

IRON ORE MARKETING

Timo Smit, Head of Iron Ore Marketing

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WORLD-CLASS CAPABILITIES, GLOBAL FOOTPRINT

World-class capabilities

Value-In-Use laboratory

Market Intelligence

Freight desk

Price Risk Management

Integrated sales & operations planning

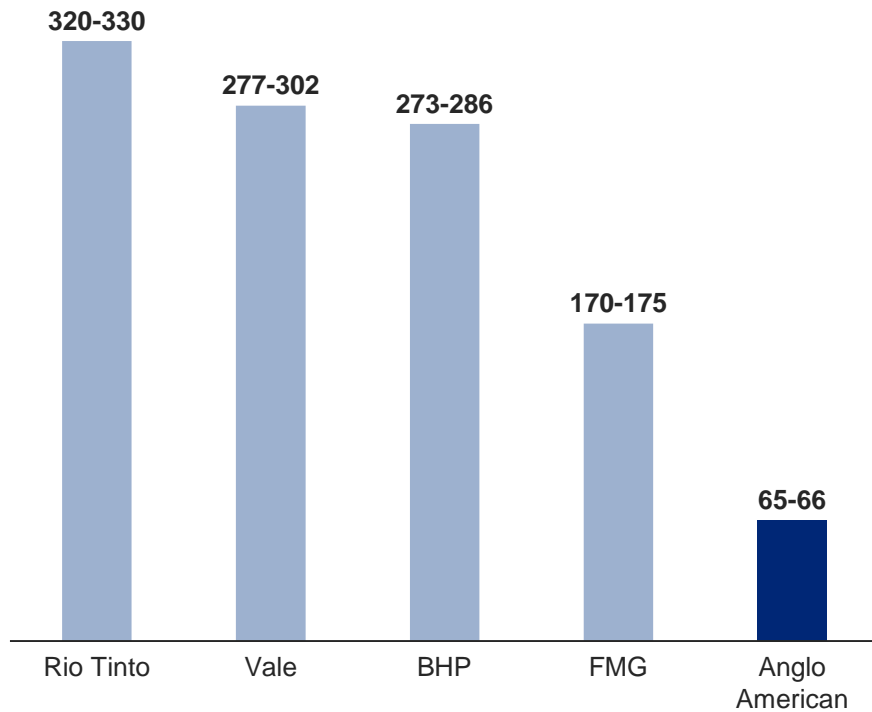
Performance management

Global footprint

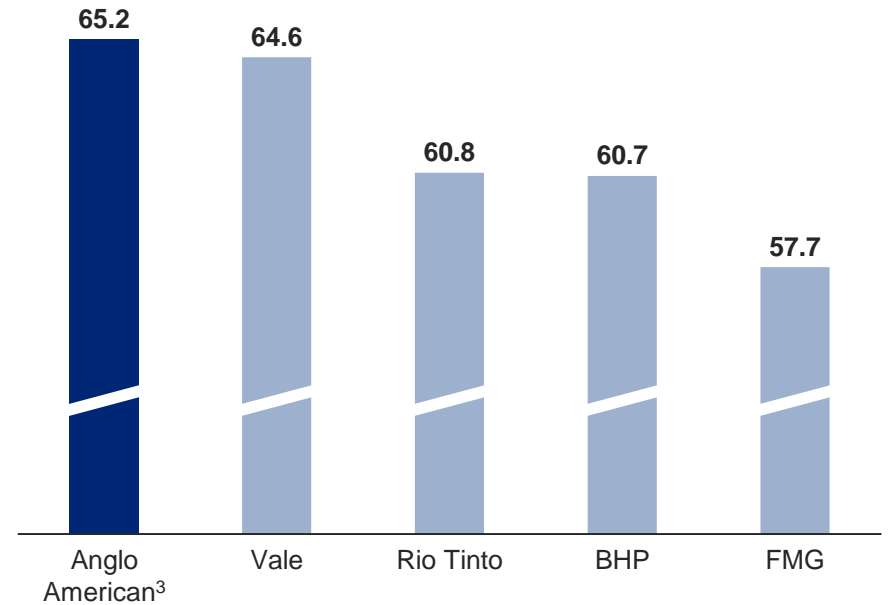


FOCUS ON QUALITY

2019 Export volumes (Wet Mt)^{1,2}



H1 2019 Average Fe content comparison (%)¹



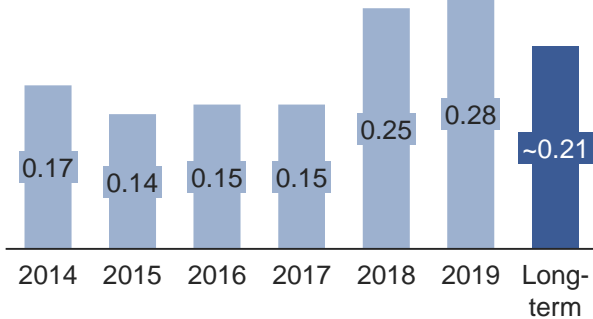
PREMIUM PRODUCTS WITH UNIQUE ADVANTAGES

Kumba: lump	Unique advantages	Applications
	<p>64-65.2% Fe grade</p> <p>Superior physical qualities</p>	 <p>Direct charge ore</p>
Kumba: fines	<p>63.2-64.6% Fe grade</p> <p>Coarseness: excellent sintering properties</p>	 <p>Sintering</p>
Minas-Rio: pellet feed	<p>66-68% Fe grade</p> <p>Ultra-low contaminant levels</p>	 <p>Pelletising</p>  <p>Sintering</p>

STRUCTURAL CHANGES SUPPORT QUALITY PREMIUMS

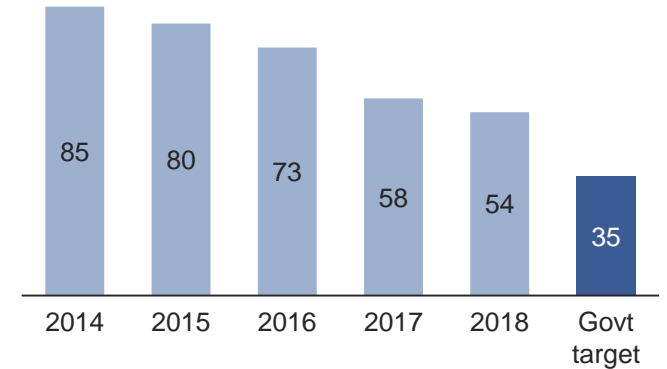
Lump premium (Platts, US\$/dmtu)⁴

Annual average



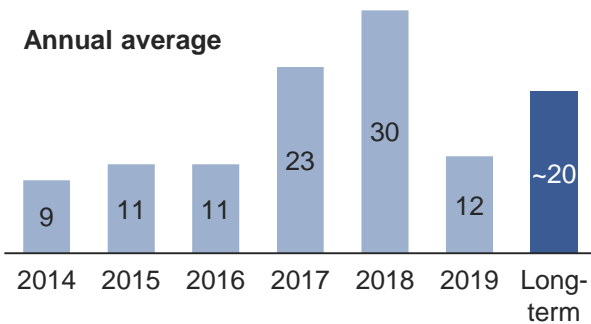
Tighter emissions standards
Escalating sinter costs
Sinter displaced by lump

Beijing air quality (PM 2.5)⁴



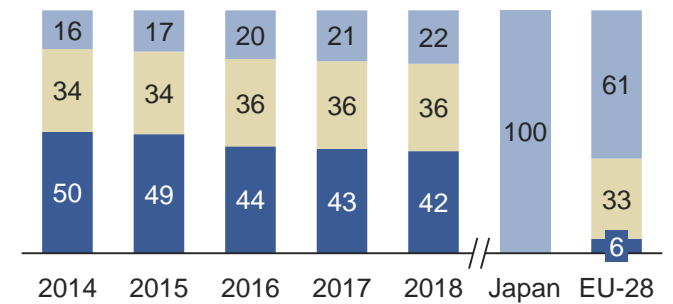
62% vs 65% premium (Platts, %)⁴

Annual average



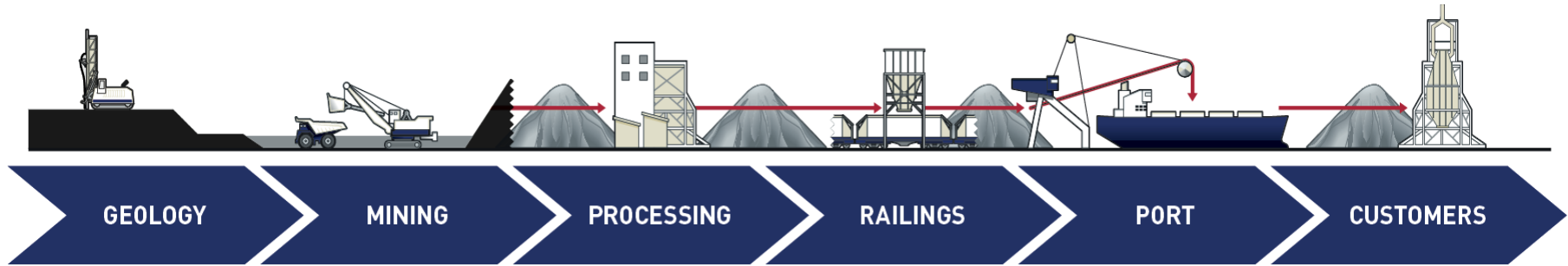
~250Mt steel capacity reduction
Bigger blast furnaces
Steel industry consolidation

China blast furnace size ^{4,5} (%)



>2000m3 1000-1999m3 <1000m3

RIGHT PRODUCTS, RIGHT CUSTOMERS, RIGHT TIME



Integrated Sales and Operational Planning (ISOP)

Kumba

Blending intermediate products to meet customer Si & Al requirements

Optimising quality vs volume trade-off

Continuous focus

Minas-Rio

Upgrade product portfolio, phasing out 65.5% Fe product

2019

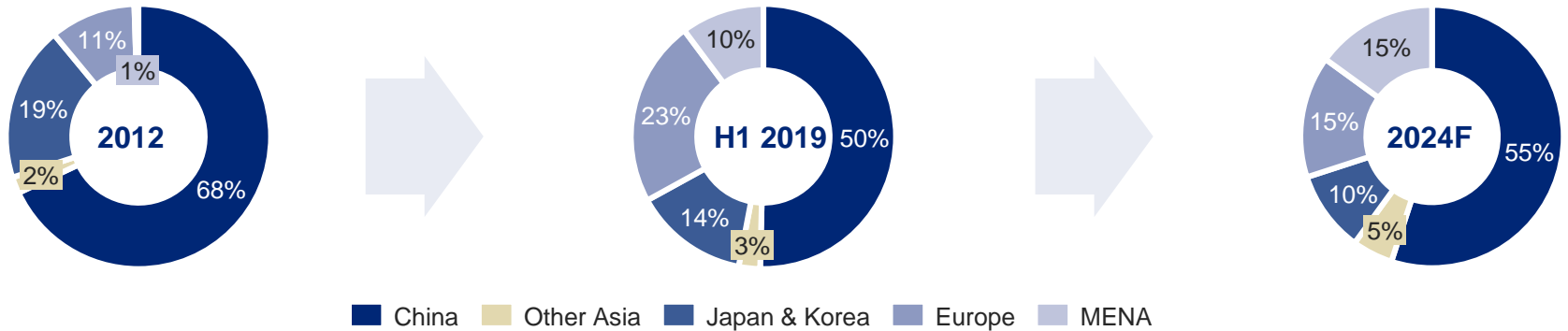
Kumba + Minas-Rio

Blend Kumba fines with Minas-Rio pellet feed: creating high grade sinter feed

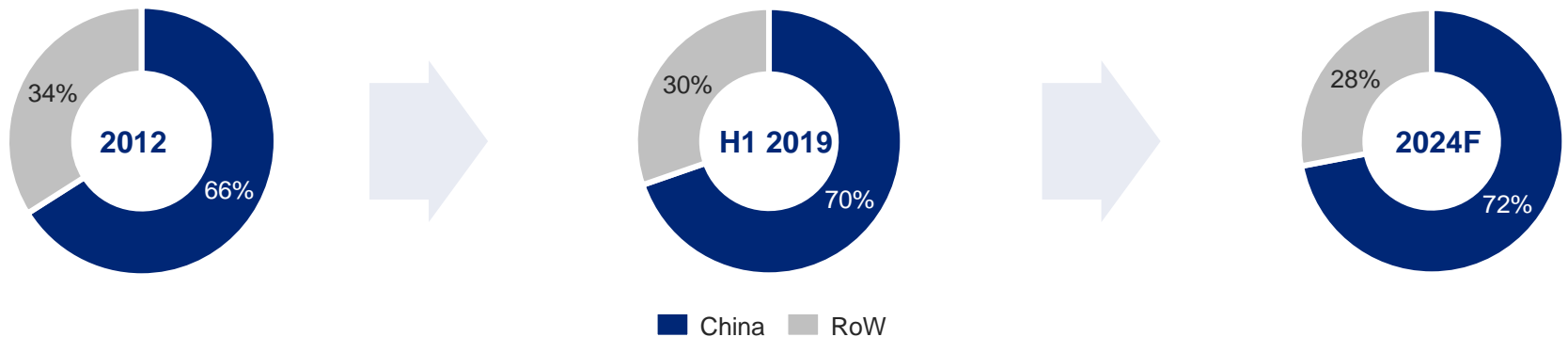
Study in progress

EVOLVING GLOBAL IRON ORE CUSTOMER BASE

Customer base increasingly diversified

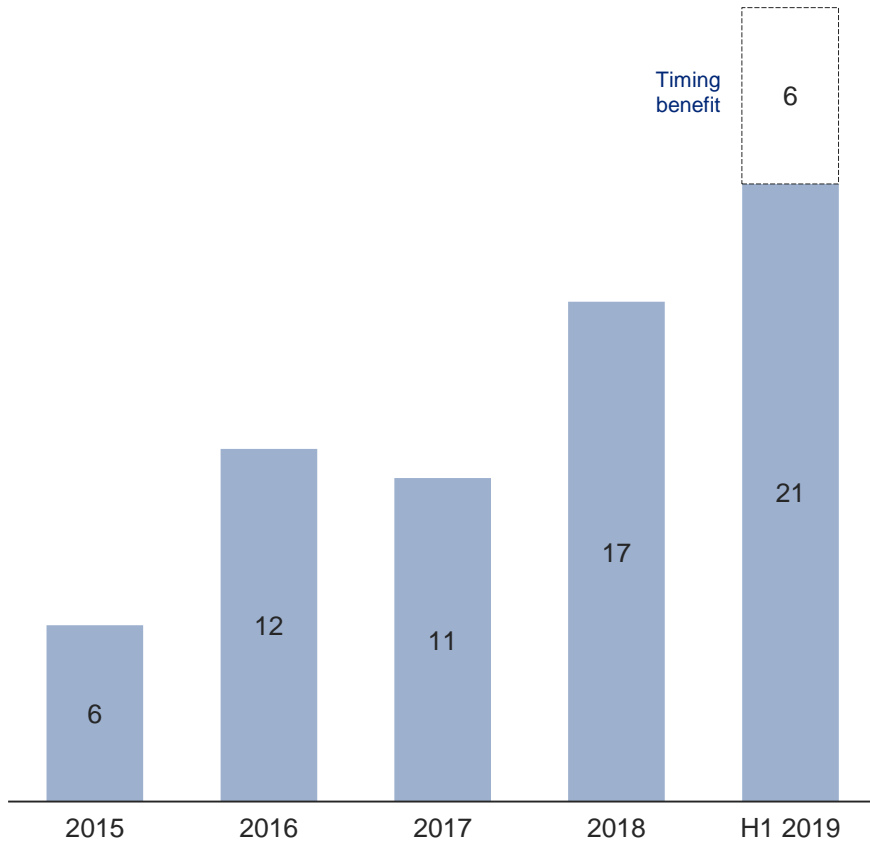


Increasing China share of seaborne iron ore market

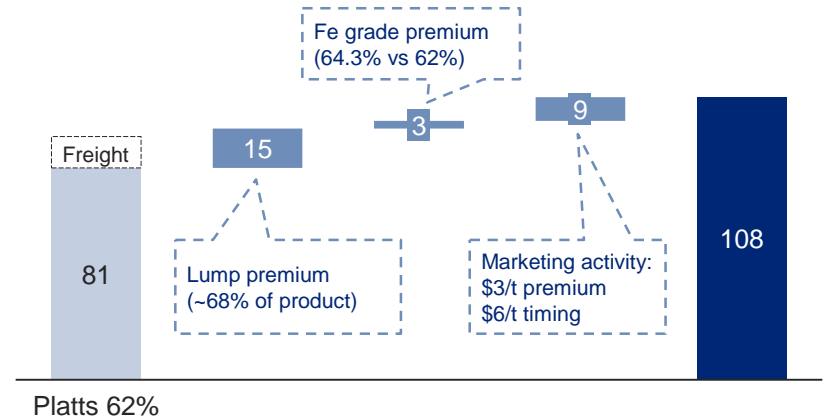


MARKETING SUPPORTING PRICE PREMIUM BENEFITS

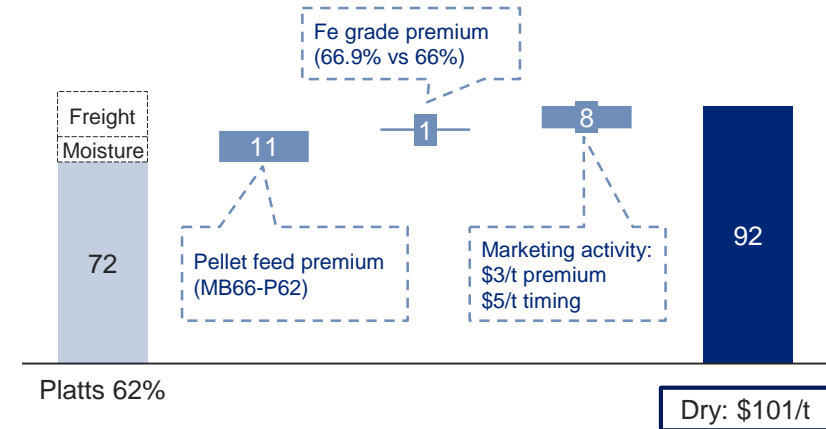
Kumba price premium (\$/t vs Platts 62% index)



Kumba realised price H1 2019 (\$/t, FOB, dry)

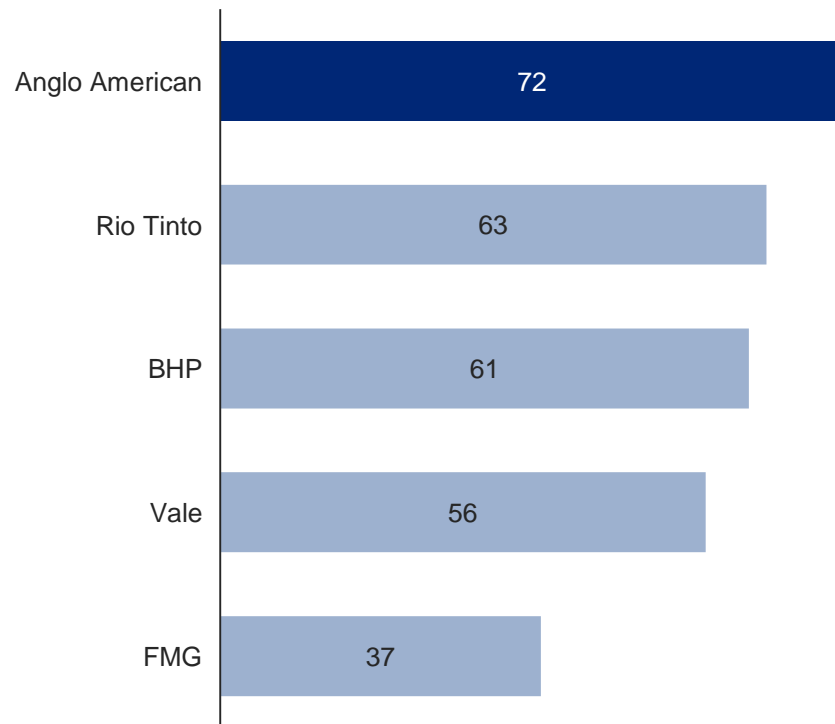


Minas-Rio realised price H1 2019 (\$/t, FOB, wet)

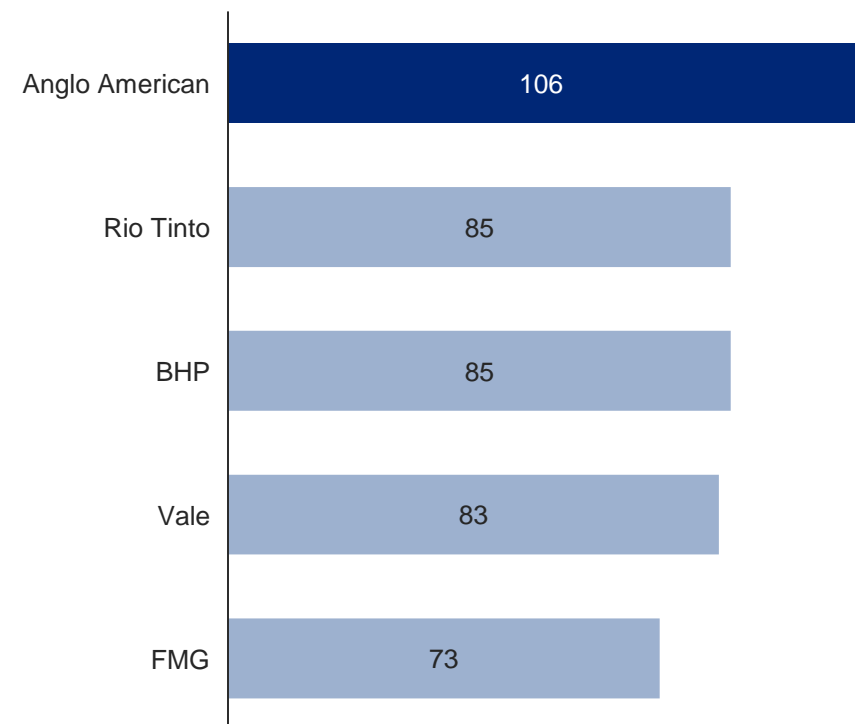


PREMIUM QUALITY AND PREMIUM CUSTOMERS: DRIVING PREMIUM PRICES

2018 realised FOB price⁶ (\$/t)



H1 2019 realised FOB price⁶ (\$/t)



FOOTNOTES

1. Source: Company reports, Wood Mackenzie.
2. Rio Tinto: CY2019 guidance range; BHP, FMG: Jun 2019-Jul 2020 guidance range; Vale: Estimated export volumes; Anglo American: Kumba volumes on dry basis.
3. Kumba: 64.3% Fe; Minas-Rio: 66.9% Fe.
4. Source: Beijing Urban Master Plan, 2030; CISA, MIIT, Wood Mackenzie; WSA, CRU.
5. CISA member mills only.
6. Source: Company reports, Wood Mackenzie, excluding pellets. Anglo American weighted average price on dry basis.