



MEDIA RELEASE

Thungela Resources Limited

(formerly K2021303811 (South Africa) Proprietary Limited and Thungela Resources Proprietary Limited)

(incorporated in the Republic of South Africa)

(Registration number: 2021/303811/06)

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07 June 2021

Thungela Resources Limited – admission to trading on the Johannesburg Stock Exchange and London Stock Exchange and Total Voting Rights

The ordinary shares of Thungela Resources Limited (the “**Company**” or “**Thungela**”) will start trading today following Thungela’s admission to the main board of the Johannesburg Stock Exchange, as a primary listing, under the abbreviated name “Thungela”, Alpha code “TGA”, and the main market of the London Stock Exchange, as a standard listing, under the ticker symbol “TGA” (“**Admission**”). Admission follows the completion of the demerger of Thungela from Anglo American plc (“**Anglo American**”), which became effective at 9:00 p.m. (South African time) / 8:00 p.m. (London time) on 4 June 2021. As a leading South African thermal coal exporter, Thungela offers investors access to a high-quality thermal coal business with low cash cost and high-margin assets and a strong balance sheet, underpinned by a robust environmental, social and governance (“ESG”) framework.

On 8 April 2021, Anglo American published a shareholder circular proposing the separation of its South African thermal coal operations through their transfer to Thungela and the subsequent demerger of Thungela from the Anglo American group. The demerger and the scheme of arrangement to implement the demerger was approved by Anglo American’s shareholders on 5 May 2021 and the scheme of arrangement was sanctioned by the UK Court on 26 May 2021.

Thungela owns interests in, and produces thermal coal predominantly from, seven collieries located in Mpumalanga, South Africa, namely Goedehoop, Greenside, Isibonelo, Khwezela, Zibulo, Mafube and Rietvlei collieries, which consist of both underground and opencast mines. Thungela’s operations are amongst the highest quality thermal coal mines in South Africa by calorific value.

Thungela’s operations provide a wide range of economic and social benefits for their host communities and for South Africa, such as employment, tax revenues, export earnings, and many essential community services.

Commenting on the listings, Thungela Chief Executive Officer, July Ndlovu said: “We are excited to be listing Thungela today. The Company plays an important role in providing affordable energy to both our customers in the developing world, and South Africa. Our business consists of well-established, well-managed assets that produce high-quality thermal coal, with access to a world-class export infrastructure. Thungela has an enviable cash cost position and is poised to deliver attractive returns to shareholders.”

On listing, all of Thungela's issued shares will be held by Anglo American's shareholders who will each receive one Thungela share for every 10 Anglo American shares that they hold.

As part of its responsible transition away from thermal coal, Anglo American has injected capital of R2.5-billion into the Thungela group and will provide further contingent capital support until the end of 2022, depending on certain coal price thresholds. Anglo American will also continue to market and sell Thungela's export products over the next three years, with an additional six-month transitional period, in order to enable the Company to build sufficient marketing capacity of its own.

According to research by the global mining research and consultancy group, Wood Mackenzie, South Africa is the fourth-largest producer of thermal coal globally, catering for the growing demand from India and other developing countries in South Asia, and potentially the Middle East and North Africa (“**MENA**”). Demand from these regions is expected to grow as power demand increases.

“We expect our portfolio of assets to be cash generative throughout the life of our mines and well into the next decade, with the option for life extension opportunities. In addition to export markets, we produce thermal coal for domestic consumption in South Africa, which provides us with inherent operational flexibility in response to changes in demand and other external factors,” Ndlovu added.

Thungela's management team is led by July Ndlovu, as Chief Executive Officer, and Deon Smith, as Chief Financial Officer, who are supported by the rest of the board, namely Sango Ntsaluba as chairperson, Kholeka Mzondeki, Ben Kodisang Thero Setiloane, and Seamus French.

The management team has deep experience in driving cost optimisation strategies, productivity improvements, ESG performance and value accretive investments.

As part of its commitment to enhancing ESG factors, Thungela has established an employee partnership plan and a community partnership plan, which each hold a 5% interest in Thungela's direct subsidiary, South Africa Coal Operations Proprietary Limited. These plans will enable employees and communities to share financially in the value generated by the Company's thermal coal operations.

"Our ambition is to build Thungela into a highly sustainable and investable enterprise due to its strong cash flow generation, robust balance sheet, credible leadership, dedicated employees, and consistency in meeting and exceeding safety, ESG and production targets. We are igniting real change and are optimistic about a bright future," Ndlovu concluded.

Total voting rights

In accordance with the Financial Conduct Authority's Disclosure Guidance and Transparency Rule 5.6.1R, Thungela notifies the market that on Admission, Thungela's issued share capital consisted of 136,311,808 shares of no par value and all Thungela shares carry voting rights of one vote per share.

Thungela does not hold any shares in treasury.

The total number of voting rights in Thungela is therefore 136,311,808 and this figure may be used by shareholders (and others with notification obligations) as the denominator for the calculations by which they will determine whether they are required to notify their interest in, or a change to their interest in, Thungela under the Financial Conduct Authority's Disclosure Guidance and Transparency Rules.

Sponsor

RAND MERCHANT BANK (A division of FirstRand Bank Limited)

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Editor's note:

Thungela, which means “to ignite” in isiZulu, is a leading South African thermal coal business, focused exclusively on thermal coal production. It is one of the largest pure-play producers and exporters of thermal coal in South Africa based on aggregate coal reserves and marketable coal production. Thungela focuses on exporting its thermal coal portfolio mainly to India and other developing countries in South Asia.

Thungela’s operations are among the highest quality thermal coal mines in South Africa by calorific value.

Thungela also holds a 50% interest in Phola, which owns and operates the Phola Coal Processing Plant, and a 23.22% indirect interest in Richards Bay Coal Terminal (RBCT). RBCT is one of the world’s leading coal export terminals, with an advanced 24-hour operation and a design capacity of 91 Mtpa.

Thungela is committed to operating in a sustainable way to ignite value for a shared future, to the benefit of the communities in which it operates, its employees, shareholders and society as a whole.

For more information please visit:

www.thungela.com

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Certain statements made in this announcement may be forward-looking statements. These forward-looking statements are based on current beliefs and expectations and are subject to a number of known and unknown risks and uncertainties that may cause actual results, performance or achievements of the Thungela group or industry results to differ materially from any future events, results, performance or achievements expressed or implied by such forward-

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