

NEWS RELEASE

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THIS IS AN ANNOUNCEMENT FALLING UNDER RULE 2.4 OF THE CITY CODE ON TAKEOVERS AND MERGERS (THE "CODE") AND DOES NOT CONSTITUTE AN ANNOUNCEMENT OF A FIRM INTENTION TO UNDERTAKE ANY TRANSACTION UNDER RULE 2.7 OF THE CODE. ACCORDINGLY, THERE CAN BE NO CERTAINTY THAT ANY OFFER WILL BE MADE, NOR AS TO THE TERMS ON WHICH ANY SUCH OFFER WOULD BE MADE.

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

FOR IMMEDIATE RELEASE

8 January 2020

Anglo American response to statement from Sirius Minerals Plc ("Sirius")

Anglo American plc ("Anglo American") notes the announcement released today by Sirius regarding a possible offer for Sirius by Anglo American.

Anglo American confirms that it is in advanced discussions with Sirius in relation to a possible offer at a value of 5.5 pence per Sirius share, in cash (the "Proposal"). The Proposal would value the entire issued share capital of Sirius at approximately £386 million.

In September 2019, Sirius announced that it was undertaking a strategic review in order to assess the development plan for its North Yorkshire polyhalite project (the "Project") and an appropriate financing structure to provide relevant funding. Sirius also announced that the strategic review would include a broader process to seek a major strategic partner in the Project. In November 2019, Sirius provided an update on the progress of this strategic review, including a revised two-stage development plan.

Anglo American identified the Project as being of potential interest some time ago, given the quality of the underlying asset in terms of scale, resource life, operating cost profile and the nature and quality of its product. The Project has the potential to fit well with Anglo American's established strategy of focusing on world-class assets, particularly in the context of Anglo American's portfolio trajectory towards later cycle products that support a fast-growing global population and a cleaner, greener, more sustainable world.

Anglo American believes that the possible offer could provide certainty to Sirius' shareholders, whilst Anglo American brings the financial, technical and marketing resources and capabilities to progress the Project over time. This should also be in the interests of Sirius' broader stakeholders including employees and customers. Anglo American notes the following key attributes from its initial assessment:

- **Asset quality:** Anglo American believes that the Project has the potential to become a world-class, low-cost and long-life asset. Sirius has progressed the development of the Project to an advanced stage, with construction now under way for over two years. Sirius has indicated that this is currently the world's largest known high-grade polyhalite deposit

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with a JORC Reserve of 290 million tonnes, with a grade of 88.8%, and a Resource of 2.69 billion tonnes. The Resource indicated by Sirius has the scale, thickness and quality to be mined efficiently using bulk mining methods through a relatively simple, low-energy, non-chemical production process. Sirius has indicated that the Project could operate at an EBITDA margin potentially well in excess of 50% leaving the Project well positioned for strong through-the-cycle profitability with a long anticipated asset life.

- Development pathway: At this stage, the Project requires a significant amount of further financing to develop and commission the operation that has proven challenging for Sirius to procure on an economic basis. Anglo American, as one of the world's leading mining companies, has the resources and capabilities to help build on the achievements of the Sirius team. Anglo American remains committed to its disciplined capital allocation framework. During the first two years after an offer is successfully completed, development work on the Project is expected to be broadly in line with Sirius' revised development plan although Anglo American intends to update the development timeline, optimise mine design and ensure appropriate integration with its own operating standards and practices. Anglo American believes that there is the potential for long-term benefits from Anglo American's technical expertise in both the development and operational phases, as well as from Anglo American's recognised Operating Model to drive safety and productivity to world-leading standards. Integration into Anglo American's global Marketing network would provide full mine-to-market capabilities and build on Anglo American's institutional experience in the world's major fertiliser markets.
- Premium product: Sirius' polyhalite product, POLY4, is a multi-nutrient fertiliser certified for organic use and has the potential to generate demand at a competitive cost that supports a strong margin. POLY4 is an attractive low-chloride alternative to traditional potassium-bearing mineral products on a cost-effective basis. It includes four of the six key nutrients that plants need to grow – potassium, sulphur, magnesium and calcium. The use of fertilisers is one of the most effective ways to improve agricultural yields and therefore help to address the anticipated future imbalance between food, feed and biofuel demand and supply caused by a fast-growing global population and limited additional land availability for agricultural use.

Anglo American reserves the following rights:

- To reduce the offer consideration by the amount of any dividend or other distribution or return of capital which is paid or becomes payable by Sirius after the date of this announcement
- To introduce other forms of consideration and / or to vary the composition of the consideration
- To make an offer for Sirius at any time on less favourable terms:
 - o with the agreement or recommendation of the Board of Sirius; or
 - o if a third party announces a firm intention to make an offer for Sirius on less favourable terms; or
 - o if Sirius announces a "whitewash" transaction

In accordance with Rule 2.6(a) of the Code, Anglo American is now required, by not later than 5.00 pm (London time) on 5 February 2020, the date 28 days after today's announcement, to either announce a firm intention to make an offer for Sirius in accordance with Rule 2.7 of the

Code or announce that it does not intend to make an offer for Sirius, in which case the announcement will be treated as a statement to which Rule 2.8 of the Code applies. This deadline will only be extended with the consent of the Takeover Panel in accordance with Rule 2.6(c) of the Code.

There can be no certainty that any offer will be made. A further statement will be made as appropriate.

Unless otherwise stated, information concerning Sirius has been extracted from published sources. The value attributed to Sirius' share capital is based on an assumed number of Sirius' issued share capital of 7,020,196,560 ordinary shares as at the close of business on 7 January 2020.

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Linklaters LLP is retained as legal adviser to Anglo American.

The person responsible for this announcement is Richard Price, General Counsel and Company Secretary of Anglo American.

IMPORTANT NOTICES

Centerview Partners UK LLP ("Centerview Partners") is authorised and regulated by the Financial Conduct Authority. Centerview Partners is acting exclusively for Anglo American and no one else in connection with the matters referred to in this announcement. Centerview Partners is not and will not be responsible to anyone other than Anglo American for providing the protections afforded to its clients or for providing advice in connection with the contents of this announcement or any other matter referred to in this announcement. Neither Centerview Partners, nor any of its affiliates, owes or accepts any duty, liability or responsibility whatsoever to any person who is not a client of Centerview Partners in connection with this announcement, any statement contained herein or otherwise.

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In accordance with Rule 26.1 of the Code, a copy of this announcement will be available on Anglo American's website at www.angloamerican.com by no later than 12 noon (London time) on the business day following the date of this announcement. The content of the website referred to in this announcement is not incorporated into and does not form part of this announcement.

This communication is not intended to and does not constitute an offer to buy or the solicitation of an offer to subscribe for or sell or an invitation to purchase or subscribe for any securities or the solicitation of any vote in any jurisdiction. The release, publication or distribution of this communication in whole or in part, directly or indirectly, in, into or from certain jurisdictions may be restricted by law and therefore persons in such jurisdictions should inform themselves about and observe such restrictions.

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Disclosure requirements of the Code

Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than

3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

Notes to editors:

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 mining operations and undeveloped resources provides the metals and minerals that enable a cleaner, more electrified world and that meet the fast growing consumer-driven demands of the world's developed and maturing economies. With our people at the heart of our business, we use innovative practices and the latest technologies to discover new resources and mine, process, move and market our products to our customers around the world – safely, responsibly and sustainably.

As a responsible miner – of diamonds (through De Beers), copper, platinum group metals, iron ore, coal and nickel – we are the custodians of what are precious natural resources. We work together with our business partners and diverse stakeholders to unlock the sustainable value that those resources represent for our shareholders, the communities and countries in which we operate, and for society as a whole. Anglo American is re-imagining mining to improve people's lives.

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