March 2017. Heavy rainfall and Tropical Cyclone Alfred led to lower production in the primary high grade circuit in the March 2017 quarter, although this was partially offset by strong performance within the Premium Concentrate ore (PC02) circuit which continued to operate at its annualised capacity of 500kwmt (100% basis). Our low cost PC02 fines product has a manganese content of approximately 40% which leads to both grade and product-type discounts when referenced to the high grade 44% manganese lump ore index. FY17 production guidance of 3.1Mwmt remains unchanged.

Saleable manganese alloy production decreased by 5% (or 5kt) to 106kt in the nine months ended March 2017 as an electrode upgrade was undertaken in January. The impact of the shutdown was offset by a drawdown of inventory, resulting in an increase of alloy sales in the March 2017 quarter. All four furnaces are expected to ramp-up to full capacity in the June 2017 quarter.

## SOUTH AFRICA MANGANESE

(60% share)

South32's share	9M YTD16	9M YTD17	YoY	3Q16	2Q17	3Q17	3Q16 vs 3Q17	2Q17 vs 3Q17
Manganese ore production (kwmt)	1,219	<b>1,500</b>	23%	462	517	<b>566</b>	23%	9%
Manganese ore sales (kwmt)	1,345	<b>1,482</b>	10%	466	511	<b>554</b>	19%	8%
Manganese alloy production (kt)	68	<b>56</b>	(18%)	22	16	<b>19</b>	(14%)	19%
Manganese alloy sales (kt)	70	<b>54</b>	(23%)	20	20	<b>14</b>	(30%)	(30%)

South Africa Manganese saleable ore production increased by 23% (or 281kwmt) to 1.5Mwmt in the nine months ended March 2017 as we responded to favourable market conditions by opportunistically increasing ore production. This included an annualised production rate of 3.8Mwmt pa (100% basis) in the March 2017 quarter as we continued to sell Wessels concentrate and use higher cost trucking to access export opportunities. We ceased trucking activity at the end of the March 2017 quarter as we responded to a change in market conditions.

The Wessels Central Block project was commissioned in the March 2017 quarter, as planned. The project will enable mining to relocate closer to critical infrastructure and lower production costs in the underground mine.

Manganese alloy saleable production decreased by 18% (or 12kt) to 56kt in the nine months ended March 2017 despite an improvement in furnace stability in the quarter. Metalloys continues to operate one of its four furnaces. Alloy sales in the March 2017 quarter were affected by the timing of shipments.

## CERRO MATOSO

(99.9% share)

South32's share	9M YTD16	9M YTD17	YoY	3Q16	2Q17	3Q17	3Q16 vs 3Q17	2Q17 vs 3Q17
Payable nickel production (kt)	27.2	<b>26.8</b>	(1%)	9.7	9.0	<b>9.1</b>	(6%)	1%
Payable nickel sales (kt)	26.8	<b>26.8</b>	0%	9.3	9.4	<b>9.2</b>	(1%)	(2%)

Cerro Matoso payable nickel production decreased by 1% to 26.8kt in the nine months ended March 2017. A reduction in furnace availability in the March 2017 quarter was offset by the availability of previously stockpiled, higher grade fines.

The accelerated development of the higher grade La Esmeralda deposit allowed first ore to be delivered to the plant in the March 2017 quarter. Payable nickel production guidance remains unchanged at 36kt in FY17 but will rise to approximately 41.6kt in FY18 as La Esmeralda ramps up to full capacity.

## CANNINGTON

(100%)

South32's share	9M YTD16	9M YTD17	YoY	3Q16	2Q17	3Q17	3Q16 vs 3Q17	2Q17 vs 3Q17
Payable silver production (koz)	16,356	<b>12,277</b>	(25%)	4,478	4,035	<b>3,548</b>	(21%)	(12%)
Payable silver sales (koz)	16,262	<b>12,404</b>	(24%)	4,364	3,797	<b>3,544</b>	(19%)	(7%)
Payable lead production (kt)	134.4	<b>105.2</b>	(22%)	36.9	35.5	<b>31.3</b>	(15%)	(12%)
Payable lead sales (kt)	132.5	<b>105.8</b>	(20%)	37.0	33.2	<b>32.5</b>	(12%)	(2%)
Payable zinc production (kt)	60.3	<b>57.2</b>	(5%)	18.5	24.4	<b>15.1</b>	(18%)	(38%)
Payable zinc sales (kt)	59.8	<b>57.6</b>	(4%)	18.6	22.3	<b>16.8</b>	(10%)	(25%)

Cannington silver, lead and zinc saleable production decreased by 25%, 22% and 5%, respectively, in the nine months ended March 2017 due to lower feed grades, consistent with the mine plan.

Remediation work to repair load-out and shaft haulage infrastructure damaged by an underground fire in April is continuing. FY17 production guidance was previously revised to 16.5Moz of silver, 135kt of lead and 70kt of zinc as mill throughput will remain constrained while this work is undertaken and the extraction of the higher grade (silver/lead) 60L stope is delayed. An Operating unit cost, including Sustaining capital expenditure, of US\$155/t (previously US\$141/t) is now expected in FY17 given the operation's high fixed cost base.

The development of the replacement underground crusher remains on schedule for commissioning in the March 2018 quarter. As previously indicated, the rate of deformation in the existing crusher chamber has increased and it may become inoperable earlier than planned. As such, the rate of ore extraction and metal production may become temporarily constrained by trucking capacity within the decline. We continue to monitor the rate of deformation and will provide updated production guidance when we report our FY17 financial results.

### Notes:

1. Provisional unaudited net cash balance as at 31 March 2017.
2. FY17 Operating unit cost guidance, including Sustaining capital expenditure, and Sustaining capital expenditure guidance, include royalties (where appropriate) and the influence of exchange rates, and are predicated on various assumptions for H2 FY17, including: an alumina price of US\$316/t; an average blended coal price of US\$146/t for Illawarra Metallurgical Coal; a manganese ore price of US\$6.79/dmt for 44% manganese product; a nickel price of US\$4.65/lb; a thermal coal price of US\$84/t (API4) for South Africa Energy Coal; a silver price of US\$17.04/troy oz; a lead price of US\$2,267/t; a zinc price of US\$2,746/t; an AUD:USD exchange rate of 0.75; a USD:ZAR exchange rate of 14.20; and a USD:COP exchange rate of 2,943; all of which reflected forward markets as at January 2017 or our internal expectations.
3. 8% of South Africa Energy Coal is owned by a Broad-Based Black Economic Empowerment (B-BBEE) consortium. The interests owned by the B-BBEE consortium were acquired using vendor finance, with the loans repayable to South32 via distributions attributable to these parties, pro rata to their share in South Africa Energy Coal. Until these loans are repaid, South32's interest in South Africa Energy Coal is accounted at 100%.
4. 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 statement will continue to reflect a 54.6% interest in South Africa Manganese ore.
5. Figures in Italics indicate that an adjustment has been made since the figures were previously reported.
6. The following abbreviations have been used throughout this report: grams per tonne (g/t); tonnes (t); thousand tonnes (kt); thousand tonnes per annum (ktpa); million tonnes (Mt); million tonnes per annum (Mtpa); 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); Australian Securities Exchange (ASX); London Stock Exchange (LSE); Johannesburg Stock Exchange (JSE); and American Depositary Receipts (ADR).

## OPERATING PERFORMANCE

South32's share	9M YTD16	9M YTD17	3Q16	4Q16	1Q17	2Q17	3Q17
<b>Worsley Alumina (86% share)</b>							
Alumina hydrate production (kt)	2,959	<b>2,939</b>	989	946	980	966	<b>993</b>
Alumina production (kt)	3,001	<b>2,904</b>	1,008	960	967	973	<b>964</b>
Alumina sales (kt)	2,915	<b>2,927</b>	1,017	959	960	949	<b>1,018</b>
<b>South Africa Aluminium (100%)</b>							
Aluminium production (kt)	525	<b>534</b>	173	172	175	181	<b>178</b>
Aluminium sales (kt)	525	<b>510</b>	162	184	178	169	<b>163</b>
<b>Mozal Aluminium (47.1% share)</b>							
Aluminium production (kt)	200	<b>203</b>	67	66	68	68	<b>67</b>
Aluminium sales (kt)	185	<b>200</b>	64	69	64	70	<b>66</b>
<b>Brazil Alumina (alumina 36% share, aluminium 40% share)</b>							
Alumina production (kt)	999	<b>997</b>	326	336	326	347	<b>324</b>
Alumina sales (kt)	1,021	<b>994</b>	360	338	299	339	<b>356</b>
<b>South Africa Energy Coal (100%)</b>							
Energy coal production (kt)	24,071	<b>21,500</b>	7,692	7,610	7,744	7,081	<b>6,675</b>
Domestic sales (kt)	13,080	<b>12,974</b>	4,000	4,089	4,446	4,472	<b>4,056</b>
Export sales (kt)	11,596	<b>8,729</b>	3,575	3,561	2,904	2,952	<b>2,873</b>
<b>Illawarra Metallurgical Coal (100%)</b>							
Total coal production (kt)	5,836	<b>5,327</b>	1,880	2,530	1,884	1,829	<b>1,614</b>
Total coal sales (kt)	5,700	<b>5,585</b>	1,959	2,617	2,193	1,412	<b>1,980</b>
Metallurgical coal production (kt)	4,940	<b>4,260</b>	1,642	2,119	1,437	1,392	<b>1,431</b>
Metallurgical coal sales (kt)	4,727	<b>4,482</b>	1,595	2,257	1,723	1,065	<b>1,694</b>
Energy coal production (kt)	896	<b>1,067</b>	238	411	447	437	<b>183</b>
Energy coal sales (kt)	973	<b>1,103</b>	364	360	470	347	<b>286</b>
<b>Australia Manganese (60% share)</b>							
Manganese ore production (kwmt)	2,332	<b>2,218</b>	743	739	763	736	<b>719</b>
Manganese ore sales (kwmt)	2,309	<b>2,249</b>	852	775	757	743	<b>749</b>
Ore grade sold (% Mn)	47.4	<b>46.3</b>	47.1	47.0	46.7	46.1	<b>46.0</b>
Manganese alloy production (kt)	111	<b>106</b>	26	22	38	40	<b>28</b>
Manganese alloy sales (kt)	120	<b>119</b>	44	30	54	28	<b>37</b>
<b>South Africa Manganese (60% share)</b>							
Manganese ore production (kwmt)	1,219	<b>1,500</b>	462	492	417	517	<b>566</b>
Manganese ore sales (kwmt)	1,345	<b>1,482</b>	466	489	417	511	<b>554</b>
Ore grade sold (% Mn)	40.2	<b>40.2</b>	40.4	39.2	39.7	40.8	<b>40.1</b>
Manganese alloy production (kt)	68	<b>56</b>	22	23	21	16	<b>19</b>
Manganese alloy sales (kt)	70	<b>54</b>	20	40	20	20	<b>14</b>

South32's share	9M YTD16	9M YTD17	3Q16	4Q16	1Q17	2Q17	3Q17
<b>Cerro Matoso (99.9% share)</b>							
Ore mined (kwmt)	4,529	<b>3,391</b>	1,512	1,480	1,238	1,109	<b>1,044</b>
Ore processed (kdmt)	2,016	<b>1,937</b>	704	683	645	644	<b>648</b>
Ore grade processed (% , Ni)	1.53	<b>1.56</b>	1.53	1.55	1.52	1.55	<b>1.60</b>
Payable nickel production (kt)	27.2	<b>26.8</b>	9.7	9.6	8.7	9.0	<b>9.1</b>
Payable nickel sales (kt)	26.8	<b>26.8</b>	9.3	10.0	8.2	9.4	<b>9.2</b>
<b>Cannington (100%)</b>							
Ore mined (kt)	2,470	<b>2,314</b>	727	819	780	859	<b>675</b>
Ore processed (kt)	2,330	<b>2,408</b>	673	819	828	841	<b>739</b>
Silver ore grade processed (g/t, Ag)	264	<b>194</b>	258	230	216	182	<b>183</b>
Lead ore grade processed (% , Pb)	6.9	<b>5.4</b>	6.7	5.9	5.7	5.2	<b>5.3</b>
Zinc ore grade processed (% , Zn)	3.8	<b>3.5</b>	4.1	3.6	3.2	4.2	<b>3.0</b>
Payable silver production (koz)	16,356	<b>12,277</b>	4,478	5,037	4,694	4,035	<b>3,548</b>
Payable silver sales (koz)	16,262	<b>12,404</b>	4,364	4,590	5,063	3,797	<b>3,544</b>
Payable lead production (kt)	134.4	<b>105.2</b>	36.9	38.8	38.4	35.5	<b>31.3</b>
Payable lead sales (kt)	132.5	<b>105.8</b>	37.0	37.2	40.1	33.2	<b>32.5</b>
Payable zinc production (kt)	60.3	<b>57.2</b>	18.5	18.7	17.7	24.4	<b>15.1</b>
Payable zinc sales (kt)	59.8	<b>57.6</b>	18.6	22.8	18.5	22.3	<b>16.8</b>

## Forward-looking statements

This release contains forward-looking statements, including statements about currency exchange rates, commodity prices, production forecasts, plans, development decisions, exploration and capital expenditure. 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, South32 Limited 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.

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