Anglo American completes sale of New Largo thermal coal project in South Africa

Anglo American plc (“Anglo American”) announces completion of the sale, by its 73%-held subsidiary Anglo American Inyosi Coal (Proprietary) Limited, of the New Largo thermal coal project and Old New Largo closed colliery in South Africa (together, “New Largo”) to New Largo Coal Proprietary Limited, which is owned by Seriti Resources Proprietary Limited (“Seriti”) and Coalzar Proprietary Limited (“Coalzar”), two companies majority owned and controlled by historically disadvantaged South Africans (“HDSAs”), and the Industrial Development Corporation SOC Limited (the “IDC”).

As announced on 29 January 2018, the cash consideration payable for New Largo is ZAR850 million (approximately US$65 million).

Norman Mbazima, Deputy Chairman of Anglo American South Africa, said: “I am delighted to announce the completion of the sale of New Largo to a majority black-owned-and-managed company. As we said upon announcing the sale in January, Seriti, Coalzar and the IDC together have excellent operating and management capabilities to develop and operate New Largo optimally and sustainably into the future. This sale marks the completion of our long-standing strategy to exit our Eskom-tied coal assets and is yet another milestone in the sustainable transformation of the South African mining industry.”

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**Notes to editors:**

**New Largo**

New Largo is located in South Africa and its principal asset is the approximately 585Mt Coal Resource, with the related Mining Right, that is well-positioned to supply Eskom’s new Kusile Power Station. For further information on the Coal Resource please refer to the Anglo American Ore Reserves and Mineral Resources Report 2017.

**Anglo American plc**

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Registered Number: 3564138  Legal Entity Identifier: 549300S9XF92D1X8ME43
New Largo Coal Proprietary Limited
New Largo Coal Proprietary Limited is a newly-formed entity owned by Seriti, Coalzar and the IDC to acquire and develop New Largo. The company intends to provide meaningful equity participation for management, employees and communities in its structure.

Seriti
Seriti is a broad-based, majority HDSA-owned and controlled South African mining company, established with the aim of preserving and operating strategic energy assets for the benefit of South Africa and its people. Seriti is owned jointly by four strategic “anchor” shareholders, namely Masimong Group Holdings Proprietary Limited, Thebe Investment Corporation, Zungu Investments Company Proprietary Limited and Community Investment Holdings Projects. Seriti’s management team is led by Mike Teke who has extensive mining experience through the acquisition, operation and development of Optimum Coal Mines and Koornfontein Mines which produced approximately 10Mtpa of saleable domestic and export thermal coal and the development of other large scale thermal coal projects. Seriti acquired the Eskom-tied domestic thermal coal operations in South Africa from Anglo American in March 2018.

Coalzar
Coalzar is a broad-based, majority HDSA-owned South African company representing the interests of its shareholders who are focused on coal mining in the country. Coalzar is owned jointly by four shareholders, namely Attwood LM Investments Proprietary Limited, Elwood OM Investments Proprietary Limited, Voranex Proprietary Limited and Karongi Resources Proprietary Limited. Coalzar’s management team includes Pius Mokgokong and Lefa Mbethe, who have extensive coal mining experience having been involved in various coal operations in South Africa over the past 15 years including, through Liketh Investments Proprietary Limited, being involved in the operating of pit 5 at the Kleinkopje coal operations and having delivered over 20Mt of coal since 2003 to the Tutuka, Kriel, Matla and Khutala power stations.

IDC
IDC is a developmental funding institution, wholly-owned by the South African Government, established in 1940 by an Act of Parliament (IDC Act, No 22 of 1940) to promote economic growth and industrial development in South Africa and other parts of Africa. The IDC has significant South African mining exposure in the form of listed and unlisted investments.

Anglo American
Anglo American is a global diversified mining business and our products are the essential ingredients in almost every aspect of modern life. Our portfolio of world-class competitive mining operations and undeveloped resources provides the metals and minerals to meet the growing consumer-driven demands of the world’s developed and maturing economies. With our people at the heart of our business, we use innovative practices and the latest technologies to discover new resources and mine, process, move and market our products to our customers around the world.

As a responsible miner – of diamonds (through De Beers), copper, platinum and other precious metals, iron ore, coal and nickel – we are the custodians of what are precious natural resources. We work together with our key partners and stakeholders to unlock the sustainable value that those resources represent for our shareholders, the communities and countries in which we operate and for society at large. Anglo American is re-imagining mining to improve people’s lives.

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