NEWS RELEASE

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

Anglo American plc (“Anglo American” or the “Company”) announces 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 (the “Purchaser”), 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”) (the “Transaction”).

The consideration payable for New Largo is ZAR850 million (approximately US$71 million). The consideration will be payable in cash by the Purchaser upon closing of the Transaction.

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 2016.

Norman Mbazima, Deputy Chairman of Anglo American South Africa, said: “I am delighted to announce the sale of New Largo to a new majority black-owned-and-managed company. Together, Seriti, Coalzar and the IDC have excellent operating and management capabilities to develop and operate New Largo optimally and sustainably into the future. The sale delivers on our long-standing strategy to exit our Eskom-tied coal assets and marks another Anglo American led step-change in the sustainable transformation of the South African mining industry, supporting both Eskom and the country’s transformation objectives.”

The Transaction is subject to conditions precedent customary for a transaction of this nature, including regulatory approvals in South Africa. The Transaction is expected to close in the second half of 2018.

The Transaction is a small related party transaction under UK Listing Authority (“UKLA”) Listing Rule 11, Annex 1, as the IDC, a substantial shareholder in the Company’s subsidiary Kumba Iron Ore Limited, is a shareholder in the Purchaser. The Transaction is subject to the requirements of UKLA Listing Rule 11.1.10R, due to aggregation with the related party transaction(1) that a subsidiary of the Company entered into on 14 February 2017 involving the Public Investment Corporation, an associate of the IDC, both of which are ultimately controlled by the Government of South Africa.

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Notes to editors:

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 HSDA 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 will be 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 entered into a binding agreement for the acquisition of the Eskom-tied domestic thermal coal operations in South Africa from Anglo American in April 2017.

Coalzar
Coalzar is a broad-based, majority HSDA-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 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 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 long-term value that those
resources represent for our shareholders and for the communities and countries in which we operate – creating sustainable value and making a real difference.

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1 The related party transaction refers to the sale of Anglo American Platinum’s 85% interest in Union Mine, by its wholly owned subsidiary Rustenburg Platinum Mines Limited, to a subsidiary of Siyanda Resources Proprietary Limited (“Siyanda”). The Public Investment Corporation (“PIC”) is a 30% shareholder in Siyanda.

The Public Investment Corporation (PIC) has a 13.7% shareholding in Anglo American plc.