



25 August 2016

South32 Limited
(Incorporated in Australia under the *Corporations Act 2001* (Cth))
(ACN 093 732 597)
ASX / LSE / JSE Share Code: S32
ISIN: AU000000S320
south32.net

FY16 FINANCIAL RESULTS & OUTLOOK PRESENTATION

South32 Limited Chief Executive Officer, Graham Kerr and Chief Financial Officer, Brendan Harris will give the attached presentation today.

The presentation slides will also be available on South32 Limited's website at:
<https://www.south32.net/investors-media/reports-and-presentations>.

About South32

South32 is a globally diversified mining and metals company with high quality operations in Australia, Southern Africa and South America. Our purpose is to make a difference by developing natural resources, improving people's lives now and for generations to come. We are trusted by our owners and partners to realise the potential of their resources. We have a simple strategy to maximise the potential of our assets and shareholder returns by optimising our existing operations, unlocking their potential and identifying new opportunities to compete for capital. Further information on South32 can be found at www.south32.net.

FURTHER INFORMATION

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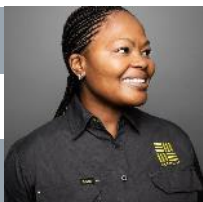
Further information on South32 can be found at www.south32.net.

JSE Sponsor: UBS South Africa (Pty) Ltd
25 August 2016



2016 FINANCIAL RESULTS

25 AUGUST 2016



THIS PRESENTATION SHOULD BE READ IN CONJUNCTION WITH THE “FINANCIAL RESULTS AND OUTLOOK – YEAR ENDED 30 JUNE 2016” ANNOUNCEMENT RELEASED ON 25 AUGUST 2016, WHICH IS AVAILABLE ON SOUTH32’S WEBSITE (WWW.SOUTH32.NET).

FINANCIAL INFORMATION

To assist shareholders in their understanding of the South32 Group, pro forma financial information for FY15 has been prepared to reflect the business as it is now structured and as though it was in effect for the period 1 July 2014 to 30 June 2015. The pro forma financial information is not prepared in accordance with IFRS.

FORWARD LOOKING STATEMENTS

This presentation 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 presentation, 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 presentation. 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. The denotation (e) refers to an estimate or forecast year.

NON-IFRS FINANCIAL INFORMATION

This presentation includes certain non-IFRS financial measures, including Underlying earnings, Underlying EBIT and Underlying EBITDA, Underlying basic earnings per share, Underlying effective tax rate, Underlying EBIT margin, Underlying EBITDA margin, Underlying return on capital, Free cash flow, net debt, net operating assets and ROIC. These measures are used internally by management to assess the performance of our business, make decisions on the allocation of our resources and assess operational management. Non-IFRS measures have not been subject to audit or review and should not be considered as an indication of or alternative to an IFRS measure of profitability, financial performance or liquidity.

NO OFFER OF SECURITIES

Nothing in this presentation should be read or understood as an offer or recommendation to buy or sell South32 securities, or be treated or relied upon as a recommendation or advice by South32.

RELIANCE ON THIRD PARTY INFORMATION

Any information contained in this presentation that has been derived from publicly available sources (or views based on such information) has not been independently verified. The South32 Group does not make any representation or warranty about the accuracy, completeness or reliability of the information. This presentation should not be relied upon as a recommendation or forecast by South32.

NO FINANCIAL OR INVESTMENT ADVICE – SOUTH AFRICA

South32 does not provide any financial or investment 'advice' as that term is defined in the South African Financial Advisory and Intermediary Services Act, 37 of 2002, and we strongly recommend that you seek professional advice.

MINERAL RESOURCES AND ORE RESERVES

The information that relates to the FY16 Cannington and Cerro Matoso Ore Reserves and Mineral Resources (inclusive of Ore Reserves) is reported in accordance with the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ('The JORC Code, 2012 Edition')'. The information related to Mineral Resources and Ore Reserves is based on information compiled by Matthew Readford (MAusIMM) and Tyson Curytko (MAusIMM) for Cannington and Ivan Espitia (MAusIMM) and Nelson Monterroza (MAusIMM) for Cerro Matoso. The above-mentioned persons are full-time employees of South32 Limited and have the required qualifications and experience to qualify as Competent Persons for Mineral Resources and Ore Reserves as defined in the 2012 Edition of the JORC Code. The Competent Persons verify that this presentation is based on and fairly reflects the Mineral Resources and Ore Reserves information in the presentation and consent to the inclusion in this report of the matters based on the information in the form and context in which it appears. The Mineral Resources and Ore Reserves breakdown by classification are shown on slide 33 for Cannington and slide 34 for CMSA. All tonnage and grade information has been rounded, hence small differences may be present in the totals. Tonnages are reported on a dry basis in millions of tonnes (Mt).

**Implemented
regional model**

Restructured operations

**Met or exceeded
production guidance**

**Costs and capex
↓ US\$692M**

**Free cash flow
US\$597M**

**Net cash
US\$312M**

**Announced dividend
US 1 cent per share**

SUSTAINABILITY PERFORMANCE

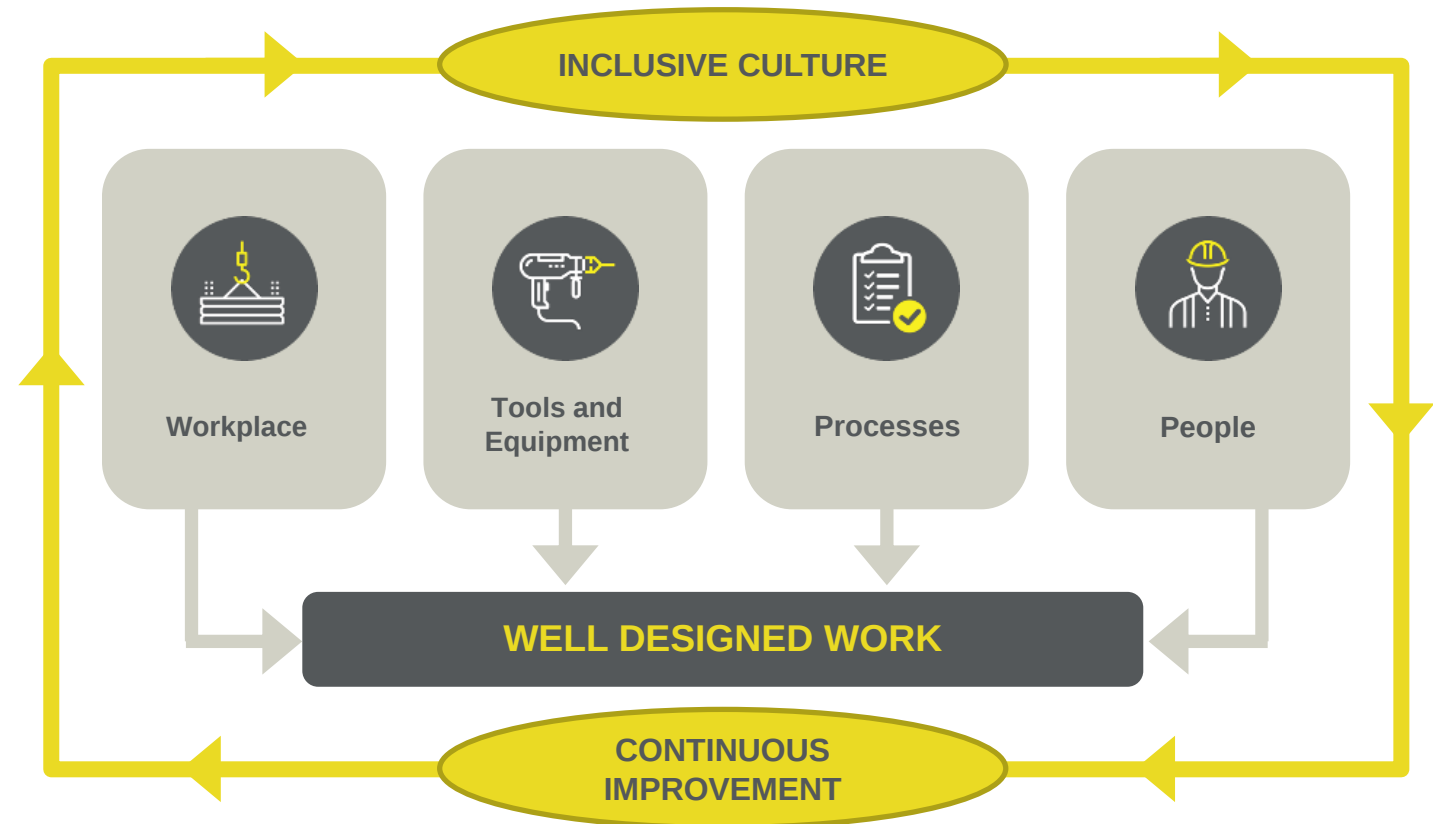
4 fatalities

TRIF¹ 7.7
(FY15: 5.8)

Employee occupational illness frequency²
1.3
(FY15: 5.5)

GHG emissions³
23.5 Mt CO₂-e
(FY15: 24.4)

Our plan for a step change in safety performance



Notes:

1. Total Recordable Injury Frequency per million hours worked.
2. Employee occupational illnesses per million hours worked.
3. Greenhouse gas total includes Scope 1 and Scope 2 emissions. Measured according to the World Resources Institute/World Business Council for Sustainable Development Greenhouse Gas Protocol (WRI/WBCSD).



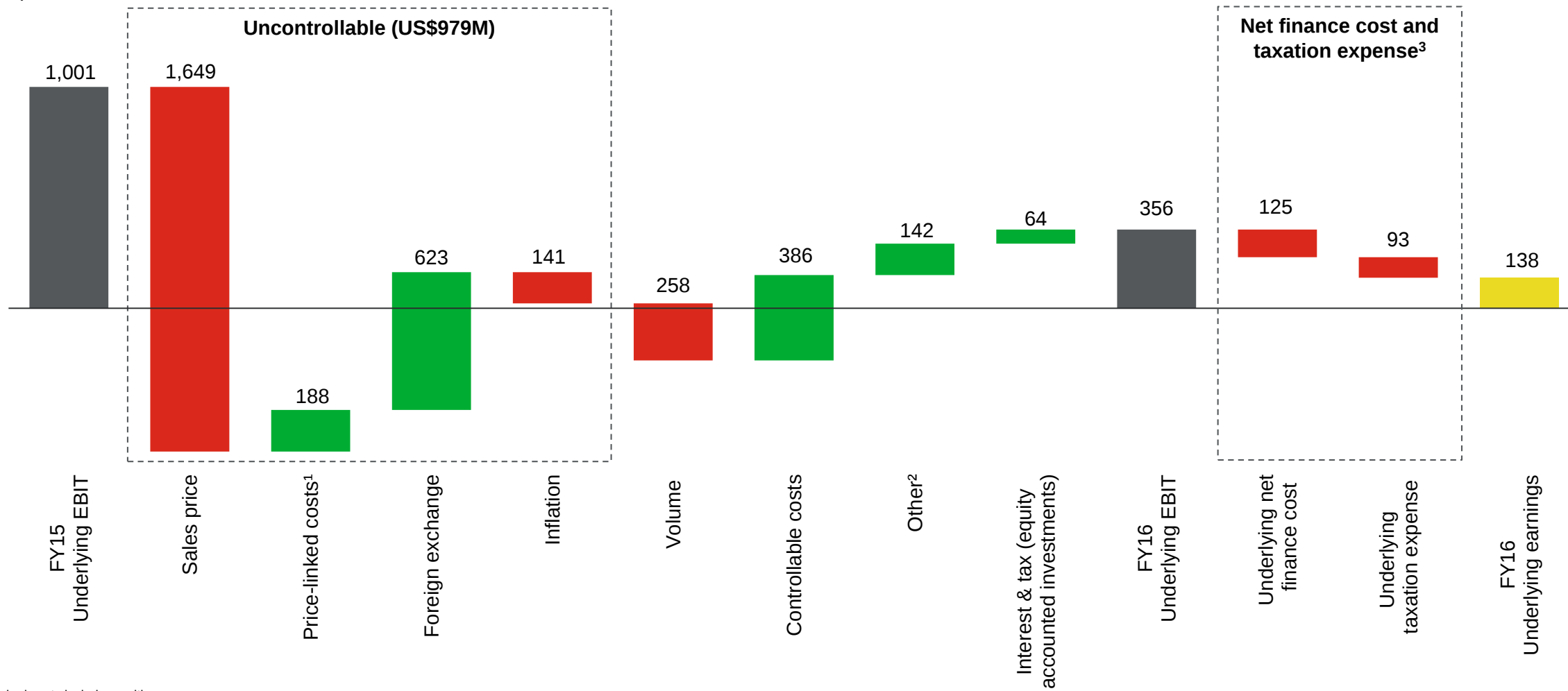
2016 FINANCIAL RESULTS

BRENDAN HARRIS
CFO



EARNINGS ANALYSIS

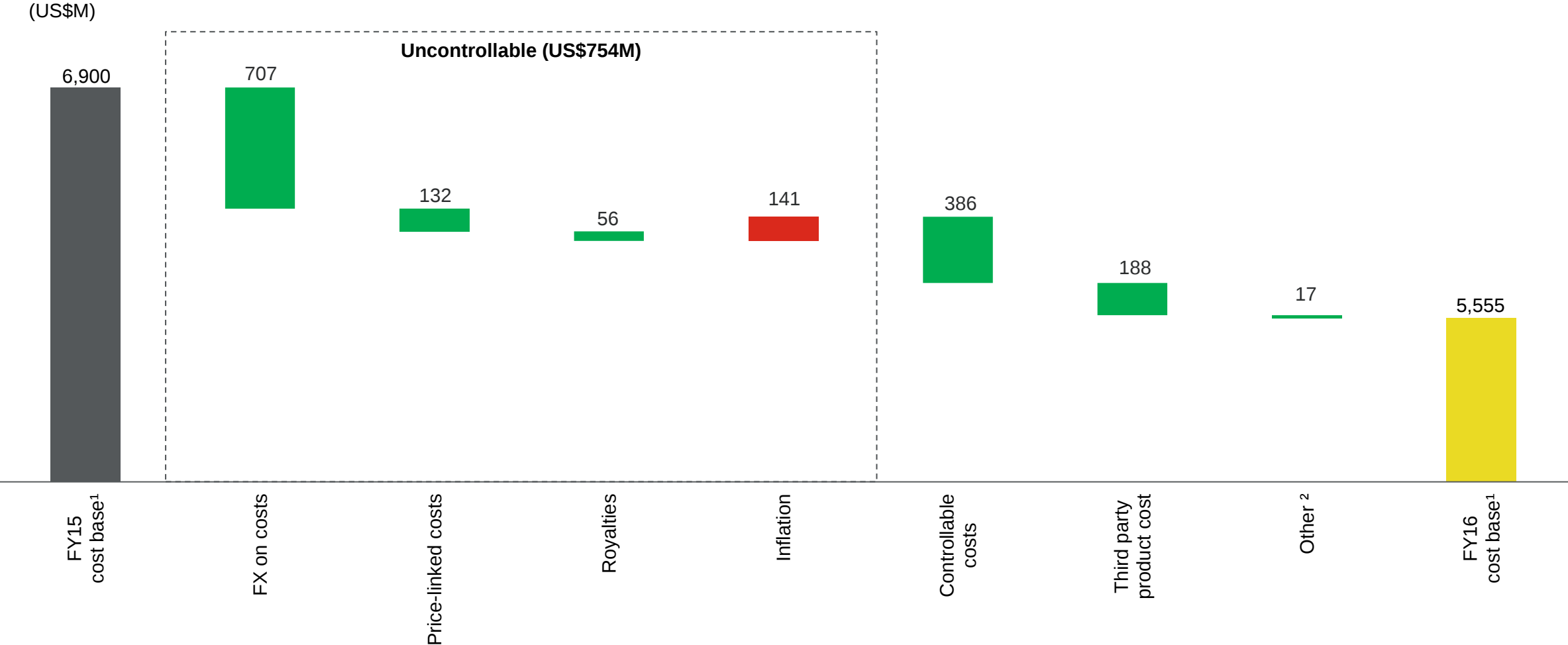
(US\$M)



Notes:

1. Price-linked costs include royalties.
2. Other includes depreciation and amortisation, adjustments to provisions, ceased and sold operations, third party product sales and other income.
3. Underlying net finance cost and Underlying taxation expense are actual FY16 results, not year-on-year variances.

COST ANALYSIS



Notes:

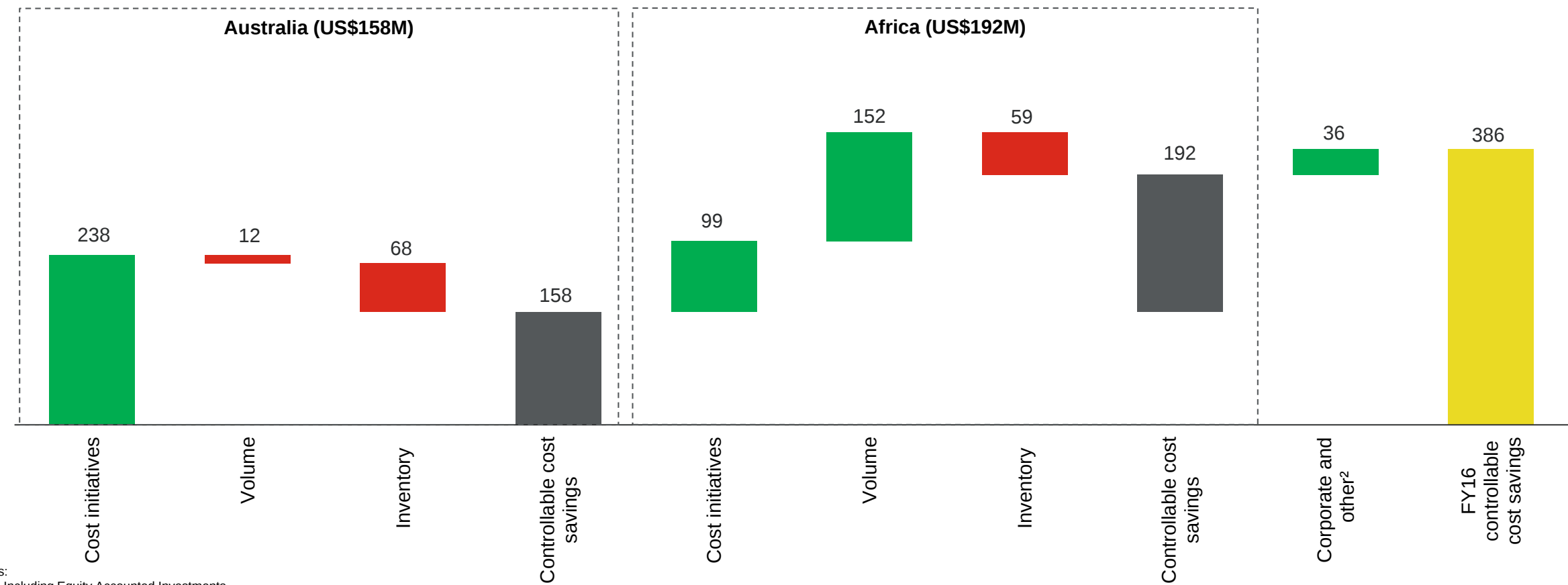
1. Cost base includes Equity Accounted Investments and adjustments for Other Income. FY16 includes US\$546M of statutory adjustments and US\$328M Other Income adjustment to reconcile to Revenue minus Underlying EBITDA (FY15: US\$738M and US\$268M respectively).

2. Other includes asset sales, ceased and sold operations and other costs, including accounting provisions and adjustments.

CONTROLLABLE COSTS ANALYSIS



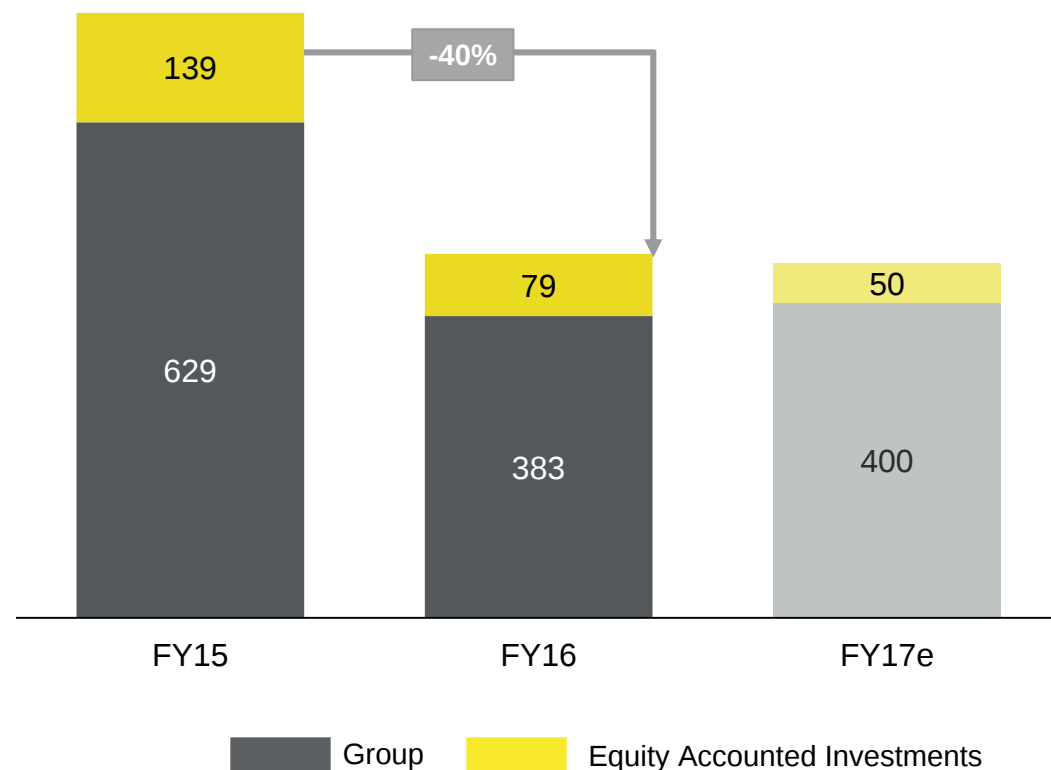
FY16 Controllable Cost savings by region¹
(US\$M)



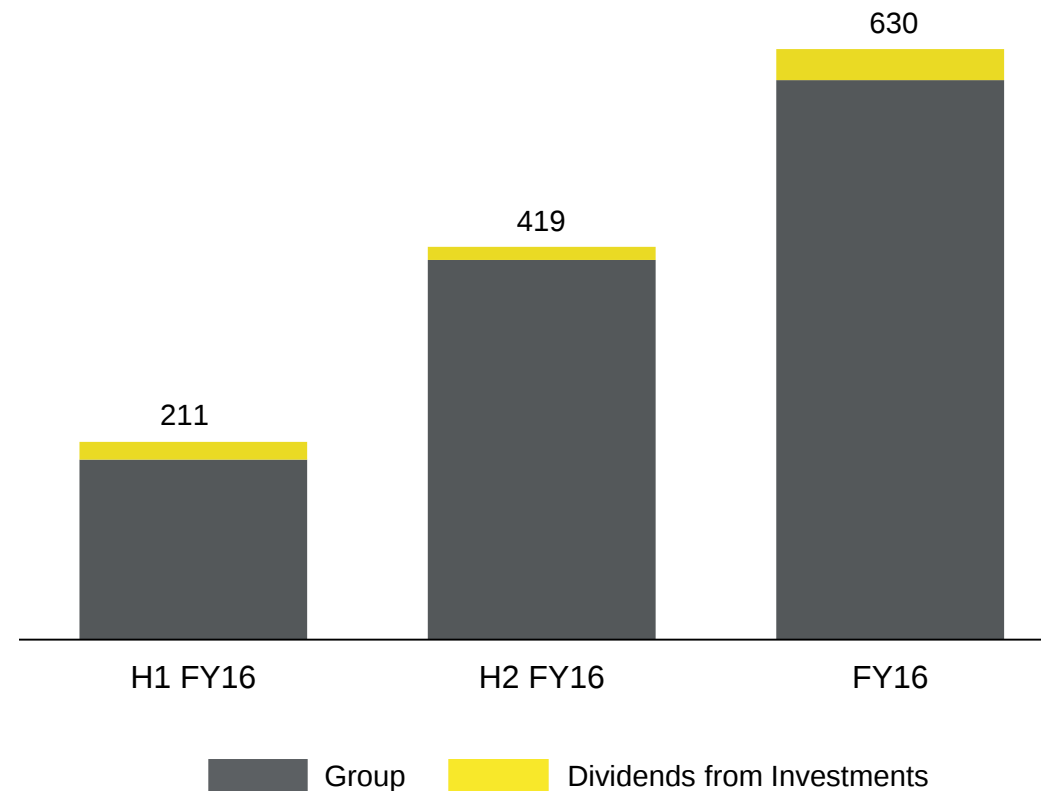
Notes:
1. Including Equity Accounted Investments.
2. Corporate and other includes Corporate cost savings of approximately US\$65M and the elimination of intragroup sales on consolidation.

CAPITAL EXPENDITURE AND CASH FLOW

Capital expenditure^{1,2}
(US\$M)



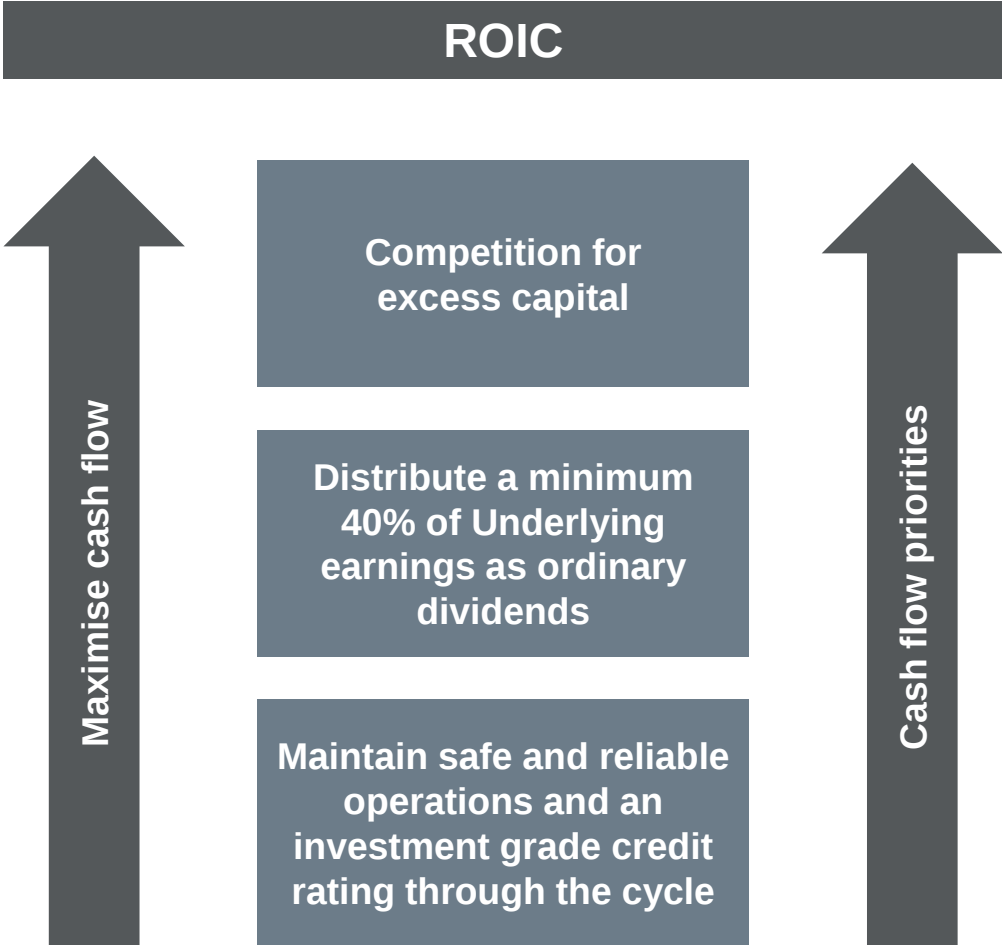
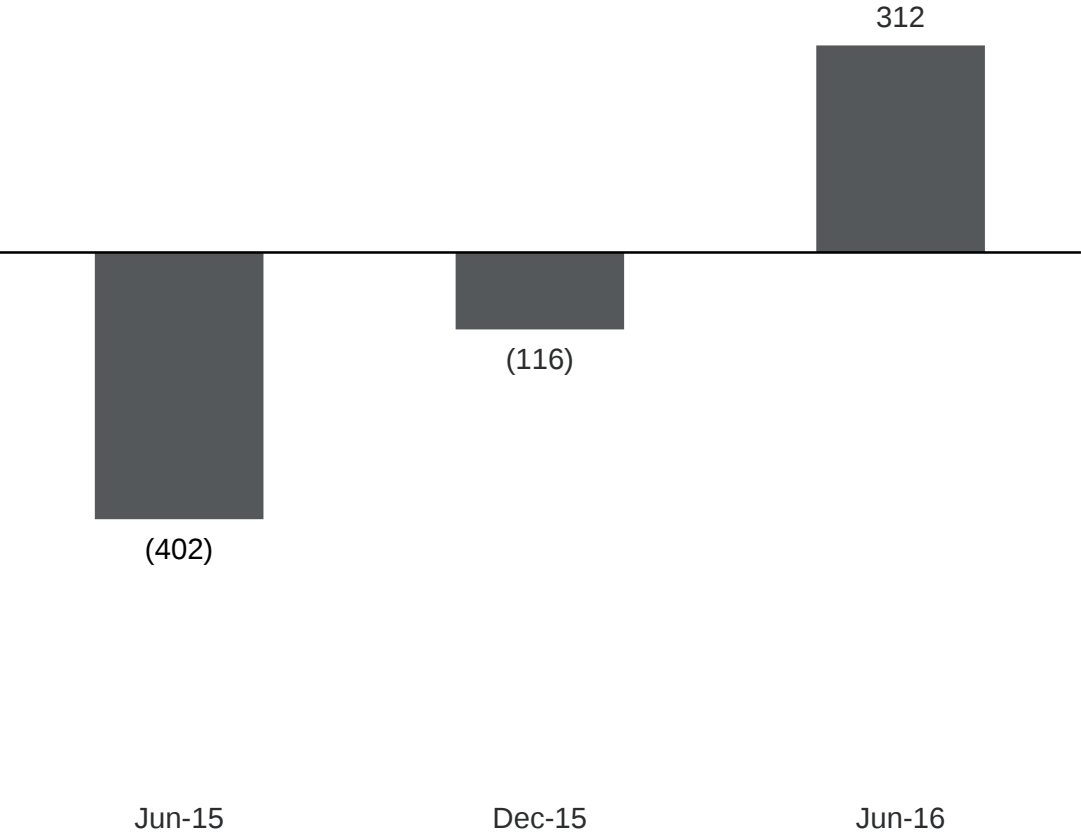
Cash flow³
(US\$M)



Notes:

1. Capital expenditure excludes the purchase of intangibles and capitalised exploration expenditure of US\$17M FY16 (US\$13M in FY15).
2. Capital expenditure guidance for FY17e based on an AUD:USD exchange rate of 0.72; a USD:ZAR exchange rate of 16.57; and a USD:COP exchange rate of 3,025; all of which reflect forward markets as at May 2016 or our internal expectations.
3. Free cash flow of operations, excluding equity accounted investments plus dividends received, including US\$19M from our equity accounted manganese investments and US\$14M from our investment in Mineração Rio do Norte S.A.

Net cash / (debt)¹
(US\$M)



Note:
1. Includes finance leases of US\$602M. (US\$595M 31 December 2015, US\$631M 30 June 2015).



OUTLOOK

GRAHAM KERR
CEO



OUR STRATEGY

To invest in high quality metals and mining operations where our distinctive capabilities and regional model enable us to stretch performance in a sustainable way. By maintaining financial discipline and continually optimising our portfolio we will deliver sector leading total shareholder returns.

OUR PLAN



Optimise the performance of
our existing operations

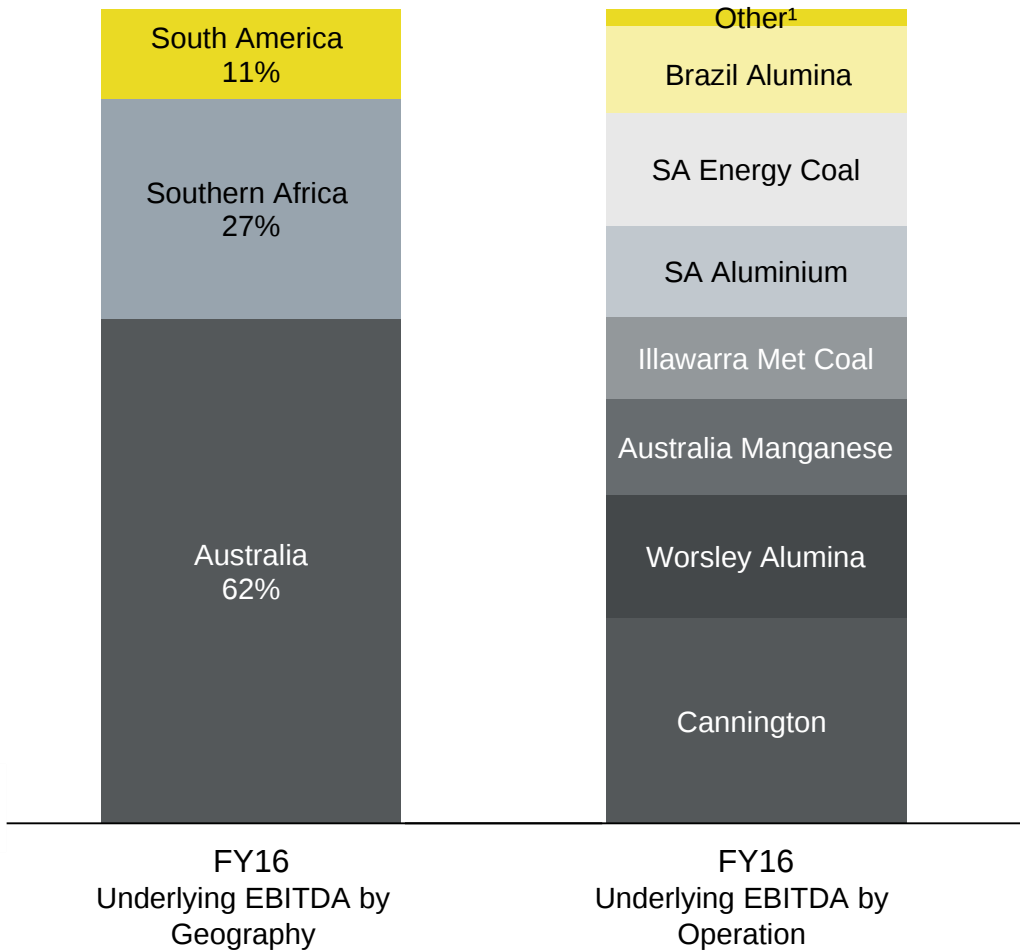


Unlock their potential

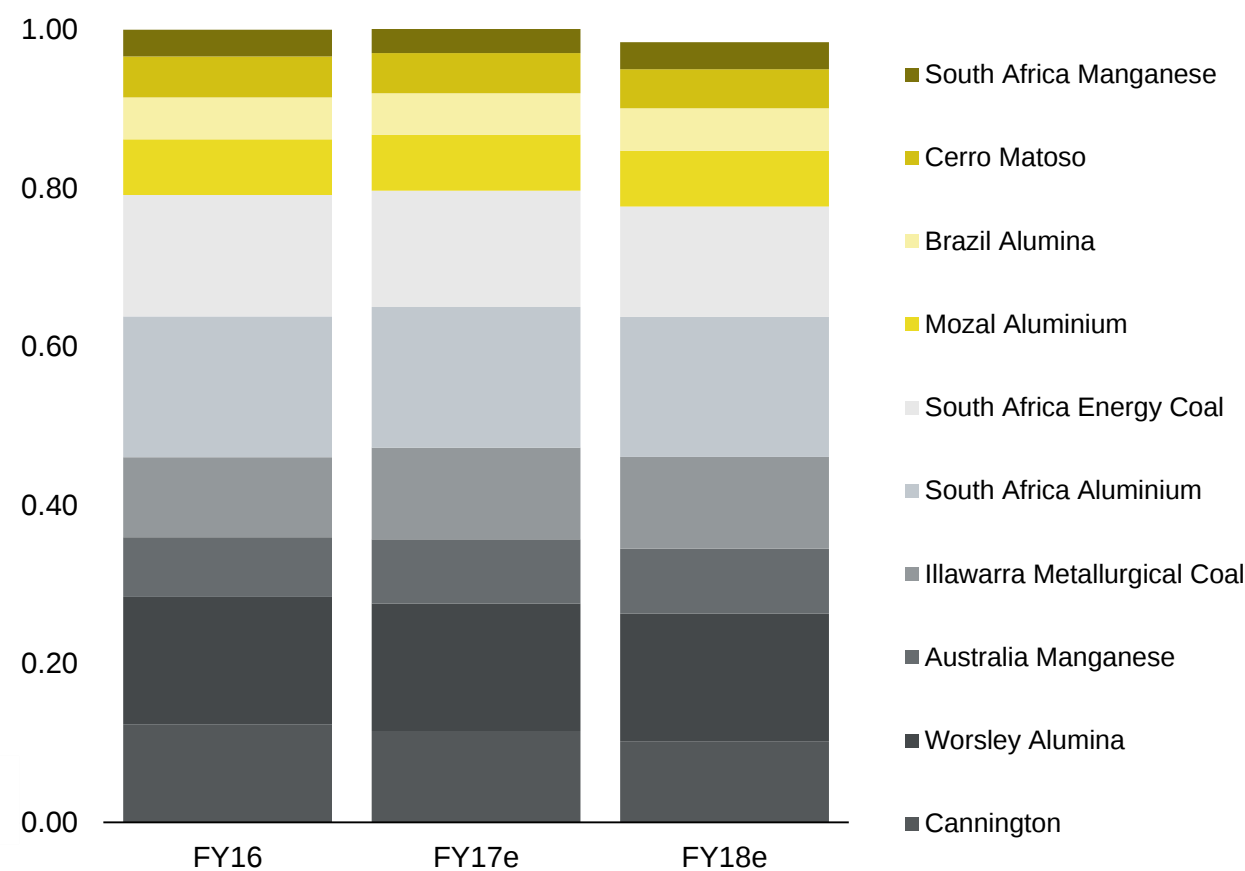


Identify new opportunities to
compete for capital

FY16 Underlying EBITDA by geography and operation

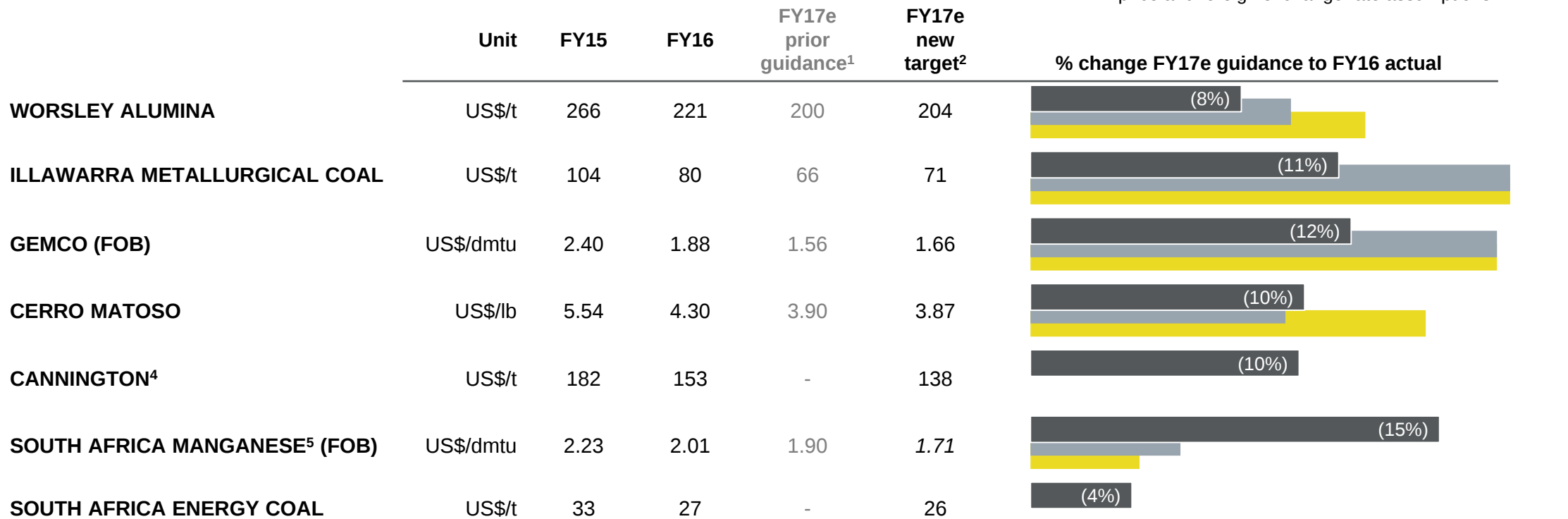


Indicative production profile²
(Normalised: index 1 = FY16)



Notes:
1. Other includes individually immaterial EBITDA contributions from Cerro Matoso, South Africa Manganese and Mozal Aluminium.
2. The indicative production profile illustrates existing production guidance for FY17e and FY18e for upstream operations and internal estimates for FY17e and FY18e for downstream operations. The production profile is normalised on the basis of FY16 production by operation and FY16 realised prices, as disclosed in the South32 FY16 Financial Results and Outlook Announcement, for comparative purposes.

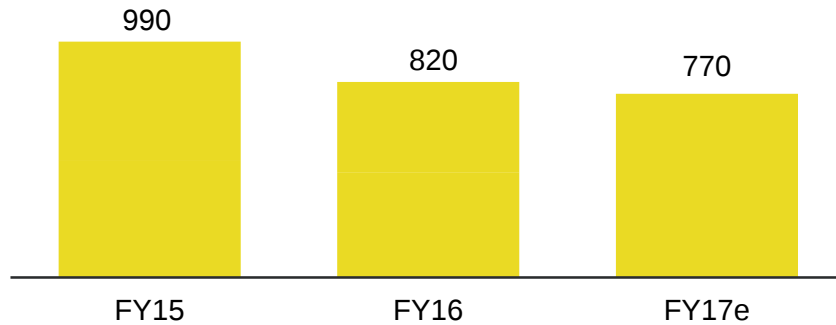
Operating unit cost of production, including Sustaining capital expenditure



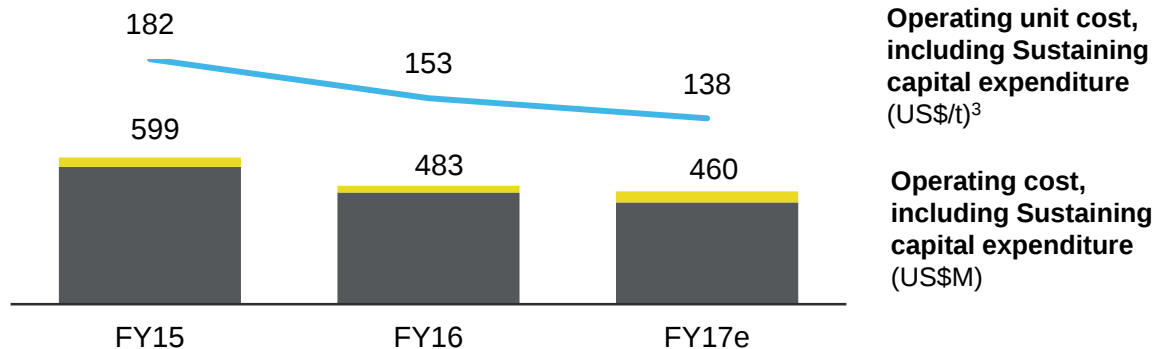
Notes:

1. Prior Operating unit cost guidance, including Sustaining capital expenditure, and Sustaining capital expenditure guidance for FY17e, include royalties (where appropriate) and the influence of exchange rate assumptions, and are based on: an alumina price of US\$255/t; an average blended coal price of US\$65/t for Illawarra Metallurgical Coal; a manganese ore price of US\$2.00/dmu for 44% manganese product; a nickel price of US\$3.75/lb; an AUD:USD exchange rate of 0.68; a USD:ZAR exchange rate of 14.12; and a USD:COP exchange rate of 3,170; all of which reflect forward markets at the end of H1 FY16 or our internal expectations.
2. New Operating unit cost targets, including Sustaining capital expenditure, and Sustaining capital expenditure guidance for FY17e, include royalties (where appropriate) and the influence of exchange rate assumptions, and are based on: an alumina price of US\$259/t; an average blended coal price of US\$83/t for Illawarra Metallurgical Coal; a manganese ore price of US\$3.23/dmu for 44% manganese product; a nickel price of US\$3.95/lb; a thermal coal price of US\$54/t (API4) for South Africa Energy Coal; a silver price of US\$17.50/troy oz; a lead price of US\$1,723/t; a zinc price of US\$1,907/t; an AUD:USD exchange rate of 0.72; a USD:ZAR exchange rate of 16.57; and a USD:COP exchange rate of 3,025; all of which reflect forward markets as at May 2016 or our internal expectations.
3. New Operating unit cost, including Sustaining capital expenditure, and Sustaining capital expenditure guidance for FY17e based on previously disclosed commodity price and foreign exchange rate assumptions would be: Worsley Alumina US\$194/t; Illawarra Metallurgical Coal US\$66/t; Australia Manganese ore US\$1.56/dmu; South Africa Manganese US\$1.93/dmu and Cerro Matoso US\$3.68/lb.
4. Shows US dollar per tonne of ore processed. Periodic movements in finished product inventory may impact operating unit cost as related marketing costs and treatment and refining charges may change.
5. The target for South Africa Manganese (in italics) reflects the expected June 2017 half year run-rate as activity has been reprioritised following a fatality at the Wessels underground mine in June 2016.

Employee and contractor headcount¹



Operating cost of production, including Sustaining capital expenditure²



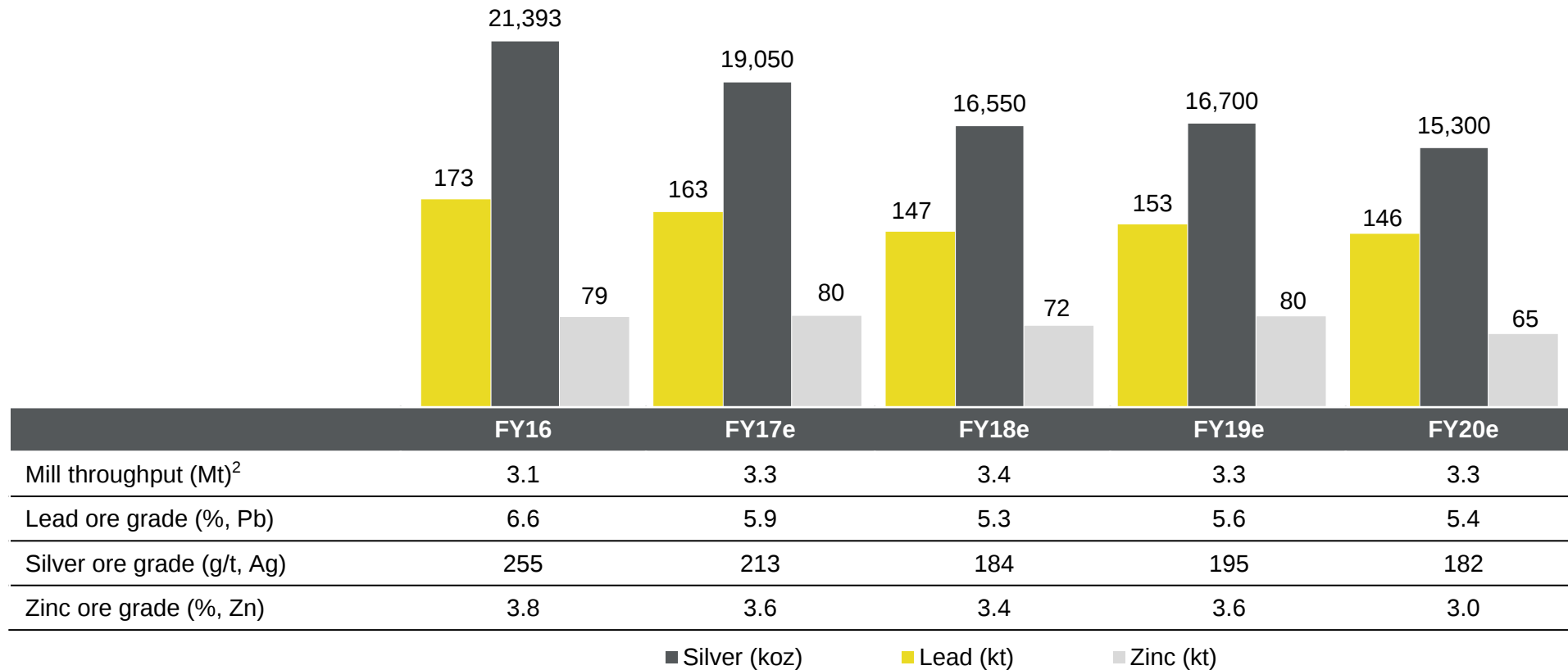
Notes:

1. Compares end of period average contractors and employees for respective financial years (FY15, FY16 and FY17e).
2. Operating cost, including Sustaining capital expenditure, and Sustaining capital expenditure for FY17e, include royalties (where appropriate) and the influence of exchange rate assumptions, and are predicated on: a silver price of US\$17.50/troy oz; a lead price of US\$1,723/t; a zinc price of US\$1,907/t; an AUD:USD exchange rate of 0.72; all of which reflect forward markets as at May 2016 or our internal expectations.
3. Shows US dollar per tonne of ore processed. Periodic movements in finished product inventory may impact operating unit cost as related marketing costs and treatment and refining charges may change.

Aerial view of Cannington operation



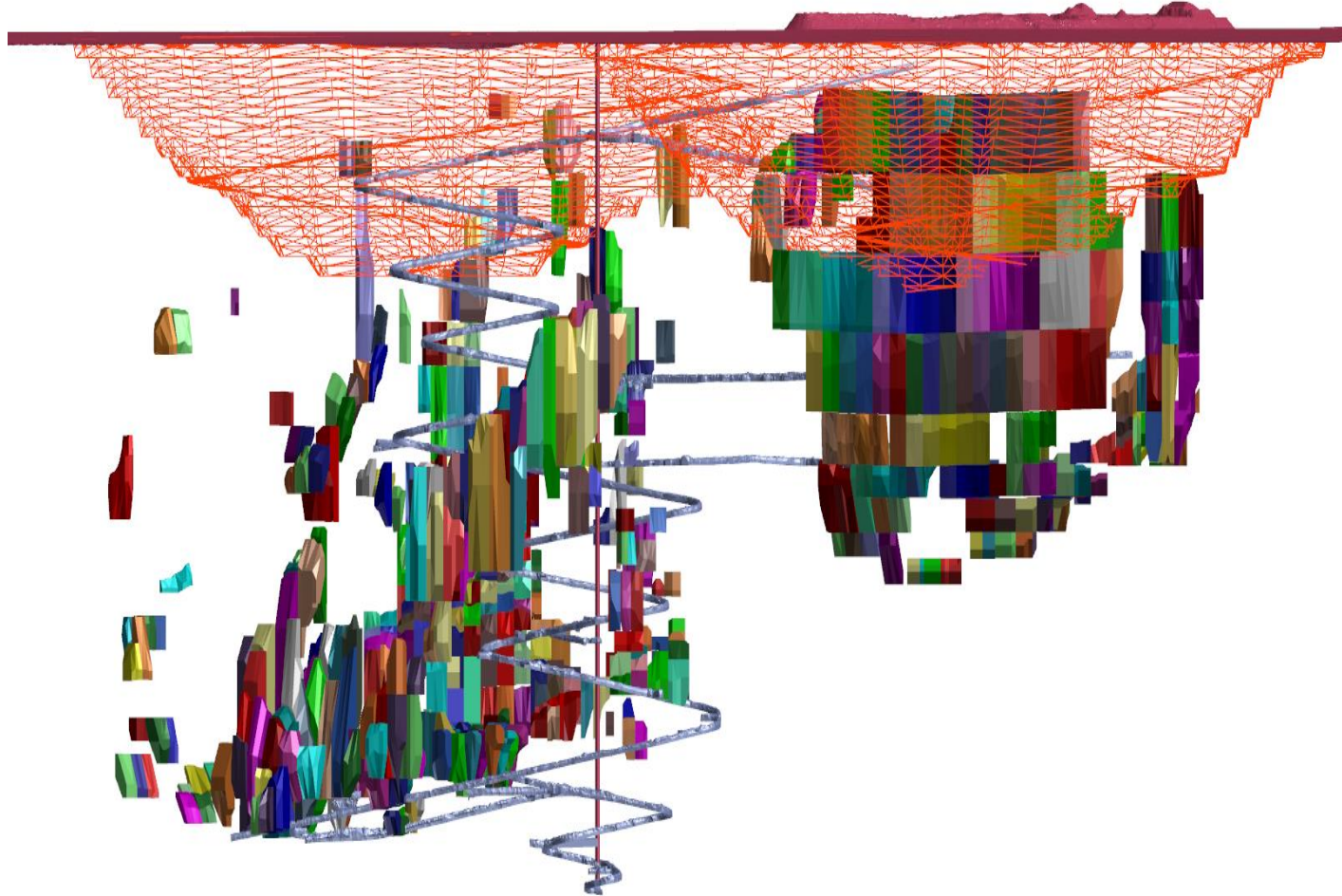
Payable metal production¹



Notes:

- The Production target is based on 13.1Mt of ore being mined over next four years which comprises of 75% Proved Ore Reserve, 10% Probable Ore Reserve, 8% Measured Mineral Resource, 3% Indicated Mineral Resource and 4% Inferred Mineral Resource. There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the production target itself will be realised. The Mineral Resources and Ore Reserves breakdown by classification as at 30 June 2016 is shown on slide 33.
- Mill throughput on a dry basis.

Visualisation of the optimised mine plan¹ and conceptual open pit²



Completed our first annual planning cycle

New optimised mine plan increases total metal recovered³

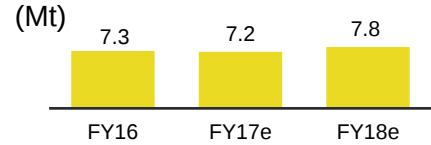
This plan also reduces geotechnical risk while preserving the value of future development options

No investment decision needed on the open pit life extension this decade

Notes:

1. Underground mine plan as per the current life of operation plan. Coloured blocks represent individual stopes.
2. Conceptual open pit as per the current level of study.
3. Relative to information presented in Annexure 6 (Independent Competent Person's Reports) as provided in the ASX release titled, South32 Limited ASX Information Memorandum available on the ASX website at www.asx.com.au.

Klipspruit production



Klipspruit Life Extension project

- Now in Feasibility study phase
- Low capital expenditure development option
- Using existing infrastructure

WMC production



Contract type

- Duvha: Coal Supply Agreement 8.5Mtpa equity share
- Current fixed-price contract with two annual escalations
- Extends to 2024 (Eskom option to extend)

Additional investment required to access new areas

Richards Bay Coal Terminal

- 21.4% interest
- Design capacity 91Mtpa
- CY15 exports 75.4Mt

Khutala production



Contract type

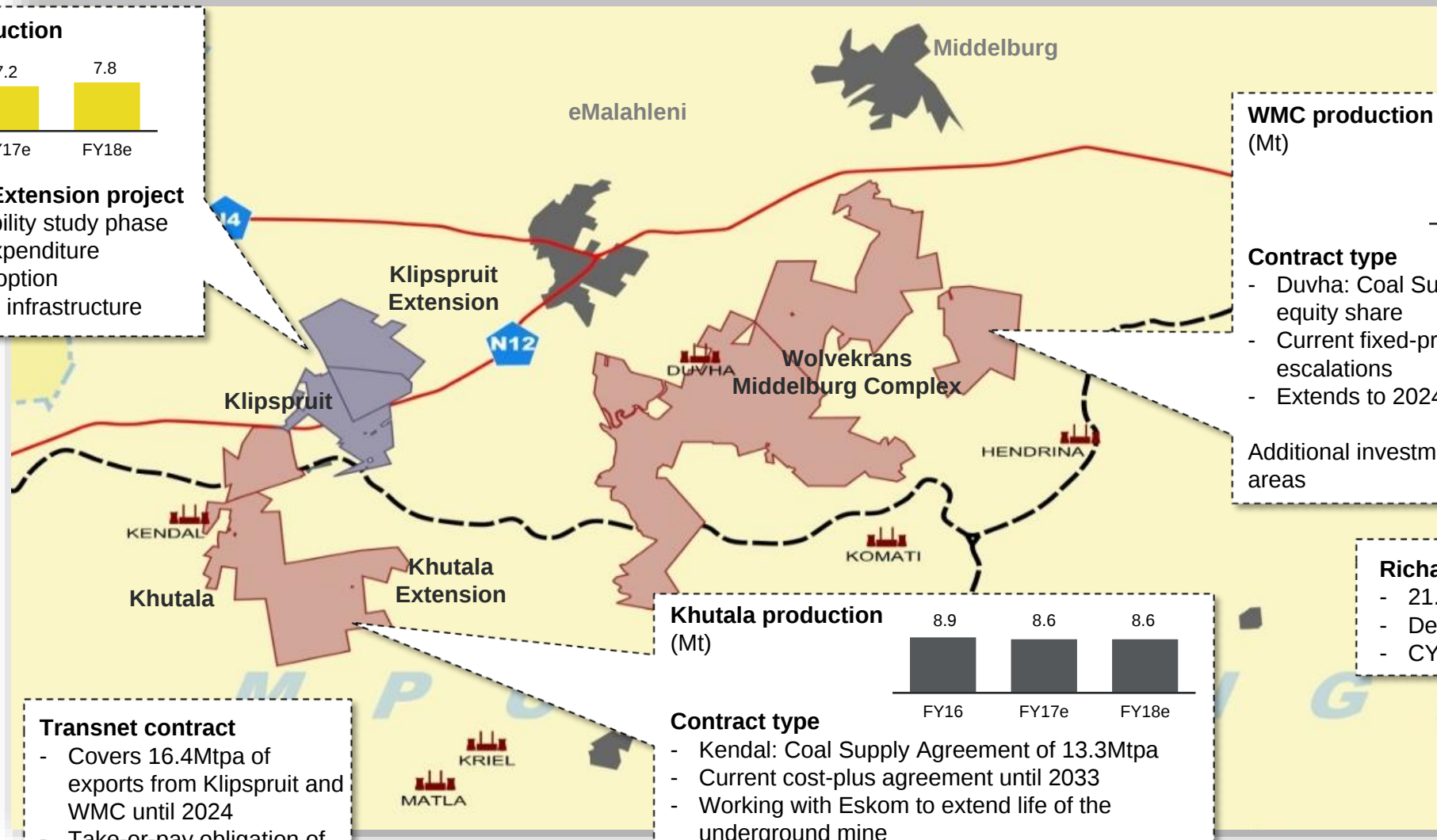
- Kendal: Coal Supply Agreement of 13.3Mtpa
- Current cost-plus agreement until 2033
- Working with Eskom to extend life of the underground mine

Khutala life extension

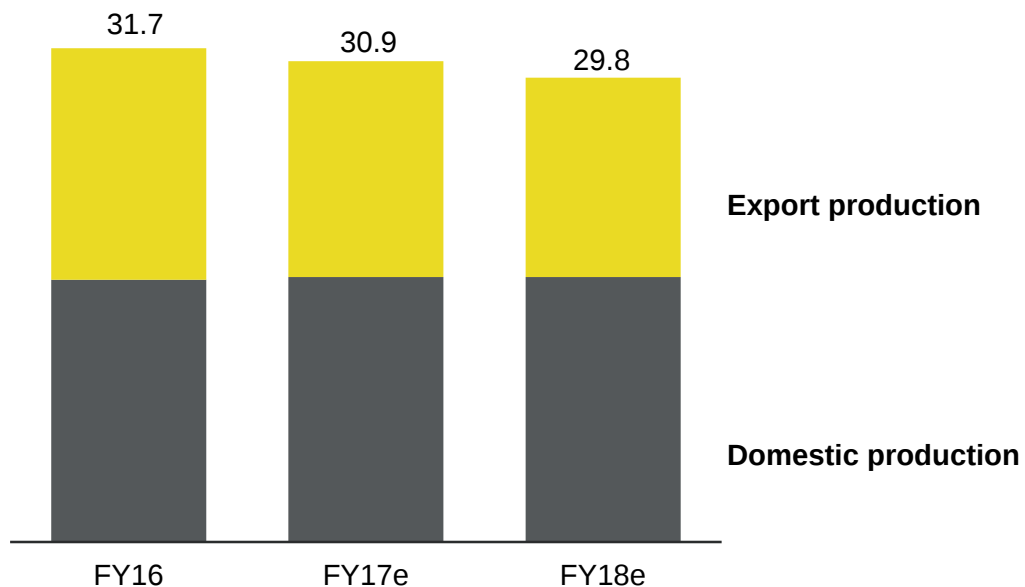
- Further options with Eskom, under the current agreement, to recapitalise and move to open cut

Transnet contract

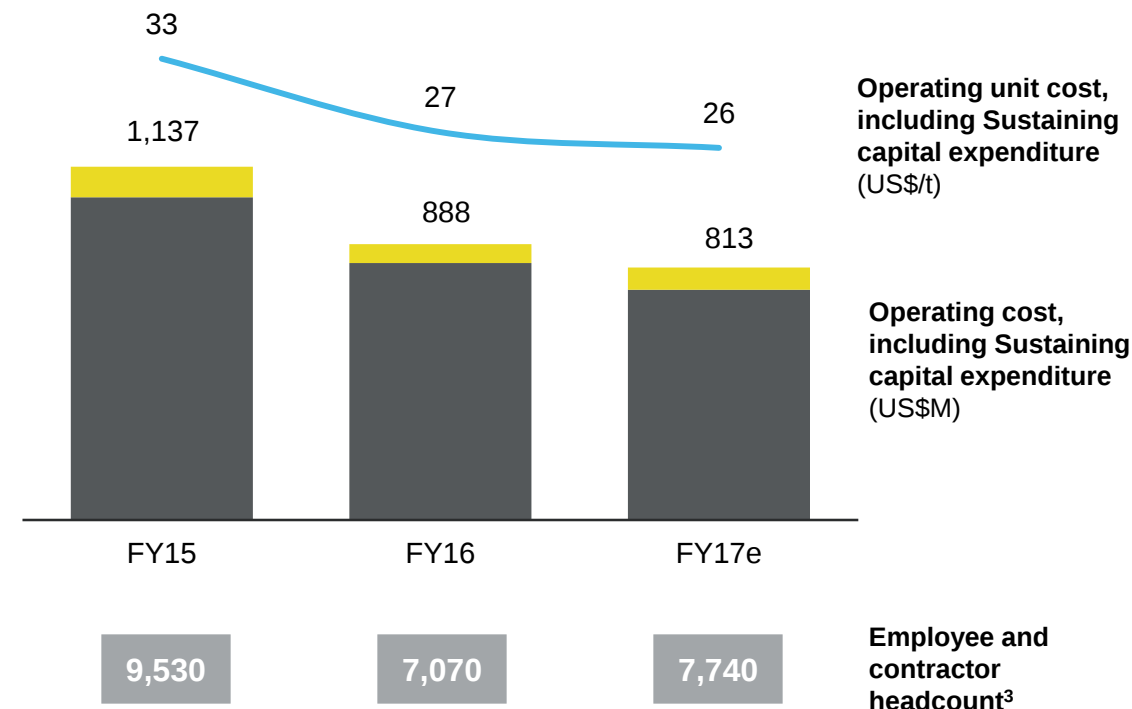
- Covers 16.4Mtpa of exports from Klipspruit and WMC until 2024
- Take-or-pay obligation of 15.6Mtpa



Saleable coal production¹ (Mt)



Operating cost of production, including Sustaining capital expenditure² (US\$M)

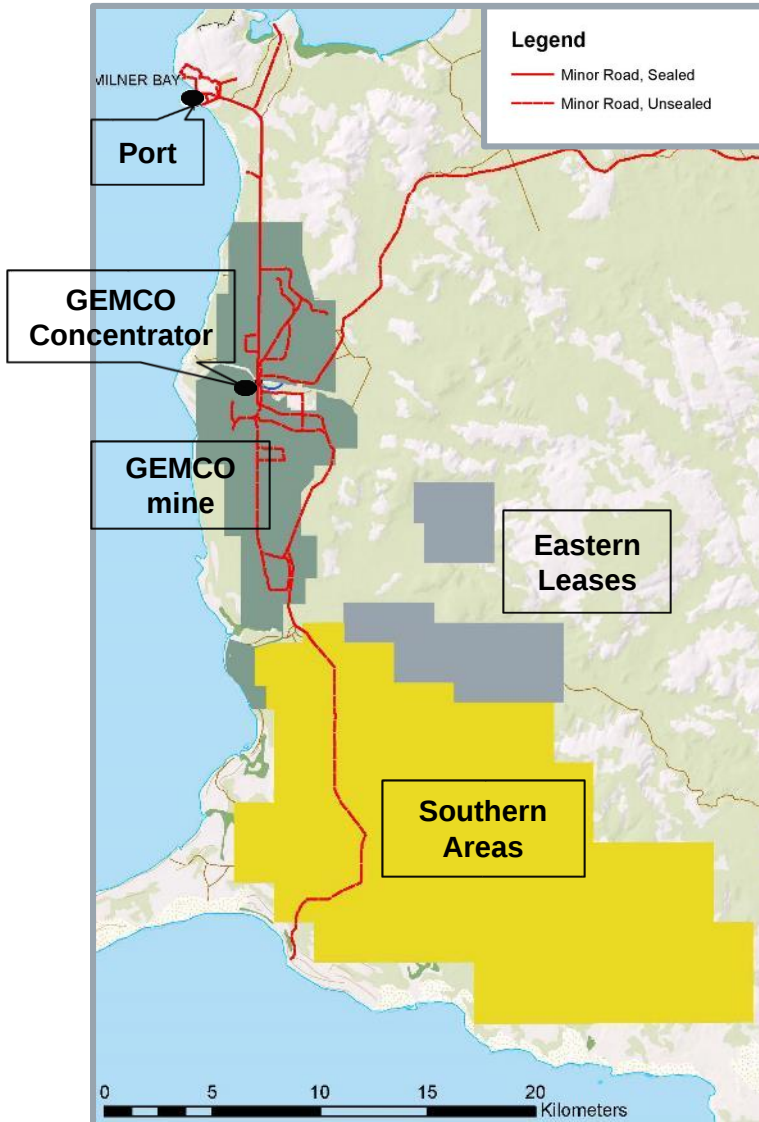


Notes:

1. South32 share.
2. New Operating unit cost, including Sustaining capital expenditure, and Sustaining capital expenditure guidance for FY17e, include royalties (where appropriate) and the influence of exchange rate assumptions, and are predicated on a thermal coal price of US\$54/t (API4) and a USD:ZAR exchange rate of 16.57; which reflect forward markets at the end of May 2016 or our internal expectations.
3. Compares end of period average contractors and employees for respective financial years (FY15, FY16 and FY17e).

Costs expected to decline in FY17 as the assumed depreciation of the South African Rand offsets an increase in stripping activity required to access new mining areas, primarily at WMC.

GEMCO: EASTERN LEASES AND SOUTHERN AREAS



Approved mining area

- One of the largest and lowest cost manganese ore producers in the world
- Eastern Leases enable us to access new areas within existing mine

New exploration agreements

- Southern Areas substantially increase exploration footprint in highly prospective tenements
- Work to start this field season



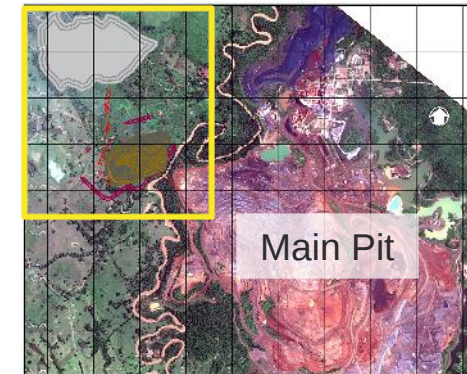
Aerial view of proposed La Esmeralda development



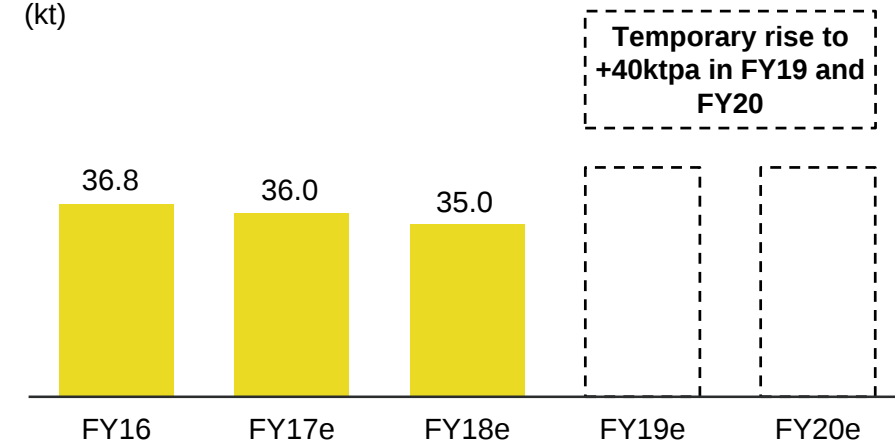
La Esmeralda development

- Leverages existing process infrastructure
- Social and environmental approvals granted December 2015
- Very low capital cost to provide access to the orebody via a river crossing
- Payable nickel production expected to rise temporarily to more than 40ktpa in FY19e and FY20e

Aerial view of Cerro Matoso operation



Payable nickel production (kt)



Notes:

1. The increase in nickel production is related to mining in La Esmeralda which comprises of 9.4Mt of Mineral Resources of the total reported Mineral Resources for FY16. This is made up of 74% Measured Mineral Resources and 26% Indicated Mineral Resources at an average grade of 1.59% Ni. The project is based on a completed Feasibility Study demonstrating the project is economically viable. La Esmeralda has recently been granted regulatory environmental approvals. The Mineral Resources and Ore Reserves breakdown by classification as at 30 June 2016 are shown on slide 34.

**Costs and capex
↓ US\$692M**

**Free cash flow
US\$597M**

**Net cash
US\$312M**

**Maintained production
guidance for majority
of operations**

**On track to meet
cost targets**

**Significantly reduced
capital intensity of future
development options**

SUPPLEMENTARY INFORMATION



FY16 FINANCIAL PERFORMANCE



Revenue
US\$5.8B

Statutory loss of US\$1.6B
(includes non-cash
impairments of US\$1.7B)

Underlying earnings
US\$138M

Underlying EBIT
US\$356M

Operating margin
21.5%

ROIC
1.7%

EARNINGS ADJUSTMENTS

Earnings adjustments ¹	FY16 US\$M
Adjustments to Underlying EBIT	
Significant items	24
Exchange rate (gains)/losses on restatement of monetary items	(43)
Impairment losses	1,386
Fair value (gains)/losses on derivative instruments	60
Major corporate restructures	63
Impairment losses included in operating profit/(loss) of equity accounted investments	291
Earnings adjustments included in operating profit/(loss) of equity accounted investments	16
Total adjustments to Underlying EBIT	1,797
Adjustments to net finance cost	
Significant items	9
Exchange rate variations on net debt	(30)
Total adjustments to net finance cost	(21)
Adjustments to income tax expense	
Significant items	31
Tax effect of earnings adjustments to Underlying EBIT	(187)
Tax effect of earnings adjustments to net finance cost	9
Exchange rate variations on tax balances	124
Total adjustments to income tax expense	(23)
Total earnings adjustments after taxation	1,753

Notes:

1. Refer to disclosure of earnings adjustments included in 30 June 2016 Financial Results announcement.

EARNINGS SENSITIVITIES

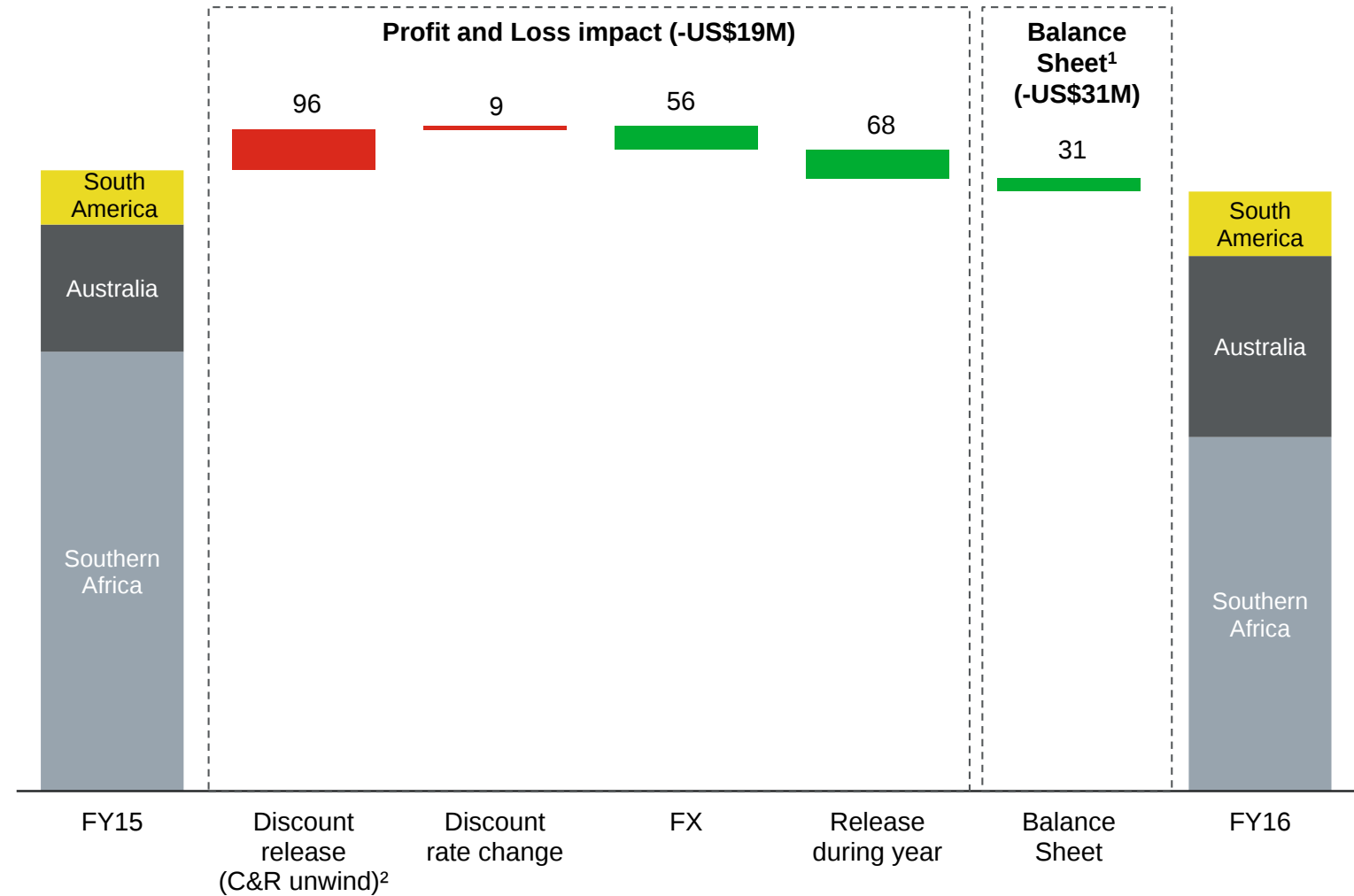
Estimated impact on FY16 Underlying EBIT of a 10% change in commodity or currency	EBIT impact +/- 10% US\$M
Aluminium	151
Alumina	133
Metallurgical coal	55
Energy coal	75
Manganese ore ¹	48
Manganese alloy ¹	19
Nickel	29
Silver	32
Lead	29
Zinc	14
Australian Dollar	146
South African Rand	94
Colombian Peso	24
Brazilian Real	11

Notes:

1. The sensitivity impact for manganese ore and manganese alloy are on a pre-tax basis. The Group's manganese operations are reported as equity accounted investments. As a result, the Profit after taxation for Manganese is included in the Underlying EBIT of South32.

CLOSURE PROVISIONS

Closure and rehabilitation provisions by operation (South32 share)	FY15 US\$M	FY16 US\$M
South Africa Energy Coal	746	616
South Africa Aluminium	237	164
Worsley Alumina	168	278
Cerro Matoso	85	100
Cannington	87	88
Mozal Aluminium	53	54
Illawarra Metallurgical Coal	45	61
Brazil Aluminium	43	52
Other ³	-	1
Total	1,464	1,414



Notes:

- Balance Sheet movement of -US\$31M reflects net impact of a US\$188M increase in provisions associated with a change in discount rate, a US\$21M decrease in provisions as a result of other changes (including a review of underlying cash flow assumptions), a US\$139M decrease in provisions associated with capitalisation of foreign exchange impacts on restatement of closure provisions and a US\$59M decrease as a result of closure activities.
- Unwind of discount applied to closure and rehabilitation provisions.
- Other includes Corporate and Marketing.

CAPITAL EXPENDITURE GUIDANCE

Capital expenditure (South32 share)	FY15 US\$M	FY16 US\$M	FY17e (Guidance) US\$M ¹
Major projects ²	51	32	35
All other capital expenditure (including Deferred stripping)	578	351	365
Capital expenditure (excluding equity accounted investments)	629	383	400
Equity accounted investments	139	79	50
Capital expenditure (including equity accounted investments)	768	462	450
The purchase of intangibles and capitalised exploration expenditure ³	13	18	
Total capital expenditure (including equity accounted investments)	781	480	

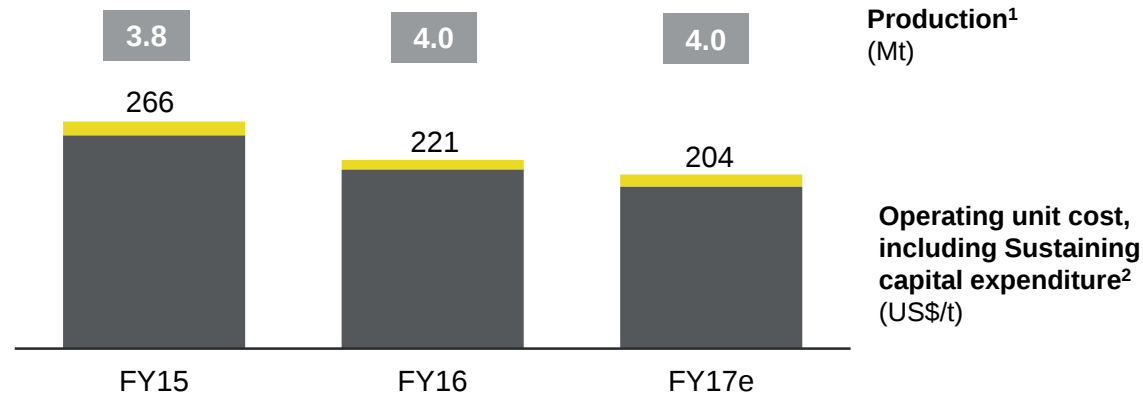
Notes:

1. Capital expenditure guidance for FY17e based on an AUD:USD exchange rate of 0.72; a USD:ZAR exchange rate of 16.57; and a USD:COP exchange rate of 3,025; all of which reflect forward markets at the end of the period or our internal expectations.
2. Major capital expenditure in FY17e relates to South Africa Energy Coal projects and is subject to further approval.
3. FY16 includes purchase of intangibles from equity accounted investments of US\$1M.

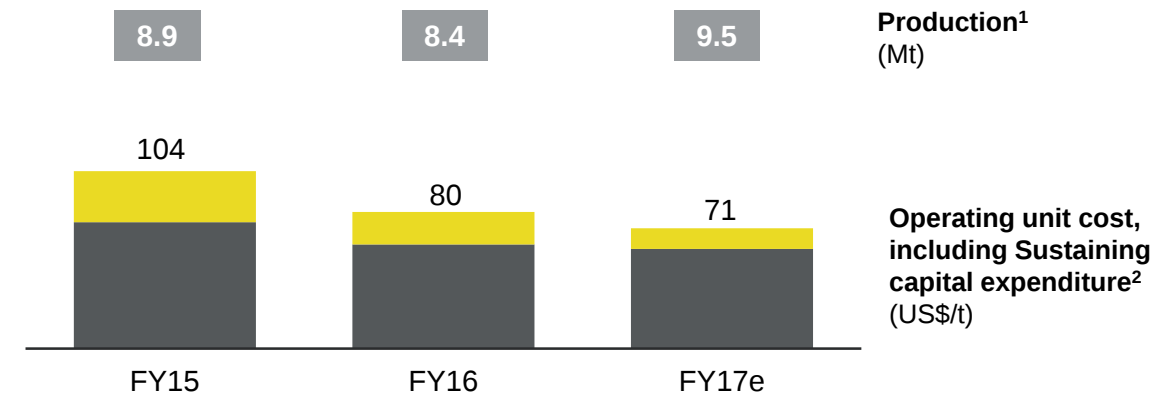
WORSLEY ALUMINA AND ILLAWARRA METALLURGICAL COAL



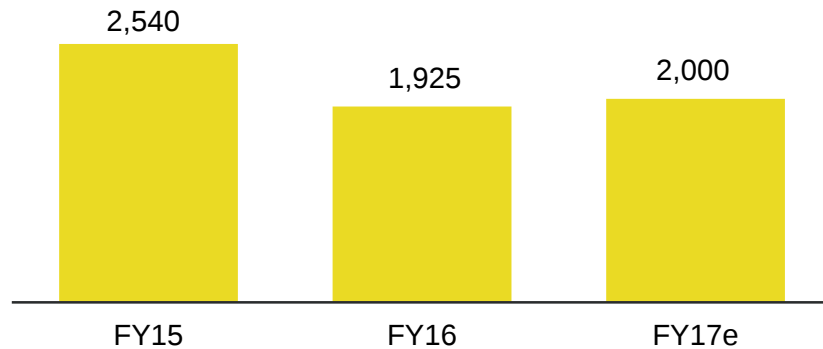
Worsley Alumina: production and costs



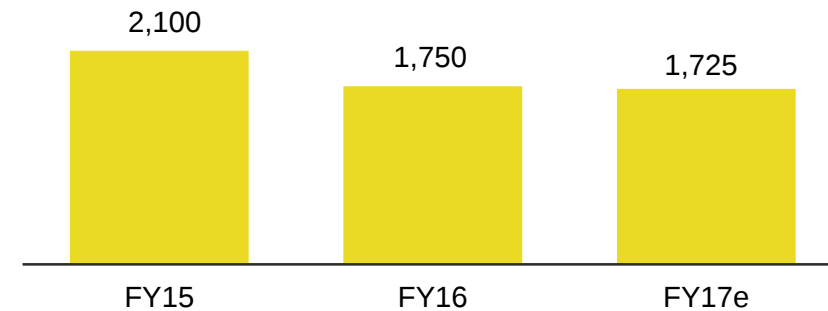
Illawarra Met Coal: production and costs



Worsley Alumina: employee and contractor headcount³



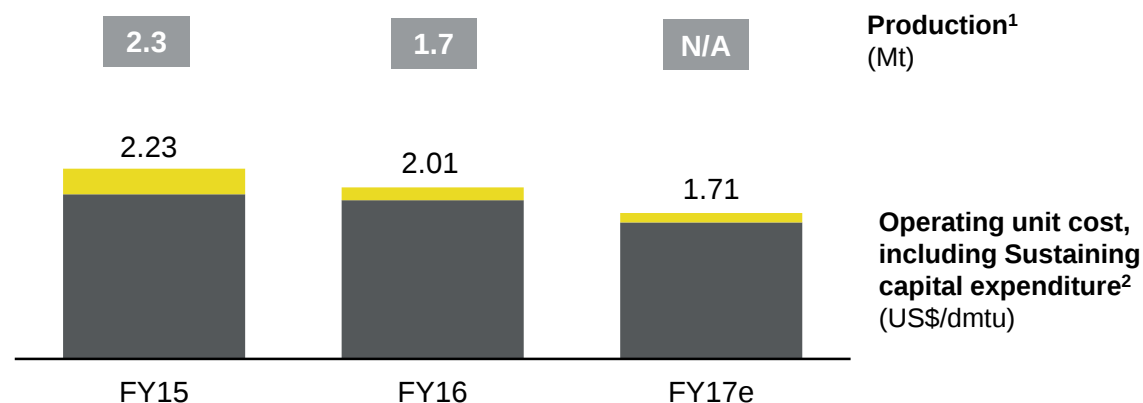
Illawarra Met Coal: employee and contractor headcount³



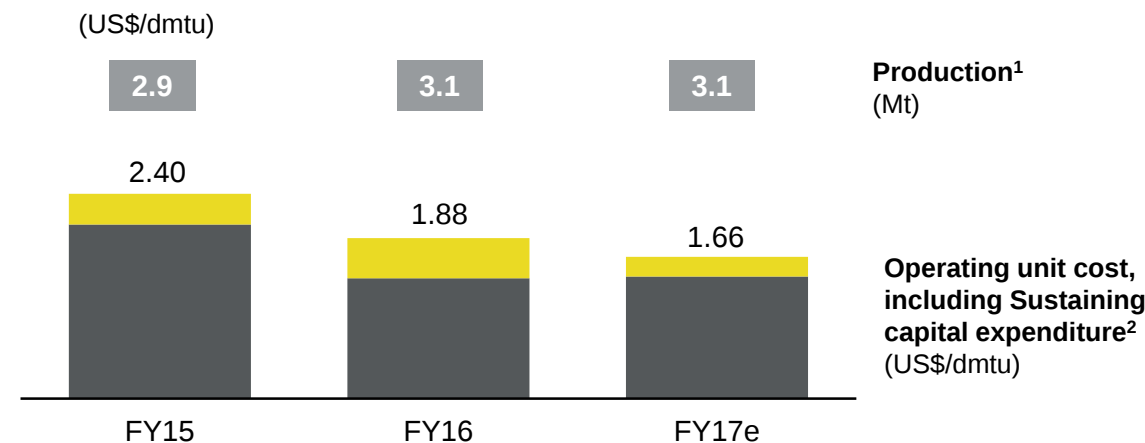
Notes:

1. South32 share.
2. Above Operating unit cost targets, including Sustaining capital expenditure, and Sustaining capital expenditure guidance for FY17e, include royalties (where appropriate) and the influence of exchange rate assumptions, and are predicated on: an alumina price of US\$259/t; an average blended coal price of US\$83/t for Illawarra Metallurgical Coal and an AUD:USD exchange rate of 0.72; all of which reflect forward markets as at May 2016 or our internal expectations.
3. Compares end of period average contractors and employees for respective financial years (FY15, FY16 and FY17e).

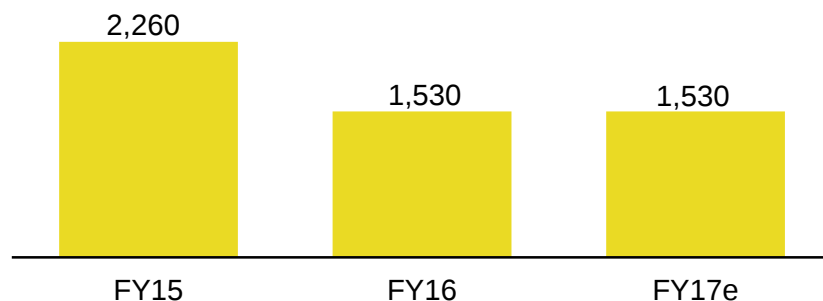
South Africa Manganese Ore: production and costs



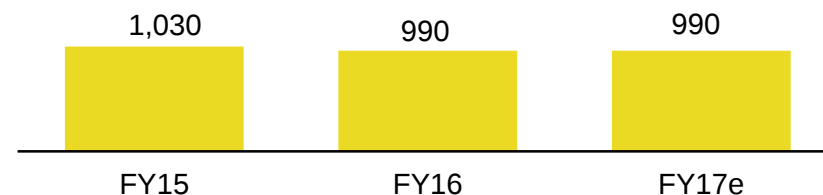
GEMCO: production and costs



South Africa Manganese Ore: employee and contractor headcount³



GEMCO: employee and contractor headcount³

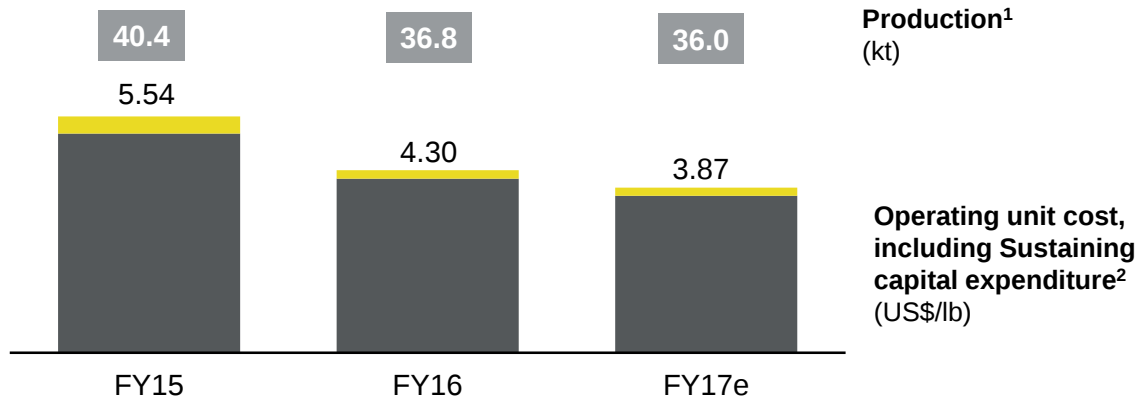


Notes:

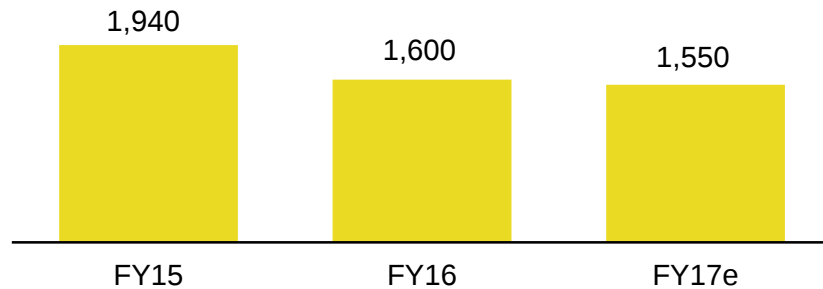
1. South32 share. South Africa Manganese FY17e guidance "subject to demand".
2. Above Operating unit cost targets, including Sustaining capital expenditure, and Sustaining capital expenditure guidance for FY17e, include royalties (where appropriate) and the influence of exchange rate assumptions, and are predicated on: a manganese ore price of US\$3.23/dmtu for 44% manganese product; an AUD:USD exchange rate of 0.72 and a USD:ZAR exchange rate of 16.57; all of which reflect forward markets as at May 2016 or our internal expectations. All years are on an FOB basis.
3. Compares end of period average contractors and employees for respective financial years (FY15, FY16 and FY17e).

Cerro Matoso: production and costs

(US\$/lb)



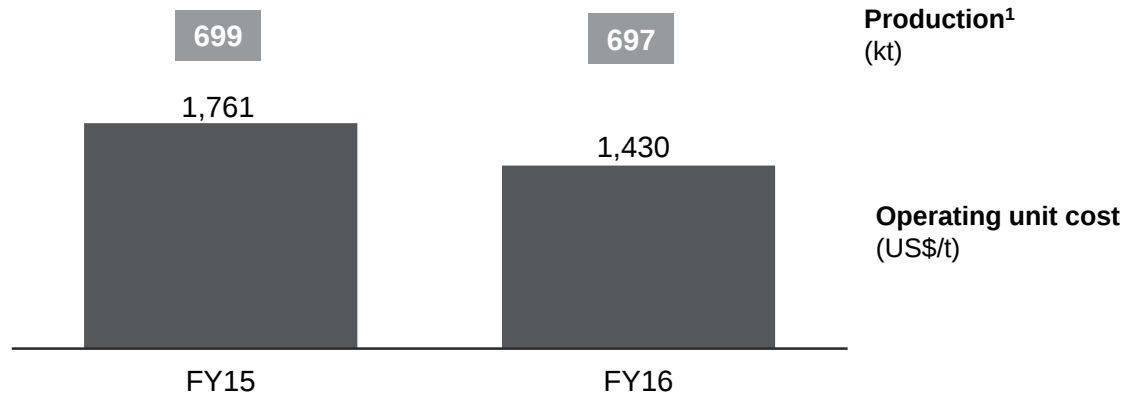
Cerro Matoso: employee and contractor headcount³



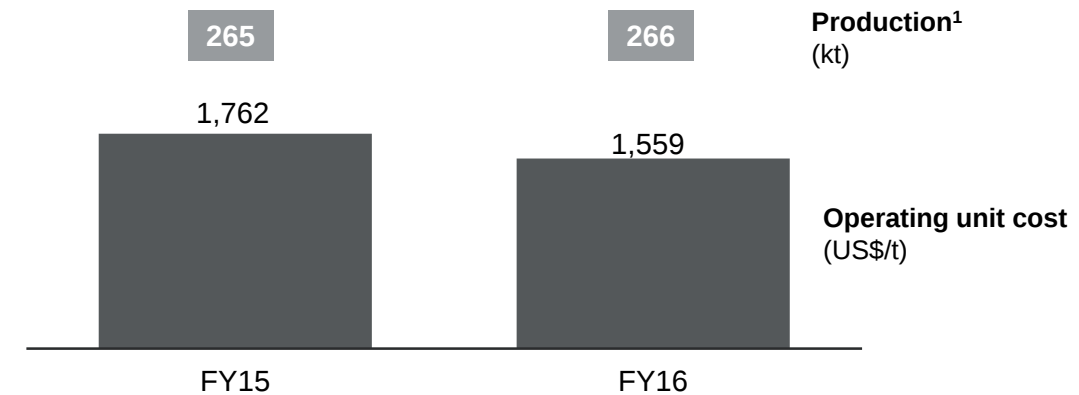
Notes:

1. South32 share.
2. Above Operating unit cost target, including Sustaining capital expenditure, and Sustaining capital expenditure guidance for FY17e, include royalties (where appropriate) and the influence of exchange rate assumptions, and are predicated on: a nickel price of US\$3.95/lb; and a USD:COP exchange rate of 3,025; all of which reflect forward markets as at May 2016 or our internal expectations.
3. Compares end of period average contractors and employees for respective financial years (FY15, FY16 and FY17e).

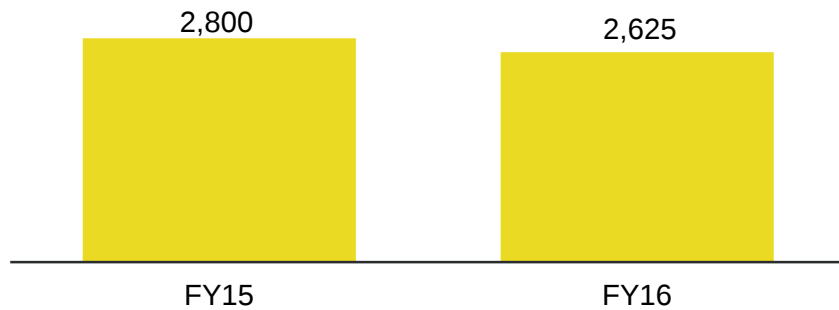
South Africa Aluminium: production and costs¹



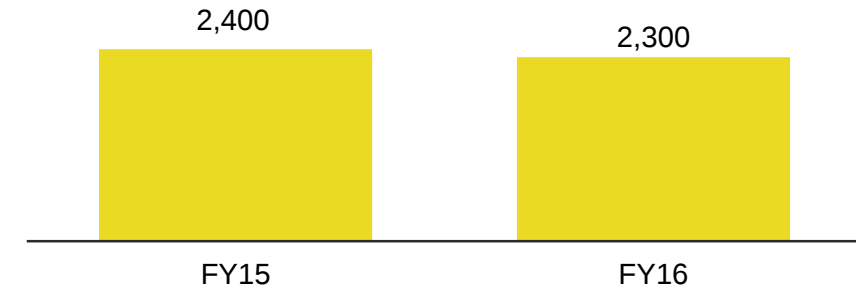
Mozal Aluminium: production and costs¹



South Africa Aluminium: employee and contractor headcount²



Mozal Aluminium: employee and contractor headcount²



Notes:

1. South32 share.
2. Compares end of period average contractors and employees for respective financial years (FY15, FY16 and FY17e).

CANNINGTON RESOURCE AND RESERVE STATEMENT



Silver, Lead, Zinc

Mineral Resources

As at 30 June 2016

Deposit	Ore Type	As at 30 June 2016																	As at 30 June 2015			
		Measured Resources				Indicated Resources				Inferred Resources				Total Resources				South32 Interest	Total Resources			
		Mt	g/t Ag	% Pb	% Zn	Mt	g/t Ag	% Pb	% Zn	Mt	g/t Ag	% Pb	% Zn	Mt	g/t Ag	% Pb	% Zn	%	Mt	g/t Ag	% Pb	% Zn
Cannington ⁽¹⁾⁽²⁾	UG Sulphide	50	190	5.11	3.45	17	140	4.06	2.77	8.4	101	3.56	2.04	76	169	4.70	3.14	100	71	170	4.86	3.26
	OC Sulphide	14	85	3.38	2.20	6.3	56	2.55	1.76	-	-	-	-	20	76	3.12	2.06		21	78	3.23	2.07

Ore Reserves

As at 30 June 2016

Deposit	Ore Type	As at 30 June 2016														As at 30 June 2015				
		Proved Ore Reserves				Probable Ore Reserves				Total Ore Reserves				Reserve Life	South32 Interest	Total Ore Reserves				Reserve Life
		Mt	g/t Ag	% Pb	% Zn	Mt	g/t Ag	% Pb	% Zn	Mt	g/t Ag	% Pb	% Zn	Years	%	Mt	g/t Ag	% Pb	% Zn	Years
Cannington ⁽¹⁾⁽³⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾	UG Sulphide	17	202	5.73	3.69	3.8	227	5.87	3.71	21	206	5.76	3.69	6.5	100	21	225	5.90	3.82	8.0

(1) Cut-off grade: Net smelter return (NSR) in A\$/t.

	Mineral Resources	Ore Reserves
UG Sulphide	100	130
OC Sulphide	40	

(2) Increase in Mineral Resources was due to additional drilling and revised price and cost assumptions.

(3) Ore delivered to process plant.

(4) Average metallurgical recovery: 85% Ag, 88% Pb and 81% Zn.

(5) Increase in Ore Reserves due to additional drilling and updated resource model.

(6) Life of operation was reported as reserve life in FY2015.

CERRO MATOSO RESOURCE AND RESERVE STATEMENT



Nickel

Mineral Resources

As at 30 June 2016											As at 30 June 2015	
		Measured Resources		Indicated Resources		Inferred Resources		Total Resources		South32 Interest	Total Resources	
Deposit	Ore Type	Mt	% Ni	Mt	% Ni	Mt	% Ni	Mt	% Ni	%	Mt	% Ni
Cerro Matoso ⁽¹⁾	Laterite ⁽²⁾	48	1.2	130	0.9	42	0.8	220	0.9	99.94	280	0.9
	SP ⁽³⁾	15	1.0	43	0.9	-	-	59	0.9		52	1.1
	MNR - Ore	17	0.2	-	-	-	-	17	0.2		17	0.2

Ore Reserves

As at 30 June 2016										As at 30 June 2015		
		Proved Ore Reserves		Probable Ore Reserves		Total Ore Reserves		Reserve Life	South32 Interest	Total Ore Reserves		Reserve Life
Deposit	Ore Type	Mt	% Ni	Mt	% Ni	Mt	% Ni	Years	%	Mt	% Ni	Years
Cerro Matoso ⁽¹⁾⁽⁴⁾⁽⁵⁾	Laterite	12	1.1	4.9	1.2	17	1.1	13	99.94	20	1.1	14
	SP	9.1	1.1	16	1.1	25	1.1			25	1.3	

(1) Cut-off grade

	Mineral Resources	Ore Reserves
Laterite	0.6% Ni	0.6% Ni
SP	0.6% Ni	0.6% Ni
MNR-Ore	0.12% Ni	

(2) Decrease in Mineral Resources for Laterite due to application of updated metallurgical constraints.

(3) Increase in stockpile Mineral Resources due to additional drilling, density adjustment and application of updated metallurgical constraints.

(4) Ore delivered to process plant.

(5) Metallurgical Recovery: 84% (reserves to metal).

