

Kumba Iron Ore Limited

A member of the Anglo American plc group
(Incorporated in the Republic of South Africa)
(Registration number 2005/015852/06)

Share code: KIO

ISIN: ZAE000085346

(“Kumba” or “the Company”)

Kumba updates full year 2020 operational guidance and outlook

Kumba is today providing an update to investors and analysts on the Company’s operational guidance for the full year 2020 and the outlook on production and unit costs.

Themba Mkhwanazi, Chief Executive of Kumba said: “Kumba continues to focus on the safety, health and wellbeing of our workforce and we are committed to delivering on our value drivers of quality, efficiency and cost reduction which are instrumental in unlocking the full value from our world class assets.

“To ensure that the value chain is balanced, and finished stock is maintained at optimal levels, production is likely to be closer to the lower end of the guidance range. As a result, we are updating our production guidance to c.37 Mt (previously 37-39 Mt) and our sales guidance to c.39 Mt (previously 38-40 Mt), following the completion of the annual rail and port maintenance by Transnet.

“The on-mine unit cost guidance for Sishen has decreased to between R380 and R390/t (previously R385-395/t), whilst Kolomela’s has increased to between R290 and R300/t (previously R280-290/t). Our Kumba C1 unit cost guidance for production of ~US\$32/t is unchanged.

“2020 has presented a unique set of challenges and it is pleasing to see the strong commitment across our operations to produce responsibly and ensure that we end the year in good shape and are well positioned for 2021 and the longer term.”

Full year 2020 guidance:

- Total sales of ~39 Mt (previously 38-40 Mt)

- Total production of ~37 Mt (previously 37-39 Mt)
 - Sishen: ~25.5 Mt (previously ~26 Mt)
 - Kolomela: ~11.5 Mt (previously ~12 Mt)
- Waste stripping:
 - Sishen: 145 - 160 Mt
 - Kolomela: 45 - 55 Mt
- Total C1 unit cost of ~US\$32/t
- On mine unit costs:
 - Sishen: R380 – 390/t (previously R385-395/t)
 - Kolomela: R290 – R300/t (previously (R280 – R290/t)
- Total capital expenditure of ~R6.1 billion (previously R5.6-6.1 billion)

Total production (Mt) 2021 – 2023 guidance:

2021F: 40-41 (previously 42-43)

2022F: 41-42 (previously 42-43)

2023F: 41-42 (new guidance)

C1 unit cost (FOB US\$/t) 2021 guidance:

2021F: ~34 (new guidance)

This SENS announcement will be available on the Kumba website:

<https://www.angloamericankumba.com/investors/sens>.

Further information will be provided in the Company's report for the fourth quarter 2020 and full year 2020, scheduled for release on SENS on or about 28 January 2021 and 23 February 2021, respectively.

This announcement contains forward-looking statements which are based on the Company's current beliefs and expectations about future events. The volume guidance is on a dry basis and is subject to rail and port performance. The operational and financial forecasts provided in this announcement are estimates and have not been reviewed and reported on by the Company's external auditors.

Centurion

4 December 2020

Sponsor

RAND MERCHANT BANK (A division of FirstRand Bank Limited)

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Notes to editors:

Kumba Iron Ore Limited, a member of the Anglo American plc group, is a leading value-adding supplier of high quality iron ore to the global steel industry. Kumba produces iron ore in South Africa at Sishen and Kolomela mines in the Northern Cape Province. Kumba exports iron ore to customers in a range of geographical locations around the globe including China, Japan, Korea and a number of countries in Europe and the Middle East.

www.angloamericankumba.com

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

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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