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## BHP OPERATIONAL REVIEW FOR THE HALF YEAR ENDED 31 DECEMBER 2021

**Note: All guidance is subject to further potential impacts from COVID-19 during the 2022 financial year.**

- We remained fatality free at our operated assets for the third consecutive year.
- WAIO achieved near record production for the half year and Escondida achieved record material mined, notwithstanding the impacts of significant wet weather and the COVID-19 Omicron variant on some operations.
- Production guidance for the 2022 financial year remains unchanged for iron ore, energy coal and nickel. Full year total copper production is trending towards the low end of the guidance range, reflecting lower production guidance for Pampa Norte. Metallurgical coal guidance has been reduced as a result of significant wet weather impacts and COVID-19 related labour constraints.
- Full year unit cost guidance<sup>(1)</sup> for WAIO, Escondida and NSWEC remains unchanged. Unit cost guidance for Queensland Coal has been increased, reflecting lower expected volumes for the full year.
- Progress on the review of our lower grade metallurgical coal and thermal coal assets continues. The Cerrejón divestment to Glencore completed in January 2022 and the announced share sale agreement to divest BHP Mitsui Coal (BMC) is expected to complete in the middle of the 2022 calendar year.
- Our potash major projects under development are tracking to plan. The Jansen shaft project is 98% complete and the Jansen Stage 1 project has commenced contract awards.
- BHP announced a final decision to unify BHP's corporate structure under its existing Australian parent company, BHP Group Limited. Shareholder meetings to vote on unification will be held on 20 January 2022. Subject to shareholder approval and UK Court sanction, unification is expected to complete by 31 January 2022.
- Completion of the proposed merger of our Petroleum business with Woodside is expected in the June 2022 quarter subject to satisfaction of conditions precedent including approval by Woodside shareholders. The half year financial results are being prepared on the basis that the Petroleum business is a discontinued operation and restated financial information for the year ended 30 June 2021 and the half year ended 31 December 2020 is provided in Attachment 1.

Production	Dec H21 (vs Dec H20)	Dec Q21 (vs Sep Q21)	Dec Q21 vs Sep Q21 commentary
Copper (kt)	742.0 (12%)	365.5 (3%)	Lower volumes at Olympic Dam due to the planned smelter maintenance campaign, completed in January 2022. This was partially offset by higher volumes at Antamina.
Iron ore (Mt)	129.4 1%	66.1 4%	Higher volumes reflecting strong supply chain performance, increased ore car availability and the continued ramp up of South Flank. This was partially offset by the impact of temporary rail labour shortages due to COVID-19 related border restrictions.
Metallurgical coal (Mt) <sup>(2)</sup>	17.7 (8%)	8.8 0%	Volumes flat due to double the amount of rainfall recorded in this quarter impacting most operations and planned maintenance in the previous quarter.
Energy coal (Mt) <sup>(3)</sup>	7.2 5%	3.0 (30%)	Lower volumes due to three times the amount of rainfall in this quarter impacting stripping and mine productivity, partially offset by mining in lower strip ratio areas.
Nickel (kt)	39.3 (15%)	21.5 21%	Higher volumes due to planned maintenance across the supply chain in the previous quarter.
<b>Discontinued operations</b>			
Petroleum (MMboe)	53.2 5%	25.7 (7%)	Lower volumes due to reduced seasonal gas demand at Bass Strait. This was partially offset by a Shenzi infill well brought online and higher production at North West Shelf.

Group copper equivalent production decreased by 4%<sup>(4)</sup> in the December 2021 half year largely due to lower copper and metallurgical coal volumes.

## Summary

### BHP Chief Executive Officer, Mike Henry:

“BHP was fatality free at our operated assets for the third consecutive year. Our continuing focus on people and on operational reliability enabled us to achieve near record production in iron ore and to reduce the impacts of adverse weather and COVID-19 related labour constraints in our operations. Cost control remained strong across the business, in the face of a more inflationary environment. Unit cost guidance remains intact bar a change to metallurgical coal which is a function of the lowering of production guidance as a result of significant wet weather and in anticipation of Omicron headwinds in the early part of the second half of the financial year.

We completed major planned maintenance programs in our Iron Ore, Nickel West and Olympic Dam assets. In Nickel West, we achieved first saleable production of nickel sulphate crystals from the Kwinana plant, an exciting new addition to our product suite that will further enhance our offering into the battery electric vehicle market. The ramp-up of South Flank continues to progress well. The Spence Growth project is realising lower than expected recoveries and we are studying plant design modifications in order to lift recoveries to planned levels.

We continued to progress a number of actions related to our portfolio and corporate structure. We progressed the merger of our petroleum assets with Woodside and prepared for a shareholder vote on a unified corporate structure. We advanced the Jansen potash project and announced a share sale agreement of our interest in the BHP Mitsui Coal metallurgical coal joint venture. We bolstered options in future facing commodities investing in prospective copper assets in the Northern Territory and South Australia and we secured an early stage entry into a world-scale nickel sulphide resource in Tanzania.

Overall we made good progress in positioning our portfolio and performance to deliver returns for shareholders now and into the future.”

### Operational performance

Production and guidance are summarised below.

**Note: All guidance is subject to further potential impacts from COVID-19 during the 2022 financial year.**

Production	Dec H21	Dec Q21	Dec H21 vs Dec H20	Dec Q21 vs Dec Q20	Dec Q21 vs Sep Q21	Previous FY22 guidance	Current FY22 guidance	
Copper (kt)	742.0	365.5	(12%)	(15%)	(3%)	1,590 – 1,760	1,590 – 1,760	Low end
Escondida (kt)	488.3	244.6	(15%)	(15%)	0%	1,000 – 1,080	1,020 – 1,080	Narrowed range
Pampa Norte (kt)	135.8	68.3	40%	26%	1%	330 – 370	260 – 300	Lowered
Olympic Dam (kt)	43.7	14.2	(56%)	(70%)	(52%)	140 – 170	140 – 150	Narrowed range
Antamina (kt)	74.2	38.4	1%	(1%)	7%	120 – 140	120 – 140	Unchanged
Iron ore (Mt)	129.4	66.1	1%	6%	4%	249 – 259	249 – 259	
WAIO (Mt)	127.3	65.1	(1%)	4%	5%	246 – 255	246 – 255	Unchanged
WAIO (100% basis) (Mt)	144.4	73.9	0%	5%	5%	278 – 288	278 – 288	Unchanged
Samarco (Mt)	2.1	1.0	>100%	>100%	(2%)	3 – 4	3 – 4	Unchanged
Metallurgical coal (Mt) <sup>(i)</sup>	17.7	8.8	(8%)	(7%)	0%	39 – 44	38 – 41	
Queensland Coal (100% basis) (Mt)	30.7	15.1	(10%)	(11%)	(3%)	70 – 78	68 – 72	Lowered
Energy coal – NSWEC (Mt)	7.2	3.0	5%	(8%)	(30%)	13 – 15	13 – 15	Unchanged
Energy coal – Cerrejón (Mt) <sup>(ii)</sup>	4.2	2.2	>100%	>100%	6%	n/a	n/a	
Nickel (kt)	39.3	21.5	(15%)	(10%)	21%	85 – 95	85 – 95	Unchanged
<b>Discontinued operations</b>								
Petroleum (MMboe) <sup>(iii)</sup>	53.2	25.7	5%	8%	(7%)	99 – 106	n/a	

(i) We announced the share sale agreement to divest our interest in BHP Mitsui Coal (BMC) in November 2021, however will continue to report BMC as part of Queensland Coal. We maintain economic and operating control of BMC until the sale has completed.

(ii) We have ceased providing Cerrejón production guidance due to the completion of the divestment of our interest. The transaction has an effective economic date of 31 December 2020 and volumes have been reported separately.

(iii) Given our announcement of a binding share sale agreement for the merger of BHP's oil and gas portfolio with Woodside in November 2021, no further annual production guidance for FY22 for Petroleum will be provided. However, until merger completion, we expect a production run rate broadly consistent with the original FY22 production guidance of between 99 and 106 MMboe.

## Summary of disclosures

BHP expects its December 2021 half year financial results to reflect certain items as summarised in the table below. The table does not provide a comprehensive list of all items impacting the period. The financial statements are the subject of ongoing work that will not be finalised until the release of the financial results on 15 February 2022. Accordingly the information in the table below contains preliminary information that is subject to update and finalisation.

Description	H1 FY22 impact US\$M <sup>(i)</sup>	Classification <sup>(ii)</sup>
Unit costs for WAIO, Escondida and NSWEC are expected to be in line with full year guidance (at guidance exchange rates), with WAIO tracking towards the bottom end of guidance Note: weaker Australian dollar and Chilean peso than guidance rates in the period <sup>(iii)</sup>	-	Operating costs
Unit cost guidance for Queensland Coal has been increased to between US\$85 and US\$94 per tonne (at guidance exchange rates), reflecting lower expected volumes for the full year	-	↑ Operating costs
Exploration expense (minerals exploration programs)	80	Exploration expense
Higher depreciation and amortisation mainly at WAIO following South Flank commissioning and prior period update of closure provision at Yandi.	425 – 475	↑ Depreciation, amortisation and impairments
The Group's adjusted effective tax rate for H1 FY22 is expected to be slightly below the full year guidance range of 32 to 37 per cent given Petroleum will be presented as a discontinued operation. An updated guidance range will be provided in the half year financial results	-	Taxation expense
Working capital movements relating to royalties, inventory builds, net price impacts on receivables and other movements.	2,000 – 2,500	↓ Operating cash inflow
Dividends received from Cerrejón	~240 <sup>(iv)</sup>	↑ Operating cash inflow
Dividends paid to non-controlling interests	~1,250	↑ Financing cash outflow
Impairment of US deferred tax assets no longer expected to be recoverable after the Petroleum merger (after tax)	400 – 450	↑ Exceptional item charge
Financial impact on BHP Brasil of the Samarco dam failure	Refer footnote <sup>(v)</sup>	↑ Exceptional item charge

(i) Numbers are not tax effected, unless otherwise noted.

(ii) There will be a corresponding balance sheet, cash flow and/or income statement impact as relevant, unless otherwise noted.

(iii) Average exchange rates for H1 FY22 of AUD/USD 0.73 (guidance rate AUD/USD 0.78) and USD/CLP 798 (guidance rate USD/CLP 727).

(iv) There will be no net income statement impact in relation to Cerrejón for H1 FY22. While the dividends received will be recognised as other income, the associated adjustment to the proceeds to be received on sale completion results in an offsetting expense to reflect the reduction in the carrying value of the Cerrejón assets held for sale.

(v) Financial impact is the subject of ongoing work and is not yet finalised. See corporate update section for further information on Samarco.

The December 2021 half year financial results are being prepared on the basis that BHP Petroleum will be reported as a discontinued operation. BHP Petroleum will be excluded from the consolidated Income Statement and will not be included when calculating the minimum dividend payout. BMC will continue to be consolidated with Queensland Coal as a continuing operation until the expected completion in the middle of the 2022 calendar year. On the Balance Sheet, both BMC and BHP Petroleum will be reclassified as assets held for sale and excluded from net operating assets.

## Major development projects

At the end of December 2021, BHP had two major projects under development, the US\$2.97 billion Jansen mine shafts project and the US\$5.7 billion Jansen Stage 1 project.

## Average realised prices

The average realised prices achieved for our major commodities are summarised below.

Average realised prices <sup>(i)</sup>	Dec H21	Dec H20	Jun H21	FY21	Dec H21 vs Dec H20	Dec H21 vs Jun H21	Dec H21 vs FY21
Copper (US\$/lb)	4.31	3.32	4.34	3.81	30%	(1%)	13%
Iron ore (US\$/wmt, FOB)	113.54	103.78	158.17	130.56	9%	(28%)	(13%)
Metallurgical coal (US\$/t)	259.71	97.61	114.81	106.64	166%	126%	144%
Hard coking coal (US\$/t) <sup>(ii)</sup>	278.60	106.30	118.54	112.72	162%	135%	147%
Weak coking coal (US\$/t) <sup>(ii)</sup>	218.65	73.17	104.40	89.62	199%	109%	144%
Thermal coal (US\$/t) <sup>(iii)</sup>	137.68	44.35	70.83	58.42	210%	94%	136%
Nickel metal (US\$/t)	19,651	15,140	17,537	16,250	30%	12%	21%
<b>Discontinued operations</b>							
Oil (crude and condensate) (US\$/bbl)	74.26	41.40	63.05	52.56	79%	18%	41%
Natural gas (US\$/Mscf) <sup>(iv)</sup>	5.80	3.83	4.86	4.34	51%	19%	34%
LNG (US\$/Mscf)	15.10	4.45	7.04	5.63	239%	114%	168%

(i) Based on provisional, unaudited estimates. Prices exclude sales from equity accounted investments, third party product and internal sales, and represent the weighted average of various sales terms (for example: FOB, CIF and CFR), unless otherwise noted. Includes the impact of provisional pricing and finalisation adjustments.

(ii) Hard coking coal (HCC) refers generally to those metallurgical coals with a Coke Strength after Reaction (CSR) of 35 and above, which includes coals across the spectrum from Premium Coking to Semi Hard Coking coals, while weak coking coal (WCC) refers generally to those metallurgical coals with a CSR below 35.

(iii) Export sales only; excludes Cerrejón. Includes thermal coal sales from metallurgical coal mines.

(iv) Includes internal sales.

The large majority of iron ore shipments were linked to index pricing for the month of shipment, with price differentials predominantly a reflection of market fundamentals and product quality. Iron ore sales were based on an average moisture rate of 7.2 per cent. The large majority of metallurgical coal and energy coal exports were linked to index pricing for the month of shipment or sold on the spot market at fixed or index-linked prices, with price differentials reflecting product quality. The majority of copper cathodes sales were linked to index pricing for quotation periods one month after the month of shipment, and three to four months after the month of shipment for copper concentrates sales with price differentials applied for location and treatment costs. The large majority of oil sales were linked to West Texas intermediate (WTI) or Brent based indices, with differentials applied for quality, locational and transportation costs.

At 31 December 2021, the Group had 333 kt of outstanding copper sales that were revalued at a weighted average price of US\$4.42 per pound. The final price of these sales will be determined over the remainder of the 2022 financial year. In addition, 323 kt of copper sales from the 2021 financial year were subject to a finalisation adjustment in the current period. The provisional pricing and finalisation adjustments will increase Underlying EBITDA<sup>(5)</sup> by US\$11 million in the December 2021 half year and are included in the average realised copper price in the above table.

## Corporate update

### Portfolio

In November 2021, BHP announced it had signed a Share Sale and Purchase Agreement with Stanmore Resources Limited to divest its 80 per cent interest in BHP Mitsui Coal Pty Ltd (BMC), an operated metallurgical coal joint venture in Queensland. The purchase price comprises US\$1.1 billion cash on completion, US\$100 million in cash six months after completion and the potential for up to US\$150 million in a price-linked earn-out payable in the 2024 calendar year. Completion is expected in the middle of the 2022 calendar year subject to the satisfaction of certain conditions, including customary competition and regulatory conditions.

In November 2021, BHP signed a binding Share Sale Agreement for the merger of BHP's oil and gas portfolio with Woodside to create a global top 10 independent energy company by production. It is proposed that Woodside will acquire BHP Petroleum in exchange for new Woodside shares. Completion of the merger is subject to satisfaction of conditions precedent including regulatory and competition authority approvals and approval by Woodside's shareholders. The process remains on track and the Australian Competition and Consumer Commission provided informal clearance of the merger in December 2021. The Woodside shareholder meeting to vote on the merger as

well as completion of the merger is targeted for the June 2022 quarter. In addition to its primary listing on the Australian Securities Exchange, Woodside is pursuing a standard listing on the London Stock Exchange and a listing of American Depositary Receipts on the New York Stock Exchange.

In December 2021, BHP announced a final decision to unify BHP's corporate structure under its existing Australian parent company, BHP Group Limited. The Board believes that unification is in the best interests of BHP shareholders. Unification will create a corporate structure that is simpler and more efficient, reduces duplication and streamlines BHP's governance and internal processes. Shareholder meetings of BHP Group Limited and BHP Group Plc will take place on 20 January 2022 to approve unification. Unification is expected to complete by 31 January 2022 subject to shareholder approval of both BHP Group Limited and BHP Group Plc and UK Court sanction of the scheme.

In December 2021, BHP announced it would not increase or extend its offer to acquire Noront Resources. BHP is committed to its strict capital discipline framework and while the Eagle's Nest deposit is a promising resource, we do not see adequate long-term value for BHP shareholders to support an increase in BHP's offer to match the proposal from Wyloo Metals Pty Ltd.

In December 2021, BHP advanced its early-stage nickel interests by agreeing to invest in the Kabanga Nickel Project (Kabanga), a high-quality nickel sulphide deposit in Tanzania. Kabanga is a joint venture between Kabanga Nickel Limited (84 per cent interest) and the Government of Tanzania (16 per cent). BHP has made an initial investment of US\$40 million in Kabanga, which will convert into an 8.9 per cent equity stake in Kabanga Nickel Limited once approvals and conditions are met. The proceeds will be used to accelerate drilling and study work. Further investments, including a second tranche of US\$50 million, have been agreed in principle subject to the parties agreeing definitive documentation and certain other conditions. In parallel, BHP has invested US\$10 million in Lifezone Limited to progress its low-carbon hydrometallurgical processing technology.

In January 2022, BHP completed the sale to Glencore of its 33.3 per cent interest in the Cerrejón joint venture in Colombia. The transaction was first announced on 29 June 2021 for a total cash consideration of US\$294 million.

## **Samarco**

Samarco's Judicial Reorganisation process is continuing in the Commercial Courts of Belo Horizonte, State of Minas Gerais. The Judicial Reorganisation is a process for Samarco to restructure its financial debts in order to establish a sustainable independent financial position that would allow Samarco to continue its operations safely and meet its Renova Foundation obligations. BHP Brasil will continue to support Samarco in this process.

Negotiations are ongoing with State and Federal Prosecutors and certain other Brazilian public authorities in relation to the review of the Framework Agreement. The Framework Agreement was entered into between Samarco, Vale and BHP Brasil and the relevant Brazilian authorities in March 2016 and established the Renova Foundation to develop and implement environmental and socio-economic programs to remediate and provide compensation for damage caused by the Samarco dam failure.

In October 2021, the 12th Federal Court delivered a ruling that expanded the scope of eligible individuals of the court mandated compensation process ("Novel System"), extended its geographical scope and increased indemnification amounts for certain categories of damage. The decision is under appeal and applications have been made to clarify certain aspects of the ruling. BHP is currently reviewing the impact of the 12th Federal Court's decision on the Group's provision for the Samarco dam failure and it is possible that the provision could materially increase.

In December 2021, BHP agreed to fund US\$700 million in further financial support for the Renova Foundation, which will be offset against the Group's provision for the Samarco dam failure. Further funding requirements for the period to 31 December 2022 continue to be assessed and, will be subject to future approval by BHP.

We will provide an update to the ongoing potential financial impacts on BHP Brasil of the Samarco dam failure with the release of the financial results on 15 February 2022. Any financial impacts will continue to be treated as an exceptional item.

## Copper

### Production

	Dec H21	Dec Q21	Dec H21 vs Dec H20	Dec Q21 vs Dec Q20	Dec Q21 vs Sep Q21
Copper (kt)	742.0	365.5	(12%)	(15%)	(3%)
Zinc (t)	62,892	29,603	(18%)	(29%)	(11%)
Uranium (t)	818	287	(55%)	(70%)	(46%)

**Copper** – Total copper production decreased by 12 per cent to 742 kt. Full year production is trending towards the low end of the guidance range for the 2022 financial year, which reflects lower production guidance at Pampa Norte, and narrowed guidance ranges for Escondida and Olympic Dam. Volumes will be weighted to the second half of the financial year as expected.

Uncertainty around impacts from COVID-19 remains as the pandemic evolves, despite an improved operating environment for our Chilean assets in the December 2021 half year due to high COVID-19 vaccination rates and continued use of successful control measures at our operating sites.

Escondida copper production decreased by 15 per cent to 488 kt due to concentrator feed grade decline despite a record performance for material mined. Guidance for the 2022 financial year has been narrowed to between 1,020 and 1,080 kt as concentrator feed grade is expected to improve in the June 2022 half year as the mine sequence moves towards higher grade areas. Concentrator feed grade decline remains forecasted at approximately two per cent for the 2022 financial year. Medium term guidance of an annual average of 1.2 Mt of copper production over the next five years remains unchanged, with production expected to be weighted towards the latter years.

Pampa Norte copper production increased by 40 per cent to 136 kt, reflecting the continued ramp up of the Spence Growth Option (SGO), partially offset by the impact of planned lower ore stacking grade, which is expected to decline by approximately 10 per cent for the 2022 financial year. SGO demonstrated full concentrator throughput of 95 ktpd in the December 2021 quarter. Guidance for the 2022 financial year has been reduced from between 330 and 370 kt to between 260 and 300 kt, as the result of a fatality at the third party desalination plant which impacted Spence operations, operational uncertainty related to Cerro Colorado water access and licencing, including water extraction, and lower than expected recoveries at SGO. Plant design modifications, including modifications to the rougher floatation circuit will be required to increase SGO recoveries to achieve planned copper production levels. The Spence guidance to average 300 ktpa (including cathodes) in the first four years of production will be subject to the timing of these modifications being completed.

Olympic Dam copper production decreased by 56 per cent to 44 kt as a result of the major smelter maintenance campaign in the period. The maintenance campaign was completed in January 2022 and ramp up to full capacity is now expected by April 2022 (previously March 2022), due to COVID-19 impacts on the availability of workforce. The full scope of the maintenance campaign was delivered, including the rebuild of the flash furnace and its ancillary equipment and refurbishment of the acid plant, which has resulted in significant plant improvements. Guidance for the 2022 financial year has been narrowed to between 140 and 150 kt as production is trending towards the low end of the original guidance range.

Antamina copper production increased by one per cent to 74 kt reflecting higher copper head grades and zinc production decreased by 18 per cent to 63kt reflecting lower zinc head grades. Guidance remains unchanged for the 2022 financial year, with copper production of between 120 and 140 kt, and zinc production of between 115 and 130 kt.

## Iron Ore

### Production

	Dec H21	Dec Q21	Dec H21 vs Dec H20	Dec Q21 vs Dec Q20	Dec Q21 vs Sep Q21
Iron ore production (kt)	129,401	66,102	1%	6%	4%

**Iron ore** – Total iron ore production increased by one per cent to 129 Mt. Guidance for the 2022 financial year remains unchanged at between 249 and 259 Mt.

WAIO finished the half year at near record production levels at 127 Mt (144 Mt on a 100 per cent basis), despite impacts of temporary labour constraints relating to COVID-19 border restrictions and the planned major maintenance on car dumper one and the Jimblebar train load out. This reflects continued strong supply chain performance including higher car dumper performance and improved rail cycle times. South Flank ramp up to full production capacity of 80 Mtpa (100 per cent basis) over three years remains on track with a peak rate of 45 Mtpa achieved in the half year contributing to record lump sales. In December 2021, we approved the South Flank Autonomous Haulage Project to automate the current fleet of Komatsu haul trucks. The project is scheduled to commence in the June 2022 quarter and is expected to be completed within 18 months. The proposed easing of Western Australia's border restrictions on 5 February 2022 may introduce some short-term disruption to the operating environment as the COVID-19 pandemic evolves in the state.

Samarco production was 2.1 Mt (BHP share), following the recommencement of iron ore pellet production at one concentrator in December 2020. Guidance of between 3 and 4 Mt (BHP share) remains unchanged for the 2022 financial year.

## Coal

### Production

	Dec H21	Dec Q21	Dec H21 vs Dec H20	Dec Q21 vs Dec Q20	Dec Q21 vs Sep Q21
Metallurgical coal (kt) <sup>(2)</sup>	17,668	8,818	(8%)	(7%)	0%
Energy coal (kt) <sup>(3)</sup>	7,205	2,967	5%	(8%)	(30%)

**Metallurgical coal** – Metallurgical coal production decreased by eight per cent to 18 Mt (31 Mt on a 100 per cent basis). Guidance for the 2022 financial year has been reduced to between 38 and 41 Mt (68 and 72 Mt on a 100 per cent basis) from between 39 and 44 Mt (70 and 78 Mt on a 100 per cent basis). The revision is a result of significant La Niña related wet weather impacts during the December 2021 quarter coupled with COVID-19 related labour constraints. Workforce absenteeism arising from the COVID-19 Omicron variant is anticipated to continue into the early part of the second half of the 2022 financial year.

Queensland Coal production decreased due to significant wet weather, with double the amount of rainfall, coupled with COVID-19 related labour constraints impacting stripping and mine productivity across most operations. A longwall move was successfully executed at Broadmeadow and the Caval Ridge wash plant maintenance was also completed on time during the December 2021 quarter.

Following the recent easing of Queensland's border restrictions, COVID-19 related absenteeism has increased and remains a risk for the remainder of the year.

**Energy coal** – Energy coal production increased by five per cent to 7 Mt. Guidance for the 2022 financial year remains unchanged at between 13 and 15 Mt. The divestment of our interest in Cerrejón was completed in January 2022 and Cerrejón volumes are no longer included in energy coal guidance.

NSWEC production increased as a result of increased stripping volumes enabled by continued truck productivity and mining in lower strip ratio areas, despite increased rainfall and COVID-19 related impacts. High quality products now make up approximately 80 per cent of sales compared to approximately 60 per cent of sales in the prior period.

## Other

### Nickel production

	Dec H21	Dec Q21	Dec H21 vs Dec H20	Dec Q21 vs Dec Q20	Dec Q21 vs Sep Q21
Nickel (kt)	39.3	21.5	(15%)	(10%)	21%

**Nickel** – Nickel West production decreased by 15 per cent to 39 kt, reflecting planned maintenance at the Kalgoorlie Smelter, Kwinana Refinery and the Leinster and Kambalda concentrators in the September 2021 quarter, and planned asset integrity work to support operational stability completed in the December 2021 quarter. Guidance for the 2022 financial year remains unchanged at between 85 and 95 kt, with volumes weighted towards the second half of the financial year. The first batch of nickel sulphate crystals were produced in the September 2021 quarter and customer certification continues. First saleable production was achieved in the December 2021 quarter.

### Potash

#### Projects

Project and ownership	Capital expenditure US\$M	Initial production target date	Capacity	Progress
Jansen Potash (Canada) 100%	2,972	CY27	Investment to finish the excavation and lining of the production and service shafts, and to continue the installation of essential surface infrastructure and utilities.	The project is 98% complete. Target project completion in CY22.
Jansen Stage 1 (Canada) 100%	5,723	CY27	Design, engineering and construction of an underground potash mine and surface infrastructure, with capacity to produce 4.35 Mtpa.	Approved in August 2021, project is 3% complete

## Minerals exploration

Minerals exploration expenditure for the December 2021 half year was US\$110 million, of which US\$80 million was expensed. We have continued to add to our early stage options in future facing commodities. Greenfield minerals exploration is being undertaken on advancing copper targets in Chile, Ecuador, Mexico, Peru, Canada, Australia and the south-west United States. Nickel targets are also being advanced in Canada and Australia. Specifically in copper, we are undertaking target drilling in Chile, Ecuador and the United States while further drilling is underway in Australia.

In October 2021, BHP executed its farm-in agreement for the early-stage prospective Elliott copper project covering 7,200 km<sup>2</sup> in the Northern Territory, Australia. Under the terms of the agreement, BHP can earn up to 75 per cent interest in Elliott by spending up to A\$25 million over 10 years.

Also in October 2021, BHP exercised its option to form an exploration joint venture with Red Tiger Resources for the Intercept Hill copper project, which borders Oak Dam in South Australia.

At Oak Dam in South Australia, BHP is continuing next stage resource definition drilling, after commencing the program in May 2021.

In December 2021, BHP advanced its early-stage nickel interests by investing in the Kabanga Nickel Project (Kabanga), a high-quality nickel sulphide deposit in Tanzania. Kabanga is a joint venture between Kabanga Nickel Limited (84 per cent interest) and the Government of Tanzania (16 per cent).



## Discontinued operations - Petroleum

### Production

	Dec H21	Dec Q21	Dec H21 vs Dec H20	Dec Q21 vs Dec Q20	Dec Q21 vs Sep Q21
Crude oil, condensate and natural gas liquids (MMboe)	25.1	12.3	13%	15%	(3%)
Natural gas (bcf)	168.5	80.1	(1%)	2%	(9%)
Total petroleum production (MMboe)	53.2	25.7	5%	8%	(7%)

BHP announced on 22 November 2021 a binding share sale agreement for the proposed merger of BHP's oil and gas portfolio with Woodside. Completion of the merger is expected in the June 2022 quarter subject to satisfaction of conditions precedent including approval by Woodside shareholders. The effective date of the merger is 1 July 2021. The half year financial results are being prepared on the basis that BHP Petroleum is a discontinued operation.

Total petroleum production increased by 5 per cent to 53 MMboe. No further guidance for the 2022 financial year will be provided for Petroleum given the business will be presented as a discontinued operation. However, until merger completion, we expect a production run rate broadly consistent with the original 2022 financial year production guidance of between 99 and 106 MMboe.

Crude oil, condensate and natural gas liquids production increased by 13 per cent to 25 MMboe, reflecting the additional 28 percent working interest acquired in Shenzi in November 2020, increased volumes from Ruby following first production in May 2021, and lower impact from weather events in the Gulf of Mexico, partially offset by natural field decline across the portfolio.

Natural gas production decreased by one per cent to 169 bcf, reflecting decreased production at North West Shelf and natural field decline across the portfolio, partially offset by increased volumes from Ruby and higher seasonal demand for gas at Bass Strait.

### Projects

Project and ownership	Capital expenditure US\$M	Initial production target date	Capacity	Progress
Mad Dog Phase 2 (US Gulf of Mexico) 23.9% (non-operator)	2,154	Mid-CY22	New floating production facility with the capacity to produce up to 140,000 gross barrels of oil equivalent per day.	On schedule and budget. The overall project is 97% complete.
Shenzi North development (US Gulf of Mexico) 72% (operator)	392	CY24	A two-well subsea tie-in to the Shenzi platform, with the capacity to produce up to 30,000 gross barrels of oil equivalent per day.	On schedule and budget. The overall project is 5% complete.
Scarborough (Western Australia) 26.5% (non-operator)	1,500	CY26	New upstream facilities designed to deliver daily gas quantities to manufacture 8 Mtpa LNG and 180 TJ/day of domestic gas.	Sanctioned in November 2021. On schedule and budget. The overall project is 10% complete.

On 22 November 2021, we announced the approval of US\$1.5 billion in capital expenditure for development of the Scarborough upstream project located in the North Carnarvon Basin, Western Australia. The approved capital expenditure represents BHP's 26.5 per cent participating interest in Phase 1 of the upstream development. Final investment decisions have also been made by Woodside and the Scarborough Joint Venture.

In the December 2021 quarter, we completed the Ruby project in Trinidad & Tobago. The project was completed on schedule and within budget, and the Ruby field is currently producing both oil and gas.

The Mad Dog Phase 2 project's semi-submersible platform, Argos, was towed to final location in the US Gulf of Mexico and moored. Offshore execution of construction and commissioning is in progress. First production from Mad Dog Phase 2 is expected from mid-calendar year 2022.

In December 2021, we reached a commercial milestone with the Trion project in Mexico with the filing of a Declaration of Commerciality with the National Hydrocarbons Commission. As announced in August 2021, we have moved Trion into the Front End Engineering Design (FEED) phase and work is progressing to plan. Studies are underway, focused on completion of the engineering, commercial arrangements and execution planning required to progress readiness for a Final Investment Decision from mid-calendar year 2022.

## Petroleum exploration

Exploration and appraisal wells drilled during the December 2021 quarter are summarised below.

Well	Location	Target	Formation age	BHP equity	Spud date	Water depth	Total well depth	Status
Bongos-3X	Trinidad & Tobago Block TTDA 14	Gas	Late Miocene	70% (BHP Operator)	27 July 2021	2,114 m	5,174 m	Hydrocarbons encountered
Bongos-3X ST01	Trinidad & Tobago Block TTDA 14	Gas	Late Miocene	70% (BHP Operator)	27 July 2021	2,114 m	5,169 m	Hydrocarbons encountered
Bongos-4	Trinidad & Tobago Block TTDA 14	Gas	Late Miocene	70% (BHP Operator)	6 August 2021	2,177 m	5,163 m	Hydrocarbons encountered
Wasabi-1	Gulf of Mexico GC124	Oil	Early Miocene	75% (BHP Operator)	7 October 2021	764 m	2,673 m	Plugged and abandoned
Wasabi-2	Gulf of Mexico GC124	Oil	Early Miocene	75% (BHP Operator)	17 November 2021	764 m	6,895 m	Drilling ahead <sup>(i)</sup>

(i) Well depth and status as at 31 December 2021.

In Trinidad and Tobago, the Calypso appraisal drilling programme concluded on 20 December 2021. All wells encountered hydrocarbons. Bongos-3 confirmed volumes down dip of prior penetrations and Bongos-4 established volumes in a new segment. The well results are currently under evaluation and will be incorporated into the development plan.

In the central Gulf of Mexico, the Wasabi-1 well encountered a mechanical difficulty and was plugged and abandoned on 13 November 2021. Wasabi-2 (GC124-002) was spud on 17 November 2021 and drilling operations continue.

In Barbados, a 3D seismic survey was acquired in November 2021 over a portion of the Bimshire and Carlisle Bay blocks<sup>(6)</sup>. Processed data is expected to be delivered in mid-calendar year 2022.

BHP has acquired interests in offshore exploration blocks in the Red Sea in Egypt. In December 2021, the Minister of Energy in Egypt signed the Deed of Assignment for Red Sea Block 1, finalising the assignment of a 45 per cent participating interest from Chevron to BHP. The effective date of the transfer is 12 September 2021. This follows a separate agreement with Shell in March 2021 for BHP to acquire a 30 and 25 per cent non-operated working interest in Egypt's Red Sea Blocks 3 and 4, respectively. The effective date of BHP's participation in Blocks 3 and 4 is pending final government approvals.

Petroleum exploration expenditure for the December 2021 half year was US\$243 million, of which US\$112 million was expensed. An approximately US\$540 million exploration and appraisal program is being executed for the 2022 financial year.

Variance analysis relates to the relative performance of BHP and/or its operations during the December 2021 half year compared with the December 2020 half year, unless otherwise noted. Production volumes, sales volumes and capital and exploration expenditure from subsidiaries are reported on a 100 per cent basis; production and sales volumes from equity accounted investments and other operations are reported on a proportionate consolidation basis. Numbers presented may not add up precisely to the totals provided due to rounding. Copper equivalent production is based on 2021 financial year average realised prices.

The following footnotes apply to this Operational Review:

- (1) 2022 financial year unit cost guidance: Escondida US\$1.20-1.40/lb, WAI0 US\$17.50-18.50/t, Queensland Coal US\$85-94/t and NSWEC US\$62-70/t; based on exchange rates of AUD/USD 0.78 and USD/CLP 727.
- (2) We announced the divestment of our interest in BMC in November 2021, however will continue to report BMC production as part of Queensland Coal. We maintain economic and operating control of BMC until the sale has completed.
- (3) We have ceased providing Cerrejón production guidance due to the completion of the divestment of our interest. The transaction has an effective economic date of 31 December 2020 and volumes have been reported separately.
- (4) Excludes Petroleum production.
- (5) Underlying EBITDA is used to help assess current operational profitability excluding the impacts of sunk costs (i.e. depreciation from initial investment). Underlying EBITDA is earnings before net finance costs, depreciation, amortisation and impairments, taxation expense, discontinued operations and exceptional items. Underlying EBITDA includes BHP's share of profit/(loss) from investments accounted for using the equity method including net finance costs, depreciation, amortisation and impairments and taxation expense/(benefit).
- (6) Permission for survey granted by the Barbados Ministry of Energy.

The following abbreviations may have been used throughout this report: barrels (bbl); billion cubic feet (bcf); cost and freight (CFR); cost, insurance and freight (CIF); dry metric tonne unit (dmtu); free on board (FOB); grams per tonne (g/t); kilograms per tonne (kg/t); kilometre (km); metre (m); million barrels of oil equivalent (MMboe); million barrels of oil per day (MMbpd); million cubic feet per day (MMcf/d); million tonnes (Mt); million tonnes per annum (Mtpa); ounces (oz); pounds (lb); thousand barrels of oil equivalent (Mboe); thousand barrels of oil equivalent per day (Mboe/d); thousand ounces (koz); thousand standard cubic feet (Mscf); thousand tonnes (kt); thousand tonnes per annum (ktpa); thousand tonnes per day (ktpd); tonnes (t); and wet metric tonnes (wmt).

In this release, the terms 'BHP', the 'Group', 'BHP Group', 'we', 'us', 'our' and ourselves' are used to refer to BHP Group Limited, BHP Group plc and, except where the context otherwise requires, their respective subsidiaries as defined in note 30 'Subsidiaries' in section 3.1 of BHP's 30 June 2021 Annual Report and Form 20-F. Those terms do not include non-operated assets. Notwithstanding that this release may include production, financial and other information from non-operated assets, non-operated assets are not included in the BHP Group and, as a result, statements regarding our operations, assets and values apply only to our operated assets unless stated otherwise. Our non-operated assets include Antamina, Cerrejón, Samarco, Atlantis, Mad Dog, Bass Strait and North West Shelf. BHP Group cautions against undue reliance on any forward-looking statement or guidance in this release, particularly in light of the current economic climate and significant volatility, uncertainty and disruption arising in connection with COVID-19. These forward looking statements are based on information available as at the date of this release and are not guarantees or predictions of future performance and 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.

Further information on BHP can be found at: [bhp.com](http://bhp.com)

Authorised for lodgement by:  
Stefanie Wilkinson  
Group Company Secretary

## Media Relations

Email: [media.relations@bhp.com](mailto:media.relations@bhp.com)

### Australia and Asia

Gabrielle Notley  
Tel: +61 3 9609 3830 Mobile: +61 411 071 715

### Europe, Middle East and Africa

Neil Burrows  
Tel: +44 20 7802 7484 Mobile: +44 7786 661 683

### Americas

Judy Dane  
Tel: +1 713 961 8283 Mobile: +1 713 299 5342

## Investor Relations

Email: [investor.relations@bhp.com](mailto:investor.relations@bhp.com)

### Australia and Asia

Dinesh Bishop  
Mobile: +61 407 033 909

### Europe, Middle East and Africa

James Bell  
Tel: +44 20 7802 7144 Mobile: +44 7961 636 432

### Americas

Brian Massey  
Tel: +1 713 296 7919 Mobile: +1 832 870 7677

BHP Group Limited ABN 49 004 028 077  
LEI WZE1WSENV6JSZFK0JC28  
Registered in Australia  
Registered Office: Level 18, 171 Collins Street  
Melbourne Victoria 3000 Australia  
Tel +61 1300 55 4757 Fax +61 3 9609 3015

BHP Group plc Registration number 3196209  
LEI 549300C116EOWV835768  
Registered in England and Wales  
Registered Office: Nova South, 160 Victoria Street  
London SW1E 5LB United Kingdom  
Tel +44 20 7802 4000 Fax +44 20 7802 4111

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## Production summary

	BHP interest	Quarter ended					Year to date	
		Dec 2020	Mar 2021	Jun 2021	Sep 2021	Dec 2021	Dec 2021	Dec 2020
<b>Copper <sup>(1)</sup></b>								
<b>Copper</b>								
<b>Payable metal in concentrate (kt)</b>								
Escondida <sup>(2)</sup>	57.5%	236.7	202.7	195.6	194.7	<b>196.2</b>	<b>390.9</b>	473.4
Pampa Norte <sup>(3)</sup>	100.0%	0.7	5.6	21.1	26.4	<b>24.2</b>	<b>50.6</b>	0.7
Antamina	33.8%	38.6	34.7	36.1	35.8	<b>38.4</b>	<b>74.2</b>	73.2
Total		<b>276.0</b>	<b>243.0</b>	<b>252.8</b>	<b>256.9</b>	<b>258.8</b>	<b>515.7</b>	<b>547.3</b>
<b>Cathode (kt)</b>								
Escondida <sup>(2)</sup>	57.5%	50.9	46.6	51.1	49.0	<b>48.4</b>	<b>97.4</b>	98.8
Pampa Norte <sup>(3)</sup>	100%	53.6	46.4	48.3	41.1	<b>44.1</b>	<b>85.2</b>	96.1
Olympic Dam	100%	47.6	55.4	50.8	29.5	<b>14.2</b>	<b>43.7</b>	99.1
Total		<b>152.1</b>	<b>148.4</b>	<b>150.2</b>	<b>119.6</b>	<b>106.7</b>	<b>226.3</b>	<b>294.0</b>
<b>Total copper (kt)</b>		<b>428.1</b>	<b>391.4</b>	<b>403.0</b>	<b>376.5</b>	<b>365.5</b>	<b>742.0</b>	<b>841.3</b>
<b>Lead</b>								
<b>Payable metal in concentrate (t)</b>								
Antamina	33.8%	993	468	381	378	<b>277</b>	<b>655</b>	1,683
Total		<b>993</b>	<b>468</b>	<b>381</b>	<b>378</b>	<b>277</b>	<b>655</b>	<b>1,683</b>
<b>Zinc</b>								
<b>Payable metal in concentrate (t)</b>								
Antamina	33.8%	41,909	33,299	35,483	33,289	<b>29,603</b>	<b>62,892</b>	76,307
Total		<b>41,909</b>	<b>33,299</b>	<b>35,483</b>	<b>33,289</b>	<b>29,603</b>	<b>62,892</b>	<b>76,307</b>
<b>Gold</b>								
<b>Payable metal in concentrate (troy oz)</b>								
Escondida <sup>(2)</sup>	57.5%	47,789	37,954	38,893	41,962	<b>42,937</b>	<b>84,899</b>	90,121
Pampa Norte <sup>(3)</sup>	100%	-	-	4,728	6,967	<b>5,776</b>	<b>12,743</b>	-
Olympic Dam (refined gold)	100%	23,837	37,075	48,478	26,277	<b>37,805</b>	<b>64,082</b>	60,445
Total		<b>71,626</b>	<b>75,029</b>	<b>92,099</b>	<b>75,206</b>	<b>86,518</b>	<b>161,724</b>	<b>150,566</b>
<b>Silver</b>								
<b>Payable metal in concentrate (troy koz)</b>								
Escondida <sup>(2)</sup>	57.5%	1,627	1,318	1,234	1,291	<b>1,462</b>	<b>2,753</b>	3,207
Pampa Norte <sup>(3)</sup>	100%	-	-	214	273	<b>215</b>	<b>488</b>	-
Antamina	33.8%	1,767	1,463	1,409	1,367	<b>1,308</b>	<b>2,675</b>	3,093
Olympic Dam (refined silver)	100%	193	275	185	191	<b>258</b>	<b>449</b>	350
Total		<b>3,587</b>	<b>3,056</b>	<b>3,042</b>	<b>3,122</b>	<b>3,243</b>	<b>6,365</b>	<b>6,650</b>
<b>Uranium</b>								
<b>Payable metal in concentrate (t)</b>								
Olympic Dam	100%	945	834	614	531	<b>287</b>	<b>818</b>	1,819
Total		<b>945</b>	<b>834</b>	<b>614</b>	<b>531</b>	<b>287</b>	<b>818</b>	<b>1,819</b>
<b>Molybdenum</b>								
<b>Payable metal in concentrate (t)</b>								
Pampa Norte <sup>(3)</sup>	100%	-	-	-	-	-	-	-
Antamina	33.8%	192	276	111	142	<b>217</b>	<b>359</b>	476
Total		<b>192</b>	<b>276</b>	<b>111</b>	<b>142</b>	<b>217</b>	<b>359</b>	<b>476</b>

## Production summary

	BHP interest	Quarter ended				Year to date		
		Dec 2020	Mar 2021	Jun 2021	Sep 2021	Dec 2021	Dec 2020	
<b>Iron Ore</b>								
<b>Iron Ore</b>								
<b>Production (kt) <sup>(4)</sup></b>								
Newman	85%	17,637	14,614	14,560	16,461	<b>14,577</b>	<b>31,038</b>	34,047
Area C Joint Venture	85%	11,567	13,010	15,920	18,947	<b>22,911</b>	<b>41,858</b>	23,456
Yandi Joint Venture	85%	16,413	16,112	18,405	11,834	<b>12,261</b>	<b>24,095</b>	34,079
Jimblebar <sup>(5)</sup>	85%	16,740	15,241	15,337	15,009	<b>15,324</b>	<b>30,333</b>	36,815
Samarco	50%	37	878	1,023	1,048	<b>1,029</b>	<b>2,077</b>	37
Total		<b>62,394</b>	<b>59,855</b>	<b>65,245</b>	<b>63,299</b>	<b>66,102</b>	<b>129,401</b>	128,434
<b>Coal</b>								
<b>Metallurgical coal</b>								
<b>Production (kt) <sup>(6)</sup></b>								
BMA	50%	7,539	7,727	9,253	6,715	<b>6,300</b>	<b>13,015</b>	14,904
BHP Mitsui Coal <sup>(7)(8)</sup>	80%	1,983	1,863	2,570	2,135	<b>2,518</b>	<b>4,653</b>	4,308
Total		<b>9,522</b>	<b>9,590</b>	<b>11,823</b>	<b>8,850</b>	<b>8,818</b>	<b>17,668</b>	19,212
<b>Energy coal</b>								
<b>Production (kt)</b>								
NSW Energy Coal	100%	3,229	2,981	4,492	4,238	<b>2,967</b>	<b>7,205</b>	6,853
Total		<b>3,229</b>	<b>2,981</b>	<b>4,492</b>	<b>4,238</b>	<b>2,967</b>	<b>7,205</b>	6,853
<b>Production (kt)</b>								
Cerrejón	33.3%	347	1,795	1,784	2,060	<b>2,176</b>	<b>4,236</b>	1,385
Total		<b>347</b>	<b>1,795</b>	<b>1,784</b>	<b>2,060</b>	<b>2,176</b>	<b>4,236</b>	1,385
<b>Other</b>								
<b>Nickel</b>								
<b>Saleable production (kt)</b>								
Nickel West	100%	24.0	20.4	22.4	17.8	<b>21.5</b>	<b>39.3</b>	46.2
Total		<b>24.0</b>	<b>20.4</b>	<b>22.4</b>	<b>17.8</b>	<b>21.5</b>	<b>39.3</b>	46.2
<b>Cobalt</b>								
<b>Saleable production (t)</b>								
Nickel West	100%	236	273	241	177	<b>220</b>	<b>397</b>	474
Total		<b>236</b>	<b>273</b>	<b>241</b>	<b>177</b>	<b>220</b>	<b>397</b>	474
<b>Discontinued operations</b>								
<b>Petroleum <sup>(9)</sup></b>								
<b>Production</b>								
Crude oil, condensate and NGL (Mboe)		10,729	11,601	12,205	12,751	<b>12,345</b>	<b>25,096</b>	22,236
Natural gas (bcf)		78.5	82.6	88.6	88.4	<b>80.1</b>	<b>168.5</b>	169.4
Total (Mboe)		<b>23,812</b>	<b>25,368</b>	<b>26,972</b>	<b>27,484</b>	<b>25,695</b>	<b>53,179</b>	50,469

- (1) Metal production is reported on the basis of payable metal.
- (2) Shown on a 100% basis. BHP interest in saleable production is 57.5%.
- (3) Includes Cerro Colorado and Spence.
- (4) Iron ore production is reported on a wet tonnes basis.
- (5) Shown on a 100% basis. BHP interest in saleable production is 85%.
- (6) Metallurgical coal production is reported on the basis of saleable product. Production figures include some thermal coal.
- (7) Shown on a 100% basis. BHP interest in saleable production is 80%.
- (8) We announced the divestment of our interest in BHP Mitsui Coal (BMC) in November 2021, but will continue to report BMC as part of Queensland Coal as we maintain economic and operating control of BMC until the sale has completed.
- (9) LPG and ethane are reported as natural gas liquids (NGL). Product-specific conversions are made and NGL is reported in barrels of oil equivalent (boe). Total boe conversions are based on 6 bcf of natural gas equals 1,000 Mboe.

Throughout this report figures in italics indicate that this figure has been adjusted since it was previously reported.

## Production and sales report

Quarter ended					Year to date	
Dec	Mar	Jun	Sep	Dec	Dec	Dec
2020	2021	2021	2021	2021	2021	2020

### Copper

Metals production is payable metal unless otherwise stated.

#### Escondida, Chile <sup>(1)</sup>

Material mined	(kt)	97,274	95,978	104,043	113,874	<b>117,284</b>	<b>231,158</b>	180,631
Concentrator throughput	(kt)	36,303	32,654	31,903	33,528	<b>35,787</b>	<b>69,315</b>	71,036
Average copper grade - concentrator	(%)	0.83%	0.78%	0.77%	0.73%	<b>0.71%</b>	<b>0.72%</b>	0.84%
Production ex mill	(kt)	246.1	207.8	202.8	201.2	<b>203.6</b>	<b>404.8</b>	490.0

#### Production

Payable copper	(kt)	236.7	202.7	195.6	194.7	<b>196.2</b>	<b>390.9</b>	473.4
Copper cathode (EW)	(kt)	50.9	46.6	51.1	49.0	<b>48.4</b>	<b>97.4</b>	98.8
- Oxide leach	(kt)	18.0	16.1	14.5	14.8	<b>13.1</b>	<b>27.9</b>	33.3
- Sulphide leach	(kt)	32.9	30.5	36.6	34.2	<b>35.3</b>	<b>69.5</b>	65.5
Total copper	(kt)	<b>287.6</b>	<b>249.3</b>	<b>246.7</b>	<b>243.7</b>	<b>244.6</b>	<b>488.3</b>	<b>572.2</b>
Payable gold concentrate	(troy oz)	47,789	37,954	38,893	41,962	<b>42,937</b>	<b>84,899</b>	90,121
Payable silver concentrate	(troy koz)	1,627	1,318	1,234	1,291	<b>1,462</b>	<b>2,753</b>	3,207

#### Sales

Payable copper	(kt)	244.3	196.9	194.1	190.5	<b>200.2</b>	<b>390.7</b>	481.4
Copper cathode (EW)	(kt)	47.7	49.6	49.6	46.7	<b>49.7</b>	<b>96.4</b>	94.2
Payable gold concentrate	(troy oz)	47,789	37,954	38,893	41,962	<b>42,937</b>	<b>84,899</b>	90,121
Payable silver concentrate	(troy koz)	1,627	1,318	1,234	1,291	<b>1,462</b>	<b>2,753</b>	3,207

(1) Shown on a 100% basis. BHP interest in saleable production is 57.5%.

#### Pampa Norte, Chile

##### Cerro Colorado

Material mined	(kt)	6,750	6,153	5,498	5,378	<b>4,782</b>	<b>10,160</b>	19,368
Ore stacked	(kt)	3,562	3,283	3,702	3,566	<b>4,029</b>	<b>7,595</b>	7,598
Average copper grade - stacked	(%)	0.58%	0.58%	0.58%	0.60%	<b>0.62%</b>	<b>0.61%</b>	0.62%

#### Production

Copper cathode (EW)	(kt)	15.8	13.9	14.7	13.4	<b>15.3</b>	<b>28.7</b>	31.6
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#### Sales

Copper cathode (EW)	(kt)	16.6	13.2	15.4	12.1	<b>16.0</b>	<b>28.1</b>	31.2
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##### Spence

Material mined	(kt)	18,485	19,195	21,262	21,154	<b>24,025</b>	<b>45,179</b>	36,745
Ore stacked	(kt)	5,602	5,536	4,609	5,258	<b>5,071</b>	<b>10,329</b>	10,010
Average copper grade - stacked	(%)	0.83%	0.64%	0.72%	0.64%	<b>0.66%</b>	<b>0.65%</b>	0.95%
Concentrator throughput	(kt)	1,207	2,471	4,929	5,786	<b>6,234</b>	<b>12,020</b>	1,207
Average copper grade - concentrator	(%)	0	0.58%	0.63%	0.65%	<b>0.60%</b>	<b>0.62%</b>	0

#### Production

Payable copper	(kt)	0.7	5.6	21.1	26.4	<b>24.2</b>	<b>50.6</b>	0.7
Copper cathode (EW)	(kt)	37.8	32.5	33.6	27.7	<b>28.8</b>	<b>56.5</b>	64.5
Total copper	(kt)	<b>38.5</b>	<b>38.1</b>	<b>54.7</b>	<b>54.1</b>	<b>53.0</b>	<b>107.1</b>	<b>65.2</b>
Payable gold concentrate	(troy oz)	-	-	4,728	6,967	<b>5,776</b>	<b>12,743</b>	-
Payable silver concentrate	(troy koz)	-	-	214	273	<b>215</b>	<b>488</b>	-
Payable molybdenum	(t)	-	-	-	-	-	-	-

#### Sales

Payable copper	(kt)	-	1.8	20.8	28.4	<b>24.9</b>	<b>53.3</b>	-
Copper cathode (EW)	(kt)	40.9	30.7	34.1	27.7	<b>31.2</b>	<b>58.9</b>	65.0
Payable gold concentrate	(troy oz)	-	-	4,728.0	6,967.0	<b>5,776</b>	<b>12,743</b>	-
Payable silver concentrate	(troy koz)	-	-	214.0	273.0	<b>215</b>	<b>488</b>	-
Payable molybdenum	(t)	-	-	-	-	-	-	-

## Production and sales report

		Quarter ended				Year to date	
		Dec	Mar	Jun	Sep	Dec	Dec
		2020	2021	2021	2021	2021	2020

### Copper (continued)

Metals production is payable metal unless otherwise stated.

#### Antamina, Peru

Material mined (100%)	(kt)	57,029	53,762	63,393	66,581	<b>58,179</b>	<b>124,760</b>	102,487
Concentrator throughput (100%)	(kt)	14,083	12,651	13,466	13,219	<b>13,011</b>	<b>26,230</b>	27,285
Average head grades								
- Copper	(%)	0.97%	0.94%	0.93%	0.97%	<b>1.00%</b>	<b>0.98%</b>	0.96%
- Zinc	(%)	1.30%	1.16%	1.24%	1.16%	<b>1.11%</b>	<b>1.14%</b>	1.30%

#### Production

Payable copper	(kt)	38.6	34.7	36.1	35.8	<b>38.4</b>	<b>74.2</b>	73.2
Payable zinc	(t)	41,909	33,299	35,483	33,289	<b>29,603</b>	<b>62,892</b>	76,307
Payable silver	(troy koz)	1,767	1,463	1,409	1,367	<b>1,308</b>	<b>2,675</b>	3,093
Payable lead	(t)	993	468	381	378	<b>277</b>	<b>655</b>	1,683
Payable molybdenum	(t)	192	276	111	142	<b>217</b>	<b>359</b>	476

#### Sales

Payable copper	(kt)	40.7	31.7	37.3	32.7	<b>41.9</b>	<b>74.6</b>	74.5
Payable zinc	(t)	45,109	34,141	32,044	32,635	<b>32,513</b>	<b>65,148</b>	77,878
Payable silver	(troy koz)	1,728	1,342	1,540	1,103	<b>1,405</b>	<b>2,508</b>	3,038
Payable lead	(t)	945	689	556	232	<b>344</b>	<b>576</b>	1,693
Payable molybdenum	(t)	352	192	268	86	<b>170</b>	<b>256</b>	744

#### Olympic Dam, Australia

Material mined <sup>(1)</sup>	(kt)	2,379	1,979	2,143	1,935	<b>1,998</b>	<b>3,933</b>	4,582
Ore Milled	(kt)	2,377	2,238	2,429	2,024	<b>1,105</b>	<b>3,129</b>	4,820
Average copper grade	(%)	2.01%	2.02%	1.95%	2.03%	<b>2.17%</b>	<b>2.08%</b>	2.02%
Average uranium grade	(kg/t)	0.60	0.61	0.56	0.55	<b>0.55</b>	<b>0.55</b>	0.56

#### Production

Copper cathode (ER and EW)	(kt)	47.6	55.4	50.8	29.5	<b>14.2</b>	<b>43.7</b>	99.1
Payable uranium	(t)	945	834	614	531	<b>287</b>	<b>818</b>	1,819
Refined gold	(troy oz)	23,837	37,075	48,478	26,277	<b>37,805</b>	<b>64,082</b>	60,445
Refined silver	(troy koz)	193	275	185	191	<b>258</b>	<b>449</b>	350

#### Sales

Copper cathode (ER and EW)	(kt)	46.6	55.6	52.7	29.1	<b>17.9</b>	<b>47.0</b>	96.1
Payable uranium	(t)	999	779	1,179	536	<b>541</b>	<b>1,077</b>	1,858
Refined gold	(troy oz)	21,390	38,852	47,300	24,654	<b>38,768</b>	<b>63,422</b>	57,444
Refined silver	(troy koz)	165	242	245	126	<b>290</b>	<b>416</b>	387

(1) Material mined refers to underground ore mined, subsequently hoisted or trucked to surface.



## Production and sales report

Quarter ended					Year to date	
Dec	Mar	Jun	Sep	Dec	Dec	Dec
2020	2021	2021	2021	2021	2021	2020

### Iron Ore

Iron ore production and sales are reported on a wet tonnes basis.

#### Western Australia Iron Ore, Australia

##### Production

Newman	(kt)	17,637	14,614	14,560	16,461	<b>14,577</b>	<b>31,038</b>	34,047
Area C Joint Venture	(kt)	11,567	13,010	15,920	18,947	<b>22,911</b>	<b>41,858</b>	23,456
Yandi Joint Venture	(kt)	16,413	16,112	18,405	11,834	<b>12,261</b>	<b>24,095</b>	34,079
Jimblebar <sup>(1)</sup>	(kt)	16,740	15,241	15,337	15,009	<b>15,324</b>	<b>30,333</b>	36,815
Total production	(kt)	<b>62,357</b>	<b>58,977</b>	<b>64,222</b>	<b>62,251</b>	<b>65,073</b>	<b>127,324</b>	128,397
Total production (100%)	(kt)	<b>70,407</b>	<b>66,695</b>	<b>72,848</b>	<b>70,587</b>	<b>73,852</b>	<b>144,439</b>	144,559

##### Sales

Lump	(kt)	16,703	15,593	16,410	17,546	<b>17,827</b>	<b>35,373</b>	33,759
Fines	(kt)	46,124	42,939	48,837	45,039	<b>46,809</b>	<b>91,848</b>	94,514
Total	(kt)	<b>62,827</b>	<b>58,532</b>	<b>65,247</b>	<b>62,585</b>	<b>64,636</b>	<b>127,221</b>	128,273
Total sales (100%)	(kt)	<b>70,772</b>	<b>66,032</b>	<b>73,712</b>	<b>70,815</b>	<b>73,222</b>	<b>144,037</b>	144,127

(1) Shown on a 100% basis. BHP interest in saleable production is 85%.

#### Samarco, Brazil <sup>(1)</sup>

<b>Production</b>	(kt)	37	878	1,023	1,048	<b>1,029</b>	<b>2,077</b>	37
<b>Sales</b>	(kt)	-	646	1,052	1,111	<b>950</b>	<b>2,061</b>	-

(1) Samarco commenced iron ore pellet production in December 2020 after meeting the licencing requirements to restart operations at the Germano complex in Minas Gerais and Ubu complex in Espírito Santo, Brazil.

## Production and sales report

		Quarter ended				Year to date		
		Dec	Mar	Jun	Sep	Dec	Dec	
		2020	2021	2021	2021	2021	2020	
<b>Coal</b>								
Coal production is reported on the basis of saleable product.								
<b>Queensland Coal, Australia</b>								
<b>Production <sup>(1)</sup></b>								
<b>BMA</b>								
Blackwater	(kt)	1,737	1,416	1,887	1,403	<b>1,202</b>	<b>2,605</b>	2,921
Goonyella	(kt)	2,152	2,232	2,752	1,798	<b>1,797</b>	<b>3,595</b>	4,464
Peak Downs	(kt)	1,213	1,595	1,597	1,223	<b>960</b>	<b>2,183</b>	2,700
Saraji	(kt)	1,043	1,238	1,391	999	<b>1,081</b>	<b>2,080</b>	1,860
Daunia	(kt)	464	496	478	377	<b>304</b>	<b>681</b>	954
Caval Ridge	(kt)	930	750	1,148	915	<b>956</b>	<b>1,871</b>	2,005
Total BMA	(kt)	<b>7,539</b>	<b>7,727</b>	<b>9,253</b>	<b>6,715</b>	<b>6,300</b>	<b>13,015</b>	14,904
Total BMA (100%)	(kt)	<b>15,078</b>	<b>15,454</b>	<b>18,506</b>	<b>13,430</b>	<b>12,600</b>	<b>26,030</b>	29,808
<b>BHP Mitsui Coal <sup>(2) (3)</sup></b>								
South Walker Creek	(kt)	1,118	1,031	1,500	1,462	<b>1,535</b>	<b>2,997</b>	2,356
Poitrel	(kt)	865	832	1,070	673	<b>983</b>	<b>1,656</b>	1,952
Total BHP Mitsui Coal	(kt)	<b>1,983</b>	<b>1,863</b>	<b>2,570</b>	<b>2,135</b>	<b>2,518</b>	<b>4,653</b>	4,308
Total Queensland Coal	(kt)	<b>9,522</b>	<b>9,590</b>	<b>11,823</b>	<b>8,850</b>	<b>8,818</b>	<b>17,668</b>	19,212
Total Queensland Coal (100%)	(kt)	<b>17,061</b>	<b>17,317</b>	<b>21,076</b>	<b>15,565</b>	<b>15,118</b>	<b>30,683</b>	34,116
<b>Sales</b>								
<b>BMA</b>								
Coking coal	(kt)	6,531	6,752	7,801	5,415	<b>4,875</b>	<b>10,290</b>	12,718
Weak coking coal	(kt)	936	1,038	1,069	734	<b>754</b>	<b>1,488</b>	1,913
Thermal coal	(kt)	3	206	400	576	<b>455</b>	<b>1,031</b>	61
Total BMA	(kt)	<b>7,470</b>	<b>7,996</b>	<b>9,270</b>	<b>6,725</b>	<b>6,084</b>	<b>12,809</b>	14,692
Total BMA (100%)	(kt)	<b>14,940</b>	<b>15,992</b>	<b>18,540</b>	<b>13,450</b>	<b>12,168</b>	<b>25,618</b>	29,384
<b>BHP Mitsui Coal <sup>(2) (3)</sup></b>								
Coking coal	(kt)	604	357	535	313	<b>458</b>	<b>771</b>	1,275
Weak coking coal	(kt)	1,518	1,404	2,027	1,788	<b>1,812</b>	<b>3,600</b>	3,063
Total BHP Mitsui Coal	(kt)	<b>2,122</b>	<b>1,761</b>	<b>2,562</b>	<b>2,101</b>	<b>2,270</b>	<b>4,371</b>	4,338
Total Queensland Coal	(kt)	<b>9,592</b>	<b>9,757</b>	<b>11,832</b>	<b>8,826</b>	<b>8,354</b>	<b>17,180</b>	19,030
Total Queensland Coal (100%)	(kt)	<b>17,062</b>	<b>17,753</b>	<b>21,102</b>	<b>15,551</b>	<b>14,438</b>	<b>29,989</b>	33,722

(1) Production figures include some thermal coal.

(2) Shown on a 100% basis. BHP interest in saleable production is 80%.

(3) We announced the divestment of our interest in BHP Mitsui Coal (BMC) in November 2021, but will continue to report BMC as part of Queensland Coal as we maintain economic and operating control of BMC until the sale has completed.

<b>NSW Energy Coal, Australia</b>								
<b>Production</b>	(kt)	3,229	2,981	4,492	4,238	<b>2,967</b>	<b>7,205</b>	6,853
<b>Sales thermal coal - export</b>	(kt)	3,940	2,827	4,691	3,780	<b>3,718</b>	<b>7,498</b>	7,108
<b>Cerrejón, Colombia</b>								
<b>Production</b>	(kt)	347	1,795	1,784	2,060	<b>2,176</b>	<b>4,236</b>	1,385
<b>Sales thermal coal - export</b>	(kt)	370	1,746	1,619	2,180	<b>2,012</b>	<b>4,192</b>	1,364

## Production and sales report

Quarter ended					Year to date	
Dec 2020	Mar 2021	Jun 2021	Sep 2021	Dec 2021	Dec 2021	Dec 2020

### Other

Nickel production is reported on the basis of saleable product

#### Nickel West, Australia

##### Mt Keith

Nickel concentrate	(kt)	55.7	54.1	50.4	53.7	<b>47.0</b>	<b>100.7</b>	120.1
Average nickel grade	(%)	14.7	13.3	13.3	14.6	<b>13.2</b>	<b>13.9</b>	15.3

##### Leinster

Nickel concentrate	(kt)	72.8	71.5	71.4	73.8	<b>77.4</b>	<b>151.2</b>	139.0
Average nickel grade	(%)	9.5	10.2	10.5	8.9	<b>9.1</b>	<b>9.0</b>	9.3

#### Saleable production

Refined nickel <sup>(1)</sup>	(kt)	20.4	15.2	17.1	14.4	<b>18.2</b>	<b>32.6</b>	37.7
Nickel sulphate <sup>(2)</sup>	(kt)	-	-	-	-	<b>0.4</b>	<b>0.4</b>	-
Intermediates and nickel by-products <sup>(3)</sup>	(kt)	3.6	5.2	5.3	3.4	<b>2.9</b>	<b>6.3</b>	8.5
Total nickel	(kt)	<b>24.0</b>	<b>20.4</b>	<b>22.4</b>	<b>17.8</b>	<b>21.5</b>	<b>39.3</b>	<b>46.2</b>

Cobalt by-products	(t)	236	273	241	177	<b>220</b>	<b>397</b>	474
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#### Sales

Refined nickel <sup>(1)</sup>	(kt)	20.9	15.0	17.8	13.8	<b>16.9</b>	<b>30.7</b>	38.0
Nickel sulphate <sup>(2)</sup>	(kt)	-	-	-	-	<b>0.1</b>	<b>0.1</b>	-
Intermediates and nickel by-products <sup>(3)</sup>	(kt)	2.6	5.9	4.0	3.9	<b>3.1</b>	<b>7.0</b>	7.2
Total nickel	(kt)	<b>23.5</b>	<b>20.9</b>	<b>21.8</b>	<b>17.7</b>	<b>20.1</b>	<b>37.8</b>	<b>45.2</b>

Cobalt by-products	(t)	237	273	241	177	<b>220</b>	<b>397</b>	475
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(1) High quality refined nickel metal, including briquettes and powder.

(2) Nickel sulphate crystals produced from nickel powder.

(3) Nickel contained in matte and by-product streams.

## Production and sales report

		Quarter ended					Year to date	
		Dec	Mar	Jun	Sep	Dec	Dec	Dec
		2020	2021	2021	2021	2021	2021	2020
<b>Discontinued operations</b>								
<b>Petroleum <sup>(1)</sup></b>								
<b>Bass Strait</b>								
Crude oil and condensate	(Mboe)	1,003	859	1,205	1,201	<b>971</b>	<b>2,172</b>	2,308
NGL	(Mboe)	1,057	1,035	1,563	1,655	<b>1,140</b>	<b>2,795</b>	2,717
Natural gas	(bcf)	23.4	22.7	32.8	35.8	<b>25.8</b>	<b>61.6</b>	57.5
Total petroleum products	(Mboe)	<b>5,960</b>	<b>5,677</b>	<b>8,235</b>	<b>8,823</b>	<b>6,411</b>	<b>15,234</b>	14,608
<b>North West Shelf</b>								
Crude oil and condensate	(Mboe)	1,180	1,183	933	973	<b>1,027</b>	<b>2,000</b>	2,395
NGL	(Mboe)	165	188	177	148	<b>180</b>	<b>328</b>	327
Natural gas	(bcf)	30.4	31.1	26.5	24.3	<b>25.8</b>	<b>50.1</b>	60.0
Total petroleum products	(Mboe)	<b>6,412</b>	<b>6,554</b>	<b>5,527</b>	<b>5,171</b>	<b>5,507</b>	<b>10,678</b>	12,722
<b>Pyrenees</b>								
Crude oil and condensate	(Mboe)	826	679	690	710	<b>723</b>	<b>1,433</b>	1,663
Total petroleum products	(Mboe)	<b>826</b>	<b>679</b>	<b>690</b>	<b>710</b>	<b>723</b>	<b>1,433</b>	1,663
<b>Macedon</b>								
Crude oil and condensate	(Mboe)	1	1	-	1	<b>1</b>	<b>2</b>	2
Natural gas	(bcf)	12.6	12.4	12.6	12.7	<b>12.6</b>	<b>25.3</b>	25.3
Total petroleum products	(Mboe)	<b>2,101</b>	<b>2,068</b>	<b>2,100</b>	<b>2,118</b>	<b>2,101</b>	<b>4,219</b>	4,219
<b>Atlantis <sup>(2)</sup></b>								
Crude oil and condensate	(Mboe)	2,385	2,590	3,117	3,171	<b>3,222</b>	<b>6,393</b>	4,806
NGL	(Mboe)	147	171	218	222	<b>186</b>	<b>408</b>	301
Natural gas	(bcf)	1.1	1.4	1.6	1.7	<b>1.5</b>	<b>3.2</b>	2.3
Total petroleum products	(Mboe)	<b>2,715</b>	<b>2,994</b>	<b>3,602</b>	<b>3,676</b>	<b>3,658</b>	<b>7,334</b>	5,490
<b>Mad Dog <sup>(2)</sup></b>								
Crude oil and condensate	(Mboe)	930	1,209	1,099	1,155	<b>1,137</b>	<b>2,292</b>	2,141
NGL	(Mboe)	38	57	77	46	<b>56</b>	<b>102</b>	86
Natural gas	(bcf)	0.1	0.2	0.2	0.2	<b>0.1</b>	<b>0.3</b>	0.3
Total petroleum products	(Mboe)	<b>985</b>	<b>1,299</b>	<b>1,209</b>	<b>1,234</b>	<b>1,210</b>	<b>2,444</b>	2,277
<b>Shenzi <sup>(2) (3)</sup></b>								
Crude oil and condensate	(Mboe)	1,764	2,328	2,023	2,016	<b>2,335</b>	<b>4,351</b>	3,159
NGL	(Mboe)	87	130	87	102	<b>134</b>	<b>236</b>	158
Natural gas	(bcf)	0.3	0.4	0.1	0.4	<b>0.4</b>	<b>0.8</b>	0.6
Total petroleum products	(Mboe)	<b>1,901</b>	<b>2,525</b>	<b>2,127</b>	<b>2,185</b>	<b>2,536</b>	<b>4,721</b>	3,417
<b>Trinidad/Tobago</b>								
Crude oil and condensate	(Mboe)	96	139	236	491	<b>396</b>	<b>887</b>	198
Natural gas	(bcf)	10.5	14.4	14.7	13.3	<b>13.9</b>	<b>27.2</b>	23.3
Total petroleum products	(Mboe)	<b>1,846</b>	<b>2,539</b>	<b>2,686</b>	<b>2,708</b>	<b>2,713</b>	<b>5,421</b>	4,081
<b>Other Americas <sup>(2) (4)</sup></b>								
Crude oil and condensate	(Mboe)	190	187	104	83	<b>81</b>	<b>164</b>	402
NGL	(Mboe)	11	-	8	3	-	<b>3</b>	13
Natural gas	(bcf)	0.1	-	0.1	-	-	-	0.1
Total petroleum products	(Mboe)	<b>218</b>	<b>187</b>	<b>129</b>	<b>86</b>	<b>81</b>	<b>167</b>	432
<b>Algeria</b>								
Crude oil and condensate	(Mboe)	849	845	668	774	<b>756</b>	<b>1,530</b>	1,560
Total petroleum products	(Mboe)	<b>849</b>	<b>845</b>	<b>668</b>	<b>774</b>	<b>756</b>	<b>1,530</b>	1,560

## Production and sales report

Quarter ended					Year to date	
Dec	Mar	Jun	Sep	Dec	Dec	Dec
2020	2021	2021	2021	2021	2021	2020

### Discontinued operations (continued)

#### Petroleum <sup>(1)</sup>

#### Total production

Crude oil and condensate	(Mboe)	9,224	10,020	10,075	10,575	<b>10,649</b>	<b>21,224</b>	18,634
NGL	(Mboe)	1,505	1,581	2,130	2,176	<b>1,696</b>	<b>3,872</b>	3,602
Natural gas	(bcf)	78.5	82.6	88.6	88.4	<b>80.1</b>	<b>168.5</b>	169.4
Total	(Mboe)	<b>23,812</b>	<b>25,368</b>	<b>26,972</b>	<b>27,484</b>	<b>25,695</b>	<b>53,179</b>	50,469

(1) Total boe conversions are based on 6 bcf of natural gas equals 1,000 Mboe. Negative production figures represent finalisation adjustments.

(2) Gulf of Mexico volumes are net of royalties.

(3) BHP completed the acquisition of an additional 28% working interest in Shenzhi on 6 November 2020, taking its total working interest to 72%.

(4) Other Americas includes Neptune, Genesis and Overriding Royalty Interest.

# BHP

## Attachment 1

### Restated financial information

For the year ended 30 June 2021 and the half year ended 31 December 2020

## Contents

	<b>Page</b>
<b>Restated financial information</b>	
Basis of preparation of restated financial information	24
Consolidated Income Statement – Restated	25
Consolidated Statement of Comprehensive Income	25
Consolidated Balance Sheet	26
Consolidated Cash Flow Statement – Restated	27
Consolidated Statement of Changes in Equity	28
<b>Restated supplementary financial information</b>	<b>29</b>

### ***Basis of preparation of restated financial information***

This financial information for the year ended 30 June 2021 and the half year ended 31 December 2020 for the Group is not audited and has been prepared to restate previously published information for the effects of applying IFRS 5/AASB 5 'Non-current Assets Held for Sale and Discontinued Operations' to the Group's Petroleum business.

On 22 November 2021, the Group and Woodside Petroleum Ltd ('Woodside') signed a binding share sale agreement (SSA) for the merger of the Group's oil and gas portfolio with Woodside ('Merger'). The merger, which has an effective date of 1 July 2021, is subject to satisfaction of conditions precedent by 30 June 2022 or an agreed later date including shareholder, regulatory and other approvals.

Prior to completion, the Group will carry on its Petroleum business in the normal course and, while the effective date at which the right to net cash flows transferred to Woodside was 1 July 2021, the Group continues to control its Petroleum assets until the completion date of the transaction.

As such, the Group will continue to recognise its share of revenue, expenses, net finance costs and associated income tax expense related to the operation until the completion date. However, as at 31 December 2021, the Petroleum business will be classified as a disposal group held for sale and as a discontinued operation.

The nature of each change reflected in the attached restated financial information is as follows:

- All income and expense items relating to the Petroleum Discontinued Operation have been removed from the individual line items in the Consolidated Income Statement. The post-tax loss of the Petroleum Discontinued Operation is presented as a single amount in the line item titled "Loss after taxation from Discontinued operations"; and
- All cash flows and other items relating to the Petroleum Discontinued Operation have been removed from the individual line items in the Consolidated Cash Flow Statement. The net cash flows attributable to the operating, investing and financing activities of the Petroleum Discontinued Operation are each disclosed in single amounts in each section of the Consolidated Cash Flow Statement.

The Consolidated Balance Sheet, the Consolidated Statement of Comprehensive Income and the Consolidated Statement of Changes in Equity for these periods are not required to be restated.



## Consolidated Income Statement – Restated

	Half year ended 31 Dec 2020 US\$M	Year ended 30 June 2021 US\$M
<b>Continuing operations</b>		
Revenue	24,044	56,921
Other income	136	380
Expenses excluding net finance costs	(13,821)	(30,871)
Loss from equity accounted investments, related impairments and expenses	(470)	(915)
<b>Profit from operations</b>	<b>9,889</b>	<b>25,515</b>
Financial expenses	(922)	(1,290)
Financial income	46	67
Net finance costs	(876)	(1,223)
<b>Profit before taxation</b>	<b>9,013</b>	<b>24,292</b>
Income tax expense	(3,965)	(10,376)
Royalty-related taxation (net of income tax benefit)	(28)	(240)
Total taxation expense	(3,993)	(10,616)
<b>Profit after taxation from Continuing operations</b>	<b>5,020</b>	<b>13,676</b>
<b>Discontinued operations</b>		
Loss after taxation from Discontinued operations	(192)	(225)
<b>Profit after taxation from Continuing and Discontinued operations</b>	<b>4,828</b>	<b>13,451</b>
Attributable to non-controlling interests	952	2,147
Attributable to BHP shareholders	3,876	11,304
Basic earnings per ordinary share (cents)	76.6	223.5
Diluted earnings per ordinary share (cents)	76.5	223.0
Basic earnings from Continuing operations per ordinary share (cents)	80.4	228.0
Diluted earnings from Continuing operations per ordinary share (cents)	80.3	227.5

## Consolidated Statement of Comprehensive Income

	Half year ended 31 Dec 2020 US\$M	Year ended 30 June 2021 US\$M
<b>Profit after taxation from Continuing and Discontinued operations</b>	<b>4,828</b>	<b>13,451</b>
<b>Other comprehensive income</b>		
<u>Items that may be reclassified subsequently to the income statement:</u>		
Hedges:		
Gains taken to equity	1,074	863
Gains transferred to the income statement	(1,000)	(837)
Exchange fluctuations on translation of foreign operations taken to equity	-	5
Tax recognised within other comprehensive income	(22)	(8)
Total items that may be reclassified subsequently to the income statement	52	23
<u>Items that will not be reclassified to the income statement:</u>		
Re-measurement (losses)/gains on pension and medical schemes	(4)	58
Equity investments held at fair value	2	(2)
Tax recognised within other comprehensive income	1	(20)
Total items that will not be reclassified to the income statement	(1)	36
Total other comprehensive income	51	59
<b>Total comprehensive income</b>	<b>4,879</b>	<b>13,510</b>
Attributable to non-controlling interests	953	2,158
Attributable to BHP shareholders	3,926	11,352

## Consolidated Balance Sheet

	Half year ended 31 Dec 2020 US\$M	Year ended 30 June 2021 US\$M
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	9,291	15,246
Trade and other receivables	4,573	6,059
Other financial assets	227	230
Inventories	4,511	4,426
Assets held for sale	–	324
Current tax assets	295	279
Other	113	129
<b>Total current assets</b>	<b>19,010</b>	<b>26,693</b>
<b>Non-current assets</b>		
Trade and other receivables	270	337
Other financial assets	2,269	1,610
Inventories	1,159	1,358
Property, plant and equipment	73,711	73,813
Intangible assets	1,508	1,437
Investments accounted for using the equity method	2,094	1,742
Deferred tax assets	3,178	1,912
Other	34	25
<b>Total non-current assets</b>	<b>84,223</b>	<b>82,234</b>
<b>Total assets</b>	<b>103,233</b>	<b>108,927</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade and other payables	5,663	7,027
Interest bearing liabilities	3,560	2,628
Liabilities directly associated with the assets held for sale	–	17
Other financial liabilities	237	130
Current tax payable	1,184	2,800
Provisions	2,631	3,696
Deferred income	86	105
<b>Total current liabilities</b>	<b>13,361</b>	<b>16,403</b>
<b>Non-current liabilities</b>		
Interest bearing liabilities	19,159	18,355
Other financial liabilities	1,187	1,146
Non-current tax payable	173	120
Deferred tax liabilities	3,603	3,314
Provisions	12,128	13,799
Deferred income	199	185
<b>Total non-current liabilities</b>	<b>36,449</b>	<b>36,919</b>
<b>Total liabilities</b>	<b>49,810</b>	<b>53,322</b>
<b>Net assets</b>	<b>53,423</b>	<b>55,605</b>
<b>EQUITY</b>		
Share capital – BHP Group Limited	1,111	1,111
Share capital – BHP Group Plc	1,057	1,057
Treasury shares	(30)	(33)
Reserves	2,335	2,350
Retained earnings	44,449	46,779
<b>Total equity attributable to BHP shareholders</b>	<b>48,922</b>	<b>51,264</b>
Non-controlling interests	4,501	4,341
<b>Total equity</b>	<b>53,423</b>	<b>55,605</b>

## Consolidated Cash Flow Statement – Restated

	Half year ended 31 Dec 2020 US\$M	Year ended 30 June 2021 US\$M
<b>Operating activities</b>		
Profit before taxation from Continuing operations	9,013	24,292
Adjustments for:		
Depreciation and amortisation expense	2,405	5,084
Impairments of property, plant and equipment, financial assets and intangibles	629	2,507
Net finance costs	876	1,223
Loss from equity accounted investments, related impairments and expenses	470	915
Other	294	573
Changes in assets and liabilities:		
Trade and other receivables	(1,049)	(2,389)
Inventories	(296)	(405)
Trade and other payables	45	1,149
Provisions and other assets and liabilities	(59)	486
Cash generated from operations	12,328	33,435
Dividends received	355	728
Interest received	60	97
Interest paid	(447)	(766)
Settlement of cash management related instruments	(202)	(401)
Net income tax and royalty-related taxation refunded	47	222
Net income tax and royalty-related taxation paid	(2,993)	(7,432)
<b>Net operating cash flows from Continuing operations</b>	<b>9,148</b>	<b>25,883</b>
Net operating cash flows from Discontinued operations	221	1,351
<b>Net operating cash flows</b>	<b>9,369</b>	<b>27,234</b>
<b>Investing activities</b>		
Purchases of property, plant and equipment	(2,835)	(5,612)
Exploration expenditure	(86)	(192)
Exploration expenditure expensed and included in operating cash flows	56	134
Net investment and funding of equity accounted investments	(361)	(553)
Proceeds from sale of assets	86	158
Other investing	(89)	(260)
<b>Net investing cash flows from Continuing operations</b>	<b>(3,229)</b>	<b>(6,325)</b>
Net investing cash flows from Discontinued operations	(980)	(1,520)
<b>Net investing cash flows</b>	<b>(4,209)</b>	<b>(7,845)</b>
<b>Financing activities</b>		
Proceeds from interest bearing liabilities	218	568
Proceeds from debt related instruments	90	167
Repayment of interest bearing liabilities	(6,181)	(8,357)
Purchase of shares by Employee Share Ownership Plan (ESOP) trusts	(174)	(234)
Dividends paid	(2,767)	(7,901)
Dividends paid to non-controlling interests	(762)	(2,127)
<b>Net financing cash flows from Continuing operations</b>	<b>(9,576)</b>	<b>(17,884)</b>
Net financing cash flows from Discontinued operations	(19)	(38)
<b>Net financing cash flows</b>	<b>(9,595)</b>	<b>(17,922)</b>
<b>Net (decrease)/increase in cash and cash equivalents from Continuing operations</b>	<b>(3,657)</b>	<b>1,674</b>
<b>Net decrease in cash and cash equivalents from Discontinued operations</b>	<b>(778)</b>	<b>(207)</b>
Cash and cash equivalents, net of overdrafts, at the beginning of the financial year	13,426	13,426
Foreign currency exchange rate changes on cash and cash equivalents	300	353
<b>Cash and cash equivalents, net of overdrafts, at the end of period</b>	<b>9,291</b>	<b>15,246</b>

**Consolidated Statement of Changes in Equity for the half year ended 31 December 2020 and the year ended 30 June 2021**

US\$M	Attributable to BHP shareholders								Non-controlling interests	Total equity
	Share capital				Treasury shares					
	BHP Group Limited	BHP Group Plc	BHP Group Limited	BHP Group Plc	Reserves	Retained earnings	Total equity attributable to BHP shareholders			
<b>Balance as at 1 July 2020</b>	<b>1,111</b>	<b>1,057</b>	<b>(5)</b>	<b>-</b>	<b>2,306</b>	<b>43,396</b>	<b>47,865</b>	<b>4,310</b>	<b>52,175</b>	
<b>Total comprehensive income</b>	-	-	-	-	<b>53</b>	<b>3,873</b>	<b>3,926</b>	<b>953</b>	<b>4,879</b>	
<b>Transactions with owners:</b>										
Purchase of shares by ESOP Trusts	-	-	(171)	(3)	-	-	(174)	-	(174)	
Employee share awards exercised net of employee contributions net of tax	-	-	147	2	(106)	(43)	-	-	-	
Vested employee share awards that have lapsed, been cancelled or forfeited	-	-	-	-	(2)	2	-	-	-	
Accrued employee entitlement for unexercised awards net of tax	-	-	-	-	84	-	84	-	84	
Dividends	-	-	-	-	-	(2,779)	(2,779)	(762)	(3,541)	
<b>Balance as at 31 December 2020</b>	<b>1,111</b>	<b>1,057</b>	<b>(29)</b>	<b>(1)</b>	<b>2,335</b>	<b>44,449</b>	<b>48,922</b>	<b>4,501</b>	<b>53,423</b>	

US\$M	Attributable to BHP shareholders								Non-controlling interests	Total equity
	Share capital				Treasury shares					
	BHP Group Limited	BHP Group Plc	BHP Group Limited	BHP Group Plc	Reserves	Retained earnings	Total equity attributable to BHP shareholders			
<b>Balance as at 1 July 2020</b>	<b>1,111</b>	<b>1,057</b>	<b>(5)</b>	<b>-</b>	<b>2,306</b>	<b>43,396</b>	<b>47,865</b>	<b>4,310</b>	<b>52,175</b>	
<b>Total comprehensive income</b>	-	-	-	-	<b>22</b>	<b>11,330</b>	<b>11,352</b>	<b>2,158</b>	<b>13,510</b>	
<b>Transactions with owners:</b>										
Purchase of shares by ESOP Trusts	-	-	(229)	(5)	-	-	(234)	-	(234)	
Employee share awards exercised net of employee contributions net of tax	-	-	202	4	(149)	(57)	-	-	-	
Vested employee share awards that have lapsed, been cancelled or forfeited	-	-	-	-	(4)	4	-	-	-	
Accrued employee entitlement for unexercised awards net of tax	-	-	-	-	175	-	175	-	175	
Dividends	-	-	-	-	-	(7,894)	(7,894)	(2,127)	(10,021)	
<b>Balance as at 30 June 2021</b>	<b>1,111</b>	<b>1,057</b>	<b>(32)</b>	<b>(1)</b>	<b>2,350</b>	<b>46,779</b>	<b>51,264</b>	<b>4,341</b>	<b>55,605</b>	

## Restated supplementary financial information

### For the half year ended 31 December 2020 and financial year ended 30 June 2021

The following pages present the supplementary financial information for the Group for the half year ended 31 December 2020 and the financial year ended 30 June 2021, restated for the effect of the application of IFRS 5/AASB 5 'Non-current Assets Held for Sale and Discontinued Operations'.

As a consequence of this accounting treatment, the Group's Petroleum business no longer meets the reporting segment recognition criteria as outlined in IFRS 8/AASB 8 'Operating segments' and therefore does not form part of the Group's reportable segments as summarised below. Petroleum underlying EBITDA, revenue, net operating assets and capital and exploration expenditure do not form part of the comparative restated reportable segment<sup>(1)</sup>.

#### Segment summary<sup>(2)</sup>

A summary of performance for the 31 December 2020 half year and 30 June 2021 financial year is presented below and excludes Petroleum discontinued operations.

Half year ended 31 Dec 2020 US\$M	Revenue <sup>(3)</sup>	Underlying EBITDA	Underlying EBIT	Exceptional Items <sup>(4)</sup>	Net operating assets	Capital expenditure	Exploration gross <sup>(5)</sup>	Exploration to profit <sup>(6)</sup>
Copper	7,067	3,738	2,899	(38)	26,623	1,108	18	18
Iron Ore	14,058	10,244	9,320	(500)	19,026	1,101	49	26
Coal	2,170	(201)	(601)	(959)	8,792	320	11	4
Group and unallocated items <sup>(7)</sup>	749	106	(218)	(14)	3,892	306	8	8
<b>Total Group</b>	<b>24,044</b>	<b>13,887</b>	<b>11,400</b>	<b>(1,511)</b>	<b>58,333</b>	<b>2,835</b>	<b>86</b>	<b>56</b>

Year ended 30 June 2021 US\$M	Revenue <sup>(3)</sup>	Underlying EBITDA	Underlying EBIT	Exceptional Items <sup>(4)</sup>	Net operating assets	Capital expenditure	Exploration gross <sup>(5)</sup>	Exploration to profit <sup>(6)</sup>
Copper	15,726	8,489	6,809	(144)	26,928	2,180	53	53
Iron Ore	34,475	26,278	24,294	(1,319)	18,663	2,188	100	55
Coal	5,154	288	(577)	(1,567)	7,512	579	20	7
Group and unallocated items <sup>(7)</sup>	1,566	18	(673)	(1,308)	2,921	665	19	19
<b>Total Group</b>	<b>56,921</b>	<b>35,073</b>	<b>29,853</b>	<b>(4,338)</b>	<b>56,024</b>	<b>5,612</b>	<b>192</b>	<b>134</b>

- (1) As a result of the above mentioned planned Merger transaction with Woodside, the Group's Petroleum business does not form part of the reportable segments summarised above. Restated Petroleum financial information has been included below to reflect the performance of the Group's Petroleum discontinued operations business.

Petroleum - Discontinued operations US\$M	Revenue	Underlying EBITDA	D&A	Underlying EBIT	Net operating assets	Capital expenditure	Exploration gross	Exploration to profit
Half year ended 31 December 2020	1,595	793	901	(108)	8,548	498	195	242
Year ended 30 June 2021	3,896	2,306	1,868	438	8,073	994	322	382

- (2) Group and segment level information is reported on a statutory basis which reflects the application of the equity accounting method in preparing the Group financial statements – in accordance with IFRS. Underlying EBITDA of the Group and the reportable segments, includes depreciation, amortisation and impairments (D&A), net finance costs and taxation expense of US\$259 million for H1 FY21 and US\$626 million for FY21 related to equity accounted investments. It excludes exceptional items loss of US\$678 million for H1 FY21 and US\$1,456 million for FY21 related to share of profit/loss from equity accounted investments, related impairments and expenses.

Group profit before taxation comprised Underlying EBITDA, exceptional items, depreciation, amortisation and impairments of US\$3,998 million for H1 FY21 and US\$9,558 million for FY21 and net finance costs of US\$876 million for H1 FY21 and US\$1,223 million for FY21.

- (3) Revenue is based on Group realised prices and includes third party products. Sale of third party products by the Group contributed revenue of US\$958 million and Underlying EBITDA of US\$58 million for H1 FY21 and revenue of US\$2,285 million and Underlying EBITDA of US\$65 million for FY21.
- (4) Exceptional items loss of US\$1,511 million H1 FY21 (FY21: US\$4,338 million) excludes net finance costs of US\$41 million H1 FY21 (FY21: US\$85 million) included in the total loss before taxation of US\$358 million H1 FY21 (US\$1,087 million FY21) related to the Samarco dam failure. Refer to Exceptional items and Significant events – Samarco dam failure notes to the financial statements evident in the respective published 2021 annual report and FY21 half year reports for further information.
- (5) Includes US\$30 million capitalised exploration H1 FY21 (FY21: US\$58 million).
- (6) Includes US\$ nil of exploration expenditure previously capitalised, written off as impaired (included in depreciation and amortisation) H1 FY21 (FY21: US\$ nil).
- (7) Group and unallocated items includes functions, other unallocated operations including Potash, Nickel West, legacy assets, and consolidation adjustments. Revenue not attributable to reportable segments comprises the sale of freight and fuel to third parties, as well as revenues from unallocated operations. Exploration and technology activities are recognised within relevant segments.

Restated financial information for Petroleum Discontinued operations for the 31 December 2020 half year and the 30 June 2021 financial year, is presented below.

Half year ended 31 Dec 2020 US\$M	Revenue <sup>(1)</sup>	Underlying EBITDA	D&A	Underlying EBIT	Net operating assets	Capital expenditure	Exploration gross <sup>(2)</sup>	Exploration to profit <sup>(3)</sup>
Australia Production Unit <sup>(4)</sup>	123	80	95	(15)	176	14		
Bass Strait	478	319	396	(77)	1,407	33		
North West Shelf	402	311	120	191	1,224	47		
Atlantis	212	127	71	56	1,131	125		
Shenzi	137	89	59	30	1,005	10		
Mad Dog	88	61	26	35	1,774	164		
Trinidad/Tobago	68	40	19	21	439	70		
Algeria	75	54	-	54	95	1		
Exploration	-	(181)	80	(261)	1,122	1		
Other <sup>(5)</sup>	39	(105)	37	(142)	175	33		
<b>Total Petroleum from Group production</b>	<b>1,622</b>	<b>795</b>	<b>903</b>	<b>(108)</b>	<b>8,548</b>	<b>498</b>		
Third party products	3	-	-	-	-	-		
<b>Total Petroleum</b>	<b>1,625</b>	<b>795</b>	<b>903</b>	<b>(108)</b>	<b>8,548</b>	<b>498</b>	<b>195</b>	<b>242</b>
Adjustment for equity accounted investments <sup>(6)</sup>	(6)	(2)	(2)	-	-	-	-	-
<b>Total Petroleum statutory result</b>	<b>1,619</b>	<b>793</b>	<b>901</b>	<b>(108)</b>	<b>8,548</b>	<b>498</b>	<b>195</b>	<b>242</b>
Inter-segment adjustments	(24)	-	-	-	-	-	-	-
<b>Total Discontinued Operations - Petroleum</b>	<b>1,595</b>	<b>793</b>	<b>901</b>	<b>(108)</b>	<b>8,548</b>	<b>498</b>	<b>195</b>	<b>242</b>

Year ended 30 June 2021 US\$M	Revenue <sup>(1)</sup>	Underlying EBITDA	D&A	Underlying EBIT	Net operating assets	Capital expenditure	Exploration gross <sup>(2)</sup>	Exploration to profit <sup>(3)</sup>
Australia Production Unit <sup>(4)</sup>	327	202	186	16	64	23		
Bass Strait	1,066	798	775	23	1,136	70		
North West Shelf	893	761	239	522	1,281	104		
Atlantis	560	401	162	239	1,109	178		
Shenzi	417	309	175	134	970	113		
Mad Dog	231	174	54	120	1,885	308		
Trinidad/Tobago	204	80	44	36	433	152		
Algeria	164	135	-	135	107	2		
Exploration	-	(296)	122	(418)	1,148	-		
Other <sup>(5)</sup>	85	(256)	114	(370)	(60)	44		
<b>Total Petroleum from Group production</b>	<b>3,947</b>	<b>2,308</b>	<b>1,871</b>	<b>437</b>	<b>8,073</b>	<b>994</b>		
Third party products	11	1	-	1	-	-		
<b>Total Petroleum</b>	<b>3,958</b>	<b>2,309</b>	<b>1,871</b>	<b>438</b>	<b>8,073</b>	<b>994</b>	<b>322</b>	<b>382</b>
Adjustment for equity accounted investments <sup>(6)</sup>	(12)	(3)	(3)	-	-	-	-	-
<b>Total Petroleum statutory result</b>	<b>3,946</b>	<b>2,306</b>	<b>1,868</b>	<b>438</b>	<b>8,073</b>	<b>994</b>	<b>322</b>	<b>382</b>
Inter-segment adjustments	(50)	-	-	-	-	-	-	-
<b>Total Discontinued Operations - Petroleum</b>	<b>3,896</b>	<b>2,306</b>	<b>1,868</b>	<b>438</b>	<b>8,073</b>	<b>994</b>	<b>322</b>	<b>382</b>

(1) Petroleum revenue includes: crude oil US\$769 million H1 FY21 (FY21: US\$2,013 million), natural gas US\$434 million H1 FY21 (FY21: US\$977 million), LNG US\$292 million (FY21: US\$682 million), NGL US\$96 million (FY21: US\$212 million) and other (including Inter-segment adjustments) US\$4 million (FY21: US\$12 million).

(2) Includes US\$14 million of capitalised exploration H1 FY21 (FY21: US\$26 million).

(3) Includes US\$61 million of exploration expenditure previously capitalised, written off as impaired (included in depreciation and amortisation) H1 FY21 (FY21: US\$86 million).

(4) Australia Production Unit includes Macedon and Pyrenees.

(5) Predominantly divisional activities, business development and Neptune (sale finalised in May 2021). Also includes the Caesar oil pipeline and the Cleopatra gas pipeline, which are equity accounted investments. The financial information for the Caesar oil pipeline and the Cleopatra gas pipeline presented above, with the exception of net operating assets, reflects BHP's share.

(6) Total Petroleum statutory result revenue excludes US\$6 million H1 FY21 (FY21: US\$12 million) revenue related to the Caesar oil pipeline and the Cleopatra gas pipeline. Total Petroleum statutory result Underlying EBITDA includes US\$2 million H1 FY21 (FY21: US\$3 million) D&A related to the Caesar oil pipeline and the Cleopatra gas pipeline.

## Alternative Performance Measures

We use various Alternative Performance Measures (APMs) to reflect our underlying financial performance.

These APMs are not defined or specified under the requirements of IFRS, but are derived from the Group's restated Financial Statements for the half year ended 31 December 2020 and year ended 30 June 2021 prepared in accordance with IFRS. The APMs and below reconciliations included in this document for the restated half year ended 31 December 2020 and year ended 30 June 2021 periods are unaudited. The APMs are consistent with how management review financial performance of the Group with the Board and the investment community.

The definitions and calculation methodology to compute the Group's APMs have not changed as a result of the proposed Merger. For further information and a list of the "Definition and calculation of alternative performance measures" refer to the Group's 2021 published Annual report.

Comparative periods have been adjusted for the effects of applying IFRS 5/AASB 5 'Non-current Assets Held for Sale and Discontinued Operations'.

The following tables provide reconciliations between the APMs and their nearest respective IFRS measure. As the Group's balance sheet is not required to be restated under IFRS 5/AASB 5 'Non-current Assets Held for Sale and Discontinued Operations', certain APMs such as Net Debt Waterfall, Net debt and gearing ratio and Underlying ROCE have not been restated and are presented consistently as previously published in respective comparable period financial information.

### Exceptional items

To improve the comparability of underlying financial performance between reporting periods some of our APMs adjust the relevant IFRS measures for exceptional items.

Exceptional items are those gains or losses where their nature, including the expected frequency of the events giving rise to them, and impact is considered material to the Group's Financial Statements. The exceptional items included within the Group's profit for each restated comparative period are detailed below.

	Half year ended 31 Dec 2020 US\$M Restated	Year ended 30 June 2021 US\$M Restated
<b>Exceptional items</b>		
<b>Continuing operations</b>		
Revenue	-	-
Other income	-	34
Expenses excluding net finance costs, depreciation, amortisation and impairments	(286)	(545)
Depreciation and amortisation	-	-
Net impairments	(547)	(2,371)
Loss from equity accounted investments, related impairments and expenses	(678)	(1,456)
<b>Profit/(loss) from operations</b>	<b>(1,511)</b>	<b>(4,338)</b>
Financial expenses	(41)	(85)
Financial income	-	-
Net finance costs	(41)	(85)
<b>Profit/(loss) before taxation</b>	<b>(1,552)</b>	<b>(4,423)</b>
Income tax (expense)/benefit	(590)	(1,057)
Royalty-related taxation (net of income tax benefit)	-	-
Total taxation (expense)/benefit	(590)	(1,057)
<b>Profit/(loss) after taxation from Continuing operations</b>	<b>(2,142)</b>	<b>(5,480)</b>
<b>Discontinued operations</b>		
Profit/(loss) after taxation from Discontinued operations	(28)	(317)
<b>Profit/(loss) after taxation from Continuing and Discontinued operations</b>	<b>(2,170)</b>	<b>(5,797)</b>
Total exceptional items attributable to non-controlling interests	(10)	(24)
Total exceptional items attributable to BHP shareholders	(2,160)	(5,773)
Exceptional items attributable to BHP shareholders per share (US cents)	(42.8)	(114.2)
Weighted basic average number of shares (Million)	5,057	5,057

## APMs derived from Consolidated Income Statement

### Underlying attributable profit – Continuing operations

	Half year ended 31 Dec 2020 US\$M Restated	Year ended 30 June 2021 US\$M Restated
<b>Underlying attributable profit – Continuing operations</b>		
Profit after taxation from Continuing and Discontinued operations attributable to BHP shareholders	3,876	11,304
Loss after taxation from Discontinued operations attributable to BHP shareholders	192	225
Total exceptional items attributable to BHP shareholders	2,160	5,773
Total exceptional items attributable to BHP shareholders for Discontinued operations	(28)	(317)
<b>Underlying attributable profit – Continuing operations</b>	<b>6,200</b>	<b>16,985</b>

### Underlying basic earnings per share – Continuing operations

	Half year ended 31 Dec 2020 US\$M Restated	Year ended 30 June 2021 US\$M Restated
<b>Underlying basic earnings per share – Continuing operations</b>		
Underlying attributable profit – Continuing operations	6,200	16,985
Weighted basic average number of shares (Million)	5,057	5,057
<b>Underlying attributable earnings per ordinary share – Continuing operations (US cents)</b>	<b>122.6</b>	<b>335.9</b>

### Underlying EBITDA

	Half year ended 31 Dec 2020 US\$M Restated	Year ended 30 June 2021 US\$M Restated
<b>Underlying EBITDA</b>		
Profit from operations	9,889	25,515
Exceptional items included in profit from operations	1,511	4,338
<b>Underlying EBIT</b>	<b>11,400</b>	<b>29,853</b>
Depreciation and amortisation expense	2,405	5,084
Net impairments	629	2,507
Exceptional item included in Depreciation, amortisation and impairments	(547)	(2,371)
<b>Underlying EBITDA</b>	<b>13,887</b>	<b>35,073</b>



## Underlying EBITDA margin

Half year ended 31 Dec 2020 US\$M Restated	Copper	Iron Ore	Coal	Group and unallocated items/ eliminations <sup>(1)</sup>	Total Group
Revenue – Group production	6,129	14,050	2,170	737	23,086
Revenue – Third party products	938	8	–	12	958
<b>Revenue</b>	<b>7,067</b>	<b>14,058</b>	<b>2,170</b>	<b>749</b>	<b>24,044</b>
Underlying EBITDA – Group production	3,683	10,241	(201)	106	13,829
Underlying EBITDA – Third party products	55	3	–	–	58
<b>Underlying EBITDA</b>	<b>3,738</b>	<b>10,244</b>	<b>(201)</b>	<b>106</b>	<b>13,887</b>
Segment contribution to the Group's Underlying EBITDA <sup>(2)</sup>	27%	74%	(1%)		100%
Underlying EBITDA margin <sup>(3)</sup>	60%	73%	(9%)		60%

Year ended 30 June 2021 US\$M Restated	Copper	Iron Ore	Coal	Group and unallocated items/ eliminations <sup>(1)</sup>	Total Group
Revenue – Group production	13,482	34,457	5,154	1,543	54,636
Revenue – Third party products	2,244	18	–	23	2,285
<b>Revenue</b>	<b>15,726</b>	<b>34,475</b>	<b>5,154</b>	<b>1,566</b>	<b>56,921</b>
Underlying EBITDA – Group production	8,425	26,277	288	18	35,008
Underlying EBITDA – Third party products	64	1	–	–	65
<b>Underlying EBITDA</b>	<b>8,489</b>	<b>26,278</b>	<b>288</b>	<b>18</b>	<b>35,073</b>
Segment contribution to the Group's Underlying EBITDA <sup>(2)</sup>	24%	75%	1%		100%
Underlying EBITDA margin <sup>(3)</sup>	62%	76%	6%		64%

(1) Group and unallocated items includes functions, other unallocated operations including Potash, Nickel West, legacy assets and consolidation adjustments.

(2) Percentage contribution to Group Underlying EBITDA, excluding Group and unallocated items.

(3) Underlying EBITDA margin excludes Third party products.

## APMs derived from Consolidated Cash Flow Statement

### Capital and exploration expenditure

	Half year ended 31 Dec 2020 US\$M Restated	Year ended 30 June 2021 US\$M Restated
<b>Capital and exploration expenditure</b>		
Capital expenditure (purchases of property, plant and equipment)	2,835	5,612
Add: Exploration expenditure	86	192
<b>Capital and exploration expenditure (cash basis) – Continuing operations</b>	<b>2,921</b>	<b>5,804</b>
Capital and exploration expenditure – Discontinued operations	693	1,316
<b>Capital and exploration expenditure (cash basis) – Total operations</b>	<b>3,614</b>	<b>7,120</b>

### Free cash flow

	Half year ended 31 Dec 2020 US\$M Restated	Year ended 30 June 2021 US\$M Restated
<b>Free cash flow</b>		
Net operating cash flows from Continuing operations	9,148	25,883
Net investing cash flows from Continuing operations	(3,229)	(6,325)
<b>Free cash flow – Continuing operations</b>	<b>5,919</b>	<b>19,558</b>
Free cash flow – Discontinued operations	(759)	(169)
<b>Free cash flow – Total operations</b>	<b>5,160</b>	<b>19,389</b>

## APMs derived from Consolidated Balance Sheet

The Group's balance sheet is not required to be restated under IFRS 5, however Net operating assets presented below, has been restated to reflect the exclusion of Petroleum from the Group's reportable segments which is to be recognised as held for sale as at 31 December 2021.

### Net operating assets

	Half year ended 31 Dec 2020 US\$M Restated	Year ended 30 June 2021 US\$M Restated
<b>Net assets</b>	<b>53,423</b>	<b>55,605</b>
Less: Non-operating assets		
Cash and cash equivalents	(9,291)	(15,246)
Trade and other receivables <sup>(1)</sup>	(202)	(280)
Other financial assets <sup>(2)</sup>	(2,225)	(1,516)
Current tax assets	(295)	(279)
Deferred tax assets	(3,178)	(1,912)
Assets held for sale	–	(324)
Petroleum discontinued operations operating assets <sup>(3)</sup>	(13,745)	(13,757)
Add: Non-operating liabilities		
Trade and other payables <sup>(4)</sup>	218	227
Interest bearing liabilities	22,719	20,983
Other financial liabilities <sup>(5)</sup>	752	588
Current tax payable	1,184	2,800
Non-current tax payable	173	120
Deferred tax liabilities	3,603	3,314
Liabilities directly associated with the assets held for sale	–	17
Petroleum discontinued operations operating liabilities <sup>(3)</sup>	5,197	5,684
<b>Net operating assets</b>	<b>58,333</b>	<b>56,024</b>

(1) Represents loans to associates, external finance receivable and accrued interest receivable included within other receivables.

(2) Represents cross currency and interest rate swaps, forward exchange contracts related to cash management and investment in shares and other investments.

(3) Represents the Petroleum operating assets and operating liabilities as at 31 December 2020 and 30 June 2021 that are to be recognised as held for sale as at 31 December 2021 under IFRS 5.

(4) Represents accrued interest payable included within other payables.

(5) Represents cross currency and interest rate swaps and forward exchange contracts related to cash management.

## Other APMs

The definition and calculation methodology to compute the Group's underlying ROCE calculation below, has not changed as a result of the discontinued operations impacts connected with the planned Petroleum Merger. As per our definitions, the Group's underlying ROCE includes the contribution from Discontinued operations.

However, Underlying ROCE by segment and Underlying ROCE by assets presented below, have been restated to reflect the portion attributable to the Group's Petroleum Discontinued operations and the Group's continued operations.

For further information and a list of the "Definition and calculation of alternative performance measures" refer to the Group's 2021 published Annual report.

### Underlying return on capital employed (ROCE) by segment

<b>Half year ended 31 Dec 2020</b>							
<b>US\$M</b>				<b>Group and unallocated items/ eliminations<sup>(1)</sup></b>	<b>Total Continuing</b>	<b>Petroleum Discontinued operation</b>	<b>Total Group</b>
<b>Restated</b>	<b>Copper</b>	<b>Iron Ore</b>	<b>Coal</b>				
Annualised profit after taxation excluding net finance costs and exceptional items	3,918	12,454	(1,066)	256	15,562	(260)	15,302
Average capital employed	23,941	16,367	8,743	5,877	54,928	9,813	64,741
<b>Underlying Return on Capital Employed</b>	<b>16%</b>	<b>76%</b>	<b>(12%)</b>	<b>-</b>	<b>28.3%</b>	<b>(2.6%)</b>	<b>23.6%</b>

  

<b>Year ended 30 June 2021</b>							
<b>US\$M</b>				<b>Group and unallocated items/ eliminations<sup>(1)</sup></b>	<b>Total Continuing</b>	<b>Petroleum Discontinued operation</b>	<b>Total Group</b>
<b>Restated</b>	<b>Copper</b>	<b>Iron Ore</b>	<b>Coal</b>				
Profit after taxation excluding net finance costs and exceptional items	4,191	16,640	(454)	(395)	19,982	149	20,131
Average capital employed	23,710	16,042	8,262	4,470	52,484	9,489	61,973
<b>Underlying Return on Capital Employed</b>	<b>18%</b>	<b>104%</b>	<b>(5%)</b>	<b>-</b>	<b>38.1%</b>	<b>1.6%</b>	<b>32.5%</b>

(1) Group and unallocated items includes functions, other unallocated operations including Potash, Nickel West, legacy assets and consolidation adjustments.

## Underlying return on capital employed (ROCE) by asset

Half year ended 31 Dec 2020 US\$M Restated	Western Australia Iron Ore	Antamina	Escondida	Pampa Norte	Potash	Olympic Dam	Queensland Coal	Cerrejón	New South Wales Energy Coal	Other	Total Continuing	Petroleum Discontinued operation <sup>(1)</sup>	Total Group
Annualised profit after taxation excluding net finance costs and exceptional items	12,458	522	3,292	172	78	78	(330)	(58)	(482)	(168)	15,562	(260)	15,302
Average capital employed	18,614	1,364	10,593	3,752	4,468	8,028	7,622	519	557	(589)	54,928	9,813	64,741
<b>Underlying Return on Capital Employed</b>	<b>67%</b>	<b>38%</b>	<b>31%</b>	<b>5%</b>	<b>2%</b>	<b>1%</b>	<b>(4%)</b>	<b>(11%)</b>	<b>(87%)</b>	<b>-</b>	<b>28.3%</b>	<b>(2.6%)</b>	<b>23.6%</b>

Year ended 30 June 2021 US\$M Restated	Western Australia Iron Ore	Antamina	Escondida	Pampa Norte	Potash	Olympic Dam	Queensland Coal	Cerrejón	New South Wales Energy Coal	Other	Total Continuing	Petroleum Discontinued operation <sup>(1)</sup>	Total Group
Profit after taxation excluding net finance costs and exceptional items	16,665	593	3,281	302	5	214	(103)	(13)	(203)	(759)	19,982	149	20,131
Average capital employed	18,661	1,353	10,353	3,760	3,710	8,021	7,475	483	269	(1,601)	52,484	9,489	61,973
<b>Underlying Return on Capital Employed</b>	<b>89%</b>	<b>44%</b>	<b>32%</b>	<b>8%</b>	<b>0%</b>	<b>3%</b>	<b>(1%)</b>	<b>(3%)</b>	<b>(75%)</b>	<b>-</b>	<b>38.1%</b>	<b>1.6%</b>	<b>32.5%</b>

(1) Includes exploration expenditure previously classified in Group and unallocated.