

7 July 2025

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

AGREEMENT TO DIVEST CERRO MATOSO

South32 Limited (ASX / LSE / JSE: S32; ADR: SOUHY) (South32) has entered into a binding agreement to sell Cerro Matoso¹ (Transaction) to a subsidiary of CoreX Holding B.V. (CoreX or Buyer).

The Transaction follows a strategic review in response to structural changes in the nickel market.

On completion of the Transaction, the Buyer will pay nominal consideration and assume economic and operating control of Cerro Matoso, including all current and future liabilities².

The Buyer will make future cash payments of up to US\$100M, as follows:

- up to US\$80M of price-linked consideration³ based on future production and nickel prices; and
- up to US\$20M, in four equal payments, based on permitting milestones within the next five years for the Queresas & Porvenir North project.

The Transaction is subject to the satisfaction or waiver of certain conditions, including international merger clearances and a reorganisation of the entity which holds Cerro Matoso.

The Transaction is expected to complete in late CY25, subject to these conditions.

South32 Chief Executive Officer, Graham Kerr said: “The Transaction is consistent with our strategy and will further streamline our portfolio toward higher margin businesses in minerals and metals critical to the world's energy transition.

“The Transaction will deliver a clean separation of Cerro Matoso and provide additional balance sheet flexibility to support investment in our growth options in copper and zinc.

“Cerro Matoso has a long and proud history in Colombia. Over the coming months we will work with the Buyer, our workforce, the local communities, government, customers and suppliers to support a successful transition of ownership.”

Accounting treatment

Cerro Matoso will be reported in the South32 Group's Underlying financial results as a discontinued operation until completion of the Transaction.

As a result of the Transaction, the Group's FY25 financial statements will include an impairment expense of ~US\$130M (same amount post-tax). This expense will be excluded from FY25 Underlying earnings, in accordance with the Group's accounting policies.

Advisers

Goldman Sachs is acting as a financial adviser and Freshfields as legal adviser to South32.

¹ By way of sale of subsidiary companies which hold South32's 99.9% interest in Cerro Matoso S.A. and 100% interest in South32 Energy S.A.S. E.S.P.

² Except for an immaterial potential historic claim.

³ The price-linked consideration applies from the period commencing from the later of January 2027 and the first anniversary post completion, for a period of 3.5 years, with payments to be made semi-annually. The price-linked consideration will be paid if the average realised nickel price exceeds US\$15,000/t in any period, in which case 12.5% of incremental sales revenue (net of freight, royalties and statutory tax) above US\$15,000/t is payable, increasing on a linear scale to 50% of incremental sales revenue (net of freight, royalties and statutory tax) at or above US\$19,000/t. It does not apply to sales revenue from externally sourced ore.

The Buyer

CoreX is a vertically integrated, global industrial conglomerate established in 2024 by Robert Yüksel Yildirim. CoreX operates across metals & mining, ports & terminals, green energy, shipping & logistics, infrastructure & construction, chemicals, international trading, financial investments, and venture capital. The company is active in 55 countries across five continents, employing over 20,000 people globally. CoreX Metals and Mining, a division of CoreX, is a global leader in chromite ore mining and high-carbon ferrochrome production. The Metals and Mining division has a strategy focused on growing nickel production globally, evidenced by the recent acquisition of Compagnie Minière Du Bafing, in Côte D'Ivoire, along with existing ownership of Golden Eagle Nickel, in the Republic of North Macedonia, and NewCo Ferronikeli, in the Republic of Kosovo.

The obligations of the Buyer are guaranteed by three entities: Vargon Alloys AB, Voskhod Group and Yilport Holding A.S.

About us

Our purpose is to make a difference by developing natural resources, improving people's lives now and for generations to come. We are trusted by our owners and partners to realise the potential of their resources. We produce minerals and metals critical to the world's energy transition from operations across the Americas, Australia and Southern Africa and we are discovering and responsibly developing our next generation of mines. We aspire to leave a positive legacy and build meaningful relationships with our partners and communities to create brighter futures together.

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

Approved for release to the market by Graham Kerr, Chief Executive Officer
JSE Sponsor: The Standard Bank of South Africa Limited
7 July 2025

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.