



<b>Company</b>	South32 Limited
<b>Code</b>	S32
<b>Meeting</b>	AGM
<b>Date</b>	28 October 2021, 12 noon
<b>Venue</b>	Online via Lumi
<b>Monitor</b>	John Campbell assisted by Alan Dickson

<b>Number attendees at meeting</b>	69 shareholders plus 270 guests
<b>Number of holdings represented by ASA</b>	797
<b>Value of proxies</b>	\$24.2m
<b>Number of shares represented by ASA</b>	6.76m (equivalent to a large holder just outside the Top 20 list)
<b>Market capitalisation</b>	\$16,700m
<b>Were proxies voted?</b>	Yes, on a poll
<b>Pre AGM Meeting?</b>	Yes, with Chair Karen Wood and RemCom Chair Wayne Osborn

## Revised Dendrobium mine plan in December 2021

Addresses from the chair and managing director followed the content in the annual report with additional reference to the interest recently acquired in the Sierra Gorda copper mine in Chile. There were a lot of questions and the meeting went for 2 hours.

Many questions related to the group's investment in Illawarra metallurgical coal and the surprise decision by the NSW Independent Planning Commission (IPC) to reject the planned extension of mining at Dendrobium, near Wollongong, in the project called Next Domain. The managing director said that previous contact with the NSW government had indicated likely approval of the extension plans. South32 expected to complete rewriting its mine plan in the December 2021 quarter, addressing the concerns raised by the IPC which included water table issues and disturbance of cultural heritage.

Management was confident that the revised plan would meet with approval, but when the group accounts were prepared as at 30 June, it was apparent that the IPC decision had triggered a need for an impairment review and, based on a lack of approval of the extension, a major write-down of asset values by US\$728m (before tax) was required. Graham Kerr promised an announcement on the matter this calendar year.

We asked about the new copper project in Chile, as to why South32 had invested in a minority interest in a copper mine which had a history of problems. Graham Kerr reflected on the depth of the due diligence undertaken by the group and that he had originally been sceptical about it.

However, management had turned around the performance to the point where it was now quite satisfactory and he had hopes of an extension of the ore body into adjoining areas which were under-explored. South32 had joint control of the mine with an equal vote on each of 3 joint venture committees and a rotation of chairs every second year. The group had the foresight to relocate personnel to needed areas in the early stages of the covid pandemic so that he believed they had adequate resources to manage the various projects in the Americas.

We were less successful in getting any form of commitment to an early conclusion to the Hermosa feasibility study, which was complicated by the Clark manganese ore body which sat above the lead/zinc deposit and had potential for battery application. The results are due in the first six months of 2022.

All board-sponsored resolutions passed with >98% support, including termination pay approval which we opposed. The proposal from Australasian Centre for Corporate Responsibility to amend the constitution to permit shareholder advisory resolutions was roundly defeated with 94% against. The contingent resolution 6(b) wasn't put to the meeting but received proxy votes of 98.21% in favour. The board of S32 had supported the review of relations with industry bodies as per the resolution and said they had been and were reviewing such relationships on an ongoing basis anyway.