

News Release

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Anglo American announces first copper production from Quellaveco project in Peru

Anglo American plc (“Anglo American”) announces first production of copper concentrate from its Quellaveco project in Peru – a major milestone as Quellaveco nears completion ahead of receiving final regulatory clearance for commercial operations to begin.

Tom McCulley, who has led Anglo American’s development of Quellaveco, said: “First copper production at Quellaveco is a key milestone in our delivery of this world-class asset, on time and on budget. The fact that we are today producing copper less than four years after project approval, including through two years of considerable pandemic-related disruption, is testament to the strength of our commitment to our workforce, local communities, the Moquegua region and government stakeholders in Peru. This first production of copper concentrate marks the beginning of the normal period of testing the processing plant with ore and the ramping up of mining activities to demonstrate readiness for operations.”

Adolfo Heeren, CEO of Anglo American in Peru, added: “Quellaveco is a project for all of Peru and especially for the Moquegua region. Once in full operation, Quellaveco alone will increase Peru’s copper production by around 10%, and deliver sustainable benefits for decades to come, including 2,500 direct jobs, the incorporation of local suppliers into our supply chain, the increase of water sources for human consumption and irrigation, digital connectivity, the expansion of agricultural areas and tax revenues. By working together in partnership, we will deliver enduring positive outcomes for all our stakeholders.”

For further information, please contact:

Media

UK

James Wyatt-Tilby
james.wyatt-tilby@angloamerican.com
Tel: +44 (0)20 7968 8759

Marcelo Esquivel
marcelo.esquivel@angloamerican.com
Tel: +44 (0)20 7968 8891

Katie Ryall
katie.ryall@angloamerican.com
Tel: +44 (0)20 7968 8935

South Africa

Nevashnee Naicker
nevashnee.naicker@angloamerican.com
Tel: +27 (0)11 638 3189

Sibusiso Tshabalala
sibusiso.tshabalala@angloamerican.com
Tel: +27 (0)11 638 2175

Investors

UK

Paul Galloway
paul.galloway@angloamerican.com
Tel: +44 (0)20 7968 8718

Emma Waterworth
emma.waterworth@angloamerican.com
Tel: +44 (0) 20 7968 8574

Michelle Jarman
michelle.jarman@angloamerican.com
Tel: +44 (0)20 7968 1494

Anglo American plc

17 Charterhouse Street, London, EC1N 6RA, United Kingdom

Registered office as above. Incorporated in England and Wales under the Companies Act 1985.

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Notes to editors:

Quellaveco is an open pit copper mine located in the Moquegua region in the south of Peru. Construction started in 2018, with estimated total capex of \$5.5 billion, which includes the \$0.6 billion additional cost of managing the impacts of the Covid-19 pandemic since 2020. In 2021, Anglo American also approved the construction of a Coarse Particle Recovery plant to allow retreatment of coarse particles from flotation tailings to further enhance copper recovery rates.

Quellaveco is expected to produce 300,000 tonnes of copper equivalent per year on average over the first 10 years of operation, at a highly competitive C1 unit cost of c. 95c/lb over the first five years once the operation reaches full production capacity.

The support of local communities is paramount in both the success of developing the project and its operational phase. Such support is underpinned by an innovative 18-month "Dialogue Table" consultation with local authorities and community representatives from the Moquegua region that took place in 2011. A total of 26 commitments were made, spanning water to environmental protection and social development. One of the major such commitments delivered is the construction of the Vizcachas Dam which brings net positive water benefits to local communities by delivering supply of high-quality water for agriculture, among other uses, while the Quellaveco operation will predominantly utilise water that is unfit for such uses.

Quellaveco has an estimated 1.7 billion tonnes of Ore Reserves, 8.9 million tonnes of contained copper at 0.53% TCu, and a 36-year Reserve Life, with potential for further expansion given its estimated additional Mineral Resources at 1.6 billion tonnes, containing 6.1 million tonnes copper (at 0.38% TCu).¹

Anglo American expects that Quellaveco will reach design production capacity in 12 months. Production guidance for 2022 is 100,000 – 150,000 tonnes of copper at a C1 unit cost of c. 135c/lb. Production guidance for 2023 and 2024 is 320,000 – 370,000 tonnes. Quellaveco is owned 60:40 between Anglo American and Mitsubishi Corporation.

Anglo American is a leading global mining company and our products are the essential ingredients in almost every aspect of modern life. Our portfolio of world-class competitive operations, with a broad range of future development options, provides many of the future-enabling metals and minerals for a cleaner, greener, more sustainable world and that meet the fast growing every day demands of billions of consumers. With our people at the heart of our business, we use innovative practices and the latest technologies to discover new resources and to mine, process, move and market our products to our customers – safely and sustainably.

As a responsible producer of diamonds (through De Beers), copper, platinum group metals, premium quality iron ore and steelmaking coal, and nickel – with crop nutrients in development – we are committed to being carbon neutral across our operations by 2040. More broadly, our Sustainable Mining Plan commits us to a series of stretching goals to ensure we work towards a healthy environment, creating thriving communities and building trust as a corporate leader. We work together with our business partners and diverse stakeholders to unlock enduring value from precious natural resources for the benefit of the communities and countries in which we operate, for society as a whole, and for our shareholders. Anglo American is re-imagining mining to improve people's lives.

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¹ Estimates as at 31 December 2021. Please refer to the Anglo American Ore Reserves and Mineral Resources Report 2021 for further information. TCu = total copper



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