Kumba granted residual 21.4% mining right for Sishen mine

Anglo American plc draws attention to an announcement issued today by Kumba Iron Ore, the text of which is set out below:

Kumba Iron Ore Limited (“Kumba”) is pleased to announce that the Department of Mineral Resources (“DMR”) has, after taking all the relevant considerations into account, granted the residual 21.4% undivided share of the mining right for the Sishen mine to Kumba’s subsidiary, Sishen Iron Ore Company (Pty) Ltd (“SIOC”) following the completion of an internal appeal process, as prescribed by section 96 of the Minerals and Petroleum Resources Development Act.

As a result of the grant of the residual 21.4% undivided share, SIOC is now the sole and exclusive holder of the right to mine iron ore and quartzite at the Sishen mine. This residual mining right will be incorporated into the 78.6% Sishen mining right that SIOC successfully converted in 2009.

Themba Mkhwanazi, CEO of Kumba, said: “Kumba welcomes the news of being awarded the residual right for the Sishen mine. As our track record shows clearly, Kumba is fully committed to transformation and will continue contributing towards the achievement of South Africa’s developmental objectives. We appreciate the work of the Department of Mineral Resources in bringing this matter to a successful conclusion.”

The consent to amend SIOC’s mining right, by the inclusion of the residual 21.4% undivided share, is subject to various conditions. The conditions, where applicable, will ultimately form part of the conditions to the Sishen mining right. These include the requirement for the continuation of the existing Export Parity Price (“EPP”) based supply agreement between SIOC and ArcelorMittal SA Limited (“ArcelorMittal”) in its role as a strategic South African steel producer, as well as SIOC’s continued support of skills development, research and development and initiatives to enable preferential procurement.

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**
Pranill Ramchander
pranill.ramchander@angloamerican.com
Tel: +27 (0)11 638 2592

Ann Farndell
ann.farndell@angloamerican.com
Tel: +27 (0)11 638 2786

**Investors**

**UK**
Paul Galloway
paul.galloway@angloamerican.com
Tel: +44 (0)20 7968 8718

Trevor Dyer
trevor.dyer@angloamerican.com
Tel: +44 (0)20 7968 8992

Sheena Jethwa
sheena.jethwa@angloamerican.com
Tel: +44 (0)20 7968 8680
Notes to editors:

The Constitutional Court ruled on 12 December 2013 that the residual 21.4% undivided share of the mining right in respect of SIOC’s Sishen mine remained available for allocation by the DMR and that, based on the provisions of the Mineral and Petroleum Resources Development Act, only SIOC could apply to be granted the residual right. SIOC subsequently applied to the DMR in relation to the residual right.

The key terms of the supply agreement between Kumba and ArcelorMittal, as per the 6 November 2015 SENS announcement are as follows: The EPP will be calculated on the basis of an international index (the “index price”) and, at certain index price levels, ArcelorMittal will receive a discounted price, as follows: if the index price is between USD60/t and USD70/t, ArcelorMittal will receive a 5% discount to the EPP; between USD70/t and USD80/t, a 6.25% discount would apply and at an index price above USD80/t, a 7.5% discount would apply. If the index price is below USD60, ArcelorMittal will pay the EPP.

Anglo American is a globally diversified mining business. Our portfolio of world-class competitive mining operations and undeveloped resources provides the raw materials to meet the growing consumer-driven demands of the world’s developed and maturing economies. Our people are at the heart of our business. It is our people who use the latest technologies to find new resources, plan and build our mines and who mine, process and move and market our products – from diamonds (through De Beers) to platinum and other precious metals and copper – to our customers around the world.

As a responsible miner, we are the custodians of those precious resources. We work together with our key partners and stakeholders to unlock the long-term value that those resources represent for our shareholders, but also for the communities and countries in which we operate – creating sustainable value and making a real difference.

www.angloamerican.com