

NEWS RELEASE

28 July 2020

Kumba Iron Ore approves Kapsteval South project at Kolomela

Anglo American notes the announcement made by Kumba Iron Ore this morning, the text of which appears below.

Kumba is pleased to announce the approval of its Kapsteval South project at its Kolomela mine by both the Company's and Anglo American's boards.

The total capital cost of the project will be approximately R7 billion, including pre-stripping. It is anticipated that the addition of the Kapsteval South pit will deliver an after-tax internal rate of return of ~25% and allow Kolomela to maintain an estimated EBITDA margin of >35% in the long-term.

The project entails the development of a new pit, Kapsteval South and associated infrastructure at Kolomela. The pit is a conventional truck and shovel operation producing high quality direct shipping ore (DSO). Whilst the pit is included in the current life of mine, it contributes significantly to sustaining production of ~13Mt for the remaining life of mine. Pit establishment and waste stripping will commence this year with first ore expected in 2024.

Themba Mkhwanazi, CEO of Kumba, said: "The approval of this project, at a time when the global and South African economies face the challenges of Covid-19, underscores Kumba's positive longer-term outlook for demand for its high-quality product. It also demonstrates our commitment to extend the lives of our mines and continue providing much-needed jobs and livelihoods in the Northern Cape region."

The operational and financial forecasts provided in this announcement are estimates and the financial information has not been reviewed and reported on by the Company's external auditors.

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Notes to editors:

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As a responsible producer of diamonds (through De Beers), copper, platinum group metals, the steelmaking ingredients of iron ore and metallurgical coal, and nickel – with crop nutrients in development and thermal coal operations planned for divestment – we are committed to being carbon neutral across our operations by 2040. We work together with our business partners and diverse stakeholders to unlock sustainable 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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Legal Entity Identifier: 549300S9XF92D1X8ME43