

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 to begin copper shipments from Quellaveco

Anglo American plc (“Anglo American”) announces the start of commercial copper operations at its Quellaveco project in Peru, following the successful testing of operations and final regulatory clearance. Quellaveco is expected to produce 300,000 tonnes per year of copper equivalent volume on average over its first ten years.

Duncan Wanblad, Chief Executive of Anglo American, said:

“Our delivery of Quellaveco, a major new world class copper mine, is testament to the incredible efforts of our workforce and our commitment to our stakeholders in Peru over many years. Quellaveco alone is expected to lift our total global output by 10% in copper equivalent terms and take our total copper production close to 1 million tonnes per year. At a highly competitive operating cost, Quellaveco exemplifies the asset and return profile that is central to our portfolio quality and our ability to provide customers with a reliable and sustainable supply of future-enabling metals.”

Ruben Fernandes, CEO of Anglo American’s Base Metals business, added:

“We designed Quellaveco as one of Anglo American’s and South America’s most technologically advanced mines, incorporating autonomous drilling and haulage fleets – a first in Peru – a remote operations centre, as well as a number of Anglo American’s digital and advanced processing technologies. Drawing its electricity supply entirely from renewables, Quellaveco is setting an example of a low emission mine producing a critical metal for decarbonising the global economy – copper. In Quellaveco, we can see FutureSmart Mining™ in action.”

Anglo American expects that Quellaveco will ramp up fully over the next 9-12 months. Following a thorough commissioning and testing period, and receipt of final regulatory clearance, production guidance for Quellaveco in 2022 is revised to 80,000-100,000 tonnes of copper (previously 100,000-150,000) at a C1 unit cost of c.150c/lb, previously c.135c/lb. Production guidance for Quellaveco in 2023 and 2024 is unchanged at 320,000-370,000 tonnes of copper.

Guidance update - copper (Chile)

Production guidance for Chile is tightened to 560,000-580,000 tonnes of copper (previously 560,000-600,000 tonnes) due to lower throughput at Los Bronces caused by a combination of water restrictions and a change in ore characteristics. 2022 C1 unit cost guidance is revised to c.160c/lb (previously c.150c/lb), reflecting the impact of lower volumes and inflation.

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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.

Sponsor

RAND MERCHANT BANK (A division of FirstRand Bank Limited)

For further information, please contact:

Media

UK

James Wyatt-Tilby

james.wyatt-tilby@angloamerican.com

Tel: +44 (0)20 7968 8759

Marcelo Esquivel

marcelo.esquivel@angloamerican.com

Tel: +44 (0)20 7968 8891

South Africa

Nevashnee Naicker

nevashnee.naicker@angloamerican.com

Tel: +27 (0)11 638 3189

Sibusiso Tshabalala

sibusiso.tshabalala@angloamerican.com

Tel: +27 (0)11 638 2175

Investors

UK

Paul Galloway

paul.galloway@angloamerican.com

Tel: +44 (0)20 7968 8718

Emma Waterworth

emma.waterworth@angloamerican.com

Tel: +44 (0) 20 7968 8574

Michelle Jarman

michelle.jarman@angloamerican.com

Tel: +44 (0)20 7968 1494

Notes to editors:

Quellaveco is an open pit copper mine located in the Moquegua region in the south of Peru. Construction started in 2018, with estimated total capex of \$5.5 billion, which includes the \$0.6 billion additional cost of managing the impacts of the Covid-19 pandemic since 2020. In 2021, Anglo American also approved the construction of a Coarse Particle Recovery plant to allow retreatment of coarse particles from flotation tailings to further enhance copper recovery rates.

Quellaveco is expected to produce 300,000 tonnes of copper equivalent per year on average over the first 10 years of operation, with a competitive C1 unit cost position.

The support of local communities is paramount in both the success of developing the project and its operational phase. Such support is underpinned by a successful 18-month "Dialogue Table" consultation with local authorities and community representatives from the Moquegua region that took place in 2011. A total of 26 commitments were made, spanning water to environmental protection and social development. One of the major such commitments delivered is the construction of the Vizcachas Dam which brings net positive water benefits to local communities by delivering supply of high-quality water for agriculture, among other uses, while the Quellaveco operation will predominantly utilise water that is unfit for such uses.

Quellaveco has an estimated 1.7 billion tonnes of Ore Reserves, 8.9 million tonnes of contained copper at 0.53% TCu, and a 36-year Reserve Life, with potential for further expansion given its estimated additional Mineral Resources at 1.6 billion tonnes, containing 6.1 million tonnes copper (at 0.38% TCu).¹

Following final regulatory clearance, shipments of copper concentrate can now begin, with revenue and associated costs being recognised within underlying EBITDA. The operation is expected to ramp up fully over the next 9-12 months. Once the mine reaches commercial production, depreciation of the mine will commence, borrowing costs will no longer be capitalised and interest on the Mitsubishi shareholder facility will be expensed in finance costs.

Quellaveco is owned 60:40 between Anglo American and Mitsubishi Corporation.

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



Forward-looking statements:

This document includes forward-looking statements. All statements other than statements of historical facts included in this document, including, without limitation, those regarding Anglo American's financial position, business, acquisition and divestment strategy, dividend policy, plans and objectives of management for future operations (including development plans and objectives relating to Anglo American's products, production forecasts and Ore Reserve and Mineral Resource positions) and environmental, social and corporate governance goals and aspirations, are forward-looking statements. By their nature, such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Anglo American or industry results to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Such forward-looking statements are based on numerous assumptions regarding Anglo American's present and future business strategies and the environment in which Anglo American will operate in the future. Important factors that could cause Anglo American's actual results, performance or achievements to differ materially from those in the forward-looking statements include, among others, levels of actual production during any period, levels of global demand and commodity market prices, mineral resource exploration and development capabilities, recovery rates and other operational capabilities, safety, health or environmental incidents, the effects of global pandemics and

¹ Estimates as at 31 December 2021. Please refer to the Anglo American Ore Reserves and Mineral Resources Report 2021 for further information. TCu = total copper

outbreaks of infectious diseases, the outcome of litigation or regulatory proceedings, the availability of mining and processing equipment, the ability to produce and transport products profitably, the availability of transport infrastructure, the impact of foreign currency exchange rates on market prices and operating costs, the availability of sufficient credit, the effects of inflation, political uncertainty and economic conditions in relevant areas of the world, the actions of competitors, activities by courts, regulators and governmental authorities such as in relation to permitting or forcing closure of mines and ceasing of operations or maintenance of Anglo American's assets and changes in taxation or safety, health, environmental or other types of regulation in the countries where Anglo American operates, conflicts over land and resource ownership rights and such other risk factors identified in Anglo American's most recent Annual Report. Forward-looking statements should, therefore, be construed in light of such risk factors and undue reliance should not be placed on forward-looking statements. These forward-looking statements speak only as of the date of this document. Anglo American expressly disclaims any obligation or undertaking (except as required by applicable law, the City Code on Takeovers and Mergers, the UK Listing Rules, the Disclosure and Transparency Rules of the Financial Conduct Authority, the Listings Requirements of the securities exchange of the JSE Limited in South Africa, the SIX Swiss Exchange, the Botswana Stock Exchange and the Namibian Stock Exchange and any other applicable regulations) to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in Anglo American's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

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