

## News Release

### **Anglo American plc (the “Company”)**

Registered office: 17 Charterhouse Street, London EC1N 6RA

Registered number: 3564138 (incorporated in England and Wales)

Legal Entity Identifier: 549300S9XF92D1X8ME43

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### **Anglo American upgrades scope of Woodsmith polyhalite fertiliser project to optimise long term value**

Anglo American has conducted a detailed technical review of the Woodsmith polyhalite project in the UK since mid-2020 to ensure the technical and commercial integrity of the full scope of its design. Now largely complete, the review has confirmed the findings of Anglo American’s due diligence that a number of elements of the project’s design would benefit from modification to bring it up to Anglo American’s safety and operating integrity standards and to optimise the value of the asset for the long term.

Anglo American is also making a change to the leadership of the project following its integration into Anglo American and ahead of the full project execution phase. Tom McCulley, who has led the development of the Quellaveco copper project in Peru, will take over from Chris Fraser as CEO of Crop Nutrients. After 12 years of driving the project from inception to its position today, Chris Fraser will step aside and take on a strategic projects role for Anglo American.

#### Woodsmith project update

The Woodsmith team is further developing the engineering to optimise the configuration of the project, recognising the multi-decade life of the mine. Particular attention is on those aspects identified at the outset of Anglo American’s ownership – namely, the sinking of the two main shafts, the development of the underground mining area, and the changes required to accommodate both increased production capacity and the more efficient and scalable mining method of using only continuous miners; such improvements will also require the installation of additional ventilation earlier in the development of the underground mining area.

Anglo American expects that these changes to the design of the mine infrastructure – which will result in a different, enhanced configuration and therefore a different construction and production ramp-up schedule – will ensure that its exacting standards are met and the full commercial value of the asset is realised.

Mark Cutifani, Chief Executive of Anglo American, said: *“We are very happy with the high quality and exciting potential of Woodsmith, with the scale and quality of the polyhalite orebody pointing to a Q1 operating cost position and strong margins. This is a very long-life asset and we are going to take the necessary time to get every aspect of the design right to match our long term vision and value aspirations.*

*“We have said from the outset that we expect to make improvements and that we will execute certain elements of the construction differently and with a more conservative schedule. We expect to have completed our design engineering, capital budget and schedule at the end of 2022, with a fully optimised value case that recognises the upside potential we see in Woodsmith, and we will then submit the full project to the Board.”*

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In the meantime, construction of the major critical path elements of the project, principally the two main shafts and the mineral transport tunnel, is progressing, with approximately \$0.7 billion of capital expected to be invested in 2022.

Anglo American's development of the market for its POLY4 fertiliser product continues to demonstrate the benefits of its multi-nutrient, low chloride characteristics on the full breadth of crops at commercial scale. Beyond its crop yield and quality benefits over other bulk fertiliser products, the value of the product in the market is also expected to be enhanced by its positive environmental properties – a very low carbon footprint given minimal processing requirements, its natural ability to improve soil health, and its certification for organic use.

#### Woodsmith leadership change

With the project's integration into Anglo American complete, Mark Cutifani added: *"We are enormously grateful to Chris Fraser for his founding vision over some 12 years in bringing Woodsmith to reality – a project with sustainability principles at the core of its design and in the product itself. His dedicated leadership in progressing the project this far and integrating it into our organisation, and doing so while making considerable construction progress during the upheavals of the pandemic, also deserves enormous credit. As we move towards full project execution, it is a natural time for Chris to step into a new role and I'm pleased that we will benefit from his experience as he works with us on a number of strategic projects.*

*"I am delighted that Tom McCulley, currently CEO of Anglo American in Peru, who has so skilfully steered our Quellaveco copper project to a point of pre-commissioning, on time and on budget, will now lead the development of Woodsmith as CEO of our Crop Nutrients business. I am confident that Tom and his team will finalise our plans and then deliver the project we all envisage safely and with great precision."*

The changes to Tom McCulley's and Chris Fraser's roles are effective 1 January 2022. Anglo American has appointed Adolfo Heeren as CEO of Anglo American in Peru, effective 1 January 2022. Adolfo will work together with Tom McCulley during the first half of 2022 to ensure a smooth transition from the construction and commissioning phase of Quellaveco into operations, expecting first copper production in mid-2022.

#### **Notes to editors:**

**Tom McCulley**, age 53, has served as CEO of Anglo American in Peru since 2018 and Group Head of Projects for Anglo American since he joined Anglo American in 2015. Tom brings more than 25 years of international experience in major projects across the mining, oil and gas industries, and has led the development of Anglo American's Quellaveco copper project in Peru that is expected to come onstream in mid-2022. Prior to joining Anglo American, he held several senior global roles at Newmont, including Vice President of Investment and Value Management and Vice President of Discovery and Development Planning and Services. Tom began his career at Fluor Corporation in international oil and gas and mining projects, developing his full project lifecycle expertise. Tom has a Bachelor of Science in Accounting from Mount Saint Mary's University, Emmitsburg, USA.

**Adolfo Heeren**, age 52, served as CEO of TgP and Coga, the Peruvian gas transport company and its operating company, between 2015 and 2020 and as CEO of Calidda, the Peruvian natural gas distribution company, between 2011 and 2015. Prior to that, Adolfo spent 15 years with Shell in a number of commercial, planning and finance roles across South America, ultimately as Chair of Shell in Peru. He brings extensive experience in the responsible development of large investment projects in the region, both at the asset level and as the senior most executive at a national level. Adolfo has a degree in

Industrial Engineering from the Pontifical Catholic University of Peru and an MBA from the Adolfo Ibañez University in Chile.

**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 metallurgical coal for steelmaking, 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.

[www.angloamerican.com](http://www.angloamerican.com)



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The Company has a primary listing on the Main Market of the London Stock Exchange and secondary listings on the Johannesburg Stock Exchange, the Botswana Stock Exchange, the Namibia Stock Exchange and the SIX Swiss Exchange.

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