Anglo American approves Aquila hard coking coal project in Australia

Anglo American plc (“Anglo American”) announces the approval by its Board of the Aquila project to extend the life of the Capcoal underground (Grasstree mine) hard coking coal operations in Queensland, Australia by six years, to 2028 (“the Project”). With an expected attributable capital cost of US$226 million, development work is expected to begin in September 2019, with first longwall production of premium quality hard coking coal in early 2022.

Seamus French, CEO of Bulk Commodities, said: “Aquila offers us a high margin six-year life extension to our Grasstree mine, with an average annual saleable production of 3.5 million tonnes (attributable) of premium quality hard coking coal at a real, post-tax IRR of more than 30%, and an EBITDA margin of 40% at consensus long term prices. The project benefits from low capital intensity as we can use the existing infrastructure and systems from our adjacent Grasstree mine that is coming towards the end of its economic life, as well as providing continuity of employment for our workforce.”

The Capcoal complex includes the Capcoal open cut and Grasstree underground operations, both managed by Anglo American. The underground operations are owned 70% by Anglo American and 30% by Mitsui & Co. Ltd. (“Mitsui”). The Project is also subject to approval by Mitsui. In 2018, the Capcoal open cut produced 2.0 million tonnes of metallurgical coal products and Grasstree underground produced 3.6 million tonnes of hard coking coal (attributable). The Capcoal open cut operations have a Reserve Life of 20 years, as at 31 December 2018.

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

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

Robert Greenberg
robert.greenberg@angloamerican.com
Tel: +44 (0)20 7968 2124

Emma Waterworth
emma.waterworth@angloamerican.com
Tel: +44 (0)20 7968 8574
Notes to editors:

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 mining operations and undeveloped resources provides the metals and minerals that enable a cleaner, more electrified world and that meet the fast 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 – safely, responsibly and sustainably.

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

www.angloamerican.com

Legal Entity Identifier: 549300S9XF92D1X0ME43