



20 September 2024

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

US DEPARTMENT OF ENERGY GRANT FOR CLARK BATTERY-GRADE MANGANESE

South32 Limited (ASX / LSE / JSE: S32; ADR: SOUHY) (South32) advises that our Hermosa project located in Arizona, United States, has been selected for a US\$166M award negotiation from the US Department of Energy (DOE).

Hermosa's Clark deposit is currently the only advanced project in the United States with a clear pathway to produce battery-grade manganese from locally sourced ore for the North American electric vehicle battery market.

The grant from the DOE's Battery Materials Processing and Battery Manufacturing program will support the potential development of a commercial-scale manganese production facility. On a cost-share basis and subject to final negotiation, the DOE will provide 30 per cent of the cost of the manganese production facility, up to the grant award of US\$166M.

While subject to further study, construction of the facility and the development of Clark represents a significant opportunity to establish a North American supply chain of battery-grade manganese in a phased approach in line with market development.

We are engaging potential customers to advance product qualifications for battery manufacturing, including potential agreements for future supply following the signing of multiple non-binding Memorandums of Understanding.

Construction of a decline at Clark to enable bulk sampling through a demonstration plant and further underground exploration is underway, with decline access scheduled for the end of CY25. The US Department of Defense is supporting this work through a US\$20M grant from the Defense Production Act Investment Program.

South32 Chief Executive Office Graham Kerr said, "We welcome this grant from the US Department of Energy, which recognises Clark's potential to supply battery-grade manganese to the emerging North American market.

"Hermosa represents a regional scale project with the potential to produce commodities critical to a low-carbon future across multiple deposits for decades to come.

"Following final investment approval earlier in the year, construction of our large-scale, long-life Taylor zinc-lead-silver project is progressing as planned.

"Our investment in Taylor will unlock value for future growth options, including Clark, by establishing significant shared infrastructure.

"In addition to Taylor and Clark, we are continuing further exploration programs at Peake to test the potential for a continuous copper system connecting Peake and Taylor."

About us

South32 is a globally diversified mining and metals company. 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 commodities including bauxite, alumina, aluminium, copper, zinc, lead, silver, nickel and manganese from our operations in Australia, Southern Africa and South America. We also have a portfolio of high-quality development projects and options, and exploration prospects, consistent with our strategy to reshape our portfolio toward commodities that are critical for a low-carbon future.

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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
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