Anglo American

Investor update

11 December 2020

Mark Cutifani [Anglo American]: Welcome everyone.

Slide 3: Driving towards a safe & healthy future

We have been pleased with the consistent improvement across the business, although as you can see, we are not yet at zero and so, there is always more to do. Since 2013, we have recorded an 87% reduction in fatal incidents, a 93% reduction in health exposures and a 97% reduction in environmental incidents. Looking at the top 25-odd companies, our improvement in safety and health has been at twice the average industry improvement rates. Some would argue that we came off a more difficult base but we have continued to improve at a healthy rate and obviously for us the first target we want to achieve is zero fatal incidents., We continue to move closer to our target but still have more work to be done.

On health, our WeCare programme has been our central focus in 2020, as part of dealing with Covid and I will talk a little more about that in the next couple of slides.

On environment, the emerging maturity in our planning and associated processes has helped us to improve our performance on the environmental side. In particular, the work that we have done on our operating processes through the Operating Model, really is key. We are probably only 60% of the way through the implementation of our Operating Model, as it is a long implementation programme, and it is very much about culture as well and the way that we plan and execute our work. The focus is sharpened up through the environmental work and through our "Environment 365" programme which is a key part of the progress. We are making good progress but there is more to be done. When we talk about safety and health, from our perspective, it is not a box tick. When we talk to our targets for a business, it is all part of the sustainability that we need to build into the business and make sure that the business is both delivering value to shareholders and we're resilient - through the portfolio of assets and our approaches so we are delivering and can deliver consistently through cycles.

Slide 4: Committed to delivery

We look at effectiveness. When shareholders judge us, we say that the first thing we need to deliver is free cash flow from the operations to return capital to shareholders, to invest in the business and to invest in new opportunities in the business, so that we continue to give you a balance in terms of value and returns. Stephen will talk to our balanced approach but it starts with the ability to be able to generate better than 10% sustainable free cash flow thorough the cycle, which puts you in the top quartile of businesses across the mining industry. If you get to 15%, it puts you at the top of the industry through the cycle - we have been up near 12-13%.

In measuring the cash flows, we think it is equally as important to focus on our efficiency measure, which is return on capital employed. Now, obviously the marketing difference return on equity is a little different. We understand the nuances but overall as a business we are looking to deliver better than

15% through the cycle. That then gives you comfort that we are using your money appropriately in generating sustainable free cash flow.

Finally, across our 7 pillars: safety & health, environment, social performance, people (making sure we have the talent pool to keep building the business and improving the business), production (and the resource base), unit cost position and then having a flexible balance sheet. This is absolutely key to making sure we can deliver those opportunities over the long-term, which is critical. And then in today's world where ESG issues are becoming more and more the focus, we are making sure that we are reducing the physical and energy footprints, reducing greenhouse gas emissions and water use, and making sure we are doing all of the things that you expect us to do in terms of navigating and being a leader in the industry across all fronts. It is all about creating a sustainable business.

Slide 5: Covid response

In terms of specific challenges we have had in the year, we have applied a holistic approach to Covid consistent with our overall approach in terms of our social engagements and connections with our local communities through to our federal governments and obviously through our employees. Our WeCare programme, we believe is the benchmark for the industry in terms of focusing on protecting individuals, employees, local communities and how we protect livelihoods for both employees and our communities have been very important and well recognised across the globe in all jurisdictions that we work in.

In making our operation safe, we were very quick off the mark in engineering new processes (which came through our Operating Model) and making sure we are keeping people healthy. On our projects we have everyone back to work, with social distancing in place. So all of this work and all of the things we have done with the communities has really helped build a stronger relationship with our local communities and for us it has been very much about building on the connection in terms of communities all the way through to federal governments, making sure that when people think about the soft issues, that they look at Anglo American and say: There is a company we can do business with. Whether it is a government, a local community, an indigenous community or our employees, we have to be front and centre and we want to be the go-to company in terms of the partnership for the long-term. We think it is the only way you can build a resilient business and protect the delivery of returns to shareholders for the long-term. We want to be the favoured partner for all of our communities.

Slide 6: A transformed, robust business

We are a very different business today. We are still a work in progress. You can see that through the portfolio restructuring, the Operating Model implementation, the technical improvements, the focus on the ESG work and our capital discipline, we have gone from 30% EBITDA margin to 42% in 2019 and the way things are looking we will do that, at least, for this year. So the guys have done a fantastic job in the operations in protecting the business and keeping our costs tight. With the projects and the cost and the volume improvements, we believe our margins will be in the range of 45 to 50% as we head

into 2023. We are on track to deliver on our targets and it continues the transformation for us as a business.

Slide 7: 2020 A solid portfolio performance

A quick look across the portfolio. At De Beers, we are seeing promising early signs on demand recovery after what was obviously a tough year. We're closely watching the US selling season a bit early to call but looks encouraging despite the obvious Covid issues in the US. China has been very strong. The one-year extension in Botswana recognises the impact of Covid in 2020 and will allow us time to finalise the conversations in an appropriate way. In stepping back from the current situation, Bruce and the team had been looking to transform the business to align to modern markets and are in that process as we speak. For us, it is about making sure we have the best business we can in diamonds. The other most significant emerging issue, is the tightening supply across the industry. Of the 30 million carats we have seen drop out of the market, I would say about two thirds probably won't come back given the Argyle closure and other issues.

In Copper, the team has done a great job continuing to drive efficiencies with strong performance across our operating portfolio despite continuing water challenges but they have been able to mitigate through improving the water consumption efficiencies and gaining access to other sources so that we are able to maintain our guidance. Unit costs are about $1.10/lb - without the help of by-product credits. The Operating Model and P101 work is well embedded in the operations and is setting us up for the next wave of technology implementation.

In PGMs, obviously a tough start to the year but the second half being stronger. The news this week we have the ACP A unit up and running three weeks ahead of what we had forecast and the gearing up has gone really well - new design parameters; 8 different control systems we have been able to put in around the bringing up of the ACP. Clearly more to be done.

In Bulks, clearly a tough first half in Met Coal, balanced off with strong performance by Minas-Rio's, best year yet and the pig run there has gone well. The guys had forecast where we would have to make some pipe replacements, I think there were 4 lengths pipe, all planned, done, finished on time, the best production ever, cost was strong. Kumba made a solid contribution for the year, working well with Transnet to make sure we can keep going forward and delivering strong numbers. With that I will hand to Stephen.

Stephen Pearce [Anglo American]:

Slide 9: Balanced and disciplined approach

Thank you, Mark. Picking up on Mark's points, it is a combination of maximising revenue through the Marketing team's focus and the continued focus around productivity and costs, a strong and a flexible balance sheet, returns to shareholders and disciplined growth. These have been and remain our focus areas as we go forward. One of my favourite sayings that Mark mentions is, it is all about getting the

balance consistently right. We have continued to generate good cash returns - $5 billion returned to shareholders since 2017; maintained a strong balance sheet even after a tough first half. We are looking to ~ 20% growth in copper equivalent volumes by the 2023 mark and then a year or two after, things like the Moranbah-Grosvenor debottlenecking and the Mogalakwena expansion, bring us up to the ~25% growth in volumes by 2025 that we think helps to set us apart. Alongside this, a combination of cost and productivity improvements and technology and automation brings our margins up to the 45-50% mark.

Slide 10: 2020 Full year guidance

Capex is at the low end of the range that we have guided, driven by a few items that have been necessarily rephased or rolled over to 2021 and 2022 along with the continued dollar strength in much of the second half, so the impact of exchange rates also helping to bring the amount down. Of the ~$4 billion, ~$2.6 billion is sustaining capital, in which we include lifex expenditure perhaps a little differently to others, and ~$1.4 billion in growth - the majority of which is Quellaveco spend.

In terms of inventory, we saw it build in the first half, as we flagged at the half year results, and we were hoping to wind it down a bit in the second half. As we signalled last month with a small gap between bringing the ACP B unit down and a successful start-up of the ACP A unit, it means that in PGMs we have seen a further build up in the second half. We have also elected to take some advance purchases of diamonds from Botswana to position us well for Q1 if we see the continued recovery in demand. So we are expecting a build of ~$1.7 billion for the year. We will try to work it down a little between now and the end of the month, but the major run down will happen in the next 18 to 24 months.

Alongside all of that, pleasing performance on costs, so all the business units are on track, other than Met Coal, who has a slightly higher outcome around the $85, rather than the $80 a tonne we previously guided. Overall the teams have worked incredibly hard through the year and, with a little help from foreign exchange, despite 9% lower production, the unit costs are better than those in 2019 by 3%.

A few other guidance points: depreciation at ~$2.7 billion, so a touch lower than expected, foreign exchange the main influence. Cash interest, around ~$400 million in line with last year; the P&L interest is a touch higher with some of the fair value accounting. And the tax rate for the year at ~32%, although we expect it to come down to the 30 to 33% range going forward. And as to remind you, while always subject to Board approval, the dividend policy remains at a pay-out ratio of 40% of underlying earnings.

Slide 11: High-returning growth options and business improvement drive near-term capex

On the capital front we have seen some work deferred from the year, and we are guiding that will carry over ~$300 million into 2021 and ~$300 million into 2022. In 2021, we incorporate a ~$500 million planned capex spend for Woodsmith, predominantly around the tunnels and the shafts where we continue to make good progress. There is also ~$100 million extra spending on gas and water management, taking the 2021 guidance to the $5.7-6.2 billion range.

Looking further forward to 2022, largely driven by rollovers and the expected construction of a desalination plant at Collahuasi – while it is not formally approved, it is a good example of pre-investing for the next phase of growth-enabling initiatives while also underpinning existing operations and future projects in a sustainable way. We will pick up a little bit of bottlenecking in PGM's processing. In 2022, we have shown the number before any Woodsmith capex and we will come back to you with firm numbers on that when completed and reviewed through the first half of next year. As we have said previously, you will start to see a moderate amount of spend on sustainability initiatives, particularly in the areas of water and gas management, bulk ore sorting and coarse particle flotation - all good initiatives from a sustainability perspective but also very much from an economic returns perspective.

From 2023, we are investing in value adding lifex spend, mainly around diamonds, Kumba and PGMs and I expect we will start to move the hydrogen truck initiative forward when we complete the initial phase of testing.

To remind you, we are delivering the ~20% growth in copper equivalent production across the 2023 period and that also comes with a spend to sustain it. And with attractive range of brownfield projects coming, Collahuasi, Mogalakwena and Moranbah-Grosvenor, that pushes us to ~25% growth by 2025.

Slide 12: Improvement initiatives on track for 2022 delivery

It is not just about growth, although the growth does set us apart. I also wanted to touch on the blocks of value that we have been focusing on over the last couple of years and the guidance we gave to 2022. We continue to drive operational improvements through the Operating Model and the P101 work, and we have seen great performance at Minas-Rio and Copper, in particular. We will unpick the numbers in more detail when we deliver the year-end February results but the operational work very much on track to deliver the underlying run rate improvement of $1.5 billion. On the technology and innovation, you heard from Tony in October on the progress we have been making. Bulk ore sorting is rolling out. The first of the coarse particle recovery units is in construction at El Soldado, with commissioning due in Q1 2021. We are seeing really good results from the digital technology we have been implementing, advance process control helping to drive some of the plant efficiencies. On the project side, again, on track, and Mark will cover some of the specifics shortly. In combination, very much on track for the $3-4 billion run rate of improvement in performance and really good confidence that with the initiatives that we are working on you will see it continuing also into the 2024/25 period.

Slide 13: Disciplined, margin enhancing growth

In summary, really good growth in the near term and I encourage you to look at the production guidance in the appendix, particularly regarding Quellaveco, and put those numbers into your model. For 2021, a further 3% improvement planned in unit costs next year, that continues the improvement in cost journey around cost, volumes and margins. Mark, back to you.

Mark Cutifani [Anglo American]: Thanks, Stephen.

Slide 15: Copper: World class growth

At Quellaveco, the build-up of activity in the second half has been solid as we remobilise the majority of the workforce. We are currently running at about 10,000 people on site and productivity is picking up. We have implemented a range of social distancing requirements, the cost provisions already made for that in the numbers, so no changes. We expect to spend around ~$1.3-1.6 billion in 2021, of which our share is ~$0.8-1.0 billion. That capital range remains in the ~$5.3-5.4 range for the project total. Whilst we were running probably closer to six months ahead when we were hit by Covid, the guys have done a fantastic job in holding our original target schedule and so we expect to have a good run at that.

More widely in Copper we are working through the permitting of the Collahuasi expansion and the Los Bronces underground projects as well. If you look beyond Quellaveco, Collahuasi and Los Bronces, we have our polymetallic project up north in Sakatti, where we are going through the permitting process too. So, the positioning in copper is fantastic for us, heading towards 1 million tonnes of copper, and pleased to see the pricing going where it is going. Clearly, the ESG transitions, that we expect to continue at pace, underpin that growth as they benefit those metals that will support that transition, so we are in a good place with copper, nickel, PGMs.

Slide 15: Woodsmith – major resource & unique asset

On Woodsmith, the different parts of the project are in different places but we are progressing them all. There is the mining infrastructure, which is doing extremely well - we are not far off starting the shafts – as well as the processing area and the Marketing. In our technical reviews, and we had seen these issues through our pre-acquisition due diligence work, we are supporting the team with some changes to the mining concept and on the infrastructure side; the processing is solid with the only question being if we have enough capacity in a couple of areas. In the acquisition model we made the right provisions for those sorts of things.

We have got 200 farms testing our product as we speak. The feedback on the marketing side has been strong. So, our commitment or our decision to increase the spending reflects our focus on the critical path (being the tunnel and shaft), so we will keep those moving forward. We will be at a point in February to update you on regarding the technical side and expecting to go to the Board with the next phase or the more detailed execution plan that we expect on a go-forward basis. So I don't want people to be confused in terms of are we going ahead or not? We are going ahead. We are in the process but making sure it is done well, it is executed to the plan and we deliver on that potential.

Slide 18: Portfolio positioned for a sustainable future

In terms of the future, we have a very different portfolio to many of our peers as you know. Our suite of products suits demand from a consumer-driven world with a growing population, an increasingly electrified world and a greener world with a focus on preserving the environment leads to changing

behaviours in a range of areas. It is increased renewables, the growing hydrogen economy that we have been talking about for a number of years, tighter emission standards and more modern, cleaner steel-making. More than half of the output is focused on consumer-led and environmentally-led demand and that number will increase. As you can see from the charts, we are going to ~65% of the later cycle products.

Clearly, Woodsmith as a swap for thermal coal looks today to be a really good move and has the potential to be a more significant contributor than the thermal coal business. We think we are making the right choices from a portfolio perspective. Our steel-making raw materials are high grade, both in iron ore and met coal; therefore, less wasteful than the lower grade peers. We are positioned to run the business sustainably and being disciplined with the capital to grow the business in terms of cash flow and returns.

Slide 19: High quality bulks for a developing world

In terms of Bulks, the focus is on high-quality products and competitive cost positions. You can see on the chart where we were in 2012 with our bulks mix and clearly the pathway out of thermal coal is clearly set in terms of our intention to demerge the South African thermal coal operations in the next couple of years ago and the feedback from the stakeholders is positive. At Cerrejón, we are looking at the best way to take our position forward, not a straightforward exit given we have two other partners but we expect to be out of the asset within 1.5 to 2 years. So then the bulks portfolio is high grade iron ore and high grade met coal. If you look at the revenue and EBITDA contribution for that portfolio against where we were in 2012 you can quickly work out that the EBITDA contribution is much more solid on a go forward basis compared to 2012 as we are now generating more EBITDA at 25% lower prices for those commodities, even though the tonnes of material we are producing is reduced. It is about the quality and the focus on margins.

Slide 20: De Beers positioned for diamonds recovery

At the consumer end of the portfolio, worth highlighting the early signs of recovery in the second half of the year. The sales picked up in the last three Sights in particular and, as we said, we will wait for the key selling season results in Thanksgiving and the New Year, so far - looking solid. Clearly, Covid is impacting the US but it does look as though people are still buying so we will update you on that selling season more fully in the New Year. What is the most important thing in terms of the industry, is the fact that we have seen destocking in both the midstream and the downstream more so than we have seen since any time I'm aware of and certainly since 2008, so we estimate that the destocking of the midstream is ~25%, leaving a solid diamond value chain that is well positioned to pull demand through quickly as sentiment improves.

On the supply side, 30 million carats offline – including Argyle closing and we are guessing two thirds of the 30 million will not come back. So a market where we think there is potentially a supply deficit. Yes, we have incremental production available to bring on but it will be brought on responsibly and

consistent with what we see as appropriate for the market. We will look to protect and to improve our margins and we would expect pricing to reflect those challenges in the market. We expect that the investments we made in marketing will yield positive impacts as well as our focus on the brands and the continuing restructuring through the business.

Slide 21: Environmental focus driving PGM demand

PGMs - the pricing is strong and importantly, It is based on fundamentals. Tighter emission standards in Europe and China in particular are driving demand for palladium and rhodium and also a diverse range of other demand sources continue to emerge: food storage, glass making, 5G technologies. The key point here being that these are young metals with unique properties and we are putting money into venture capital organisations that are driving new demand opportunities for our products to support future demand. In diamonds, precious metals and in other metals we will look at all parts of the value chain to look to drive demand for our products.

Slide 22: Hydrogen drives long term platinum demand

Tony and the team have done a wonderful job pulling together and designing a new hydrogen battery hybrid truck. We expect it will be in place early next year. It is the first of its kind. To go from a standing start less than 3 years ago and to be building a truck and having it on the ground within 3 years of first concept is something remarkable. For those that have tracked some of the developments of high-profile electric vehicle companies, nobody has done it as quick as Tony and his team have done in this case. So we look forward to seeing the prototype on the ground next year and also a range of other technical developments that we have are driving the business to a different set of outcomes, underpinning our approach in terms of energy reductions and carbon neutrality objectives in 2030 and through to 2040. So for us and to Stephen's point about ESG investment making good business sense, we think that the technology developments and the position we are taking across the industry will help to drive our cost and efficiency improvements and take us into a different place in terms of ESG and we believe we are taking a leadership position across both technology and ESG development perspectives.

Slide 23: Active route to a greener world

Hydrogen trucks are part of that pathway to a greener world in terms of grid strategy and part of the commitment towards the environment in minimising both impact and footprint. We have committed to making the business carbon neutral by 2040 and we have a pathway to do so. Tony and the team have developed the strategies and are working on the plans in terms of delivering the 2030 and the 2040 targets but it is also about water and our physical footprint. When looking at where we came from in 2012, with almost half the number of the operations we are producing ~15% more product, and as a consequence, the physical footprint that we occupy in the delivery of the production is significantly lower, so capital intensity is reduced and production intensity is increased and it is how we have driven a better than ~30% nominal cost reduction across the portfolio or ~46% real cost reduction. ESG, energy reduction, efficiency, improving margins, improving returns, all fit together, as we have been saying for the last 5 years. We see it in the numbers and it is how we believe we can continue to improve

the margins to the 45-50% range. We are making good progress on bulk ore sorting, coarse particle recovery, a range of other technologies and also the P101 work, so those initiatives are positioning us in a different place. The fact that we are building the relationships with our local communities in a very different way as well is also a differentiator in terms of where we are building, developing projects and what we believe we can do with our local communities.

Slide 24: Investment proposition

Just a simple final message, our investment proposition is about the portfolio and our assets, making sure we have assets and resources that can be made competitive and we have demonstrated the ability to transform those assets into assets that are competitive at any level and we are right up with the best of the industry in terms of costs and productivities. We have worked hard to differentiate our capabilities - around understanding resourcing endowments, understanding technologies and technical changes and connecting it to our sustainability strategy and making sure that we are producing the products to support the world's growth in a way that creates a high value-adding, resilient business for the long-term. We are trying to make sure we have the balance right so that people will continue to support us and our growth story for the long-term.

Q&A

Jason Fairclough [Bank of America]: You are rolling out bulk ore sorting that can impact 100% of feed at three mines and give a big uplift of grade to mills, should we take the benefit of that as increased metal output and is it reflected in the new guidance? Similarly on coarse particle recovery?

Mark Cutifani [Anglo American]: The P101 work and the technology improvements are part of that growth and cost improvement that we expect to see going forward. Whether we have captured all of those, I suspect that we have not quite as Tony and the team are doing really good stuff on a whole range of fronts.

Tony O'Neill [Anglo American]: In the budgeting process, the coarse particle recovery and the bulk are sorting are included in the numbers. So, where we have got the technology stable, it is in the numbers, the newer technologies coming through behind this, and there are a number of them, are not in the numbers.

Stephen Pearce [Anglo American]: Some of these benefits as we implement the technology and roll it out across different plants you will see more strongly through the end of 2022 into 2023/2024 in terms of the financial numbers.

Mark Cutifani [Anglo American]: Tony and Stephen are working together on the things that we include in these forecasts. There is a whole range of other things that Tony is working on that we can overlay

and improve but we won't bring those out and talk to those until we are comfortable and we have an outcome.

Jason Fairclough [Bank of America]: Is the Collahuasi desalination plant to underwrite the existing production or for growth in production, or both?

Mark Cutifani [Anglo American]: It is both. It goes with the coarse particle recovery as well. We thought now is the time to get both in place, so that it gives us a lot more headroom in terms of what we want to do going forward. We think it is prudent, that it makes sense, and with copper where it is going, we think it is a great place to be.

Stephen Pearce [Anglo American]: It does account, as well as the rollovers, for that little bit of step-up in the capital across those years too.

Jason Fairclough [Bank of America]: How should we think about timeline for approval on the Collahuasi expansion projects?

Tony O'Neill [Anglo American]: I hope that we are at a position with the partners to take this forward by the end of 2021 and there is certainly a lot of work being done such as looking at the different size options. As some of the technologies come through, they are changing and improving the options so if we take a little longer, that will be the reason but I suspect that there will be better outcomes than we originally imagined.

Stephen Pearce [Anglo American]: Production is in the ~2024 timeframe.

Question: On lifex, shouldn't we be modelling sustaining capex of $4 billion in the long-term, rather than $3 billion?

Stephen Pearce [Anglo American]: For the sustaining capital, we indicated ~$3 billion which is broadly split ~$2 billion stay-in-business type projects and ~$1 billion stripping & mine development. You will get some timing with lifex from time to time; for example, sometimes you end up doing two life extension projects at the same time and it is a little higher. We try to include that in the sustaining numbers, rather than growth, because we think it is a fair representation as if you are not adding materially to the production then it is about replacing the existing production. I know others do it differently but we think it is a better representation. Some of the projects that will come through don't have huge dollars in any given year; for example, if you are doing a cutback at the diamond mines, it may only be $100 million in one particular year as you do it over a number of years, so it does vary a little bit. I would be surprised if it was that much in any one year.

Mark Cutifani [Anglo American]: It is probably closer to $3.5billion on a run-rate basis but don't forget, we are increasing the production by ~ 25% so, you would expect a higher spend. For example, Quellaveco will add ~$100 million on sustaining capital. The contribution from Woodsmith and Quellaveco in terms of sustaining capital is quite low and in fact it is well below the average per unit of production that we produce. Therefore, the sustaining capital per unit of production is actually lower as we grow in the current configuration. So ~$3.5billion average but it is a little lumpy.

Alain Gabriel [Morgan Stanley]: How should we think about the PGM volume risk in 2021? Assuming that the phase B plant will not be fully available as a backup?

Mark Cutifani [Anglo American]: I think it is at lower risk. We have commissioned the A unit. Natasha and her team oversaw the eight changes she made to the control system (both hard controls and soft controls) and Tony and his team were right in the middle of it with her. We have improved the integrity of the process and the efficiency of the process, given that they are up and running so quickly.

In the rebuild of the B unit over the next 6 months, they have some new technologies that we introduced in this current unit to bring in and it's important to note that we do these every three years normally.

I think that the way that we are running the A unit with the new controls that we have, has lowered the risk we've previously had that you have not been able to see and on the next cycle, she will then be able to break out the rebuilds into two-month lots so if at any time you have a problem, you are able to reconstitute the old unit and get it back online if there is a problem with the operating unit. On a longer term basis, the strategy when we are doing the rebuild of the offline unit will be very different to what has been done in the past so that you are able to box things up quickly and have an effective unit for that 6 months where you don't have the full unit available and then for 2.5 years you have the second operating unit fully available. So it is manageable in the next 6 months, no different to what we have done but we have a different strategy to change the profile as we look forward.

Tony O'Neill [Anglo American]: If we look at next year, we would hope that our P101 programme is largely complete and we have the business to the much higher operating levels. Our key focus then will be starting to work on stability at a much higher level. We are starting granular programmes around that using the Operating Model. I suspect you will see a much more stable business and more productivity but it is too early to predict anything.

Mark Cutifani [Anglo American]: That is why I said we only think we are ~60% of the way through the Operating Model work, it is the service strategy and the stability stuff now that Tony talked to that is the big opportunity to improve the business going forward.

Sergey Donskoy [Societe General]: On Los Bronces, what is the outlook for the water availability, can you give an update on the underground permitting process and when is it realistic to have the project green lighted?

Mark Cutifani [Anglo American]: On the water, we have been able to work with Codelco and we're able to take their excess water. We've continued to improve the efficiency of our water consumption and at the moment it's not a material constraint on the operation. Precipitation for the year is ~60-70% of the normal year, that is enough given how we run the place to keep it going forward. We are in pretty good shape for next year. But with the introduction of coarse particle recovery that will improve the position again. In terms of the underground, we have started the process but it is a 3-year process. The mining method protects the brown glacier area, consistent with the environmental requirements.

Danielle Chigumira [Bernstein]: Diamond production guidance has been lowered in 2021/2022 and kept low in 2023, is this Anglo exercising conservatism or has there been a structural market change?

Mark Cutifani [Anglo American]: We have been prudent. In 2018, we had the Indian financing issue impacting the midstream, which has been sorted. We had the US uncertainty in 2018 as well from the government shutdown there that knocked us around the Thanksgiving period. So, there is an appropriate degree of prudence being exercised in what we are forecasting going forward and we certainly aren't going to be a contributor to overstocking across the industry. Now, given the supply situation, we think it will be the key and we are going to watch that carefully. We won't push more production unless we are comfortable prices are going to increase. Current prices, in my view, will put additional pressure on producers and and you will see the production fall away at these sorts of levels as many parts of the industry cannot be supported at these prices. I'm expecting the prices to improve through demand but again, I think that the prudence we have shown in the forecast is appropriate. I'm hoping that we do a lot better and we can, if the market is there. We see a recovery in pricing that we think is critical for the industry and supply will continue to drop away if the prices do not pick up.

Stephen Pearce [Anglo American]: We've been carrying excess working capital through this year in particular. We bought a little bit of extra stock off Botswana to start next year so with a little bit of adjustment between production and sales you should see those things play out quite nicely.

Mark Cutifani [Anglo American]: I think if you have a weakening US dollar it is certainly supportive of diamonds as well but we will have to wait to see how the moving parts play out. We are hopeful and don't want to get ahead of ourselves.

Ian Rossouw [Barclays]: With higher capex guidance over 2022 and beyond, what do you see as the maximum capex you would consider to spend in any one year? With further project approvals, could guidance increase further?

Mark Cutifani [Anglo American]: It is a function of debt, what we see on a look-forward basis and what projects we have got.

Stephen Pearce [Anglo American]: Nothing has changed in terms of our mantra of one major project at the time. It will depend where and what scale that project will be. As Quellaveco gets closer to completion, potentially Woodsmith steps up into the breach of being the major development project. As we have said, some of the sustaining capital levels will step up a little given that the production is stepping up so significantly – the ~20-25% over the 3-5-year period. So some of it is for a very good reason. What follows from that? It depends on the opportunities that we decide to pursue, which depends on the markets, on the balance sheet, on the readiness, etc. The great thing we have spoken about is that there is a nice suite of projects that line themselves up over time. Not all of them are that mega multibillion dollar projects, many of them fall below that level – for example, the Mogalakwena and Collahuasi expansions aren't a $5 billion type Quellaveco project. We think we are well placed and we will balance them out as the markets and capacity make sense, so I can't really give a number as it will depend on the circumstances. We will always try to be transparent several years out but always conscious of the capacity that we can afford and is required.

Mark Cutifani [Anglo American]: If you think of it this way: if you look at Quellaveco this year, our share, in round numbers, ~$1 billion and we will put ~$500 million into Woodsmith and you have a national progression where Woodsmith follows Quellaveco but there is always a tail and lead. So, between the two, there is ~$1.5 billion and we have the capacity as an organisation to be in ~$2 billion readily in the types of projects. The idea is that you have one big one open at a time. Don't get yourself in a position that the company got itself into in 2012 and 2013 when I came in. You have Tony's $200-500 million on incremental improvements and technology, which is implemented by a different team in the organisation as well as sustainability spend. If you reconstruct those numbers, you will have a better sense of our capability to spend those funds sensibly, appropriately and efficiently. We have looked across all dimensions in making sure we are managing the organisation in control, and not letting ourselves get ahead of ourselves and get out of control. That means you can do a Sakatti and you can do a Mogalakwena at the same time because they are not big projects of themselves and we have the capacity to do that sort of work. If you have a big $5 or a 6 billion type of project it takes a lot more resources.

Stephen Pearce [Anglo American]: If you are putting the capex in your model, make sure you put the production in as well.

Myles Allsop [UBS]: How much flexibility is there in capex for 2022 and 2023 if we see weaker commodity prices?

Mark Cutifani [Anglo American]: On Quellaveco, we will continue to the finish line as it is important to get Quellaveco done. We have also done really good work on making sure that we tighten up the commissioning period (which we will talk to in February) but looking at how we can tighten it up to

improve the production and cash flow position in 2022 to 2023. On Woodsmith, there is more flexibility but we would still like to continue to drive for the filling markets. So, there is some flexibility but we would be watching the shafts fairly carefully and on some of our other works you would push Sakatti a little bit, push Los Bronces underground, so pushing those early phase capital pieces back. You can certainly pull back half a billion to a billion dollars if you had to, or if things were tight.

Stephen Pearce [Anglo American]: The reason we are careful in managing the balance sheet is so you don't need to make uneconomic decisions through the cycle. That is the starting point. Right at the minute, commodity prices, I'm not saying that they will stay where they are today but they certainly seem to be running in the other direction, which gives us a chance in the investment cycle to come out of this investment cycle with a very strong balance sheet, so, again, you can make the right decisions. Obviously, if commodity prices are weakening, then you may see currencies moving back. The last point I'd make is we have worked hard over the last 3 years to totally delink financing risk over the next 4 years and we'll keep that period rolling forward so that we have capacity and we can keep a lot of these projects that make great economic sense moving forward through the cycle.

Tony O'Neill [Anglo American]: Apart from the major projects mentioned, the rest of the portfolio is relatively small, discreet, high-returning projects. We have deliberately structured it that way so if push came to shove, some of them could be pushed out, no question about that. I think we have got the ability to flex quite readily.

On our innovation programme we don't look at anything that does not give us 40 to 50% margin . The numbers are out there for the contribution of P101 and technology but I disagree with them as I think they are light. But the fact of the matter is, I think there has been really good business performance around stability but this technology piece has really played into the difference this company is now showing from where it was 5 years ago. That is a reality and we can see a pathway for the next 3-5 years to keep going.

Myles Allsop [UBS]: Is 36 million carats of diamonds still possible? What prices are you expecting on Poly4 when valuing the Woodsmith project? What countries do you expect to sell the product in? And is Brexit a concern for sales to Europe?

Mark Cutifani [Anglo American]: Firstly, 36 million carats. Yes, our underlying production capacity could potentially exceed that. I have no doubt that at the right time, if it is appropriate and the prices justify it, we can push there a little further.

In terms of Woodsmith, what we have talked about is a value in use of $200 a tonne. We see more opportunities than that but it is still a work in progress. In terms of what we priced, we priced conservatively and we were talking about some product being sold, between $125-140. We were at the bottom end of that in terms of how we thought about the value point. Chris and his team have been thinking about how we can 'shandy' up the product and improve it because we believe it has a lot of

flexibility. For example, you can add other products that give you a much higher value in use, which is the beauty of the product we are producing. The real issue for us is how much production do you bring in and what is the balance between price and volume? We know exactly what the balance is between the two. In the early days we are going to really work hard to make sure that we get pricing right. We think if we get that right, we get the product priced well in the market, then our potential for margin growth over time is exceptional.

In terms of Europe, the good thing about what we are producing is it is a low-cost, bulk run-of-mine product that can literally go into any agriculture market around the world. We can target high-value fruit crops or bulk consumption depending on how we make the product and how we set it up as a blend for the distributors that we are working with. We would love to be selling into Europe and don't think tariffs will make that much of a difference to what we are doing and in any case, we can market the product around the world. Many people keep thinking about potash when they think about this and you should not be, you should be thinking multi-nutrient, low chloride, low carbon footprint product. We don't have to do all of the processing downstream that the other guys have to do to get out the potassium.

Tony O'Neill [Anglo American]: Mark and I went up to the site about 3 months ago, what struck me was that I think that we underestimated the optionality of this ore body. This ore body (in my mind) is a lot higher quality than we actually anticipated when we went into it. I think over time there will be far more options becoming available to us to play into the different markets Mark is talking about.

Stephen Pearce [Anglo American]: We are working closely with the relevant departments and the ministers of the UK Government. It has the attention given the importance of the project, particularly to the northern part of England. So, we are working closely with those authorities to make sure that we get the right registrations and processes in the years ahead.

Mark Cutifani [Anglo American]: And we had given it good thought too in the due diligence work prior to acquisition and we didn't think it was a material risk to the project.

Tim Clark [Standard Bank]: Anymore colour on the current diamond market? To what extent are you seeing demand to restock the pipeline? Do you expect the rough prices to increase? Also, can we have an update on the process to restart Grosvenor, please?

Mark Cutifani [Anglo American]: Firstly, diamonds continue to improve. The sentiment continues to improve. You have seen that the Sights have been very solid. Clearly, there is some catch-up buying but demand in China has been very, very good on the jewellery side. The US has been solid, given they are still in the middle of Covid. Now, when I talked about destocking, people have to remember that in 2018-2019, there was a lot of destocking going on in the US market from Signet and others closing stores and switching to online platforms so they don't need to carry the stocks. Approximately 40 million carats came out into the market at that point. That destocking has gone all the way right through to the end holder of polished. I think this is the most significant flush-out that we have seen on stocks since

2008. How that then manifests into the mid and the downstream with the pull back through in terms of stock, is something that we don't have an answer to, other than that we get the feeling that the demand is pulling. We will see over the next 3 or 4 Sights I suspect, how strong it has been but so far, we have been pleased with what we have seen. I need to be careful from a competitive point of view in terms of what I say, but when you see a 30 million carat contraction in supply, most of which is structural, and you still have got the demand that looks pretty strong. I think that the industry is shaping up into a much stronger position since 2008. In my view, that ultimately has to come through pricing. From our perspective, a healthy diamond industry requires supply (which is reducing) and it requires a healthy price, so from my point of view, I would expect a rebound. We have to manage it carefully, think of our customers and make sure that we supply our customers with the right product at the right times. We are being careful but I'm very hopeful and quietly confident that I think that De Beers is going to see a good two or three years.

Mark Cutifani [Anglo American]: On Grosvenor, we have come through the first part of the inquiry. No surprises in observations: some issues that we have to correct but nothing major. Restart will still be the second half of 2021. We will have the technology and the equipment to operate very early in the second half but remember we are subject to a public inquiry process and a Government process, so we are following that process as well. So, at this stage, we are on track to start early second half but we need to get the green light which may take a little longer. Maybe later in the half depending on the inquiry and anything that may come out of that process.

Tyler Broda [RBC]: Can you describe the specific lifex projects in 2021 and 2022 and should we expect this to be roughly a similar level into the long run?

Stephen Pearce [Anglo American]: Venetia moving from open pit to underground, Kapstevel South at Kolomela in Kumba, the Aquila project at Met Coal, the Mototolo lifex and the cutback at the Jwaneng diamond operation. Each of them in their own right are only ~$0.1-0.2 billion so not big dollars in one particular year, it is a question of timing as to when they start and when they conclude. And in terms of the long run level, that will be subject to timing.

Remember that for that sustaining capex in 2021, the main difference from the previous guidance is the ~$300 million rollover from the current year and the growth capex on Woodsmith.

Jack O'Brien [Goldman Sachs]: Can you give a breakdown of what is driving the higher unit cost guidance in 2021 for copper? We have gone from 110 to 120c/lb on the guidance.

Mark Cutifani [Anglo American]: The unit costs are doing a little better. With the P101 work, they will be at the top end of the shovel productivity so the actual unit cost per tonne move are continuing to improve.

Jack O'Brien [Goldman Sachs]: Can you provide an update on the exit from thermal coal and a view on palladium prices through 2021 as supply returns and given industry levels?

Stephen Pearce [Anglo American]: In May of this year, we indicated formally that we are looking to exit, probably over a 2-3-year time frame. Obviously, we are coming up to a year of water under the bridge where we've continued to work hard at that. We believe we are on track. I would love to see the healthier prices that we have seen out of South Africa continue over 12 months as it would feed nicely into the workstream but we are progressing well.

Mark Cutifani [Anglo American]: On PGM prices. We are starting to have a sense that activity into the New Year with vaccines etc going to pick up, and palladium loadings are increasing as the various jurisdictions need to make sure that they are managing emissions in new car sales. So there is a pull for product that could and should underpin prices. Now one question, and we are not sure of the answer, we still think there will be switching from palladium to platinum and the fact we are about $1,000 higher on platinum is part of it but we're not sure how quickly it will push. So we are strong on palladium and demand, and we are debating and, in some cases, arguing how much switching will occur into platinum during the course of the year, but we think there will be some. Rhodium looks strong but global demand looks robust on a whole range of fronts. Maybe, a little weakening in the US dollar, relative to what is happening elsewhere, will be helpful for the prices. We are happy with the current prices and maybe there may be movement between palladium and platinum, but on a basket basis, we have budgeted for a little less than you see there at the moment. But at the moment, the risk I think, generally is to the upside.

Stephen Pearce [Anglo American]: There is not a lot of stocks around, so providing that demand is healthy, then you can say, a fairly healthy palladium price for the next couple of years.

Mark Cutifani [Anglo American]: Generally, the mining production across the globe, looking back over the last 5, 6, 7 years, with the focus on development and growth and everybody trying to deliver and outdo each other in terms of returns, I think might start catching up with a few people. We have tried to keep our developed inventories in good shape but I don't think we are a common story across the industry. I think in the next year or two some of that will be tested in terms of the ability to actually deliver product into the market, particularly post Covid where some players have probably taken a few extra short cuts on development to try to keep the current production levels in reasonable shape. So, again, you guys are probably as good as anyone to be able to tell us what that would look like but I think it is a real issue for the industry at the moment as well.

Brian Morgan [Morgan Stanley]: Any update on the relaxation of foreign exchange controls in South Africa, please?

Mark Cutifani [Anglo American]: The Government, in everything that they have said and done, has been supportive. We have been able to do what we have wanted to do through the administration

process. They have been absolutely consistent on the policy front. It has become an administration process as opposed to going through the politics. Very constructive and positive and they really are focused on improving their attractiveness as a destination for FDI. I applaud them for that.

Stephen Pearce [Anglo American]: We have had permission to move money regularly and outside of the dividend-for-dividend restrictions that we had in the past, consistent with their announcements back in last February. We have maintained a terrific working relationship with SARB and National Treasury, and they seemed committed to moving down the policy path of moving to a more OECD type, normal regime, where it is more about monitoring in an allowed regime, rather than preventing and control in a disallowed regime. So a significant shift of bias. I would like to think that we will see continued progression as they have done last year and the mid-year. And we are working with them. They seem very, very committed to that journey, which is terrific.

Mark Cutifani [Anglo American]: Their behaviour has more than matched the conversation and the intent. So, today, there is nothing that we have seen that would suggest it is going backwards, if anything their behaviour has been absolutely consistent with what they've been saying. And that is really impressive.

Mark Cutifani [Anglo American]: To wrap up - the first half of 2020 was a half that we would all like to forget, and my most disappointing in the group. But the response of the teams to Covid in every location made me as proud as you could be in terms of people living our values and really making a difference in our local communities. From the GMC down, everybody swung in to make a difference. But beyond the humanitarian aspect of what was done, we also worked hard to get our operations back up. We led the South African industry with the processes and the procedures that we developed in negotiating with the Government to allow the mining industry to come back up because we are an essential service as we provide power and water. I think that there is a real understanding now of how important we are to those communities and to those countries and I think in many ways, mining in respect of its response to Covid, has demonstrated to many communities and countries that we really are important. We still have some ESG things to deal with and to get much better at as an industry but again, as Anglo, we are working hard, we are not perfect, we still have a lot of work to do. We think the way we are pitching and developing the business is consistent with what you would expect to see in terms of value, margins and resilience over the long-term. Our ESG strategy, I think, is leading and is turning out to be a really great place to be, given the way the world is shaping up. Thanks for giving us the time today for the questions. If we can help you to understand our story better, we are always available.