

## 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

ISIN: GBOOB1XZS820

JSE Share Code: AGL

NSX Share Code: ANM

22 February 2024

### **Anglo American secures additional multi-billion tonne high quality iron ore resource at Minas-Rio**

Anglo American plc (“Anglo American”) announces that it has agreed to acquire and integrate the contiguous Serra da Serpentina (“Serpentina”) high quality iron ore resource owned by Vale SA (“Vale”) into Anglo American’s Minas-Rio mine in Brazil (“the Transaction”). Anglo American will continue to control, manage and operate the Minas-Rio operation, including any future expansions that relate to Serpentina.

**Duncan Wanblad, Chief Executive of Anglo American, said:** “The opportunity to partner with Vale to secure a high quality iron ore resource of this scale and quality, right next door to Minas-Rio, is compelling – particularly given all the physical synergies of our mining and processing infrastructure to create a single optimised operation, combined with the option to access Vale’s rail and port logistics. The sheer scale and quality of the Serpentina orebody offers significant value, including through the scope to expand the production of the premium grade pellet feed products we sell to steelmaking customers as they focus on decarbonising their own processes for decades to come. The Minas-Rio DRI-grade product sells into one of the most attractive growth segments available in our industry today.”

Serpentina<sup>1</sup> contains a Mineral Resource of 4.3 billion tonnes of iron ore, with a significantly larger total endowment upside that reflects the total strike length of the orebody of more than twice that of Minas-Rio. Serpentina is also of a higher iron ore grade than Minas-Rio’s already high grade ore and contains predominantly softer friable ore that together are expected to translate into lower unit costs and capital requirements for its extraction. The combination of the two resources also offers considerable expansion opportunities, including the potential to double production, which Anglo American and Vale will assess under the Transaction’s terms.

**Eduardo Bartolomeo, CEO of Vale, commented:** “We are pleased to partner with Anglo American to support the growing demand for high quality iron ore as our clients accelerate their transition to low carbon emissions steelmaking. Minas-Rio is a Tier-1 asset that will benefit from great synergies with Serpentina’s deposit and Vale’s logistics and we are confident this partnership will unlock significant value to all of our stakeholders. We plan on allocating our share of the high-quality pellet feed to our pellet plants in Brazil and in the future to the Mega Hubs producing iron ore briquettes.”

Under the Transaction’s terms, Vale will contribute Serpentina and US\$157.5 million in cash to acquire a 15% shareholding in the enlarged Minas-Rio, subject to normal completion adjustments. If the average benchmark iron ore price<sup>2</sup> remains above US\$100/t or below US\$80/t for four years, a purchase price adjustment payment will be made to Anglo American or Vale, respectively, in line with an agreed formula.

### **Anglo American plc**

17 Charterhouse Street, London, EC1N 6RA, United Kingdom

Registered office as above. Incorporated in England and Wales under the Companies Act 1985.

Registered Number: 3564138 Legal Entity Identifier: 549300S9XF92D1X8ME43

Following completion of the Transaction, Vale will receive its pro rata share of Minas-Rio production. Vale will also have an option to acquire an additional 15% shareholding in the enlarged Minas-Rio for cash if and when certain events relating to a future expansion of Minas-Rio occur, including the receipt of the requisite environmental licence<sup>3</sup> for an expansion following the completion of a pre-feasibility study (PFS) and feasibility study (FS)<sup>4</sup>, at fair value calculated at the time of exercise of the option<sup>5</sup>.

The enlarged Minas-Rio will have the option to utilise Vale's nearby rail line and Tubarão port to transport expanded output as an alternative to the construction of a second pipeline to Anglo American's current port facility at Açú. All viable logistics solutions will be considered and evaluated during pre-feasibility. The existing Minas-Rio pipeline crosses the Vale rail network downstream from Minas-Rio, enabling a far shorter second pipeline to connect with the rail corridor to the Tubarão port. The Transaction does not include or affect Anglo American's 50% interest in the iron ore export facility at the port of Açú.

The Transaction is expected to complete in Q4 2024, subject to regulatory conditions.

### **Additional information**

As at 31 December 2023, the value of the gross assets of Anglo American Minério de Ferro Brasil S.A. was US\$8,069.7 million, with total profit before tax of US\$1,126.7 million reported in the financial year ended 31 December 2023.

As at 31 December 2023, the assets being contributed by Vale (and referred to above as Serpentina) were held at nil gross asset value and had nil associated profit before tax.

This document includes references to the Anglo American Group, forward-looking statements and third-party information. For information regarding the Anglo American Group, forward-looking statements and such third-party information, please see "Group terminology" and "Forward-looking statements and third party information" below.

### Footnotes:

<sup>1</sup> Serpentina information as stated in Vale's technical report: 'Iron Ore Resources Assessment for the Serpentina Hills Project'. Average in situ iron ore grade of c.40% vs Minas-Rio average of c.32%. Serpentina proportion of friable ore is c.79% vs Minas-Rio at c.28%.

<sup>2</sup> Benchmark 62% CIF China.

<sup>3</sup> Licença Prévia.

<sup>4</sup> The pre-feasibility study must be completed within 36 months of the Transaction completing. Providing the PFS meets an agreed IRR hurdle rate, a feasibility study must be completed within a further 24 months. If the FS meets an agreed IR hurdle rate, then the preliminary environmental licence for the expansion of Minas-Rio must be applied for.

<sup>5</sup> Should Vale exercise its option to acquire a further 15% of Minas-Rio, the aggregate consideration receivable in respect of both transactions has been capped at 24.99% of Anglo American's market capitalisation as at 21 February 2024. Anglo American will retain the right to remove this cap at its sole discretion subject to any approvals required under the UK Listing Rules.

For further information, please contact:

**Media**

**UK**

James Wyatt-Tilby  
[james.wyatt-tilby@angloamerican.com](mailto:james.wyatt-tilby@angloamerican.com)  
Tel: +44 (0)20 7968 8759

Marcelo Esquivel  
[marcelo.esquivel@angloamerican.com](mailto:marcelo.esquivel@angloamerican.com)  
Tel: +44 (0)20 7968 8891

Rebecca Meeson-Frizelle  
[rebecca.meeson-frizelle@angloamerican.com](mailto:rebecca.meeson-frizelle@angloamerican.com)  
Tel: + 44 (0)20 7968 1374

**South Africa**

Nevashnee Naicker  
[nevashnee.naicker@angloamerican.com](mailto:nevashnee.naicker@angloamerican.com)  
Tel: +27 (0)11 638 3189

Sibusiso Tshabalala  
[sibusiso.tshabalala@angloamerican.com](mailto:sibusiso.tshabalala@angloamerican.com)  
Tel: +27 (0)11 638 2175

**Investors**

**UK**

Paul Galloway  
[paul.galloway@angloamerican.com](mailto:paul.galloway@angloamerican.com)  
Tel: +44 (0)20 7968 8718

Emma Waterworth  
[emma.waterworth@angloamerican.com](mailto:emma.waterworth@angloamerican.com)  
Tel: +44 (0) 20 7968 8574

Juliet Newth  
[juliet.newth@angloamerican.com](mailto:juliet.newth@angloamerican.com)  
Tel: +44 (0)20 7968 8830

Michelle Jarman  
[michelle.jarman@angloamerican.com](mailto:michelle.jarman@angloamerican.com)  
Tel: +44 (0)20 7968 1494

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)

**Notes:**

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 copper, nickel, platinum group metals, diamonds (through De Beers), and premium quality iron ore and steelmaking coal – 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)



### **Group terminology**

In this document, references to “Anglo American”, the “Anglo American Group”, the “Group”, “we”, “us”, and “our” are to refer to either Anglo American plc and its subsidiaries and/or those who work for them generally, or where it is not necessary to refer to a particular entity, entities or persons. The use of those generic terms herein is for convenience only, and is in no way indicative of how the Anglo American Group or any entity within it is structured, managed or controlled. Anglo American subsidiaries, and their management, are responsible for their own day-to-day operations, including but not limited to securing and maintaining all relevant licences and permits, operational adaptation and implementation of Group policies, management, training and any applicable local grievance mechanisms. Anglo American produces group-wide policies and procedures to ensure best uniform practices and standardisation across the Anglo American Group but is not responsible for the day to day implementation of such policies. Such policies and procedures constitute prescribed minimum standards only. Group operating subsidiaries are responsible for adapting those policies and procedures to reflect local conditions where appropriate, and for implementation, oversight and monitoring within their specific businesses.

### **Disclaimer**

This document is for information purposes only and does not constitute, nor is to be construed as, an offer to sell or the recommendation, solicitation, inducement or offer to buy, subscribe for or sell shares in Anglo American or any other securities by Anglo American or any other party. Further, it should not be treated as giving investment, legal, accounting, regulatory, taxation or other advice and has no regard to the specific investment or other objectives, financial situation or particular needs of any recipient.

### **Forward-looking statements and third party information**

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, prospects and projects (including development plans and objectives relating to Anglo American’s products, production forecasts and Ore Reserve and Mineral Resource positions) and sustainability performance related (including environmental, social and governance) goals, ambitions, targets, visions, milestones 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, unanticipated downturns in business relationships with customers or their purchases from Anglo American, mineral resource exploration and project development capabilities and delivery, recovery rates and other operational capabilities, safety, health or environmental incidents, the effects of global pandemics and outbreaks of infectious diseases, the impact of attacks from third parties on our information systems, natural catastrophes or adverse geological conditions, climate change and extreme weather events, the outcome of litigation or regulatory proceedings, the availability of mining and processing equipment, the ability to obtain key inputs in a timely manner, the ability to produce and transport products profitably, the availability of necessary infrastructure (including transportation) services, the development, efficacy and adoption of new or competing technology, challenges in realising resource estimates or discovering new economic mineralisation, the impact of foreign currency exchange rates on market prices and operating costs, the availability of sufficient credit, liquidity and counterparty risks, the effects of inflation, terrorism, war, conflict, political or civil unrest, uncertainty, tensions and disputes and economic and financial conditions around the world, evolving societal and stakeholder requirements and expectations, shortages of skilled employees, unexpected difficulties relating to acquisitions or

divestitures, competitive pressures and 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.

Nothing in this document should be interpreted to mean that future earnings per share of Anglo American will necessarily match or exceed its historical published earnings per share. Certain statistical and other information included in this document is sourced from third party sources (including, but not limited to, externally conducted studies and trials). As such it has not been independently verified and presents the views of those third parties, but may not necessarily correspond to the views held by Anglo American and Anglo American expressly disclaims any responsibility for, or liability in respect of, such information.

©Anglo American Services (UK) Ltd 2024.  AngloAmerican™ and ™ are trademarks of Anglo American Services (UK) Ltd.

Legal Entity Identifier: 549300S9XF92D1X8ME43